

News monitored for: Emami Group

'We are open to bigger buys, but that depends on quality'

Acquisitions have been a preferred choice for Emami's growth path. Emami Director **HARSHA AGARWAL** talks to Avishek Rakshit and Ishita Ayan Dutt about the company's multi-pronged strategy to make it future-ready. Excerpts:

Emami has been active in the acquisitions space. What kind of investments and acquisitions have you made recently?

We have made strategic investments in The Man Company (TMC) and Brillare, where we now have around 30-32 per cent stake, and had acquired Crème 21, which is a German personal care brand. This apart, we have also made minority investments in Loli.

How are these acquisitions playing out?

We can't do everything on our own. Hence, we are partnering wherever we believe that the promoters or entrepreneurs are capable and their ideas are good. For example, in the men's grooming category, while we have brands such as He and Fair & Handsome, they operate in the mass market segment. On the other hand, TMC is into the premium space centred on online sales and entered salons recently.

Will you look at acquiring them?
 Yes, we have this option but not right now.

You were looking at big-ticket acquisitions while the ones you made in the past 2-3 years are small. Is it a change in strategy?
 We are open to bigger ambitions but it really depends on the quality of acquisitions rather than the sheer size. The investments and



acquisitions we made are growing and we are happy with the performance. In fact, we are looking for more such opportunities in case we get some in more different categories and areas.



Will it be in India or outside?

While we will continue to focus on investing in strategic start-ups in India, we may consider acquisitions here only if it is a good one.

Will you invest in more start-ups?

Yes, we are evaluating a few more. At any given point of time, there are 10-15 companies which are being evaluated, of which one or two from the personal care and wellness categories will see us investing in them.

Growth has been steady for Emami. How do you think you can vitalise the firm?

Firstly, the focus will be on achie-

ving higher growth rate on existing big brands such as Navratna, Boro Plus, F&H, Zandu and Kesh King. Secondly, inorganic growth via acquisitions, which will add value to the firm is a consideration. Thirdly, we will continue to invest in strategic partnerships that we think will help us grow and enter new categories. These apart, we believe that health and wellness segment is another big area where there is huge potential. If we can execute these plans, we should grow by 15-20 per cent.

Your dependence on rural sales and seasonal products is high. Do you see it coming down?

Brands such as Zandu, F&H, Kesh King, and He are independent of the weather but two of the major brands are still dependent on seasons. Larger sales volume and new brands introduction will help mitigate this. With regard to rural dependence, the performance of the portfolio will eventually shape up. As sales increase in He and F&H, the volume in urban India will go up.

How is your e-commerce play shaping up?

Last year, we grew by 100 per cent in this channel and next year we are targeting to triple our sales from this channel. The right partnership with e-commerce platforms, the correct marketing initiatives and the SKU mix will drive this growth.