Analyst Call

January 28, 2016

Jyothy LABORATORIES LIMITED

Agenda

Financial Performance

- Results for Q3FY16 & YTDFY16
- EBITDA Analysis
- Sales Analysis

Business Initiatives

- Brand Updates Q3FY16

Financial Performance Q3 FY16 & YTD FY16

Jyothy LABORATORIES LIMITED

Highlights for Q3 FY2016 : Consolidated

- **Sales growth of 8% (volume 8.9%)**
- **Power Brand sales grew by 9.2 % (Volume 8.6%).**
- **Advt. & Sales Promo exp. for the qtr is at Rs 50.5 crore, an increase of 14.7%.**
  A&P to Sales Ratio is at 13.1%
- **Gross Margin increased to 52.4% as compared to 49.9% in last year same period**
- **Operating EBITDA is at Rs. 53.4 crore (13.9%) as compared to Rs 48.1 crore (13.5%) in last year same period growth of 11.1%**
- **PAT stands at Rs. 39 crore as compared to Rs. 26.5 crore in last year same period growth of 47.4%**
- **Cash Profit for the quarter is at Rs. 48.8 crore as compared to Rs. 45.9 crore in last year same period, growth of 6.5%**

Highlights for YTD FY2016 : Consolidated

- **Sales growth of 8.1% (7.8% by volume)**
- **Power Brand sales grew by 9.7% (7.5% by volume)**
- **Advt.&Sales Promo exp. for nine months is at Rs 149.9 crore, an increase of 13.2%.**
  A&P to Sales Ratio is at 12.5%
- **Gross Margin increased to 51.9% as compared to 48.5% in last year same period**
- **Operating EBITDA is at Rs. 177.5 crore (14.8%) as compared to Rs 139.5 crore (12.6%) in last year same period, growth of 27.2%**
- **PAT stands at Rs. 122.3 crore as compared to Rs. 94.1 crore in last year same period, growth of 30.1%**
- **Cash Profit is at Rs 164 crore as compared to Rs. 136.3 crore in last year same period, growth of 20.3%**

Results – Standalone Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Nine Months ended		Year Ended
	31.12.15	30.09.15	31.12.14	31.12.15	31.12.14	31.03.15
Net Sales	36,583	38,316	34,006	114,699	104,973	142,827
Other Income - Operating	68	72	424	172	501	955
Total Income	**36,651**	**38,388**	**34,430**	**114,871**	**105,474**	**143,782**
Cost of Goods Sold	18,242	19,269	17,749	57,324	55,673	76,064
Employee cost	3,544	3,510	3,125	10,534	9,588	12,711
Advertisement and Sales Promotion	4,745	4,601	4,210	14,222	12,358	17,072
Other expenditure	4,889	5,553	4,612	15,286	13,564	18,509
OPERATING EBITDA	**5,231**	**5,455**	**4,734**	**17,505**	**14,291**	**19,426**
EBITDA % to Net Sales	**14.3%**	**14.2%**	**13.9%**	**15.3%**	**13.6%**	**13.6%**

Results – Standalone Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Nine Months ended		Year Ended
	31.12.15	30.09.15	31.12.14	31.12.15	31.12.14	31.03.15
OPERATING EBITDA	**5,231**	**5,455**	**4,734**	**17,505**	**14,291**	**19,426**
Employee stock option	246	607	1,180	2,020	1,782	2,871
Depreciation and Impairment	578	566	614	1,701	1,926	2,577
Amortisation of Brand & Goodwill	1,115	1,115	1,115	3,345	3,345	4,460
Finance Cost	59	136	315	469	904	1,203
Other Income - Non Operating	1,260	1,418	1,460	4,406	5,113	6,586
Profit Before Prior Period Item and tax	**4,493**	**4,449**	**2,970**	**14,376**	**11,447**	**14,901**
Prior Period/Exceptional Item	-	-	-	-	-	209
Profit before Tax	**4,493**	**4,449**	**2,970**	**14,376**	**11,447**	**14,692**
Tax	624	629	-	2,013	-	413
Profit After Tax	**3,869**	**3,820**	**2,970**	**12,363**	**11,447**	**14,279**

Results – Consolidated Profit & Loss

In Rs. Lacs

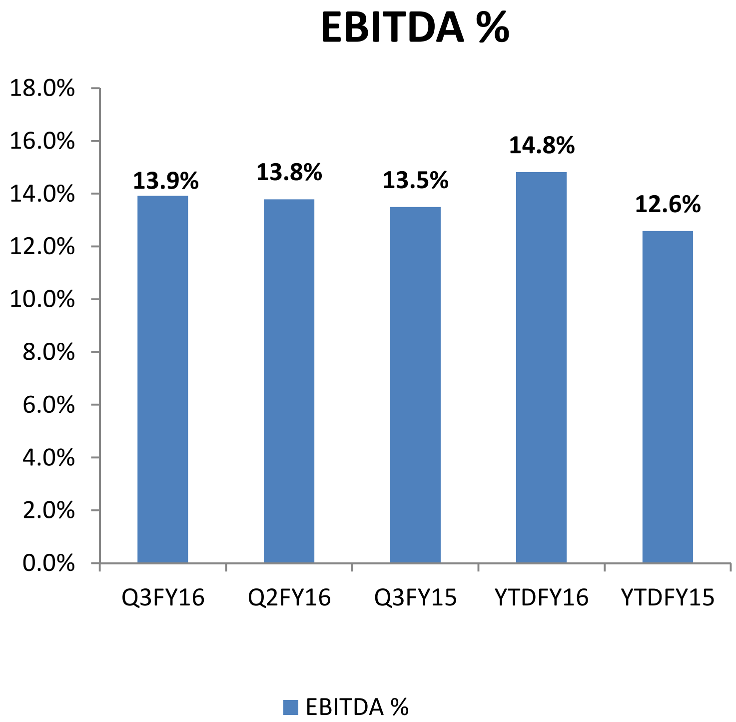
Particulars	Quarter Ended			Nine Months ended		Year Ended
	31.12.15	30.09.15	31.12.14	31.12.15	31.12.14	31.03.15
Net Sales	38,479	40,073	35,637	119,952	110,918	150,529
Other Income - Operating	64	66	415	164	470	954
Total Income	**38,543**	**40,139**	**36,052**	**120,116**	**111,388**	**151,483**
Cost of Goods Sold	18,311	19,427	17,866	57,650	57,165	77,746
Gross Margin	20,168	20,646	17,771	62,302	53,753	72,783
Gross Margin %	**52.4%**	**51.5%**	**49.9%**	**51.9%**	**48.5%**	**48.4%**
Employee cost	4,178	4,114	3,696	12,361	11,282	15,026
Advertisement and Sales Promo	5,055	4,884	4,409	14,994	13,250	18,097
Other expenditure	5,655	6,188	5,271	17,357	15,738	21,442
OPERATING EBITDA	**5,344**	**5,526**	**4,810**	**17,754**	**13,953**	**19,172**
EBITDA % to Net Sales	**13.9%**	**13.8%**	**13.5%**	**14.8%**	**12.6%**	**12.7%**

Results – Consolidated Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Nine Months ended		Year Ended
	31.12.15	30.09.15	31.12.14	31.12.15	31.12.14	31.03.15
OPERATING EBITDA	**5,344**	**5,526**	**4,810**	**17,754**	**13,953**	**19,172**
Employee stock option	246	607	1,180	2,020	1,782	2,871
Depreciation and Impairment	739	717	761	2,142	2,445	3,255
Finance Cost	79	164	373	551	1,058	1,377
Other Income - Non Operating	248	460	146	1,206	738	992
Profit Before Prior Period Item and tax	**4,528**	**4,498**	**2,642**	**14,247**	**9,406**	**12,661**
Prior Period/Exceptional Item	-	-	-	-	-	209
Profit before Tax	**4,528**	**4,498**	**2,642**	**14,247**	**9,406**	**12,452**
Tax	625	629	-	2,015	7	354
Profit from ordinary activities before minority Interest	**3,903**	**3,869**	**2,642**	**12,232**	**9,399**	**12,098**
Minority Interest (share in loss\(profit))	(4)	8	4	2	7	14
Profit After Tax	**3,899**	**3,877**	**2,646**	**12,234**	**9,406**	**12,112**

Operating EBITDA Analysis (Consolidated) – Q3FY16



- EBITDA in Q3FY16 is 13.9% as compared to 13.5% in last year same period. The same is after spending 13.1% in Advertisement and sales promotion expenses.

✓ Movement is mainly due to :

✓ Increase in Gross Margin by 2.5% due to change in sales mix and decrease in RM/PM prices.

✓ Increase in Advertisement and sales promotion expenses by 0.8%

✓ Increase in Employee cost by 0.4%

✓ Decrease in other operating Income by 1%

✓ Decrease in other expenses 0.1%

Consolidated EBITDA Movement

In %

Particulars	Q3FY16 vs Q3FY15	YTDFY16 vs YTDFY15
EBITDA % - Previous period	**13.5**	**12.6**
Other Operating Income	(1.0)	(0.3)
Gross Margin	2.5	3.5
Employee Cost	(0.4)	(0.1)
Advertisement & Sales Promotion	(0.8)	(0.6)
Other Expenditure	0.1	(0.3)
EBITDA % - Current period	**13.9**	**14.8**

Sales Analysis

Segmentwise Sales Growth

In Rs. Lacs

Segment	Quarter Ended			9 Months Ended		
	Q3FY16	Q3FY15	Growth %	YTDFY16	YTDFY15	Growth %
Soaps & Detergent	28,725	27,681	3.8%	91,125	85,585	6.5%
Home Care	8,194	6,550	25.1%	24,519	21,250	15.4%
Other Products	459	381	20.6%	1,308	1,410	-7.2%
Total	37,378	34,612	8.0%	116,952	108,245	8.0%
Less: Inter Segment Revenue	-21	-32	0.0%	-176	-479	0.0%
Net FMCG Sales	**37,357**	**34,580**	**8.0%**	**116,776**	**107,766**	**8.4%**
Laundry Services	1,122	1,057	6.1%	3,176	3,152	0.8%
Net Sales	**38,479**	**35,637**	**8.0%**	**119,952**	**110,918**	**8.1%**

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.

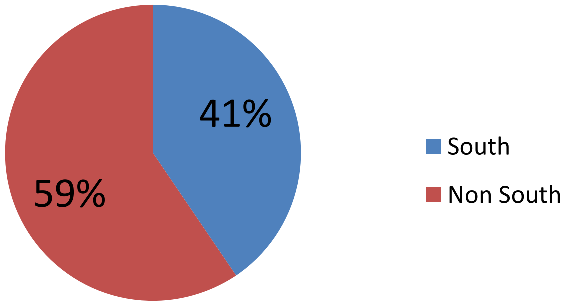
Category Wise Consolidated Sales

In Rs. Lacs

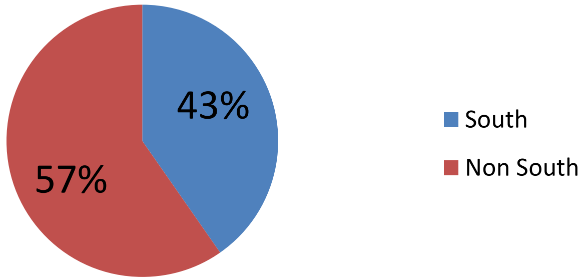
	Consolidated					
Category	**Q3FY16**	**Q3FY15**	**Growth %**	**YTDFY16**	**YTDFY15**	**Growth %**
Fabric Care	15,912	15,763	0.9%	51,735	48,934	5.7%
Dishwashing	11,972	10,997	8.9%	35,119	31,375	11.9%
Mosquito Repellent	5,296	4,017	31.8%	15,821	13,871	14.1%
Personal Care	3,433	2,941	16.7%	12,004	11,189	7.3%
Other Products	745	860	-13.4%	2,097	2,397	-12.5%
Total	**37,357**	**34,580**	**8.0%**	**116,776**	**107,767**	**8.4%**
Laundry Services	1,122	1,057	6.1%	3,176	3,152	0.8%
Grand Total	**38,479**	**35,637**	**8.0%**	**119,952**	**110,918**	**8.1%**

Thrust on Regional Brands becoming National

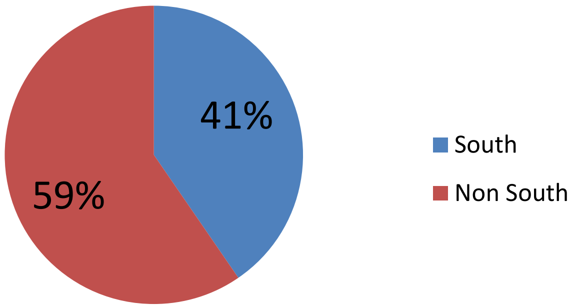
Q3FY2016



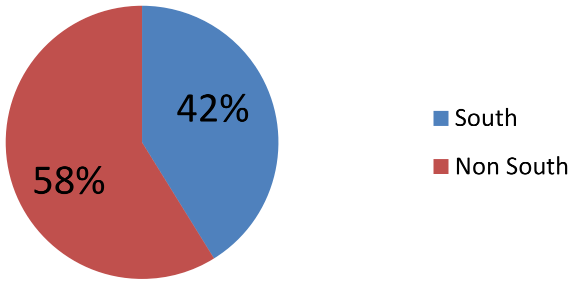
Q3FY2015



YTDFY16



YTDFY15



Consolidated Cash Profit

In Rs. Lacs

Particulars	Q3FY16	Q3FY15	YTDFY16	YTDFY15
Revenue	38,479	35,637	119,952	110,918
EBITDA	5,344	4,810	17,754	13,953
PAT	3,899	2,646	12,234	9,406
ESOP	246	1,180	2,020	1,782
Depreciation	739	761	2,142	2,445
Cash Profit	**4,884**	**4,587**	**16,396**	**13,633**

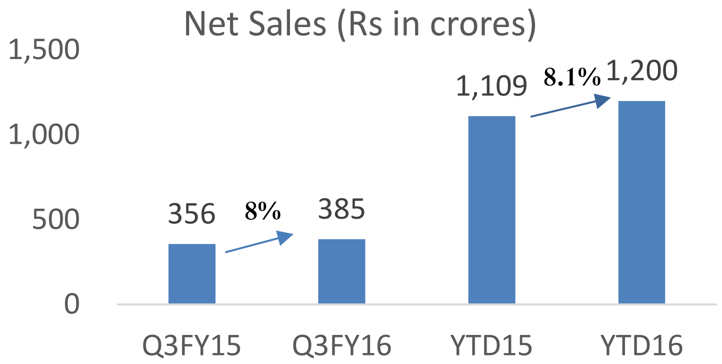
Net Debt Status – December 31, 2015

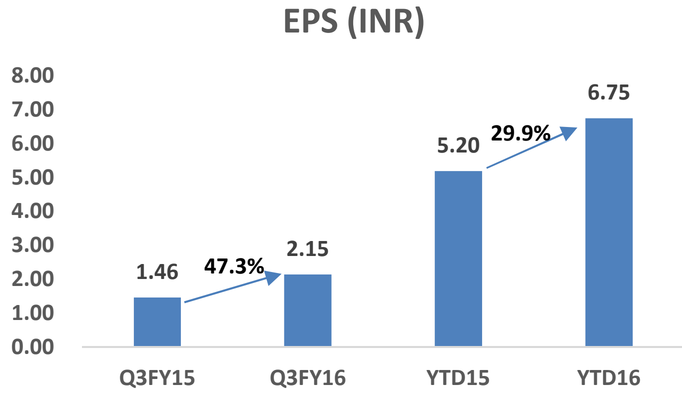
Rs. In cr

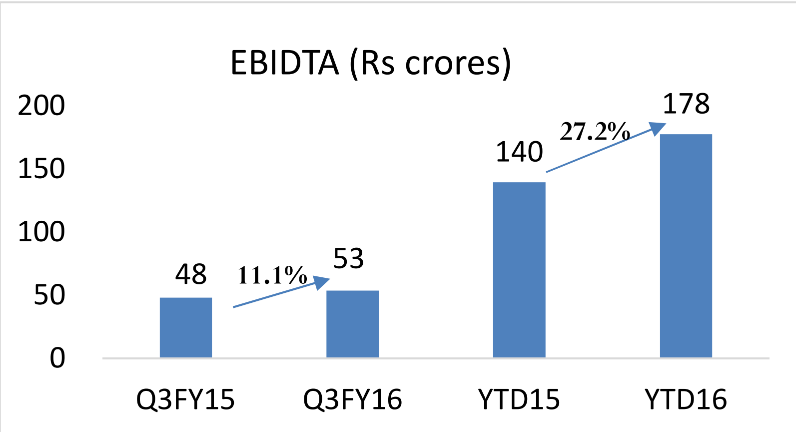
Particulars4	Maturity	31/12/15	31/03/15
Non Convertible Debenture @ 10.25%	Nov 15	-	50
Non Convertible Debenture @ 9.65%	June 15	-	65
Zero Coupon Non Convertible Debenture @ 11%	Nov 16	400	400
Excess cash/investment in Debt Funds		(130)	(230)
Total		270	285

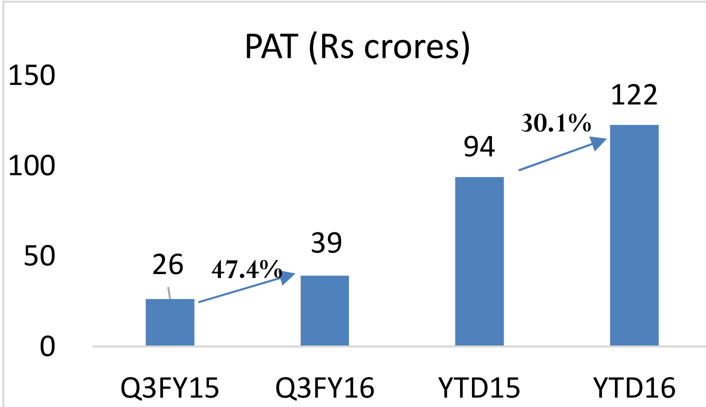
Note:- Payment of dividend during the period Rs. 87.15 crore including dividend distribution tax

Financial Highlights Profit & Loss









Business Initiatives

Brand Updates

Jyothy LABORATORIES LIMITED

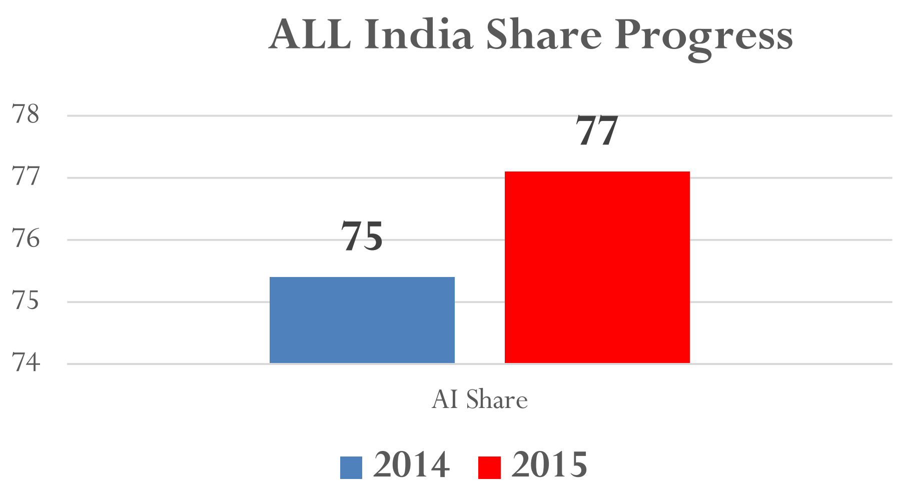
Post Wash

GROWING CATEGORY

Extending the equity....

Ujala : Growing Category

Brand	Q3 Growth%	YTD Growth %
Ujala FW	5.6%	9%



Source: AC Nielsen Jan - Dec

- Ujala increasing shares in a stagnant Fabric Whitener category.

Ujala : Driving Category penetration

Top 3 Laundry Problems Experienced

1. Stain Removal
2. Yellowing of Whites
3. Colors Fading

BRINGING IN NEW USERS

Proposition highlights the inefficacy of detergents to solve the problem of "Yellowing"--- Aims to create dissonance among non-users

Positions Ujala as the only efficacious solution to "Yellowed Whites"

Launch (JQ'15) - TN

Form & Finish to Clothes

Pleasant sensorials

More than just fragrance

Keeps clothes looking new, everyday!

TN launch Update

Estimated 2.5crs of turnover in the first year of launch

15lac HH's touched through promos, magazine sampling and DTD

2nd phase of communication; thematic on air since December, 2015

Roll-out planned for FY17 in one more market

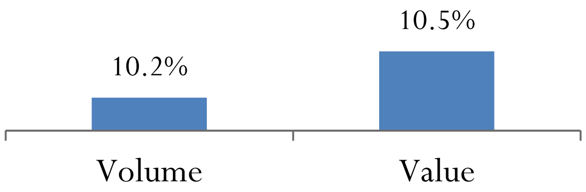
Dish Wash

Path to Growth

Formidable # 2 in category

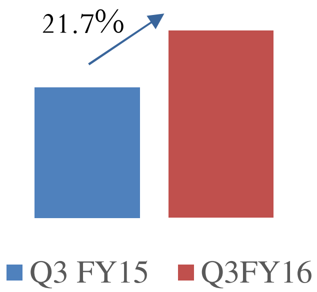
Exo Dishwash bar: DQ'FY16 Performance

***Market Growth (DW Bars)%**

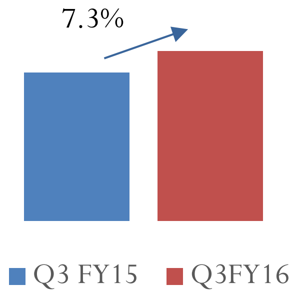


* Source: AC Nielsen Jan-Dec 15

Volume Growth (EXO Bar)

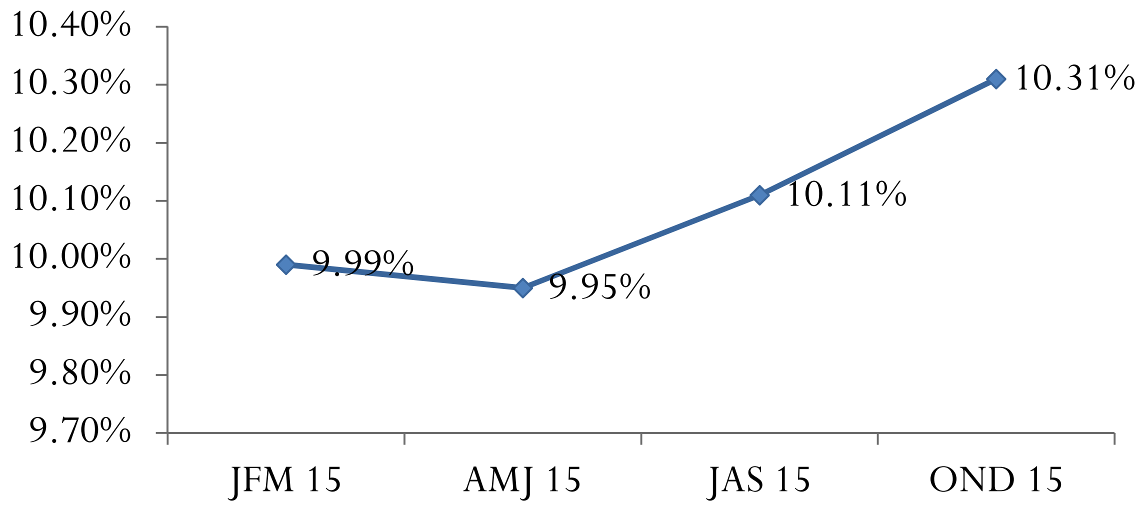


Value Growth (EXO Bar)



Dishwash bars continue to maintain growth

Exo Dishwash bar: Market Share Progression (in Value)

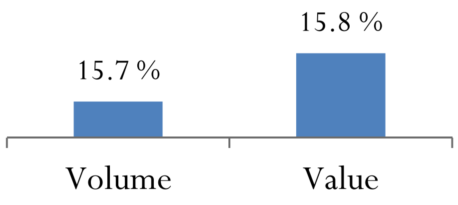


* Source: AC Nielsen

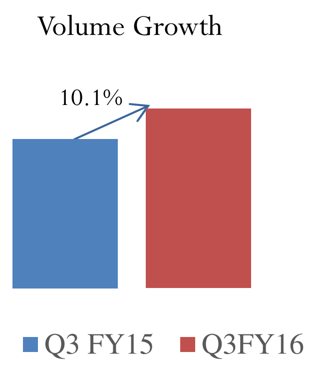
The Brand is gradually increasing Market Share from the start of the calendar year 2016

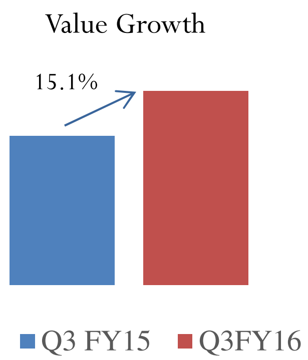
PRIL Liquid DQ’15 : Continuing Strong Growths

***Market Growth**



* Source: AC Nielsen Jan-Dec’15)

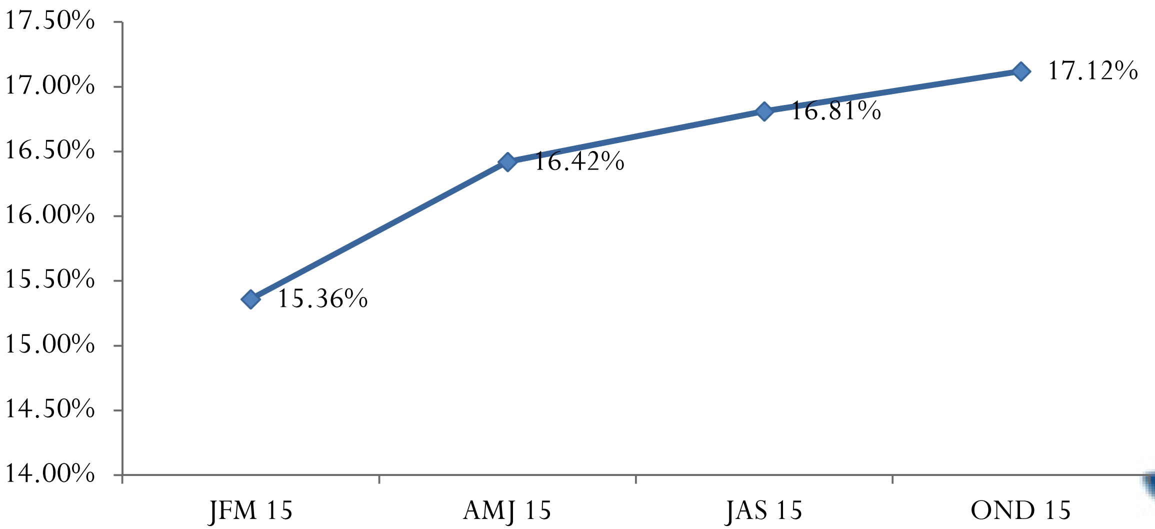




Continuing Strong Growths on the back of the re-launch

PRIL Dishwash Liquid: Market Share Progression (in Value)

* Source: AC Nielsen



The Brand is continuing to grow Shares

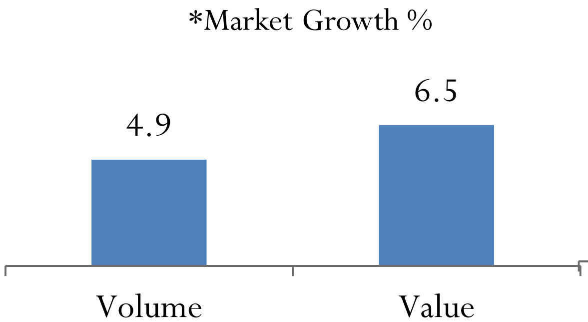
PRIL Liquid : Superior Market Presence in FY’15

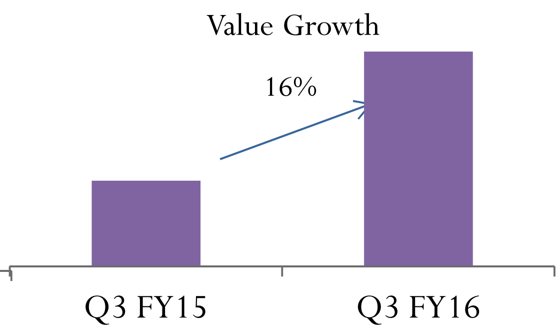
Shelf Presence in Modern & A Class Outlets

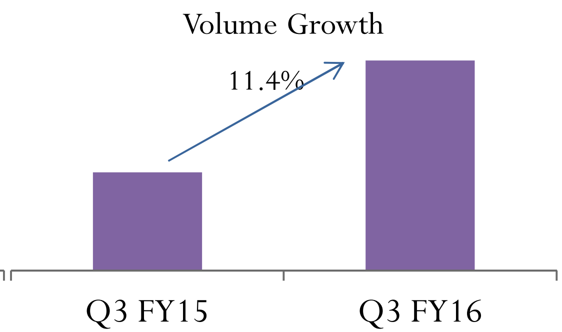
House Hold Insecticide

Strengthening position in category

Maxo Coil: DQ'15 Performance



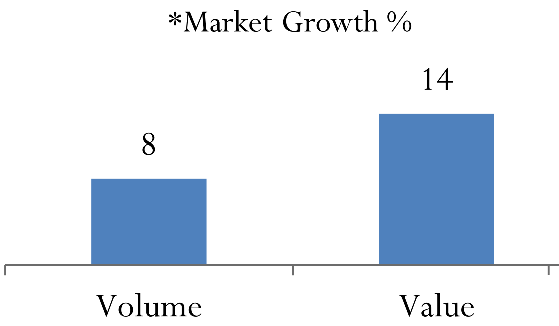


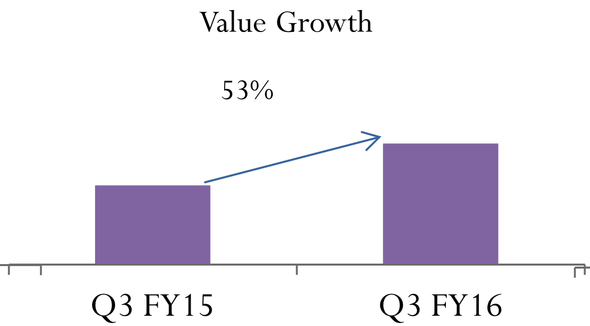


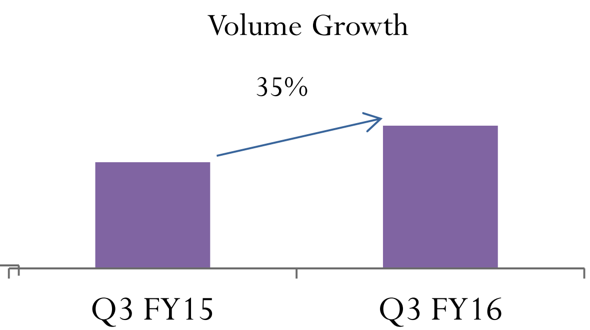
*Source: AC Nielsen (Jan-Dec15)

- **Maxo Coil growth ahead of category growth**

Maxo LV: DQ'15 Performance







*Source: AC Nielsen (Jan-Dec15)

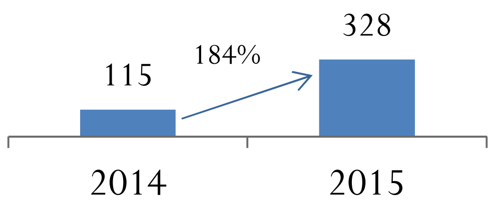
- **Maxo LV growth ahead of category growth**

Insect Control : Opportunity

It takes time for liquid to show action. Card gives instant relief. Especially in the evenings, when windows and are doors open.

However, one has to be careful while this is burning. Since its light, it flies of with slightest of breeze.

Market Size Rs. Cr



Source: AC Nielsen

- ***Simple Insight 'Safety' addressed through a holder***
- ***Relevant Product Differentiation in the category***

Insect Control : Magic Card Launch

Maxo Genius Magic Card - Launch Activity

- *Launched in TN & Ktk in Q2 & AP in Q3*
- *Rest of India launch in Q4*
- *Backed by media support and BTL activities*

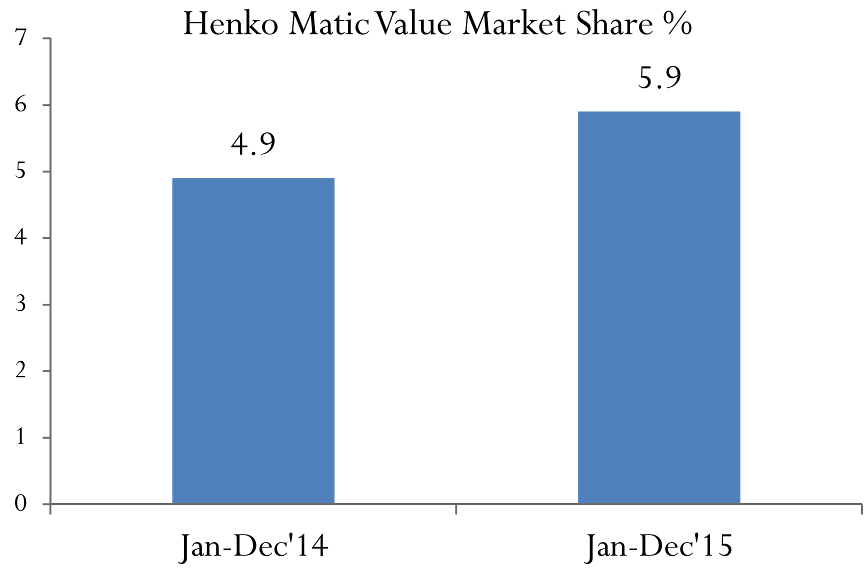
Insect Control : Magic Card launch

Laundry

Our portfolio & our path to growth

Henko Sales Performance

Brand	QoQ Gr.%	YOY Gr.%
Henko Matic	27%	28%
HSCP and Bars	(7%)	(0.4%)
Total	(2%)	4%



Source: AC Nielsen

- Henko Matic continues to perform strongly in a highly competitive category
- Henko stain champion and bar did not grow due to high competitive intensity

Personal Wash

Strengthening brand performance

Margo Sales Performance

Brand	QoQ Gr.%	YOY Gr.%
Margo Body Soap	20%	12%

- Margo continues to perform above category growth

Market Scenario and Way forward

- Demand continues to be soft and expected to remain so.
- Maxo card launch in this quarter expected to fuel growths further.
- We see price competition to stabilise in laundry and dish wash in Q4.
- We will be able to sustain our volume growth around 9%.

Thank you