



Date: 03rd June, 2024

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The Manager
National Stock Exchange of India Ltd
Listing Department
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Bandra (E), Mumbai-400 051
Symbol: EMAMILTD

Sub: Transcript of Investor Conference Call pertaining to the Audited Financial results of the Company for the quarter and year ended March 31, 2024

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Investors' conference call held on 29th May, 2024, post declaration of the Audited Financial Results (Standalone & Consolidated) for the quarter and year ended 31st March, 2024.

The said transcript is also available on the website of the Company at: www.emamilttd.in

Thanking You,

Yours Sincerely,

For Emami Limited

Ashok Purohit

Dy. Company Secretary

Membership No: F7490

(Encl: a/a)



“Emami Limited Q4 FY-24 Earnings Conference Call”

May 29, 2024



MANAGEMENT: **MR. MOHAN GOENKA – WHOLE-TIME DIRECTOR AND VICE CHAIRMAN, EMAMI LIMITED**
MR. VIVEK DHIR – CEO INTERNATIONAL BUSINESS, EMAMI LIMITED
MR. GUL RAJ BHATIA – PRESIDENT, HEALTHCARE, EMAMI LIMITED
MR. MANISH GUPTA – PRESIDENT, SALES, EMAMI LIMITED
MR. RAJESH SHARMA – PRESIDENT, FINANCE & IR, EMAMI LIMITED

MODERATOR: **MR. PERCY PANTHAKI – IIFL SECURITIES LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to Emami Limited Q4 FY24 earnings conference call hosted by IIFL Securities Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Percy Panthaki from IIFL Securities Limited. Thank you and over to you sir.

Percy Panthaki: Hi everyone, good evening. It's our pleasure to host the Management of Emami Limited for their 4Q Call.

I have with me on the line, Mr. Mohan Goenka – Whole-Time Director and Vice Chairman, Mr. Vivek Dhir – CEO International Business, Mr. Gul Raj Bhatia – President, Healthcare, Mr. Manish Gupta – President Sales and Mr. Rajesh Sharma – President, Finance and IR.

I will now handover the call to Mr. Mohan Goenka, who will take you through the presentation and then we will open up for Q&A. Over to you sir.

Mohan Goenka: Thank you Percy. A very good afternoon, ladies and gentlemen. Thank you all for joining us today. It's a pleasure to have you with us as we reflect on the performance of the past quarter.

I am pleased to share that we have navigated through headwinds with our ongoing efforts on distribution and brand building yielding positive results, reporting a volume led revenue growth during the fourth quarter. Notably the rural market is also witnessing a recovery which bodes well for our future prospects. While consolidated net sales at 881 crores grew by 8%, revenue from operations at 891 crores grew by 7% over the previous year in Q4. Our domestic business grew by 8% with a healthy volume growth of 6.4%.

Coming to our brand wise performance:

Pain management grew by 9%, healthcare grew by 10% and 7 oils in one grew by 20%, Boro plus range grew by 33% on account of extended winters. While Navaratna and Dermicool posted growth of 1% during the quarter, Male grooming range and Kesh King range were impacted on account of lower discretionary consumption and declined by 2% and 9% respectively. However, we believe this is a short-term issue and both the brands would bounce back once the market recovers. Further I am happy to share that Helios and Brillare continued to grow robustly by 86%.



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During the quarter, we launched Nature First healthy radiance range under Fair and Handsome brand and also introduced four digital first on Zanducare D2C portal.

Increased distribution through project KHOJ resulted in additional coverage of more than 20,000 towns in rural regions. Since the launch of the project more than 15% of our direct rural sales were achieved from these newly activated coverage towns. Further our sales enablers like upsell, cross sell tool, beat optimization and chemist outlet expansions were also scaled up during the year. Additionally, our contribution from modern trade at 10% increased by 110 basis points and e-commerce contribution at around 12% increased by 290 basis points in FY24.

Despite the geopolitical crisis and currency depreciations in key geographies, our international business grew by 9% in constant currency and 8% in INR terms driven primarily by MENA region. In FY24 sales of 7 oils in one crossed INR 1 billion in the international markets. Creme 21 also registered its highest ever sales. Our international business further strengthened its portfolio by introducing a range of shampoos and conditioners under 7 oils in one brand and the baby care range under Creme 21.

Our gross margins at 65.8% expanded by 270 basis points. We invested strongly behind brand building activities resulting in 39% growth in A&P spends in this quarter. Despite such investments, EBITDA at 211 crores grew by 6%. For the full year, we achieved revenues of 3,578 crores with a growth of 5% with gross margin of 67.6% expanding by 290 basis points. EBITDA at 950 crores grew by 10% with margins expanding to 26.5%, an increase of 120 basis points. Our profit after tax at 724 crores grew by 13%.

Looking ahead, we anticipate an improvement in consumptions, both in urban and rural markets, sustained by optimistic prospects for the Rabi crop and a forecast of normal monsoons. Our commitment to investments behind our power brands, expanding distribution network and enhancing capabilities positions us favorably to seize market opportunities. Our outlook for the coming quarters remains positive. With a strong summer season and forecast of a good monsoon, we will continue to be focused on our objective of achieving sustainable and profit-led, volume driven growth and amplifying our new growth engines. Favorable macroeconomic indicators, accelerated expansion efforts across emerging channels and strategic initiatives alongside a robust innovation pipeline, coupled with sustained investments in core brands will propel us towards strong growth in the days to come.

I now open the floor for Q&A. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. First question is from the line of Arnab Mitra from Goldman Sachs.



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Arnab Mitra: Mohan ji, couple of questions from my side. So, you mentioned the rural pickup. Are you seeing it in your own sales numbers or is it more a reflection of the Nielsen data which is I think now showing rural going a little ahead. So, just wanted some sense of what you're actually seeing on the ground in the march quarter and also in the June quarter till now?

Mohan Goenka: Arnab, I am talking about our internal numbers. Not so much from the Nielsen, of course Nielsen also in the last 4-5 months they have been very bullish on rural. But internally also we are seeing some signs of recovery from all corners which we are also seeing in this quarter. So, hopefully this trend continues both in the urban and the rural areas.

Arnab Mitra: And Mohanji this quarter specifically other than Boroplus which is obviously bit seasonal, the non-seasonal categories like pain and healthcare have also seen some pickup. So, do you think there is something overall like improving at that end or would you more put it down to the distribution initiatives on your side?

Mohan Goenka: Arnab as our distribution initiatives have been going on for quite some time now. The project Khoj has been there for last almost six to seven quarters. But definitely there is recovery, we are seeing across channels and there is momentum, both in healthcare in pain, in summer portfolio. So, there is some kind of a recovery which we are seeing across channels.

Arnab Mitra: And my last question was on margin. So, in this quarter specifically the GM increase was more than offset by the advertising spend increase. Is this a trend you expect an FY25 or do we see actually some EBITDA margin expansion also if the growth remains reasonably healthy?

Mohan Goenka: On margin front Arnab, we are well positioned. That's why we could spend 39% growth we have seen this quarter also. We would want to spend on our core brands for growth that is for sure. If the momentum continues, our advertising would also go up. But because the input side input is benign still. So, there might be some margin expansion in this year what we expect.

Moderator: Next question is from the line of Harit Kapoor from Investec.

Harit Kapoor: My first question is on the summer portfolio. So, if you look at Q4 obviously, the summer portfolio growth has not been great, and I guess it was probably due to a delayed winter. But I just wanted to get your sense about how the first quarter is kind of moved, at least the initial trend. It looks like it's been a strong summer, and most categories are going to see pick up. So, I was just wondering if you have seen that in your performance as well, at least from a summer perspective.

Manish Gupta: So, the good news is yes, we are seeing it absolutely on the numbers. I mean the summer this year as you rightly said is like been extremely severe and we are benefiting from that.



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Harit Kapoor: The second thing is on the ad spend. So, Mohan ji, you've got a 20% kind of A&P to sales ratio which you haven't done as such consistently. I was just wondering with the market outlook improving a little bit, do you see pace of innovation kind of further picking up over the next 12 to 18 months? Because I remember you saying that we're ready with a lot of things, but the market is not conducive. But with the market now picking up do you see more news there? I know you have done 35 plus in the products and variant launches but just wanted to get your sense on that and how does that reflect on the A&P side as well?

Mohan Goenka: So, very much, Harit, I think we are well positioned now. A lot of new launches are in the pipeline. You would definitely see some coming in the next two quarters. So, we are bullish now. We are well settled, both in terms of distribution and innovation margins. So, we would be aggressive very honestly going forward.

Harit Kapoor: And the last thing was on pricing. So, typically, you have a 2% to 4% type of a price increase trajectory on an annual basis to take care of, not only COGS but also the other OPEX. I was just wondering whether you've actioned some of that already, do you expect that happening during the year, how do we see that?

Mohan Goenka: Harit, honestly, we would not be very aggressive in terms of price increases because the input as I said are benign. We are expecting a bit of margin expansion despite of less price increases. Price increase, we expect not more than 2%-2.5% in this year.

Moderator: Next question is from the line of Mr. Percy Panthaki from IIFL Securities.

Percy Panthaki: Very interesting to note the growth in the sort of new age brands Brillare and Man Company. Can you give some idea on how big those brands are if not in absolute rupees crores, some indication in terms of what percentage of sales do they contribute to this quarter?

Rajesh Sharma: So, both TMC and Billare would be contributing over 200 crores kind of to our revenues for the full financial year this year.

Percy Panthaki: Are you also seeing like a good quarter-on-quarter ramp up or it's more or less equally spread out throughout the quarters?

Rajesh Sharma: It's slightly increasing quarter-on-quarter going ahead. So, this quarter also if you look our growth has been significant at more than 80% compared to overall 60% kind of growth for the full year.

Percy Panthaki: Secondly, I just wanted to understand, what is the pipeline inventory as of end of March? Is it higher than what it should be around that time of the year or is it lower than what it should be at that time of the year? How are you placed on the pipeline both in the distributor as well as the other parts of the trade?



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Manish Gupta: So, for the month of March because as you know we start loading for the summer. So, like to like we are in a good situation. There are a couple of concerns which we have addressed in the month of April and May but nothing to be worried about.

Percy Panthaki: So, would I be right in assuming that actually the summer sell-in would have been sort of lower than expected because the onset of summer was delayed or that's not the case?

Manish Gupta: No, not really. See the onset has an implication on the tertiary and the secondary part. But from a loading perspective we were pretty much in line with how things worked out. So, we typically start in the month of February onwards, so no change.

Percy Panthaki: And how would this affect your primary sales for Q1 if at all there is any effect? Should we—because the loading has already happened, but the sale has been delayed because of the delayed onset—do we see the sales sort of being a little softer in Q1 or that's not the way to look at it?

Manish Gupta: No. See I think one change which we have made consciously is that to be prudent about what kind of loading we do in Quarter 4 as we are into Feb and March. So, we've been very cognizant about it and thanks to the great summer start which has happened, actually we are right now in a very good situation on April and May, so you won't see a softer Q1 to that extent.

Percy Panthaki: Also, on Kesh King brand what really is that brand? Why are we seeing declines in this? And I mean if I look at the brand history over the last 7-8 years since you have acquired it, it has been a roller coaster ride? There are some years in which it does very well and then some years in which it sort of stagnates or declines. Then some initiatives are taken due to which again we see a strong growth and then again it declines. So, what really do we need to have a more steady stable modest growth in this brand? And what is currently the problem, that is the brand due to which there is a decline in the sales?

Mohan Goenka: So, Percy if you see last 5 years CAGR, Kesh King has grown at about 4% which is in line with many of our other brands. Of course, you are right that there is less of consistency, but we are taking a lot of steps for Kesh King to see that we grew at about 5% to 7%. Of course, there has been a lot of competitive intensity in this category, not just from some of the other brands but also some of the D2C brands. So, we are just reworking on this to see how we can grow at 5% to 7% consistently on Kesh King. We have aggressive plans for shampoos under Kesh King.

Percy Panthaki: And the other area which has not been doing well since quite some time is the male grooming range. So, what are the plans to revive that? We have tried different things. We have launched different products. Some have worked some have not worked. A few years ago, a problem was identified that the face is getting covered with beard and therefore people are using less of this. But how do we—I mean I understand all the issues but—is it possible first of all to tackle these issues and bring the male grooming range back to a healthy growth or you think that this is a



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structural issue and we have to live with it and therefore the growth will be lackluster in this sub segment?

Mohan Goenka: Percy, we have taken some very interesting call for male grooming though we have been going very aggressively as far as The Man Company is concerned. But yes, Fair & Handsome for the last few years is struggling. We have made a note of it and we have reworked on the strategy. You would see something coming in the Q2 of this year.

Percy Panthaki: So, when you are giving these numbers of male grooming which is for Q4, it is excluding The Man Company, or this includes The Man Company also?

Rajesh Sharma: Excluding The Man Company.

Moderator: Next question is from the line of Shirish Pardeshi from Centrum Broking.

Shirish Pardeshi: Just two questions. I think Manish alluded saying that the season has panned out very well for Navratna. What is the growth which has panned out in Boroplus? Is there any separate initiatives we have taken?

Mohan Goenka: Shirish, you mean in the first quarter for Boroplus?

Shirish Pardeshi: Yes, Quarter 4 Boroplus growth is much stronger.

Mohan Goenka: Right. That was for there was delayed winter. So, that's why we saw that growth. But Q1 Boroplus is very small. Extended winters in Q4.

Shirish Pardeshi: Therefore, my question is that we might have seen the extended winter and growth is better. But if that inventory is getting stuck, I understand the Quarter 1 and Quarter 2 will be a slower saliency for the Boroplus. But is there any specific beyond winter effect has happened?

Mohan Goenka: No not really, Shirish. It is just due to the extended winters.

Shirish Pardeshi: Mohan ji my second question is on international business. Again, international business has been little volatile when we look at last three to four quarters. What is the steady state growth we are seeing? Maybe 2 years before we have done a lot of changes in the international business. So, maybe if you can add what kind of pains we are struggling and seeing at this time and what kind of growth we are aspiring for FY25?

Vivek Dhir: So, international business has been really stable even post Covid as well. It is not three or four quarters. It is around maybe the last 12 quarters. You will see numbers are happening. So, fundamental strengthening of the structure in each of the geography is also happening. We have also made some recent changes in Nepal to pave the way for local manufacturing in maybe two



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years down the line. So, things are happening. We are branding. We are doing local innovations in many countries. We are doing the manufacturing. And manufacturing is further led by localization of procurement as well. Many things are happening altogether to have a permanent growth in the international business and we will have double digit growth in coming quarters as well. So, we don't have any concerns per se apart from political disturbances or the currency issues which are happening to us in Bangladesh or Russia, currencies are tanked for us. Political issues have happened. Bangladesh had seen some election time during the month of December and January. So, those are macroeconomic issues.

Shirish Pardeshi: My second last question on the D2C brands. Rajesh ji would you be able to quantify what kind of revenue contribution or absolute number we would have got for these two companies Man Company and Brillare in FY24 and what kind of profitability or losses we would have booked for the entire year?

Rajesh Sharma: So, both put together TMC and Brillare, we got turnovers of over 200 crores for the last financial year. And of that, the bulk of the revenues have come from The Man Company where it is now EBITDA positive since last year. So, there we are not incurring any losses anymore. Brillare being a smaller contributor is still investment phase and has good plans of growth going ahead.

Rajesh Sharma: But the loss on Brillare has come down significantly.

Shirish Pardeshi: That's what I wanted to check. But then anyway I will take it offline. This last question on the margin front are we aspiring because most of the FMCG companies are saying that there is a chance that they might take some price increase. So, have we implemented any price increases in last 40-50 days or planning to take?

Mohan Goenka: Yes, we have taken some price increases in some of our portfolios Shirish. But as I said for the year it could not exceed more than 2%.

Moderator: Next question is from the line of Nillai Shah from Moon capital.

Nillai Shah: Mohanji, just one question from my end. In terms of Fiscal '25 growth aspirations, what would that number be given the fact that the summer seems to have worked out well which is laid into 1Q as Manish mentioned and then we also will be cycling basically two back-to-back weak winter seasons? So, would you say a double-digit growth is something that Emami should be aspiring to for Fiscal '25?

Mohan Goenka: Definitely, Nillai. I think as the summer has started well and you are right, we have lower basis for winters. So, we definitely expect more than 10% growth for the financial year.

Moderator: It seems that we have lost the connection from the current questioner. We will move to the next question from the line of Harit Kapoor from Investec.



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Harit Kapoor: Follow up, on the distribution side, the last couple of years we have seen GT lag quite materially in terms of growth. While we've done very well on the new channel, I was just wondering whether this decline in GT has kind of narrowed in the last quarter or two especially with rural improving a little bit. So, just wanted to get your sense on that as well as obviously your own initiatives in GT. So, just wanted to get your sense on how that channel has done over the last 3-4-5 months?

Manish Gupta: So, as you know, typically what's happening in the industry is that GT's obviously a step behind in terms of growth versus an MT and an e-comm channel. And there's a fair bit of interplay between the channels itself due to the nature of the channels itself. The good part for us is Khoj has been a big discovery and helping us grow fast in rural. The good news is that over the last one year we have also taken steps. We were kind of facing a bit of a headwind in the urban GT channels which we were addressing via addressing the top end of the urban GT, addressing the pharmacy channel in GT, addressing upsell, cross sell and developing the distributors and the beat optimizations and stuff. So, there is a fair bit of action which is happening in the urban GT channels because that's where the growth is, that's where the consumer is and that's where we are seeing a lot of action. So, while Khoj continues to be a mainstay from a rural expansion perspective, there's a fair bit of attention that we are putting towards the urban GT now because rural is kind of, Khoj is now kind of stabilized. We can put our attention on the urban GT numbers.

Mohan Goenka: Now Harit and interestingly in the last 4-5 months you are right, we have increased a lot of focus on the urban GT, and we are seeing positive results coming in from there.

Moderator: Next question is from the line of Dhiraj Mistry from Antique Stock Broking.

Dhiraj Mistry: My first question is regarding can you break up current quarter sales between rural growth and urban growth for the quarter?

Manish Gupta: 7% and 8%. I am talking about because you see this number will not have channels like CSD, modern trade, e-comm and all that. I am saying this is just a split of the GT portion only because rest of the channels will not get added into this.

Dhiraj Mistry: So, can you help us the growth for modern trade and e-commerce for the quarter?

Manish Gupta: So, modern trade is about 17% and e-commerce 37%.

Dhiraj Mistry: And second question is regarding Zandu brand that we have open 3 EBO stores also extended that juices in online e-commerce channel. How do we see that going ahead that this category has particularly faced volatile growth rate since COVID time and how should we project going ahead?



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- Gul Raj Bhatia:** I would say that from a D2C perspective, we've done a number of digital first product launches over the last 3 years as you would be aware, and we are seeing growth happening year-on-year quarter-on-quarter. And the growth has been fairly steady and fairly good. Specific to the point you raised about juices and about EBOs, in juices I think the category in some segments of juices is performing very well online D2C, especially for products offering customized or specific health benefits for certain body parts or certain ailments where it's not possible to get a wide distribution in the GT segment and hence these tend to do well in a D2C scenario or in a D2c market. Regarding the EBOs, we are doing a pilot test launch to see whether we can besides being present in online, besides being present on e-comm channels, besides being present in modern day and emerging channels, can we also see whether we can leverage the malls etc. So, it's still at a very test phase. It's still very early to say whether we would extend it on a large scale. So, it's not going to be a strategic growth driver for the D2 C business in terms of the EBO channel perspective. Because while there is an opportunity there is a certain cost element also. So, from an ROI perspective it doesn't become as viable as an online channel.
- Dhiraj Mistry:** Next question is on e-commerce channel profitability. leaving apart Man Company and Brillare, that is D2C products. Our core product, how would be the profitability for those products in online e-commerce channel whether it would be more or less similar to our general trade modern, trade channel or it would be slightly lower than that?
- Rajesh Sharma:** The profitability for e-comm is slightly lower than the overall profitability for GT obviously because of higher discounts and offers being offered to the consumers.
- Dhiraj Mistry:** And what would be that difference between those channels?
- Rajesh Sharma:** So, it is slightly lower I would say, difficult to give a specific number but slightly lower.
- Dhiraj Mistry:** Two bookkeeping questions, what would be the amortization amount going ahead and effective tax rate for FY25?
- Rajesh Sharma:** So, amortization would be roughly 100 crores. You can consider that for the next 2-3 years and Pacharia plant in Guwahati will enjoy tax benefits till FY26. For next 2 years our tax rate should be around 10%, considering MAT credit which would be available to us.
- Moderator:** Next question is from the line of Anurag Dayal from HSBC.
- Anurag Dayal:** So, first related to Zandu, basically I wanted to get some update on the toothpaste which you launched earlier. So, how has been the reception so far? Could you give me some update on the same?
- Gul Raj Bhatia:** We did the online launch about 2.5 months back of Dantveer and the modern trade e-com launch about a month and a half back. So, we are seeing good traction online regarding modern trade



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and e-commerce. It's probably still too early to say because we've done the sell in, and we started the marketing programs. So, we will probably get to know in another month or two on how the responses in terms of how do we take it forward. But the overall very sort of early signals we are getting is that we are getting trials. What is important as you know in these categories is to see what the repeat purchases are and the repeat purchase cycle will take a couple of months more to see whether consumers come back or so, probably still a bit early to say. We will probably know by maybe July end on what the repeats are and how it scales.

Anurag Dayal: So, the end game is basically if it does well, we will get into GT to expand the market.

Mohan Goenka: We would probably evaluate it very closely in terms of what kind of consumer penetration we get, what kind of repeat we get, what kind of ROI we get. Because the GT market is as you know fairly competitive with fairly high media spends by most of the major brands. So, at this point of time, we've not really thought about getting into the GT market at least for a fairly extended time. We would want to be these. But if we see a very rapid scale up and we find that GT has a high potential we would obviously consider it.....

Anurag Dayal: Another clarification I need is around the domestic volume of 6% and value of 8%. So, does it include the new age brands as well or just the core brands?

Mohan Goenka: By new age you mean online?

Anurag Dayal: Yes, online ones.

Mohan Goenka: Yes, it includes that also.

Anurag Dayal: Excluding that what could be the volume growth, how much basis point lower?

Mohan Goenka: We would be in high single digits in terms of growth for non D2C for Quarter 4 because in Quarter 4 we've done particularly well. So, we hope to continue the momentum going forward in the current quarter and the next few quarters also, the coming years also.

Moderator: We have our next question from the line of Mr. Percy Panthaki from IIFL Securities.

Percy Panthaki: Just wanted to understand what is the increase in distribution over the last 3 years in terms of outlets as well as in terms of valuated distribution?

Manish Gupta: I will rather answer it in different way. As you know we have invested a lot in both in chemist expansion, Khoj expansion, rural expansion and all that. Rather than now focusing on the numerical as we discussed some time back, we are now focusing on the quality of distribution and the quality of inputs. I think going forward what you'll hear from us is that how do we not just rely on numeric increase but rather a quality of distribution bettering.



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- Percy Panthaki:** And how much is the numerical distribution right now?
- Manish Gupta:** So, our reach is almost in the range of 10 lakh outlets between urban and rural networks on a full year basis.
- Percy Panthaki:** So, that is the direct reach, 1 million?
- Manish Gupta:** Correct.
- Percy Panthaki:** And since you are focusing also in addition to rural on urban also in terms of the reach chemist and all that. Would you be able to share, or would you have any data on how the valued distribution has gone up? Because it is possible that maybe your number of outlets have not gone up too much. But if you have chosen outlets which are relatively larger in terms of throughput then basically your valued number would have gone up materially.
- Manish Gupta:** So, that's exactly what we wanted to address. Obviously as you know in FMCG industry the rate of principle is very sharp. The head is very strong, and the tail is very long for all the companies in all the categories. What we want to do is, diffuse the head a bit and have more participation of the big players in this market and avoid the risk of concentration because that's not good for us, both from sales as well as spends perspective. So, that's the reason to trim the tail, grow the head and elongate the head a bit so that we are more evenly poised to play with our large portfolio. Our portfolio is growing every year, so we need to be a little more savvy in how we reach these stores with the various portfolios.
- Percy Panthaki:** And can you explain in terms of distribution, what is the exact organization like? Is there a super distributor, sub-distributor model or is it that directly from your warehouse it goes to a distributor and then the distributor does a direct distribution to the retail? I am sure it will be maybe a combination of both. Maybe in rural areas you will have a sub-distributor kind of model. So, can you explain a little bit on that and if at all there has been a change in that? If let's say you have moved a little more towards a direct distribution and not through a super distributor if something like that has happened some flavor on that?
- Mohan Goenka:** Percy is it possible to take this offline because this is well established model, nothing has changed per se. If you really want to go into the details of it, I would request to take it offline with Manish.
- Percy Panthaki:** Absolutely, I will do that sir. That's all from my side. There are no further people in the queue. Okay, there's one person I see in the queue right now. So, maybe we can take the question.
- Moderator:** Next question is from the line of Nitin from Emkay.



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Nitin: I have two questions. First is on cooling oil, for the category we have seen multiple traditional players entering the category. And given the summer is favorable, how do you see the competitive intensity in this category?

Mohan Goenka: There is competitive intensity we have seen last year. But we are not seeing it impacting our Navratna oil or the Navratna Cool Talc. So, we are going strong. The summer is also this year. So, we have not seen any impact of competitiveness.

Nitin: And any sense on like the increase in participant has helped driving better growth in the category?

Mohan Goenka: We haven't seen much honestly. We will have to wait for one more season..

Nitin: And the last question is with respect to pain management and healthcare which has grown 9%-10%. So, we can see that there is a favorable base. So, can we attribute it largely to favorable base or like it is also the extended winter has helped this portfolio?

Mohan Goenka: It is primarily because of the extended winters, you are right.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for the closing comments.

Rajesh Sharma: We thank all the participants for joining us today at our Quarter 4 results con-call. Thank you IIFL. Thank you, Percy for arranging this call. Thank you. Have a good day.

Mohan Goenka: Thank you everyone.

Moderator: Thank you. On behalf of IIFL Securities Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.

Disclaimer - The following transcript has been edited for language, errors and grammar and therefore, it may not be a verbatim representation of the call