

# Analyst Call

July 30, 2015



*Jyothy* LABORATORIES LIMITED

# Agenda

## Financial Performance

- **Results for Q1FY16**
- **EBITDA Analysis**
- **Sales Analysis**

## Business Initiatives

- **Brand Highlights Q1FY16**
- **Brand Innovation**

Financial  
Performance  
Q1 FY16



## Highlights for Q1 FY2016 : Consolidated

**Sales growth of 7.5% (5.6% by volume and 1.9% by value)**

**Power Brand sales grew by 9%.**

**Advt. & Sales Promo exp. for the qtr is at Rs 50.55 crore, an increase of 20%.  
A&P to Sales Ratio is at 12.2%.**

**Gross Margin increased to 51.9% as compared to 47.8% in last year same period**

**Operating EBITDA is at Rs. 68.84 crore (16.6%) as compared to Rs 51.99 crore (13.5%) in last year same period**

**PAT stands at Rs. 44.58 crore as compared to Rs. 42.47 crore in last year same period**

**Cash Profit for the quarter is at Rs 63.11 crore as compared to Rs. 50.58 crore in last year same period**

## Results – Standalone Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Year Ended	
	30.06.15	31.03.15	30.06.14	31.03.15	31.03.14
Net Sales	39,800	37,853	35,489	1,42,827	1,25,511
Other Income - Operating	36	454	34	955	507
<b>Total Income</b>	<b>39,836</b>	<b>38,307</b>	<b>35,523</b>	<b>1,43,782</b>	<b>1,26,018</b>
Cost of Goods Sold	19,813	20,391	18,702	76,064	67,660
Employee cost	3,480	3,123	3,301	12,711	11,866
Advertisement and Sales Promotion	4,877	4,714	3,746	17,072	13,536
Other expenditure	4,847	4,945	4,318	18,509	16,247
<b>OPERATING EBITDA</b>	<b>6,819</b>	<b>5,134</b>	<b>5,456</b>	<b>19,426</b>	<b>16,709</b>
<b>EBITDA % to Net Sales</b>	<b>17.1%</b>	<b>13.6%</b>	<b>15.4%</b>	<b>13.6%</b>	<b>13.3%</b>
Employee stock option	1,167	1,089	-	2,871	-
Depreciation and Impairment	557	651	623	2,577	1,700
Amortisation of Brand & Goodwill	1,115	1,115	1,115	4,460	4,460
Finance Cost	274	299	293	1,203	5,311
Other Income - Non Operating	1,727	1,473	1,751	6,586	5,623
<b>Profit Before Prior Period Item and tax</b>	<b>5,433</b>	<b>3,453</b>	<b>5,176</b>	<b>14,901</b>	<b>10,860</b>
<b>Prior Period/Exceptional Item</b>	-	209	-	209	230
<b>Profit before Tax</b>	<b>5,433</b>	<b>3,244</b>	<b>5,176</b>	<b>14,692</b>	<b>10,630</b>
Tax	760	413	-	413	19
<b>Profit After Tax</b>	<b>4,673</b>	<b>2,831</b>	<b>5,176</b>	<b>14,279</b>	<b>10,611</b>

## Results – Consolidated Profit & Loss

In Rs. Lacs

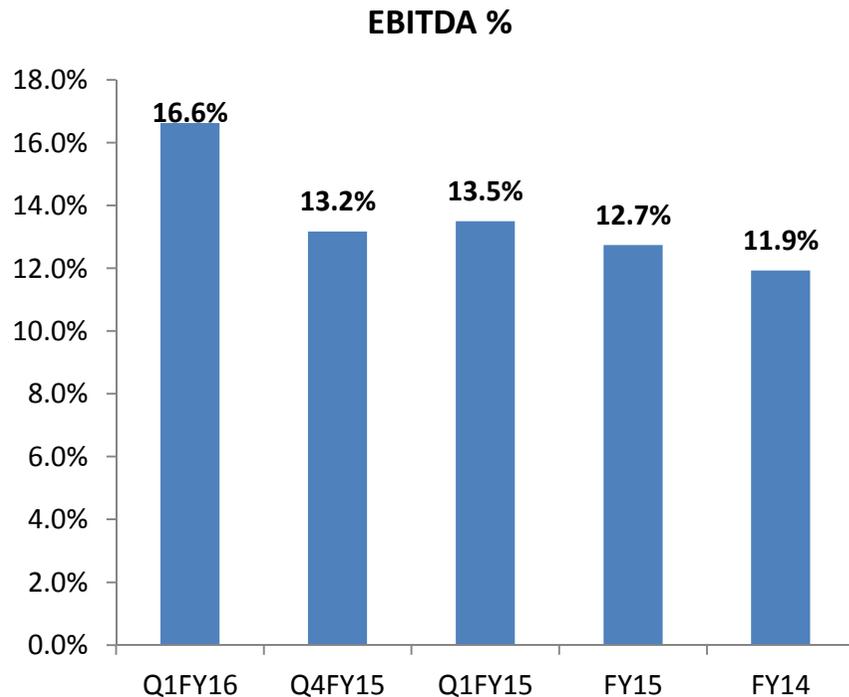
Particulars	Quarter Ended			Year Ended	
	30.06.15	31.03.15	30.06.14	31.03.15	31.03.14
Net Sales	41,400	39,612	38,514	1,50,529	1,31,839
Other Income - Operating	34	484	34	954	547
<b>Total Income</b>	<b>41,434</b>	<b>40,096</b>	<b>38,548</b>	<b>1,51,483</b>	<b>1,32,387</b>
Cost of Goods Sold	19,912	20,582	20,119	77,746	69,438
Gross Margin	21,488	19,030	18,395	72,783	62,402
<b>Gross Margin %</b>	<b>51.9%</b>	<b>48.0%</b>	<b>47.8%</b>	<b>48.4%</b>	<b>47.3%</b>
Employee cost	4,069	3,744	3,855	15,026	13,815
Advertisement and Sales Promo	5,055	4,847	4,211	18,097	14,421
Other expenditure	5,514	5,705	5,164	21,442	18,991
<b>OPERATING EBITDA</b>	<b>6,884</b>	<b>5,218</b>	<b>5,199</b>	<b>19,172</b>	<b>15,721</b>
<b>EBITDA % to Net Sales</b>	<b>16.6%</b>	<b>13.2%</b>	<b>13.5%</b>	<b>12.7%</b>	<b>11.9%</b>

## Results – Consolidated Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Year Ended	
	30.06.15	31.03.15	30.06.14	31.03.15	31.03.14
<b>OPERATING EBITDA</b>	<b>6,884</b>	<b>5,218</b>	<b>5,199</b>	<b>19,172</b>	<b>15,721</b>
Employee stock option	1,167	1,089	-	2,871	-
Depreciation and Impairment	686	809	811	3,255	2,432
Finance Cost	308	319	337	1,377	5,527
Other Income - Non Operating	498	254	197	992	818
<b>Profit Before Prior Period Item and tax</b>	<b>5,221</b>	<b>3,255</b>	<b>4,248</b>	<b>12,661</b>	<b>8,580</b>
<b>Prior Period/Exceptional Item</b>	-	209	-	209	395
<b>Profit before Tax</b>	<b>5,221</b>	<b>3,046</b>	<b>4,248</b>	<b>12,452</b>	<b>8,185</b>
Tax	761	347	6	354	64
<b>Profit before minority Interest</b>	<b>4,460</b>	<b>2,699</b>	<b>4,242</b>	<b>12,098</b>	<b>8,121</b>
Minority Interest (share in loss)	(2)	7	5	14	22
<b>Profit After Tax</b>	<b>4,458</b>	<b>2,706</b>	<b>4,247</b>	<b>12,112</b>	<b>8,143</b>

## Operating EBITDA Analysis (Consolidated) – Q1FY16



- EBITDA in Q1FY16 is 16.6% as compared to 13.5% in last year same period. The same is after spending 12.2% in Advertisement and sales promotion expenses.
- ✓ Movement is mainly due to :
- ✓ Increase in Gross Margin by 4.1% due to change in sales mix and decrease in RM/PM prices.
- ✓ Saving in employee cost 0.2%
- ✓ Increase in Advertisement and sales promotion expenses 1.3%
- ✓ Decrease in other expenses 0.1%

## Consolidated EBITDA Movement

In %

Particulars	Q1FY16 vs Q1FY15	FY15 vs FY14
<b>EBITDA % - Previous period</b>	<b>13.5</b>	<b>11.9</b>
Other Operating Income	(0.0)	0.2
Gross Margin	4.1	1.0
Employee Cost	0.2	0.5
Advertisement & Sales Promotion	(1.3)	(1.1)
Other Expenditure	0.1	0.2
<b>EBITDA % - Current period</b>	<b>16.6</b>	<b>12.7</b>

## Sales Analysis

### Segmentwise Sales Growth

In Rs. Lacs

Segment	Quarter Ended			Year Ended		
	Q1FY16	Q1FY15	Growth %	FY15	FY14	Growth %
Soaps & Detergent	32,945	30,452	8.2%	1,11,794	96,975	15.3%
Home Care	7,056	6,730	4.8%	33,230	29,971	10.9%
Other Products	433	601	-28.1%	1,818	2,255	-19.4%
<b>Total</b>	<b>40,434</b>	<b>37,783</b>	<b>7.0%</b>	<b>1,46,842</b>	<b>1,29,202</b>	<b>13.7%</b>
Less: Inter Segment Revenue	-55	-286	0.0%	-518	-1,210	0.0%
<b>Net FMCG Sales</b>	<b>40,379</b>	<b>37,497</b>	<b>7.7%</b>	<b>1,46,324</b>	<b>1,27,992</b>	<b>14.3%</b>
Laundry Services	1,021	1,017	0.5%	4,205	3,848	9.3%
<b>Net Sales</b>	<b>41,400</b>	<b>38,514</b>	<b>7.5%</b>	<b>1,50,529</b>	<b>1,31,839</b>	<b>14.2%</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.

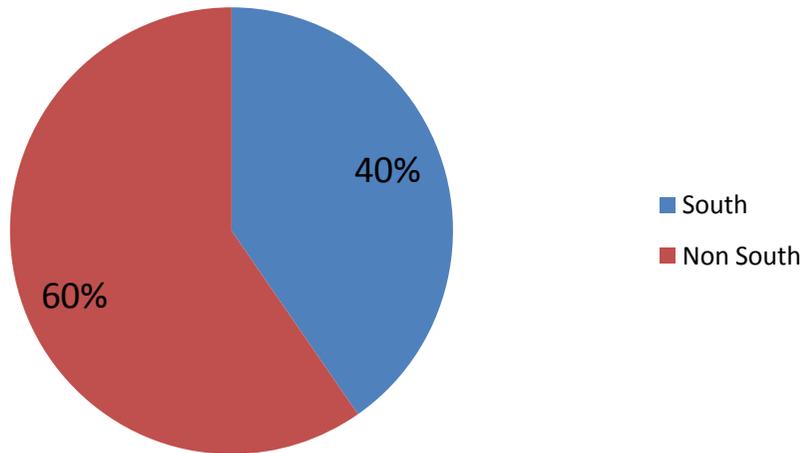
## Category Wise Consolidated Sales

In Rs. Lacs

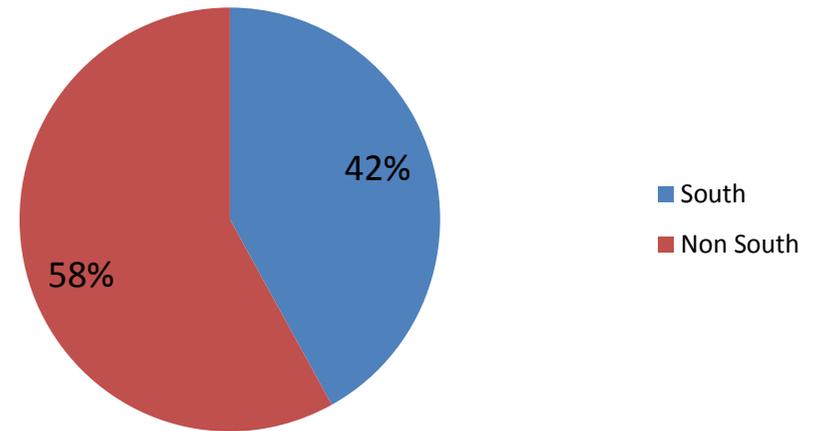
Category	Q1FY16	Q1FY15	Growth %	YTDFY15	YTDFY14	Growth %
Fabric Care	18,699	17,831	4.9%	64,672	56,709	14.0%
Dishwashing	11,885	10,106	17.6%	41,665	35,418	17.6%
Mosquito Repellent	4,276	4,370	-2.1%	23,518	19,900	18.2%
Personal Care	4,926	4,667	5.6%	14,112	13,242	6.6%
Other Products	593	523	13.4%	2,358	2,723	-13.4%
<b>Total</b>	<b>40,379</b>	<b>37,497</b>	<b>7.7%</b>	<b>1,46,324</b>	<b>1,27,991</b>	<b>14.3%</b>
Laundry Services	1,021	1,017	0.5%	4,205	3,848	9.3%
<b>Grand Total</b>	<b>41,400</b>	<b>38,514</b>	<b>7.5%</b>	<b>1,50,529</b>	<b>1,31,839</b>	<b>14.2%</b>

# Thrust on Regional Brands becoming National

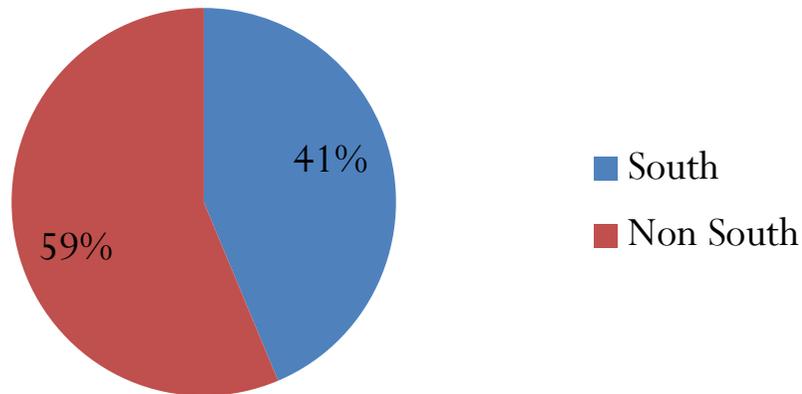
**Q1FY2016**



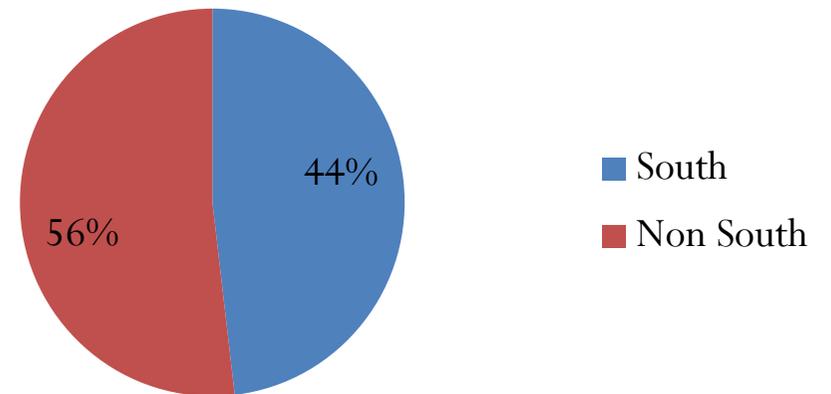
**Q1FY2015**



**FY15**



**FY14**



## Consolidated Cash Profit

In Rs. Lacs

Particulars	Q1FY16	Q1FY15	FY15	FY14
Revenue	41,400	38,514	1,50,529	1,31,839
EBITDA	6,884	5,199	19,172	15,721
PAT	4,458	4,247	12,112	8,143
ESOP	1,167	-	2,871	-
Depreciation	686	811	3,255	2,432
<b>Cash Profit</b>	<b>6,311</b>	<b>5,058</b>	<b>18,238</b>	<b>10,575</b>

## Net Debt Status – June 30, 2015

Rs. In cr

Particulars	Maturity	30/06/15	31/03/15
Non Convertible Debenture @ 10.25%	Nov 15	50	50
Non Convertible Debenture @ 9.65%	June 15	-	65
Zero Coupon Non Convertible Debenture @ 11%	Nov 16	400	400
Excess cash/investment in Debt Funds		(168)	(230)
<b>Total</b>		<b>282</b>	<b>285</b>

# Business Initiatives



# Big Picture

2015 : Fit To Win

Focus on Brand Innovation; improve margin profile and aggressively spend behind brands

Greater portfolio clarity and sharper messaging to win with consumers

Re-launch of various Brands

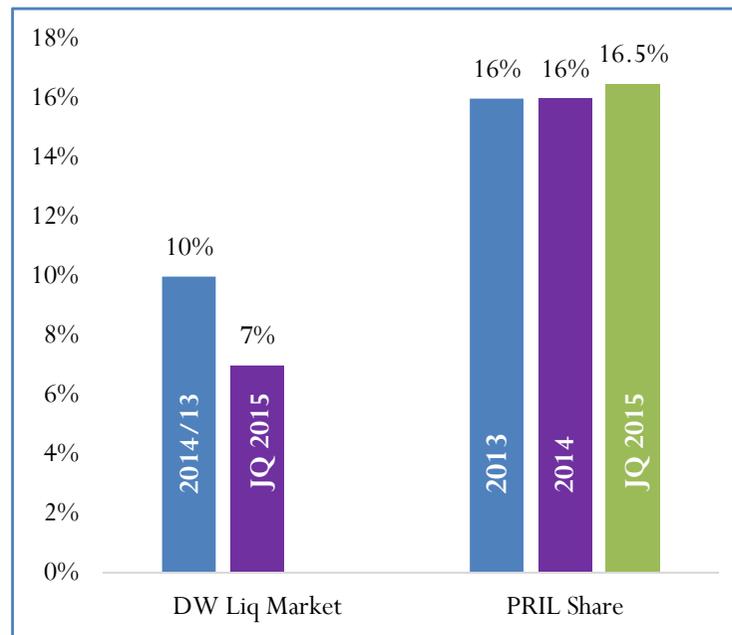
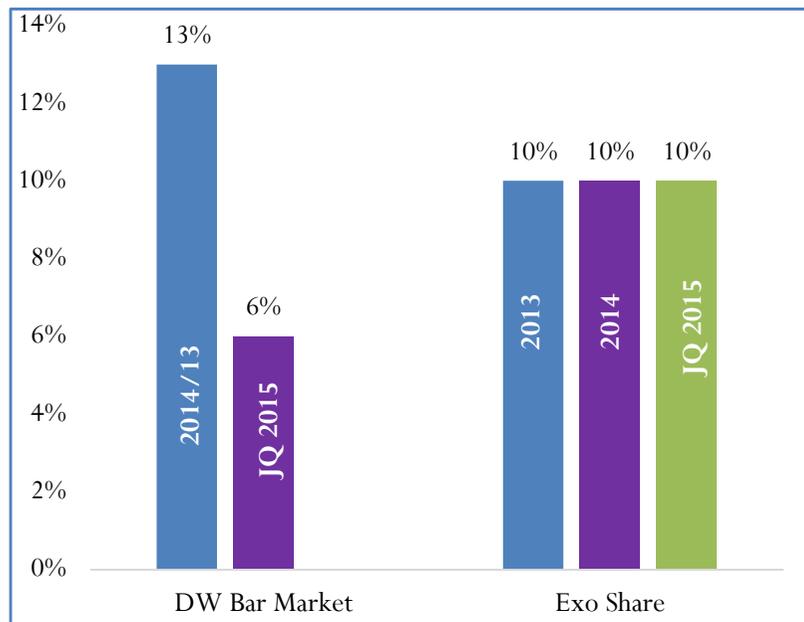
# Dishwash: Highlights



Brand	NSV Gr% JQ 2015
EXO	17.7%
PRIL	17.2%



## Market Share Progress : JQ '15



# DishWash: Innovation Pipeline

EXO Bar : Re-Launch – Aug 15



*Performance – Superior New Bar Formulation*

PRIL Bar : Re-Launch – Sept 15

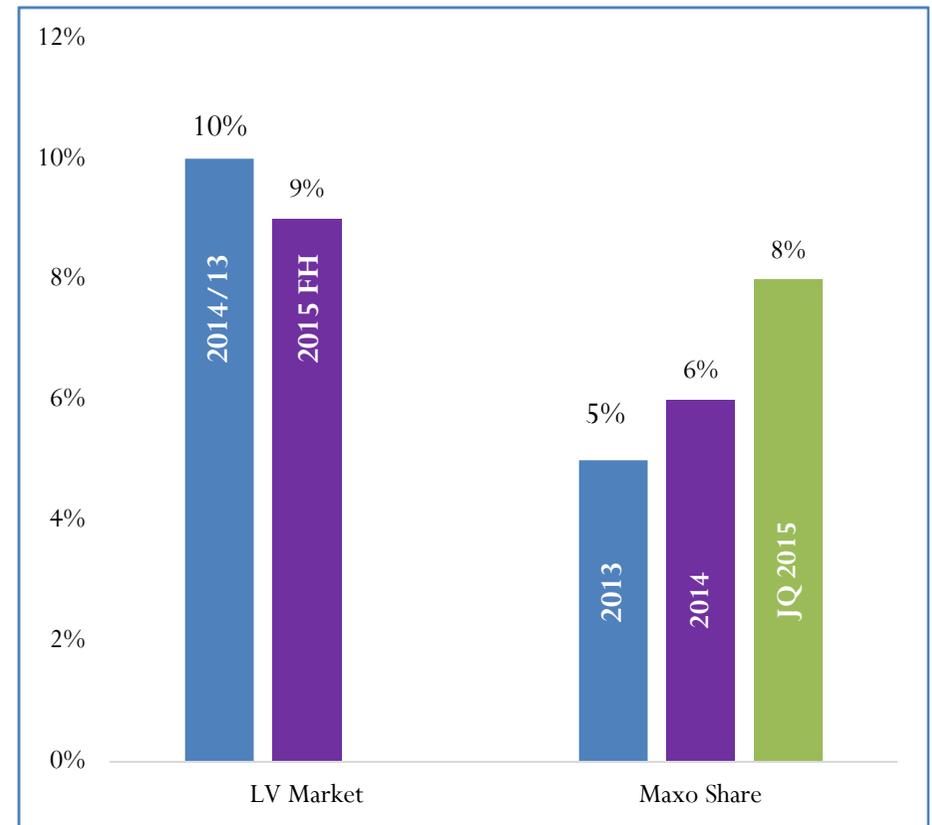
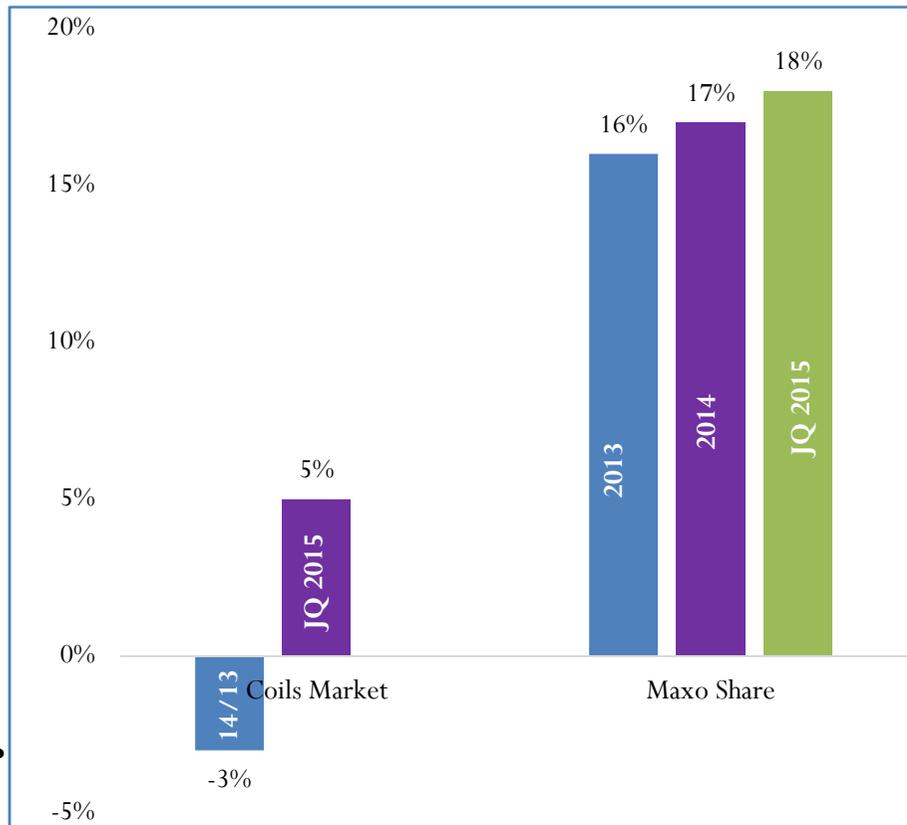


*Superior Performance - Differentiated Sensorial*

# Mosquito Repellent : Highlights

Format	NSV Gr% JQ 2015
Maxo	-2.1%

## Market Share Progress : JQ '15



# Insect Control : Innovation Pipeline

Maxo Genius : Repositioning LVs



Maxo Genius Magic Card



*Simple Insight – Relevant Product Differentiation*

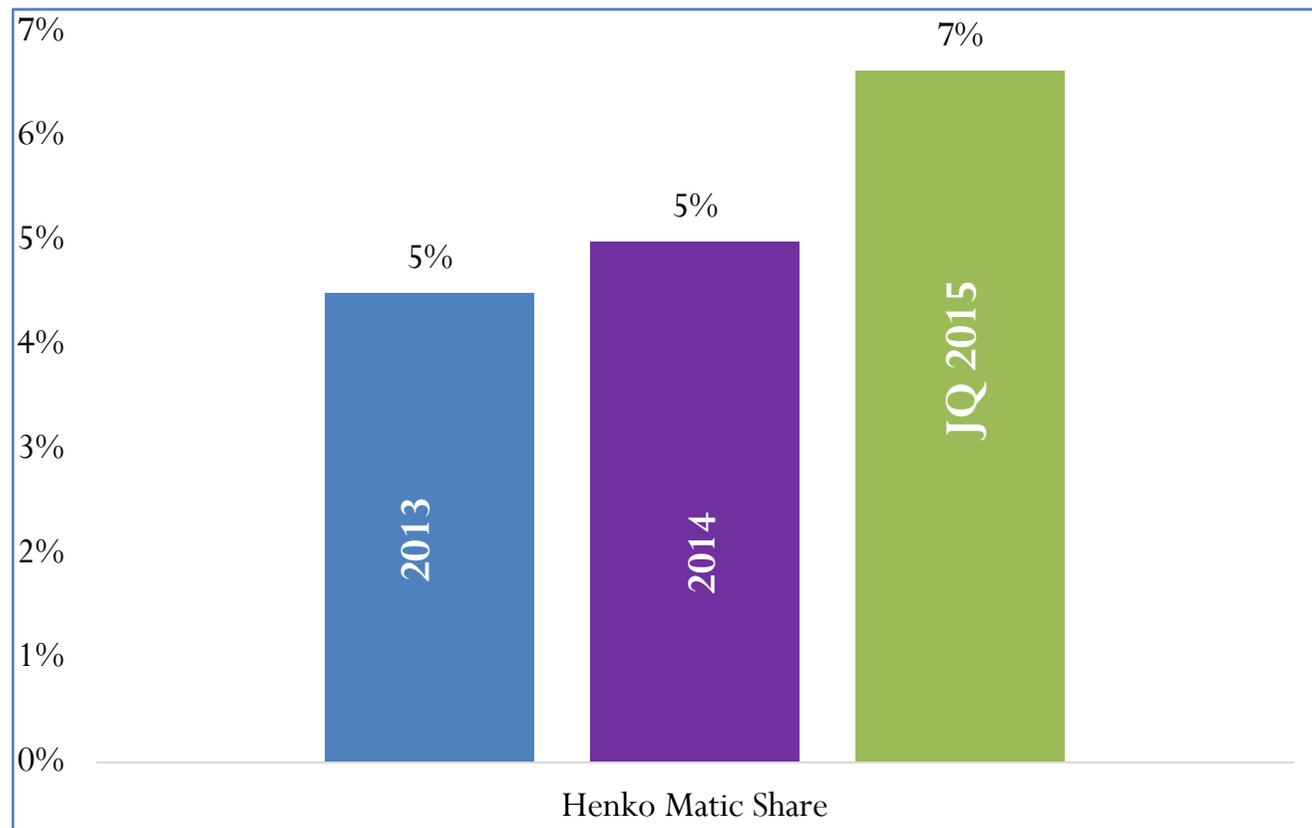
# Henko: Highlights

Format	NSV Gr% JQ 2015
Matic	42.2%
HSCP	13.3%



## Market Share Progress : JQ '15

### Henko Matic





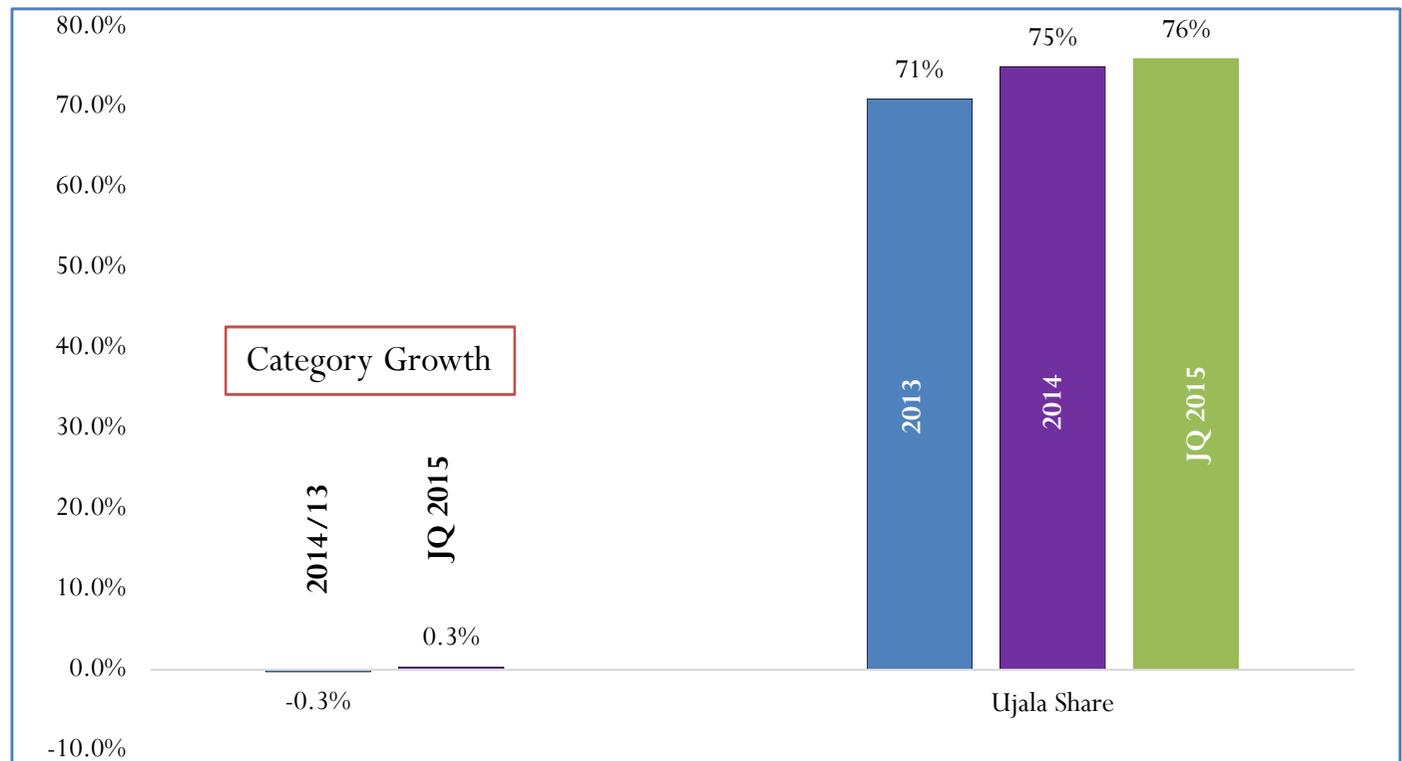
# Liquid Blues segment : Highlights



Format	NSV Gr% JQ 2015
Ujala FW	1.2%

Ujala MS's have increased despite category stagnancy

Investment behind communication to bring in new users continues



# Post Wash

## Extending the UJALA Equity

### The Opportunity

Now new clothes need not lose their shine and crispness

All new clothes today lose their shine and crispness in just few washes. As a result, the colors tend to fade and the fabric appears weak and crumpled.

Wish I could keep my new clothes new for longer!

Presenting new Ujala Crisp & Shine. An after-wash solution with a unique PolyFx formula that imparts a layer to each fiber to restore the crispness of the garment and add shine to its surface to make them look the same as they were bought new with a lasting fragrance

Ujala Crisp & Shine – Preserves the newness of clothes



Improvement in Lifestyles

Style & Fashion Conscious



Willing to Spend to “get the desired look”

# Launch (JQ '15 ) - TN



Product launched in TN in May'15

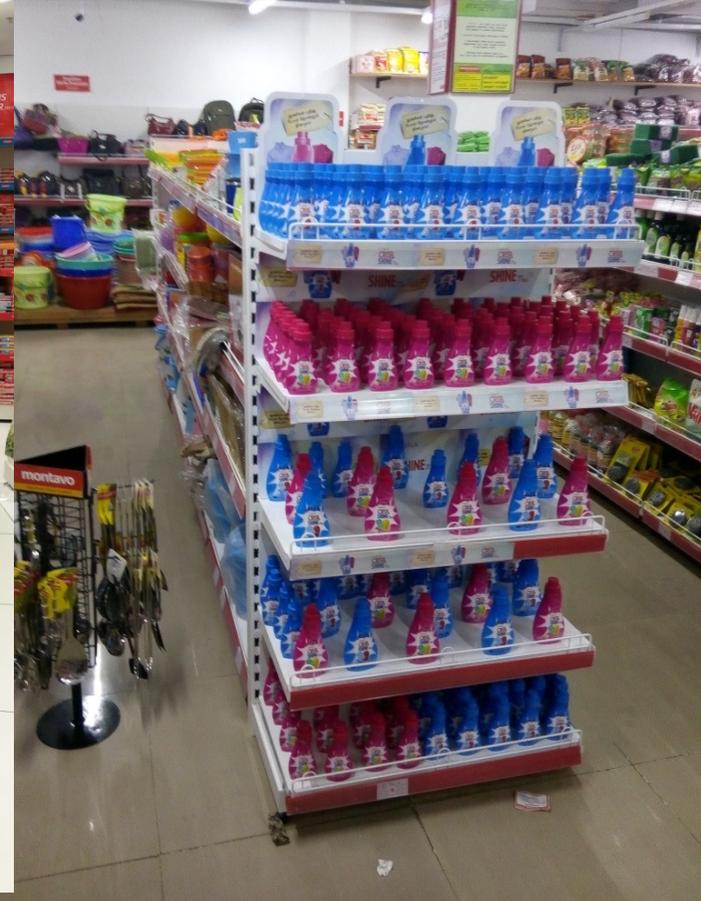


Distribution & visibility drives undertaken to touch 25000 O/L's during launch



New TVC campaign started in June

# C&S Visibility Drive



# Personal Care: Highlights

## Margo Body Soap



Brand	NSV Gr% JQ 2015
Margo Soap	11.4%



Thank You