

## EMAMI POSTS ROBUST PROFIT LED GROWTH IN Q1FY24

### Q1FY24 HIGHLIGHTS

- ❖ **Consolidated Revenues** at ₹ 826 crore grew by 7%
  - Domestic Business grew by 7%
  - International Business grew by 8% (Constant currency growth of 11%)
- ❖ **Gross Margins** at 65.4% improved by 240 bps
- ❖ **EBIDTA** at ₹ 190 crore grew by 10%;
  - EBIDTA Margins improved by 60 bps
- ❖ **Profit after Tax** at ₹ 138 crore grew by 87%;
  - PAT Margins improved by 720 bps
- ❖ Completed **Buyback of shares** amounting to ₹ 185.3 cr (*excl. brokerage, taxes & levies*).

**Kolkata, Monday 7<sup>th</sup> August 2023:** The Board of Directors of Emami Limited met on Monday, 7<sup>th</sup> August 2023 to consider the unaudited financial results of the company for the quarter ended 30<sup>th</sup> June 2023.

While inflation moderated and demand showed some sequential improvement during the third quarter, mass consumers most susceptible to price increases have not yet recovered to pre-inflation levels. Unseasonal rainfall across the country also impacted the sales of summer products. In the given macroeconomic context, the Company's consolidated Revenues at ₹ 826 crore grew by 7% during the quarter.

Excluding the sales of summer portfolio, Domestic business grew strongly by 16%, while the overall growth of Domestic Business in Q1FY24 stood at 7%. Pain Management range, Healthcare range and BoroPlus grew strongly in double digits and Dermicool posted high single digit growth. Kesh King and Male grooming range being discretionary in nature posted muted growth during the quarter. However, the summer portfolio declined by 5% during the quarter due to the impact of unseasonal rains.



During the quarter, the Company launched an Organics range of Shampoos under the Kesh King brand and various launches in the Medico range as well as digital first launches on the Zanducare portal. The Company also launched new variants of Navratna Cool Talc (Arctic Blossom), BoroPlus Body Lotion (Aloe Neem) and BoroPlus Soap (Neem) in Q1FY24.

Modern Trade and eCommerce continued to perform well growing by 45% and 47% respectively over previous year. Both Modern Trade and eCommerce contributed 9.7% each to Domestic business increasing their saliency by 250 basis points and 260 basis points respectively.

International business grew by 8% during the quarter with a constant currency growth of 11% led by strong growth in SAARC, GCC & CIS regions. The quarter also witnessed strong double digit growth of major brands like Navratna, 7 Oils in One, Fair and Handsome and Creme 21 in the International markets. New launches like BoroPlus Virgin Coconut Oil and Ayucare range of herbal toothpastes were also introduced in the global markets during the quarter.

With easing of Raw Material cost pressure, the quarter witnessed an expansion of Gross margins by 240 basis points at 65.4% during the quarter. Despite investments in brand building and integration of subsidiaries which are in investment phase, EBITDA at ₹ 190 crore grew by 10% with margins at 23.0% expanding by 60 basis points. Profit after Tax at ₹ 138 crore grew by 87% with PAT margins at 16.7% expanded by 720 basis points.

The Company also concluded Buyback of its shares amounting to ₹ 185.3 cr (excluding brokerage, taxes & levies). Following the Buyback, share capital reduced from 44.12 cr to 43.65 crore equity shares and promoter stake increased from 54.27% to 54.84%.

**Mr Harsha V Agarwal, Vice Chairman and Managing Director, Emami Limited said:**

*“We are happy to report a 7% growth in domestic business despite challenging operating environment. While erratic summer & unseasonal rains impacted summer product offtakes, our non-summer portfolio grew strongly by 16%. International business also continued its growth trajectory with 11% constant currency growth. With inflation moderating further, we look to the future with increased optimism and confidence. With the development of digital eco-system, both e-commerce and D2C will play a key role in the organisation’s growth and we will continue to invest in strengthening our presence in an omni-channel presence to reach our consumers.”*



**Mr Mohan Goenka, Vice Chairman and Whole-Time Director, Emami Limited said:**

*“The quarter witnessed strong performance by our Pain Management, BoroPlus and Healthcare range which grew in double digits, with Dermicool posting a high single digit growth. Backed by our resilient and competitive performance and aided by softening of input cost, we could deliver healthy expansion of gross margin and EBIDTA and a robust profit growth of 87%. All our channels, especially Modern Trade eCommerce continued to perform well and contributed 9.7% each to domestic business, a growth by 45% and 47% respectively over previous year. We endeavour to strengthen our core and continue to invest in growth drivers to deliver healthy profitability this year.”*

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#### **About Emami Ltd**

Emami: (NSE: EMAMILTD, BSE: 531162) Emami Ltd, founded in 1974, is one of India’s leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products.

With over 300 diverse products, Emami’s portfolio includes trusted power brands like Navratna, BoroPlus, Fair & Handsome, Zandu Balm, Mentho Plus and Kesh King. After a successful takeover of Zandu Pharmaceuticals Works Ltd in 2008, in 2015, the Company acquired the business of ‘Kesh King’ and forayed into the Ayurvedic hair & scalp care segment. Emami, following the acquisition of Creme 21, a German brand with strong roots and brand recall in 2019, went on to acquire ‘Dermicool’, one of the leading Prickly Heat and Cool Talc brands of India in 2022. Emami products are available in over 4.9 million retail outlets across India through its network of 4000+ distributors and its global footprint spans over 70 countries including SAARC, MENAP, SEA, Africa, Eastern Europe and the CIS countries.

Emami is well known for its aggressive marketing powered by celebrity endorsements like Amitabh Bachchan, Late Pt Birju Maharaj, Shah Rukh Khan, Salman Khan, Hrithik Roshan, Shahid Kapoor, Ayushmann Khurrana, Madhuri Dixit, Juhi Chawla, Katrina Kaif, Kareena Kapoor Khan, Bipasha Basu, Malaika Arora Khan, Nushratt Bharuccha, Yami Gautam, Kangana Ranaut, Shilpa Shetty, Sonakshi Sinha, Shruti Haasan, Juhi Chawla, Sonu Sood, Vidyut Jammwal, Kartik Aaryan, Varun Dhawan, Milkha Singh, Tiger Shroff, Sachin Tendulkar, Surya, Jr. NTR, Sachin Tendulkar, Sourav Ganguly, Shikhar Dhawan, Sania Mirza, Saina Nehwal, etc over the years.

With a market cap of ~ ₹20,000 crores, Emami Ltd is the flagship Company of the diversified Emami Group. Please visit [www.emamilttd.in](http://www.emamilttd.in) for further information.

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