

GST reform structurally positive; Progressive H2 outlook amidst short term trade corrections

Q2FY26 HIGHLIGHTS

- GST 2.0 reform impacted offtakes for temporary trade disruption
 - 88% of core domestic portfolio benefited
 - 93% of core domestic portfolio at 5% GST
 - Revision across 293 products and 497 SKU's
 - Consumers to be benefited with ~7% to ~13% of price reductions
- Summer portfolio faced a second challenging quarter, with excessive rains impacting offtake in talc and prickly heat categories on a high comparative base.
- Smart & Handsome expanded into newer male grooming categories with 12 new launches across sunscreens, shower gels, under-eye creams, deos, face serums & sheet masks.
- Kesh King relaunched as Kesh King Gold with refreshed packaging, sharper positioning and upgraded formulation
- The Board of Directors declared an interim dividend of 400%, amounting to ₹4 per share for FY26.

Kolkata, Monday, 10th November 2025: The Board of Directors of Emami Limited met on Monday 10th November 2025 to consider the unaudited financial results of the company for the second quarter and half year ended FY26.

This quarter witnessed a transformational policy development with the Government's decision to reduce GST rates across key FMCG categories. This is a landmark reform aimed at enhancing affordability, improving consumer purchasing power, and ultimately stimulating broad-based consumption across both urban and rural India.

For the Company, this reform is structurally positive, as nearly 88% of its core domestic portfolio benefited from the reduction in GST from 12% or 18% to 5%, taking its total 5% GST rate portfolio coverage in the core domestic business to around 93%. In keeping with its consumer-first philosophy, the Company swiftly passed on the benefits of this rate cut, reinforcing its commitment to value-driven affordability and accessibility.

While this reform lays the foundation for long-term demand acceleration, its implementation caused temporary trade disruptions in September. Trade channels and consumers deferred purchases in anticipation of lower MRPs, while distributors focused on liquidating higher cost

inventory, resulting in a short-term moderation in sales. The timing of the GST rate change also coincided with the peak winter pipeline build-up, leading to a deferment in the Company's winter portfolio loading. Further, the summer portfolio navigated a second consecutive weather-affected quarter, with excessive rains impacting offtake in talc and prickly heat categories on a high comparative base.

Consequently, consolidated revenues for the quarter stood at ₹799 crore, declining by 10% on a YoY basis. Excluding GST-impacted categories, non-impacted portfolio cohorts delivered encouraging results growing by 10% during the quarter.

The Company's strategy of purposeful innovation and premiumisation continued to gain momentum. Last year, Fair and Handsome was rebranded as Smart and Handsome, repositioning it as a holistic men's grooming brand. This quarter, the brand deepened its portfolio with 12 new SKUs across sunscreens, shower gels, under-eye creams, deodorants, face serums, and sheet masks, broadening its relevance across the male grooming spectrum.

Kesh King was also relaunched as Kesh King Gold, reinforcing its legacy while enhancing trust and modern appeal. The relaunch features refreshed packaging, sharper positioning, and an upgraded formulation enriched with Gro Biotin and Plant Omega 3-6-9—scientifically proven actives that amplify the efficacy of 21 Ayurvedic herbs to deliver visible, result-oriented performance.

The Company also strengthened its Zanducare portfolio with Good Gut Cleanse & Detox Shots and Acidity & Bloating Relief Tablets, complementing three digital-first innovations introduced in Q1.

The Company's International Business delivered steady 8% growth despite persistent macro and geopolitical headwinds. Its approach remains strategically focused, combining portfolio relevance, market-specific innovation, and localized execution excellence to drive sustained value creation globally. During the period, the Company further strengthened its premium and value-added offerings with the launch of the Creme 21 Xtra Bright range—including Elixir, Day Cream, Night Cream, Facewash, Face Scrub, and Micellar Water along with Creme 21 Xtra Cocoa Butter Body Lotion and Cream and Creme 21 Papaya Brightening Body Lotion, enhancing its presence in the skincare and personal care categories globally.

On the financial front, Gross Margins remained stable at 71.0 %, underscoring the Company's cost discipline and input price stability. EBITDA for the quarter stood at ₹179 crores, declining by 29%, while PAT stood at ₹148 crores, declining 30%; both reflecting the temporary impact of lower topline. The Board of Directors also declared an interim dividend of 400%, amounting to ₹4 per share for FY26.

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

"We are happy that over 90% of our core domestic portfolio now falls under the lowest GST rate of 5%, making our products more affordable and accessible to consumers. The quarter's performance was a temporary impact of trade disruptions linked to the pending GST revision and weak summer. With improving market sentiment and a favourable season ahead, we

remain confident of strong growth in the coming quarters. Our bottom line remains stable, with costs well managed despite global supply chain challenges due to geo-political issues. To meet our growth aspirations, going forward, we will continue to strengthen our portfolio through premiumisation and value-added innovation to stay aligned with the evolving preferences of our consumers”

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

“October marked a clear turning point, with trade sentiment rebounding and deferred winter loading recovering, putting us on a solid footing for the second half of the year. I am also pleased to share that our non-GST impacted portfolio delivered 10% growth in Q2 signifying that consumer demand remained intact. These gains, coupled with normalisation of trade post GST reforms, and the positive impact of strategic interventions position us to sustain profitable growth in the second half and strengthen our foundation for long-term value creation and market leadership”

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.emamiltld.in for further information.

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