



emami* limited

Date: 31st January, 2019

The Secretary
The National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G. Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata - 700 001

Dear Sir,

Sub: Press release

Enclosed please find the Press Release issued in relation to Unaudited Financial Results of the Company for the Third Quarter and Nine months ended 31st December 2018.

This is for your information and record.

Thanking you,

Yours faithfully,
For Emami Limited

A.K. Joshi
Company Secretary & VP- Legal
(Encl. : As above)

Year: 2017-18

Turnover: ₹ 2,541 cr

Cash Profit: ₹ 618 cr

One of the fastest growing FMCG companies in India with a 17% CAGR in topline for the past 10 years

Power Brands- BoroPlus, Navratna, Zandu Balm, Fair and Handsome and Kesh King are market leaders in India in their respective categories

Brand Ambassadors over the years – Amitabh Bachchan, Pt Birju Maharaj, Shah Rukh Khan, Hrithik Roshan, Shahid Kapoor, Madhuri Dixit, Kareena Kapoor Khan, Yami Gautam, Kangana Ranaut, Shilpa Shetty, Sonakshi Sinha, Shruti Haasan, Juhi Chawla, Vidyut Jamwal, Kartik Aryaan, Milkha Singh, Sachin Tendulkar, Surya, Jr. NTR, Sania Mirza, Saina Nehwal, Bipasha Basu among others

Covers more than 9.1 lac direct retail outlets across India through ~3,150 distributors

Listed among the “Most Valuable Companies” by BT 500

Listed among the SUPER 50 by Forbes India in 2015 & 2016

“Received MODI-Making of Developed India” Award for “Excellence in Global Reach - Company of the Year” category in 2018.

Rated (by CARE & CRISIL) A1+ (highest rating) for short-term borrowings, signifying highest safety; and AA+ for long-term borrowings.



EMAMI REGISTERS 8% TOPLINE GROWTH IN Q3 & 9MFY19

HIGHLIGHTS

- ❖ Net Sales grew by 8% in Q3FY19 and 9MFY19*
- ❖ Revenue from Operations grew by 7% in Q3FY19 and by 8% in 9MFY19*
- ❖ EBIDTA grew by 1% in Q3FY19 and by 6% in 9MFY19
- ❖ PBT (before Exceptional items) grew by 3% in Q3FY19 and 8% in 9MFY19
- ❖ Acquired **Creme 21**, a German personal care brand having strong presence in Middle east.

*9MFY19 Net sales/ revenue is Like to like growth

Kolkata, January 31st 2019: The Board of Directors of Emami Limited met on Thursday, 31st January 2019 to consider the unaudited financial results of the company for the quarter and nine months ended 31st December 2018.

The company closed the quarter with a Net sales of ₹ 800 cr with a growth of 8%. Despite a delayed winter in some parts of the country resulting in a subdued performance by the winter brands, non-winter brands grew by 10% during the quarter in the domestic business. Market share gains continued for key brands.

The relaunch of Kesh King in its new contemporary packaging with comb applicator was received well by the market, as did the marketing campaign of Zandu Pancharishta with its new celeb-endorser, Amitabh Bachchan. During the quarter, the company also launched an “Anti-Pimple” variant under the Fair and Handsome face wash range to tap into the opportunity of pimple clearing segment.

International Business grew by 18% during the quarter led by a strong performance in SAARC and MENAP regions. Market Shares of major brands also gained in key geographies.

During the quarter, Gross margins at 67.0% declined by 380 bps and EBIDTA margins at 32.9% declined by 210 bps due to a sharp increase in raw material

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costs. Despite this, EBIDTA grew by 1% and PBT before exceptional items grew by 3%. However, PAT declined by 6% due to an exceptional cost of Rs. 9.8 cr pertaining to VRS paid at one of our units.

In 9MFY19, Gross margins at 67.3% declined by 120 bps and EBIDTA margins at 28.2% declined by 20 bps due to increase in raw material costs. Despite this, EBIDTA grew by 6% and PBT before exceptional items grew by 8%.

Mr Mohan Goenka, Director, Emami Limited said:

"The onset of winter this quarter has been overall weak with its delayed arrival in some parts of the country. Due to this, the performance of the winter brand portfolio has been moderate. Additionally, there has been a challenge of sharp increase in raw material prices. However, targeted correctional steps for some leading brands in the domestic market and strategic initiatives in the international business, as adopted during the last quarter, have resulted in an encouraging growth in the respective sectors. Trade channels, especially modern trade has contributed significantly to the revenues."

Mr Harsha V Agarwal, Director, Emami Limited said:

"The third quarter performance of the Company has been a mixed bag. While winter portfolio has been subdued, we are happy with the performance of our other major non-winter brands like Navratna, Emami 7 Oils in One and the Pain Management portfolio. Post its rejuvenation initiative, Kesh King has registered an encouraging performance this quarter. Zandu Pancharishtha which roped in Amitabh Bachchan as its new endorser, performed well to lead the Healthcare range on a satisfactory growth path. We are optimistic to close the year on a positive outlook."

ACQUISITION

The company acquired **Creme 21**, a German brand with strong roots & brand recall on 25th January 2019. The brand has a strong presence in Middle East and other focus markets offering skin care and body care products such as creams and lotions, shower gels, sun care range, men's range, etc. The brand was acquired at < 1.5x of sales and funded from internal accruals. With current sale at over €8 mn and gross margins of over 50%, the acquisition is expected to boost and complement Emami's international business & portfolio particularly in MENA, SAARC and Russian markets



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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. It is the flagship company of the diversified Emami Group.

With over 300 diverse products, Emami's portfolio includes trusted power brands like Navratna, BoroPlus, Fair & Handsome, Zandu Balm & MenthoPlus. In 2015, the Company acquired the business of 'Kesh King' and forayed into the Ayurvedic hair & scalp care segment. Emami products are available in over 4.3 million retail outlets across India through its network of 3100+ distributors and its global footprint spans over 60 countries including GCC, Europe, Africa, CIS countries & the SAARC.

Emami has maintained a 17% CAGR in topline for the past 10 years through its consistent business performance. Emami is well known for its aggressive marketing powered by celebrity endorsements like Amitabh Bachchan, Shah Rukh Khan, Hrithik Roshan, Shahid Kapoor, Madhuri Dixit, Kareena Kapoor Khan, Kangana Ranaut, Yami Gautam, Juhi Chawla, Shruti Haasan, Shilpa Shetty, Bipasha Basu, Sonakshi Sinha, Parineeti Chopra, Tapsee Pannu, Pt. Birju Maharaj, Milkha Singh, Mahendra Singh Dhoni, Sourav Ganguly, Mary Kom, Saina Nehwal, Sushil Kumar, Sania Mirza etc over the years.

With a market cap of around Rs. 19,000 cr, Emami Ltd is the flagship Company of the diversified Emami Group.

Please visit www.emamltd.in for further information.

For further information, please contact :

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