



Q4FY26 Highlights

- Q4FY26 witnessed a challenging operating environment, as the onset of summer was significantly delayed. Inconsistent temperatures across several key markets, coupled with unseasonal rainfall, adversely impacted category demand.
- The operating environment was further affected by a high year-ago base and ongoing geopolitical disruptions in the Middle East, which weighed on international operations. Nevertheless, the core business continues to demonstrate strong momentum, positioning to enter FY27 with confidence and a well-defined strategic agenda.
- Revenue for Q4 stood at ₹925crs, reflecting a 4% year-on-year decline. The decline was largely attributable to a weaker-than-expected summer season and does not indicate any structural or competitive weakness in the business.
- Gross margins expanded by 250 bps YoY to 68.4%, driven by disciplined cost management and prudent pricing actions. EBITDA for the quarter stood at ₹187crs, down 15% YoY, primarily due to operating deleverage. Despite the challenging environment, the company continued to invest in brand-building initiatives, with advertising and promotional expenses increasing 12% during the quarter.
- The company implemented around **3% price hikes** to offset input cost pressures.

Concall Highlights

- Within the portfolio, the Pain Management segment registered robust growth of 11% YoY. Kesh King delivered strong performance with 14% growth, marking its second consecutive quarter of double-digit expansion. The Healthcare range grew by 7%, while Strategic Investments and 7 Oils in One reported impressive growth of 34% each. BoroPlus (excluding talc) grew by 4%, whereas the Male Grooming portfolio witnessed a 4% decline during the quarter.
- Channel performance remained encouraging in Q4, supported by healthy trade pipelines and continued strength in organized retail. Organized channels increased their share to ~32% of domestic revenues, while the wholesale channel's contribution declined to 27%, reflecting a favourable shift towards a more diversified and resilient distribution mix. Quick Commerce continued its strong trajectory with 70% growth, complemented by a healthy 25% growth in GT Marts, highlighting the success of the company's channel transformation strategy.
- International business declined by 5% during the quarter, primarily due to geopolitical disruptions in the Middle East, which impacted shipping routes through the Strait of Hormuz, disrupted supply chains, increased freight costs, and affected operations across the GCC, Middle East, CIS, and South Asian markets.
- In a significant strategic development, the Company increased its stake in Axiom Ayurveda, making it a subsidiary of the company with effect from 1 Apr'26. The acquisition marks Emami's entry into the fast-growing healthy beverage segment through Axiom's flagship brand, AloFrut, which caters to evolving consumer preferences for wellness-oriented and refreshing beverages.
- Further strengthening its new-age consumer portfolio, the company is acquiring a majority stake in IncNut, which owns digital-first brands such as Vedit and SkinKraft. The investment provides the company a strategic foothold in the rapidly growing personalised beauty and personal care segment across India and global markets.
- **Management is optimistic on FY27 because:**
 - The summer season has normalized in Q1 with strong demand for Navratna and Dermicool.
 - Expects double-digit growth in summer brands during H1FY27.
 - International business disruptions have largely stabilized from April onwards.
 - Strategic investment portfolio expected to grow 30%+ annually.
 - Debt-free balance sheet and healthy margins provide flexibility for growth investments.

Important Data

Nifty	23,417
Sensex	74,360

Key Stock Data

Close*	₹390.70
Market Cap (₹ crs)	~₹16,840
52W High/Low	₹634/380
BSE Code	531162
NSE Code	EMAMILTD
Bloomberg Code	HMN:IN

Close* as on 4th June 2026

Shareholding Pattern (%) – Mar'26

Promoter	54.84
Institutions	35.48
Public & Others	09.67

Financials

Particulars	₹ crs		
	FY24	FY25	FY26
Revenues	3,758	3,809	3,779
YoY Growth	10.3%	6.5%	-0.8%
EBITDA	949.5	1,025	963.7
EBITDA Margin	26.5%	26.9%	25.5%
PAT	724.1	802.7	775.3
PAT Margin	20.2%	21.1%	20.5%
EPS	16.3	18.1	17.8

Source: Company Data, Way2Wealth

Relative Performance

Absolute Return (%)	1 Yr	3Yr	5 Yr
Emami	-32.5	2.1	-28
Nifty 50	-5.3	26.3	48.3
Sensex	-8.6	18.8	41.8

Source: Company, Way2Wealth

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Segment Performance

Particulars	Q4FY26	Q4FY25
Core Domestic Volume	-7%	7%
Domestic Sales	-3%	11%
% of sales	81%	85%
International Sales	-5%	5%
% of sales	19%	15%

Source: Company, Way2Wealth

Brand wise Performance

Products	Sales Growth	
	Q4FY26	FY26
BoroPlus Range	-8%	2%+
Pain Management Range	11%	7%+
Kesh King Range	14%	-2%
Navratna Range	-21%	-15%
Male Grooming Range	-4%	-5%
Healthcare Range	7%	5%+

Source: Company, Way2Wealth

- Profitable growth is likely to be driven by high-margin brands such as Kesh King, pain balms, and antiseptic creams, which continue to deliver strong performance within their respective categories.

Risk

- Slowdown in the economy
- Inflationary raw material prices

View

Q4FY26 performance was impacted by temporary external headwinds, including an unfavourable summer season and geopolitical disruptions in West Asia, which weighed on overall business growth. Nevertheless, the resilience of the core domestic franchise remained evident, with the non-summer portfolio delivering healthy growth of 11% YoY. The international business also maintained strong momentum through most of the quarter before geopolitical developments in West Asia affected operations towards the end of the period.

Looking ahead, Emami remains well positioned to deliver sustainable growth in FY27, supported by its strong brand portfolio, healthy profitability, debt-free balance sheet, and diversified presence across both core and emerging growth categories. The expected recovery in summer-centric brands, continued premiumisation, favourable channel mix, and incremental contribution from recent strategic acquisitions and investments provide additional growth levers.

The company is currently trading at a P/E multiple of 22.1 FY26 EPS of ₹17.8. We maintain a Hold rating while awaiting stronger earnings visibility.

Quarterly Performance

(₹ crs)

Particulars	Q4FY26	Q4FY25	VAR	Q3FY26	VAR	FY26	FY25	VAR
Net Sales	925.1	963.1	-3.9%	1,151.8	-19.7%	3,779.5	3,809.2	-0.8%
Other Income	23.2	21.2	9.5%	19.0	22.2%	85.1	68.1	25.0%
TOTAL INCOME	948.3	984.2	-3.7%	1,170.8	-19.0%	3,864.6	3,877.3	-0.3%
Raw Material Consumed	180.9	162.1	11.6%	211.2	-14.3%	756.1	724.1	4.4%
Purchase of stock in trade	148.3	148.2	0.0%	82.6	79.4%	438.4	448.3	-2.2%
Stock Adjustment	(37.2)	18.1	-306.2%	44.5	-183.7%	(56.5)	21.8	-359.2%
<i>RMC as a %age of sales</i>	<i>32%</i>	<i>34%</i>		<i>29%</i>		<i>30%</i>	<i>31%</i>	
Employee Expenses	117.0	110.6	5.7%	121.5	-3.7%	479.1	447.0	7.2%
<i>EPC as a %age of sales</i>	<i>12.3%</i>	<i>11.2%</i>		<i>10.4%</i>		<i>12.4%</i>	<i>11.5%</i>	
Advertisement & Publicity	212.0	188.9	12.2%	191.1	10.9%	739.2	694.0	6.5%
<i>Advertisement as a %age of sales</i>	<i>22.9%</i>	<i>19.6%</i>		<i>16.6%</i>		<i>19.6%</i>	<i>18.2%</i>	
Other Expenses	117.6	115.7	1.6%	116.8	0.7%	459.5	448.8	2.4%
<i>Other Expenses as a %age of sales</i>	<i>12.4%</i>	<i>11.8%</i>		<i>10.0%</i>		<i>11.9%</i>	<i>11.6%</i>	
TOTAL EXPENDITURE	738.4	743.6	-0.7%	767.6	-3.8%	2,815.9	2,784.1	1.1%
EBIDTA	186.7	219.4	-14.9%	384.2	-51.4%	963.7	1,025.1	-6.0%
EBITDA Margins %	20.2%	22.8%	-2.6%	33.4%		25.5%	26.9%	-1.4%
Interest	3.2	2.8	13.3%	2.9	7.9%	11.1	9.3	19.2%
PBDT	206.7	237.8	-13.1%	400.3	-48.3%	1,037.6	1,083.9	-4.3%
Depreciation	42.3	43.5	-2.9%	45.3	-6.8%	177.3	178.2	-0.5%
PBT before share of associates & Exceptional Item	164.48	194.29	-15.3%	354.93	-53.7%	860.29	905.67	-5.0%
Share of (Loss) of associates	(0.4)	(0.6)		0.3		(4.1)	(11.8)	
Exceptional items			-	10.2	-100.0%	10.2		-
PBT	164.1	193.7	-15.3%	345.1	-52.5%	846.1	893.9	-5.3%
Tax	20.9	31.5	-33.7%	25.6	-18.3%	70.8	91.1	-22.3%
<i>Tax Rate</i>	<i>12.7%</i>	<i>16.2%</i>		<i>7.2%</i>		<i>8.2%</i>	<i>10.1%</i>	
Reported Profit After Tax	143.2	162.2	-11.7%	319.5	-55.2%	775.3	802.7	-3.4%
PATM %	15.5%	16.8%	-1.4%	27.7%		20.5%	21.1%	-0.6%
Other Comprehensive Income	(29.1)	(21.8)		(4.2)		(22.4)	(30.1)	
Total Comprehensive Income	114.1	140.4	-18.8%	315.3	-63.8%	752.9	772.6	-2.6%
EPS	3.28	3.72	-11.7%	7.32		17.76	18.39	-3.4%
Equity	43.7	43.7		43.7		43.7	43.7	
Face Value	1.0	1.0		1.0		1.0	1.0	

Source: Company, Way2Wealth

Coverage

Date	Coverage	Report Price (₹)	Buy Range (₹)	Target Price (₹)
05-Dec-24	Quick Insight	635.0	620 – 640	779 – 790
30-Jan-25	Q3FY25	572.0		
20-May-25	Q4FY25	640.0		
01-Aug-25	Q1FY26	601.0		
11-Feb-26	Q3FY26	499.1		

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Disclosure of Interest Statement Emami Ltd (EMAMILTD) as on 5th June 2026

Name of the Security	Emami Ltd (EMAMILTD)
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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