

Analyst Call

Oct 20, 2015



Jyothy LABORATORIES LIMITED

Agenda

Financial Performance

- Results for Q2FY16 & H1FY16
- EBITDA Analysis
- Sales Analysis

Business Initiatives

- Brand Updates Q2FY16

**Financial
Performance
Q2 FY16
&
H1 FY16**



Highlights for Q2 FY2016 : Consolidated

Sales growth of 9% (volume)

Power Brand sales grew by 11.0 %.

**Advt. & Sales Promo exp. for the qtr is at Rs 48.8 crore, an increase of 5.5%.
A&P to Sales Ratio is at 12.2%**

Gross Margin increased to 51.5% as compared to 47.8% in last year same period

Operating EBITDA is at Rs. 55.26 crore (13.8%) as compared to Rs 39.46 crore (10.7%) in last year same period growth of 40%

PAT stands at Rs. 38.77 crore as compared to Rs. 25.13 crore in last year same period growth of 54.3%

Cash Profit for the quarter is at Rs 52 crore as compared to Rs. 39.89 crore in last year same period, growth of 30.4%

Highlights for H1 FY2016 : Consolidated

Sales growth of 8.2% (7.3% by volume and 0.9% by value)

Power Brand sales grew by 9.9 %.

**Advt. & Sales Promo exp. for half year is at Rs 99.4 crore, an increase of 12.4%.
A&P to Sales Ratio is at 12.2%**

Gross Margin increased to 51.7% as compared to 47.8% in last year same period

Operating EBITDA is at Rs. 124.1 crore (15.2%) as compared to Rs 91.5 crore (12.1%) in last year same period, growth of 35.7%

PAT stands at Rs. 83.35 crore as compared to Rs. 67.6 crore in last year same period, growth of 23.3%

Cash Profit is at Rs 115 crore as compared to Rs. 90.5 crore in last year same period, growth of 27.2%

Results – Standalone Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Half year ended		Year Ended
	30.09.15	30.06.15	30.09.14	30.09.15	30.09.14	31.03.15
Net Sales	38,316	39,800	35,478	78,115	70,967	1,42,827
Other Income - Operating	72	36	44	104	77	955
Total Income	38,388	39,836	35,522	78,219	71,044	1,43,782
Cost of Goods Sold	19,269	19,813	19,221	39,083	37,922	76,064
Employee cost	3,510	3,480	3,161	6,990	6,462	12,711
Advertisement and Sales Promotion	4,601	4,877	4,402	9,477	8,148	17,072
Other expenditure	5,553	4,847	4,642	10,397	8,953	18,509
OPERATING EBITDA	5,455	6,819	4,096	12,272	9,559	19,426
EBITDA % to Net Sales	14.2%	17.1%	11.5%	15.7%	13.5%	13.6%

Results – Standalone Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Half year ended		Year Ended
	30.09.15	30.06.15	30.09.14	30.09.15	30.09.14	31.03.15
OPERATING EBITDA	5,455	6,819	4,096	12,272	9,559	19,426
Employee stock option	607	1,167	603	1,774	603	2,871
Depreciation and Impairment	566	557	689	1,123	1,312	2,577
Amortisation of Brand & Goodwill	1,115	1,115	1,115	2,230	2,230	4,460
Finance Cost	136	274	296	410	589	1,203
Other Income - Non Operating	1,418	1,727	1,908	3,146	3,653	6,586
Profit Before Prior Period Item and tax	4,449	5,433	3,301	9,881	8,478	14,901
Prior Period/Exceptional Item	-	-	-	-	-	209
Profit before Tax	4,449	5,433	3,301	9,881	8,478	14,692
Tax	629	760	-	1,389	-	413
Profit After Tax	3,820	4,673	3,301	8,492	8,478	14,279

Results – Consolidated Profit & Loss

In Rs. Lacs

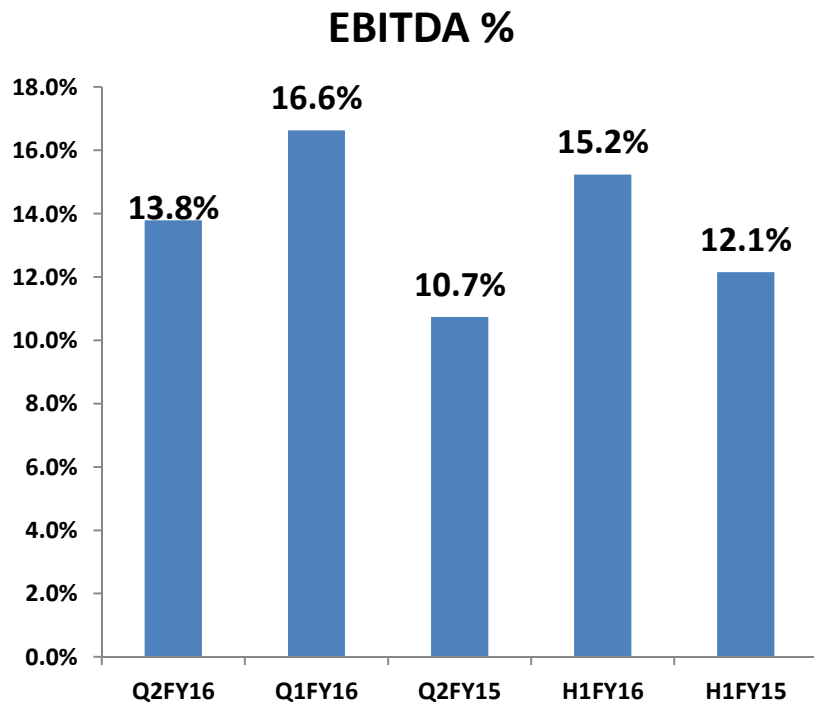
Particulars	Quarter Ended			Half year ended		Year Ended
	30.09.15	30.06.15	30.09.14	30.09.15	30.09.14	31.03.15
Net Sales	40,073	41,400	36,767	81,473	75,281	1,50,529
Other Income - Operating	66	34	22	100	56	954
Total Income	40,139	41,434	36,789	81,573	75,337	1,51,483
Cost of Goods Sold	19,427	19,912	19,180	39,339	39,299	77,746
Gross Margin	20,646	21,488	17,587	42,134	35,982	72,783
Gross Margin %	51.5%	51.9%	47.8%	51.7%	47.8%	48.4%
Employee cost	4,114	4,069	3,731	8,183	7,586	15,026
Advertisement and Sales Promo	4,884	5,055	4,630	9,939	8,841	18,097
Other expenditure	6,188	5,514	5,302	11,702	10,466	21,442
OPERATING EBITDA	5,526	6,884	3,946	12,410	9,145	19,172
EBITDA % to Net Sales	13.8%	16.6%	10.7%	15.2%	12.1%	12.7%

Results – Consolidated Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.15	30.06.15	30.09.14	30.09.15	30.09.14	31.03.15
OPERATING EBITDA	5,526	6,884	3,946	12,410	9,145	19,172
Employee stock option	607	1,167	603	1,774	603	2,871
Depreciation and Impairment	717	686	873	1,403	1,684	3,255
Finance Cost	164	308	348	472	685	1,377
Other Income - Non Operating	460	498	394	958	591	992
Profit Before Prior Period Item and tax	4,498	5,221	2,516	9,719	6,764	12,661
Prior Period/Exceptional Item	-	-	-	-	-	209
Profit before Tax	4,498	5,221	2,516	9,719	6,764	12,452
Tax	629	761	1	1,390	7	354
Profit from ordinary activities before minority Interest	3,869	4,460	2,515	8,329	6,757	12,098
Minority Interest (share in loss)	8	(2)	(2)	6	3	14
Profit After Tax	3,877	4,458	2,513	8,335	6,760	12,112

Operating EBITDA Analysis (Consolidated) – Q2FY16



- EBITDA in Q2FY16 is 13.8% as compared to 10.7% 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 3.7% due to change in sales mix and decrease in RM/PM prices.
- ✓ Decrease in Advertisement and sales promotion expenses by 0.4%
- ✓ Increase in other expenses 1.0%

Consolidated EBITDA Movement

In %

Particulars	Q2FY16 vs Q2FY15	H1FY16 vs H1FY15
EBITDA % - Previous period	10.7	12.1
Other Operating Income	0.1	0.0
Gross Margin	3.7	3.9
Employee Cost	(0.1)	0.0
Advertisement & Sales Promotion	0.4	(0.4)
Other Expenditure	(1.0)	(0.4)
EBITDA % - Current period	13.8	15.2

Sales Analysis

Segmentwise Sales Growth

In Rs. Lacs

Segment	Quarter Ended			Half Year Ended		
	Q2FY16	Q2FY15	Growth %	H1FY16	H1FY15	Growth %
Soaps & Detergent	29,455	27,453	7.3%	62,400	57,905	7.8%
Home Care	9,269	7,969	16.3%	16,325	14,700	11.1%
Other Products	416	428	-2.7%	849	1,029	-17.5%
Total	39,140	35,850	9.2%	79,574	73,634	8.1%
Less: Inter Segment Revenue	-100	-161	0.0%	-155	-448	0.0%
Net FMCG Sales	39,040	35,689	9.4%	79,419	73,186	8.5%
Laundry Services	1,033	1,078	-4.2%	2,054	2,095	-2.0%
Net Sales	40,073	36,767	9.0%	81,473	75,281	8.2%

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.

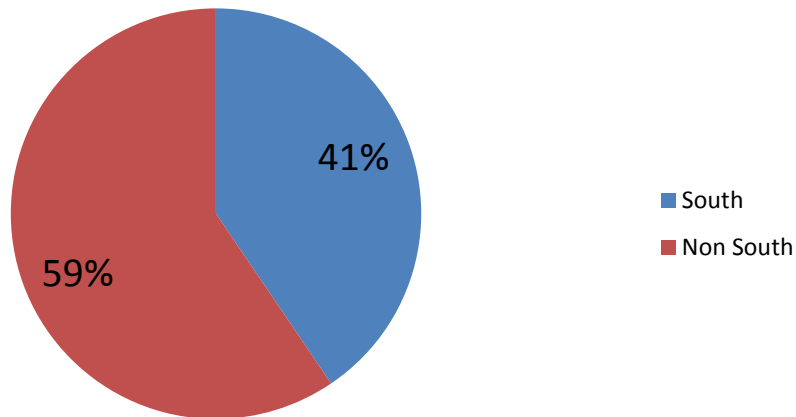
Category Wise Consolidated Sales

In Rs. Lacs

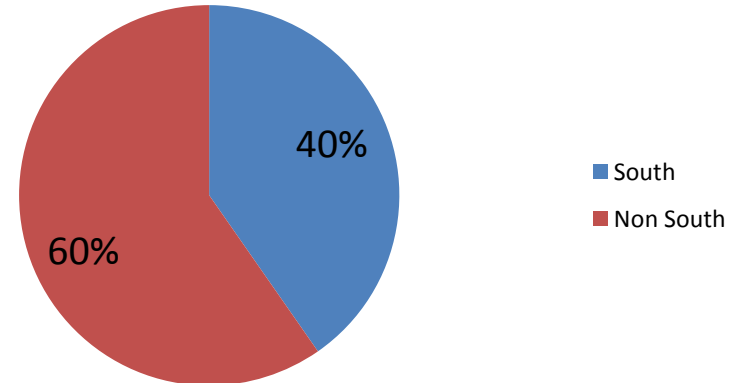
Category	Q2FY16	Q2FY15	Growth %	H1FY16	H1FY15	Growth %
Fabric Care	17,124	15,340	11.6%	35,823	33,171	8.0%
Dishwashing	11,262	10,271	9.6%	23,147	20,378	13.6%
Mosquito Repellent	6,250	5,485	13.9%	10,526	9,854	6.8%
Personal Care	3,646	3,581	1.8%	8,572	8,248	3.9%
Other Products	759	1,012	-25.0%	1,352	1,535	-11.9%
Total	39,040	35,689	9.4%	79,419	73,186	8.5%
Laundry Services	1,032	1,078	-4.2%	2,054	2,095	-2.0%
Grand Total	40,073	36,767	9.0%	81,473	75,281	8.2%

Thrust on Regional Brands becoming National

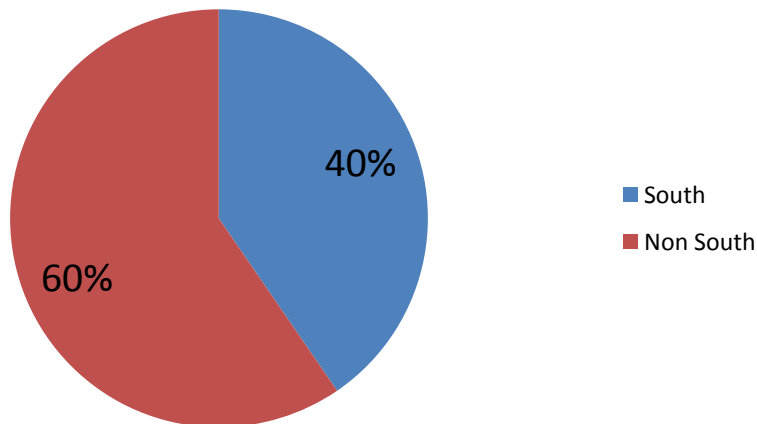
Q2FY2016



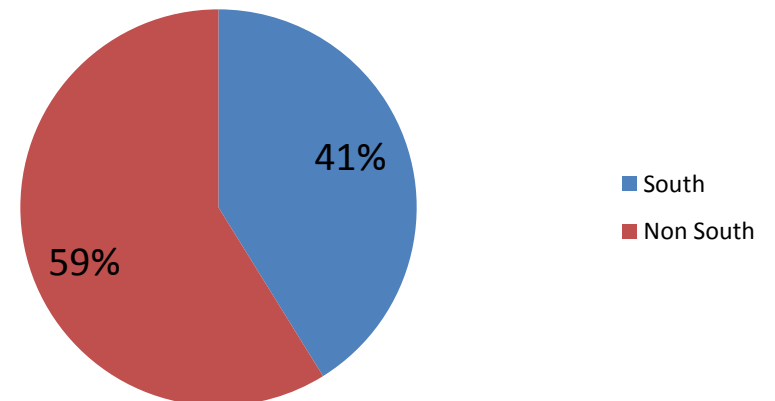
Q2FY2015



H1FY16



H1FY15



Consolidated Cash Profit

In Rs. Lacs

Particulars	Q2FY16	Q2FY15	H1FY16	H1FY15
Revenue	40,073	36,767	81,473	75,281
EBITDA	5,525	3,946	12,410	9,145
PAT	3,877	2,513	8,335	6,760
ESOP	607	603	1,774	603
Depreciation	717	873	1,403	1,684
Cash Profit	5,201	3,989	11,512	9,047

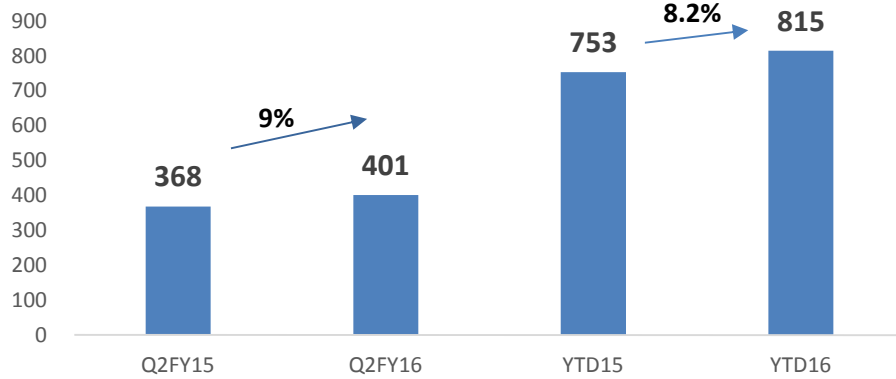
Net Debt Status – September 30, 2015

Particulars	Maturity	Rs. In cr	
		30/09/15	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		(136)	(230)
Total		314	285

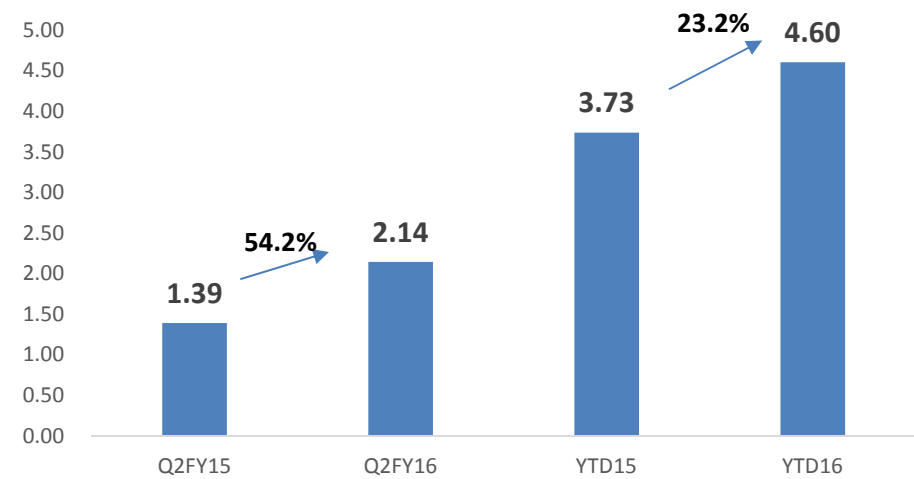
Note:- Payment of dividend during the quarter Rs. 87.15 crore including dividend distribution tax

Financial Highlights Profit & Loss

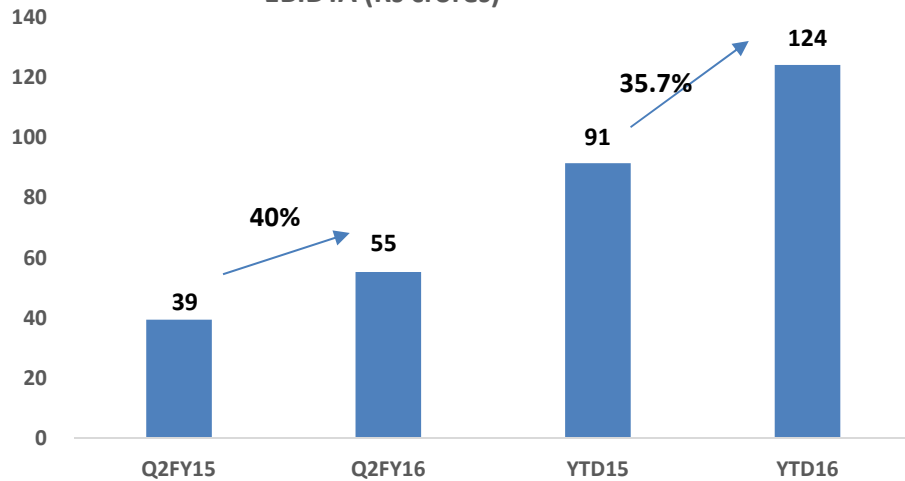
Net Sales (Rs in crores)



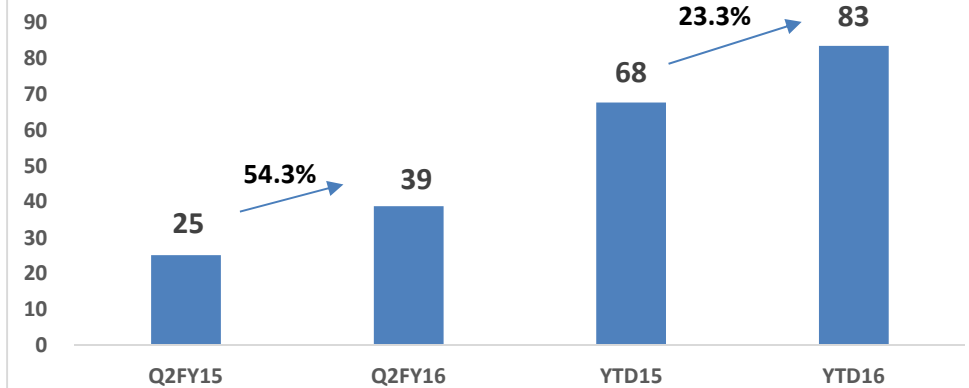
EPS (INR)



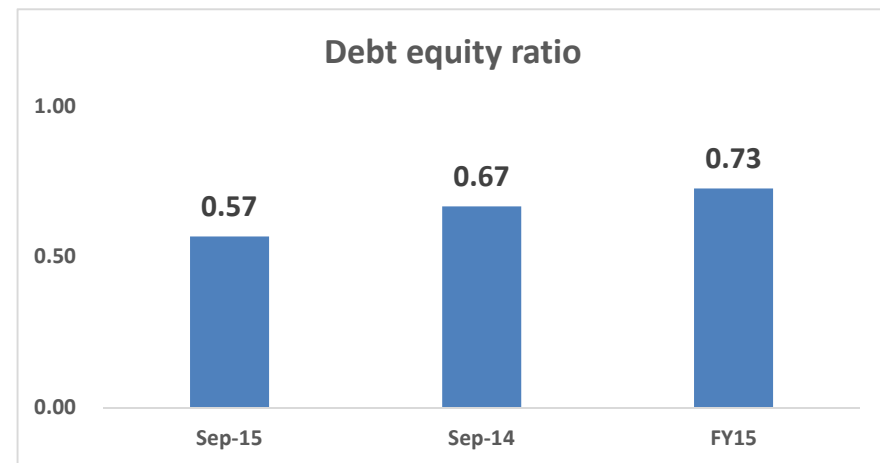
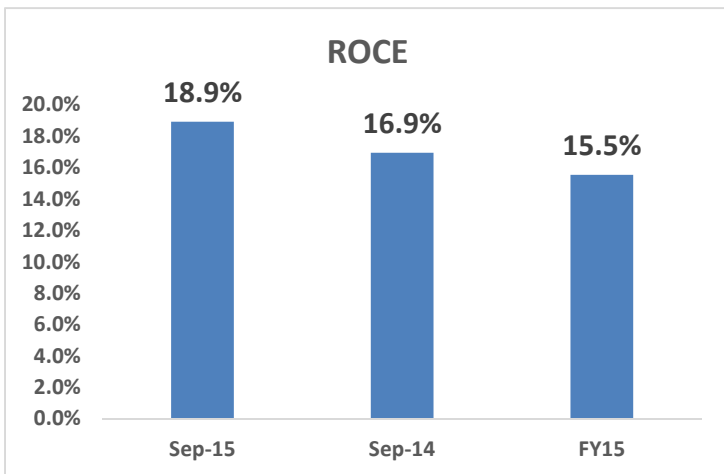
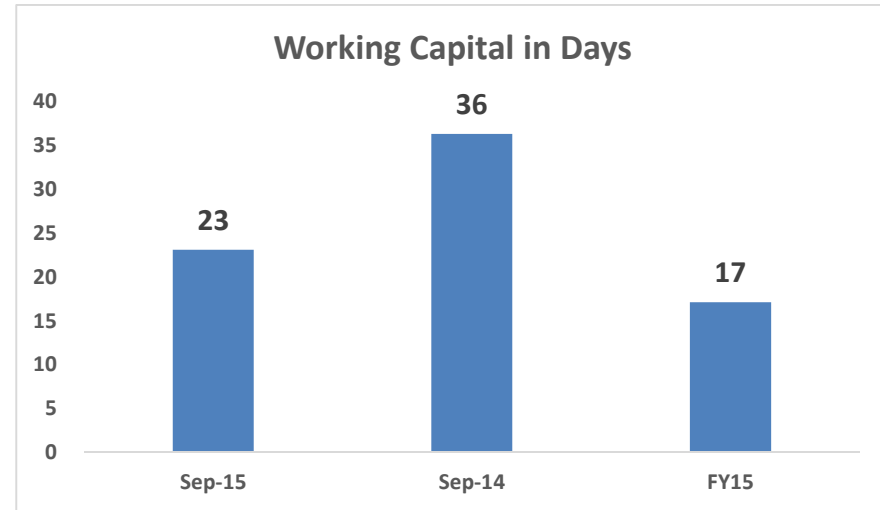
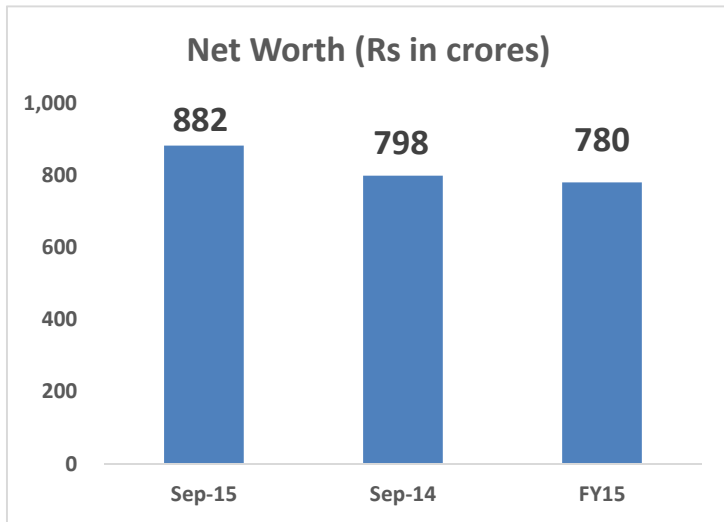
EBIDTA (Rs crores)



PAT (Rs crores)



Financial Highlights Balance Sheet



Business Initiatives

Brand Updates



Post Wash

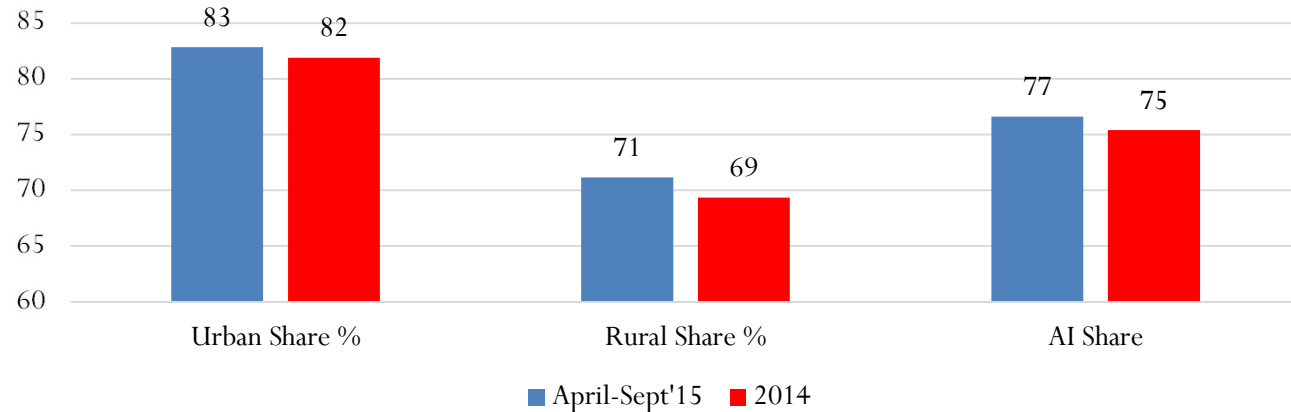
GROWING CATEGORY
Extending the equity....

Ujala : Growing Category

Brand	Q2 Growth %	H1 Growth %
Ujala	19%	10%



ALL India Share Progress : 2015 (Jan to Sept) vs 2014



Source: AC Nielsen (Jan-June-15)

- Ujala increasing shares despite stagnant Fabric Whitener category
- Category expansion through new users is critical to drive further growths on Ujala

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 “detergent happy” users

Positions Ujala as the only efficacious solution to “Yellowed Whites”

UJALA[®]
**CRISP &
SHINE** With
POLY FX



AFTER-WASH FABRIC ENHANCER

Launch (JQ'15) - TN

→ **Form & Finish to Clothes**

→ **Pleasant sensorials**

→ **More than just fragrance**

→ **Keeps clothes looking new, everyday!**

TN launch Update

Consistent Media campaigns to drive awareness and trials

Forced trials among consumers– 15lac HH's to be touched through promos, magazine sampling and DTD

In-store visibility drives across key outlets undertaken

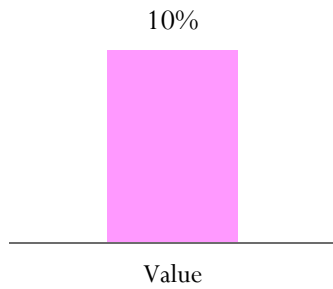


Our Portfolio & Our Path to Growth

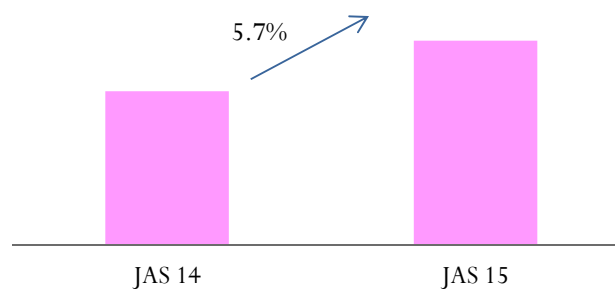
Laundry : Building Brands

Henko Powder: SQ'15 Performance

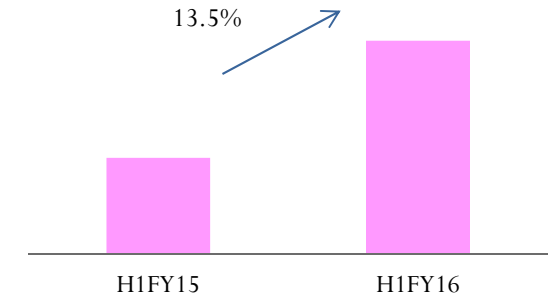
***Market Growth %**



Q2 Volume Growth



H1 Volume Growth



Henko Brand no value growths

Intense ATL and Price offs in the category, Henko det. Pwd holding its fort with focussed approach



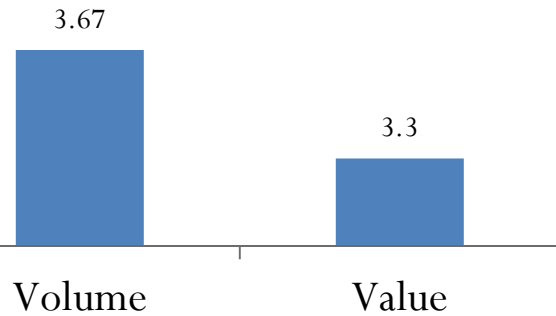
*Source: AC Nielsen (Jan-June-15)

Our Portfolio & Our Path to Growth

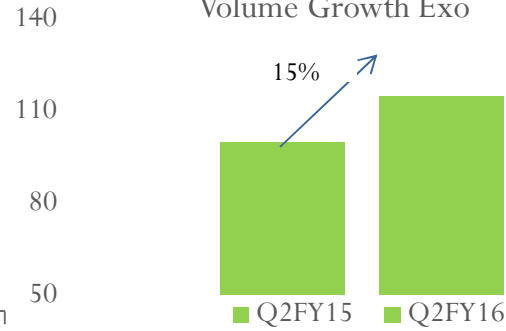
Formidable # 2 in Dish wash

Exo SQ'15 Performance

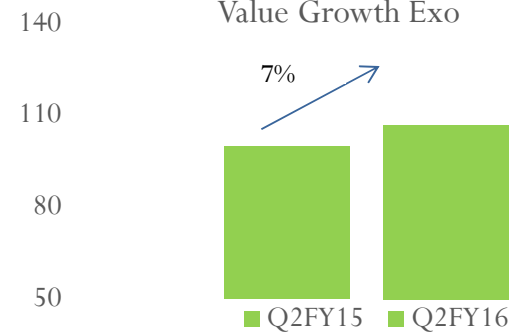
***Market Growth (DW Bars)%**



Volume Growth Exo



Value Growth Exo



Intense Competition Activity in the face of slow down in markets
Relaunch of Exo with new packaging



OLD



NEW



EXO Dishwash Bar: Re-Launch (SQ '15)

Antibacterial
Promise

Unique
Touch & Shine
Formula

Superior Degreasing.

Proprietary ingredients acts as a dispersing agent which effectively removes sticky grease.

Superior Shine on Plates.

Special Poly-Shine anti-precipitation property acts as repulsion to re-sedimentation of grease.

Superior Fragrance

Special, fresh & spicy ingredients give a pleasant and long lasting fragrance.



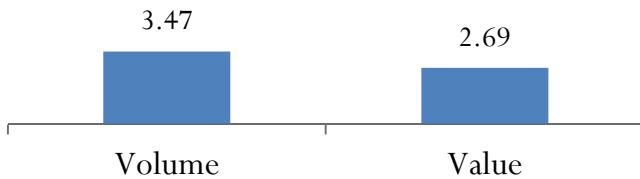
**Exo Family.
Healthy Family.**

 **Tjolkhy** LABORATORIES LIMITED

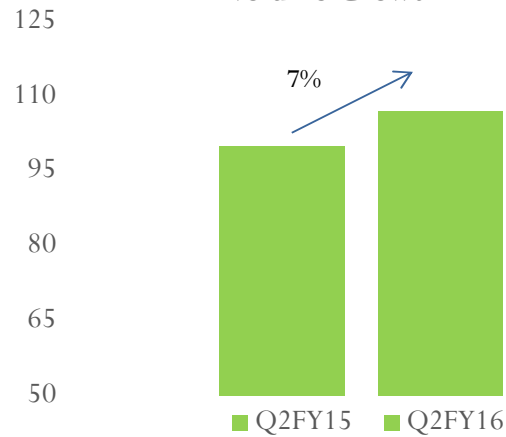


PRIL SQ'15 : Strong Growths

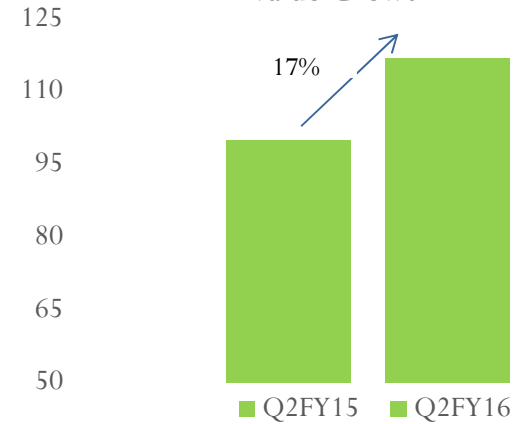
*Market Growth %



Volume Growth



Value Growth



Continuing Strong Growths on the back of Re-launch in SQ'14

*Source: AC Nielsen (Jan-June-15)



PRIL Liquid : Superior Market Presence in FY'15

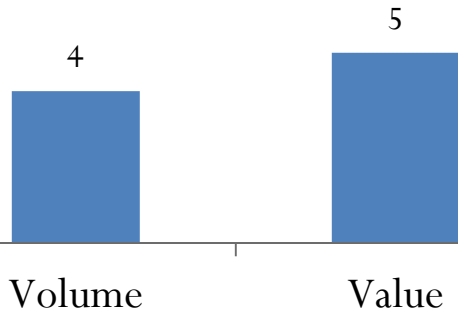


Household Insecticide

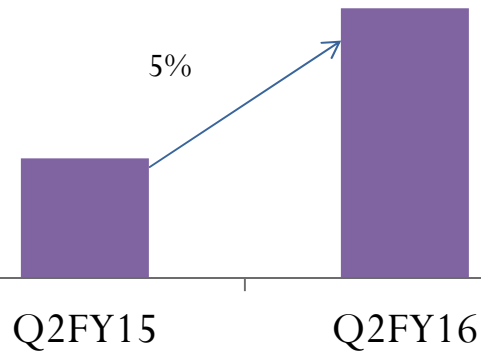
Strengthening position in category

Maxo Coil: SQ'15 Performance

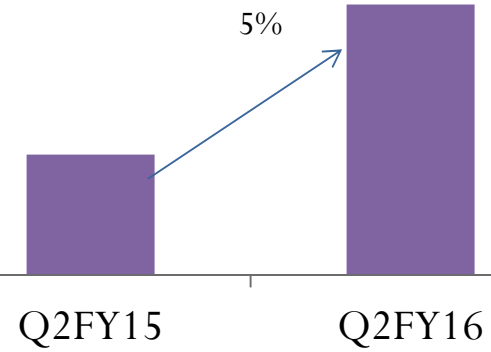
*Market Growth %



Volume Growth



Value Growth



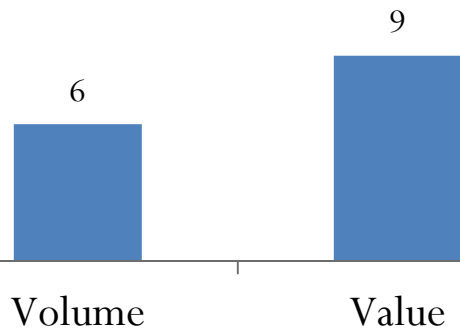
*Source: AC Nielsen (Jan-June-15)

Coil Category growth sluggish

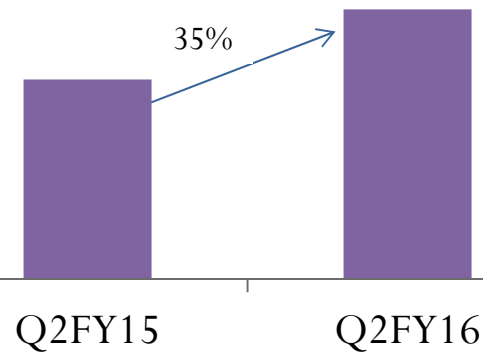


Maxo LV: SQ'15 Performance

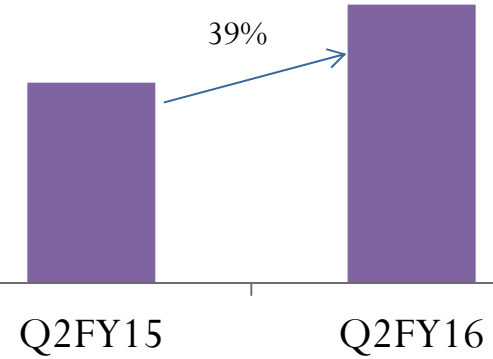
*Market Growth %



Volume Growth



Value Growth



*Source: AC Nielsen (Jan-June-15)

- 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 doors are open.

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

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



Insect Control : Magic Card (SQ'15)

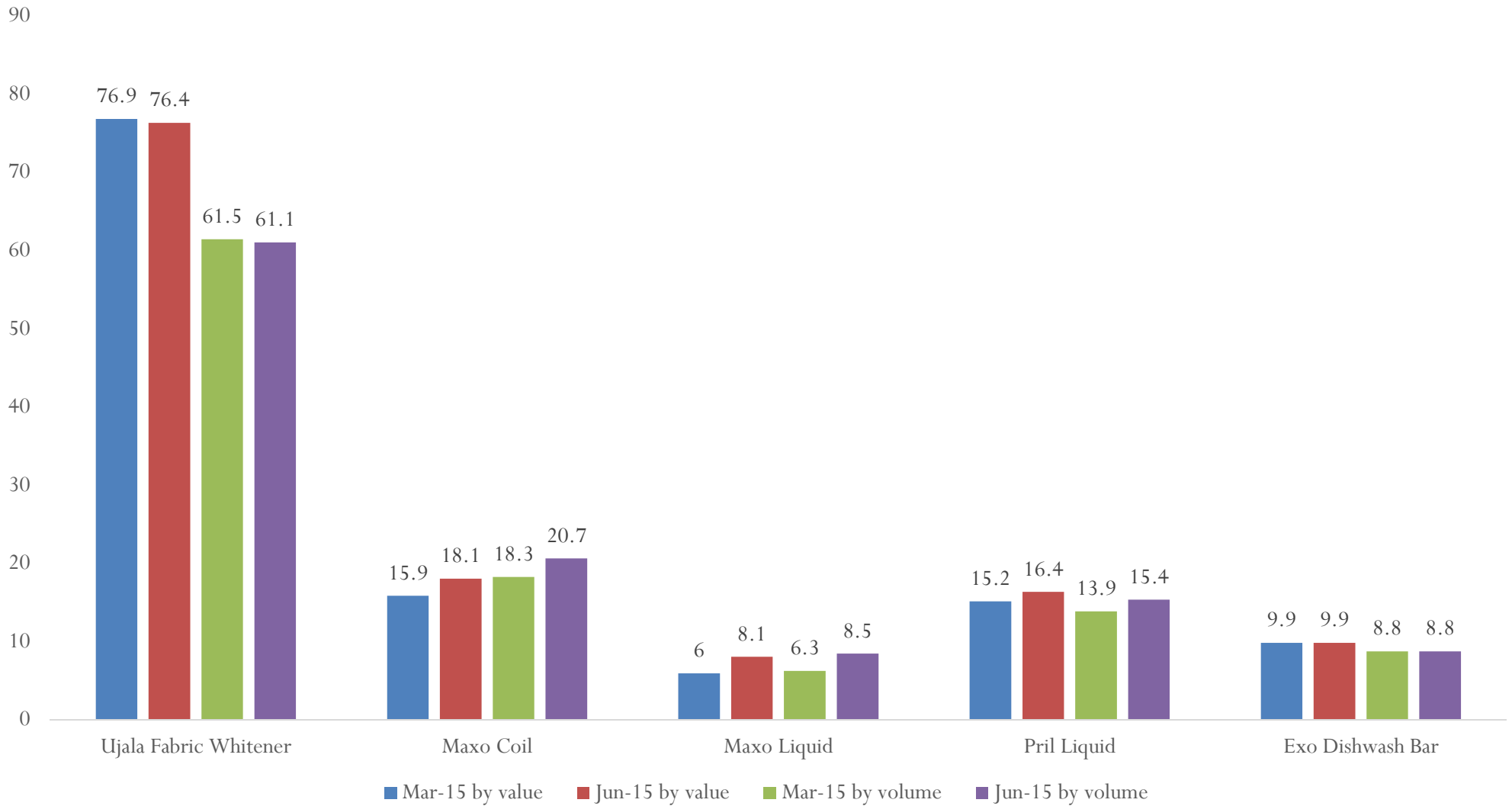
Maxo Genius Magic Card - Launch Activity



- *Launched in TN & Ktk in Q2 & AP in Q3*
- *Rest of India launch in Q4*



Market shares at a glance



Market Scenario and Way forward

- We see price competition sustaining for some more time in laundry, dish wash and personal care
- Demand continues to be soft and expected to remain so
- Aggressive new launches on Exo and Maxo expected to fuel growths further
- We are confident of weathering the storm in laundry and grow further

Thank You