



Date : 18th September, 2020

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
Scrip Code: EMAMILTD

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code : 531162

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata - 700 001
Scrip Code: 018136

Sub : Chairman's Speech at the 37th Annual General Meeting

Dear Sirs,

Pursuant to Regulation 30 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Chairman's Speech along with the Presentation displayed during the 37th Annual General Meeting of shareholders of the Company held on 18th September, 2020 through video conferencing & other audio visual means.

This is for your information and records.

Thanking you,

Yours faithfully,
For **Emami Limited**

A. K. Joshi
Company Secretary & VP-Legal

Encl. as above



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CHAIRMAN'S SPEECH

37th Annual General Meeting

Held at Kolkata through Video Conferencing & OAVM 18th September, 2020

It gives me immense pleasure to welcome you all, to the 37th Annual General Meeting of the Company. This year is different from our earlier AGM editions, as we hold this AGM virtually to meet you over video conferencing.

The world is passing through a very different and difficult environment in our living memory. These are unprecedented challenging times, which tests the true character of mankind and the organisations, and I am confident that we all will emerge victorious in the face of it. When we finally emerge out of this crisis, the world will be a very different place with new normal having taken over, than what we knew as normal in all these past years. We are witnessing many of those changes already – be it in our lives or in our businesses.

The health and well-being of our employees as well as our business partners, have been of primary concern to us, and we took measures to address all the safety concerns. Your Company issued guidelines well before the announcement of lockdown, by the Government of India, for strictly implementing 'Work from Home' policy, across the organisation with minimum & only necessary attendance of employees at office premises. Further, we navigated the fast changing and difficult environment with agility to ensure that critical functions and systems were kept running, to ensure continuity of business and serving our



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consumers under changed circumstances. The entire extended family of Emami rose up to the occasion, to meet the challenges as one big team, to keep both the morale high and business on track.

Your Company also suspended operations at its offices and various manufacturing units temporarily to ensure safety of its employees. Production thereafter commenced, in a phased manner during lockdown from the 2nd week of April, strictly adhering to Government's advisory for industrial operations with limited manpower, to ensure social distancing as the need of the hour. We are happy to inform you that all our units are back to their normal production & capacity utilization is also at normal levels.

Your Company's offices have also resumed with limited attendance from the first week of June, adhering to the Central and State Government guidelines. Your Company's Human Resource Department also ensured that the mental fatigue that employees might have experienced, during the lockdown with lack of normal social interaction was kept at bay as much as possible, by constantly engaging with them on various learning opportunities to promote self-growth and conduct various mental and physical wellness programs.

This year, as I have already mentioned earlier, we have published our first Integrated Annual Report detailing about our strategic approach and sustainable efforts creating value for all our stakeholders. The report is in detail and I am sure you would have enjoyed browsing through it.

The year under review faced initial obstacles like weak rural demand, liquidity concerns, food inflation and sluggish consumption sentiment. Erratic climatic conditions like delayed winter and its extension affected the performance of both the winter and summer portfolios. Amidst this, the world was struck by the onslaught of the COVID-19 pandemic at the



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end of financial year creating a health scare, affecting the consumer spending, and thus resulting in a major economic uncertainty.

In face of a challenging environment, your Company continued to strengthen its sectorial position through strategic brand investments, timely innovation, targeted distribution and technology enhancement. We are deeply committed to drive these efforts with resilience, and agility in response to all macroeconomic challenges.

We believe that more sustainable companies are those that remain competitive across market cycles. We are ramping up our innovation pipeline, deepening our distribution across both traditional and new age trade channels and finding new and exciting ways to delight our consumers with differentiated quality, and affordable products. Through adoption of advanced technology and digital transformation across verticals, your Company is becoming more future-ready. We are confident that with this approach towards prevailing challenges, we will deliver a stronger performance in 2020-21.

Your Company introduced innovative brand extensions during the year, strengthening their relevance across the seasons. Following the outbreak of COVID 19, there has been a profound shift in consumer behaviour – globally. The Indian market is no different. All of a sudden, there is a growing demand for hygiene and immunity-boosting products. Online purchase is experiencing an all-time high.

Understanding the consumer pulse at the right time, your Company leveraged its keen consumer insight and fast tracked the launch of its hygiene range under the BoroPlus brand and various immunity-building products like AYUSH Kwath Powder and single herbs range under the Zandu brand.



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Implementing sales-force automation and scaling up of modern trade and e-commerce presence with initiatives like making channel specific SKUs also helped in strengthening significant consumer engagement. Our revenues in these new age channels grew by 16% in FY20 and increased their contribution to domestic business from 7.5% to 9.0%. Your Company took every right step in the post COVID world, to ensure brand Emami stayed relevant for consumers who would want to feel good about themselves and stay healthy, naturally.

You would be happy to note that the Company's Power Brands through successful and continuous innovations strengthened their market share while still having significant scope of penetration, which could drive Emami's growth in a sustainable way, in the coming years. Many of our Power Brands, continued bagging ranks in the prestigious ET Brand Equity Survey reiterating their level of consumer trust.

This success of the Power Brands' strategy, coupled with stringent cost optimization initiatives, enabled your Company, to close the year with a resilient performance in face of tough business environment.

While in FY20, our revenues at Rs. 2655 cr marginally declined by 1% due to a 17% decline in Q4FY20, tight cost control measures however, helped your Company to improve its gross margins by 130 bps at 67% and deliver 2% growth in cash profits.

Over the years, Emami consistently focused on revenue rejuvenation, with the objective to derive a sizable proportion of revenues, from new product launches. During the financial year under review, the Company studied the consumer need-gap and thus offered many exciting innovations like Navratna Ayurvedic Garam Tel, Zandu Cough Syrup in sachet, Kesh King Oil pack with comb applicator, HE Magic Duo and so



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on . While introduction of Navratna Ayurvedic Garam Tel helped your Company, to target lapsers in winters, to offer solutions for winter specific issues like headache, numbness & lethargy, new communication for Zandu Pancharishta highlighting its digestion improvement properties, starring Amitabh Bachchan, helped in sustaining growth of the brand from Q3FY20.

Besides, your Company also overhauled its international business in key geographies through successful integration of its Creme 21 acquisition and consolidating key markets generating 16% Y-o-Y global revenue growth. Emami extended its presence in more than 60 countries, through proprietary manufacturing units in India and Bangladesh and a contract manufacturing unit in Sri Lanka You will be happy to know that Emami 7 Oils in One, emerged as a more visible international brand, increasing its share in the global business by registering 42% Y-o-Y global revenue growth.

The Company launched a new range of BoroPlus products in Russia, engaged local celebrities for endorsement and embarked on direct distribution through a locally formed subsidiary, thereby eliminating one level of distribution chain as part of its business realignment. With the onset of the COVID-19 pandemic, the Company's international exposure got impacted but we are optimistic that it would regenerate handsome revenue in the coming days.

In the year under review with an aim to enhance shareholder value, your Board approved a Rs 192 crore-buyback offer at a price not exceeding Rs 300 per share. However, we concluded with purchase of 94.2 lac shares at average price of around Rs. 204/- against the current price of around Rs 375-380/- per share. This share buyback will strengthen our business position and enhance the shareholder value across the future.



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Apart from business, your Company also made significant contributions to the society through its various CSR initiatives in the sphere of education, skill development, healthcare, water and sanitation and women empowerment.

At Emami, we believe that responsible citizenship is about extending corporate prosperity to community welfare. Emami CSR's community-based approach has been built around 'Learning from the Community', 'Planning with the Community' and 'Working for the Community', resulting in a positive difference across thousands of lives. Initiatives like Padho India Padho, Badhte Kadam, Swasthya, Padhenge Hum Padhane Ke Liye and Sukanya are being taken up in a systematic way to deliver long term sustainable benefits to the society.

During the nationwide Covid-19 pandemic lockdown, Emami's CSR wing conducted various commendable initiatives for the benefit of the society. Your Company had put together a team of volunteers to provide relief to people, especially the elderly during the initial phase of the lockdown, with emergency supplies. An innovative Telehealth service was also initiated in West Bengal, by using mobile and communication technologies, for zero contact prevention, diagnosis and treatment of various diseases.

Having said that, I would like to inform you that in the first quarter of the new financial year, your Company has reported consolidated revenues of Rs. 481 crores registering sales degrowth of 26%. As you are perhaps aware that your Company's off-takes were severely impacted in April due to the nation-wide lockdown but sales started gradually improving from May onwards, with June recording a high single digit growth.



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However, despite such overall decline in revenues due to pandemic, profits at Rs. 40 cr grew by 1%. Our margins also improved substantially due to stringent cost control measures and benign raw material prices.

Your Company has responded well to the consumers' current preference for health & hygiene segment including immunity boosting products and introduced many such new products in this category which performed very well during the quarter.

Our Health & Hygiene portfolio comprising range of products under Zandu , BoroPlus & Menthoplus contributed 43% to the domestic sales and grew by 29% during the quarter. The discretionary & seasonal products viz. 7 Oils, Kesh King, Navratna etc are also on the recovery track after their set back in April due to the impact of the pandemic.

The Company also introduced hygiene range for its International Business, which too was well received.

Further, as the lockdowns and social distancing norms impacted the traditional channels of distribution, especially in April and May, the e-Commerce channel doubled its revenues during the quarter in Domestic Business. This also resulted in your Company introducing many e-Commerce specific products in the immunity boosting category under the Zandu umbrella. In this context, I am also happy to share with you that we have retained the growth momentum achieved in June and have started off Q2FY21 on a very positive note.

We are working relentlessly to reduce costs across every expense head under the project named "War on Waste (WOW)" and expect to contribute around Rs.80 Cr - 100 Cr annually through this initiative. We



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are now upbeat on your Company's proposed entry into a completely new segment in the home hygiene category very soon, where we were not present earlier.

I would also like to take this opportunity to repose my faith in the second-generation promoters, who have well ingrained themselves in the Company's operations to charter the future growth of the organization. With their deep understanding of the values, business strategy, culture and heritage of Emami, they bring innovative solutions and competence that will lead your Company to greater heights.

Before I conclude , I would like to mention that we are grateful to all our stakeholders for their unstinted support and expect to continue enhancing value in the long term, as we stay strongly rooted in the traditional values of Ayurveda backed by the power of Modern Science.

-END -

**CHALLENGING
TIMES.
INSPIRING
RESPONSES.**



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Making people healthy & beautiful, naturally

37th Annual General Meeting

18th September 2020

Challenging times. Inspiring Responses

- Unprecedented challenging times
- Primary concern of health and safety of employees and business partners
- Implemented Work from Home for employees well before the lockdown
- Navigated fast changing and difficult environment with agility



Operations update

- Temporarily suspended operations from 23rd March.
- Production commenced in a phased manner from the 2nd week of April.
- Capacity utilization at units back to normal levels.
- Offices resumed with limited attendance from 1st week of June.
- Constant engagement with employees with wellness programs

Emami's first Integrated Annual Report

- Extended beyond the conventional appraisal of corporate performance
- Detailed strategic approach and sustainable efforts



FY19-20 review

- Weak rural demand, liquidity concerns and erratic climatic conditions affected the performance
- COVID-19 impacted performance in Q4
- However, Emami strengthened sectorial position through-
 - ✓ Strategic brand investments
 - ✓ Timely innovations
 - ✓ Targeted distribution and
 - ✓ Technology enhancement.



Inspiring responses

- Ramping up innovation pipeline
- Deepening distribution
- Finding innovative and exciting ways to delight consumers.
- Adopting advanced technology and digital transformation across verticals
- Confident to deliver a stronger performance in FY21



Inspiring responses

- Profound shift in consumer behavior post COVID-19
- Growing demand for hygiene and immunity-boosting products
- Online purchase experiencing an all-time high
- Emami leveraged these insights and fast tracked new launches in these categories



New Launches in Hygiene & Healthcare



**BoroPlus Advanced
Anti- Germ Hand
Sanitizer**



**BoroPlus Antiseptic
Moisturizing Soap**



**Zandu Ayush
Kwath Powder**



**Zandu Ayurvedic
Hand Sanitizer**



Zandu Single Herb Range

Increasing presence in new age channels (Modern Trade & e-commerce)



16%

Growth
(FY19-20)



9%

(+150 bps)
Contribution*
(FY19-20)

*FY20 Contribution to Domestic Business

Most Trusted Brands

BRAND EQUITY

★ ★ **MOST** ★ ★
TRUSTED
BRANDS



Navratna



FY19-20 Performance

₹2,655 cr

Revenues

₹691 cr

EBIDTA



₹303 cr

Profit after Tax

₹639 cr

Cash Profits*

**Cash Profit = PAT + Depreciation & Amortization*

FY19-20 Performance

67.0%

**Gross
Margins**

26.0%

**EBIDTA
Margins**

24.1%

**Cash Profit*
Margins**

**Cash Profit = PAT + Depreciation & Amortization*

Key Innovations



International Business



16%

Growth
(FY19-20)



16%

(+230 bps)
Contribution*
(FY19-20)

*FY20 Contribution to overall revenues

International Business – New Launches



Rewarding Shareholders

₹192_{cr}

Buyback Offer upto
₹ 300/- per share



₹219_{cr}

Dividends paid in
FY19-20



Giving back to the society

Enhancing Vocational Skills

Promoting Healthcare

Providing Clean Water

Social Upliftment Programs

Sanitation facilities in rural areas



Giving back to the society



Telemedicine support during COVID-19

Q1FY21 Performance

₹481cr

Revenues

₹123cr

EBIDTA

₹40cr

Profit after Tax

₹114cr

Cash Profits*



**Cash Profit = PAT + Depreciation & Amortization*

Q1FY21 Performance

Key Financials	Margin Growth	Margins
Gross Profit	+ 230 bps	66.5%
EBIDTA	+ 490 bps	25.5%
PAT	+ 220 bps	8.2%
Cash Profit*	+ 480 bps	23.8%

Margins increased despite lower sales due to stringent cost control measures and benign raw material prices.

**Cash Profit = PAT + Depreciation & Amortization*



Immunity Booster Range

2X
IMMUNITY

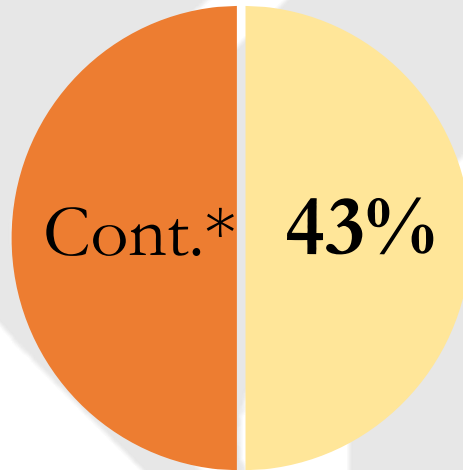


*Scientifically Proven Basis Laboratory Study of NK Cell Activity.

Q1FY21 Performance Health & Hygiene Portfolio



Hygiene



29%
Growth
(Q1FY21)



*Q1FY21 Contribution to Domestic Business

Hygiene range for International Business

Creme 21 Range



Turmeric Hand Sanitizer Gel



Hand Sanitizer



Hand Sanitizer Spray



Hand Sanitizer Gel Tube



Sanitizer wipes

Gold Turmeric Range



Hand Sanitizer



Anti-Bacterial Hand Wash & Soap



BoroPlus Range



Hand Sanitizer



Anti-Bacterial Soap

Leveraging e-commerce



108%

Growth
(Q1FY21)



2%

(+120 bps)
Contribution*
(Q1FY21)

E-commerce
specific
launches under
Zandu brand
in Q1FY21



*Q1FY21 Contribution to Domestic Business

Cost Control Initiatives

₹80- ₹100cr

Estimated Annual Cost Savings through Project
“War on Waste”



Emami's Strategic Focus

01 Innovate & Excel

Robust people practices **04**

02 Product Differentiation

Responsible Corporate Citizenship **05**

03 Cost Advantage

Focus on Value Creation **06**



Grateful to all our stakeholders



A large, light gray, stylized graphic of a leaf or flame shape, composed of several overlapping, curved segments, serving as a background for the text.

Thank You