

News monitored for: Emami Group

Emami looking for acquisitions, investments in digital-first brands

May explore opportunities in healthcare segment, says Director Harsha V Agarwal

ABHISHEK LAW

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Kolkata-based FMCG major Emami is eyeing acquisitions or “strategic investments” across the digital space. The aim is to strengthen its presence in premium and niche categories, and enter those where it does not have a presence yet.

Apart from FMCG, including consumer care, the company may explore acquisition opportunities in healthcare.

The move comes on the back of e-commerce sales doubling for Emami and with discretionary-spend items such as personal care and male-grooming products witnessing improved demand.

According to Harsha V Agarwal, Director, Emami is open to pumping in ₹100 crore for strategic investments and partnership with digital-first brands. Acquisitions will be explored “only if there is a strong strategic fit, high growth opportunity and right price.”

“We see huge opportunities in the digital space and have identified it as an important strategic area for investment for the next few years. Growing our own brands through various initiatives, partnering with digital-first brands and acquisitions are a few major initiatives through which we wish to take advantage,” he told *BusinessLine*.

Positive factors

A favourable cash balance and absence of debt are seen as main pivots for the company to explore inorganic growth routes. The promoter share pledge has also been reduced significantly, say market sources.

“We remain debt-free at Emami and have favourable cash surplus. If a good opportunity comes in the healthcare space, we will take a look at it, too,” Agarwal said. “It is not that we have created a war-chest or are focussing on inorganic growth, *per se*. But an in-



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Emami had earlier made strategic investments in two niche start-ups — male grooming brand The Man Company (33 per cent stake) and professional salon and spa products

firm Brillare (35 per cent stake).

“We have the option of hiking our stake in both these companies as per agreed timelines,” Agarwal said.

Rising e-commerce sales

Emami has, over the past few quarters, been strengthening its digital channel presence that includes ramping-up the product portfolio and SKU (stock-keeping unit) counts. A host of digital-first launches has also taken place. For instance, in the healthcare category, under Zandu, there were 18-19 launches in over the April- to September period, many of which were online first.

“As of now, we are not launching any digital-specific brands. The mother brands are quite strong and we would like to continue with them in the online channels. The company can explore the possibility of sub-brands, if required,” Agarwal said.

According to him, the company is looking for “good strategic acquisitions” in international markets, including Bangladesh.