

27th August, 2024

The Manager - Listing
The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Code: EMAMILTD

The Manager - Listing
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 531162

Sub: Chairman's Speech at the 41st Annual General Meeting

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Chairman's Speech along with the Presentation displayed during the 41st Annual General Meeting held on 27th August, 2024 through video conferencing & other audio visual means (VC/ OAVM).

The same will also be available on the company's website at www.emamilttd.in.

This is for your information and record.

Thanking You,

Yours Sincerely,

For Emami Limited

Sandeep Kumar Sultania

Company Secretary, Compliance Officer & VP- Sales Commercial
Membership No: A13546

(Encl.: As above)



Shri R. S. Goenka

CHAIRMAN SPEECH

INTRODUCTION – AT THE CUSP OF AN EVENTFUL PAST AND AN EXCITING FUTURE

Every journey has a story to narrate, while every new day evokes new hopes and aspirations.

The year 2024 is a milestone year for us at Emami as you are perhaps aware, that it was in 1974 that Emami as a brand was launched. While we look back fondly at the best of our experiences and learnings from the past, at the same time we look forward to a future, which is full of promise, ambition, and goals to achieve.

As I welcome you all to the 41st Annual General Meeting of Emami Ltd, I can't help but still feel the passion and excitement of the day when Shri RS Agarwal Ji and I made the pivotal decision in the early 70's to leave our established corporate careers and embark on the uncertain journey of entrepreneurship. Looking back, we feel that it was the best decision of our lives, because it seeded the beginning of an eventful journey, which today is known to the world as "Emami." However, the story of Emami is not merely a



narrative of business – it is a story about the power of unity, the courage to dream, and the relentless hard work required to transform those dreams into reality.

Innovation, differentiation, and vision for growth have always been the cornerstones of Emami's journey. They played a crucial role in all our initiatives—whether it was the launch of products like Emami Vanishing Cream and Emami Talcum Powder, innovatively designed to compete with international standards, introducing niche offerings with BoroPlus and Navratna, pioneering the male grooming segment with Fair and Handsome in 2005, or even its first acquisition of Himani Ltd way back in 1978 or the landmark acquisition of Zandu Pharmaceuticals in 2008, followed by another significant acquisition of Kesh King in 2015, Creme 21 in 2019 and Dermicool in 2022.

In this journey, we have celebrated many victories; we have also faced many challenges and failures. Nevertheless, what saw us through is our togetherness and complete faith in each other. Our achievements are not just personal achievements, but it is also the collective achievement of all our stakeholders including our dedicated team. Emami's story is woven around the threads of collaboration, togetherness, trust and belief in ourselves.



As we celebrate brand Emami's journey of 50 years, we take this moment to look forward to the next 50 years. The journey ahead is going to be charted by our ethos of our commitment towards our consumers, our investors, our employees and all other stakeholders to continue with our endeavour to offer the world a unique differentiated experience with Emami and make lives happier.

EMAMI COLLABORATING FOR A 'VIKSIT' FUTURE:

You are already aware that the Union Budget presented by the Hon'ble Finance Minister, significantly focusses on inclusive growth with macro-economic stability, reiterating the commitment towards shaping a *Viksit Bharat*. As the country forges ahead towards a promising economy, Emami remains committed to partner in this journey by building a future facing organisation with definite focus on innovation, adoption of modern technologies and commitment towards contributing for a sustainable world while at the same time staying rooted in Indian tradition and principles.

THE INDIAN FMCG INDUSTRY OVERVIEW

The FMCG industry, especially personal care products are growing with various new and international brands entering the landscape



– premiumization and innovation being the buzzwords. The domestic FMCG Industry has grown at a 5 year CAGR of around 11% in FY24 and is estimated to grow in strong double digits in the coming years on account of rising levels of disposable income, changing lifestyles, increased urbanisation and extensive research & development undertaken by key players.

The surge in e-commerce has significantly contributed to this growth story. With an eye on changing market dynamics and consumer behaviour, exclusive online arms of D2C channels offers a good opportunity for Indian FMCG companies to interact directly with their consumers. They have emerged as a key sales booster with a quick reach out strategy to mobile savvy Indian consumers who have warmed up to the idea of shopping online for their specific needs.

EMAMI'S PERFORMANCE IN FY24

Dear Shareholders, during the year under review, your company continued with a resilient performance despite various macro-economic challenges across the FMCG industry. The financial year 2023-24 presented a complex demand environment, particularly with subdued consumption in rural markets. Indian households faced persistent inflationary pressures, with a Kantar study



revealing that 38% of households were significantly affected. Weak monsoon conditions necessitated increased MGNREGA spending on wages, signalling deeper income challenges in rural India. Furthermore, unseasonal rains in the first quarter impacted the sales of our summer portfolio, while a delayed and milder winter affected demand for our winter products in the third quarter

Despite these hurdles, our commitment to innovation and consumer-centric strategies enabled us to navigate these challenges effectively with the Company's revenues growing by 5% during the year. This growth might not be perceived as enough, but what one needs to focus are some of the positives that your Company achieved during the year. We continued to invest in marketing and distribution, ensuring that our products remained accessible and appealing to our customers. Our agility in responding to market dynamics and consumer needs has been pivotal in sustaining our growth trajectory.

With a moderation in inflation, key raw material prices softened, leading to a 280-basis points expansion of gross margins to 67.5%. Our EBITDA at Rs. 950 crore, grew by 10% with margins expanding to 26.5%, an increase of 120 basis points which are above pre-COVID levels. Profit after tax saw an impressive growth of 13% to Rs. 724 crore.



You will be happy to note that Emami is in a very interesting space today. From our primarily rural market skewed approach, we have expanded ourselves to a universal character where along with our rural market optimization, we are also present in a space where a section of consumers is more keen towards premium, which means we are there for everybody across gender, age, season, geography and demography. Key brands such as Pain Management, Fair and Handsome, Kesh King, and strategic investments generate non-seasonal revenues; the proportion of revenues derived from non-seasonal brands is a high 56% today from 51% in FY2019-20. Further, around 45% of our topline today is generated from acquired brands, strengthening the perspective among consumers that 'Emami has everything we need.'

Our distribution machinery was reinforced and along with our rural network, we focused on new age channels by accelerating Modern Trade growth with a thrust on B2C, & joint business plans with retail chains and using the latest tools to drive high fill rates within stores on the store shelves by tracking in store visibility, on-shelf inventory and store level line extensions across all Modern Trade formats and outlets. For e-commerce, we made our products available at all major online marketplaces, grocery, beauty & pharmaceutical platforms; we focused on Direct 2



Consumer, popularly known as D2C by launching brand specific portals and also launching Digital First Products under major brands. The result is evident in the fact that Emami's domestic revenue contribution from organised channels increased from 12% to 26% in five years.

As a part of our inorganic growth strategy, your Company was among the first in India to invest in direct-to-consumer brands. In FY24, your Company entered the juice category through a strategic investment in Axiom Ayurveda Pvt Ltd, acquiring a 26% equity stake. Axiom markets beverage products under the brand "AloFrut," which is the most refreshing and healthy fusion of aloe vera pulp and fruit blends. With this investment, your Company is present in five new age categories, i.e. premium male grooming, premium & natural salon products, ayurvedic pet care, nutrition, and fruit juices with aloe vera pulp. Two of these D2C acquisitions have already become subsidiaries and contributed more than 5% to our FY2023-24 revenues.

The Company launched more than 35 new products and variants during the year in the Domestic business, primarily as digital-first launches on its D2C portal, Zanducare. Overall, the Company has introduced more than 90 new products on Zanducare since its



inception, displaying a commitment to diversification and innovation.

Increased distribution through Project Khoj expanded coverage to over 20,000 rural towns since its launch, which have contributed more than 15% of direct rural sales. This expansion was digitized and geocoded, providing valuable insights into rural retail behaviour and buying patterns to enhance service levels.

Despite geopolitical tensions and currency depreciation in international markets, our International business grew strongly by 12% in constant currency and 9% in INR terms. In FY24, sales of 7 Oils in One crossed INR 1 billion in international markets, while Creme 21 also achieved its highest-ever sales. Several existing geographies, including UAE, Oman, Qatar, Egypt, Saudi Arabia, Sri Lanka, certain Sub-Saharan countries, CIS, and SEA, recorded their highest-ever revenues. More than two thirds of manufacturing occurred outside of India, closer to consumption countries during the year. Additionally, new products introduced under existing power brands contributed to the top line, with Creme21 expanding into a holistic skincare brand. Overall, 15 new products and variants were launched in the international markets in FY24.



At Emami, we have always believed on long-term vision of staying invested. Therefore, throughout the past year, we continued to stay invested judiciously into every other aspect of our business – be it our digital initiatives, global business, R&D innovation, new launches, operations and sustainability.

Despite absorbing around Rs. 230 crore related to share buyback and two interim dividends totalling Rs. 8 per share, i.e. 800% of face value per share, the company maintained a robust cash balance. The Company remains cash-rich and zero-debt, enhancing its capacity for holistic investment towards manufacturing capacity, global footprint brand acquisitions, new-age start-ups, and entry into new categories with moderated risk.

STRONG COMMUNITY GUARANTEES GOOD BUSINESS

Your Company is driven not just by the goal of creating superior products, but by a deep commitment to fostering a prosperous and sustainable community. Our guiding principles prioritize sustainability across all operations, focusing on resource conservation, responsible waste management, and a strategic push towards renewable energy sources. This reflects our unwavering dedication to ESG standards.



We believe in sustainable growth and have consistently worked to reduce our carbon footprint. Notably, we achieved a 12% reduction in absolute energy consumption in FY24 compared to FY22. Additionally, our reliance on renewable energy increased, contributing 19% to our total energy consumption this year. We also reduced water usage by 17% and increased water recycling by 11% compared to FY22. The Company has been fully compliant with Extended Producer Responsibility regulations, recycling over 10,000 Metric Tonnes of plastic waste in FY24, and we registered a 9% reduction in Scope 1 & 2 emissions compared to FY22.

Our social initiatives include extensive farmer engagement, training, and rare herb cultivation programs. These efforts led to the cultivation of 19 rare herbs, involving 1,200 farmers across 300 acres. We also increased our direct sourcing from MSMEs and small producers to 34% in FY24, up from 29% in FY23, furthering our social commitments.

As a responsible corporate citizen, we undertook various CSR initiatives that impacted around 5.7 lac lives this year. Our key focus areas included education empowerment, hunger mitigation, social and rural community development, the promotion of arts, culture, and sports, disaster management, animal welfare, water



and sanitation, and healthcare. Over the past five years, we have contributed more than ₹46 crore towards CSR initiatives.

OUR SHAREHOLDERS - THE VALUED PARTNERS

Dear Shareholders, your unwavering support and trust have been the cornerstone of our success throughout the years. You have not only believed in our vision but have also been active participants in our growth journey. Together, we have navigated challenges and seized opportunities, transforming our company into the robust entity it is today. Your continued confidence and investment have empowered us to innovate, expand, and achieve new milestones.

As you are aware that we at Emami, have always given prime importance to the interests of our valued shareholders and worked towards it constantly and continuously over the years. As a result, an initial shareholder who invested Rs.1000 for 100 shares of Emami and thereafter invested Rs. 4000 in the Rights Issue, would presently own shares worth around Rs. 13.6 crores – in other words, initial investment attracted a return of around 34,000 times over years. Shareholder's wealth also increased by nearly 70 times following the public issue in March 2005 and by 16 times following the QIP in July, 2009.



THE BEGINNING OF FY 2025

In Q1FY25, the country witnessed one of its hottest summers, boosting a healthy demand for summer products but dampening both sales of non-summer products and out-of-home consumption. Further, as you are aware, increasing food inflation continued to impact discretionary consumption.

In the given macroeconomic context, your Company reported a commendable performance in the first quarter posting a volume led profitable growth. While overall revenues at Rs 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 robust growth, while general trade also rebounded to positive territory. 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.



Our brands like Navratna, Dermicool, Healthcare range, 7 Oils in One, The Man Company, Brillare, and BoroPlus continue to perform well.

Further, gross margins at 67.7% expanded by 230 basis points in Q1. EBITDA at Rs 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 Rs 178 crore grew by 19% and Profit after tax at ₹153 crore grew by 11%.

ROADMAP AHEAD

We are committed to achieve around double digit growth in the new financial year. The Company's focus will be to grow revenues with robust margins, generating adequate cash flows to reinvest in our business and strengthening our sustainability. The Company will keep exploring opportunities to invest in inorganic & strategic opportunities, enabling the Company with new product categories that holds promising potential.

The Company remains optimistic about future growth, supported by a favourable economic landscape, forecast of a normal monsoon, anticipated rural market recovery, government



initiatives, and promising macroeconomic factors, all contributing to a confident outlook for sustained positive performance.

CONCLUSION

The world today is going through a critical phase of change that comprise geopolitical tensions, climate change along with rapid technological advancements such as Artificial Intelligence that are redefining the future. Amidst this, your Company will continue to relentlessly strive towards greater heights with dedication, passion and commitment to build a strong, future-ready enterprise focussed on best of standards innovation and capability enhancement.

In this endeavour, your Company is grateful to you - our valued shareholders, for your continuous confidence and support. Thank you all.

Namashkar

Now I request Shri Sandeep Kumar Sultania, Company Secretary to brief the members about summary of the businesses to be transacted as set out in the Notice, general instructions of voting and rules relating to members' queries thereon.

41st Annual General Meeting

27th August 2024



50
years

Making lives happier



emami* limited

Making people healthy & beautiful, naturally

The founding vision



Emami's initial product range – Talcum Powder & Vanishing cream



Pivotal decision in the early 70's by Mr. RS Agarwal and Mr. R S Goenka to quit their corporate jobs and lay the foundation of 'Emami'



Some of the earlier popular brands of Emami.



Key Milestones

1978

Himani

Acquisition of
Himani Ltd



1982

Launch of
BoroPlus
Antiseptic
Cream



1989

Launch of
Navratna
Cool Oil



1995

Listed on
the Bombay
Stock
Exchange



2005

Launch of
Fair and
Handsome

2008

ZANDU

Acquisition of Zandu
Pharmaceuticals

2015



Acquisition of
Kesh King

2018



Strategic Investments
in The Man Company
& Brillare Science

2019

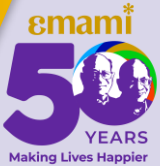


Acquisition of
Creme 21

2022



Acquisition of
Dermicool



Celebrating the shared success



Collaborating for a 'Viksit' future

- Committed to partner towards shaping a 'Viksit' Bharat
- Building a future facing Organization
- Focus on innovation & adoption of modern technologies
- Committed towards contributing for a sustainable world
- Staying rooted in Indian tradition and principles



Key Growth Drivers of Indian FMCG Industry



Rising disposable
Incomes



Premiumization



Changing
lifestyles



Increased
urbanization



Innovation



Surge in
eComm &
D2C



Macro environment in FY24

Summer products demand impacted by unseasonal rains

Late onset of winters impacted the sale of winter products

Indian Households still feeling the heat of inflation

AS CONSUMERS STAY THRIFTY...

Untimely Rains Dilute Summer Consumer Sales

FMCG drops 5% in April-June; demand for both essentials, white goods down

Sagar Malviya & Writankar Mukherjee

Mumbai | Kolkata: Sales of daily essentials and groceries, as well as electrical goods such as air-conditioners and refrigerators, fell sharply in the June quarter, hurt by unseasonal rains leading to a less-than-terrid summer in parts of the country and consumers continuing to cut back discretionary spends.

While the impact was most visible in the beverages category, which declined 28% year-on-year in the quarter, the overall fast-moving consumer goods (FMCG) market fell 5%, according to Bizom, which tracks kirana sales.



Seared!
Sales for Apr-Jun ('23 vs '22)

	% Change
Beverages	-27.6
Personal Care	-11.5
Confectionery	-7.6
Packaged Food	-1.6
Commodity	6.9
Homecare	14.7
Total FMCG	-4.6

Source: Bizom

Winter products face setback in the December quarter

2 min read • 08 Jan 2024, 10:34 PM IST

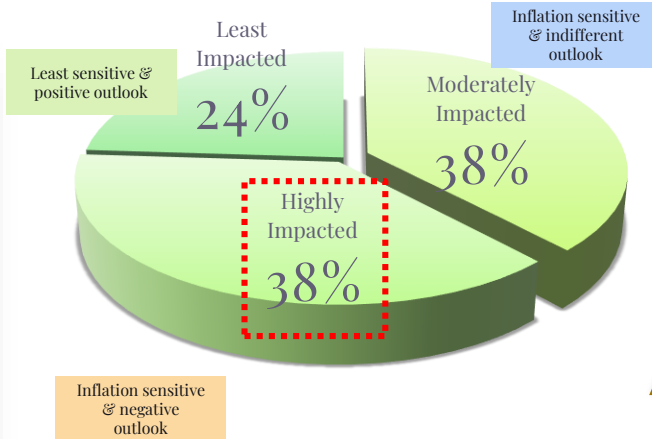
Suneera Tandon

Delayed onset of winters impacted stocking and sale of winter products in December quarter, but companies reported a pick up in sales in late December and early January.



Several companies said the window for prolonged winters shrank this year with parts of north India seeing a warmer-than expected December.

New Delhi: Delayed onset of winters impacted stocking and sale of products such as immunity boosters, creams, lotions and warm clothing in December quarter. However, companies reported a pick up in sales in the end-December and early week of January.



Source: Kantar LinkQ Study

Large number of consumers highly impacted by inflation while 1/4th of the population lives comfortably.

FY24 Performance

Revenues
₹ 3,578 cr

Gross Profit
₹ 2,418 cr

A&P Spends
₹ 652 cr

EBIDTA
₹ 950 cr

PBT
₹ 791 cr

PAT
₹ 724 cr

Growth
+5%

Growth
+10%

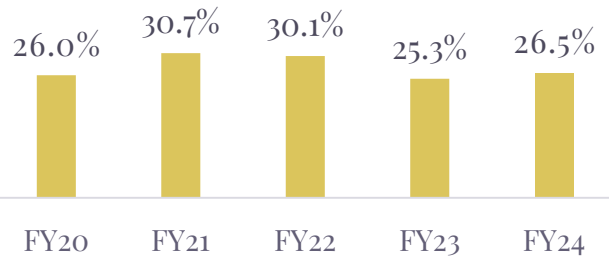
Growth
+16%

Growth
+10%

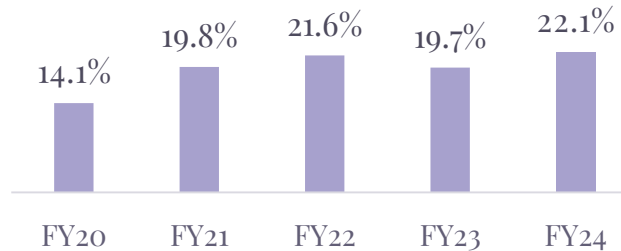
Growth
+18%

Growth
+13%

EBIDTA Margins (%)



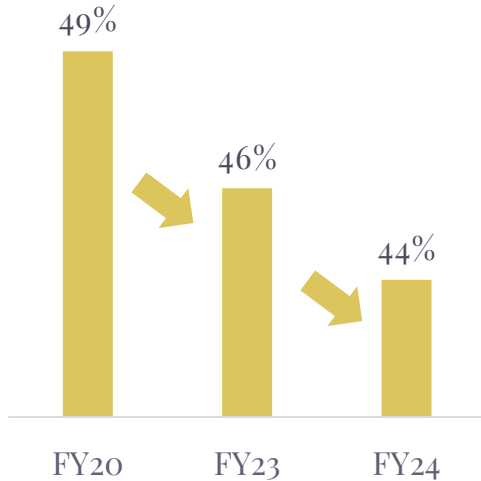
PBT Margins (%)



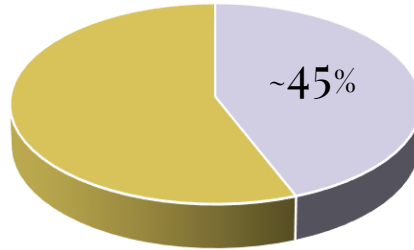
Margins higher than pre-COVID levels despite significant inflationary pressures

Evolving Business Landscape

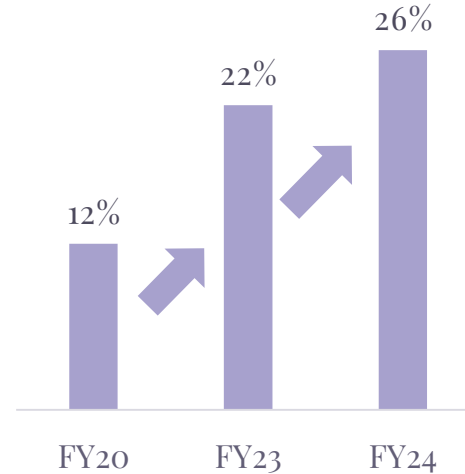
Contribution of Domestic Revenues from seasonal products



Share of sales of Acquired brands to overall Revenues^



Contribution of Domestic Revenues from organized channels*



^Includes sales of Zandu, Kesh King, Creme 21, Dermicool, The Man Company & Brillare Science

*Includes Modern Trade, eCommerce, eB2B, D2C and Institutional sales



Strategic Investments

Subsidiaries



THE MAN COMPANY



BRILLARE® 



Associates

TruNATIV™
crafted by nature



emami*
50
YEARS
Making Lives Happier

FY24 NPD's: Domestic



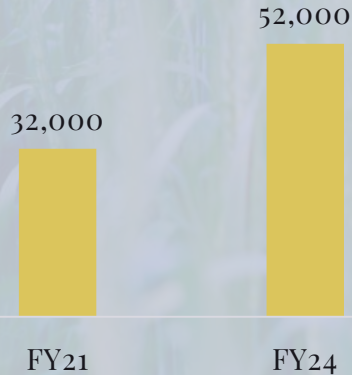
35+
Domestic New
launches in
FY24



emami^{*}
50
YEARS
Making Lives Happier

Deepening rural penetration

Strengthening rural coverage
through Project KHOJ
Rural Coverage expanded by >20k
towns; ~75k Rural outlets added



15%

of direct rural
sales achieved
from newly
activated
coverage towns

Sales
growth of
30%
in FY24

Rural expansion
getting digitized
and geocoded
giving insights into
rural retail level
behavior and
buying patterns to
ensure higher
service levels

International Business

12%

FY24 Growth
in Constant
Currency

9%

FY24 Growth
in INR Terms

₹ 100 cr+
FY24 Sales of
7 Oils in One

15

New launches
in FY24

~67%

Localized
manufacturing

Rewarding Shareholders

₹8.0

Total Dividend
Paid in FY24

800%

Dividend % in
FY24

₹349 cr

Total Dividend
payout in FY24

48%

Payout on PAT

₹230 cr

Total outlay
for Buyback of
shares (incl.
tax) in FY24

46.5 lac

Shares
acquired
through
Buyback in
FY24

Dividend +
Buyback
Outlay of

80%

on PAT

ESG Initiatives

Energy Consumption



12%
reduction
over FY22

Renewable Energy



19%
of total energy
consumption

Water Consumption



17%
reduction
over FY22

Water Recycling



11%
increase
over FY22

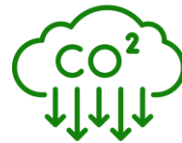
Circular Economy



100%
compliant with
EPR Regulations

10485 MT
Plastic Recycled
in FY24

Emissions



9%
reduction in Scope 1 + 2
emissions over FY22

Inputs directly sourced from
MSME/ small producers



34%
In FY24

Farmer engagement, training & rare herb
Cultivation programs



19
Rare herbs
cultivated



1200+
Farmers
engaged



300+
Acre
cultivation
area



Community welfare

Key Focus Areas



Education
empowerment



Hunger
Mitigation



Social & Rural
community development



Promotion of Arts,
culture & sports



Disaster Management



Animal welfare



Water & Sanitation



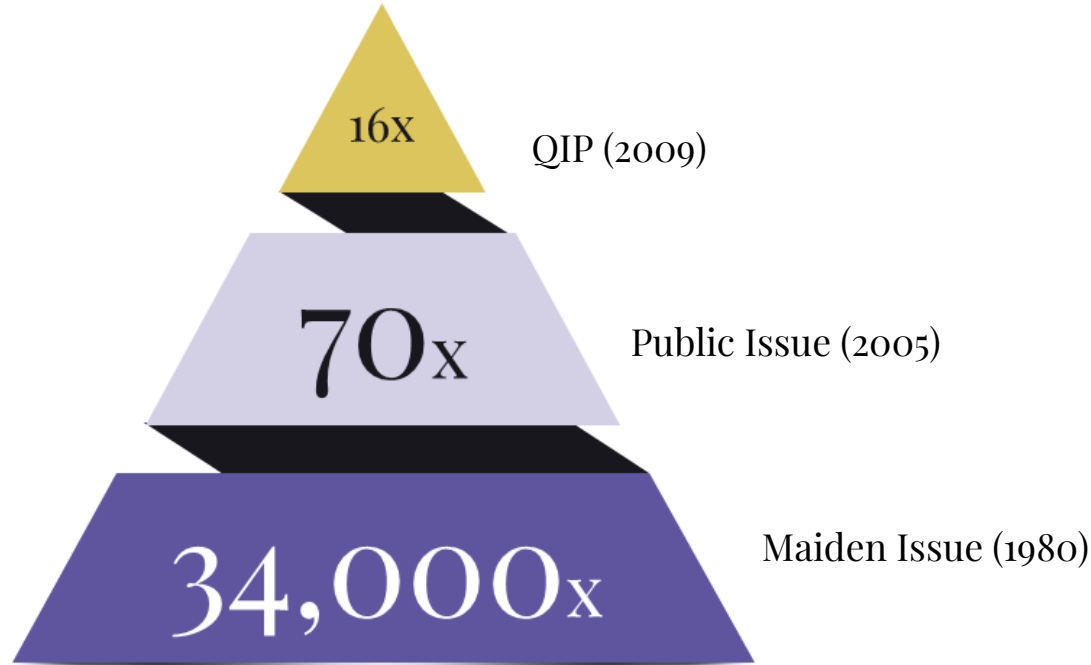
Healthcare

5.7 lac
Community
lives touched
in FY24

₹46 cr
CSR spends in
last 5 years



Sustained wealth creation



Q1FY25 Performance

Domestic
Business
(volume)
+8.7%

Domestic
Business
(value)
+10%

Int'l
Business
(CC)
+11%

Int'l
Business
(INR)
+10%

Consolidated
Revenues
+10%

Material
Costs
+3%

A&P
Spends
+21%

EBIDTA
+14%

PBT
+19%

PAT
+11%

Margins

Gross Margins
+230 bps

A&P Spends
+190 bps

EBIDTA Margins
+90 bps

PBT Margins
+160 bps

PAT Margins
+10 bps



Road ahead



Focus to grow revenues in double digits with robust margins



Keep generating adequate cash flows to reinvest in our business



Keep scouting for acquisitions & Strategic Investments

Thanks to all our
stakeholders for
unwavering
support