

## **EMAMI REPORTS 9% PROFIT GROWTH IN Q1FY26**

### **Strengthening Core Business and Accelerating Innovation-Led Growth**

#### **Q1FY26 HIGHLIGHTS**

- Stable topline at **₹904 crores** despite a challenging demand environment;
  - Core domestic business (excluding Talc/PHP) posted **6%** revenue growth
  - Talc/Prickly Heat Powder (PHP) category declined 17% YoY due to unseasonal rains and early monsoons but remains strong on a **2-year CAGR of 13%**
- Gross Margins expanded by **170 bps** to **69.4%**, driven by improved cost efficiency
- Profit After Tax grew **9%** YoY to **₹164 crores**

*Notes: All financial figures are based on Consolidated Financials*

*PHP: Prickly Heat Powder*

**Kolkata, Thursday 31<sup>st</sup> July 2025:** The Board of Directors of Emami Limited met on Thursday 31st July 2025 to consider the unaudited financial results of the company for the first quarter of FY26.

The quarter witnessed persistent pressure on urban discretionary consumption, while rural demand displayed signs of recovery. However, an unusually soft and shortened summer, caused by unseasonal rainfall and the early arrival of the monsoon, negatively impacted consumption across the company's summer-centric portfolio.

Despite these macro headwinds, the company maintained a stable topline performance. Revenues remained broadly flat on a year-on-year basis, with a 2-year CAGR of 5%. Excluding the talc/PHP portfolio, the company's core domestic business delivered a 6% revenue growth, reflecting the strength and resilience of its diversified offerings. Categories like the Pain Management range and BoroPlus Antiseptic Creams delivered strong growth during the quarter.

The talcum and prickly heat powder (PHP) category, which is highly reliant on peak summer sales, declined by 17% due to adverse weather conditions. However, this decline comes against an exceptionally high base of 54% growth in Q1FY25. On a 2-year CAGR basis, the category continued to grow at 13%, underscoring long-term strength. For the full summer season this year (January to June 2025), the category posted flat growth, despite weather-related headwinds.

Innovation continued to be a key growth lever. The company introduced several new offerings including Dermicool Prickly Heat Spray, Navratna Ayurvedic Hairfall Control Oil, Navratna Cool Talc – Fresh Floral and BoroPlus Icy Citrus Blast Prickly Heat Powder. In line with its digital-first strategy, the company rolled out innovations exclusively through its Zanducare platform: Zandu

Shilajit Cool Rush Capsules & Resin, Zandu Kansa Wand Ayurvedic Massager, and Zandu Chia & Flax Seeds.

The International Business delivered modest growth despite ongoing macroeconomic and geopolitical uncertainties across key markets such as Bangladesh, the Middle East, and Africa. The company remains committed to long-term value creation in these regions through focused portfolio strategies and localized innovations.

On the financial front, Gross Margins expanded by 170 basis points to 69.4%, supported by benign input costs and judicious price increases. EBITDA stood at ₹214 crores, while Profit After Tax grew 9% YoY to ₹164 crores.

Looking ahead, the Company expects macro environment to gradually improve, supported by a buoyant monsoon, stabilizing inflation, and ongoing consumption recovery. With strategic levers of innovation, distribution expansion, digital acceleration, and cost agility firmly in place, the Company is well-positioned to drive sustainable and profitable growth in the quarters ahead.

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

*"Our performance this quarter reflects the underlying strength and resilience of our brands, even in the face of an unusually subdued summer. Our Talc/PHP category maintained a 2-year CAGR of 13%. Our flagship brands are being future-proofed; Kesh King is undergoing a strategic transformation to enhance long-term relevance, while Smart & Handsome is expanding into adjacent male grooming categories. The Man Company's return to growth in June 2025 is especially encouraging, and we are confident of sustaining this trajectory through sharper positioning and a comprehensive brand revamp. Looking ahead, we are optimistic about growth in the coming months, driven by strong monsoon conditions, easing inflation, and potential interest rate reductions. These factors are expected to support a recovery in consumption and strengthen overall economic momentum "*

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

*" We are pleased with the strong momentum in our organised channels—Quick commerce, in particular, scaled nearly 3x year-on-year, affirming the success of our omnichannel approach. Despite a flattish topline, we delivered a 9% growth in Profit After Tax, underscoring our sharp focus on profitability and operational efficiency. We remain confident in our margin trajectory, supported by favourable input costs and operational efficiencies. With an innovation-led portfolio, and a strong digital-first brand strategy, we are well-positioned to accelerate growth. As macro conditions begin to improve with a strong monsoon and easing inflation, we are confident that consumer demand will gradually strengthen. Our strategic levers are in place, and we remain committed to driving sustained, profitable growth in the quarters ahead."*

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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 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 5.4 million retail outlets across India through its network of 3400+ 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, Vidyut 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](http://www.emamilttd.in) for further information.

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