

EMAMI POSTS ROBUST VOLUME LED PROFITABLE GROWTH IN Q1FY25

Q1FY25 HIGHLIGHTS

- ❖ **Revenue from Operations at ₹ 906 crore grew by 10%**
 - Domestic Business grew by 10% with a volume growth of 8.7%
 - International Business grew by 11% growth in Constant currency
- ❖ **Gross Margins at 67.7% improved by 230 bps**
- ❖ **EBIDTA at ₹ 216 crore grew by 14% despite 21% higher investments in A&P**
 - EBIDTA margins improved by **90 basis points to 23.9%**
- ❖ **PBT at ₹ 178 crore grew by 19%**
- ❖ **PAT at ₹ 153 crore grew by 11%**

Note: All financial figures are based on Consolidated Financials

Kolkata, Thursday 1st August 2024: The Board of Directors of Emami Limited met on Thursday, 1st August 2024 to consider the unaudited financial results of the company for the first quarter ended 30th June 2024.

As the Company celebrates its 50th anniversary commemorating five decades of delivering happiness to consumers worldwide, this milestone year has begun on a positive note. Resilience and innovative spirit have always been the cornerstones of Emami's success, driving it to achieve commendable performance and setting the stage for a bright and prosperous future.

The quarter witnessed sequential improvement in demand trends with slight green shoots witnessed in rural demand. However, increasing food inflation continued to impact discretionary consumption. The country witnessed one of its hottest summers, boosting a healthy demand for summer products but dampening sales of non-summer products and reducing out-of-home consumption.

In the given macroeconomic context, the Company reported a commendable performance in the first quarter posting a volume led profitable growth. While, overall Revenues at ₹906 crore grew by 10%, Domestic Business also grew by 10% with a healthy volume growth of 8.7%. Modern trade, eCommerce, and institutional channels continued to post strong growth, while general trade also rebounded to positive territory.

The summer portfolio delivered strong growth, fuelled by the robust performances of Navratna Cool Talc and Dermicool. Healthcare range, 7 Oils in One, The Man Company, Brillare, and BoroPlus also performed well.

Innovation being a hallmark of Emami, the Company launched two extensions for Dermicool - “Dermicool Her”, the first ever prickly heat powder for women during the quarter and Dermicool soap in the Modern trade and eCommerce channel. Under the Kesh King brand, the Company launched Organic Rosemary Oil & Rosemary Shampoo in the ecommerce space. Additionally, the Company also introduced five new digital-first products: Dia-BTS tonic, DiaBTS tablets, Zandu Neelibhringar Hair Oil, Zandu Ashwagandha 66 (KSM-66) and Zandu Shilajit Gold Plus Resin capsules on Zanducare portal.

To further strengthen the brand equity of Navratna, the company onboarded renowned comedian Kapil Sharma and his team for Navratna Cool Oil’s new campaign - “*Thandak ka Badshah.*” A new TV commercial featuring Shilpa Shetty and Palak Tiwari was also launched to drive awareness and consideration for Kesh King Shampoo.

Despite geopolitical crisis and currency depreciations in key geographies, International business grew by 11% in constant currency and by 10% in INR terms. The performance was led by double digit growths in MENA and SAARC regions.

In Q1FY25, Gross margins at 67.7% expanded by 230 basis points. EBIDTA at ₹216 crore grew strongly by 14%, despite strong investments behind brands which led to a 21% surge in A&P spends. Notably, Profit before tax at ₹178 crore grew by 19% and Profit after tax at ₹153 crore grew by 11%.

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

“I am very happy to announce a strong and profitable growth this quarter, highlighted by robust domestic volume growth of 8.7%, a befitting start to the new financial year as we celebrate our 50th Anniversary. Our summer portfolio performed exceptionally well, led by the stellar performances of our power brands, Navratna and Dermicool. Modern trade, eCommerce, and institutional channels continued to post strong growth in the Domestic business and our International Business also witnessed impressive growth of 11% in constant currency driven by the MENA and SAARC regions. As we move forward, we remain committed to delivering sustainable and profitable volume-led growth.”

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

“I am delighted to share that while our sales grew in double digits, our profits grew even faster with a 14% growth in EBITDA, despite 21% higher investments behind our brands. Our EBITDA margins also improved by 90 basis points. We continue to focus on our strategy to improve our distribution, invest aggressively in our key brands, and drive market share growth across our portfolio. With the forecast of a normal monsoon and the government’s continued focus on macro-economic growth, we expect growth to accelerate in the coming months.”

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 450 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, Shah Rukh Khan, Salman Khan, Hrithik Roshan, 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, Juhi Chawla, Sonu Sood, Vidhyut Jammwal, Kartik Aaryan, Varun Dhawan, Tiger Shroff, Surya, Jr. NTR, Sachin Tendulkar, Sourav Ganguly, Shikhar Dhawan, Sania Mirza, Saina Nehwal and many others over the years.

With a market cap of ~ ₹35,000 crores, Emami Ltd is the flagship Company of the diversified Emami Group. Please visit www.emamilttd.in for further information.

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