

emami limited

Making people healthy & beautiful, naturally

Q2 & H1FY16

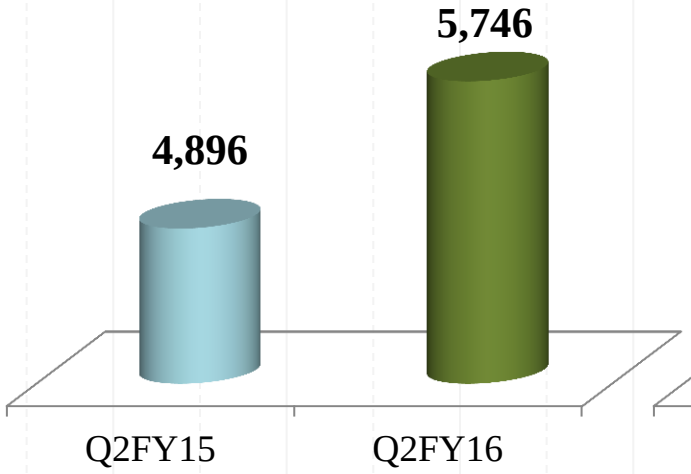
Performance Update

29th October, 2015

Q2FY16 *Snapshot...Consolidated*

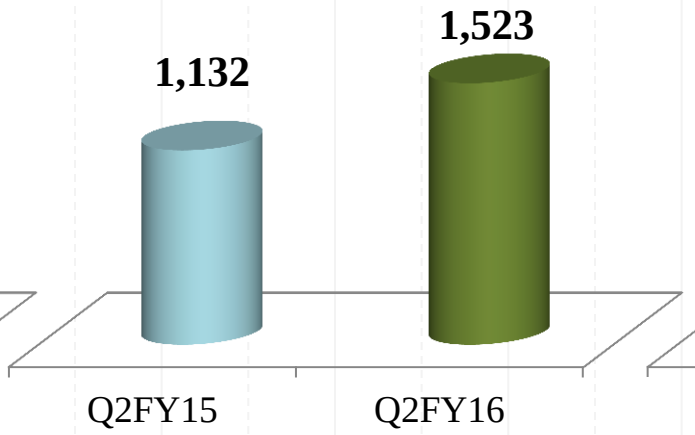
₹ in Millions

+17.4%



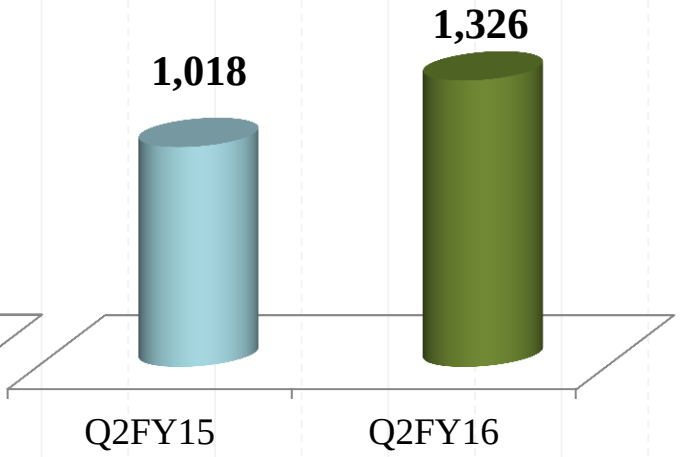
SALES

+34.5%



EBIDTA

+30.3%



CASH PROFIT*

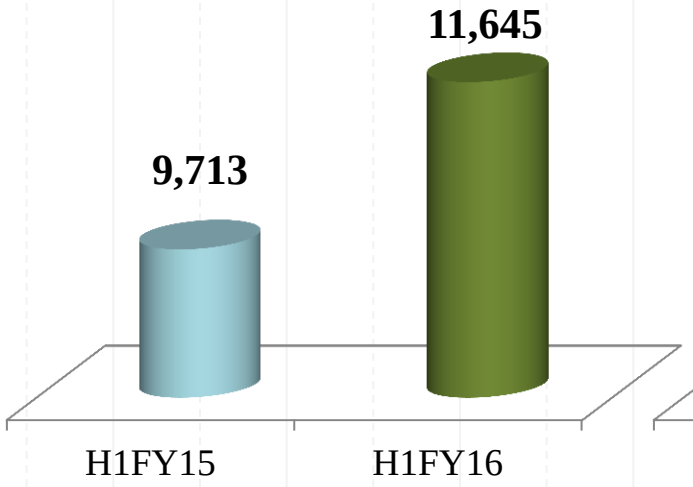
However, PAT degrew by 33.0% on account of Amortization of Kesh King Intangible assets for ₹ 619.8 mns.

*Cash Profits = PAT+ Depreciation & Amortization.

H1FY16 *Snapshot...Consolidated*

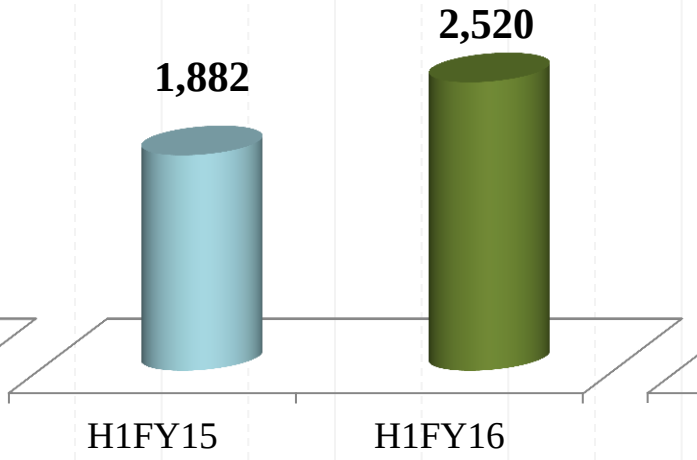
₹ in Millions

+19.9%



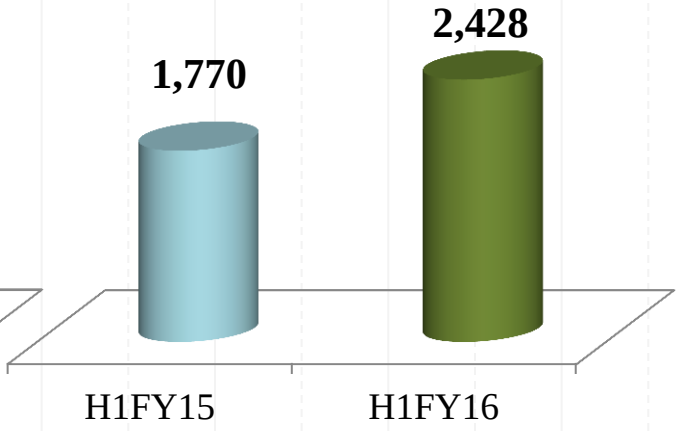
SALES

+33.9%



EBIDTA

+37.2%



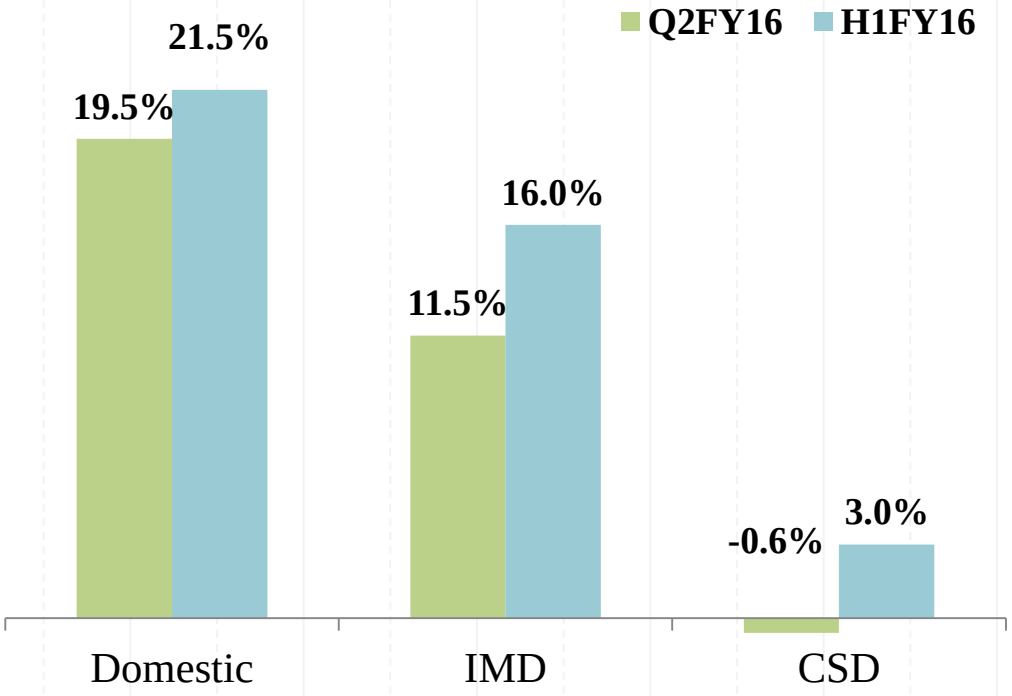
CASH PROFIT*

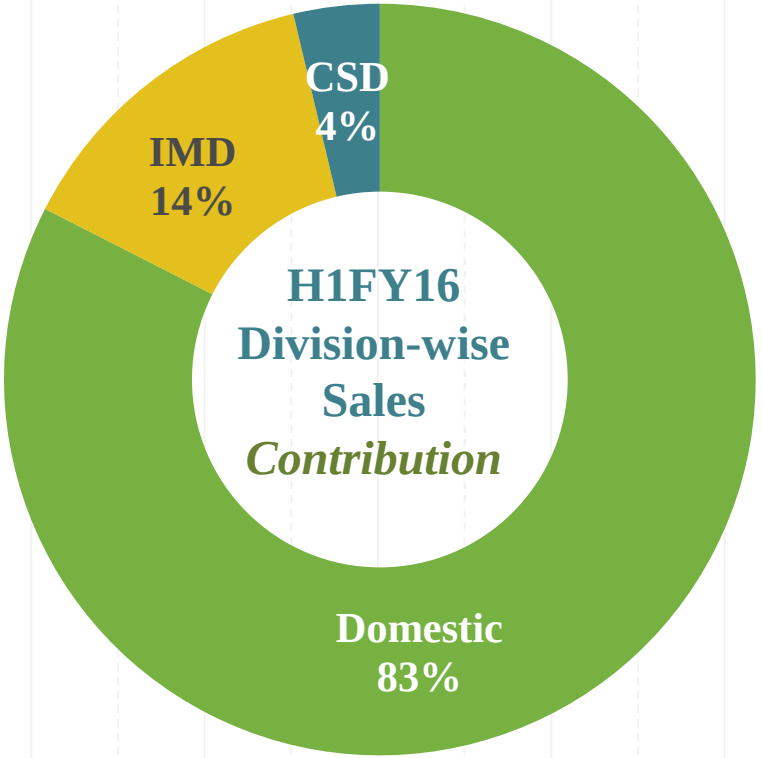
However, PAT degrew by 8.9% on account of Amortization of Kesh King Intangible assets for ₹ 756.4 mns.

*Cash Profits = PAT + Depreciation & Amortization.

Sales *Growth*

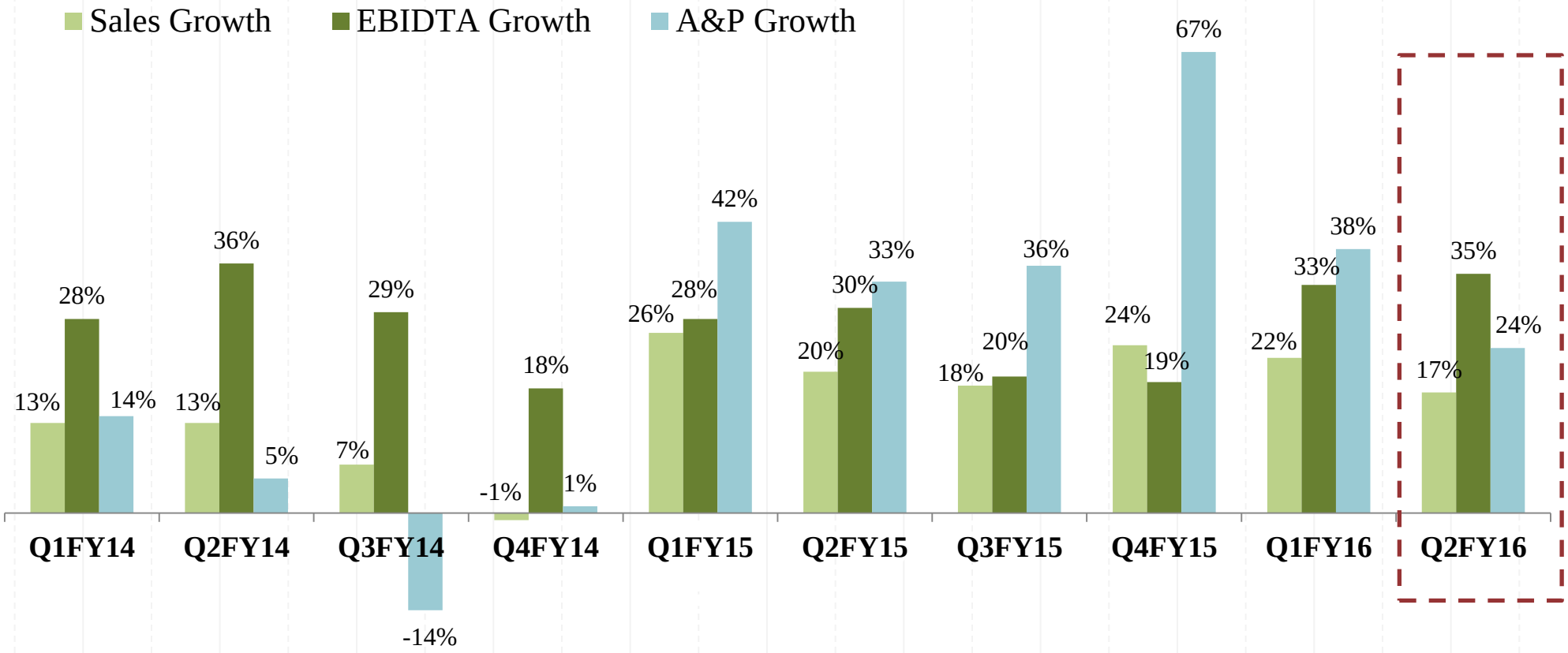
- **Consolidated Sales** grew by **17.4%** in Q2 and by **19.9%** in H1FY16





Quarterly Trends

Consolidated Sales, EBIDTA and A&P Growth



EBIDTA margins expand by 340 bps YoY in Q2FY16

Q2 & H1FY16
Sales Performance

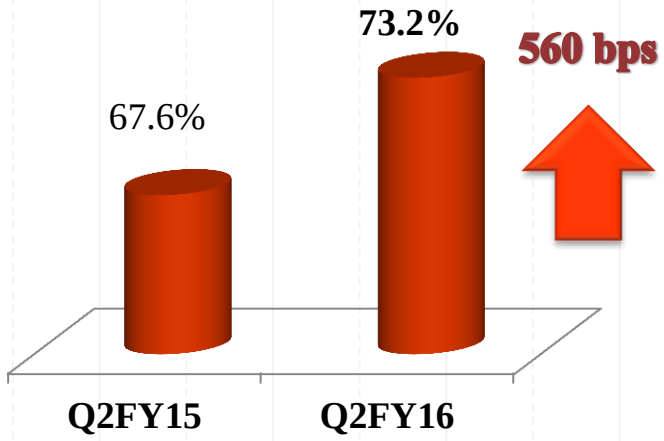
Navratna *Range*

- **Cool Oils** registered flat growth during the quarter due to early rainfall. However, it grew by **10%** in **H1FY16**.
  - **560** bps increase in Market Share (Vol.) at **73.2%** in Q2FY16.



Cool Oils- Market Share (Vol.)

- **Cool Talc** de-grew by 20% in the quarter due to early rainfall. However, it grew by **6%** in **H1FY16**.
  - Maintained Market Share (Vol.) at **26.7%** in Q2FY16.



Balms *Range*

- **Balms** grew by **3%** during the quarter and by **13%** in H1FY16.
  - Subdued growth due to huge deficit of monsoons in western India, which is a major market for Balms.

- Balms maintained its leadership with a Market Share (Vol.) of **55.7%** in Q2FY16



Fair and Handsome *Range*

- **Fair & Handsome cream grew by 10% during the quarter and by 15% in H1FY16**
  - **Maintained its leadership with a Market Share (Vol.) of 62.0% in Q2FY16**

- Brand Extension **Fair & Handsome Instant Fairness Facewash** performed well.
  - **Market Share (Vol.) at 12.1% in Q2FY16**



Fair and Handsome partners FC Pune City Team as Lead Sponsor for Indian Super League 2015

Fair & Handsome announced a unique digital contest **#HandsomeLife** for the aspirational youth where 10 lucky winners would get a chance to meet the Bollywood superstar Hrithik Roshan and be mentored by him & other experts



BoroPlus *Range*



- **BoroPlus Antiseptic cream** grew by **16%** during the quarter and H1FY16.
  - **Maintained it's leadership with a Market Share (Vol.) of 75.5% in Q2FY16.**

- **BoroPlus Prickly Heat Powder** grew by **10%** during the quarter and by **13%** in H1FY16.

BoroPlus Antiseptic Cream came up with a TV commercial created by Rajkumar Hirani, bringing in superstars Amitabh Bachchan & Kangana Ranaut for the first time together onscreen which was aired in TV, Cinemas and Radio.



Health Care *Range*

- **Healthcare range grew by 45% during the quarter and by 37% in H1FY16.**
  - **Sales of Pancharishta more than doubled during the quarter and grew by 84% in H1FY16.**



Zandu Pancharishtha TVC's run on regional markets like West Bengal, Andhra Pradesh, Maharashtra and Karnataka enhancing consumer reach.



Kesh King *Range*

- Acquired control on 12th June, 2015.
- Kesh King contributed to ~**10%** of the domestic sales growth during the quarter and ~**6%** of the growth in H1FY16.
- Shruti Haasan roped in to promote the brand in southern markets



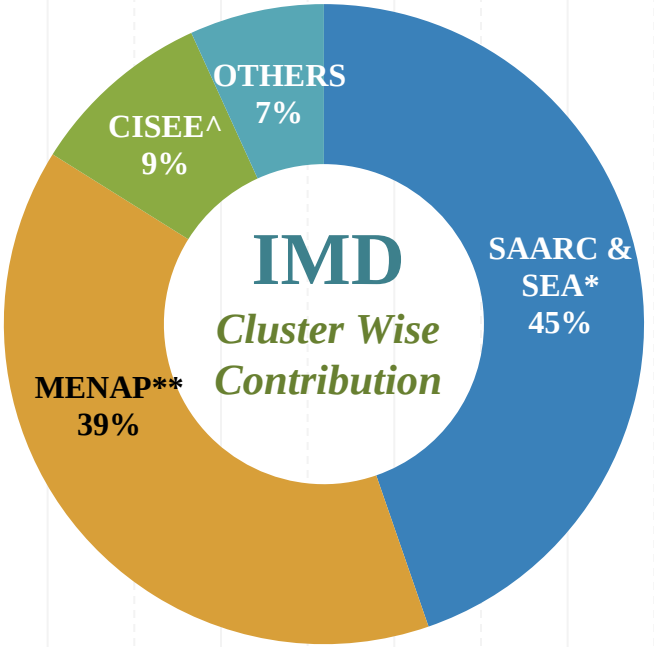
7 Oils in *One*

- **Sales grew 150% in Q2FY16 and by 51% in H1FY16**



International Marketing *Division*

- International business grew by **12%** during the quarter and by **16%** in H1FY16.
  - **SAARC & MENAP** regions performed well
  - **CIS** however degrew due to currency volatility



Leadership *in International Markets*

- Navratna **#1** in Cooling Oil category across UAE, Saudi Arabia & Bangladesh
- Fair & Handsome **#2** in Men's Fairness Cream category across UAE, Saudi Arabia & Bangladesh
- BoroPlus **#2** in Antiseptic and Healing topical Supplement category in Russia

***SAARC & SEA:**	South Asian Association for Regional Cooperation & South East Asia
****MENAP:**	Middle East, North Africa & Pakistan
^CISEE:	Commonwealth of Independent States & Eastern Europe

Q2 & H1FY16 Earnings

Q2FY16 *Summarized Results*

₹ *in Millions*

Particulars	Q2FY16	% of Sales	Q2FY15	% of Sales	Growth %	FY15	% of Sales
Net Sales	**5,746.2**	***100%***	**4,896.0**	***100%***	***17.4%***	**22,172.5**	***100%***
Materials Cost	1,689.9	*29.4%*	1,654.7	*33.8%*	*2.1%*	7,799.7	*35.2%*
A&P	1,115.2	*19.5%*	901.0	*18.4%*	*23.8%*	3,919.4	*17.7%*
Staff Costs	527.9	*9.2%*	444.0	*9.1%*	*18.9%*	1,671.3	*7.5%*
Admn. & Other Exp.	890.2	*15.5%*	764.1	*15.6%*	*16.5%*	3,381.3	***15.2%***
EBITDA	**1,523.0**	***26.5%***	**1,132.2**	***23.1%***	***34.5%***	**5,400.8**	***24.4%***
Other Income	129.2	*2.2%*	148.7	*3.0%*	*-13.1%*	918.2	*4.1%*
Interest	190.9	*3.3%*	13.2	*0.3%*	*1346.2%*	51.4	*0.2%*
Amortisation of Acquired Trade Marks / Brands	619.8	*10.8%*	12.4	*0.3%*	*4898.4%*	34.4	*0.2%*
Depreciation/ Amortisation of other assets	92.3	*1.6%*	89.9	*1.8%*	*2.7%*	308.7	*1.4%*
PBT	**749.2**	***13.0%***	**1,165.4**	***23.8%***	***-35.7%***	**5,924.5**	***26.7%***
Tax & Minority Interest	135.8	*2.4%*	250.2	*5.1%*	*-45.7%*	1,068.4	*4.8%*
PAT	**613.4**	***10.7%***	**915.2**	***18.7%***	***-33.0%***	**4,856.1**	***21.9%***
EPS - Rs.	3.9		4.0		*-4.5%*	21.4	
Cash Profit	**1,325.5**	***23.1%***	**1,017.5**	***20.8%***	***30.3%***	**5,199.2**	***23.4%***
Cash EPS	5.8		4.5		*30.3%*	22.9	

H1FY16 *Summarized Results*

₹ in Millions

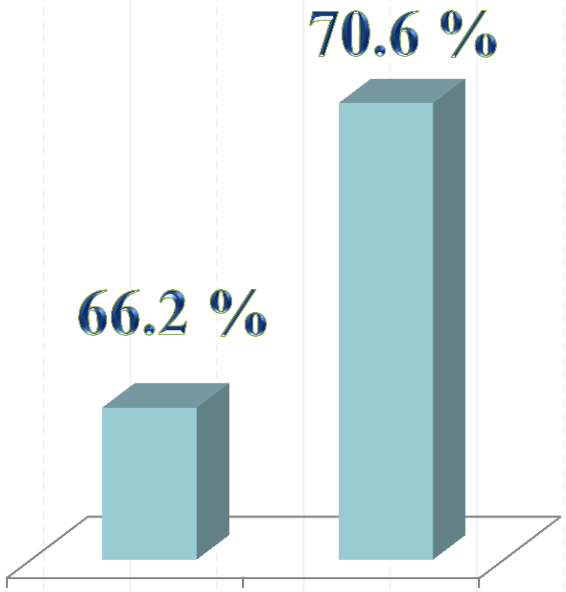
Particulars	H1FY16	% of Sales	H1FY15	% of Sales	Growth %	FY15	% of Sales
Net Sales	**11,644.9**	***100%***	**9,713.3**	***100%***	***19.9%***	**22,172.5**	***100%***
Materials Cost	3,706.0	*31.8%*	3,512.6	*36.2%*	*5.5%*	7,799.7	*35.2%*
A&P	2,535.8	*21.9%*	1,929.4	*19.9%*	*31.4%*	3,919.4	*17.7%*
Staff Costs	1,034.2	*8.9%*	863.5	*8.9%*	*19.8%*	1,671.3	*7.5%*
Admn. & Other Exp.	1,849.0	*15.9%*	1,525.6	*15.7%*	*21.2%*	**3,381.3**	***15.2%***
EBITDA	**2,519.9**	***21.6%***	**1,882.2**	***19.4%***	***33.9%***	6,319.0	*28.5%*
Other Income	314.1	*2.7%*	372.0	*3.8%*	*-15.6%*	**918.2**	***4.1%***
Interest	234.3	*2.0%*	21.3	*0.2%*	*1000.0%*	51.4	*0.2%*
Amortisation of Acquired Trade Marks / Brands	756.4	*6.5%*	12.4	*0.1%*	*6000.0%*	**34.4**	***0.2%***
Depreciation/ Amortisation of other assets	180.7	*1.6%*	121.6	*1.3%*	*48.6%*	308.7	*1.4%*
PBT	**1,662.6**	***14.3%***	**2,098.9**	***21.6%***	***-20.8%***	**5,924.5**	***26.7%***
Tax & Minority Interest	171.7	*1.5%*	463.1	*4.8%*	*-62.9%*	1,068.4	*4.8%*
PAT	**1,490.9**	***12.8%***	**1,635.8**	***16.8%***	***-8.9%***	**4,856.1**	***21.9%***
EPS - Rs.	6.5		7.2		*-9.2%*	21.4	*0.1%*
Cash Profit	**2,428.0**	***20.9%***	**1,769.8**	***18.2%***	***37.2%***	**5,199.2**	***23.4%***
Cash EPS	10.7		7.8		*37.2%*	22.9	*0.1%*

Summarized *Balance Sheet*

₹ in Millions

S.N.	LIABILITIES	As at 30.09.2015	As at 30.09.2014	As at 31.03.2015	S.N.	ASSETS	As at 30.09.2015	As at 30.09.2014	As at 31.03.2015
1	**Shareholders Fund**	**13,813**	**9,892**	**12,306**	**1**	**Non-Current Assets**	**21,694**	**5,091**	**5,320**
	a. Share Capital	227	227	227		Net Fixed Assets	21,103	4,445	4,776
	b. Reserves and Surplus	13,586	9,665	12,079		Goodwill On Consolidation	41	-	41
2	**Minority Interest**	**40**	**-**	**46**		Non-Current Investments	66	66	66
3	**Non-Current Liabilities**	**435**	**635**	**546**		Deferred Tax Asset (net)	0	-	-
	Long-Term Borrowings	23	180	17		Long-Term Loans and Advances	483	579	437
	Deferred Tax Liabilities (Net)	-	89	121		Other Non-Current Asset	1	0	0
	Other Long Term Liabilities	149	151	163	2	**Current Assets**	**5,123**	**9,136**	**11,444**
	Long-Term Provisions	263	214	245		Current Investments	1,514	3,191	4,947
4	**Current Liabilities**	**12,530**	**3,699**	**3,865**		Inventories	1,677	1,715	1,267
	Short-Term Borrowings	9,615	595	177		Trade Receivables	1,102	886	1,027
	Trade Payables	2,104	2,387	1,932		Cash and Cash Equivalents	427	2,340	3,541
	Other Current Liabilities	759	576	639		Short-Term Loans and Advances	403	1,004	663
	Short-Term Provisions	52	141	1,117		Other Current Assets	-	-	-
	TOTAL	**26,817**	**14,226**	**16,763**		**TOTAL**	**26,817**	**14,226**	**16,763**

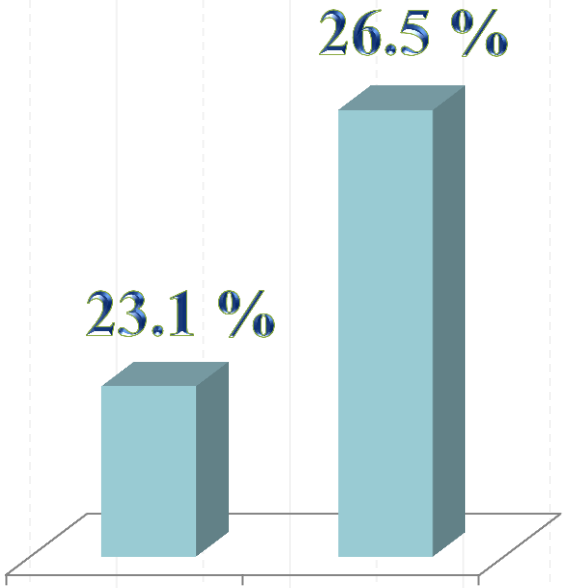
Q2FY16 *Margin Profile*



₹ 3,241.3 mn | ₹ 4,055.5 mn

Gross Margins

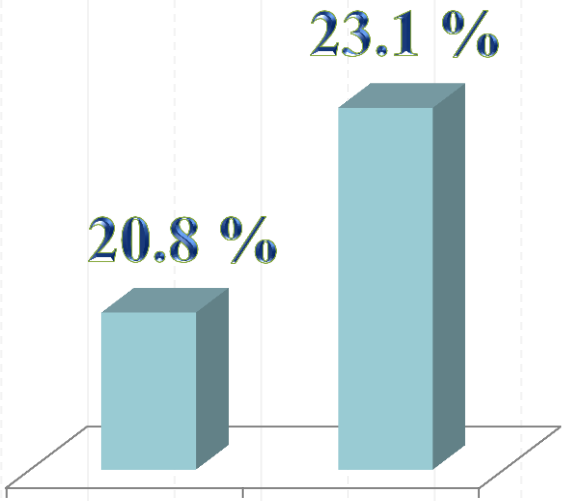
Up 440 bps



₹ 1,132.2 mn | ₹ 1,523.2 mn

EBIDTA Margins

Up 340 bps

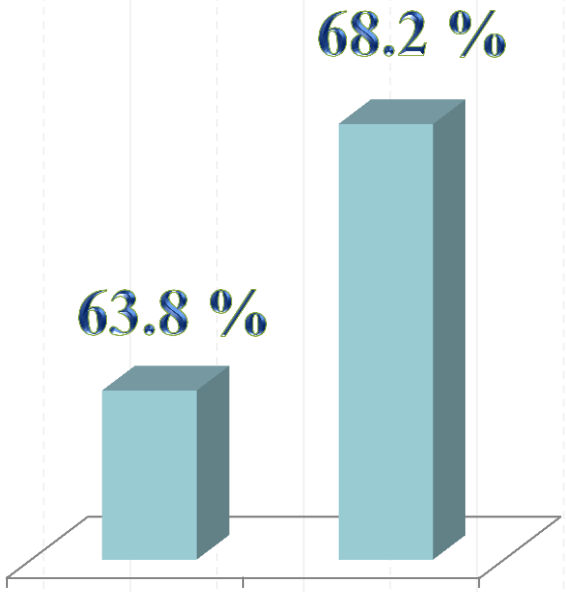


₹ 1,017.5 mn | ₹ 1,325.5 mn

Cash Profit Margins

Up 230 bps

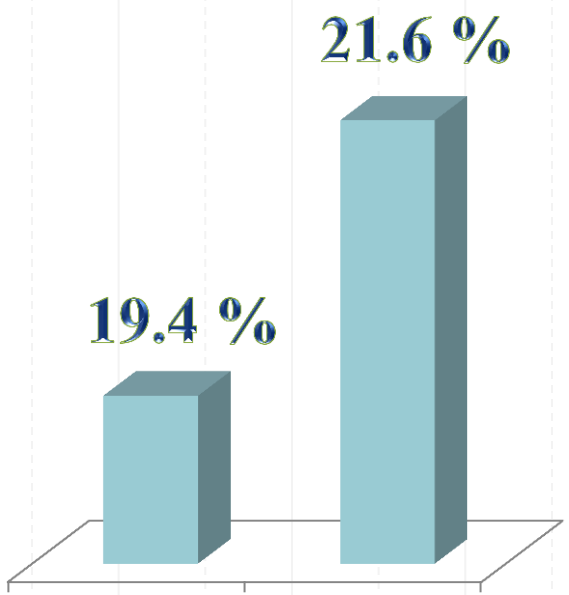
H1FY16 *Margin Profile*



₹ 6,200.7 mn | ₹ 7,938.9 mn

Gross Margins

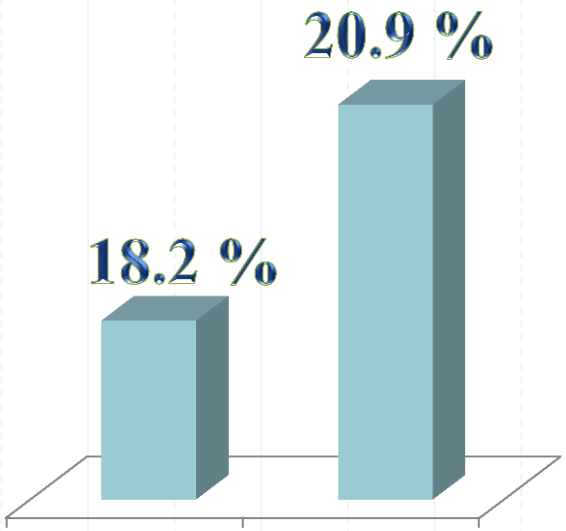
Up 440 bps



₹ 1,882.2 mn | ₹ 2,519.9 mn

EBIDTA Margins

Up 230 bps



₹ 1,769.8 mn | ₹ 2,428.0 mn

Cash Profit Margins

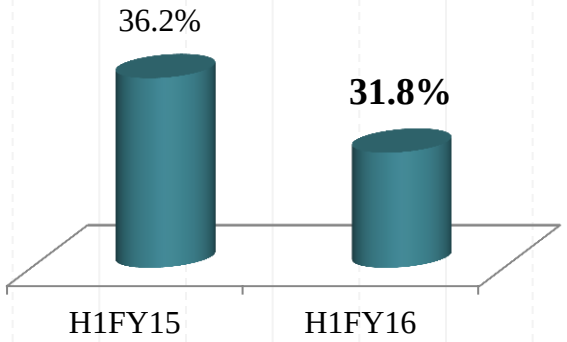
Up 270 bps

H1FY16 Earnings *Analysis*

Cost of Goods Sold

(as a % of Sales)

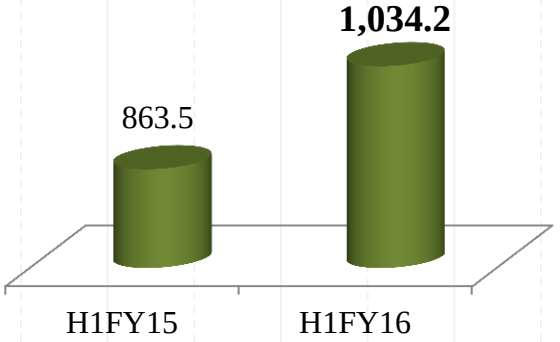
- 440 bps



Staff Costs

(₹ in Millions)

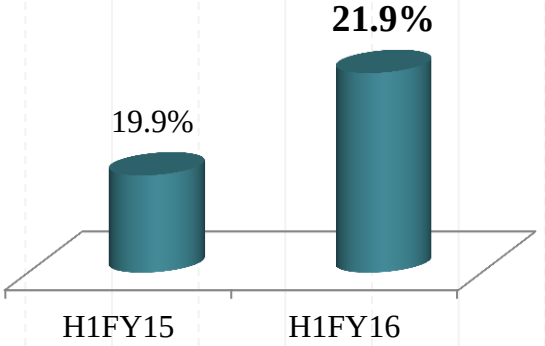
+ 19.8%



A&P Spends

(as a % of Sales)

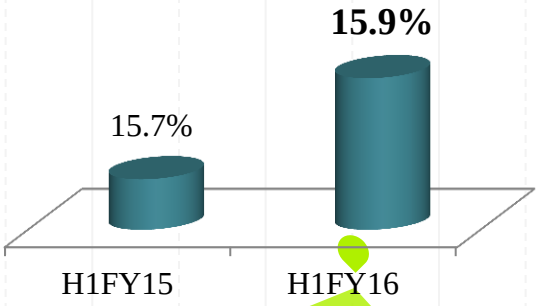
+ 200 bps



Admin & other Expenses

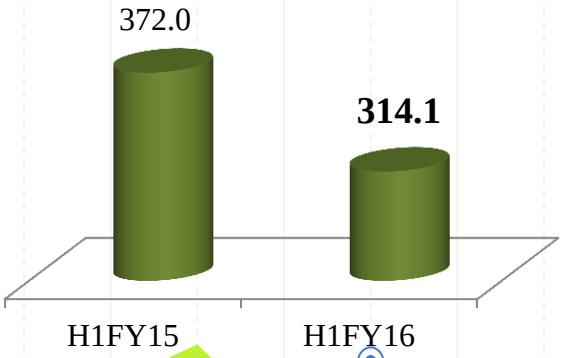
(as a % of Sales)

+ 20 bps



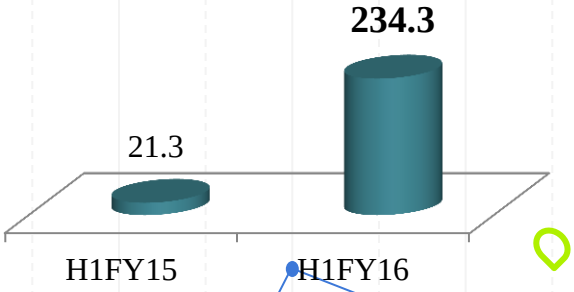
Other Income

(₹ in Millions)



Interest Paid

(₹ in Millions)



Accolades…*Q2*

- Ranked at **84th position** *(PY: 120)* in **Business Today's "BT 500 India's Most Valuable Companies" Ranking 2015.**



- Featured among the **Top 10 Companies having the highest RoE** and ranked **390th** *(PY: 420)* in the **ET 500 Rankings 2015.**

THE ECONOMIC TIMES
ET 500

Thank you

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Making people Healthy & Beautiful, Naturally

