

# Analyst Meeting

May 25, 2015



*Jyothy* LABORATORIES LIMITED

# Agenda

## Financial Performance

- Results for Q4FY15 & FY15
- EBITDA Analysis
- Sales Analysis
- Other Financial Metrics

## Business Initiatives

- Recent Awards
- Our Portfolio & Path to Growth

# What did we achieve 2014-15

## Guidance

May 22, 2014

Sales Growth better than industry

Advt. & SP Expense 10% to 12%

EBITDA 12% to 13%

## Delivery

May 25, 2015

Sales Growth 14.2%

Advt. & SP Expense 12%

EBITDA 12.7%

# What did we achieve 2014-15

## Budget FY15

Sales Rs 1,600 crores Growth of 20%

Advt. & SP Expense Rs 170 crores

EBITDA of Rs 196 crores

## Actual FY15

Sales Rs 1,523 crores Growth of 14%

Advt. & SP Expense Rs 153 crores

EBITDA of Rs 198 crores

Financial  
Performance  
Q4 FY15  
&  
FY15



## Results – Consolidated Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Year Ended	
	31.03.15	31.12.14	31.03.14	31.03.15	31.03.14
Net Sales	39,612	35,637	35,594	1,50,529	1,31,839
Other Income - Operating	484	415	393	954	547
<b>Total Income</b>	<b>40,096</b>	<b>36,052</b>	<b>35,987</b>	<b>1,51,484</b>	<b>1,32,387</b>
Cost of Goods Sold	20,582	17,865	20,218	77,746	69,438
Gross Margin	19,030	17,772	15,375	72,783	62,402
<b>Gross Margin %</b>	<b>48.0%</b>	<b>49.9%</b>	<b>43.2%</b>	<b>48.4%</b>	<b>47.3%</b>
Employee cost	3,744	3,696	3,572	15,026	13,815
Advertisement and Sales Promo	4,847	4,409	4,426	18,097	14,421
Other expenditure	5,705	5,272	4,796	21,443	18,991
<b>OPERATING EBITDA</b>	<b>5,219</b>	<b>4,810</b>	<b>2,974</b>	<b>19,172</b>	<b>15,721</b>
<b>EBITDA % to Net Sales</b>	<b>13.2%</b>	<b>13.5%</b>	<b>8.4%</b>	<b>12.7%</b>	<b>11.9%</b>

## Results – Consolidated Profit & Loss

In Rs. Lacs

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	31.03.15	31.12.14	31.03.14	31.03.15	31.03.14
<b>OPERATING EBITDA</b>	<b>5,219</b>	<b>4,810</b>	<b>2,974</b>	<b>19,172</b>	<b>15,721</b>
Employee stock option	1,089	1,180	-	2,871	-
Depreciation and Impairment	809	762	621	3,255	2,432
Finance Cost	319	373	457	1,377	5,527
Other Income - Non Operating	254	147	287	992	818
<b>Profit Before Prior Period Item and tax</b>	<b>3,256</b>	<b>2,642</b>	<b>2,184</b>	<b>12,662</b>	<b>8,580</b>
<b>Prior Period/Exceptional Item</b>	209	-	21	209	395
<b>Profit before Tax</b>	<b>3,047</b>	<b>2,642</b>	<b>2,162</b>	<b>12,453</b>	<b>8,185</b>
Tax	347	0	14	354	64
<b>Profit from ordinary activities before minority Interest</b>	<b>2,699</b>	<b>2,642</b>	<b>2,148</b>	<b>12,098</b>	<b>8,121</b>
Minority Interest (share in loss)	7	4	(3)	14	22
<b>Profit After Tax</b>	<b>2,706</b>	<b>2,646</b>	<b>2,145</b>	<b>12,112</b>	<b>8,143</b>

## Highlights for Q4 FY2015 : Consolidated

Sales growth of 11.3% (8.7% by volume and 2.6% by value)

Power Brand sales grew by 15.2%

Advt. & Sales Promo exp. for the qtr is at Rs 48.5 crore, an increase of 9.5%.  
A&P to Sales Ratio is at 12.2%.

Gross Margin increased to 48% as compared to 43.2% in last year same period

EBITDA is at Rs. 52.19 crore as compared to Rs 29.74 crore in last year

PAT stands at Rs. 27.06 crore as compared to Rs. 21.45 crore in last year

Cash Profit for the quarter is at Rs 46.04 crore



## Highlights for FY15 : Consolidated

Sales growth of 14.2% ( 9.6% by volume and 4.6% by value), Power Brand sales grew by 15.8%

Advt. & Sales Promo exp. for the year is at Rs 181 crore an increase of 25.5%.  
A&P to Sales Ratio 12%.

Gross Margin stands at 48.3% as compared to 47.3% in last year

EBITDA at Rs. 191.72 crore (12.7%) as compared to Rs 157.21 crore (11.9%) in last year

PAT stands at Rs. 121.12 crore as compared to Rs. 81.43 crore in last year, Cash Profit for the year is at Rs 182.38 crore

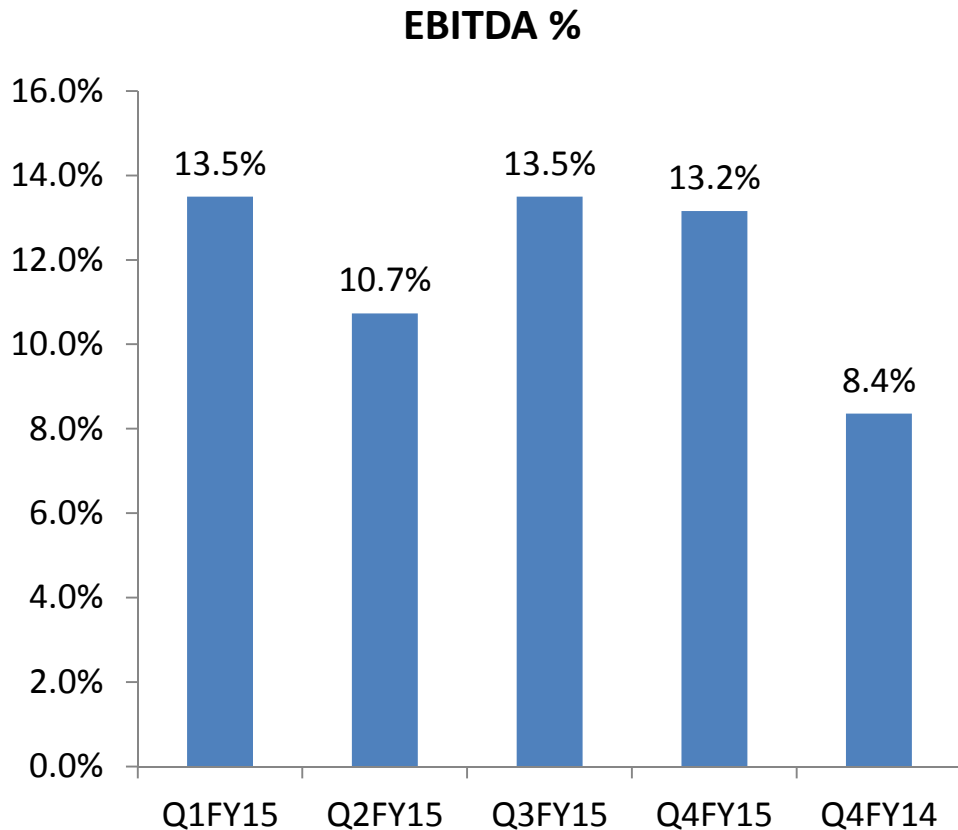
Return on capital employed is 15.5% improved from 11.1% in last year

Working capital days is 17 days, improved from 29 days in last year

# *EBITDA Analysis*



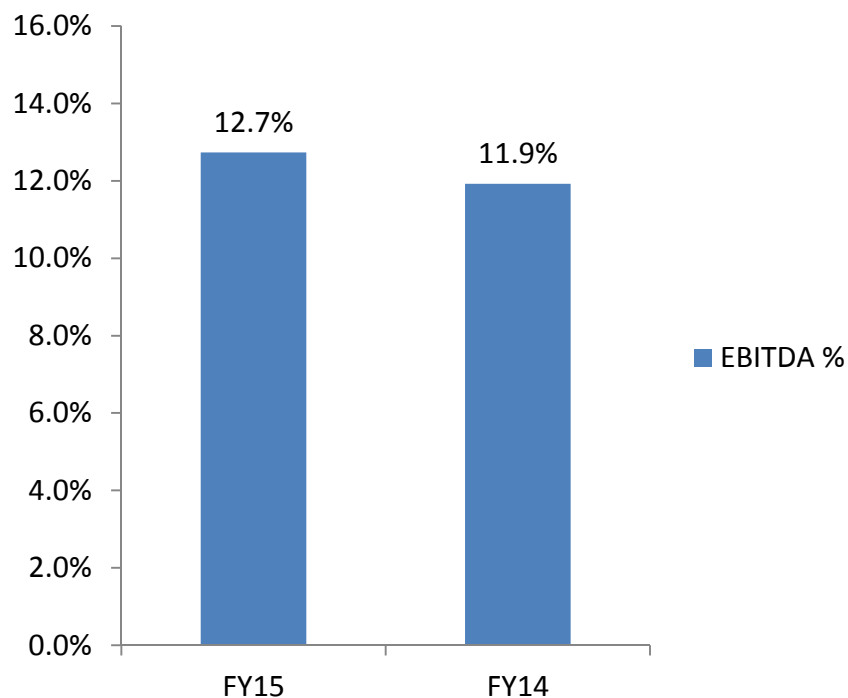
## EBITDA Analysis Consolidated Q4FY15



- EBITDA in Q4FY15 is 13.2% as compared to 8.4% in last year. The same is after spending 12.2% in Advertisement and sales promotion expenses.
- Movement is mainly due to :
  - ✓ Increase in Gross Margin by 4.8% due to change in sales mix and decrease in RM/PM prices.
  - ✓ Increase in Other operating Income by 0.1%
  - ✓ Saving in employee cost 0.6%
  - ✓ Increase in other expenses 0.9%

## EBITDA Analysis Consolidated FY15

### EBITDA %



- FY15 EBITDA is at 12.7% after spending 12% on Advertisement and promotions
  - Movement is mainly due to :
    - ✓ Increase in Gross Margin by 1% due to change in sales mix and decrease in RM/PM prices.
    - ✓ Increase in Other operating Income by 0.2%
    - ✓ Saving in employee cost 0.5%
    - ✓ Saving in other expenses 0.2%

Q1	Q2	Q3	Q4	FY15	FY14	% Increase
5,199	3,945	4,810	5,219	19,172	15,721	21.9%

## Consolidated EBITDA Movement

Particulars	Consol	
	Q4FY15 vs Q4FY14	FY15 vs FY14
<b>EBITDA % - Previous period</b>	<b>8.4</b>	<b>11.9</b>
Other Operating Income	0.1	0.2
Gross Margin	4.8	1.0
Employee Cost	0.6	0.5
Advertisement & Sales Promotion	0.2	(1.1)
Other Expenditure	(0.9)	0.2
<b>EBITDA % - Current period</b>	<b>13.2</b>	<b>12.7</b>

# *Sales Analysis*

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# Sales Analysis

## Segmentwise Sales Growth

Segment	Quarter Ended			Year Ended		
	Q4FY15	Q4FY14	Growth %	FY15	FY14	Growth %
Soaps & Detergent	26,210	23,563	11%	1,11,794	96,975	15%
Home Care	11,979	10,714	12%	33,230	29,971	11%
Other Products	408	681	-40%	1,819	2,255	-19%
<b>Total</b>	<b>38,597</b>	<b>34,958</b>	<b>10%</b>	<b>1,46,842</b>	<b>1,29,202</b>	<b>14%</b>
Less: Inter Segment Revenue	-38	-340	-	-518	-1,210	-
<b>Net FMCG Sales</b>	<b>38,559</b>	<b>34,618</b>	<b>11%</b>	<b>1,46,324</b>	<b>1,27,992</b>	<b>14%</b>
Laundry Services	1,054	976	8%	4,206	3,848	9%
<b>Net Sales</b>	<b>39,613</b>	<b>35,594</b>	<b>11%</b>	<b>1,50,530</b>	<b>1,31,839</b>	<b>14%</b>

Soaps & Detergents include Fabric Wash, Dish Wash Bar, Beauty Soap.

Home Care includes Household insecticide, Incense sticks & Scrubber.

Others includes Body care.

Laundry services includes dry-cleaning and laundry.

## Category Wise Consolidated Sales

Category	Q4FY15	Q4FY14	Growth %	YTDFY15	YTDFY14	Growth %
Fabric Care	14,980	14,030	6.8%	63,914	56,349	13.4%
Dishwashing	10,290	8,847	16.3%	41,665	35,418	17.6%
Mosquito Repellent	9,646	8,328	15.8%	23,518	19,900	18.2%
Personal Care	2,923	2,700	8.3%	14,112	13,242	6.6%
Other Products	720	713	1.0%	3,116	3,083	1.1%
<b>Total</b>	<b>38,559</b>	<b>34,618</b>	<b>11.4%</b>	<b>1,46,324</b>	<b>1,27,991</b>	<b>14.3%</b>
Laundry Services	1,053	976	7.9%	4,205	3,848	9.3%
<b>Grand Total</b>	<b>39,612</b>	<b>35,594</b>	<b>11.3%</b>	<b>1,50,529</b>	<b>1,31,839</b>	<b>14.2%</b>

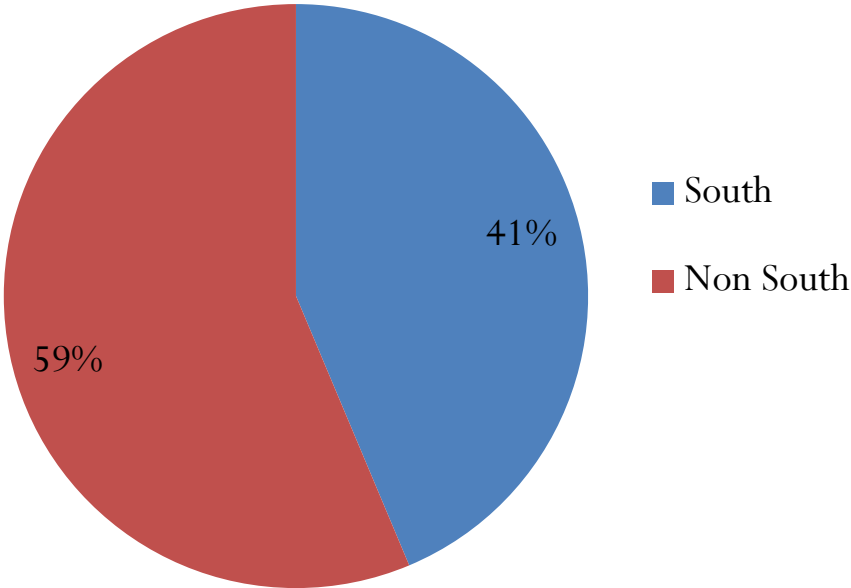


## Brandwise Consolidated Sales

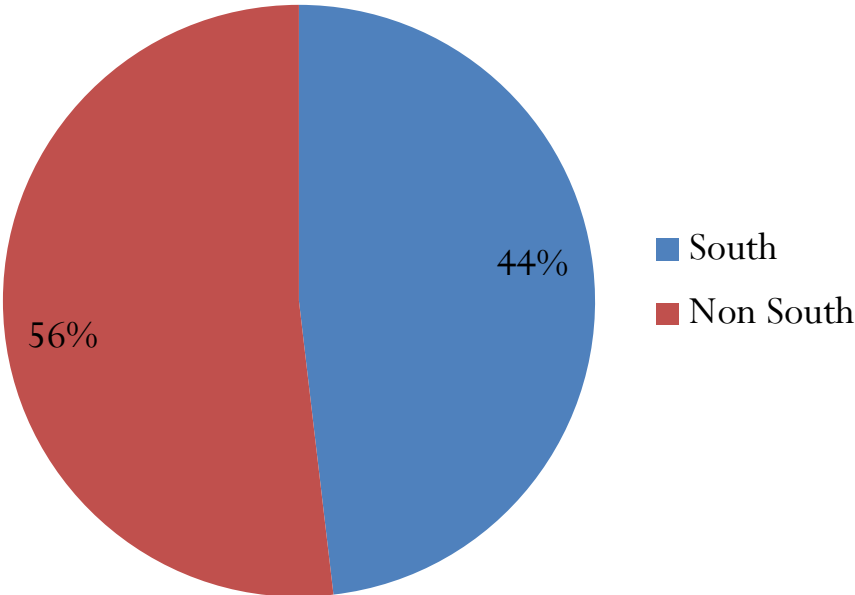
Brand	Q4FY15	Q4FY14	Growth %	YTDFY15	YTDFY14	Growth %
Ujala	8,527	7,587	12.4%	36,464	32,990	10.5%
Exo	7,889	6,713	17.5%	31,453	26,565	18.4%
Maxo	9,646	8,328	15.8%	23,518	19,900	18.2%
Henko	3,382	3,044	11.1%	15,164	12,353	22.8%
Margo	2,480	1,986	24.9%	12,086	10,694	13.0%
Pril	2,400	2,134	12.5%	10,212	8,853	15.4%
<b>Total Power Brand</b>	<b>34,325</b>	<b>29,792</b>	<b>15.2%</b>	<b>1,28,896</b>	<b>1,11,356</b>	<b>15.8%</b>
Others	4,234	4,826	-12.3%	17,429	16,636	4.8%
<b>Total</b>	<b>38,559</b>	<b>34,618</b>	<b>11.4%</b>	<b>1,46,324</b>	<b>1,27,991</b>	<b>14.3%</b>
Laundry Services	1,053	976	7.9%	4,205	3,848	9.3%
<b>Grand Total</b>	<b>39,612</b>	<b>35,594</b>	<b>11.3%</b>	<b>1,50,529</b>	<b>1,31,839</b>	<b>14.2%</b>

# Thrust on Regional Brands becoming National

**FY15**



**FY14**



# *Other Financial Metrics*

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## Consolidated Cash Profit

In Rs. Lacs

Particulars	Q4FY15	Q4FY14	FY15	FY14
Revenue	39,612	35,594	1,50,529	1,31,839
<b>EBITDA</b>	5,219	2,974	19,172	15,721
PAT	2,706	2,145	12,112	8,143
ESOP	1,089	-	2,871	-
Depreciation	809	621	3,255	2,432
<b>Cash Profit</b>	4,604	2,766	18,238	10,575

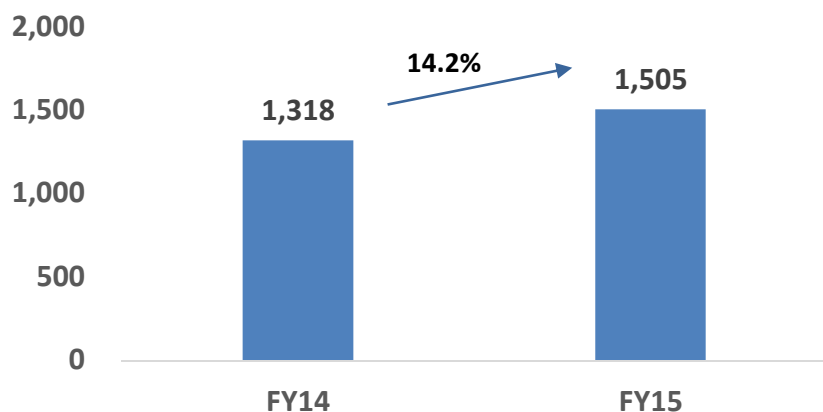
## Net Debt Status – March 31, 2015

Rs. In cr

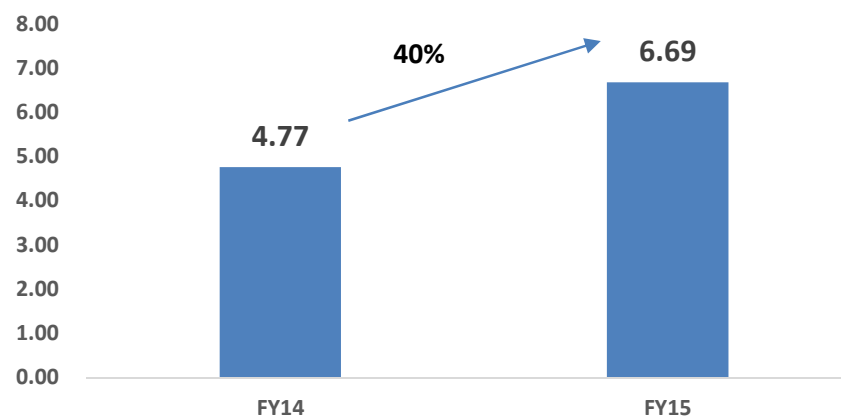
Particulars	Maturity	31/03/15	31/03/14
Non Convertible Debenture @ 10.25%	Nov 15	50	50
Non Convertible Debenture @ 9.65%	June 15	65	65
Zero Coupon Non Convertible Debenture @ 11%	Nov 16	400	400
Cash& Bank/Investment in Debt Funds		(230)	(115)
Total		285	400

# Financial Highlights Profit & Loss

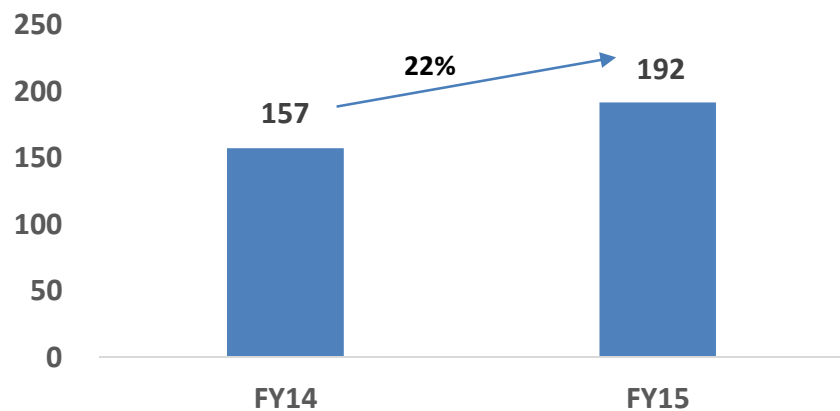
Net Sales (Rs in crores)



EPS (INR)

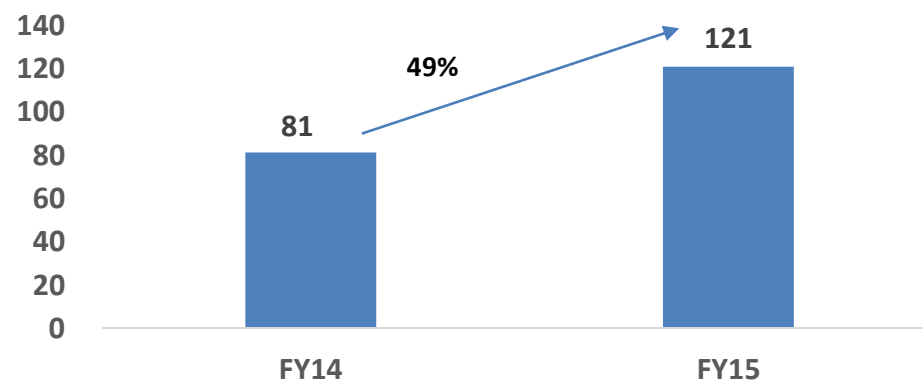


EBIDTA (Rs crores)



■ EBIDTA (Rs crores)

PAT (Rs crores) & PAT Margin (%)

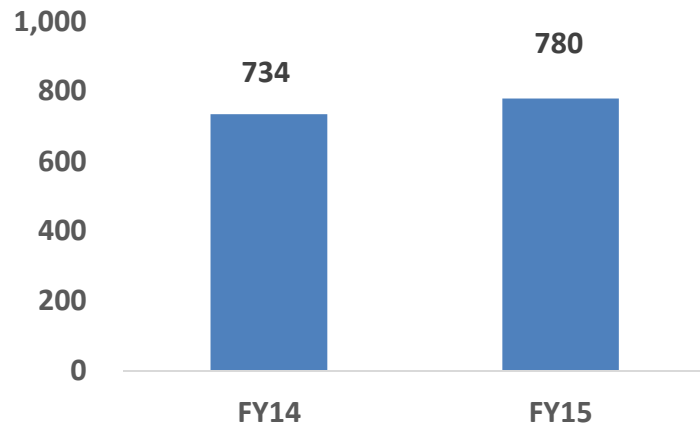


■ PAT (Rs crores)

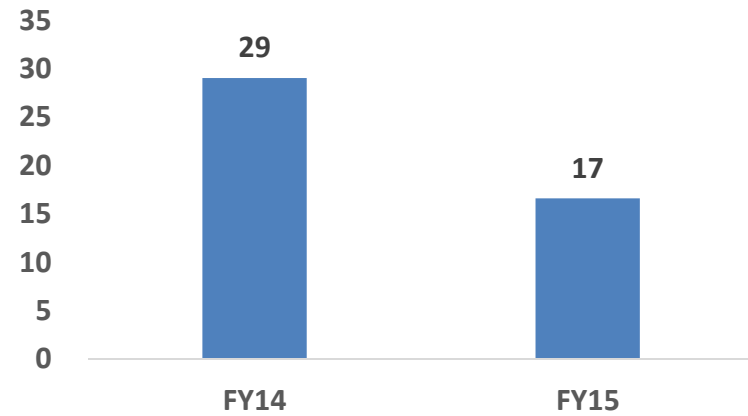
EPS growth is lower than PAT due to dilution in last year November 2014

# Financial Highlights Balance Sheet

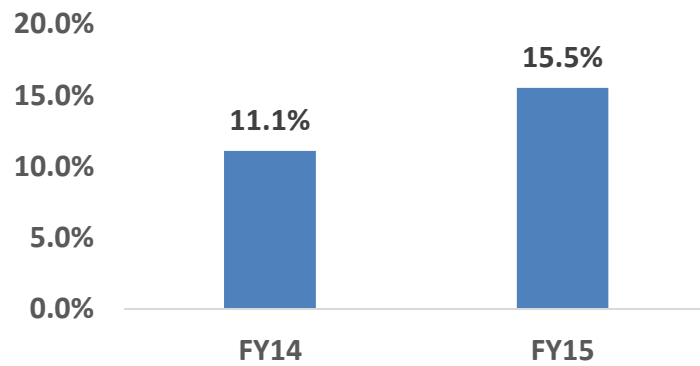
### Net Worth (Rs in crores)



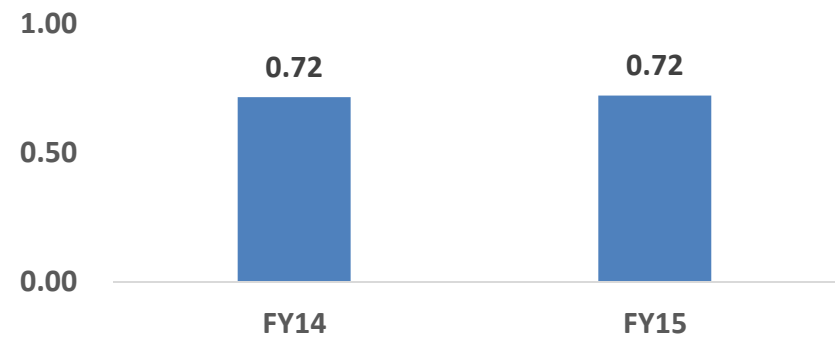
### Working Capital in Days



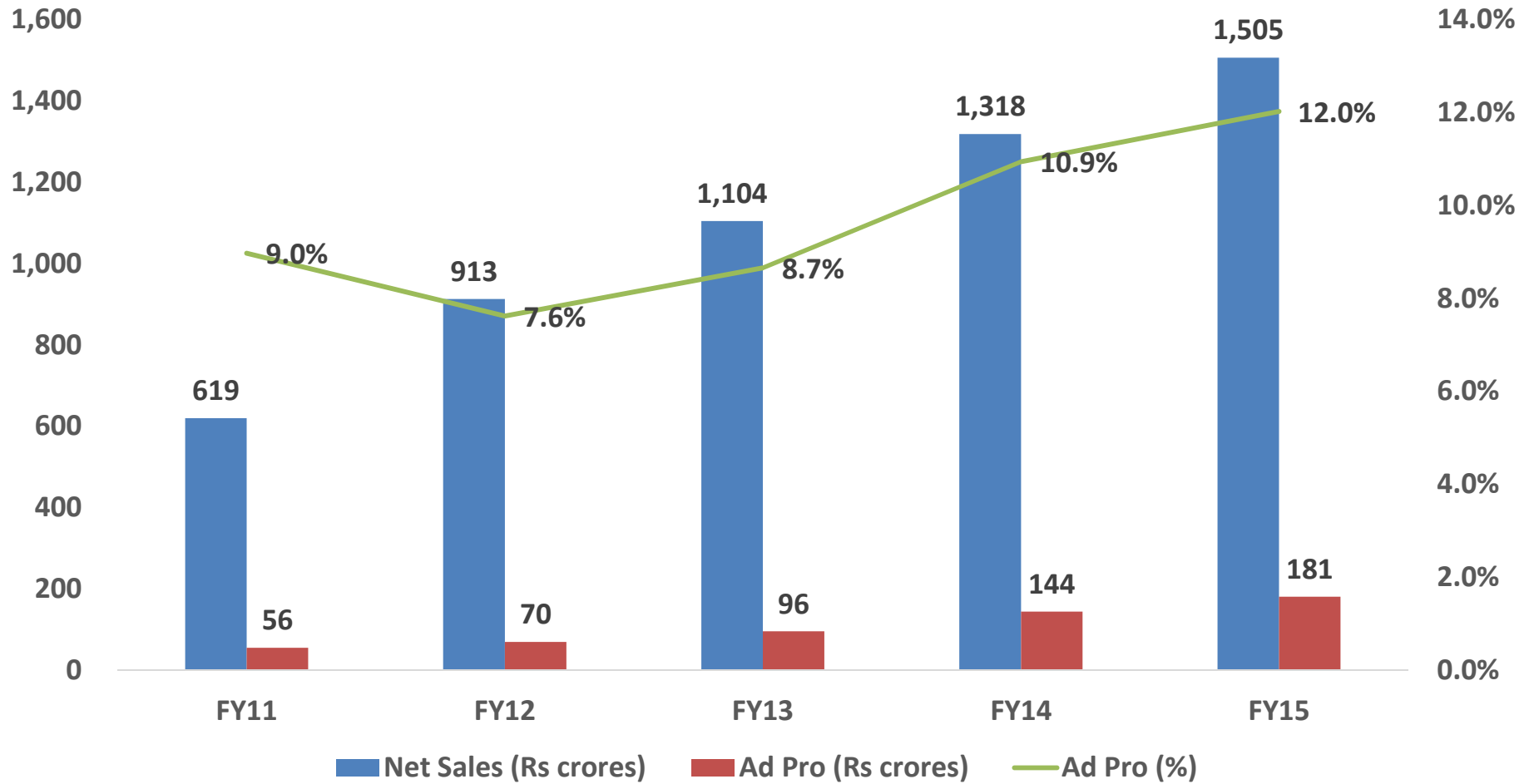
### ROCE



### Debt equity ratio



# Advertisement and Promotion





# Business Initiatives



## Purchase & Supply Chain Initiatives

Proactive Planning & System Integration resulted in improvement in working capital

*Connect !*— Bridge between JLL and all 3Ps for various processes and data flow

Improvement in Service levels due to automation of information flow

Achieved savings in RM/PM cost due to cost plus model for major items

Identified and started manufacturing in fiscal benefit areas for optimal cost structure

Started E-auction of transportation for better service and rates

## Manufacturing and R&D

Efficiencies achieved through Lean Engineering, Automation and capacity debottlenecking

Manufacturing units consolidation for effective cost reduction

Strong product innovation in pipeline, focusing short and long term investment

Quality module integrated with the ERP software

Best in class lab practices documented in Quality Manual & periodic audits instituted

QC Audits initiated at 3<sup>rd</sup> party locations for better quality control

## Information Technology

Automation of Trade Claim Process

New Discount module implemented for discount configuration and for passing customer discount differential entries(DN/CR) at the end of month basis Secondary Sales.

Launched new software for capturing CSD secondary sales

Launched new software for Quality Control at plants for RM/PM

Most of the supply chain planning processes have been automated, through auto generated reports.

# *Recent Awards*



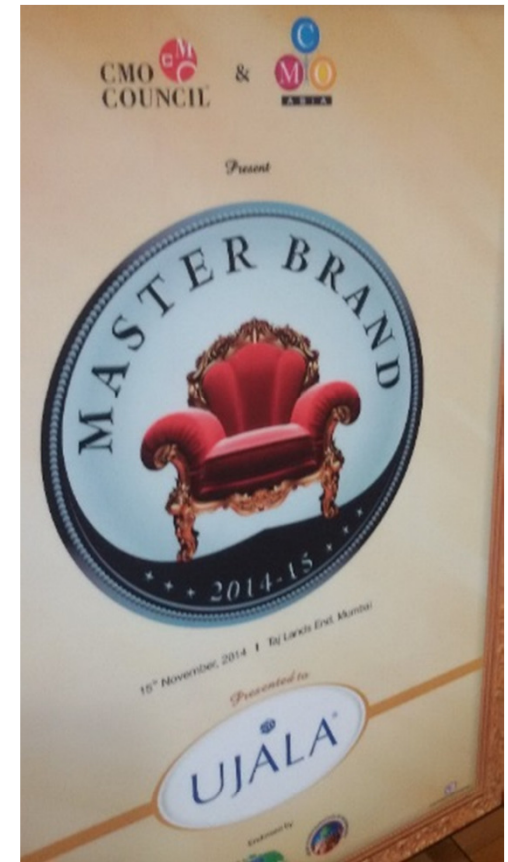
## Recent Awards

1

November 15, 2014

Won the Master Brand Award for UJALA organised by World Marketing Congress.

The title of Master Brand is conferred upon those brands that appeal to a large set of consumers from premium to mass while constantly keeping in mind a consumer centric approach.



15th November, 2014 | Taj Lands End, Mumbai

## Recent Awards

2 December 2014

**Indian Marketing Awards 2014 - Bronze Medal for Henko in *Consumer Insights* for its exemplary work in revolutionising the laundry category.**

**The event organised by exchange for Media had participants across FMCG, consumer durables etc categories**



## Recent Awards

3 December 2014

Won Asia star award for the Best Packaging at **ASIASTAR 2014**, an International Awards for Excellence in Packaging. ASIASTAR is the only regional packaging award across the Asian Continent & recognized as The Packaging Oscars of Asia. The Jury consists of eminent personalities from 9 Asian Countries.





## Recent Awards

December 12, 2014

Jyothy Labs, was presented the award for “Scheme Configuration and Management” under Manufacturing Vertical for Excellence for Transformation by IDC.

**International Data Corporation (IDC)** is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC Insights Awards are prized by CIOs and technology leaders worldwide.



Christopher Holmes, Head - International Asia Pacific, IDC Insights, handing over the award To Mr. Ravi Razdan (Head – Systems, Jyothy Laboratories Ltd.)

## Recent Awards

5

January 2015

Ms Jyothy M R has been awarded with Emerging Kerala – Women Entrepreneurship Excellence Award

The award ceremony was part of Emerging Kerala Business Conclave and Awards 2015 function held at Kochi.



## Recent Awards

February 16, 2015

6

Received Citation for “100 Most Talented Global HR Leaders” by CHRO Asia.

100 Most Talented Global HR Leaders is intensely researched award by CHRO Asia, a high level professional body that acts as a Global Platform for the Human Resource Fraternity. The Awards were presented at 23rd edition of the World HRD Congress held in Mumbai



## Recent Awards

7

March 18, 2015

Ms M R Jyothy found a place in IMPACT's 50 Most Influential Women in Indian Media, Marketing and Advertising industry in event in Mumbai

