



August 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 Unaudited Financial Results (Standalone and Consolidated) for the quarter ended on June 30, 2024

Dear Sir / Madam,

Please find enclosed herewith the Press Release on the Unaudited Financial Results (Standalone and Consolidated) for the quarter ended on June 30, 2024.

This intimation is being submitted pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Honasa Consumer Limited

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

Corporate Office: 10th & 11th Floor, Capital Cyberscape, Ullahwas, Sector-59, Gurugram, Haryana - 122102

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| CIN: L74999DL2016PLC306016 |



**HONASA CONSUMER LIMITED REPORTS 62.9% INCREASE IN PAT AND 19.3% GROWTH YEAR-ON-YEAR
IN Q1FY25**

<ul style="list-style-type: none">• Consolidated revenue of Q1FY25 stood at INR 554 Crore, with a YOY growth of 19.3% and sequential growth of 17.3%
<ul style="list-style-type: none">• Product Business grew by 20.3% on the back of Underlying Volume Growth (UVG) of 25.2% in Q1FY25
<ul style="list-style-type: none">• EBIDTA margin expanding by 201 basis points (bps) y-o-y to 8.3%
<ul style="list-style-type: none">• PAT increased by 62.9% y-o-y; Q1FY25 PAT at INR 40 Crore
<ul style="list-style-type: none">• Honasa has captured a strong market share in the face wash category in online while steadily gaining ground offline, driven by its House of Brands strategy and innovation capabilities. The category achieved approximately INR 800 crore GMV ARR for Honasa

Gurugram, August 09, 2024: Honasa Consumer Ltd., is proud to share its financial performance for the quarter ending June 30th, 2024. Demonstrating resilience and agility along with continued momentum, Honasa registered an impressive product business growth of 20.3% with an underlying volume growth (UVG) of 25.2%. The **EBITDA margin expanded by 201 basis points (bps) y-o-y** to 8.3%, resulting in an EBITDA of INR 46 crore. This strong performance was attributed to **the improvement in the gross profit margin and scale-led efficiencies**. The company's achievements reflect a resolute commitment to advancing their position in the beauty and personal care industry. By consistently delivering market-beating growth and surpassing competitors, the company reaffirms its dedication to innovation and strategic market expansion as key drivers of its ongoing success.

Sharing his thoughts on the financial achievements and business performance in Q1FY25, Varun Alagh, Chairman and CEO, Honasa Consumer Limited, comments, *"Reflecting on the highlights of Q1 FY25, we are delighted to report that Honasa has demonstrated remarkable resilience and growth this quarter, underscored by a strong operating performance and improved profitability. Mamaearth continues to win consumer love, driving offtakes and securing a position as the fourth largest face wash brand in modern trade according to Nielsen. Honasa has also captured a strong market share in the face wash category in online while steadily gaining ground offline, driven by its House of Brands strategy and innovation capabilities. Our focus on a data-driven, consumer-centric strategy has led to a remarkable 9% contribution from new products to our revenue, while our partnerships, like with Dr. Vanita Rattan to launch 'Skin Renew by Dr. V' range in The Derma Co, are enhancing our premium positioning in the actives category. As we transition to a more direct distribution model, we are well-positioned to sustain and accelerate our growth trajectory. By leveraging our unique House of Brands strategy, purpose-driven approach, and strong emphasis on R&D and innovation, we are determined to solidify our leadership in the ever-evolving BPC FMCG segment."*



Financial Overview

- Q1FY25 consolidated revenue stood at INR 554 Crore
- Maintained its growth trajectory with a volume-led 20.3% product business growth
- Q1FY25 consolidated EBITDA improved by 201 bps at INR 46 Crore. This is driven by improvement in Gross Margins and scale led efficiencies.
- Q1FY25 consolidated PAT stood at INR 40 Crore, with a growth of 62.9% YoY
- Business continues to be capital efficient, with a negative working capital cycle of 12 days

Business Overview

- Continued growth momentum in Q1FY25 with increasing profitability
- Achieved a strong 25.2% UVG, signifying increasing consumer demand.
- Mamaearth emerges as one of the fastest growing brands as per Nielsen in key categories like face wash and shampoo in the offline channel in Q1FY25 and become the 4th largest face wash brand in modern trade
- Mamaearth reached nearly 2lakh FMCG retail outlets in India as of June'24, increasing distribution up by 30% YoY
- Honasa has captured a strong market share in the face wash category in online while steadily gaining ground offline, driven by its House of Brands strategy and innovation capabilities. The category achieved approximately INR 800 crore GMV ARR for Honasa
- New products accounted for around 9% of Q1FY25 Revenue from Operations
- Key innovations this quarter include Face Wash, Mamaearth Rice Water Dewy Sunscreen, The Derma Co Snail Peptide 96 Hydrating Serum, Aqualogica Glow+ Infused Tinted Sunscreen, Dr Sheth's Kesar & Kojic Acid Serum, and Bblunt Refresh Dry Shampoo
- Entering prestige pricing segment with India's first international dermatologist collaboration in the actives category through strategic partnership between The Derma Co. & Dr. Vanita Rattan for 'Skin Renew by Dr. V' Range
- Devising strategies to co-create sun care category in modern trade channels

MAKING WAVES WITH THE UNIQUE PLAYBOOK OF NEW-AGE BPC BRANDS

Mamaearth has cemented its place in consumers hearts, driving a remarkable growth trajectory with offtakes expanding at nearly four times the industry average. As of June 2024, the brand has made significant strides in increasing its value market share, with facewash improving by 115 basis points and shampoo by 51 basis points year-over-year. Additionally, the brand has seen a year-over-year boost in its share among handlers, reflecting a greater presence on retailers' shelves, with facewash up by 143 basis points and shampoos by 68 basis points.

Following an exceptional growth trajectory and scaling to an impressive annual run rate of INR 500 Crore in the actives category during the last quarter, The Derma Co. is set to elevate its market position even further. The brand has partnered with Dr. Vanita Rattan, a pioneering cosmetic formulator from the U.K., to introduce the Skin Renew Range, a first-of-its-kind product line-up powered by peptides and retinol.



The range is specially formulated for Indian skin and weather, addressing unique skincare needs. Priced at more than twice the cost of other ranges, this premium offering aims to enhance The Derma Co.'s market stature and further preimmunizes The Derma Co.'s product portfolio, reinforcing its commitment to delivering top-tier skincare solutions tailored specifically for Indian consumers.

The latest addition to our portfolio during previous quarter, Staze continues to grow in the color cosmetics category, recognizing and addressing the demands for affordable yet innovative color cosmetics among new-age and Gen-Z consumers.

Our achievements, both on the business and financial front, this quarter highlight our dedication to nurture, scale, and expand new-age brand in our portfolio through a multi-faceted, targeted, consumer-centric strategy, setting new heights in brand development, engagement, and market influence.

DATA-DRIVEN INNOVATION AT THE HEART OF SUCCESS

Aligning with our data-driven and consumer-centric approach, the new product line-ups introduced during the first quarter of FY25 continue to be widely admired and loved by our consumers. This laser-sharp focus on research and development, paired with ever-evolving consumer insights remains the cornerstone of our robust performance this quarter.

This quarter, standout innovations, **Mamaearth Beetroot Face Wash, Mamaearth Rice Water Dewy Sunscreen, The Derma Co Snail Peptide 96 Hydrating Serum, Aqualogica Glow+ Infused Tinted Sunscreen, Dr Sheth's Kesar & Kojic Acid Serum, and Bblunt Refresh Dry Shampoo** have taken the lead. These data-driven product innovations have played a significant role in driving growth, with new offerings contributing approximately 9% to Q1FY25 revenue from operations.

Furthermore, BBlunt has firmly established its leadership in the hairstyling category in the online channel, underscoring its dominance with a suite of innovative products. Notable additions like the **Hot Shot Heat Protection Mist, Hot Shot Finish Spray, Hot Shot Hold Spray**, have solidified the brand's market presence, driving its continued success in the styling space.

DISTRIBUTION STRATEGY THAT FUELS FUTURE-READY GROWTH

With a keen focus on future readiness, Honasa aims to establish a distribution model that not only delivers immediate impact but also sets the stage for sustained growth. Honasa is significantly enhancing its offline business through strategic category leadership and a robust presence in modern trade and general trade.

While the company is scaling The Derma Co. and Aqualogica, it is also proud to share that Mamaearth has become the fourth largest facewash brand in the modern trade segment. The effectiveness of Mamaearth's distribution strategy is evident in its expansion to nearly 2 lakhs FMCG retail outlets across India by June 2024, marking a 30% increase from the previous year. Additionally, Mamaearth's impressive growth in modern trade is highlighted by its recent expansion to 1000 consumer touchpoints (stores) in partnership with Reliance Retail. The company is also focusing on co-creating and pioneering the sun care category in modern trade, setting new benchmarks and driving growth in this emerging segment.

Honasa is making strides with a strategic transition towards direct distribution, successfully implementing this model in 7 out of metro 8 cities. This shift has led to a reduction in the reliance on super-distributors. Furthermore, over 90% of secondary sales are now captured through DMS, streamlining operations and



improving efficiency. As per a survey of Honasa distributors by Nielson, 69% of distributors are delighted with Honasa's progress and 72% distributors have agreed that DMS has eased the schemes management and claims process.

Honasa is poised to optimize its distribution network, improve data visibility, and strengthen its position as a leader in the FMCG/BPC sector, driving growth and profitability in the years to come.

INNOVATING FOR POSITIVE CHANGE

True to our purpose-driven ethos, we have released our first-ever social impact report, '**Driven By Purpose**', highlighting our deep commitment to environmental, social, and governance benchmarks while emphasizing our heartfelt mission to ignite, steer and sustain meaningful conversations on beauty beyond business, inspired by goodness.

Our commitment to the environment and sustainability is reflected in concrete actions, embracing a profound dedication to the planet and people. Through the '**Mamaearth's Plant Goodness**' initiative, we've planted over 700,000 trees, combating deforestation and creating sustainable income opportunities for farmers. This initiative has also led to the production of over 14,000 tons of fruit, generating an economic value exceeding INR 29 Crore. Furthermore, in our pursuit of providing '**Fresh Water for All**,' we've positively impacted over 700 rural households by ensuring access to clean, safe drinking water. This initiative by **Aqualogica** addresses critical water scarcity issues, improving health and quality of life for countless families. '**The Derma Co.'s Young Scientist**' program has empowered more than 20,000 students by offering high-quality practical science education to ignite curiosity and innovation among young minds, equipping them with the knowledge and skills necessary for future scientific endeavors. Moreover, the '**BBlunt Shine Academy**' has further certified over 10,000 women in hair care and styling, providing them with the skills and certifications needed to pursue careers in the beauty industry. And lastly, the recent introduction of the brand purpose for Dr. Sheth's, '**Healthy India, Healthy You**', not only strengthens our commitment to meaningful societal engagement but also extends our reach to the rural areas of India through mobile clinics, promoting health and well-being across the nation.

Thus, at its heart, Honasa remains firmly committed to foster and sustain positive change, embrace the power of beauty for social good, and continuing to guide the movement towards a healthier, more inclusive future for all.

We also uphold robust corporate governance through a board with 50% independent members, thorough auditing practices, meticulous auditors, rigorous internal audit procedures, the integration of ERP/DMS-SFA systems and a proactive approach to gender diversity, with 53% female representation in our on-roll plus off-roll workforce. This dedication is further affirmed by Honasa Consumer Limited's fourth consecutive recognition as a #GreatPlaceToWork, underscoring our pursuit of an inclusive and vibrant workplace culture while upholding high governance standards.

As we chart the course ahead, Honasa Consumer Limited will continue to prioritize growth and profitability for all its stakeholders, creating and striving for a future brimming with dynamic value creation, positive impact and influence, and shared success.



ABOUT HONASA CONSUMER LTD

Honasa Consumer Limited is the largest digital-first beauty and personal care company with a diverse portfolio of seven 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

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