



Jyothy LABORATORIES LIMITED

Jyothy Laboratories Limited

Analyst Call

August 12, 2011





Company Overview

Financial Summary for Q1 FY 2012

Category-wise Analysis

Recent Developments - Henkel Acquisition

JFSL Status Update





- A FMCG company with presence in the fabric care, household insecticide, surface cleaning, personal care and air care segments

- Promoted by Mr. M.P. Ramachandran in 1983

- Mr. Ramachandran has over 37 years of experience in production, sales and management

- Leadership through Key Brands:

- **Ujala:** #1 in Fabric Care: 72.2% all-India market share by value and 58.4 % by volume for the year ended June 2011*

- **Maxo:** 20.9 % all-India market share by value and 23.1 % by volume for the year ended June 2011*

29.6% Rural India market share by volume for June 2011* - No. 1

23.1 % all-India market share by volume for June 2011 - No. 2

- **Exo:** 23.1 % South India market share by value and 20.9 % by volume for year ended June 2011*



Liquid Blue Category

*Source: A.C. Nielsen



■ Extensive Distribution Network

- Available in ~ 2.9 mn outlets in India as of March 31, 2011 (Source: A.C. Nielson)
- Sales staff of over 1,800 people servicing approx. 3,500 distributors
- Field staff have a direct reach of ~ 1 million outlets
- Strong presence in both rural and urban markets

■ Manufacturing

- 28 manufacturing facilities in 16 locations across India - some of these are tax efficient units

Offering Value-for-Money Products to the Common Man



Profit & Loss Account



Particulars (Rs. in lacs)	3 months ended 30, June 2011	3 months ended 30, June 2010	12 months ended 31, March 2011
Gross Sales			
Net sales	12,299	15,132	59,983
Other income	1,224	400	2,760
Total Income	13,523	15,532	62,744
Cost of Goods Sold	(6,427)	(7,390)	(31,363)
Employee Cost	(1,968)	(1,949)	(7,479)
Advertisement & Sales Promo Expenses	(924)	(960)	(5,378)
Other Expenses	(1,874)	(1,687)	(7,846)
EBITDA	2,330	3,545	10,677
Depreciation	(380)	(287)	(1,079)
Interest and Finance Charges	(208)	(4)	(41)
Profit before and tax	1,742	3,254	9,557
Tax	(340)	(683)	(1,530)
Profit after tax	1,402	2,571	8,027
EPS	1.74	3.54	10.35



Highlights of the Quarter June 2011



- Reduced pipeline inventory from Rs.70 cr to 37 cr
- Investment in working capital reduced from 113 cr to 77 cr
- Sundry debtors from 103 cr. To 48 cr.
- Moving from CSA/Superstockist to Depot/C & F
- 120 days turnaround plan for Henkel is in place



Category-wise performance





Category-wise Revenue Mix for 3 M FY2012

Fabric Care

55% (55%)

Net Sales : Rs. 6,773 lacs
(Rs. 8,261 for 2011)



Mosquito Repellent

15% (19%)

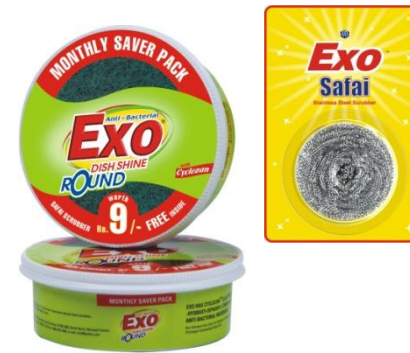
Net Sales : Rs. 1,825 lacs
(Rs. 2,822 for 2011)



Dishwashing Products

24% (19%)

Net Sales : Rs. 2,935 lacs
(Rs. 2,921 for 2011)



Other Products

6% (7%)

Net Sales : Rs. 765 lacs
(Rs. 1,128 for 2011)

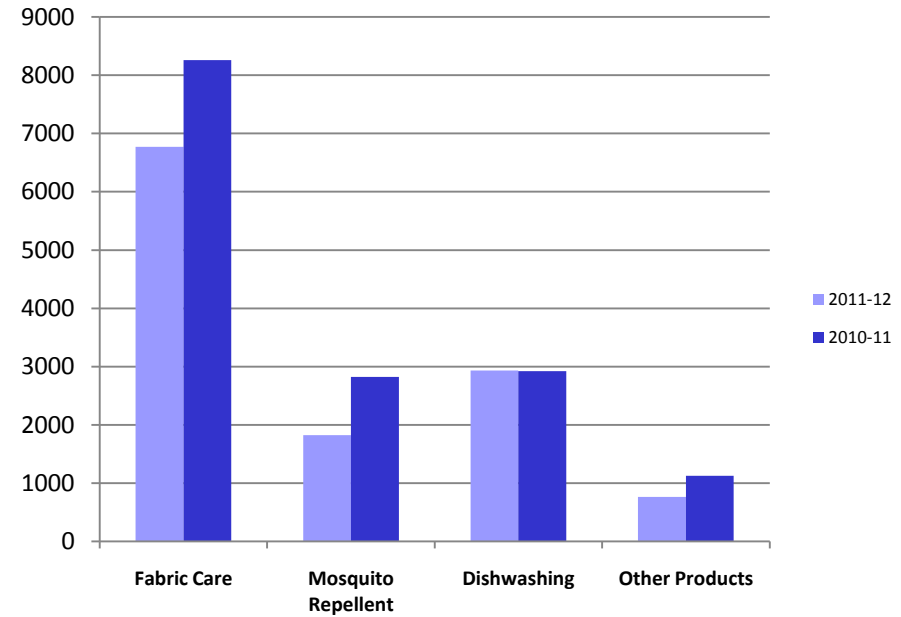


Financial Snapshot - Sales



Category-wise Net Sales

Category	Rs in Lacs		
	3 Months Ended June		
	2011-12	2010-11	Growth %
Fabric Care	6,773	8,261	-18%
Mosquito Repellent	1,825	2,822	-35%
Dishwashing	2,935	2,921	0%
Other Products	766	1,128	-32%
	12,299	15,132	-19%



Sales Analysis



Area	Sales Apr-Jun '11	% to total Sales	Sales Apr-Jun '10	% to total Sales	Growth %
CSA/ Superstockists	4,269	35%	8,281	55%	-48%
Non CSA	8,030	65%	6,851	45%	17%
Total	12,299	100%	15,132	100%	-19%

Note :- Non CSA/Superstockists area normal sales growth of 17% is seen



Channel Margins JLL vis-à-vis Henkel



<u>Jyothy</u>	CSA / Superstockist	Distributor	Retail	Total
CSA Area	5%	8%	10%	23%
Non CSA Depot		8%	10%	18%
Non CSA - C & F	2%	8%	10%	20%

<u>Henkel</u>	CSA / Superstockist	Distributor	Retail	Total
Non CSA - C & F		5%	10%	15%

<u>Proposed (Post Merger)</u>	CSA / Superstockist	Distributor	Retail	Total
Non CSA - Depot		6%	10%	16%

Note:- Expected overall improvement in margin by 3%



Receivables



Steps taken to reduce debtors from 103 crores as on March 31, 2011 to 48 crores as on June 30, 2011 - to align with credit policy of Henkel India (Post merger)

Date	Amount (Rs. In lakhs)
June 30, 2011	4,803
March 31, 2011	10,350
December 31, 2010	9,888

Collection of Rs. 55 crores



Receivables Scenario



Area	June 30, 2011	March 31, 2011	Dec 31, 2010
CSA	2,552	8,300	7,147
Non CSA	2,251	2,050	2,741
Total	4,803	10,350	9,888

Note:-

1. Normal credit for non CSA area 25 days mainly due to Institutional supplies
2. Reduction of Rs. 58 crores in CSA area resulting in direct impact on primary sales
3. Secondary sales from Distributors and market share remain intact





Largest Brand in Fabric Whitener



Brand Facts

- Launched in 1983 - A 27-year old Brand
- Largest brand in the fabric whiteners segment

Positioning

- Positioned as a *liquid* fabric whitener that do not cause the clothes to “blue” or appear patchy

Market Share

- #1 in Product Category: 72% all-India market share by value for March 2011*
- Kerala - 99.99% by value for March 2010*

Brand Extension

- Washing Powder - Launched in 2003 in Kerala & extended to other southern states in January 2009.
- Ujala Stiff and Shine - Launched in Kerala in 2005 and nationally in March 2008

Brand Endorsement

- SACHIN TENDULKAR - Brand Ambassador for 30 months.

Going Forward

- Detergent - Rollout in other states underway
- Looking for Brand Extensions



* Source: A.C. Nielsen





Largest Player in Rural Market



Brand Facts

- One of the leading brands in the mosquito repellent segment; launched in 2000

Positioning

- Positioned as a mosquito repellent offering “corner to corner” protection

Market Share Position

- 30.8% Rural India market share by volume for March 2011* - No. 1
- 24 % all-India market share by volume for March 2011* - No. 2

Brand Extension

- Liquids /Aerosols
- DEPA products for outdoor application

Going Forward

- Launching advanced version of liquid in Q3

*Source: A.C. Nielsen





*Source: A.C. Nielsen

Brand Facts

- Exo Dishwash Bar - India's first anti-bacterial dish wash launched in 2000
 - Features Cyclozan, which gives a protective cover against bacterial contamination of utensils

Positioning

- Positioned as a brand giving consumers protection against bacterial contamination of utensils in addition to the promise of "clean and shiny" utensils - EXO Family HEALTHY Family.

Market Share

- 23.3 % market share by value in Southern India for March 2011*

Brand Extension

- Dishwashing liquid - Exo Liquid /Exo Gel
- Dishwashing scrubber - Exo Safai

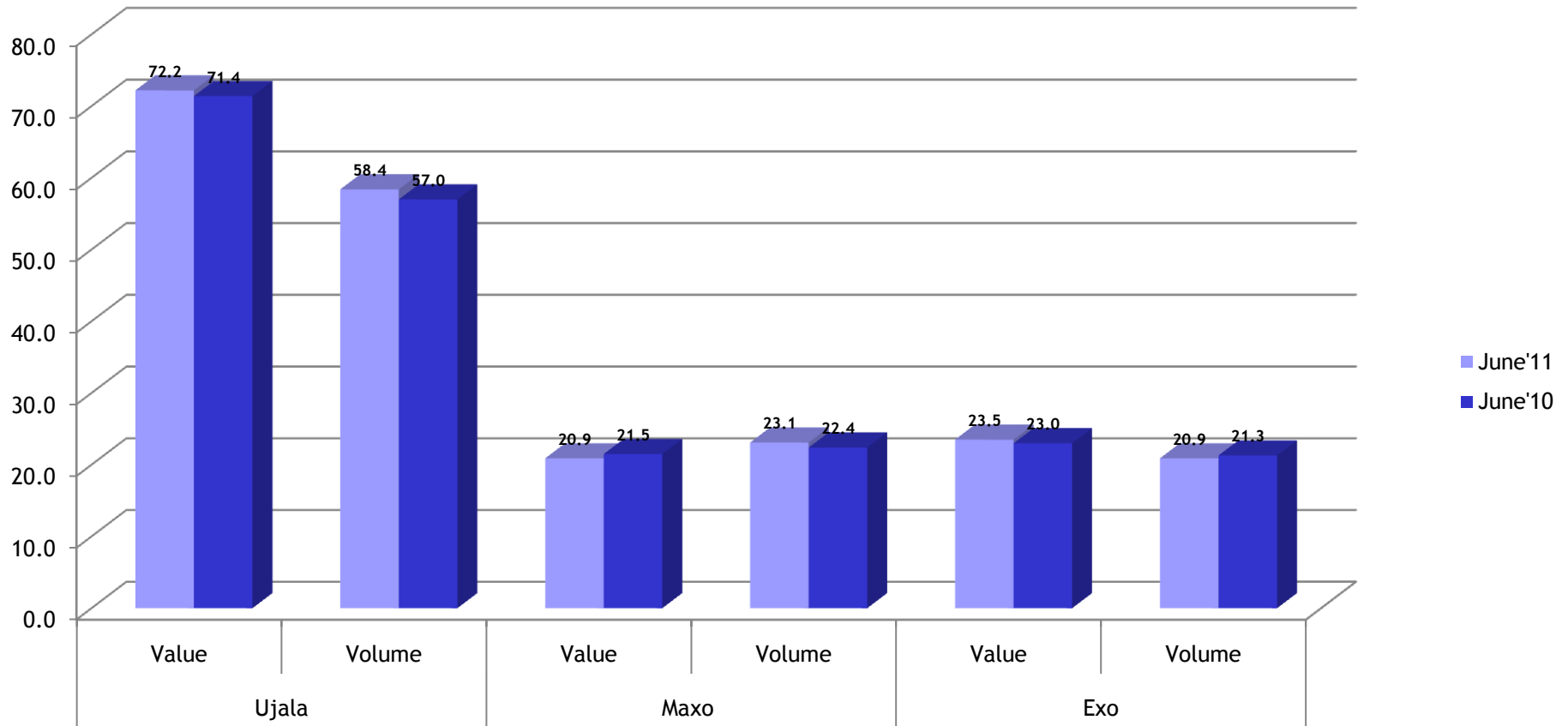
Going Forward

- National roll out started in phased manner
- Presently available in 5 lakh retail outlets

* Southern states include T.N., Karnataka, Kerala and A.P.



Market Shares at a Glance



Recent Development





- Acquired a Controlling stake in Henkel India Limited
- Board Re-constitution done on May 31, 2011



Brands very well known amongst consumers and retailers due to superior product quality



Henkel Acquisition



INR Rs. Cr

Seller	% of shares	Value
TPL	16.66	67.9
Henkel AG	50.97	143
Open Mkt.	4.00	18.9
Open offer (Escrow A/c)	20.00	95.9
Preference Capital		42.5
Loan Repayment		431.1
Total	91.63	799.3



Open offer will close on August 22, 2011



Henkel Turnaround Plan - 120 days



June to September 2011

- Shifting the corporate office with 30 employees from Finance/Operations/Marketing to Mumbai w.e.f October 2011. Saving - Rs. 2 crore per annum towards rent and other expenses
- Employees as on March 31, 2011 - 421 and July 31, 2011 - 280
- So far we have managed only with the existing frontline staff of Henkel



Henkel Turnaround



- Production - taken control keeping only key important manufacturing location
- All other outsourcing arrangements will be shifted to JLL manufacturing facilities
- Purchase/Supply chain shifted to Mumbai w.e.f August 2011
- Marketing - New Campaign to start from October 2011



Henkel Turnaround Status



Rs. In lakhs

Period	Net Sales	EBITDA %
Jan-Dec'10	53,390	-3.2%
Jan-Mar'11	11,921	-6.4%
Apr-Jun'11	12,311	8.8%





- Looks very positive post Henkel acquisition
- Bangladesh to start operations from January 2012 and Sri Lanka from April 2012
- Recruiting Country Manager for both the countries to start sales operations in coordination with the local distributors



New Management Team - Identified



- CEO - 1
- Category Heads - 3
(Fabric care/ Household Insecticide/ Personal care)
- Supply Chain Head - 1

Team will be joining in Q3 of 2012





Jyothy Fabricare Services Ltd.

- JFSL is country's biggest laundry chain as of now
- Current Operation in Bangalore, Delhi, Mumbai and Pune
- Chennai and Hyderabad will be operational by March 31, 2012
- IL & FS has invested Rs.50 crores and balance Rs. 50 crores will come post setting up of Chennai and Hyderabad plants





Thank You

