

Analyst Call

August 12, 2013



Jyothy LABORATORIES LIMITED

Agenda

Company Overview

Financial Performance: Q1FY14

- Results
- Analysis

New Business Initiatives

- Key Initiatives – Q1FY14
- Key Initiatives FY14

Company
Overview



About us

Mumbai based FMCG company founded in 1983 by Mr. M. P. Ramachandran

Pan India presence catering to consumer needs in various categories

Our portfolio includes leading household brands led by the flagship brand Ujala, with 71%* market share, Ujala continues its dominance in fabric whitener market

Our brands

Fabric care

Ujala

Henko

Mr. White

Chek

Utensil Care

Exo

Pril

Personal Care

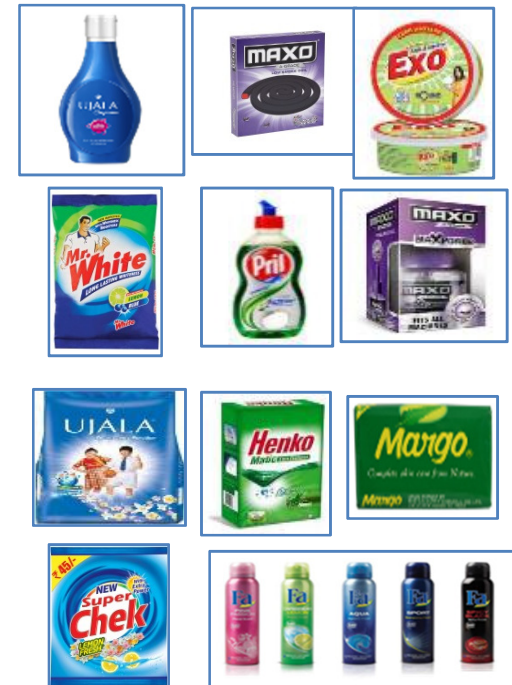
Margo

Fa

Neem

Household
Insecticide

Maxo



*Source: Ac Nielsen

Our Network

Extensive Distribution Network*

- Products available in 2.9 mn outlets in India as of March 31, 2013
- Directly reaching 1 million outlets
- Strong presence across geographies, Urban and Rural

*Source: Ac Nielsen



Offering Value-for-Money Products to the Common Man

**Financial
Performance
Q1
FY2013-14**



Results - Profit & Loss

Particulars	Quarter Ended			Year Ended
	30-06-2013	31-03-13	30-06-2012	31-03-13
Net Sales	31,819	27,212	28,122	1,01,738
Other Income - Operating	96	40	27	136
Total Income	31,915	27,252	28,149	1,01,874
Cost of Goods Sold	16,811	15,536	16,766	56,767
Employee cost	3,049	2,299	2,759	11,056
Advertisement and Sales Promotion expense	3,868	2,180	2,289	8,181
Other expenditure	3,326	3,859	3,084	13,496
EBITDA	4,862	3,378	3,251	12,374
EBITDA % to Net Sales	15.3%	12.4%	11.6%	12.2%
Depreciation and Impairment	404	474	420	1,695
Amortisation of Brand & Goodwill	1,115	1,102	1,115	4,470
Finance Cost	1,666	1,751	1,490	6,608
Other Income - Non Operating	1,286	1,314	1,185	4,985
Profit Before Prior Period Item and tax	2,963	1,365	1,411	4,586
Prior Period/Exceptional Item	93	183	-	183
Profit before Tax	2,870	1,182	1,411	4,404
Tax	-	-	-	-
Profit After Tax	2,870	1,182	1,411	4,404

Highlights for Q1 FY2014

Sales growth of 13%. Growth of power brand sales is 15%.

Advt. and Sales Promo exp. for the quarter Rs 39 crore increase of 69%.

A&P Ratio 12% of Net Sales

Gross Margin now stands at 47% improvement of 6.8%

EBITDA improved to 15.3% of Net Sales from 11.6% in last year same period

PAT Growth of 103% over last year same period

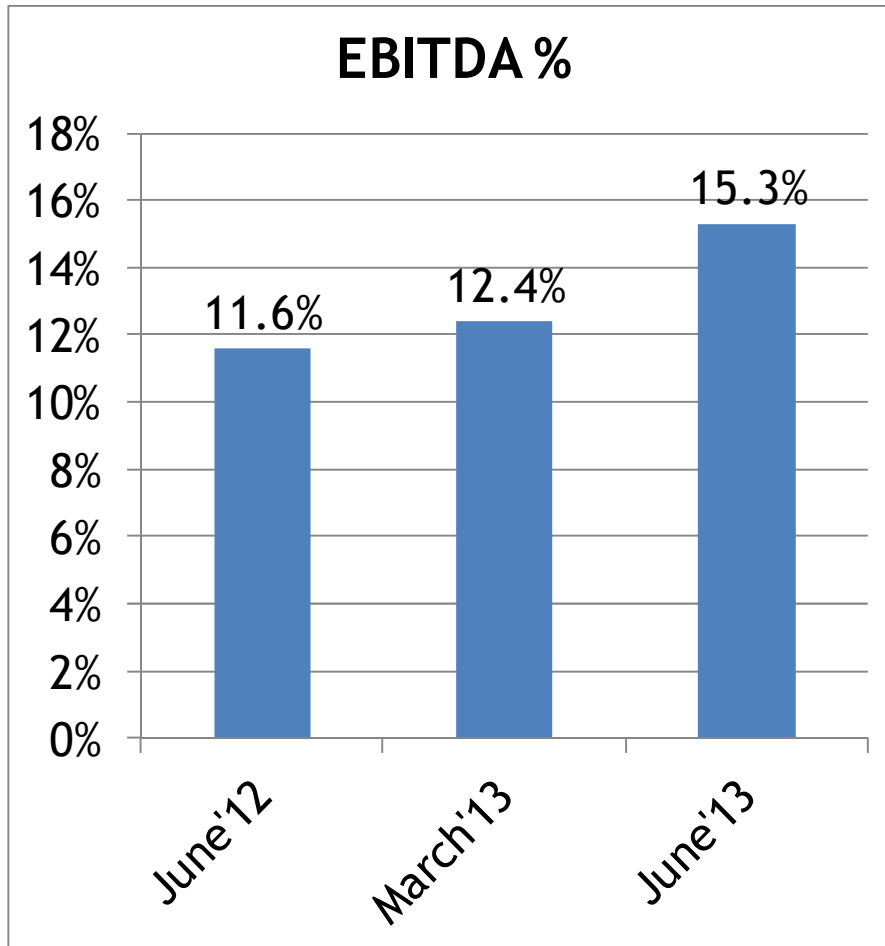
Cash Profit for the quarter at Rs 43.8 crore

UJALA New Packaging



- Ujala new packaging well received at the market place
- Growth in Ujala Fabric Whitener Sales for Q1 is 37%

EBITDA Analysis - Quarterly



- Reasons for EBITDA improvement in Q1 of FY 2013-14
- Change in product sales mix in favour of high margin products

Product	Q1 2012-13	Q4 2012-13	Q1 2013-14
Ujala Fabric Whitener	16%	15%	20%
Maxo	13%	17%	11%
Others	71%	68%	69%

- Gross Margin improvement of 7% due to better realisation and sales mix

Sales Analysis

Segmentwise Sales Growth

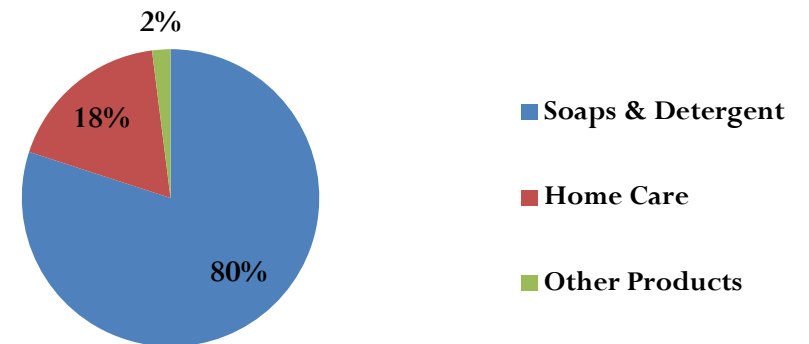
Segment	2013-14	2012-13	Growth %
Soaps & Detergent	25,345	21,749	17%
Home Care	5,827	5,937	-2%
Other Products	646	436	48%
	31,819	28,122	13%

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

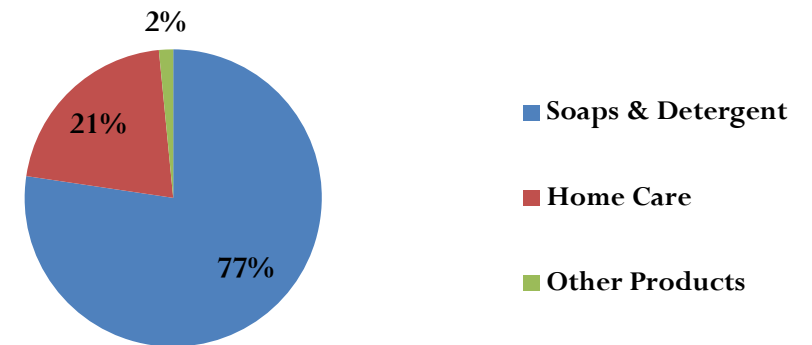
Home Care includes Household insecticide, Incense sticks, Scrubber

Segmentwise Sales Contribution

Sales - June '13



Sales - June '12



Increase in Advertisement Expenditure

Particulars	Q1 2013-14	Q1 2012-13	% Increase
Advertisement Expenses	2,953.73	1,491.78	98%
Sales Promotion Expenses	914.13	797.28	15%
Total	3,867.86	2289.06	69%
% of Sales	12.16%	8.1%	

Cash Profit

Particulars	Amount in lacs
Revenue	31,819
EBITDA	4,862
PAT	2,870
Depreciation	404
*Amortisation	1,115
Cash Profit	4,388

Charge of Rs. 4470 lakhs (every year) will be there in financials for next 9 years

This will be tax deductible

Debt Status – June 30, 2013

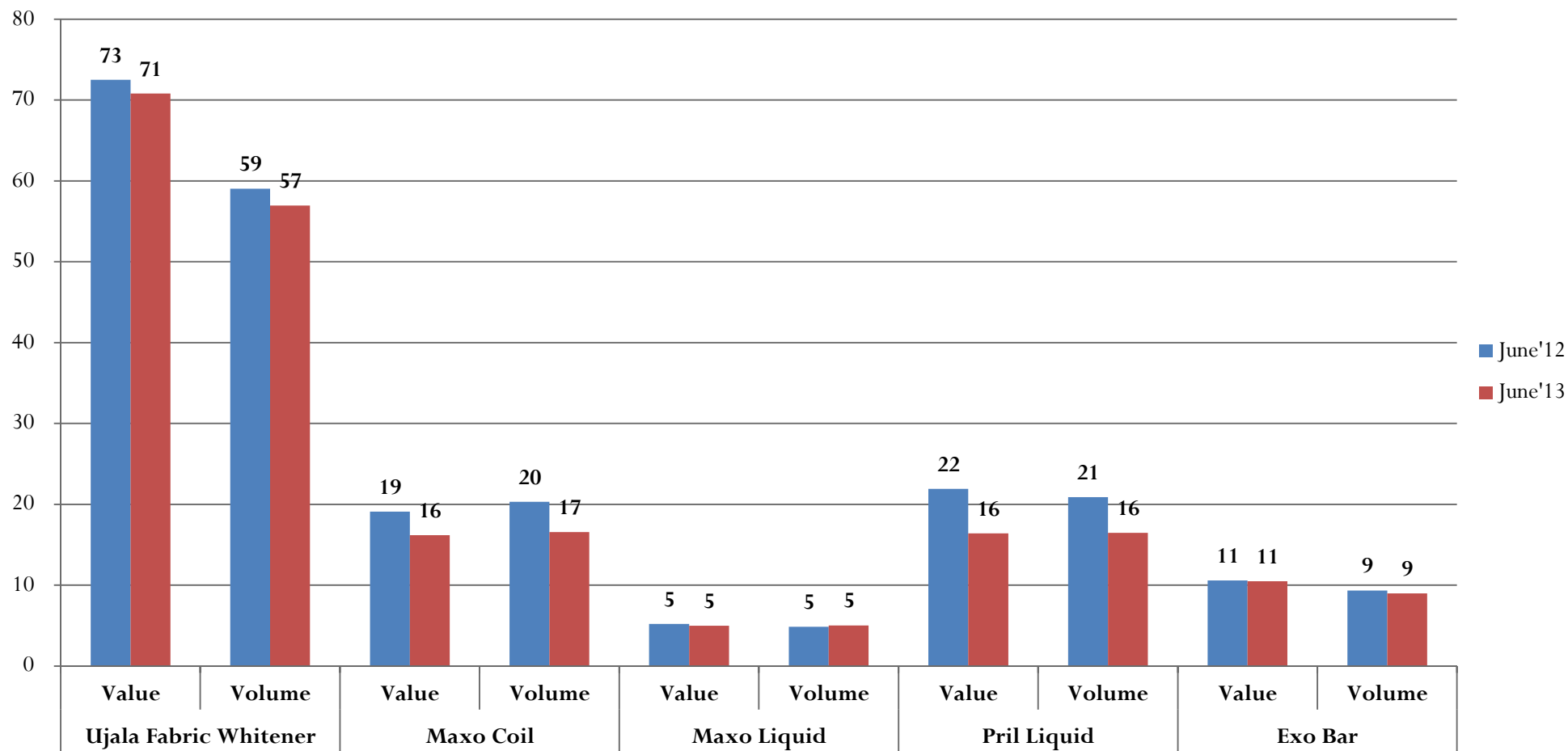
Particulars	30/06/13	31/03/13
Term Loan from Banks (Tenure – 5 years starting from January 27, 2012 @ 11.25%)	413	430
Working Capital – 11.5% from Axis Bank	58	62
Commercial Paper @ 10.95%	-	25
Commercial Paper (@ 9.3% to 9.5%)	-	40
Non Convertible Debenture @ 10.25%	50	50
Non Convertible Debenture @ 9.65%	65	
Total	586	607

Note:-

1. Reserves as on June 30, 2013 – Rs. 736 crore
2. Debt Equity Ratio - 0.70

Rs. In cr

Market Share – Our Brands



*Source: Ac Nielsen

Brand investments have kicked in from Q1 and impact on Market share will be visible from coming quarters

Business Initiatives



Key Initiatives – Q1 2013-14

- Focus on EBITDA improvement through better Gross Margin and reduction in overheads
- New Brand Creative on all 7 Power Brands Executed and aired on TV
- Hindi Speaking Media (HSM) spends increased significantly over last year
- Thrust on Regional Brands becoming national Brands
- Ujala Detergent (IBF 100) extended to South India
- Efforts to control COGS in an inflationary environment
- As a part of manufacturing rationalisation Bhubaneswar and Chennai factory closed and production shifted to Uttranchal & Pondicherry respectively

EBITDA Improvement

Particulars	%
EBITDA % - June'12	11.6
Other Operating Income	0.2
Gross Margin	6.8
Employee Cost	0.2
Advertisement & Sales Promotion	(4.0)
Other Expenditure	0.5
EBITDA % - June'13	15.3

New Brand Creative Stills

Henko Happy Clothes TVC



HSCP + Exo Bar Promo TVC



Exo Family Healthy Family TVC



New Brand Creative Stills

Pril
Bartan
Chamke
in Aur
Rishtey
Bhi
TVC



Ujala IBF 100 TVC

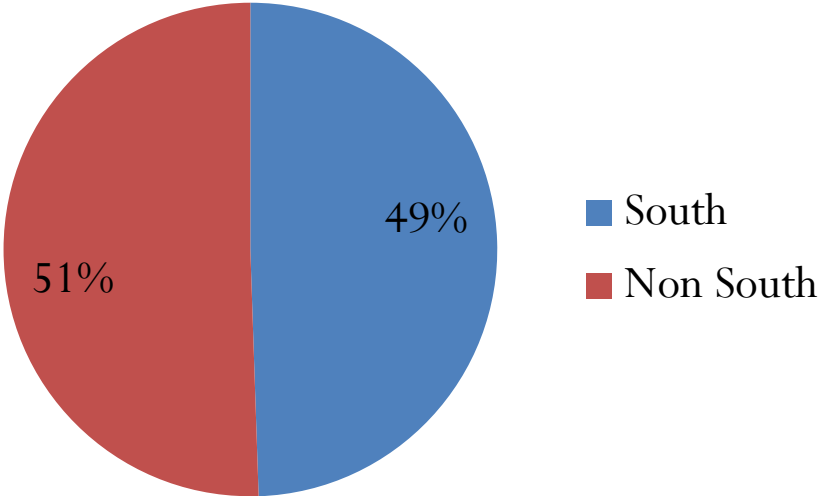


Fa New TVC

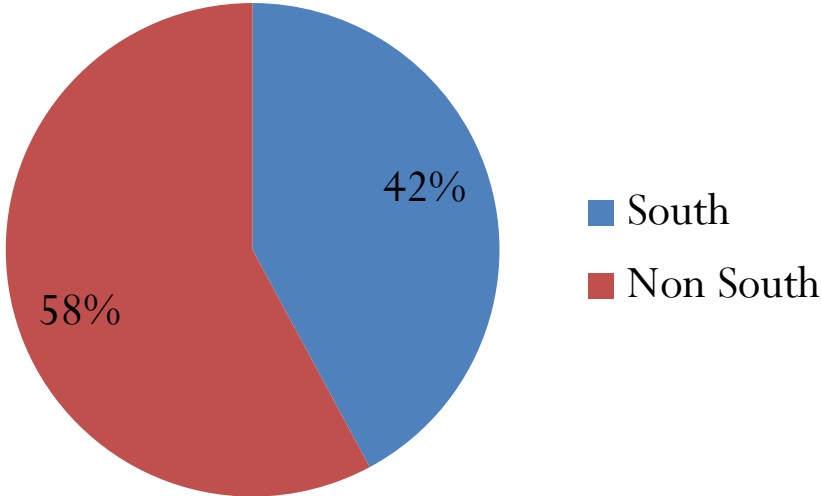


Thrust on Regional Brands becoming National

Q1FY2013



Q1FY2014



Launched
Ujala
Detergent
IBF 100
in South
India





Ujala IBF 100 Launch



Supply Chain Efficiencies

Efforts taken to control COGS in an inflationary environment.

- Combined strategy of spot & forward booking for highly fluctuating Rms.
- Shift from conventional negotiations to cost plus model for packing materials
- E- auction for bulk commodities and secondary packaging items.
- Tier 2 negotiation
- Long term purchase contracts on lean season to ensure best average purchase price for the year.
- Production planning and Distribution on “Total Cost Optimisation’ – Basis.
- Key focus on fiscal benefit manufacturing locations to ensure optimum COGS
- Working with IBM for end to end Supply Chain Management which will go live by December 2013

Key Initiatives – 2013-14

- Continue Brand Investments PAN India
- Gain market shares across all Power Brands
- Consolidate Sales & Distribution across India
- Grow detergent business and House Hold Insecticide business through breakthrough innovations

Thank You