



February 09, 2024

To,  
Listing Department  
**NATIONAL STOCK EXCHANGE OF INDIA LIMITED**  
Exchange Plaza, C/1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051

To,  
Listing Department  
**BSE LIMITED**  
P. J. Towers,  
Dalal Street,  
Mumbai – 400 001

**Scrip Symbol: HONASA**

**Scrip Code: 544014**

**Sub: Press Release on Un-audited Financial Results (Standalone and Consolidated) for the 3<sup>rd</sup> quarter and nine months ended on December 31, 2023**

Dear Sir / Madam,

Please find enclosed herewith the Press Release on the Un-audited Financial Results (Standalone and Consolidated) for the 3<sup>rd</sup> quarter and nine months ended on December 31, 2023.

We request you to please take the same on record.

Thanking you,

Yours faithfully,  
For **HONASA CONSUMER LIMITED**

**DHANRAJ DAGAR**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
Encl: a/a



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**Honasa Consumer Limited**

**Registered Office:** Unit No - 404, 4th Floor, City Centre, Plot No 05, Sector-12, Dwarka New Delhi 110075

**Corporate Office:** 10<sup>th</sup> Floor, Capital Cyberscape, Ullahwas, Sector-59, Gurugram, Haryana - 122102

Email: [info@mamaearth.in](mailto:info@mamaearth.in); Phone: 011 - 44123544 | Website: [www.honasa.in](http://www.honasa.in)

| CIN: U74999DL2016PLC306016 |



## HONASA CONSUMER CONTINUES TO DELIVER MARKET BEATING GROWTH WITH REVENUE GROWING AT 28% AND PAT GROWTH OF ~264% YoY IN Q3FY24

• Revenue growth by ~28% YoY
• EBITDA margin at 7.1% up 397 bps YoY; 9M YTD EBITDA exceeds INR 100 Cr.
• PAT jumps by 7 times for the first 9 months of FY24 (INR 80Cr). PAT for the quarter reported at INR 26 Cr. (~264% YOY growth)
• Young brands continue to drive growth with The Derma Co. becoming EBITDA profitable
• Built INR 150 Crore ARR Mamaearth color cosmetics category

**Gurgaon | 9<sup>th</sup> February 2024:** Honasa Consumer Ltd. today announced its financial results for the quarter ending December 31, 2023. Our business delivered a strong performance in Q3 with revenue growth of 28% and PAT growth of 264% YoY. The company has demonstrated market-beating growth and outperforming peers, underscoring its commitment to gain share of the beauty and personal care industry, led by innovation and strategic market expansion.

**Commenting on the business performance of Q3 FY24, Varun Alagh, Chairman and CEO, HCL, said:**

*"The Q3 results is a testimony of our deep understanding of the beauty market in India. As we move ahead to capture this market further, our innovation-driven brand building playbook uniquely positions us to identify many opportunities to continue our growth trajectory. Four out of six brands from our portfolio are already in the INR 150 Cr ARR club and we see this as a testimony of our capabilities. Having built color care with Mamaearth showcases our ability to build new categories and versatility of the brand. As we move forward, focus continues to be on purpose-based brand building, innovation and distribution expansion."*

### Financial Overview

- Q3 FY24 consolidated revenue stood at INR 488 Cr.
- Q3 FY24 sales grew by 28% year-on-year
- Q3 FY24 consolidated EBITDA grew by 192% year-on-year at INR 34.5 Cr, increasing 397 bps YoY
- Q3 FY24 consolidated net profit grew by ~264% year-on-year at 26 Cr.
- Q3 Like-for-Like Revenue growth by 31% (excluding Just4Kids business)



- **Delivered a strong YTD FY24 performance with 31% YoY growth with EBITDA growth at ~305%, delivering INR 104 Cr EBITDA; and PAT growth of ~642% at INR 80 Cr**
- **Business continues to be capital efficient, with a negative working capital cycle of minus 6 days**

### **Business Overview**

- **Continued growth momentum in Q3 with improving profitability**
- **Built and scaled new categories like Mamaearth color cosmetics which is now a 150r+ ARR category**
- **With strong purpose driven initiatives, Mamaearth continues to be one of the most loved brands. Mamaearth grew its household penetration of facewash by 280bps and of shampoo by 110 bps in 2 years (MAT Sep-23 compared with MAT Sep-21)**
- **Younger brands continue to grow, with The Derma Co achieving EBITDA profitability**
- **122 new products launched in CY23, with key innovations performing well. With data-led approach to innovation, Rosemary hair-care ranged scaling up, achieving an ARR of INR 50 Cr+ in ~6 months of launch**
- **Continue to strengthen and expand omnichannel distribution with over 1.7 lakh retail touchpoints, increasing distribution by 37% YoY. 9MYTD YoY offline market-share increase of 80 bps in face-washes and 40 bps in shampoos**
- **Growing Modern Trade presence, in 8000+ stores across 31 chains**

### **CONSUMER FOCUSED BRAND BUILDING PLAYBOOKS**

Mamaearth continued to solidify its position as one of India's most beloved brands, achieving remarkable household penetration growth in face washes and shampoos across all population strata, as evidenced by industry reports from 2021 to 2023. Key campaigns like "Beautiful Ho Tum" and product-specific initiatives for Rosemary and Color Care have significantly bolstered our brand presence, supported by compelling visuals and high viewership numbers.

With its portfolio of natural, long-lasting and Made Safe certified color cosmetics products, and aided by effective consumer communication, Colorcare has become a promising category, reaching INR 150 Crore ARR mark, with ~10 Lakh color care units sold in Q3FY24. This strategy's success is visibly mirrored in the growth of our younger brands. The Derma Co. notably achieved an EBITDA positive status year-to-date, buoyed by hero products such as serums, sunscreens, and face wash. Aqualogica, Dr. Sheth's, and BBlunt have each seen significant successes in their respective categories. Aqualogica continues to strengthen as a brand with its continuously increasing brand searches; while Dr Sheth's continues to build in multiple categories, with moisturizers growing in winters.

This quarter's achievement underscores our commitment to nurturing each brand within our portfolio through targeted consumer-centric strategies, setting a new benchmark in brand building and market engagement.



### **ON TREND DATA-BASED INNOVATIONS**

In the third quarter, Honasa Consumer Ltd. demonstrated the strength of its on-trend, data-based innovation strategy, which was a significant driver of our performance. We launched 122 new products (NPDs) in Calendar Year 23. These innovations not only resonated with our consumers but also contributed significantly to our revenue, with new product developments accounting for an impressive percentage of our year-to-date revenue.

Among the standout innovations were products with strong claims that have been particularly well-received in the market. Our proprietary tools have been instrumental in identifying and incorporating newer ingredients, such as Rosemary, which has seen a substantial uptick in search volume, indicating a growing consumer interest and acceptance. This focus on leveraging data for product innovation and responding swiftly to emerging trends continues to be a cornerstone of our strategy, underpinning our success in Q3 and reinforcing our position as a leader in the market.

### **CONTINUED STRENGTHENING OF OMNICHANNEL DISTRIBUTION**

This quarter witnessed significant advancements in our omnichannel distribution strategy, playing a key factor in our continued success and market penetration. In Modern Trade, we have seen robust year-on-year revenue growth, with an expanded outlet reach and notable offtake growth, while our overall Offline distribution continues to grow in reach. We continue to gain market share in key distribution-driver categories of facewash and shampoo. Our Exclusive Brand Outlets (EBOs) reached a significant milestone with the opening of our 100th store.

Additionally, our online partnerships have been strengthened further. Collaborations with platforms like Purplle and Meesho have yielded substantial year-on-year business growth, underscored by strategic banner placements and co-branding efforts. This multi-faceted approach to distribution is a testament to our commitment to accessibility and customer reach, playing a crucial role in our Q3 accomplishments.

### **FOCUS ON ESG**

Our persistent emphasis on Environmental, Social, and Governance (ESG) factors is evident through the recent achievement of 'Great Place To Work' certification for the fourth consecutive year.

As a purpose-driven organization, we have undertaken initiatives such as 'We Plant Goodness,' 'Plastic Positive,' the 'Young Scientist Program,' and the 'Fresh Water for All Program,' aligning our brands with impactful contributions to society. The introduction of the brand purpose for Dr. Sheth's further solidifies our commitment to meaningful societal engagement.

Concurrently, our commitment to robust corporate governance remains steadfast, featuring a 50% independent board, diligent auditors, internal audit processes, the implementation of ERP/DMS-SFA systems, and a proactive approach to gender diversity, with 53% female workforce. These initiatives collectively reflect our holistic commitment to sustainability, ethical business practices, and responsible



corporate citizenship. This commitment underscores our dedication to sound corporate governance practices and aligns with our values of diversity and ethical conduct.

Going forward, Honasa Consumer will remain committed to delivering sustained growth and profitability for all its stakeholders.

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#### ABOUT HONASA CONSUMER LTD

Honasa Consumer Limited, is the largest digital-first beauty and personal care company with a diverse portfolio of six brands. Uniquely positioned to capture the growth trends shaping in the BPC market, the company is building brands through on trend data-based innovation and strong omnichannel distribution. Driven by purpose, Honasa Consumer Limited is committed to serving its consumers and the society for a better tomorrow.

#### **PRESS ENQUIRIES**

Tripti Pandey | [Tripti.p@honasa.in](mailto:Tripti.p@honasa.in) | +91-9820678871

Kaustubh Sankhyadhar | [Kaustubh.s@honasa.in](mailto:Kaustubh.s@honasa.in) | +91-9999125263