

Jyothy Laboratories Limited

Investor Presentation

Q1FY17

11th August 2016



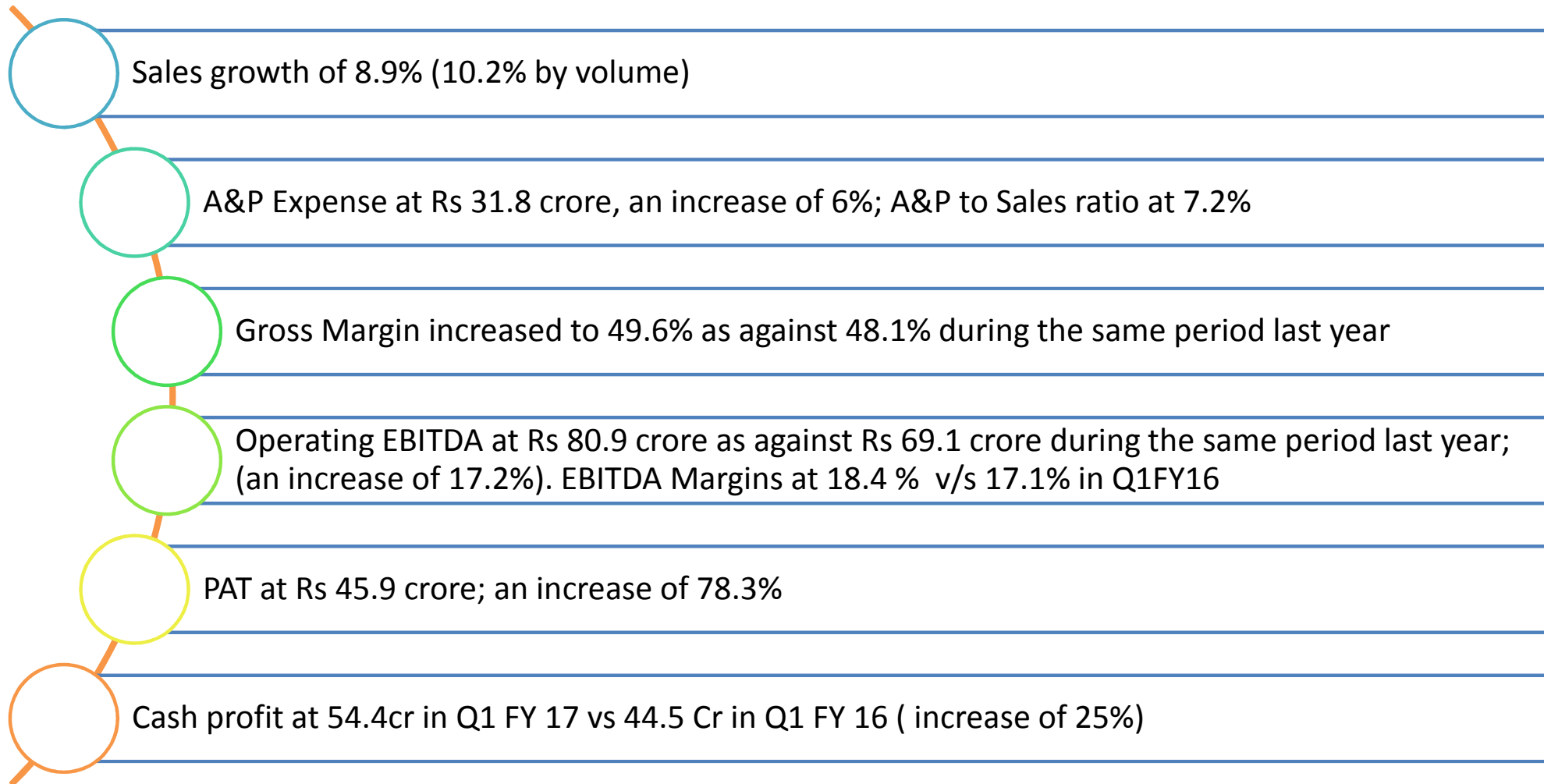
Market Scenario

- *Urban demand is better, rural yet to pick up*
- *Softer input costs resulting from lower commodity prices*
- *Market Competition continues to be highly intensive*
- *Company committed on delivering growth ahead of Industry*



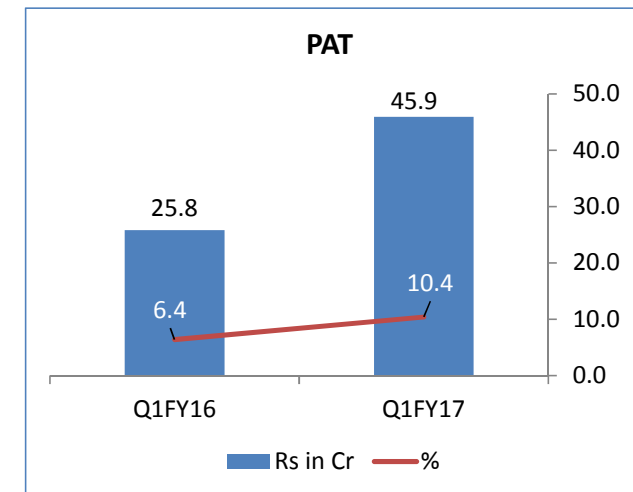
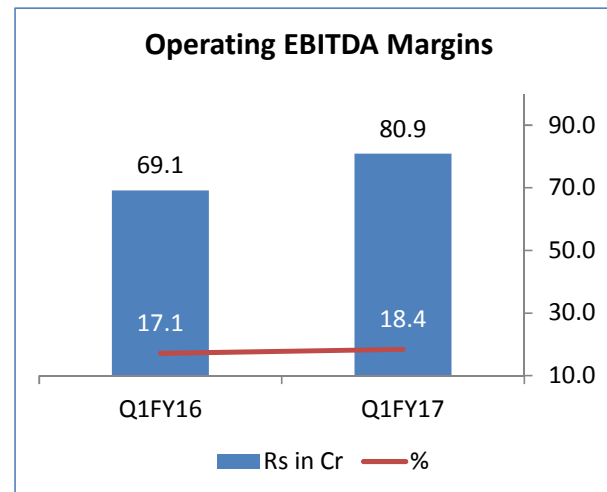
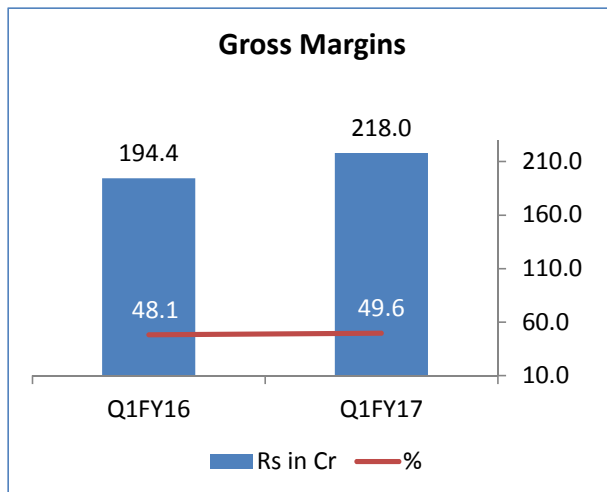
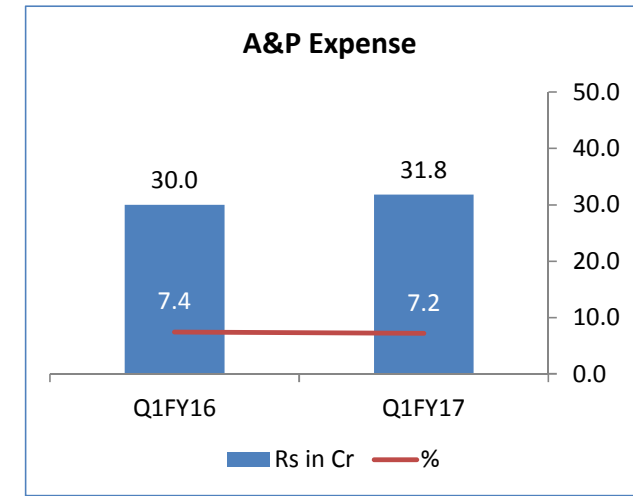
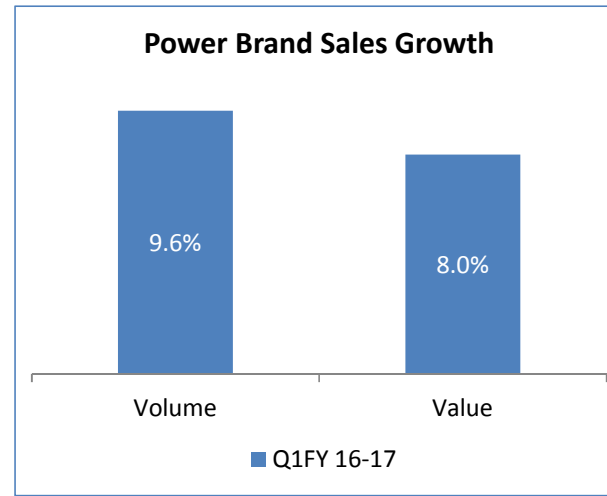
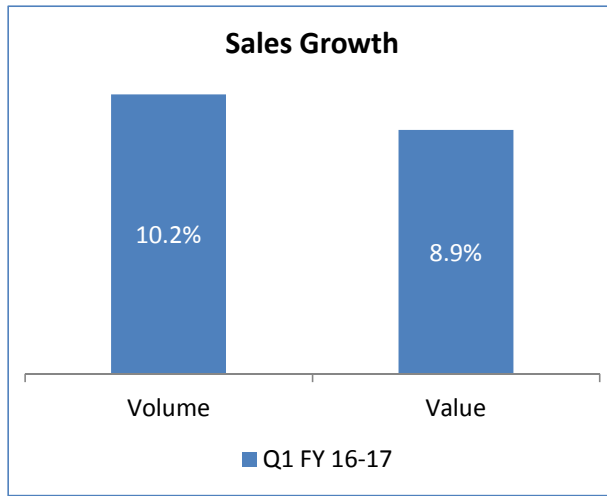
Q1FY17 Snapshot

All Figures as per IND AS



Q1FY17 Snapshot

All Figures as per IND AS



* Sales are net of Excise duty



Q1FY17 Highlights

Company's Consolidated Performance

All Figures as per IND AS

Financials

Particular/Growth	Q1FY17	Q1FY16	% Change YoY
Net Sales*	439.9	403.9	8.9%
Operating EBITDA	80.9	69.1	17.2%
PAT	45.9	25.8	78.3%
EPS (INR)	2.53	1.42	73.3%

* Sales are net of Excise duty

All values in INR Crore except EPS

Ratios

Particular/Growth	Q1FY17	Q1FY16
Gross Margin	49.6	48.1
Operating EBITDA Margin	18.4	17.1
PAT Margin	10.4	6.4
A&P to Sales Ratio	7.2	7.4

All values in percentage



Regroup of Advertisement & Sales Promotion Expenses

Consolidated

INR Lakhs

	Q1 FY 16-17	% of Sales	Q1 FY 15-16	% of Sales	FY 15-16	% of Sales
Advertisement and Sales Promotion expense	6,303	14.3%	5,055	12.4%	20,155	12.4%
Sales promotion regrouped to Sales	(1,941)	-4.4%	(1,002)	-3.5%	(4,624)	-2.9%
Sales promotion regrouped to Cost of goods Traded	(1,179)	-2.7%	(1,051)	-2.5%	(3,752)	-2.3%
Advertisement and Sales Promotion expense as per IND AS	3,183	7.2%	3,002	7.4%	11,779	7.3%



Q1FY17 Highlights

Category Wise Consolidated Sales

All Figures as per IND AS

Category	Q1FY17	Q1FY16	% Chg
Fabric Care	204.1	184.4	10.8%
Dishwashing	128.1	116.6	9.9%
Household Insecticides	34.0	38.3	-11.3%
Personal Care	55.1	48.4	14.1%
Other Products	7.8	6.0	30.1%
Total	429.1	393.7	9.1%
Laundry Services	10.8	10.2	6%
Grand Total	439.9	403.9	8.9%

* Sales are net of Excise duty

All values in INR Crore



Q1FY17 Highlights

Brand Wise Sales

All Figures as per IND AS

Brand	Q1FY17	Q1FY16	% Chg
Ujala	116.8	105.4	10.8%
Henko	48.6	44.3	9.6%
Exo	96.8	88.0	10.0%
Pril	31.4	29.0	8.4%
Maxo	34.0	38.3	-11.3%
Margo	49.0	43.7	12.2%
Total Power Brand	376.6	348.7	8.0%
Others	52.5	45.0	16.6%
Total	429.1	393.7	9.0%
Laundry Services	10.8	10.2	6.0%
Grand Total	439.9	403.9	8.9%

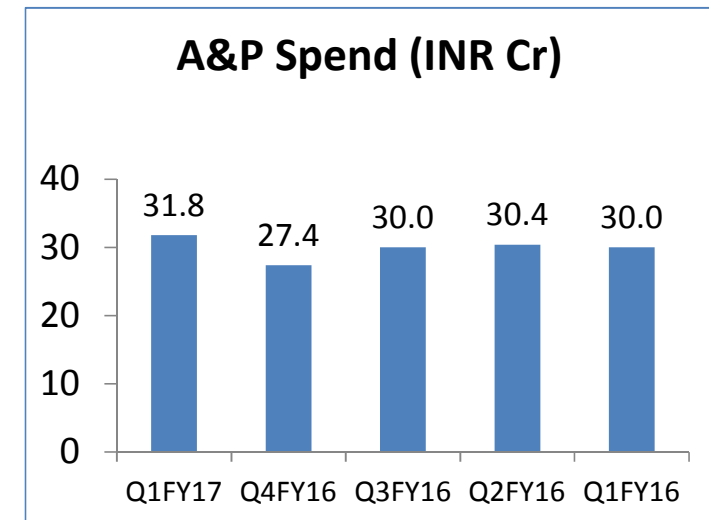
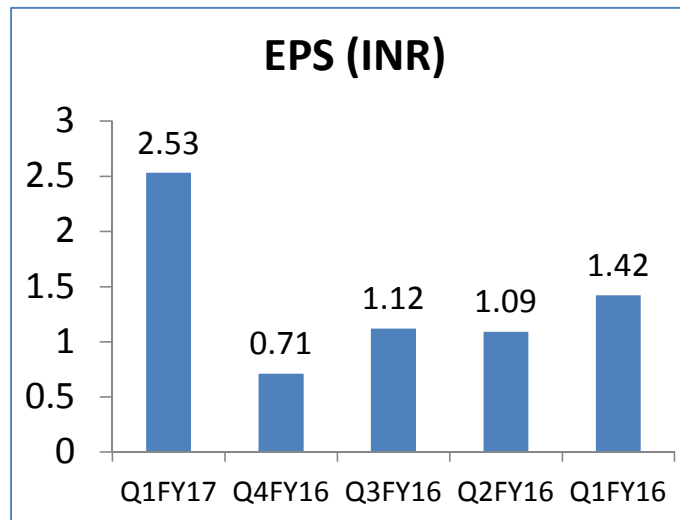
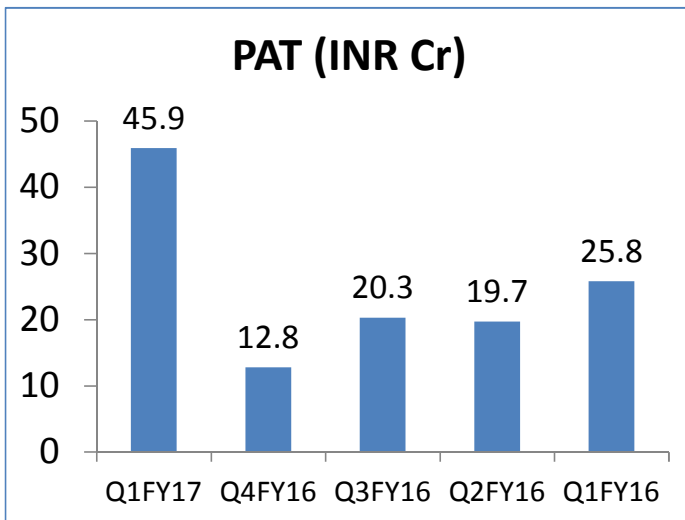
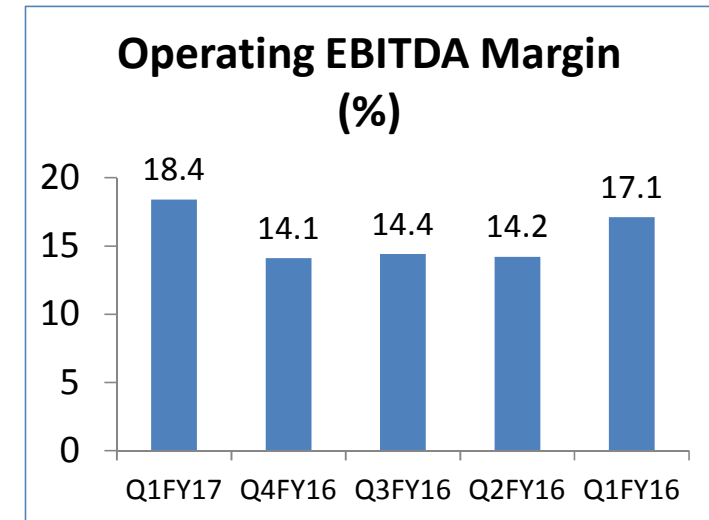
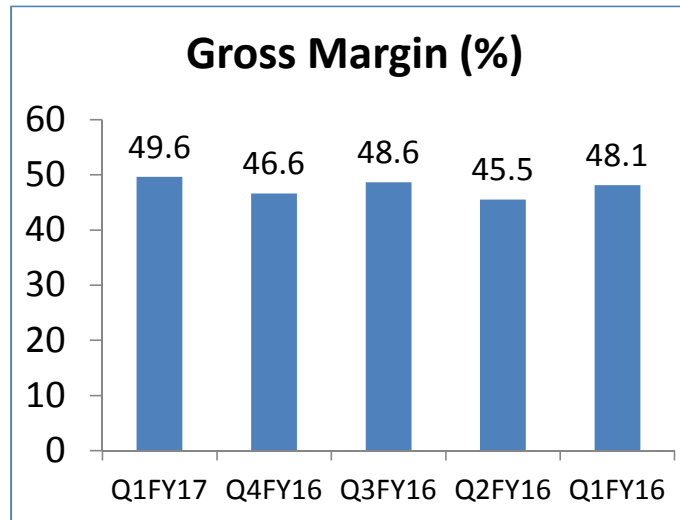
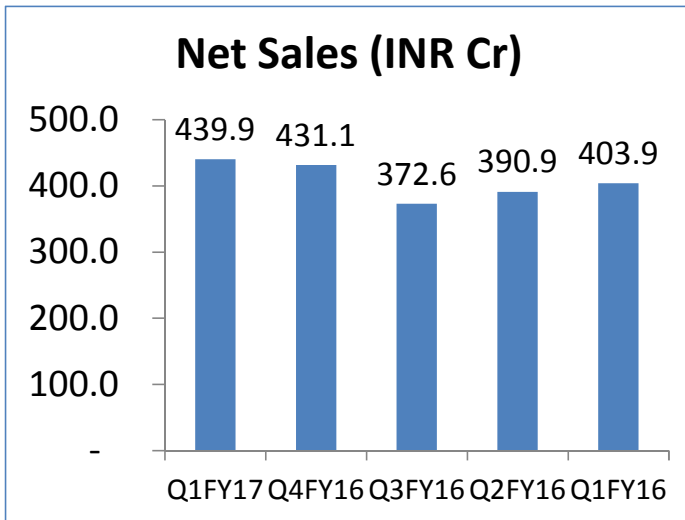
* Sales are net of Excise duty

All values in INR Crore



Performance highlights for last five quarters

All Figures as per IND AS



* Sales are net of Excise duty



Brand Wise Performance & Initiatives



Ujala Fabric Whitener

Post Wash

Product	Rs lakhs	
	Q1FY17	% Growth
Ujala Supreme	7,858	10%

- Ujala has registered robust growths of 10% (volume 9%) in a stagnating category
- Communication targeting new users helping in increasing category penetration
- We expect to sustain this growth through the year



Market info	2015
Category Size	54,315
Category Growth	1%
Market Share %	77.6%

Source : A C Nielsen as on December 2015

Jyothy LABORATORIES LIMITED

UJALA Supreme

Safed kapdon se peelapan hataaye, Sirf Ujala Supreme safedi laaye!

Ultra Radiance Molecules

UJALA Supreme

Ultra Radiance Molecules

4 drops per Ltr.

Safedi Ke Aage Ujala

For super whiteness of clothes

Ujala Fabric Detergent

Detergent

Product	Rs lakhs	
	Q1FY17	% Growth
Ujala Detergent	2,302	7.4%

Kerala Mkt	Rs lakhs	
	2015	Q1FY17
Category Size	30,038	7,509
Category Growth	-1%	3%
Market Share %	17.6%	17.1%

Source : A C Nielsen

- New ground breaking communication launched in Q1FY'17
- New communication with a breakthrough idea strengthens the proposition of “Effortless cleaning”



Ujala Fabric Stiffener

Post Wash

Product	Q1FY17	Rs lakhs
		% Growth
Ujala Crisp & Shine	1,418	21%

- Unique Proprietary formulation, a product entirely created by In-house R&D.
- Ujala Crisp & Shine strong growths in Kerala at 18% in Q1FY'17
- Brand re-staged with a strengthened proposition backed by popular superstar as brand ambassador
- Brand extension to Tamil Nadu accepted well. Further market roll out plan on the anvil



Henko

Detergents



Product	Rs lakhs	
	Q1FY17	% Growth
Henko franchise	4,860	9.6%

Wonder Wash : Fresh Communication



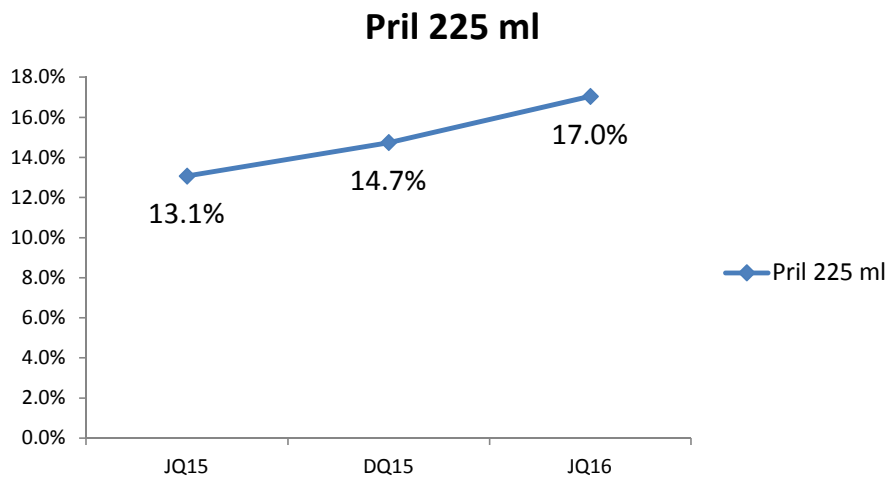
Pril Liquid

Product Growth	Rs lakhs	
	Q1FY17	% Growth
Value	2,303	12%

Market Info	Rs lakhs	
	2015	Q1FY17
Category Size	36,334	9,448
Category Growth	15%	11%
Market Share %	16.7%	17.9%

Source : A C Nielsen

225ml: Nearly 25% to the market.
JQ 16 : Pril 225 ml bottle grew at 23% QOQ in GRT + MT



- Market share growth of 390 bps over 4 quarters for key focus pack - 225ml bottle.



Pril Bar

Monthly Pack: Premium Priced Entry.

- **Successful launch and Placement activity of PRIL Bar 500g.**
- Saliency of the pack at 30% of the total PRIL bars sold in GRT & Growing.



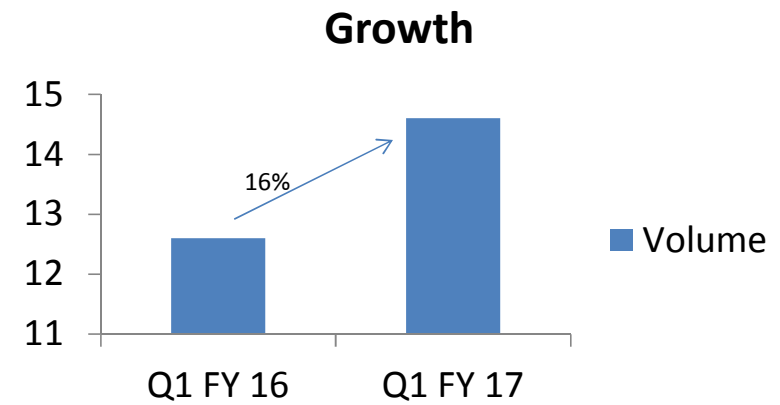
Exo DishWash Bar

Product Growth (%)	Q1FY17	Rs lakhs
		% Growth
Value	6,966	7.2%

Market Info	2015	Rs lakhs
	Q1FY17	
Category Size	213,706	52,763
Category Growth	9%	1%
Market Share %	10.4%	10.8%

Source : A C Nielsen

JQ 16 : Bars continue growth trajectory



Focus on Dishwash bars has helped continue maintain stronger sales growths in line with our strategy.

Exo Scrubber Portfolio

Dish Wash

JQ 16 : Strong Growths on Exo BactoScrub

Product Growth (%)	Q1FY17	Rs lakhs
		% Growth
Value	2473	17.1%

Exo Bactoscrub growing in the competitive Rs 10 & Rs 15 segment on the back of the re launch in the new avatar.

Sales



JQ 15 JQ 16



Rs lakhs

Maxo Coil

	Rs lakhs	
	2015	Q1FY17
Category Size	157,278	39,376
Category Growth	-0.1%	-9%
Market Share %	18.4%	18.9%

Source: A C Nielsen

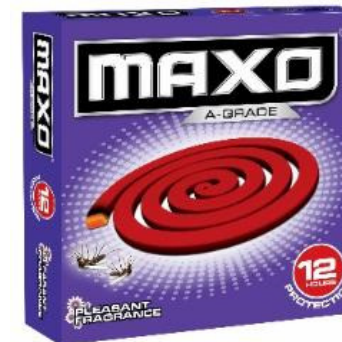
Maxo LV

	Rs lakhs	
Market info	2015	Q1FY17
Category Size	147,090	35,644
Category Growth	11%	-1%
Market Share %	6.7%	8.4%

Source: A C Nielsen

	Rs lakhs	
Sales	Q1FY17	% Growth
Value (Rs. Lakh)	3,285	-13.9%

- Both category & our growth declined in Q1 FY'17 due to unfavorable seasonality (extended summer).
- Despite this, Maxo market share grew in Q1'FY17, backed by excellence in execution and strengthening brand equity.



Maxo Card

Market info	Rs lakhs	
	2015	Q1FY17
Category Size	30,400	9,212
Category Growth	164%	12%
Market Share %	0.2%	7.8%

Sales	Q1FY17
Value (Rs. Lakhs)	115

Source: A C Nielsen

- Maxo Magic Card launched as a unique innovation (stand) backed by a strong communication package
- Maxo Magic Card has garnered a market share of 7.8% within 2 quarters of a national launch.
- Emerged as the no. 2 player in markets like Kerala, Bihar, Jharkhand and Gujarat.



Margo

Rs lakhs

Brand	Q1FY17	% Growth
Margo	4,855	11.5%

- Extended summer helped drive sales

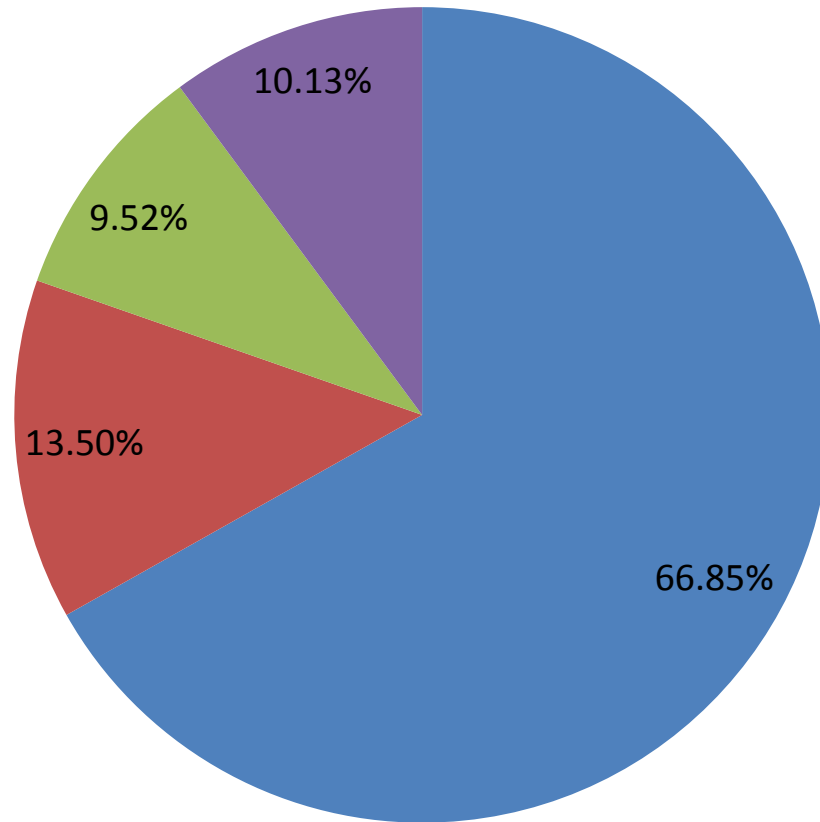


Way Forward

- *Continued Investments in A&P to strengthen brands and drive maximum possible growth.*
- *Maintain Gross Margin levels*
- *Efficiency-enhancing initiatives in manufacturing and supply chain to yield better margins*
- *Leverage rural growth opportunities through on-ground initiatives*



Shareholding Pattern



- Promoter & Promoter Group
- Foreign Institutional Investors (FII)
- Domestic Institutional Investors (DII)
- Public



I GAAP VS IND AS – Major Impacts

- *Revenue Recognition*
- *Sales Promotion Spend classification*
- *Employee Benefits including ESOP*
- *Finance Cost*
- *Taxes*



Standalone P&L FY16

INR Lakhs

All Figures as per IND AS

Particulars	Q1 FY 2015-16			FY 2015-16			
	I-GAAP	Adj	IND AS	I-GAAP	Adj	IND AS	Remarks
Income from operations							
Net Sales	39,800	415	40,215	157,351	1,659	159,010	Regrouping of Sales Promotion Spend and Excise Duty
Other Operating Income	36	-	36	190	-	190	
Total Income from operations	39,836	415	40,251	157,541	1,659	159,200	
Expenses							
Cost of raw material and components consumed	11,838	1,404	13,242	48,641	5,937	54,578	Regrouping of Excise Duty
Purchase of traded goods	7,388	1,049	8,437	30,712	3,738	34,450	Regrouping of Sales Promotion Spend
(Increase)/ decrease in inventories	587	-	587	116	-	116	
Employee cost	3,480	(22)	3,458	14,110	(97)	14,013	Actuarial Gain/Loss transferred to OCI
Employee stock option expenses / (reversal)	1,167	(73)	1,094	1,750	(122)	1,628	Considered at Fair Value
Advertisement and Sales Promotion expense	4,877	(2,037)	2,840	18,987	(8,016)	10,971	Regrouping of Sales Promotion Spend
Depreciation, amortisation and impairment	1,672	(358)	1,314	6,794	(1,434)	5,360	Depreciation on Goodwill reversed
Other expenditure	4,847	-	4,847	21,458	-	21,458	
Total expenses	35,856	(39)	35,817	142,568	5	142,573	
Profit from Operations before Other Income, Finance cost, Exceptional item and Tax	3,980	454	4,434	14,973	1,654	16,627	
Other Income	1,727	(25)	1,702	5,653	(90)	5,563	
Finance Costs	274	1,232	1,506	486	5,160	5,646	Premium on Zero Coupon Debentures
Profit from ordinary activities before tax	5,433	(803)	4,630	20,140	(3,596)	16,544	
- Current tax	-	-	-	1,452	-	1,452	
- Deferred tax charge/(reversal)	760	478	1,238	2,453	1,977	4,430	Deferred Tax Calculated on B/S Approach
Profit after tax from ordinary activities before minority Interest	4,673	(1,281)	3,392	16,235	(5,573)	10,662	
Other Comprehensive Income(Net of tax)	-	(14)	(14)	-	(64)	(64)	
Total Comprehensive Income	4,673	(1,295)	3,378	16,235	(5,637)	10,598	



Particulars	Q1 FY 2015-16			FY 2015-16			
	I-GAAP	Adj	IND AS	I-GAAP	Adj	IND AS	Remark
Income from operations							
Net Sales	41,400	398	41,798	164,473	1,276	165,749	Regrouping of Sales Promotion Spend and Excise duty
Other Operating Income	34	3	37	183	19	202	
Total Income from operations	41,434	401	41,835	164,656	1,295	165,951	
Expenses							
Cost of raw material and components consumed	12,124	1,402	13,526	49,663	5,917	55,580	Regrouping of Excise duty
Purchase of traded goods	7,195	1,051	8,246	30,135	3,751	33,886	
(Increase)/ decrease in inventories	593		593	115	-	115	
Employee cost	4,069	(20)	4,049	16,610	(134)	16,476	Actuarial Gain/Loss transferred to OCI
Employee stock option expenses / (reversal)	1,167	(73)	1,094	1,750	(122)	1,628	Considered at Fair Value
Advertisement and Sales Promotion expense	5,055	(2,052)	3,003	20,156	(8,373)	11,783	Regrouping of Sales Promotion Spend
Depreciation, amortisation and impairment	686		686	3,141	-	3,141	
Other expenditure	5,514		5,514	24,218	-	24,218	
Total expenses	36,403	307	36,710	145,788	1,038	146,826	
Profit from Operations before Other Income, Finance cost, Exceptional item and Tax	5,031	94	5,125	18,868	257	19,125	
Other Income	498	-	498	1,460	(49)	1,411	
Finance Cost	308	1,334	1,642	603	5,581	6,184	Premium on Zero Coupon Debentures
Profit from ordinary activities before tax	5,221	(1,240)	3,981	19,725	(5,373)	14,352	
- Current tax	1		1	1,456	-	1,456	
- Deferred tax charge/(reversal)	760	733	1,493	2,476	2,998	5,474	Deferred Tax Calculated on B/S Approach
Profit after tax from ordinary activities before minority Interest	4,460	(1,973)	2,487	15,793	(8,371)	7,422	
Minority Interest (share in loss)	(1)	91	90	-	436	436	
Other Comprehensive Income (Net of tax)	-	(13)	(13)	-	(101)	(101)	
Total Comprehensive Income	4,459	(1,895)	2,564	15,793	(8,036)	7,757	



Sales Reconciliation

Standalone

INR Lakhs

	Q1	Q2	Q3	Q4	FY 15-16
Net Sales as Per iGAAP	39,800	38,316	36,583	42,652	157,351
Excise Duty	1,404	1,422	1,334	1,777	5,937
Advertisement and Sales Promotion expense	(989)	(934)	(1,105)	(1,250)	(4,278)
Net sales as per IND AS	40,215	38,804	36,812	43,179	159,010

Consolidated

INR Lakhs

	Q1	Q2	Q3	Q4	FY 15-16
Net Sales as Per iGAAP	41,400	40,073	38,479	44,521	164,473
Excise Duty	1,399	1,402	1,327	1,771	5,898
Advertisement and Sales Promotion expense	(1,002)	(984)	(1,221)	(1,417)	(4,623)
Net sales as per IND AS	41,798	40,491	38,585	44,875	165,749



Operating EBITDA Reconciliation

Standalone

INR Lakhs

	Q1	Q2	Q3	Q4	FY 15-16
EBITDA as Per iGAAP	6,819	5,455	5,231	6,012	23,517
Employee benefits expense	22	24	22	30	97
EBITDA as per IND AS	6,841	5,479	5,253	6,042	23,614

Consolidated

INR Lakhs

	Q1	Q2	Q3	Q4	FY 15-16
EBITDA as Per iGAAP	6,884	5,526	5,344	6,005	23,759
Employee benefits expense	21	17	13	83	135
EBITDA as per IND AS	6,905	5,543	5,357	6,088	23,894



Advertisement & Sales Promotion Expenses

Standalone

INR Lakhs

	Q1	Q2	Q3	Q4	FY 15-16
Advertisement and Sales Promotion expense	4,877	4,601	4,745	4,764	18,987
Sales promotion regrouped to Sales	(989)	(934)	(1,105)	(1,250)	(4,278)
Sales promotion regrouped to Cost of goods Traded	(1,049)	(857)	(830)	(1,003)	(3,739)
Advertisement and Sales Promotion expense as per IND AS	2,839	2,810	2,810	2,511	10,970

Consolidated

INR Lakhs

	Q1	Q2	Q3	Q4	FY 15-16
Advertisement and Sales Promotion expense	5,055	4,883	5,055	5,162	20,155
Sales promotion regrouped to Sales	(1,002)	(984)	(1,221)	(1,417)	(4,624)
Sales promotion regrouped to Cost of goods Traded	(1,051)	(863)	(831)	(1,007)	(3,752)
Advertisement and Sales Promotion expense as per IND AS	3,002	3,036	3,003	2,738	11,779



Total Comprehensive Income Reconciliation

Standalone

INR Lakhs

	Q1	Q2	Q3	Q4	FY 15-16
Total Comprehensive Income as Per iGAAP	4,673	3,820	3,869	3,873	16,235
Employee benefits expense	22	24	22	30	97
Employee stock option expenses	73	40	19	(10)	122
Depreciation, amortisation and impairment	358	358	358	358	1,434
Other Income	(25)	(83)	(20)	39	(90)
Finance Cost	(1,232)	(1,246)	(1,315)	(1,367)	(5,160)
Deferred tax	(478)	(321)	(329)	(850)	(1,977)
Other Comprehensive Income (Net of tax)	(14)	(15)	(14)	(19)	(64)
Total Comprehensive Income as per IND AS	3,378	2,577	2,590	2,054	10,598

Consolidated

INR Lakhs

	Q1	Q2	Q3	Q4	FY 15-16
Total Comprehensive Income as Per iGAAP	4,459	3,863	3,906	3,565	15,793
Employee benefits expense	21	17	13	83	135
Employee stock option expenses	73	40	19	(10)	122
Other Income	-	(112)	(6)	69	(49)
Finance Cost	(1,334)	(1,349)	(1,419)	(1,479)	(5,581)
Deferred tax	(733)	(576)	(584)	(1,105)	(2,998)
Minority Interest (share in loss)	91	89	96	160	436
Other Comprehensive Income (Net of tax)	(13)	(9)	(6)	(73)	(101)
Total Comprehensive Income as per IND AS	2,564	1,963	2,019	1,211	7,757



Segment Reporting - Changes

Old Segment	Category	Revised Segment
Home Care	Mosquito Repellent Coil	Household Insecticides
Home Care	Mosquito Repellent Liquid	Household Insecticides
Home Care	Mosquito Repellent Card	Household Insecticides
Home Care	Incense Sticks	Other Products
Home Care	Dish Wash Scrubber	Dishwashing
Home Care	Dish Wash Scrubber Steel	Dishwashing
Soaps & Detergent	Dish Wash Bar	Dishwashing
Soaps & Detergent	Dish Wash Liquid	Dishwashing
Soaps & Detergent	Dish Wash Powder	Dishwashing
Soaps & Detergent	Fabric Whitener	Fabric Care
Soaps & Detergent	Fabric Enhancer	Fabric Care
Soaps & Detergent	Bar Soap	Fabric Care
Soaps & Detergent	Detergent Powder	Fabric Care
Soaps & Detergent	Floor Cleaner	Other Products
Soaps & Detergent	Body Soap	Personal Care
Soaps & Detergent	Face Wash	Personal Care
Others	Toothpaste	Personal Care
Others	Deo Classic	Personal Care
Others	Talcum Powder	Personal Care
Others	After Shave	Personal Care
Others	Moisturiser	Personal Care



For more information

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Thank you

