

4th August, 2025

The Manager – Listing
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 Manager – Listing
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 531162

Sub: Transcript of Conference Call with Analysts / Investors pertaining to the Unaudited Financial Results (Standalone & Consolidated) of the Company for the Quarter ended 30th June, 2025

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find the transcript of the Conference call with Analysts / Investors held on 31st July, 2025, post declaration of the Unaudited Financial Results (Standalone & Consolidated) for the quarter ended 30th June, 2025.

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

This is for your information and record.

Thanking you,

Yours faithfully,

For Emami Limited

Ravi Varma
Company Secretary and Compliance Officer
Membership No: F9531

(Encl: As above)

Emami* LIMITED

Q1 FY26 Earnings Conference Call”

July 31, 2025



MANAGEMENT: **MR. MOHAN GOENKA – WHOLE-TIME DIRECTOR AND VICE CHAIRMAN – EMAMI LIMITED**
MR. VIVEK DHIR – CHIEF EXECUTIVE OFFICER – INTERNATIONAL BUSINESS – EMAMI LIMITED
MR. GUL RAJ BHATIA – PRESIDENT – HEALTHCARE BUSINESS – EMAMI LIMITED
MR. RAJESH SHARMA – PRESIDENT – FINANCE AND INVESTOR RELATIONS – EMAMI LIMITED
MR. GIRIRAJ BAGRI – CHIEF GROWTH OFFICER – EMAMI LIMITED
MR. MANISH GUPTA – PRESIDENT SALES – EMAMI LIMITED
MR. ZAIRUS MASTER – CHIEF EXECUTIVE OFFICER – THE MAN COMPANY

MODERATOR: **MR. PERCY PANTHAKI – IIFL CAPITAL SERVICES LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Emami Limited Q1 FY '26 Earnings Conference Call hosted by IIFL Capital. 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Percy:

Good afternoon, everyone. Welcome to Emami's First Quarter Conference Call. From the management, I have with me Mr. Mohan Goenka, Whole Time Director and Vice Chairman; Mr. Vivek Dhir, CEO of International Business; Mr. Gul Raj Bhatia, President, Healthcare; Mr. Manish Gupta, President Sales, Mr. Giriraj Bagri, Chief Growth Officer; Mr. Rajesh Sharma, President, Finance and IR and joining us for the first time on the call is also Mr. Zairus Master, CEO of the Man company.

To take you through the results, handing over to Mr. Mohan Goenka and then we'll open up for Q&A. Over to you, sir.

Mohan Goenka:

Thank you, Percy. Very good afternoon, ladies and gentlemen. Thank you for joining us today for our Q1 FY '26 Earnings Call for the quarter ended 30th June '25. As you are aware, the overall demand environment in this quarter remained challenging. Urban discretionary consumption continued to remain under pressure, while rural demand showed early signs of recovery.

However, the unusually soft and shortened summer season driven by unseasonal rain and the early onset of the monsoons adversely impacted consumption across our summer-focused portfolio. Despite these headwinds, we maintained a stable top line with overall revenue remaining broadly flat.

The talcum powder and prickly heat powder category, which is highly dependent on summer demand was significantly impacted and declined by 17%. Excluding talc and prickly heat powders, our core domestic business delivered a healthy 6% revenue growth and a 3% volume growth, reflecting the underlying strength and resilience of our broader offerings.

It is also encouraging to note that Navratna Oil delivered a 6% growth despite the subdued summer season. It is important to contextualize the 17% year-on-year decline in talc and prickly heat powder range, which comes off a significantly high base of 54% growth in last year's same quarter.

So on a 2-year CAGR basis, this category continues to be healthy with a 13% growth. And when we look at the full summer season, that is from Jan to June '25, the category posted flat growth, despite weather-related headwinds, a clear reflection of consumer stickiness and a very strong brand equity.

Our pain management range grew robustly by 17%, while BoroPlus antiseptic creams grew by 60%. Our health care range maintained a steady growth of 4%. Male Grooming range declined by 9% and Kesh King declined by 5%. And strategic investments declined by 4%, but we remain confident in the long-term fundamentals, supported by ongoing brand and distribution interventions.

Innovation continues to be a key growth driver. During the quarter, we launched Dermicool Prickly Heat spray and various other variants under Navratna and BoroPlus brands. We also relaunched Navratna Gold and Zandu Roll On. Further, 3 new digital-first innovations were rolled out via the Zanducare portal.

On the distribution front, we saw continued traction in our organized channels, which grew by 6%, with saliency improving by 190 basis points. Quick commerce remains a strategic growth channel, scaling up rapidly at nearly 3x Y-o-Y, further validating our omnichannel playbook.

Our international business delivered a modest 2% growth despite macroeconomic volatility and geopolitical uncertainty in some key markets. We have made meaningful progress in expanding our footprint across some other Southeast Asian markets, where initial traction from a focused portfolio has been promising.

As this portfolio gains momentum, we plan to broaden our offerings to capture additional growth opportunities. We remain deeply committed to long-term value creation in our international markets. On the financial front, our gross margins expanded by 170 basis points to 69.4%. EBITDA stood at INR214 crores, a marginal decline of just 1% with a 20 basis point contraction in margins, primarily attributable to flat top line.

Profit after tax grew by 9% to INR164 crores. Looking ahead, we are excited about the next phase of our growth journey. Smart & Handsome is being extended into other Male Grooming categories in this quarter. Kesh King is undergoing a strategic transformation, reimagining the brand for sustained relevance and future growth. This change is going to take place in this quarter. The Man Company has returned to growth in June '25, and we are confident of maintaining this momentum through a sharper positioning and a 360-degree brand revamp.

Our digital-first brands are gaining traction, and we are further amplifying growth on marketplace and Qcom platforms to drive reach and relevance among new age consumers. We remain confident on the margin front, and we do not anticipate any significant input cost pressures in the near term.

We believe the macro environment will gradually improve, supported by a buoyant monsoons, stabilizing inflation and ongoing consumption recovery. With our strategic levers of innovation, distribution, expansion, digital acceleration and cost agility firmly in place, we are well positioned to drive sustainable and profitable growth in the quarters ahead.

With that, I would now like to open the floor for questions.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abneesh Roy from Nuvama. Please proceed.

Abneesh Roy:

My first question is a bit structural. We have seen last 5 years, most companies not very happy with the initial expectation on the Male Grooming. In your case, also, we have seen even this quarter, the decline is there in both the Male Grooming kind of segment, Man Company and Smart & Handsome. You have commented that in Man Company, July has -- June has seen growth. But yes, that's one month, ultimately, we have to see longer-term trend.

So my question is to the business head of Man Company and also to the overall Emami. What is the long-term expectation from this category? Because most companies have not really been able to crack this. Ultimately, this seems to be good on paper, but growth and explosive growth, in fact, growth itself is a challenge in this structurally. Could you comment on that?

Mohan Goenka:

So Zairus. Why don't you talk about the Man Company? Then after that, I'll take on the Fair & Handsome.

Zairus Master:

Sure. Yes. I think in my view, Male Grooming is still a very underexploited and an underdeveloped segment of the market, and we are seeing that -- we are seeing there is a huge potential for that. I think what is required is, especially in the case of The Man Company, we have not really worked on the brand and the top of the funnel for some time, and I think that rejuvenation is required.

We are already seeing a trend where if you look at sequential trends, and I completely agree with you that it has to eventually come alive in the long run. But even if you look at sequential trends over the last 2, 3 months, they are looking positive and month-on-month, it's looking better. So from that perspective, we strongly believe that this is a segment that will grow quite handsomely in the near term as long as we work on the fundamentals.

Mohan Goenka:

Sure. Abneesh, see, very honestly, in the last few years, the advertising spends have come down because of the overall market sentiments in this category. As far as -- because we were driving this category before -- if you talk of last 5 years, but unfortunately, Fair & Handsome has not been growing, which is a fact. But after this brand name change and we are seeing there is a lot of D2C competition, which has come in, in the last few years.

So overall, I think the market has grown for sure, for the Male Grooming, which is not being captured holistically somewhere. Coming specific to Smart & Handsome, this is an absolute new relaunch, and we are seeing some headwinds, I think, and we are launching a lot of new categories in this quarter.

We have a robust plan. Let us see how it goes. So we don't think very short term, Abneesh, yes, there may be some quarters, bad quarters. But I think as Zairus clearly mentioned, it is a very, very underpenetrated category, and there is a lot of scope in the Male Grooming.

Abneesh Roy:

One quick follow-up here. Mohanji, I completely agree on the D2C impact. So my specific question here is launching adjacency and relaunching. Smart & Handsome you had relaunched even in Q4, but Q1, again, there is again a talk of more kind of relaunch, et cetera. So here, I wanted to understand, is this the answer?

So launching adjacency and launching relaunching, will it be enough to compete with D2C -- because if that was easy, I think you and other legacy companies could have cracked in. So I'm trying to understand, you do have Man company, which itself is D2C. But is that enough? I wanted to understand that bit.

Mohan Goenka:

See, for sure, we are not competing with each other. There is a clear market. They are primarily on e-commerce and others. Their pricing is very different than what we are doing. So -- and there is market for both. I think both for the Man company, they are more into fragrances and other categories. We are more into some personal care and other categories and pricing is also different. So Abneesh, see, as I said, I think there's enough opportunity as far as Male Grooming is concerned.

We are definitely focusing after our relaunch big time. And let us see which brand we get traction, it is very difficult for us to say at this point of time. But we're not going to leave this, because it's a prime brand for us, both Man and Smart & Handsome.

Abneesh Roy:

Absolutely. Last question on the demand side. Your comments seem to be a bit more cautious. So if I see some of the other business updates, say by Godrej Consumer, Marico or say, even HUL results which have come. And when I also see paint company, India's #1 paint company call out the green shoots. Against that, your comments seem to be a bit more reserved.

My specific question here is on the urban demand. You're still not talking about green shoots or recovery. So if you could answer when do you see that coming green shoots in the urban side of the demand? And in terms of modern trade and quick commerce, if you could comment how the growth has been there and how the profitability is there in those 2 channels?

Mohan Goenka:

So my commentary may sound a little muted only because we are struggling on our talc and that continues in the second quarter also. But excluding the talc, honestly, and with the relaunch of Kesh King in this quarter and some of the new launches in Smart & Handsome, I'm confident that we will be able to recover much better.

Definitely, there is some green shoots. I'm not saying a no in urban also. But unless the overall results, overall sentiment goes up, which in our case, is backed by the summer, unfortunately, and specifically talc. Other than that, I think we are very, very well placed, honestly. And on the modern trade and e-commerce, let me just hand it over to Manish.

Manish Gupta:

See, on the MT and e-com front, again, the story is the same as for the rest of the business. The talc is something where we did suffer some headwinds. But as far as the non-talc business is concerned, we are growing pretty well. And the resiliency and the importance of these 2 channels has only grown up in quarter 1, as was stated by Mohanji.

Moderator:

The next question is from the line of Nitin from Emkay.

Nitin:

My first question is with respect to the pain management where we have seen high teen growth, so like is this more attributed to early monsoon that has helped? And I also wanted to check if the monsoon sort of extends then this portfolio will be equally beneficial for us in Q2.

- Mohan Goenka:** Yes, absolutely, Nitin. This 17% growth in the pain management is attributable to early monsoons. This is the peak season for this portfolio. And we have seen the same results in the month of July also. If the monsoon continues, which is predictable that the monsoons are going to be good this year, hopefully, this category should do well.
- Nitin:** Second question is around the health care where we have seen 4% growth, which sort of has slowed down. So is it more of a transient or like a high base will limit growth ahead?
- Gul Raj Bhatia:** Yes. So essentially, it seems to be a one-off issue. As you can see, over the last many quarters, we've been having good growth in health care, but quarter 1 was somewhat challenging, especially for the OTC range, where I think there was a bit of sort of a bit of a downturn in the market.
- And we also checked out with various other companies in the OTC space and ayurveda space. They have also seen a similar trend. But we are carrying out initiatives for quarter 2 to overcome the blip which has happened, and we are hoping for a much better performance in quarter 2.
- Nitin:** This is helpful. The last question is around your gross margin expansion like. If you can help me understand what exactly led to this gross margin expansion -- and aligned with that, I just wanted to check that other expenses have also gone up. So is there any shift in sort of line items between these 2 heads.
- Mohan Goenka:** So Nitin it is primarily driven by the mix, because normally, pain management has a higher margin compared to the talc. So it is due to the mix that the margins have gone up.
- Moderator:** The next question is from the line of Harit Kapoor from Investec.
- Harit Kapoor:** So my first question was on the new launch pipeline. So just -- you put out a slide on the things you're doing. If you just kind of bifurcate this, it seems to be in the categories that we are either strong or already have a good hold on, if you look at, say, extensions in prickly heat or in oils or in Zandu Care.
- I just wanted to get a sense from Mohanji that is this how we look at initiatives now for the next, say, 12, 24 months that really penetrate into the larger macro categories that we are into -- is that the innovation strategy that we should expect going forward as well and not really maybe venture into, say, newer subcategories or newer categories, just increase penetration in terms of new variants in the larger macro categories that we are in. Is that the way to think about it?
- Mohan Goenka:** So Harit, the strategy is two-pronged. I'm not -- it's not that we are averse of completely new categories, but the work is on in those also. But at the same time, see, we have to leverage our existing brands. So as much as we can leverage those, why not?
- So as I said, this quarter, you are going to see a number of launches in the Smart & handsome range plus a lot in Kesh King range. So we really want to leverage our existing brands and make as strong as much as possible. Also, the Man company, Zandu Care will also see a lot of new launches going forward.

- Harit Kapoor:** In that context, Mohanji, do you see A&P spends kind of move up further? I mean as a percentage of sales this quarter, it's a tad lower, but from a full year basis, do you see that number getting stepped up as a percentage, given that we have some gross margin leverage also?
- Mohan Goenka:** Not really Harit. I think we will -- we're maintaining our A&P spends as per last year's trends.
- Harit Kapoor:** Got it. Got it. And the last piece was we've seen this decline, obviously, in Smart & Handsome, Kesh King and the Male Grooming portfolio. Do you see growth in these portfolios now to be expected in the second half of the year with all the initiatives that you're taking? Is 2H the right benchmark to look at for growth in these portfolios?
- Mohan Goenka:** See, hopefully, because see, we, as marketers, we keep on trying, right? And as I said, we are not never going to leave these opportunities because still the penetrations are low, and we are the leaders in these categories. So when the market will bounce back, it is very difficult for me to predict.
- But yes, Kesh King is, again, a big relaunch in this quarter. Let's hope that it rebounds. Smart & Handsome was already relaunched. Now this -- from this quarter, we are launching 10, 12 new products under this new umbrella. So that should also bring some traction into the category. So a lot of activities are happening in every category, every channel.
- Unfortunately, the talc has dragged us this quarter and same continues, unfortunately, in the second quarter. But otherwise, excluding talc, I think we are very well placed. It is very difficult for us to say which quarter the numbers will bounce back or which quarter -- which category will bounce back. But yes, I can say we are not losing consumers. But at the same time, we are not able to attract a lot of new consumers. So -- but as marketers this is our job, and we keep on doing that. We keep on trying.
- Harit Kapoor:** Good to know. And the last part was on pain management. I don't understand actually the dynamics from Q1 to Q2. So is it that the primaries were high in Q1 and that affects Q2 growth on the primary side for pain management because typically, Q2 is a larger quarter or that understanding is not correct.
- Mohan Goenka:** No, this time, Q1 was exceptionally good because of early monsoons. So of course, yes. But secondaries are in line with our primaries. There is no stock up in any of the channels for any of our brand.
- Harit Kapoor:** Does Q2 typically have a higher primary like, for example, versus base quarter? What I'm trying to say is that yes, is a bigger...
- Mohan Goenka:** Q2 is a bigger quarter for pain management than Q1.
- Harit Kapoor:** And given that sales has shifted a little bit into Q1, does that then impact our Q2 Y-o-Y growth this time? Or that's not the right way to look at it?
- Mohan Goenka:** No, no. I don't think that will have an impact, because July was quite good for pain management.
- Moderator:** Next question is from the line of Param Vora from Trinetra Asset Managers.

- Param Vora:** I'm sorry, I missed a few part of the Q&A session. So excuse me if I repeat the question. So what I wanted to ask was that with international business showing a modest growth despite macroeconomic and geopolitical uncertainties contributing to 16% to overall sales, are we exploring to increase the exports and to increase the share in the revenue.
- Vivek Dhir:** Yes, Param. So international business showed around 2% growth by and large, only because of one country. So Bangladesh, where we had a very, very muted, in fact, decline over there. And rest of the business has grown by close to 14% for us. So one country where we have faced little headwinds, and we are trying to refresh those so that we are back on track. And hopefully, very soon, we should be back on track even in that market. So the issue pertaining to largely one market.
- Param Vora:** Okay. So are you exploring any new geographies? Or will you stick to the nations we are serving right now?
- Mohan Goenka:** The new geographies are a continuous effort. That will keep on happening along with the development of portfolio and making the current portfolio relevant for the new geographies. So we have been able to scale up one new geography, which has given us some good results in last 5, 6 months. So I don't want to name the country at the moment, but it is showing some decent results to us. But during the course of this financial year, we will be opening new geographies as well. And that will be, I think, facilitated with launch of new portfolio.
- Moderator:** The next question is from the line of Percy from IIFL.
- Percy:** Yes, sir. So we have Kesh King relaunch this quarter that hopefully should take care of some growth issues in this brand. What about Fair & Handsome, we are still seeing sort of negative sales here? I mean, sales decline here. So what is the plan here to bring it back to growth?
- Mohan Goenka:** Sorry, Percy. Sorry, I missed your question, Percy, unfortunately.
- Percy:** Yes. So I was saying Kesh King is declining, but there is a relaunch planned for that. And hopefully, that should take care of the growth issues. Fair & Handsome, I think, is still not out of the woods. It's still weak. So what is the plan here for strengthening Fair & Handsome growth?
- Mohan Goenka:** So Percy, the Fair & Handsome is primarily the cream portfolio, the fairness cream, which is dragging down the business. Unfortunately, that is not growing despite of change in the brand name. So the only way is to grow the portfolio. And the idea of changing from Fair & Handsome to Smart & Handsome was also that, that we want to get into a larger space of Male Grooming. So the combined business should be much bigger because the opportunity has now become much, much wider. So that is the only way to grow. And our enhanced focus on the face wash category, which has become quite big compared to the cream. So we are formulating a strategy to win in the face wash market. So that hopefully should help in the H2.
- Percy:** And in cream what exactly is the issue? I mean, have you done some kind of market research focus groups or anything of that sort, which tells you why people are not using the cream and also related question...

- Mohan Goenka:** I have been saying this Percy always that because of the beard keeping habit, the surface area is reduced. So young generation now is mostly keeping beards. That is...
- Percy:** But wouldn't that be already that issue being the base by now?
- Mohan Goenka:** Yes, but that is in the base, but we're not getting in new consumers because that is a challenge. So going forward, we have to have less reliance on this only one cream and get into face wash and adjacent categories.
- Percy:** Right, right. And any kind of friction issues in terms of the brand name change, sometimes the modern trade doesn't list you because the brand name has changed or sometimes the distributors are a little bit confused or rather the retailers are a little bit confused. The consumers might not know that this is the original Fair & Handsome, they might be confused. So have you done some kind of sort of intense communication drives to make sure that there is no lost sales in this transition process?
- Mohan Goenka:** Yes, yes, 100% Percy. Without that, we don't even go to the market. Entire research was done. And by and large, people have accepted it. There is no place where the new product has not been launched. And we are still writing both the brand names. So Fair & Handome and Smart & Handome, both are on the packaging. So there is no chance of confusion.
- Percy:** Got it. Got it. And sir, with this relaunch, was there any sensorial change in the cream in terms of the perfume or in some other case. Sometimes these changes don't go down very well with consumers also.
- Mohan Goenka:** No. So we keep on improving products Percy, whether with the change in the brand name or despite of that also, if there are any improved formulations, which happens in almost every category. So one formula doesn't stick forever. Because there are changing needs, the consumer trend changes, the consumer behavior changes. According to the research, we tweak a little bit of formulations.
- Percy:** Got it. Got it. And coming back to Kesh King, I know that you have a sort of relaunch pending, and therefore, you might or might not be able to give certain details. But like is it that the brand has fallen out of favor? Or what is the problem diagnosis as to why it is not growing? Then we can understand what the interventions are to be done, right? So have we found out the reason behind the brand not growing?
- Mohan Goenka:** No. Of course, Percy, the brand team is constantly doing consumer research and understanding the reasons. The key reason has been the D2C players. There have been a lot of new D2C interventions in this category. So that is the key reason. Of course, BCG has looked into every possible options. And the new strategy will take care of that also.
- Percy:** Okay. Understood. So I guess when we have this call next quarter, we'll be able to talk a little more freely as to what exactly has been sort of tackled in the relaunch. Yes. Okay, sir, we can go back to the question queue.
- Moderator:** The next question is from the line of Rahul Agarwal from IKIGAI asset.

- Rahul Agarwal:** Sir, 2 questions. One is, obviously, talc, I understand it's impacted, but ex of talc, we've grown about 6% value growth. I would imagine this year, second half looks better. So we'll retain our value growth of 8% to 9% for the full year. Is that a fair understanding?
- Mohan Goenka:** Rahul, I can't really comment at this point of time on 8%, 9% of growth. A lot will -- because first quarter, unfortunately, overall growth was not there and second quarter also has a high base of talc. So July has been pretty muted for talc. So overall numbers may be slightly challenging. But ex of talc, I don't see any challenge. I see good numbers.
- As I said in my opening remarks, I don't see any challenge on margins. But top line can be slightly challenging because last year base was very high for talcs. But profitable growth should come because Kesh King, pain balms and antiseptic cream, those are profitable brands.
- Rahul Agarwal:** Right. Got that. And secondly, on consol margins, obviously, you have said don't foresee much of input pressure. It should be profitable growth for the full year. Because we're seeing a lot of new product launches on Man Company as well as Zandu Care,
- I think that will also expand. I was actually thinking that in case we can reduce some cash burn from those 2 brands and maybe that can also add up to overall margins. Should we expect them -- the cash burn to remain flat? Or should we expect them to like a bit of increase because of a lot of new products in the pipeline?
- Mohan Goenka:** Sorry, what the cash?
- Rahul Agarwal:** So what I meant was Man Company and Zandu Care, I think they have EBITDA losses, right? I was saying I was expecting that to decrease in fiscal '26, '27, that would add to overall consol profitability. Is that the case? Or how would the trend be?
- Mohan Goenka:** Yes, yes, absolutely. I think both the Man company and the Zandu Care will definitely have lesser losses compared to the last year.
- Rahul Agarwal:** So that should add to the EBITDA margin right?
- Mohan Goenka:** So that should add to some EBITDA margin. See, it's a large portfolio. It is very difficult for me to say which portfolio will fire when, okay, because mix makes a lot of difference. If BoroPlus doesn't fire, then there is an impact if some cuts. So it's very difficult for me, Rahul, to say which product will fire. But overall, I'm saying if we see the trends, we monitor it almost on a regular basis. If we see certain trends, then we, of course, change some internal mixes, reduce some advertising somewhere. Margin has never been an issue as far as Emami is concerned.
- Rahul Agarwal:** Got it. Got it. And lastly, the idea behind the rebranding in the new logo, I obviously read the press release, but just in terms of thought process, how does it go in terms of communication in the trade channel and on the packaging? Does it -- any commercial sense on that, please?
- Mohan Goenka:** Commercially, no, this is more of a corporate logo. So it doesn't have an impact at the consumer or the trade level, very honestly. Because we don't use this logo impacts or in any communication. It was just to celebrate 50 years of Emami and make it more modern, yes.

Moderator: The next question is from the line of Shirish from Motilal Oswal.

Shirish: Sir, I have a few questions on TMC and new age brand. Last 2 quarters, we have been struggling. We had a higher inventory. We try to rationalize the inventory. What exactly we are trying to do here? Have we changed any go-to-market strategy or any changes in the brand positioning, something like that? And maybe now we have a control. So how we should look at this brand next 2 to 3 years in terms of growth margin perspective?

Zairus Master: Yes. Okay. So I think to your question, what we have done in the last quarter is that we have improved our efficiency and effectiveness in each of the channels that we operate in. And of course, predominantly, we operate in the online space and in organized trade as far as offline is concerned. So in both these places, we've tried to improve our efficiency, focus on secondaries so that's the true test of demand.

The second thing that we've done is that right now, we've worked on our media mix. Objective, again, is to drive top of funnel. So we've driven media consumption and spend in terms of influencers, in terms of product like advertising. But that's -- it's just been a start given the fact that it's just been 3 months into the year and me being here. So that's Phase 1. In the long run, of course, look, all growth in terms of all profitability, et cetera, has to come out of growth. And like I mentioned before that the market is extremely underpenetrated, and therefore, there's a lot of potential.

So if you look at the next 3 quarters, our endeavor is to continue to look at sequential growth. The trajectory has to be positive month-on-month. I think that's our endeavor. We are currently relooking at our brand mix, our brand positioning, etcetera, to see if there is an unlock out there and how we can drive that forward.

At the same time, also looking at how the category road map is evolving going forward as new categories emerge, which are better. So how do we take advantage of that? So all these things put together is our -- is what we are saying that how we will grow in the near future as well as become more efficient at our CM2 level and therefore, flow that into profitability.

Shirish: Just one quick follow. What is the channel mix here right now?

Zairus Master: Look, if I were to just roughly say 80% of our business will be online.

Shirish: Yes. But is there any attempt to improve MT and GT?

Zairus Master: No, we're not -- so as far as modern trade, I call it organized trade because a large part of our business comes out of alternate channels like lifestyle stores, etcetera, the fashion and lifestyle stores. So yes, I think that's an area where we want to continue to focus, and we are seeing handsome growth coming out of that space.

GT is not something that we intend -- we will not intend it in the near future to look at that. We'd love to see our brand grow to a much larger size for us to then start looking at general trade as an opportunity. But right now, again, given the fact that we are dealing with top of the pyramid consumers who are largely shopping in either modern trade or in e-commerce.

- Shirish:** Okay. So the reason why I'm asking because online is profitable, but the moment you get into the different channel, the profitability will be impacted. So just wanted to pick up your thought whether the growth is going to be important or the margin also is going to be important in the medium term?
- Zairus Master:** Look, I don't think it's one or the other. If we grow at a margin that's not good, then we will further destroy value. So we are, in fact, working on both fronts where -- and if you look at an online business, I would say it is revenue and CM2. That's what we need to focus on. That's the unit margin that we extract. And quite frankly, as our brand presence improves, we do expect that our channel spends will come down going forward.
- So we will grow, but we have to constantly improve CM2 also. So I don't think we are -- of course, in terms of percentages, our growth will be much higher than the efficiency improvement that we bring around. But we will have to work on both. And that's what our plan is in the next 3 quarters also, where we drive growth as well as a reasonable CM2.
- Shirish:** Okay. My next question is to Vivek. Excluding Bangladesh, what is the Bangladesh decline, which has added this quarter? And if you strip out Bangladesh, what is the international growth we have reported?
- Vivek Dhir:** So that is -- except Bangladesh, it is close to 14%. I think to be precise, it is around 13.6% exact number. Bangladesh in primary terms, yes, we have steeper decline. But in market sales have variably declined by around 2% in British terms.
- Shirish:** Okay. My last question, was the, any update on Axiom and Cannis Lupus? Is there any consolidation? What is the strategy there?
- Giriraj Bagri:** So right now, as far as Axiom is concerned, we have a significant minority stake at this point in time. So in terms of channel consolidation, there isn't any intent to do any channel consolidation in the short to medium term. Longer term, as our entry into the healthy food and beverage space expands, then there could be some synergies.
- However, on the side of the digital channels, we are exploring some opportunities where how we can leverage our group understanding and network to see how the digital channels can and the organized trade can help drive Axiom.
- Moderator:** As there are no further questions, I now hand the conference over to the management for the closing comments.
- Rajesh Sharma:** Thank you all for joining us today for our Q1 results conference call. Thank you Percy. Thank you IIFL for arranging this. Thank you.
- Moderator:** Thank you. On behalf of Emami Limited, that concludes this conference. Thank you 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