

Analyst Meet

May 23, 2016



Jyothy LABORATORIES LIMITED

Agenda

Financial Performance

- Results for Q4FY16 & FY16
- EBITDA Analysis
- Sales Analysis
- Other Financial Metrics

Business Initiatives

- Brand Updates Q4FY16

What did we achieve 2015-16

Guidance May 25, 2015

Sales Growth better than industry

Advt. & SP Expense 10% to 12%

EBITDA 14% to 15%

Delivery May 23, 2016

Sales Growth 9.3%

Advt. & SP Expense 12.3%

EBITDA 14.4%

Financial
Performance
Q4 FY16
&
FY16



Highlights for Q4 FY2016 : Consolidated

Sales growth of 12.4% (volume 13.7%)

Power Brand sales grew by 13.6 % (Volume 15.3%)

Advt. & Sales Promo exp. for the qtr is at Rs 51.6 crore, an increase of 6.5%.
A&P to Sales Ratio is at 11.6%

Gross Margin increased to 50% as compared to 48% in last year same period

Operating EBITDA is at Rs. 60.1 crore (13.5%) as compared to Rs 52.2 crore (13.2%) in last year same period growth of 15.1%

PAT stands at Rs. 35.6 crore as compared to Rs. 27.1 crore in last year same period growth of 31.6%

Cash Profit for the quarter is at Rs. 42.9 crore as compared to Rs. 46 crore in last year same period

Highlights for FY2016 : Consolidated

Sales growth of 9.3% (9.3% by volume)

Power Brand sales grew by 10.3% (9.5% by volume)

**Advt.&Sales Promo exp. is at Rs 201.6 crore, an increase of 11.4%.
A&P to Sales Ratio is at 12.3%**

Gross Margin increased to 51.4% as compared to 48.4% in last year

Operating EBITDA is at Rs. 237.6 crore (14.4%) as compared to Rs 191.7 crore (12.7%) in last year, growth of 24%

PAT stands at Rs. 158 crore as compared to Rs. 121.1 crore in last year, growth of 30.4%

Cash Profit is at Rs 206.9 crore as compared to Rs. 182.4 crore in last year, growth of 13.4%

Results – Consolidated Profit & Loss

In Rs. Lacs

Particulars	Quarter Ended			Year ended	
	31.03.16	31.12.15	31.03.15	31.03.16	31.03.15
Net Sales	44,521	38,479	39,612	1,64,473	1,50,529
Other Income - Operating	19	64	484	183	954
Total Income	44,540	38,543	40,096	1,64,656	1,51,483
Cost of Goods Sold	22,263	18,311	20,582	79,913	77,746
Gross Margin	22,258	20,168	19,030	84,560	72,783
Gross Margin %	50.0%	52.4%	48.0%	51.4%	48.4%
Employee cost	4,249	4,178	3,744	16,610	15,026
Advertisement and Sales Promo	5,162	5,055	4,847	20,156	18,097
Other expenditure	6,861	5,655	5,705	24,218	21,442
OPERATING EBITDA	6,005	5,344	5,219	23,759	19,172
EBITDA % to Net Sales	13.5%	13.9%	13.2%	14.4%	12.7%

Results – Consolidated Profit & Loss

In Rs. Lacs

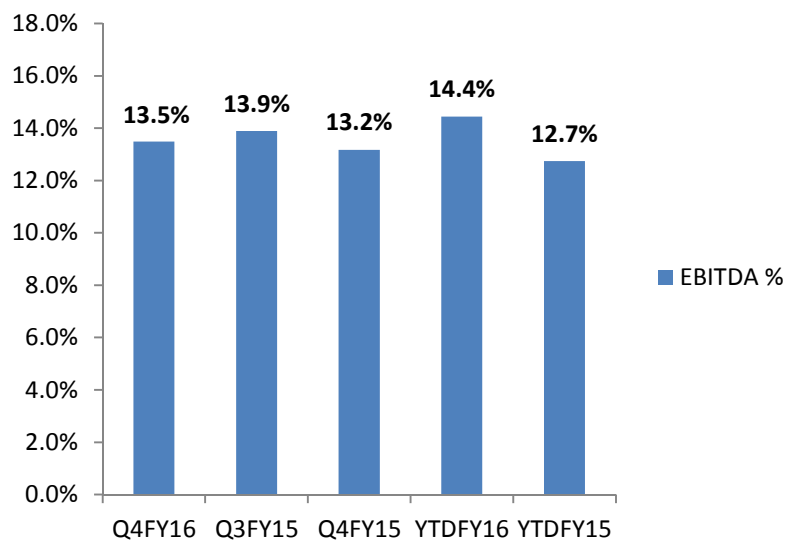
Particulars	Quarter Ended			Year ended	
	31.03.16	31.12.15	31.03.15	31.03.16	31.03.15
OPERATING EBITDA	6,005	5,344	5,219	23,759	19,172
Employee stock option / (reversal)	(270)	246	1,089	1,750	2,871
Depreciation and Impairment	998	739	809	3,140	3,255
Finance Cost	52	79	319	603	1,377
Other Income - Non Operating	254	248	254	1,460	992
Profit Before Prior Period Item and tax	5,479	4,528	3,256	19,726	12,661
Prior Period/Exceptional Item	-	-	209	-	209
Profit before Tax	5,479	4,528	3,047	19,726	12,452
Tax	906	625	(65)	2,921	(58)
Tax of earlier years	1,010	-	412	1,010	412
Profit from ordinary activities before minority Interest	3,563	3,903	2,699	15,795	12,098
Minority Interest (share in loss\profit))	(2)	(4)	7	-	14
Profit After Tax	3,561	3,899	2,706	15,795	12,112

EBITDA Analysis



Operating EBITDA Analysis (Consolidated) – Q4FY16

EBITDA %



- EBITDA in Q4FY16 is 13.5% as compared to 13.2% in last year same period.
- ✓ Movement is mainly due to :
 - ✓ Increase in Gross Margin by 2% due to change in sales mix and decrease in RM/PM prices.
 - ✓ Decrease in Advertisement and sales promotion expenses by 0.6%
 - ✓ Increase in Employee cost by 0.1%
 - ✓ Decrease in other operating Income by 1.2%
 - ✓ Increase in other expenses 1%

Consolidated EBITDA Movement

In %

Particulars	Q4FY16 vs Q4FY15	YTFY16 vs YTFY15
EBITDA % - Previous period	13.2	12.7
Other Operating Income	(1.2)	(0.5)
Gross Margin	2.0	3.1
Employee Cost	(0.1)	(0.1)
Advertisement & Sales Promotion	0.6	(0.2)
Other Expenditure	(1.0)	(0.5)
EBITDA % - Current period	13.5	14.4

Sales Analysis



Sales Analysis

Segmentwise Sales Growth

In Rs. Lacs

Segment	Quarter Ended			Year Ended		Growth %
	Q4FY16	Q4FY15	Growth %	YTDFY16	YTDFY15	
Soaps & Detergent	28,862	26,209	10.1%	1,19,987	1,11,794	7.3%
Home Care	14,223	11,980	18.7%	38,742	33,230	16.6%
Other Products	310	408	-24.0%	1,618	1,817	-11.0%
Total	43,395	38,598	12.4%	1,60,347	1,46,841	9.2%
Less: Inter Segment Revenue	-4	-38	0.0%	-180	-518	0.0%
Net FMCG Sales	43,391	38,558	12.5%	1,60,167	1,46,323	9.5%
Laundry Services	1,130	1,054	7.3%	4,306	4,206	2.4%
Net Sales	44,521	39,612	12.4%	1,64,473	1,50,529	9.3%

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

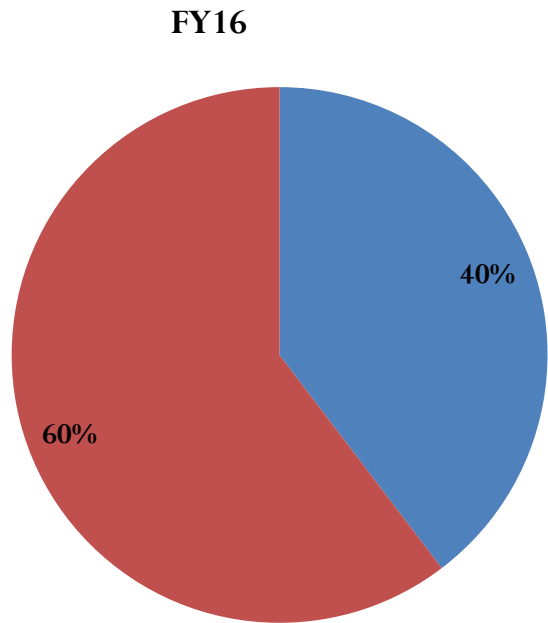
Category	Consolidated					
	Q4FY16	Q4FY15	Growth %	YTDFY16	YTDFY15	Growth %
Fabric Care	17,099	15,181	12.6%	68,833	64,672	6.4%
Dishwashing	11,483	10,290	11.6%	46,602	41,665	11.8%
Mosquito Repellent	11,425	9,689	17.9%	27,271	23,605	15.5%
Personal Care	2,827	2,923	-3.3%	14,831	14,112	5.1%
Other Products	557	476	17.0%	2,629	2,269	15.9%
Total	43,391	38,559	12.5%	1,60,166	1,46,323	9.5%
Laundry Services	1,130	1,054	7.3%	4,306	4,206	2.4%
Grand Total	44,521	39,612	12.4%	1,64,473	1,50,529	9.3%

Brandwise Consolidated Sales

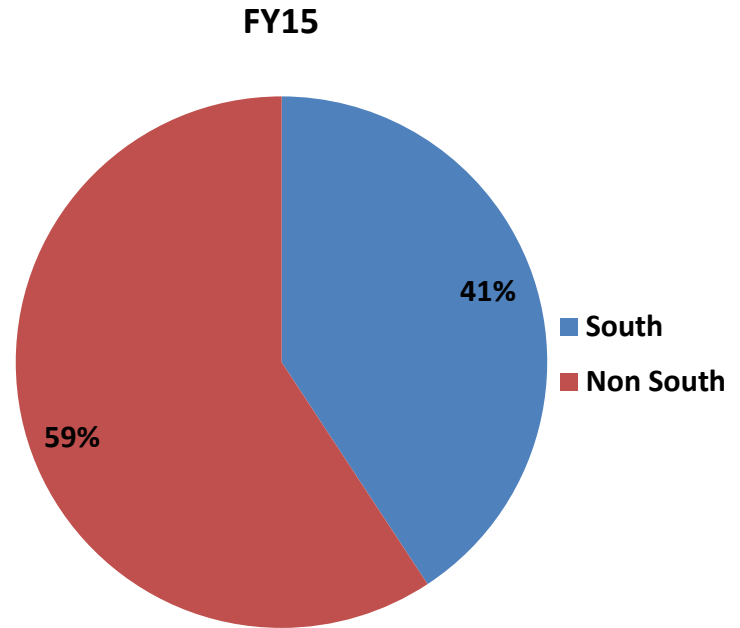
In Rs. Lacs

Brand	Consolidated					
	Q4FY16	Q4FY15	Growth %	YTFY16	YTFY15	Growth %
Ujala	9,276	8,728	6.3%	39,205	37,222	5.3%
Exo	8,629	7,889	9.4%	34,809	31,453	10.7%
Maxo	11,425	9,689	17.9%	27,271	23,605	15.5%
Henko	4,640	3,382	37.2%	16,876	15,164	11.3%
Margo	2,453	2,480	-1.1%	13,091	12,086	8.3%
Pril	2,855	2,400	18.9%	11,793	10,212	15.5%
Total Power Brand	39,277	34,569	13.6%	1,43,045	1,29,741	10.3%
Others	4,114	3,990	3.1%	17,121	16,582	3.2%
Total	43,391	38,559	12.5%	1,60,166	1,46,323	9.5%
Laundry Services	1,130	1,054	7.3%	4,306	4,206	2.4%
Grand Total	44,521	39,612	12.4%	1,64,473	1,50,529	9.3%

Thrust on Regional Brands becoming National



■ South
■ Non South



■ South
■ Non South

Other Financial Metrics



Net Debt Status – March 31, 2016

Rs. In cr

Particulars ⁴	Maturity	31/03/16	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		(117)	(230)
Total		283	285

Note:- Payment of dividend for FY15

Rs 87.15

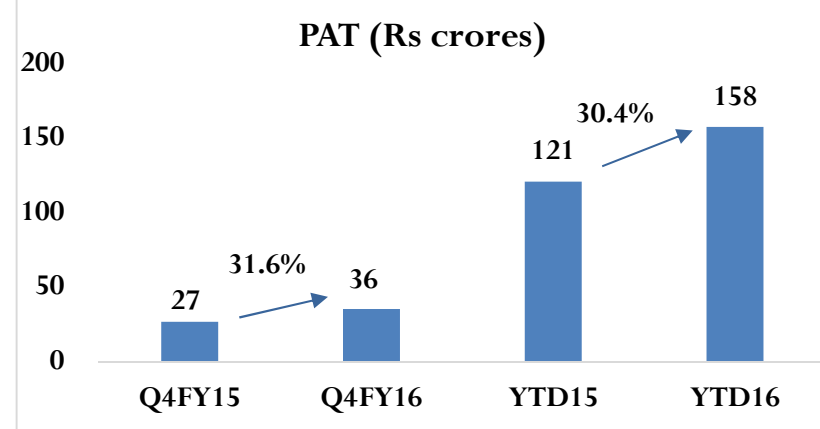
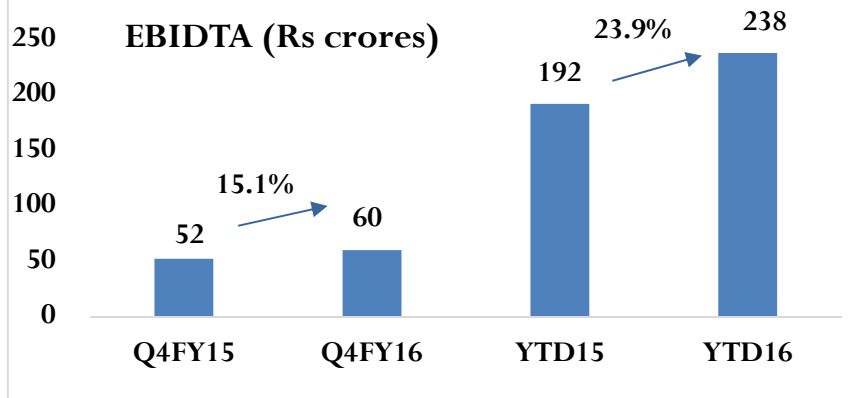
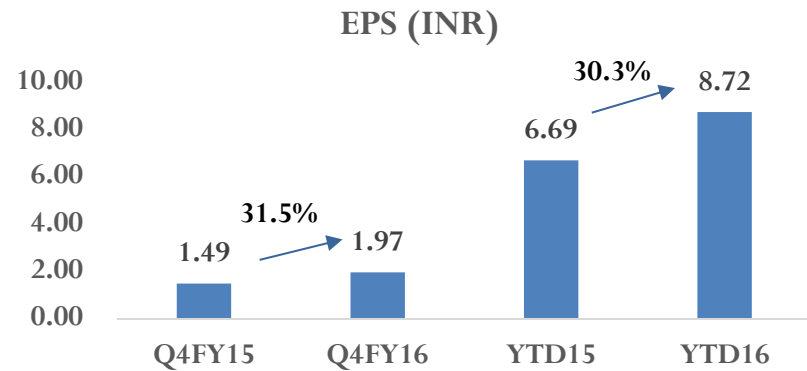
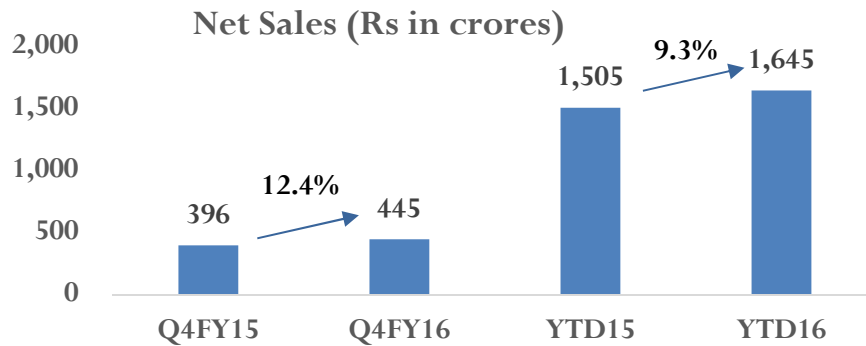
Payment of interim dividend for FY16

Rs 87.20

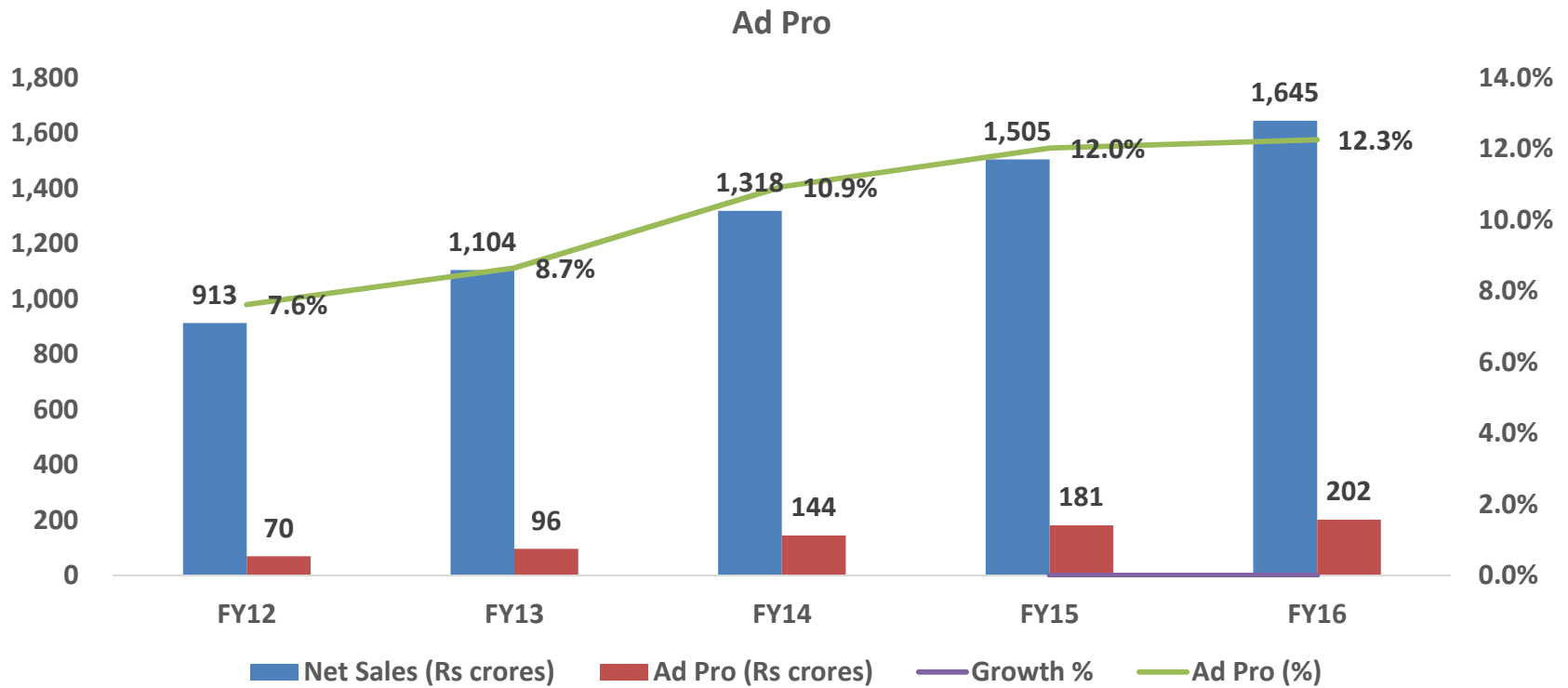
Total dividend payout including DDT

Rs 174.35

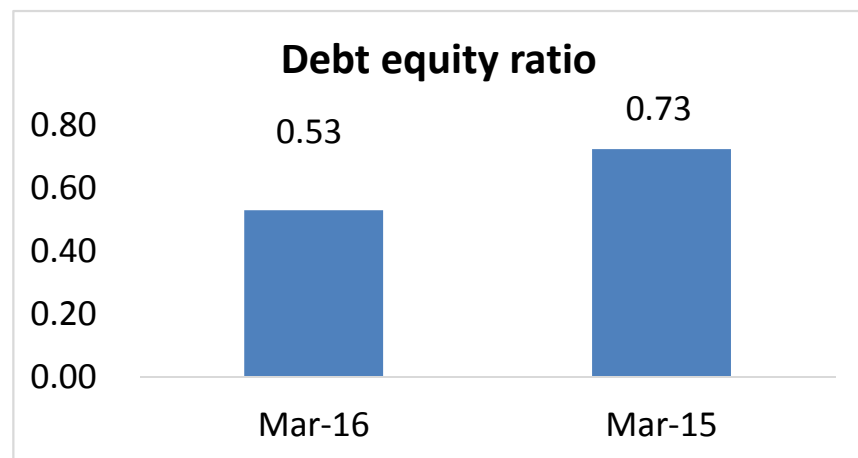
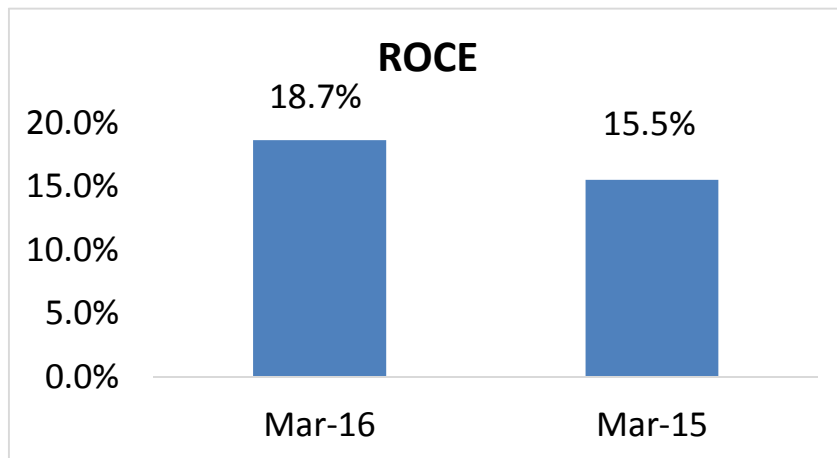
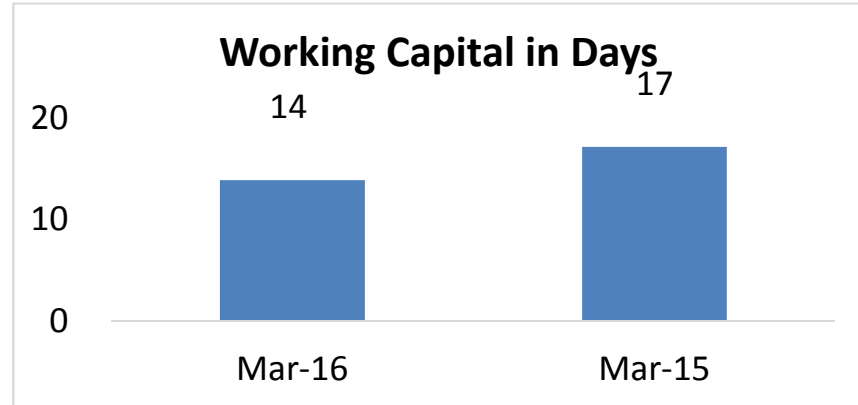
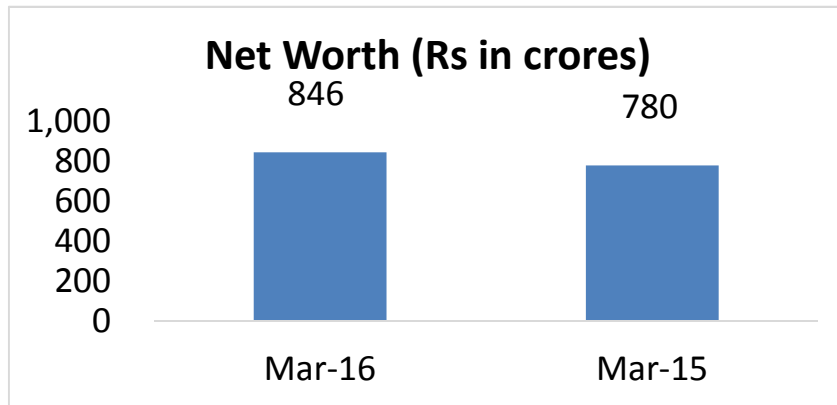
Financial Highlights Profit & Loss



Ad pro spends



Financial Highlights Balance Sheet



**Business
Initiatives**

Brand Updates



Purchase & Supply Chain Initiatives

Proactive Planning & better Inventory management resulted in improvement in WC

Introduction of transport module for service level enhancement and better control

Initiated better focus on channel wise service level to ensure minimal stock outs

Achieved savings in RM/PM cost by entering into long term contract

Manufacturing and R&D

Capacity expansion initiated for key product portfolio

Geared up for the implementation of GST

Appointed National Safety Manager to improve SHEQ across all factories

Invested in R&D facility to support innovations in packaging and product

Information Technology

Will be live on SAP S4 HANA by April 1, 2017

Connect Phase II to capture Third Party Costing

Rolled out Jconnect – Jyothy Intranet and Employee Self Service Portal

Distribution Management System initiated for rollout across India at all Super Distributors Point

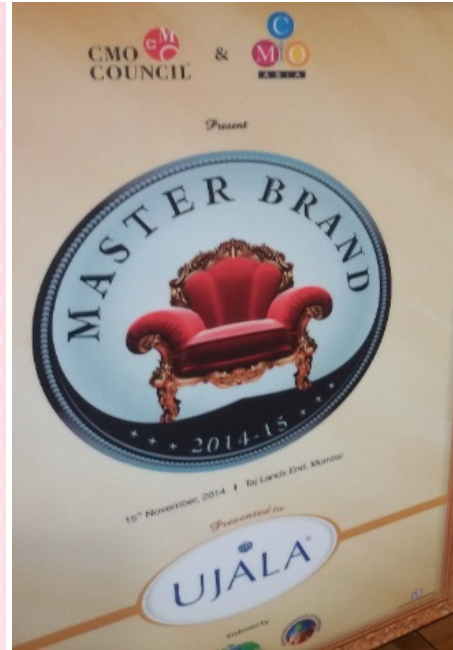
Awards



Awards



‘Henko LINTelligent’, has been awarded Product of the Year



Master Brand Award for UJALA



Ms. Jyothy, has been voted yet again amongst the ‘50 Most Influential Women in Indian Media, Advertising and Marketing, 2016’ by exchange4media Group



Ms Jyothy M R has been awarded with Emerging Kerala – Women Entrepreneurship Excellence Award

Indian Marketing Awards 2014 - Bronze Medal for Henko



Structure

- Big Picture : Strategy and Organisational Journey
- FY 16 : Key Activities & Results in Brief
- Category Summary
 - Post Wash
 - Laundry
 - Dish wash
 - Insect Control
 - Personal care
- Capability Journey
- Market scenario & Way Forward

Big Picture

Path to Growth : Our Journey

Voice of the consumer

- Listen to the consumer to bring in genuine insights

Process Efficiency

- Drive End to End Efficiencies across value chain

Build Organisational capabilities

- Ongoing, in the market place

Big Picture

Path to Growth

Superior
Mixes

Superior GTM
Execution

Profitable play

Our Category Strategy

Dish wash

- Leveraging 2 brand portfolio
- Strengthening position

Household Insecticide

- Increasing footprint
- Winning through Innovations

Laundry

- Establishing uniqueness
- Building for future

Personal Care

- Reinvigorating Brand
- Relevant Extensions

Post Wash

- Extending Dominance

FY16 : KEY ACTIVITIES

Superior Mixes-Superior Insights



New communication on Ujala



Relaunch of Exo



Launch of Maxo Magic Card

FY16 : Results in Brief



11 % Growth on Exo & 15 % growth on Pril .
JLL Growth Ahead of Market Growth
Growing # 2 in Indian Dish wash Market



15 % Growth on Brand
Market Share Gain Ahead of Competition
Fastest Growing Brand in HHI Market in India



Focus brand Henko Grows 11 %
JLL growth ahead of Market Growth in Washing Powder



8% Brand Growth
Margo Growth Ahead of Market



Share Growth of 60 BPS



300 BPS Gross Margin Improvement

Double
Digit Power
Brands
Growth

Dyolby LABORATORIES LIMITED

UJALA
Supreme

Safed kapdon se
peelapan hataaye,
sirf **Ujala Supreme**
safedi laaye!

Ultra
Radiance
Molecules

4
drops per Ltr.

UJALA
Supreme

For superior washing
of clothes

Safedi Ke Aage Ujala

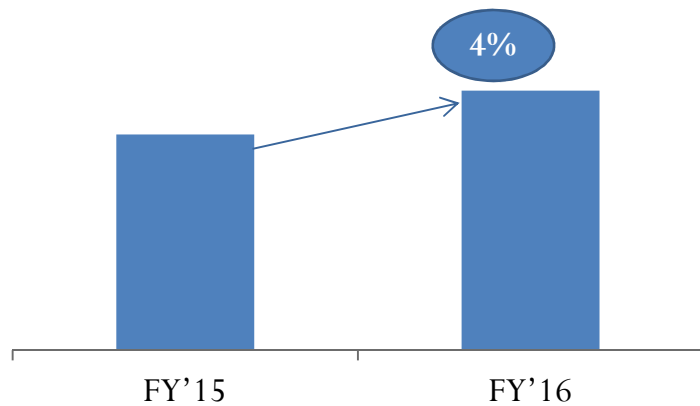
Post Wash

Strengthening Dominance

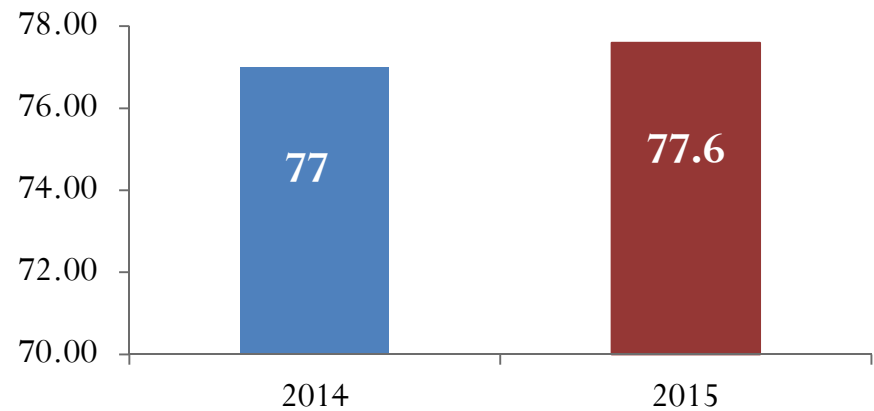
Ujala FW Performance

Source: AC Nielsen

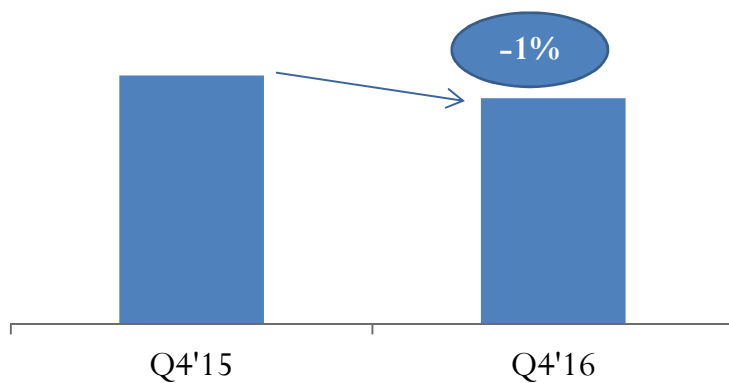
Net Sales



All India Val Share Progress



Net Sales



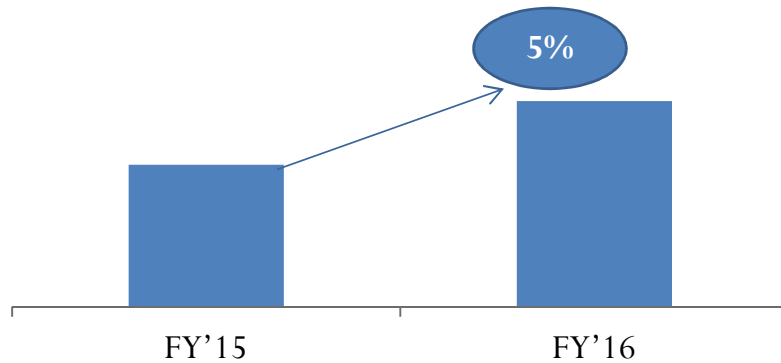
- Ujala increasing shares in a stagnant Fabric Whitener category
- Ujala FY'16 at positive 4% on the back of new communication theme targeting new users



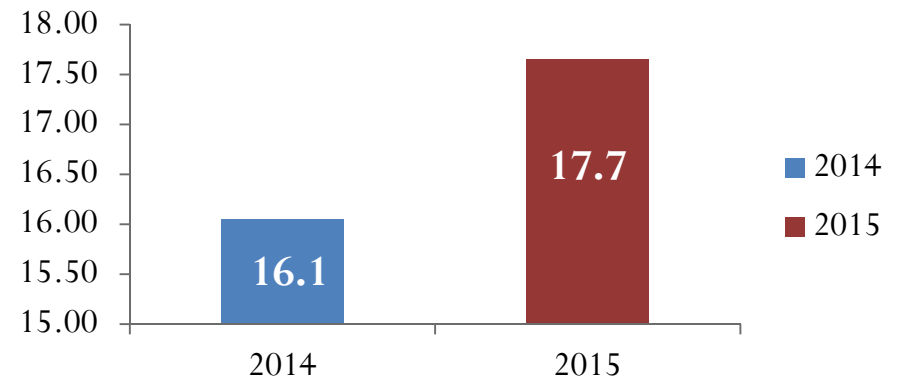
Ujala Detergent Performance

Source: AC Nielsen

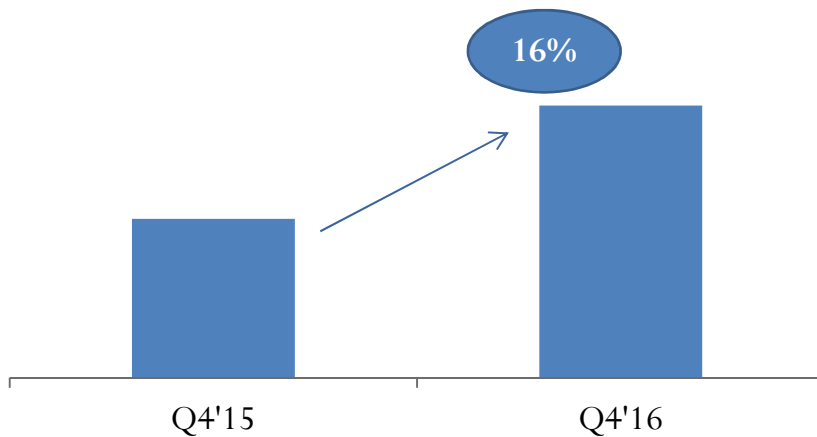
Net Sales All India



Kerala Val MS progress



Net Sales All India



- Brand re-launch with new proposition of “**Effortless Cleaning**” successful in increasing shares & driving internal growth



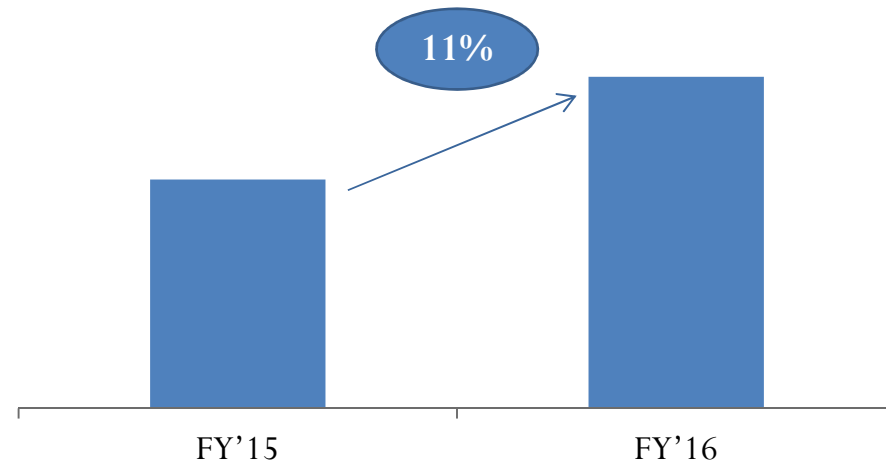
Ujala Fabric Stiffener Performance

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



AFTER-WASH FABRIC ENHANCER

Net Sales FY'16 (KERALA)



- Ujala Crisp & Shine growing at double digits in a mature Kerala market
- Brand extended to TN



Detergents: Investing at the Top End



Detergents: Investing at the Top End

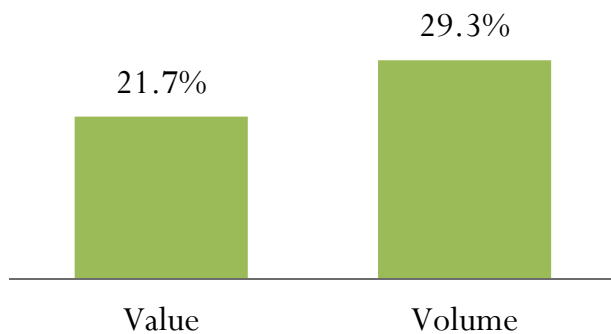
Henko Lintelligent : Breakthrough Innovation

Strong consumer acceptance



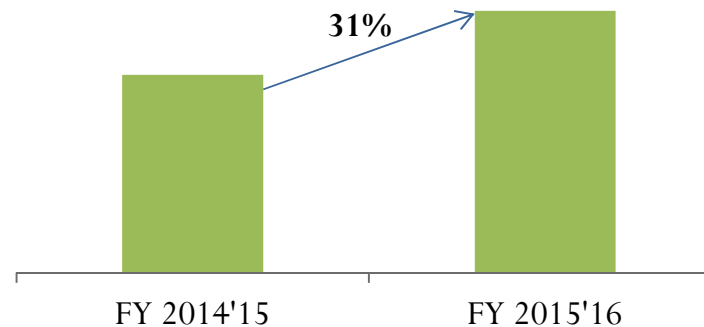
Laundry FY 16 : Matic Performance

Category Growth %

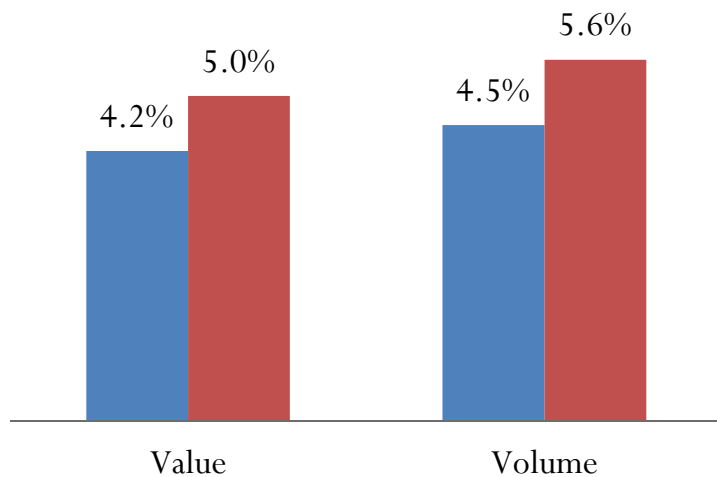


*Source: AC Nielsen (Jan-Dec15)

Net Sales - Value

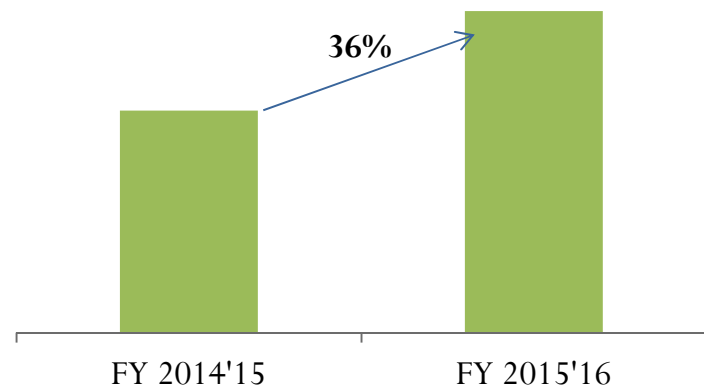


Henko MS%



■ Yr 2014
■ Yr 2015

Volume

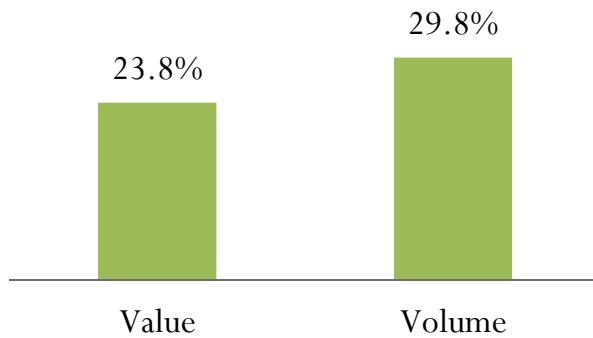


- Henkomatic is growing at 1.5 times the category.

*Source: AC Nielsen

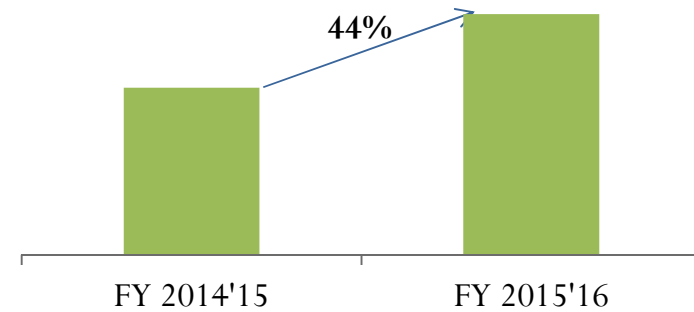
Laundry MQ 16 : Matic Performance

Market Growth %

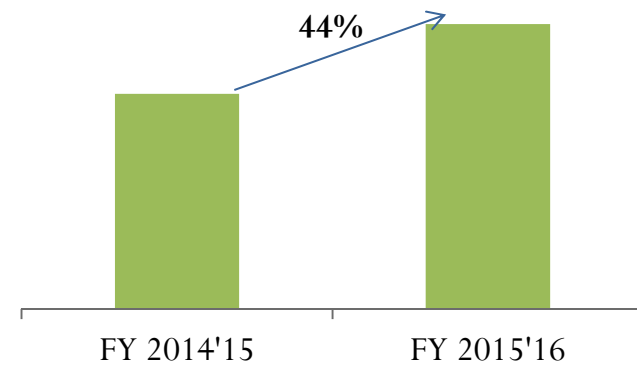


*Source: AC Nielsen (MQ 16)

Net Sales - Value



Volume



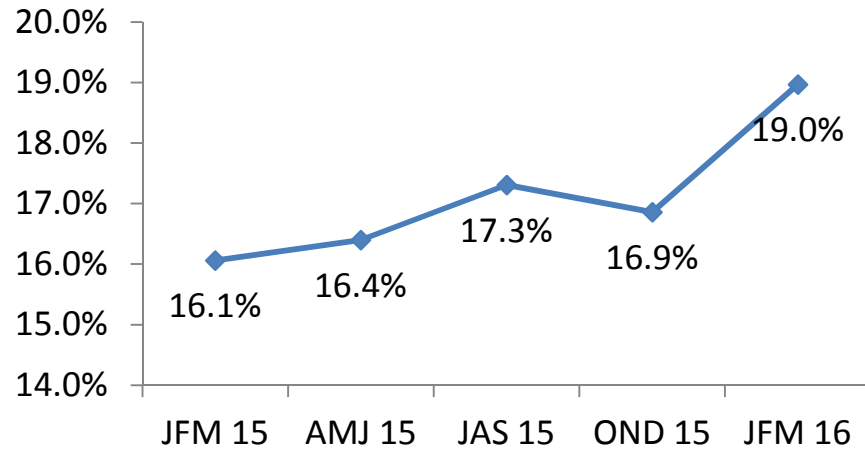
- In MQ, Henkomatic is growing at a brisk pace

Dish Wash

Path to Growth
Formidable # 2 in category

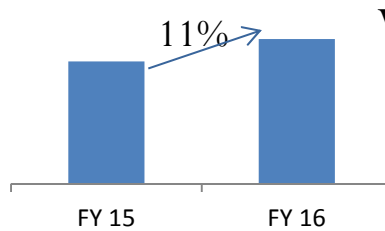


PRIL : Continuing Strong Growths



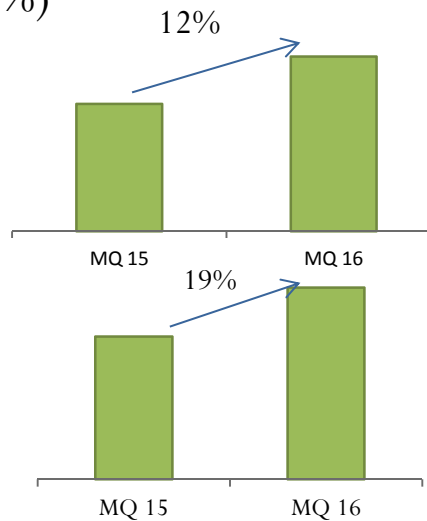
Source: AC Nielsen

FY 15 vs FY 16



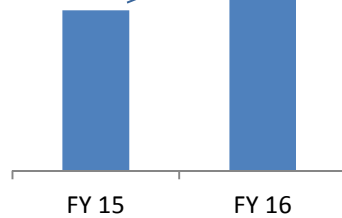
Volume Growth (in %)

MQ 15 vs MQ 16

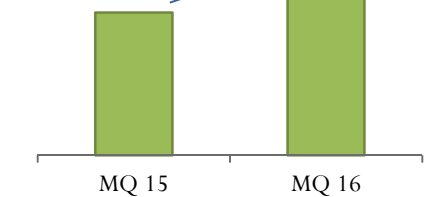


Value Growth (in %)

FY 15 vs FY 16



MQ 15 vs MQ 16



PRIL Bar: Premium Innovation

FOR THE FIRST TIME IN INDIA
YOUR FAVOURITE **SUPERIOR DEGREASER**
'PRIL BAR' WITH THE
POWER OF ACTIVE BOOSTERS

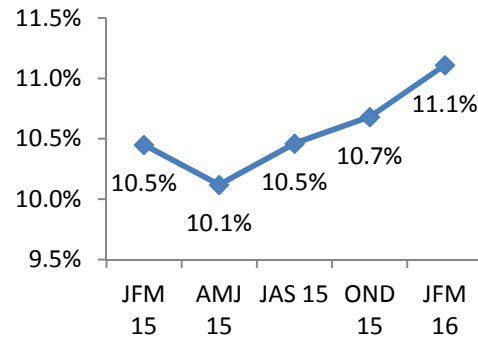
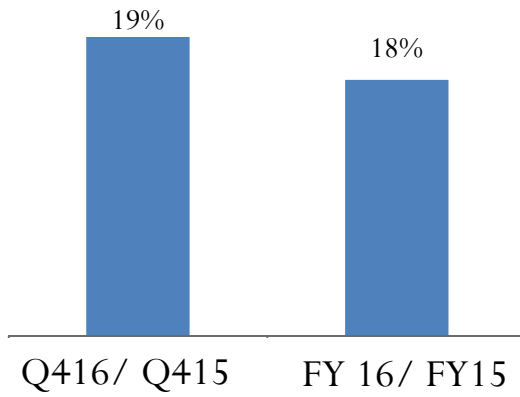


500 GM MONTHLY PACK

- Innovative Tamper proof Monthly Pack
- Superior product – premium pricing

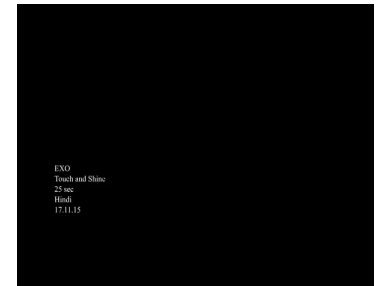
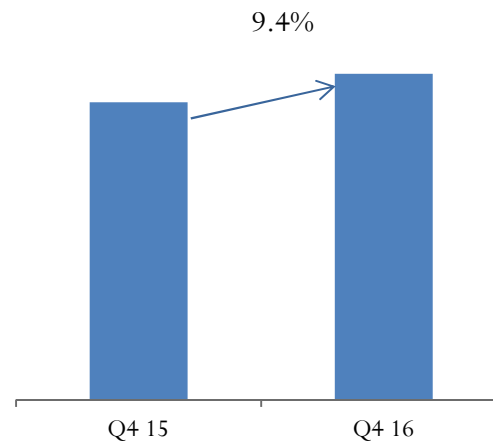
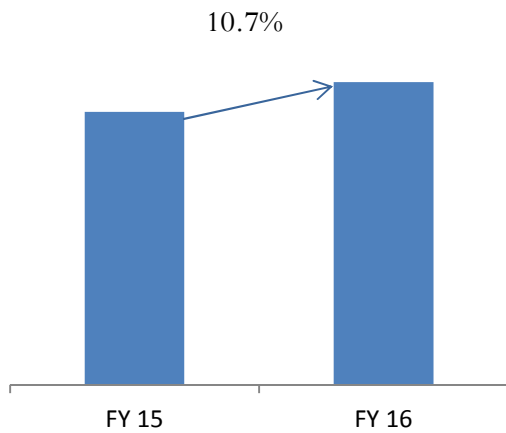
Exo Dishwash

Net Sales - Volume



*Source: AC Nielsen

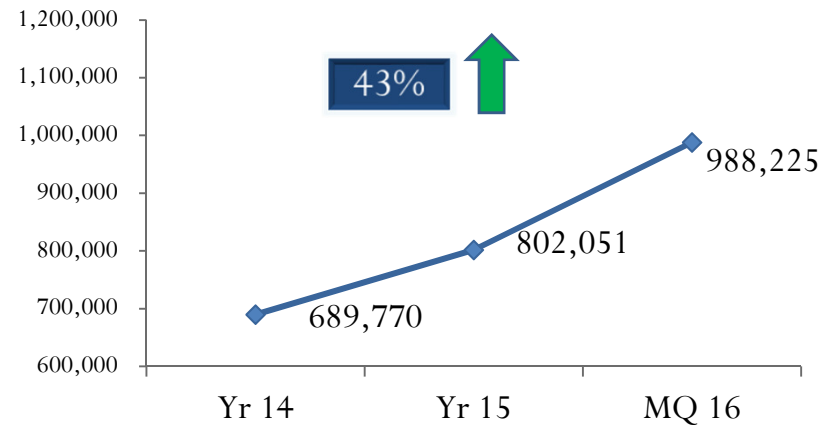
Net Sales - Value



Exo Dishwash bar



No. of Stores

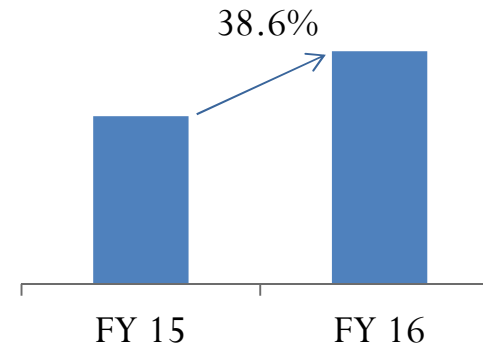


- Superior Touch & Shine formulation
- Strengthened Anti-bac reinforcement

Exo Scrubber



Net Sales – Value Exo Bactoscrub



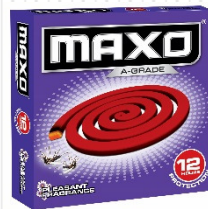
India's first & Only
Antibacterial scrubber

Offers longer life

Offers malodour protection

Household insecticide

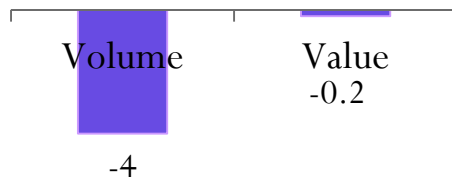
Strengthening position in the category



Maxo Coil FY 16

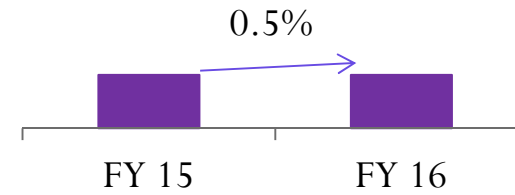
FY 16: Grew share in 2015 in a declining category

Market Growth %



*Source: AC Nielsen (Jan-Dec15)

Net Sales - Volume

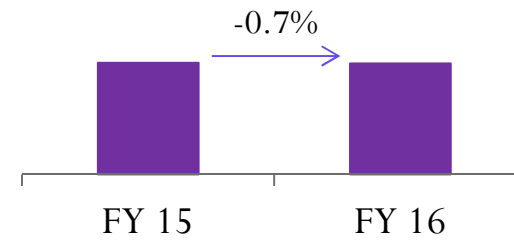


Value Market Share %



*Source: AC Nielsen

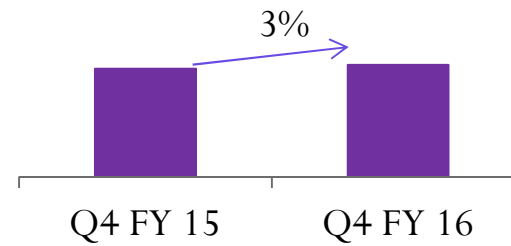
Net Sales - Value



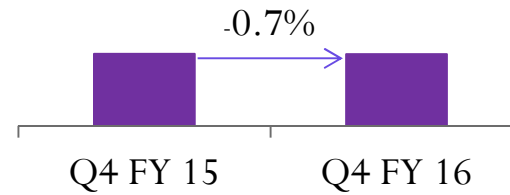
Maxo Coil Q4 FY 16



Net Sales - Volume



Net Sales - Value

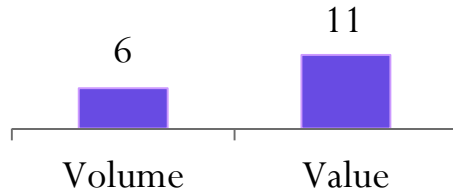


- Market growth remains sluggish

Maxo LV FY 16

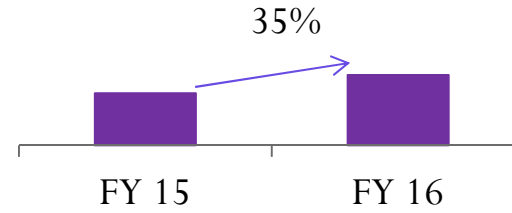
FY 16: Grew share in 2015

Market Growth %

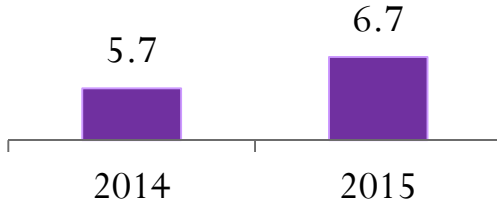


*Source: AC Nielsen (Jan-Dec15)

Net Sales - Volume

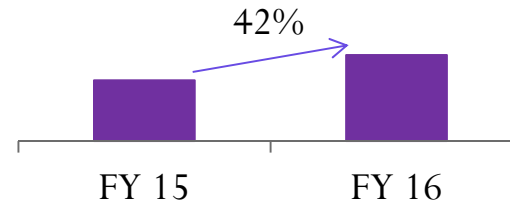


Value Market Share %



*Source: AC Nielsen

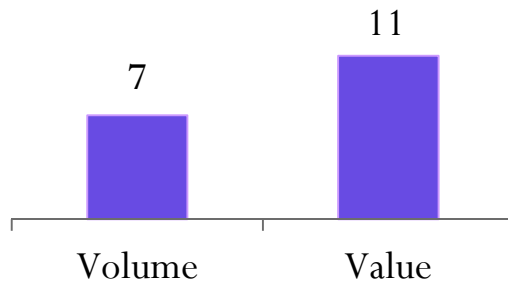
Net Sales - Value



- Maxo LV growth ahead of category growth

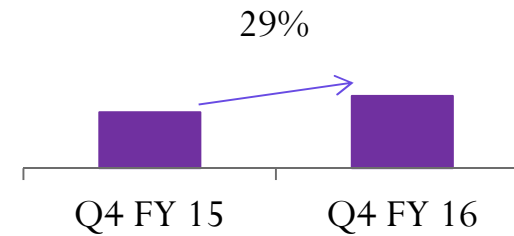
Maxo LV Q4 FY 16

Market Growth %

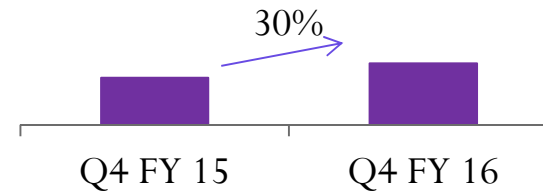


*Source: AC Nielsen (MQ'16 over MQ'15)

Volume Growth



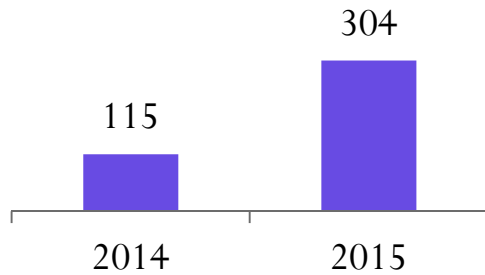
Value Growth



- Maxo LV growth ahead of category growth
- Thrust on excellence in execution

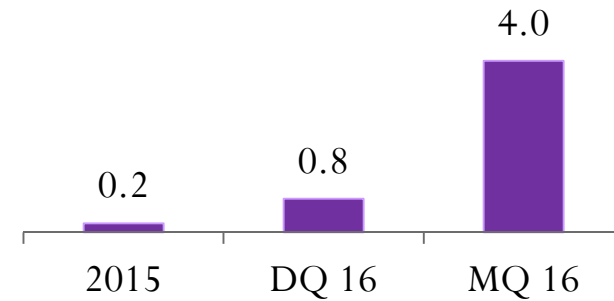
Maxo Card MQ 16

Market Size Rs. Cr



Source: AC Nielsen (Jan-Dec)

Value Market Share %



Net Sales – 4 months

FY16	Rs. lakh
Magic Card	1029

- Intensive media spends in key markets
- Supported by on ground activations



- Emerged as no. 2 player in Kerala & Karnataka
- 7%+ share in 5 states

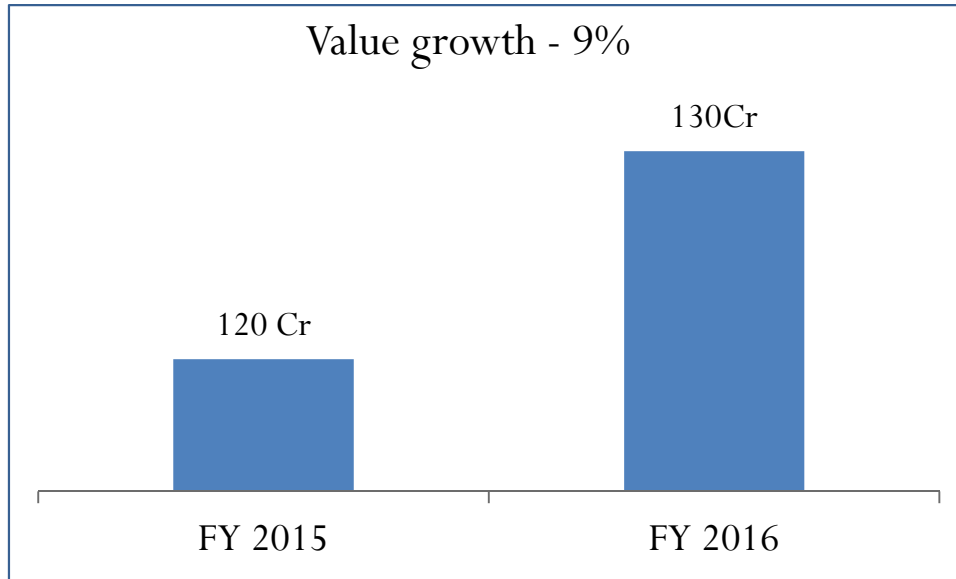
Our ambition is to be the no. 2 player nationally

MAXO 'Missing Card' Hindi 25 Sec 04.08.15

Personal Care

UNIQUE POSITION

Margo – Sales Performance



- West Zone grew at 21% in the same period.
 - High potential market going forward
- Q4 FY15 Vs Q4 FY 16 growth remained flat



Margo – Since 1920. Powerful Equity



**Mega Consumer Trend:
Natural Skin Care**

**Margo to leverage on its natural equity
'Known for Original/pure Neem'**

Objective: To make "Original Neem" a part of
the consumer's skin care regime

How?

- Margo is made with neem oil extracted from fallen neem buds that are freshly collected
- Undiluted form of Neem Oil is used in the soap making
- Process of making is unique and unmatched to any of the other players

Extending Margo Equity



Margo Glycerine
Launch

Innovation Future



To leverage equity of 'Original Neem' through
extensions offering sensorial delight

Our Go To Market Strategy

Build Brand Presence in Large Urban Markets

- Win in > 5 Lac towns
- Enhance presence in Open Format Outlets

Grow aggressively in Modern Trade

- Enhance Presence
- Reconfigure to service better

Selectively build Small town & Rural reach

- Enhance Reach profitably for channel partners
- Activate feeder towns

Exploring New Channels

- Mass Market
- HORECA (Institutional)

Significantly enhance our Front Line Field Resources

SALES CAPABILITIES

Winning with Shoppers



Priority Outlets –
Shopper Led Activity for Off take generation

❖ Channel Specific Plans :

- Focus visibility plans
- Increase in Share of shelf in Priority Outlets
- Strong Market share gains

Total POs	Contribution to Urban Sales	% Growth
~7000	~25%	25%

Assortment increase ~100%

SALES CAPABILITIES

Driving Efficiencies through better information guided planning

DMS Package Roll out

Nearly 259 Super stockiest who cater to 4286 Sub Stockiest.

❖ **Merits :**

- **Effective coverage / Stockiest efficiency**
- **Visibility of Scheme Utilisation**
- **Real time Sales Performance Tracking**
- **Claim process simplified**
- **Increase efficiency by reducing admin overhead**

SALES CAPABILITIES

Direct Rural footprint increased



❖ **42,200 Rural Outlets added in year 2015-16 over 2014-15**

Market Scenario and Way forward

- **While demand continues to be soft, good monsoon expected to help drive rural sales.**
- **Increased coverage and rural GTM plans expected to sustain growths.**
- **We see no abatement in price competition in laundry and dish wash.**
- **We will be able to sustain our volume growth ahead of industry.**

Thank you