

Analyst Call

November 5, 2014



Jyothy LABORATORIES LIMITED

Agenda

Financial Performance

- Results Standalone for Q2FY15
- Results Consolidated for Q2 FY15
- EBITDA Analysis
- Sales Analysis

Business Initiatives

- Brand Updates

Financial
Performance
Q2 FY15



Results – Standalone Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.14	30.06.14	30.09.13	30.09.14	30.09.13	31.03.14
Net Sales	35,478	35,489	30,855	70,967	62,820	1,25,511
Other Income - Operating	44	34	17	77	114	507
Total Income	35,522	35,523	30,873	71,044	62,934	1,26,018
Cost of Goods Sold	19,221	18,702	16,249	37,923	33,060	67,660
Employee cost	3,161	3,302	2,856	6,463	5,905	11,866
Advertisement and Sales Promotion	4,402	3,746	2,960	8,148	6,828	13,536
Other expenditure	4,642	4,318	4,541	8,953	8,013	16,247
OPERATING EBITDA	4,095	5,456	4,266	9,558	9,128	16,709
EBITDA % to Net Sales	11.5%	15.4%	13.8%	13.5%	14.5%	13.3%
Employee stock option	603	-	-	603	-	-
Depreciation and Impairment	689	623	430	1,312	833	1,690
Amortisation of Brand & Goodwill	1,115	1,115	1,115	2,230	2,230	4,470
Finance Cost	296	293	1,793	589	3,459	5,311
Other Income - Non Operating	1,908	1,751	1,315	3,653	2,601	5,623
Profit Before Prior Period Item and tax	3,301	5,176	2,243	8,477	5,206	10,860
Prior Period/Exceptional Item	-	-	137	-	230	230
Profit before Tax	3,301	5,176	2,106	8,477	4,976	10,630
Tax	-	-	19	-	19	19
Profit After Tax	3,301	5,176	2,087	8,477	4,957	10,611

Results – Consolidated Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.14	30.06.14	30.09.13	30.09.14	30.09.13	31.03.14
Net Sales	36,767	38,514	31,653	75,281	64,911	1,31,839
Other Income - Operating	21	34	16	56	112	547
Total Income	36,788	38,548	31,669	75,336	65,023	1,32,387
Cost of Goods Sold	19,180	20,119	16,219	39,299	33,137	69,438
Employee cost	3,732	3,854	3,288	7,586	6,813	13,815
Advertisement and Sales Promotion	4,631	4,211	3,104	8,841	7,110	14,421
Other expenditure	5,301	5,164	5,225	10,466	9,344	18,991
OPERATING EBITDA	3,945	5,199	3,833	9,144	8,619	15,721
EBITDA % to Net Sales	10.7%	13.5%	12.1%	12.1%	13.3%	11.9%
Employee stock option	603	-	-	603	-	-
Depreciation and Impairment	873	811	605	1,684	1,177	2,432
Finance Cost	348	337	1,847	685	3,568	5,527
Other Income - Non Operating	395	197	111	591	254	818
Profit Before Prior Period Item and tax	2,516	4,248	1,491	6,764	4,129	8,580
Prior Period/Exceptional Item	-	-	152	-	316	395
Profit before Tax	2,516	4,248	1,339	6,764	3,813	8,185
Tax	1	6	28	7	39	64
Profit from ordinary activities before minority Interest	2,515	4,242	1,312	6,757	3,774	8,121
Minority Interest (share in loss)	(1)	5	12	3	18	22
Profit After Tax	2,514	4,246	1,324	6,760	3,793	8,143

Highlights for Q2 FY2015: Consolidated

Sales growth of 16% (9% by volume and 7% by value)

**Advt. & Sales Promo exp. for the quarter Rs 46 crore Increase of 49%.
A&P to Sales Ratio 12.6%.**

Gross Margin stands at 48% as compared to 49% in last year same period

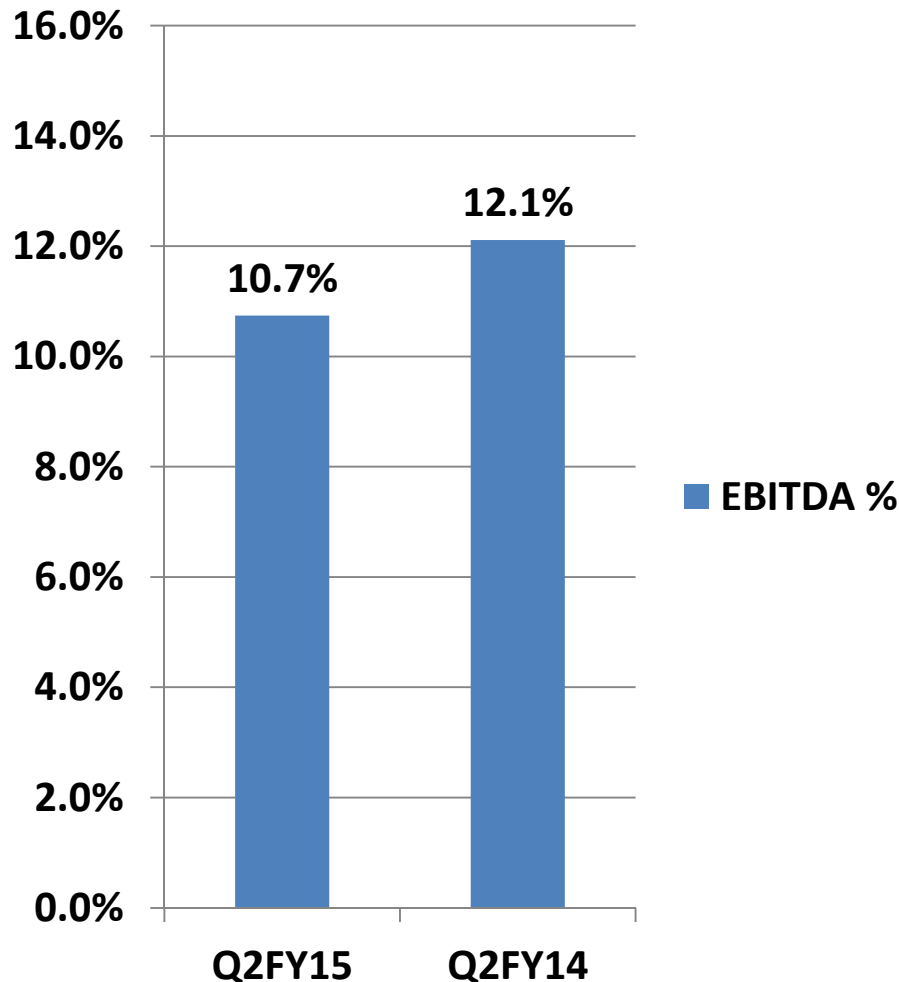
Operating EBITDA at Rs. 3,945 lacs as compared to Rs 3,833 lacs in last year same period

PAT stands at Rs. 2,514 lacs as compared to 1,324 lacs in last year same period

Cash Profit for the quarter at Rs 3,990 lacs

Granted 3,218,797 options under ESOS scheme for senior management including CEO. Vesting will happen over a period of 3 years based on performance conditions.

Operating EBITDA Analysis (Consolidated) – Q2FY15



- Operating EBITDA in Q2FY15 is 10.7% as compared to 12.1% in last year same period. The same is after spending 12.6% in Advertisement and sales promotion expenses.

- This is mainly due to :

- Reduction in Gross Margin by 1% due to change in sales mix

- Increase in Advertisement and promotion expenses 2.8%

- Saving in other expenses 2.1%

Consolidated EBITDA breakup

Rs in Lacs

Company Name	Q2FY15	H1FY15
JLL	4,095	9,558
JCPML	-56	-211
JFSL	-127	-276
JKBL	36	39
AICPPL	-3	34
Consolidated EBITDA	3,945	9,144

Consolidated EBITDA Movement

In %

Particulars	Consol	
	Q2FY15 vs Q2FY14	H1FY15 vs H1FY14
EBITDA % - Previous period	12.1	13.3
Other Operating Income	0.0	(0.1)
Gross Margin	(0.9)	(1.2)
Employee Cost	0.2	0.4
Advertisement & Sales Promotion	(2.8)	(0.8)
Other Expenditure	2.1	0.5
EBITDA % - Current period	10.7	12.1

Sales Analysis

Segmentwise Sales Growth

Segment	Quarter Ended			Half Year Ended		
	Q2FY15	Q2FY14	Growth %	YTDFY15	YTDFY14	Growth %
Soaps & Detergent	27,453	22,893	20%	57,905	48,659	19%
Home Care	7,970	7,756	3%	14,700	13,621	8%
Other Products	428	445	-4%	1,029	1,235	-17%
Total	35,850	31,094	15%	73,634	63,514	16%
Less: Inter Segment Revenue	-161	-360	-	-448	-498	-
Net FMCG Sales	35,689	30,734	16%	73,186	63,017	16%
Laundry Services	1,078	919	17%	2,095	1,895	11%
Net Sales	36,767	31,654	16%	75,281	64,912	16%

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

Home Care includes Household insecticide, Incense sticks & Scrubber

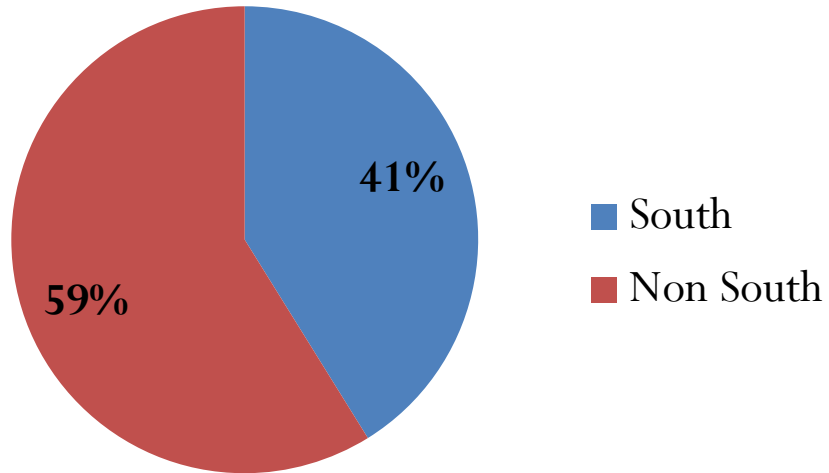
Others includes Body care

Category Wise Consolidated Sales

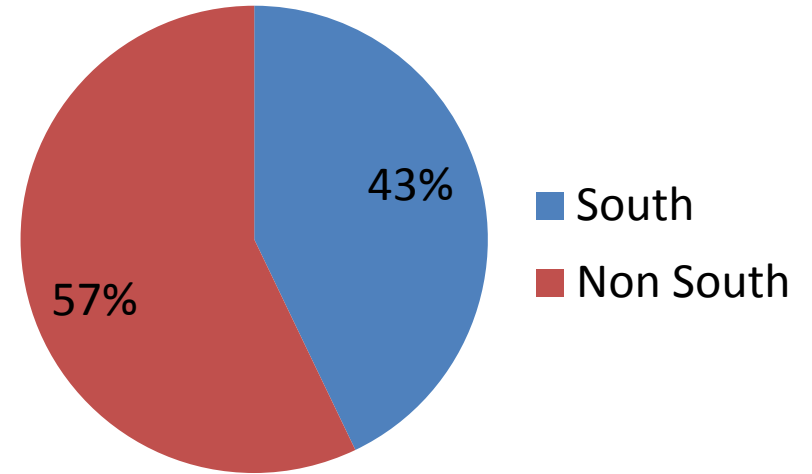
Category	Consolidated					
	Q2FY15	Q2FY14	Growth %	YTDFY15	YTDFY14	Growth %
Fabric Care	15,466	13,444	15%	33,171	28,341	17%
Dishwashing	10,271	8,781	17%	20,378	16,951	20%
Mosquito Repellent	5,470	5,188	5%	9,854	8,864	11%
Personal Care	3,581	2,552	40%	8,248	7,406	11%
Other Products	900	769	17%	1,535	1,455	6%
Total	35,689	30,734	16%	73,186	63,016	16%
Laundry Services	1,078	919	17%	2,095	1,895	11%
Grand Total	36,767	31,654	16%	75,281	64,911	16%

Thrust on Regional Brands becoming National

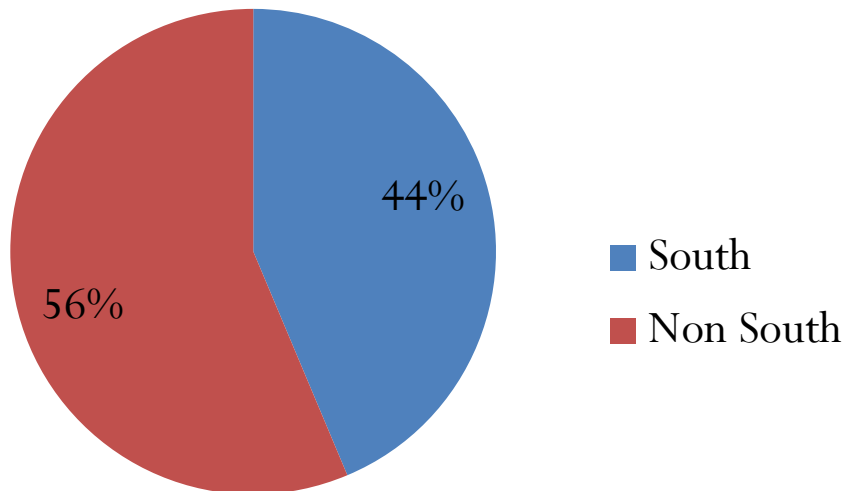
H1FY2015



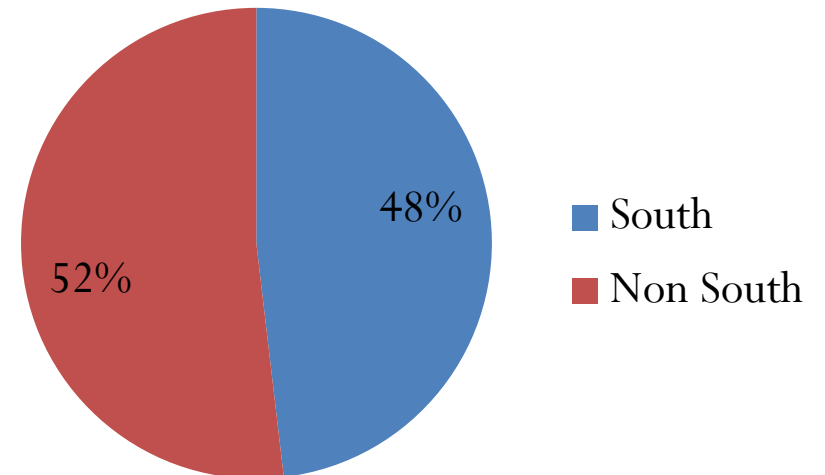
H1FY2014



FY14



FY13



Business Initiatives



Brand Updates

Ujala



- First half spends on media 8 cr (vs 13 cr Full Year in 2014)
- Comprehensive double digit growth plan being prepared
- Stiff & Shine success in Kerala to be replicated in atleast 1 new market (MQ 15)

Exo



Updates

- Brand Restaged with a strong Celeb Led campaign on the Anti Bac Platform

Key Performance Highlights

- JQ growth at 27 % ; SQ – slight slowdown : growth at 17 %
- Key growth driver going forward is bars. Current contribution to brand 30 % (Bars contribution to market 85 %)

Launch of All
New Exo Liquid
in Key Liquid
Dish wash Market
– South



PRIL

Modern Trade & A-Class outlets launch display



Excellent Initial response to Pril
Liquid Relaunch
SQ growth 17 %

Online Launch Activity & Relevant Sponsorship



Margo

Margo



Margo Soap
SQ growths : 48%
(37% by volume)



Margo Face Wash
All India Launch
Sep- Oct '14

National : Key Outlet Display Wave

	SQ : % Growth
HSCP	39 %
Henko Matic	39 %



Aug-Sep : Print Plan & Sampling (3 Mn Households)



Henko – Strong Consumer Activation & Trial generation continues

Oct 2014 Henko Stain Champion Restage



National : Key Outlet Display Wave



- Matic on track across Markets
- Long march ahead on Wonder wash



Maxo



Updates

- Category slowdown- delayed monsoon- extended summer
- Maxo Coils remained flat in SQ while LV grew 24 % (over SQ LY)
- Innovation on LV: All new Mix to be launched in DQ 2014



Thank You