

Q1FY18 Performance Update



emami* limited

Making people healthy & beautiful, naturally

2nd August 2017



Q1FY18 Snapshot

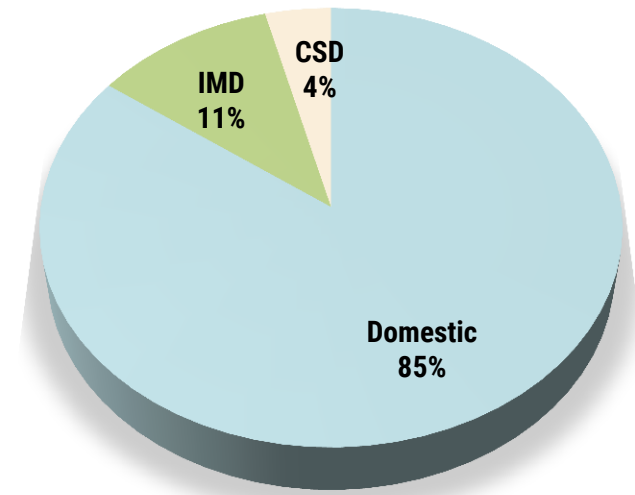
❑ **Consolidated Sales** declined by **16%**.

- Domestic Business significantly impacted due to downstocking for GST.
- International Business impacted due to global economic slowdown and geo-political problems in the Middle eastern countries.

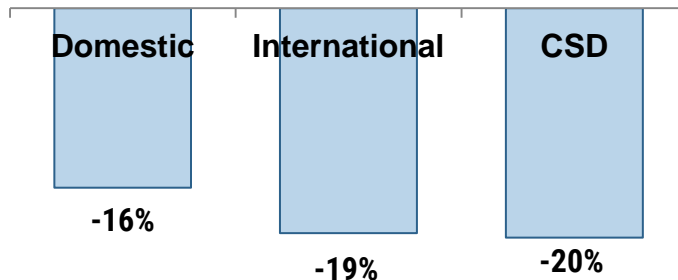
❑ **EBIDTA** and **Cash Profits** declined by **46%** and **41%** respectively.

- Higher COGS and promotional spends impacted margins.

Q1FY18 Business Wise Sales Split



Business wise Sales Performance





Domestic Brand Wise Performance

- ❑ **BoroPlus range grew by 20%.**
 - Antiseptic Cream grew by 41%
 - Prickly Heat Powder declined by 2%

- ❑ **7 Oils in One grew by 16%**

- ❑ **Navratna range declined by 11%.**
 - **Cool Oils** declined by 15%.
 - ✓ *Introduced new SKU's in Navratna Extra Thanda Cool Oil (250ml) and Navratna Almond Cool Oil (200ml and 15 ml)*
 - **Cool Talc** declined by 3%.
 - ✓ *Launched a new variant – 'i-COOL' Dynamite*
 - ✓ *Introduced new SKU's in 'i-COOL' Blast variant (50 gm and 400gm)*

- ❑ **Fair and Handsome range declined by 19%.**
 - Fairness Creams declined by 21%.



New campaign for **Navratna Almond Cool Oil** with **Shilpa Shetty** as brand endorser highlighting almond nourishment, pleasant fragrance and mild cooling along with all benefits



Domestic Brand Wise Performance

- ❑ **Kesh King range declined by 28%.**
- ❑ **HE “On the Go”,** India’s first Waterless Face Wash, well appreciated by consumers.

- ❑ **Healthcare range declined by 23%.**

- **Pain Management range declined by 16%.**
 - Balms declined by 21%.
 - New Launches – Zandu Spray, Zandu Gel and Zandu Roll on performed well.
- **Pancharishtha** declined by 43%.
- **Nityam Churna and Tablets** grew by 15%

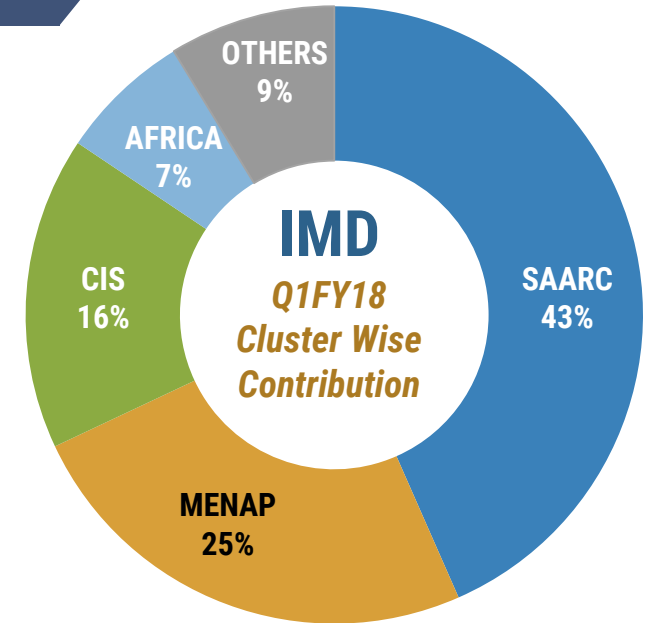
New Launches in Q1FY18





International Business Performance

- ❑ **Slowdown and political instability in Middle east countries impacted the overall performance of International Business.**
 - Escalation of tensions between Qatar & other GCC countries and failure of OPEC's decision to extend its current crude production cuts has led to a turbulent business atmosphere in the Middle eastern countries.
 - International business degrew by 19%.
 - Undertaken reduction of stock levels across key markets.



SAARC South Asian Association for Regional Cooperation

MENAP: Middle East, North Africa & Pakistan

CIS: Commonwealth of Independent States

Market Share gains across majority of the portfolio

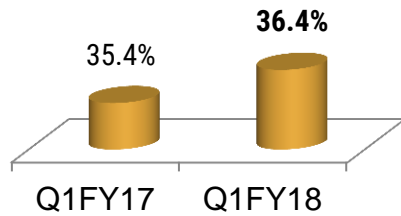


Q1FY18 Financial Analysis

Cost of Goods Sold

(as a % of Sales)

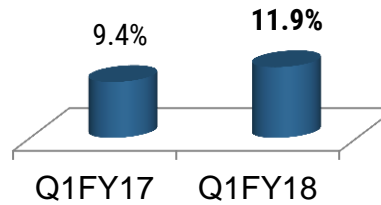
+100 bps



Staff Costs

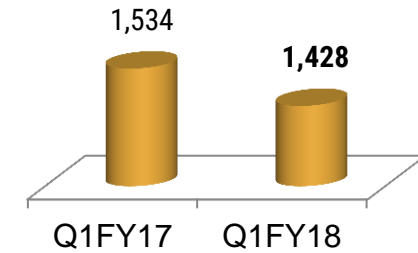
(as a % of Sales)

+ 250 bps



A&P Spends

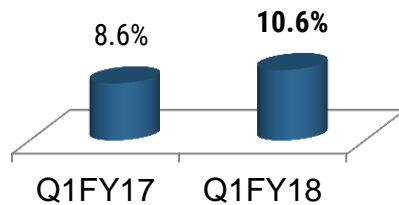
(₹ in Millions)



Admin & Other Exp

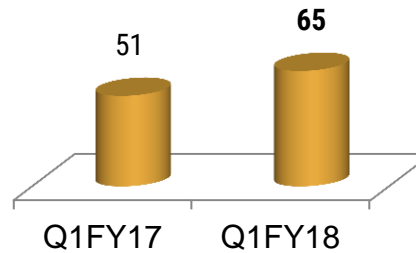
(as a % of Sales)

+ 200 bps



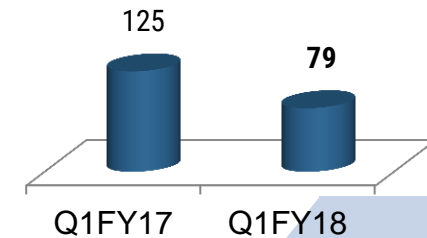
Other Income

(₹ in Millions)



Interest Paid

(₹ in Millions)





Q1FY18 Summarized Financials

₹ in Millions

| Particulars | Q1FY18 | % of Sales | Q1FY17 | % of Sales | Growth % | FY17 | % of Sales |
|--|----------------|---------------|----------------|---------------|---------------|-----------------|---------------|
| Net Sales | 5,411.0 | 100.0% | 6,454.3 | 100.0% | -16.2% | 25,326.1 | 100.0% |
| Materials Cost | 1,967.3 | 36.4% | 2,286.9 | 35.4% | -14.0% | 8,731.3 | 34.5% |
| A&P | 1,428.0 | 26.4% | 1,534.0 | 23.8% | -6.9% | 4,428.0 | 17.5% |
| Staff Cost | 642.5 | 11.9% | 608.9 | 9.4% | 5.5% | 2,335.5 | 9.2% |
| Admn & Other Exp. | 571.5 | 10.6% | 552.0 | 8.6% | 3.5% | 2,240.0 | 8.8% |
| EBIDTA | 801.7 | 14.8% | 1,472.5 | 22.8% | -45.6% | 7,591.3 | 30.0% |
| Other Income | 64.8 | 1.2% | 50.8 | 0.8% | 27.6% | 310.8 | 1.2% |
| Interest | 79.3 | 1.5% | 125.1 | 1.9% | -36.6% | 580.1 | 2.3% |
| Amortisation of TM's/ brands | 597.9 | 11.0% | 609.2 | 9.4% | -1.9% | 2,616.9 | 10.3% |
| Depreciation/Amortisation of other assets | 152.5 | 2.8% | 106.0 | 1.6% | 43.9% | 468.9 | 1.9% |
| PBT | 36.8 | 0.7% | 683.0 | 10.6% | -94.6% | 4,236.2 | 16.7% |
| Tax | 26.4 | 0.5% | 116.5 | 1.8% | -77.3% | 832.0 | 3.3% |
| PAT | 10.4 | 0.2% | 566.5 | 8.8% | -98.2% | 3,404.2 | 13.4% |
| Cash Profit (PAT + Dep. & Amortization) | 760.8 | 14.1% | 1,281.7 | 19.9% | -40.6% | 6,490.0 | 25.6% |
| EPS - Rs. | 0.05 | | 2.5 | | | 15.0 | |
| Cash EPS- Rs. | 3.4 | | 5.6 | | | 28.6 | |



Awards & Accolades

- ❑ Navratna received the following prestigious awards for its campaign ‘**Navratna Oil – Sukun Ka Safar**’ at **Ujjain Kumbh Mela**-
 - ✓ Flame Awards Asia 2017 – ‘**Gold trophy**’ in the category of ‘**Promotion & Activation Campaign**’
 - ✓ ACEF Awards – ‘**Gold trophy**’ in the category of **BTL activities for Innovation**
 - ✓ Flame Awards Asia 2017 – ‘**Silver trophy**’ in the category of ‘**Integrated & Social Development**’
 - ✓ ACEF Awards – ‘**Silver trophy**’ in the category of **Events & Promotions**

- ❑ **Mr. N H Bhansali**, CEO – Finance, Strategy & Business Development and CFO, was awarded the **Best CFO Award** for Sustained Wealth Creation in Mid-Cap segment by the **YES Bank-BW Businessworld CFO Awards 2017**



Thank You