

EMAMI'S CORE DOMESTIC BUSINESS GROWS BY 9% IN Q3FY25

Q3FY25 HIGHLIGHTS

- ❖ **Revenue from Operations** at ₹ 1,049 crore grew by 5%
 - Core Domestic Business grew by 9% with 6% volume growth
- ❖ **Gross Margins** at 70.3% improved by 150 bps
- ❖ **EBIDTA** at ₹ 339 crore grew by 8%
 - EBIDTA margins improved by 70 basis points to 32.3%
- ❖ **Profit after Tax** at ₹ 279 crore grew by 8%
- ❖ Rebranded Fair and Handsome to Smart and Handsome in Jan'25
- ❖ The **Board of Directors** declared second interim dividend of 400%, amounting to ₹4 per share for FY25.

Note: All financial figures are based on Consolidated Financials

Kolkata, Monday 27th January 2025: The Board of Directors of Emami Limited met on Monday 27th January 2025 to consider the unaudited financial results of the company for the third quarter and nine months ended 31st December 2024.

The macroeconomic environment during the quarter presented a mixed bag of challenges and opportunities. Urban demand faced headwinds, influenced by rising food inflation and liquidity constraints in retail and wholesale trade channels. Conversely, rural demand showcased resilience, buoyed by favorable monsoon conditions and a robust harvest, providing a silver lining amidst market uncertainties. However, the delayed onset of winter impacted seasonal categories, adding another layer of complexity to an already dynamic market environment.

Despite these macroeconomic headwinds, the company reported a robust growth of 9% in its core domestic business, driven by a healthy volume growth of 6%. Key brands such as the Healthcare range and BoroPlus range delivered strong growth despite the challenges posed by delayed and mild winters. Meanwhile, Navratna and the Pain Management portfolio showcased remarkable resilience, achieving growth in the low single digits.

A key milestone this month was the rebranding of Fair and Handsome to Smart and Handsome, marking a significant evolution in the brand's identity. This refreshed positioning reflects a broader focus on male grooming, offering effective solutions for face, body, and hair care to address the diverse needs of today's dynamic young men. With the endorsement of Kartik Aaryan as the brand ambassador and exciting new product launches on the horizon, the

company is confident that Smart and Handsome will further cement its leadership in the evolving male grooming market. Additionally, the launch of Mentho Plus Balm Total in the southern region in December 2024 has expanded the company's offerings in the pain management segment, leveraging the trusted equity of Mentho Plus Balm.

On the distribution front, the company's organized channels—Modern Trade, e-Commerce, and Institutional Sales—continued their robust performance, now contributing 28.6% of the domestic business, an increase of 160 basis points in Q3. These channels demonstrated nearly double the growth rate compared to overall business, underscoring their critical role in driving business expansion.

The Company continued to deliver profit-led growth, with improved margins across the board. Gross margins expanded by 150 basis points to 70.3%. EBITDA grew by 8% to ₹339 crore, with margins expanding by 70 basis points and Profit After Tax also increased by 8% to ₹279 crore.

The Board of Directors announced a second interim dividend of 400%, amounting to ₹4 per equity share for FY24. This follows the first interim dividend of 400%, also amounting to ₹4 per share, declared in Q2. With this, the cumulative dividend payout for FY24 stands at an impressive 800%, equivalent to ₹8 per share. This underscores the company's unwavering commitment to maximizing shareholder returns and its adherence to a robust dividend payout policy.

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

"I am pleased to announce a healthy 9% growth in our core domestic business, driven by a healthy 6% increase in volume in Q3FY25. This marks the second quarter with high single-digit growth, coupled with expansion in both Gross margins and EBITDA margins despite rising input costs across the sector. Our targeted distribution strategies for new-age channels have played a vital role in driving success across the business. Strategic initiatives for Kesh King and male grooming along with the expected revival of International Business, position us confidently for sustained, robust growth going ahead. These results reaffirm our confidence in the positive outlook for FY25 and our steadfast commitment to delivering long-term value to our stakeholders."

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

"FY25 is shaping up to be a promising year as we continue to deliver profit-driven growth, achieving improved margins across the board and outperforming industry benchmarks. EBITDA increased by 8% during the quarter, with margins expanding by 70 basis points underscoring our strong focus on operational excellence. The strategic rebranding of Fair and Handsome to Smart and Handsome, inspired by deep consumer insights coupled with strategic initiatives for skin care and haircare brands offers significant growth potential."

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 550 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, Vidhut 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.

Emami Ltd is the flagship Company of the diversified Emami Group. Please visit www.emamilttd.in for further information.

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