

Published Date:	23 Aug 2023	Publication:	The Hindu Business Line [Mumbai]
Journalist:	Meenakshi Verma Ambwani	Page No:	2
MAV/CCM:	138,111/58.03	Circulation:	29,753

Rural demand to bounce back going forward: Emami

Meenakshi Verma Ambwani
New Delhi

1 Emami Ltd expects to see steady improvement in rural demand going ahead, on the back of near-normal monsoons and moderation in inflation. The company said it is open to exploring acquisitions and strategic investment opportunities.

Talking about the company's Q1 performance, NH Bhansali, CEO - Finance, Strategy and Business Development, and CFO, Emami Ltd, said that while unseasonal rains impacted the growth of the summer portfolio, the company's non-summer domestic portfolio witnessed 16 per cent growth. The non-summer related portfolio includes pain management and



We expect to see a steady recovery in rural demand on the back of sufficient rains and moderation in inflation

NH BHANSALI

CEO - Finance, Strategy and Business Development, and CFO, Emami Ltd



healthcare range, which grew strongly in double digits.

"Except for the impact due to unseasonal rain and erratic summer season, the growth has been good. Growth in topline was satisfactory and in terms of profitability, we have seen improvement in gross margins

by 240 basis points that is mainly driven by a reduction in the cost of raw materials," he added. The company witnessed a domestic volume growth of 3 per cent. It expects improvement in gross margins to continue.

"We expect to see a steady recovery in rural demand on

the back of sufficient rains and moderation in inflation. The government's initiatives, focused on infrastructure development and rural employment, will also support this recovery," Bhansali said.

"Urban consumption has been relatively strong, but there is still scope for improvement as inflationary pressures moderate further. While costs of certain raw materials have come down, they remain elevated compared with pre-Covid levels," he added.

FUTURE ACQUISITIONS

The company, which acquired Dermicool from Reckitt last year, said it is open to future acquisitions. "We are always on the lookout for good opportunities in terms of full-

fledged acquisitions that can help us leverage on synergies. We have also been investing in start-ups. We have already made four-five of such investments and we will keep exploring such strategic investments too."

In the past two years, the FMCG major has grown its rural distribution coverage to 52,000 villages. It plans to add 8,000 more to reach its target of 60,000 villages in FY24.

"Apart from rural distribution, we have also been focusing on initiatives to grow our general trade and modern trade distribution. Channels such as modern trade and e-commerce have been seeing high growth rates in recent years and are expected to continue with this growth momentum," he added.