

Strictly Private & Confidential



Jyothy LABORATORIES LIMITED

Jyothy Laboratories Limited

Analyst Meet

May 23, 2012



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Company Overview



- 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 38 years of experience in production, sales and management
- Leadership through Key Brands:
 - **Ujala**: #1 in Fabric Care: 74.0% all-India market share by value and 60.0 % by volume for the year ended March 2012*
 - **Maxo**: 19.4% all-India market share by value and 21.5 % by volume for the year ended March 2012
 - 27.3 % Rural India market share by volume for March 2012*
 - **Exo**: 27.7 % South India market share by value and 25.0 % by volume for year ended March 2012 * - No. 2
 - 55.0 % Kerala market share by value and 53.0 % by volume for year ended March 2012* - No 1

Liquid Blue Category

*Source: A.C. Nielsen



Company Overview (Cont'd.)



■ 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

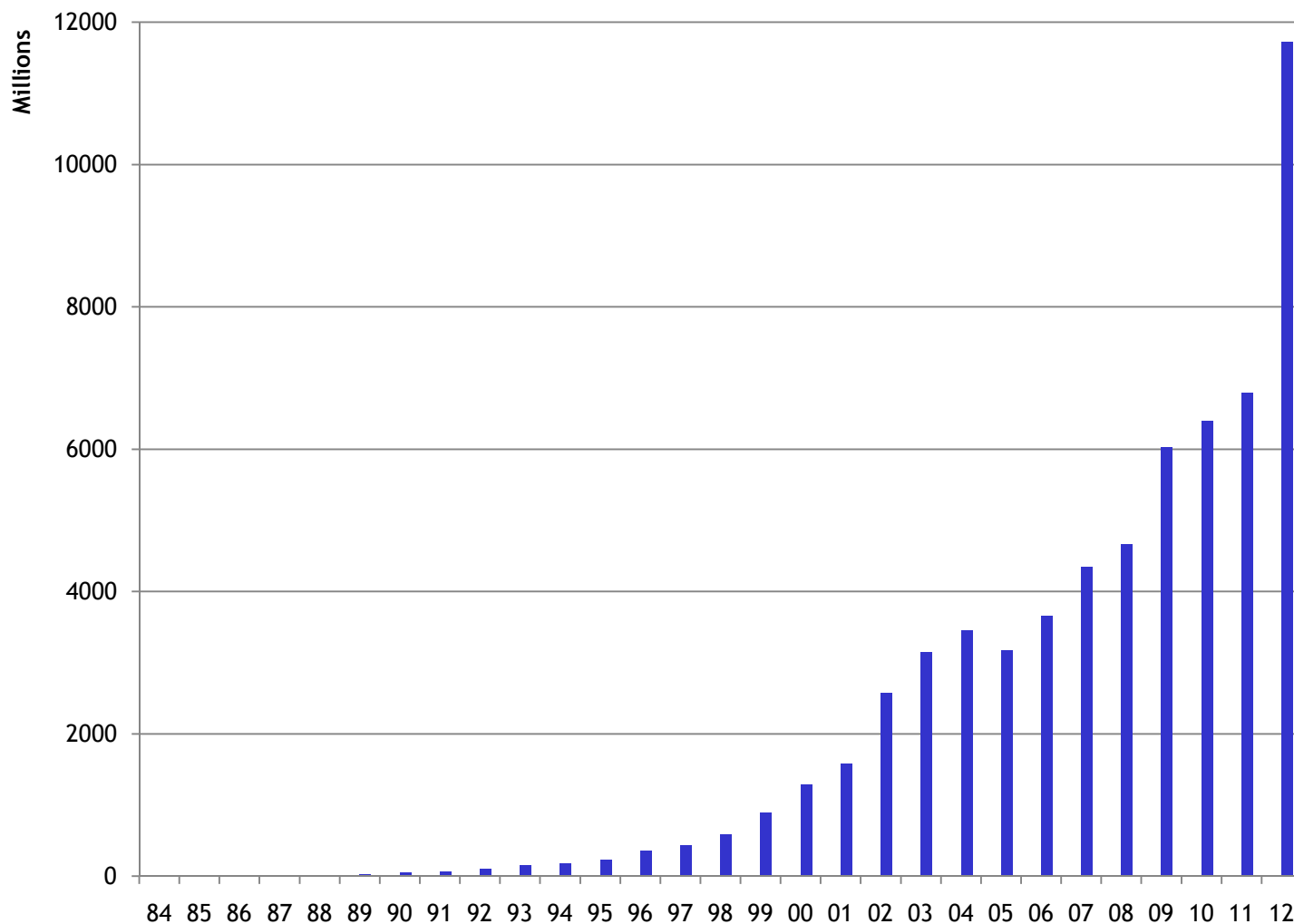
Offering Value-for-Money Products to the Common Man



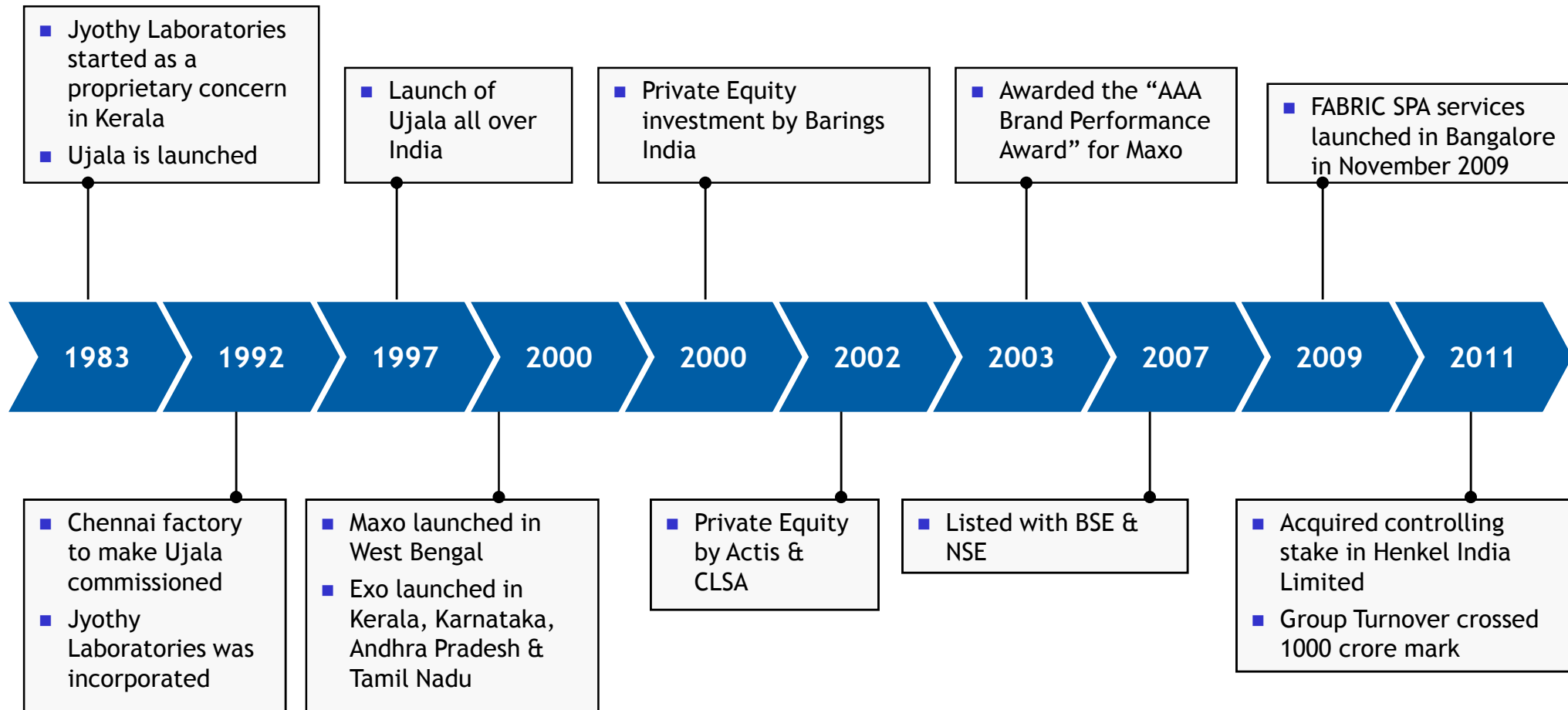
Gross Turnover of Jyothy Group from 1984 to 2012



Year	Gross Sales Rs. In thousands
1984	42
1985	62
1986	197
1987	2,468
1988	9,632
1989	22,333
1990	45,109
1991	62,024
1992	107,275
1993	150,020
1994	173,159
1995	234,400
1996	352,100
1997	435,200
1998	586,100
1999	887,100
2000	1,287,300
2001	1,581,836
2002	2,571,358
2003	3,140,772
2004	3,460,544
2005	3,175,514
2006	3,661,538
2007	4,338,834
2008	4,655,353
2009	6,025,841
2010	6,394,024
2011	6,785,420
2012	11,423,363



Milestones – 28 years



Financial Summary 2011-12



Profit & Loss Account



Particulars	Quarter ended			Year ended	
	31-03-2012	31-12-2012	31-03-2011	31-03-2012	31-03-2011
Net Sales	21,883	16,631	15,598	66,278	59,983
Other Income - Operating	4	6	251	19	693
Total Income	21,887	16,638	15,849	66,297	60,676
Cost of Goods Sold	13,244	8,681	8,844	37,259	31,147
Employee cost	1,546	2,214	1,811	7,802	7,479
Advertisement and Sales Promotion exp	1,013	659	1,162	4,283	5,378
Other expenditure	2,443	2,279	2,208	8,686	8,074
EBITDA	3,642	2,804	1,824	8,266	8,598
EBITDA % to Net Sales	16.6%	16.9%	11.7%	12.5%	14.3%
Depreciation and Impairment	343	622	163	1,703	1,079
Interest	1,338	229	24	1,943	30
Other Income - Non Operating	1,521	1,449	799	5,701	2,068
Profit Before Tax	3,483	3,403	2,436	10,322	9,557
Tax	690	495	136	1,970	1,530
Profit After Tax	2,793	2,908	2,300	8,352	8,027
EPS	3.46	3.61	2.85	10.36	10.35



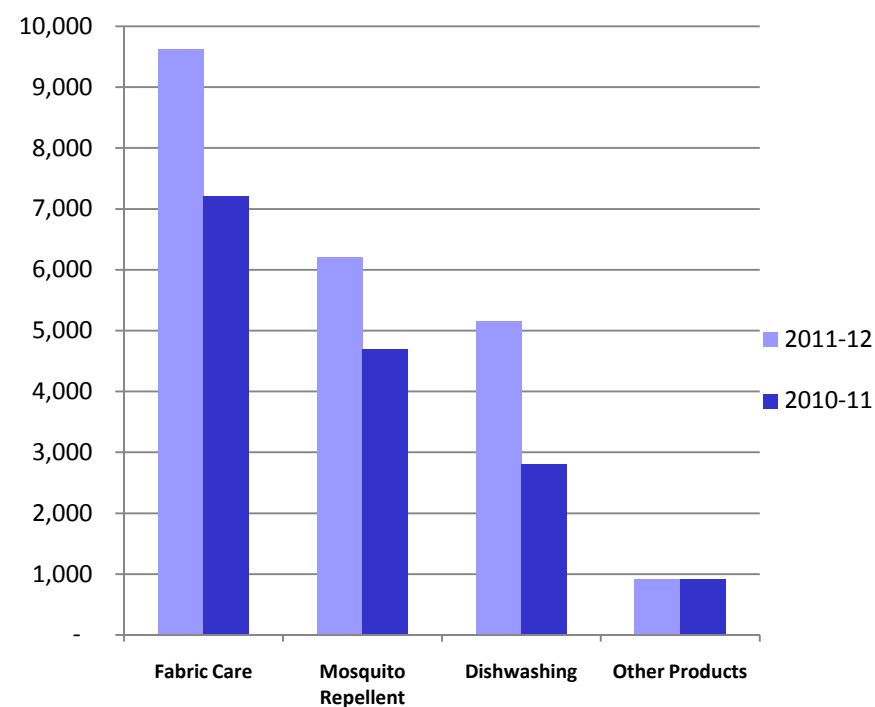
Financial Snapshot - Sales



Category-wise Net Sales for Q4 FY12

Rs. In Lacs

Category	3 Months Ended March		
	2011-12	2010-11	Growth %
Fabric Care	9,620	7,194	34%
Mosquito Repellent	6,200	4,691	32%
Dishwashing	5,150	2,797	84%
Other Products	912	916	0%
	21,883	15,598	40%



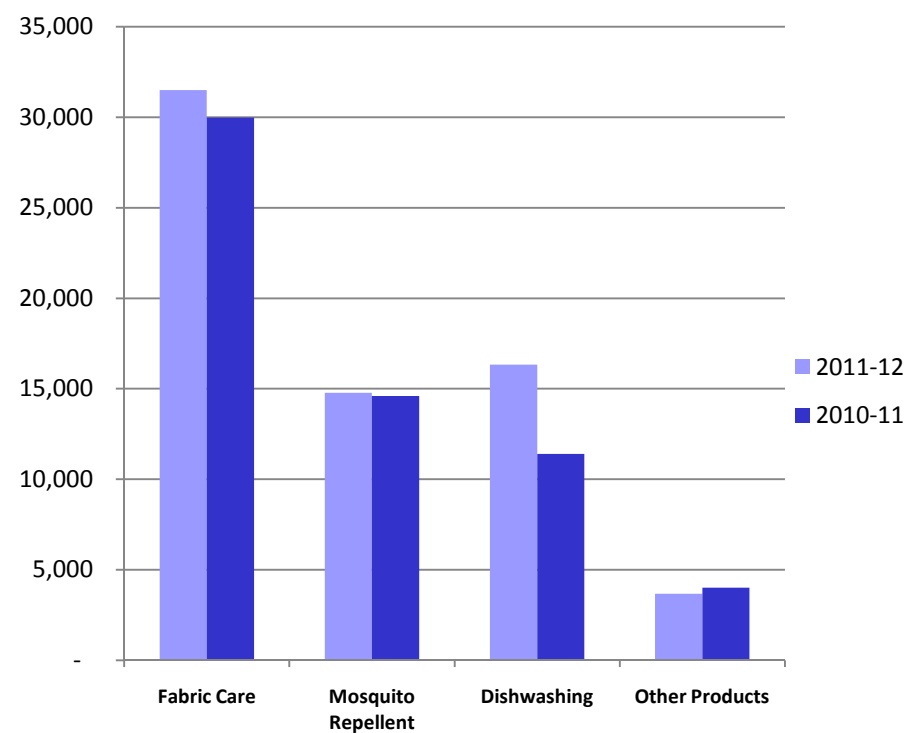
Financial Snapshot - Sales



Category-wise Net Sales for FY12

Rs. In Lacs

Category	Year Ended March		
	2011-12	2010-11	Growth %
Fabric Care	31,503	29,977	5%
Mosquito Repellent	14,773	14,594	1%
Dishwashing	16,329	11,398	43%
Other Products	3,673	4,014	-8%
	66,278	59,983	10%



Receivables



Steps taken to reduce debtors from Rs. 103 crores as on March 31, 2011 to 42 crores as on March 31, 2012

Date	Amount (Rs. In lakhs)
March 31, 2012	4,251
December 31, 2011	3,939
June 30, 2011	4,803
March 31, 2011	10,350

Collection of Rs. 61 crores



EBIDTA Analysis



Rs. In lakhs

Quarter	EBITDA %
Q1	8.84
Q2	4.98
Q3	16.9
Q4	16.6
FY 2012	12.5
FY 2011	14.3

Quarter	Sales FY 2012	Sales FY 2011	Growth %
Q1	12,299	15,132	-19%
Q2	15,465	14,483	7%
Q3	16,631	14,842	12%
Q4	21,883	15,598	40%
Total	66,278	59,983	10%

Steps taken to improve EBITDA

- Increased in retail price of all the brands effective september 2011
- Rationalization of Advertisement & Sales Promotion spends
- Moved from 3 tier CSA model to 2 tier C & F across the country
- E-Sourcing with Ariba



Category-wise performance



Brand Tree



Category-wise Revenue Mix for FY2012

Rs. 66,278 lacs (Rs.59,983 for FY 2011)

Fabric Care

48% (50%)

Net Sales : Rs. 31,503 lacs
(Rs. 29,977 for 2011)



Mosquito Repellent

22% (24%)

Net Sales : Rs. 14,773 lacs
(Rs. 14,773 for 2011)



Dishwashing Products

25% (19%)

Net Sales : Rs. 16,329 lacs
(Rs.11,398 for 2011)



Other Products

5% (7%)

Net Sales : Rs. 3,673 lacs
(Rs. 4,014 for 2011)



Combined Entity Will Have Market Leading Brands In Multiple Categories



Combined Net Sales for Analysis
Year Ended March 2012
Total Rs. 107,091 lacs

Fabric Care 47% (Rs. 50,765 lacs)	Mosquito Repellent 14% (Rs. 14,773 lacs)	Dishwashing Products 23% (Rs. 24,085 lacs)	Personal Care & Others 16% (Rs. 17,467 lacs)
  	   	 	  

Fabric Care: UJALA



Largest Brand in Fabric Whitener



Brand Facts

- Launched in 1983 – A 28-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: 74% all-India market share by value for March, 2012*
- 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. For the year 2012 Kerala sells more than Ujala Fabric Whitener

Brand Endorsement

- SACHIN TENDULKAR – Brand Ambassador

Going Forward

- Detergent – Rollout in other states underway
- Working on Brand Extensions



Mosquito Repellent: MAXO



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

- 27.3% Rural India market share by volume for March, 2012*
- 21.5 % all-India market share by volume for March 2011*

Brand Extension

- Liquids /Aerosols
- DEPA products for outdoor application

Going Forward

- Launched advanced version of liquid in Q4

*Source: A.C. Nielsen



Dishwashing Products: EXO



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

- ❑ 27.7 % market share by value in South India for March 2012
* - No. 2
- ❑ 55 % Kerala market share by value for March 2012* – No 1
- ❑ 67% Rural Kerala

Brand Extension

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

Going Forward

- ❑ National roll out started in phased manner

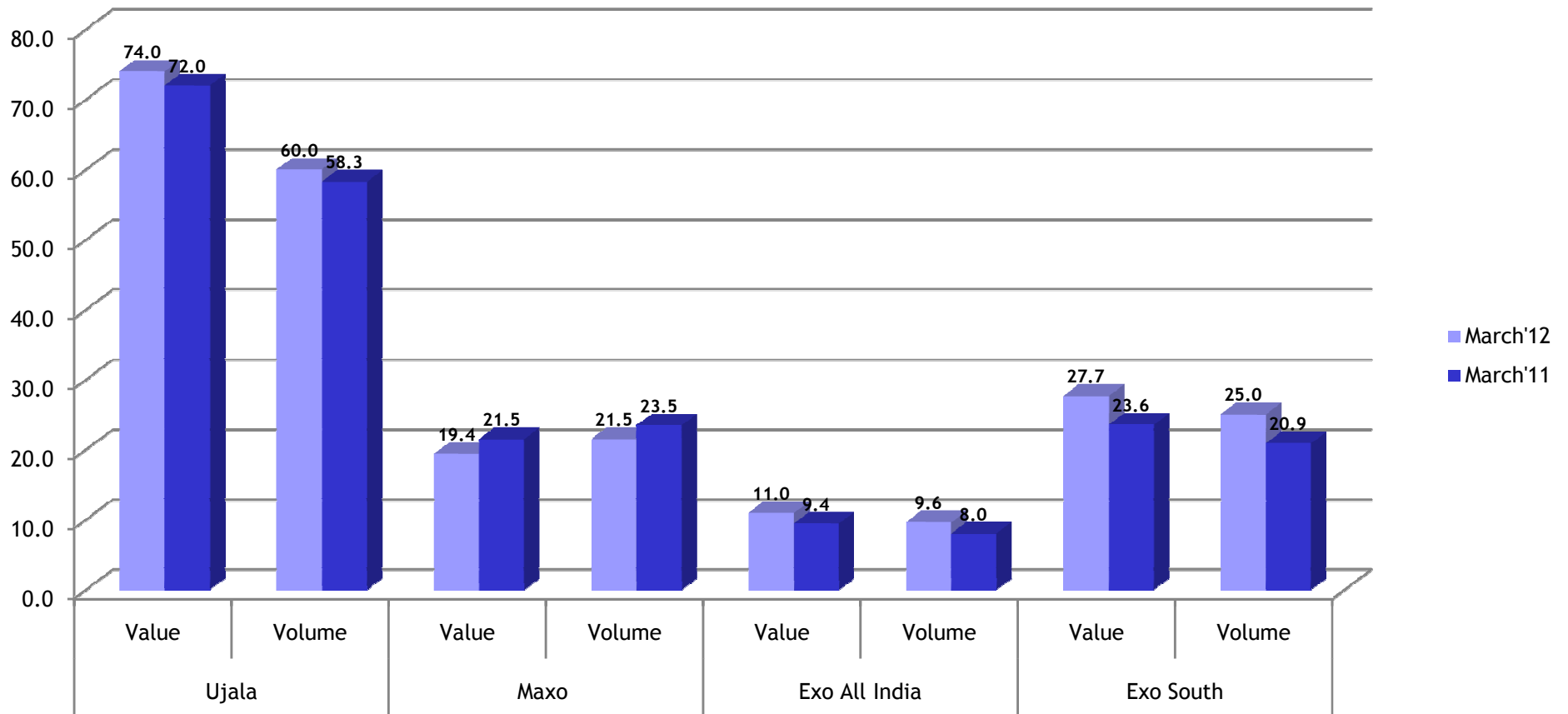


*Source: A.C. Nielsen

¹ Southern states include T.N., Karnataka, Kerala and A.P.



Market Shares at a Glance



Only MAXO Market share lost 2% trailing 12 months due to aggressive Trade Schemes by the competitors



Henkel Acquisition

Status Update



Henkel Acquisition



- Acquired controlling stake in Henkel India Limited
- Board re-constituted 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	143.0
Open Market	3.97	18.9
Open offer	12.05	57.8
Other Transaction Cost		27.88
Preference Capital		42.6
Loan Repayment		425.0
Total	83.65	783.0



Open offer closed on August 22, 2011



Henkel Turnaround Plan – 120 days (Phase 1)



Commitment	Status
Shifted corporate office from Chennai to Mumbai	Done
Production - taken control keeping only key important manufacturing location - Karaikal/Ambattur	Done
Outsourcing arrangements shifted to JLL manufacturing facilities	Uttranchal - Henko Salem - Henko & Pril Liquid
Purchase/Supply chain shifted to Mumbai	Done w.e.f. August 2011
Marketing - New Campaign to start from February 2012 on select brands like Margo & Pril. Rest from April 2012	Margo & Pril new creative is ready



Henkel Turnaround - 180 days (Phase 2)



Commitment	Status
Management team to be in place	S Raghunandan - Wholetime Director & CEO w.e.f May 23, 2012
Takeover of sales of weaker zone	Taken over All India beginning May , 2012
Synergize distribution network of JLL and Henkel	Underway
Revisit positioning and pricing of Henkel products	Pril & Margo Completed Other Brands - Underway



Henkel Turnaround - Impact



Rs. In lakhs

Period	Net Sales	EBITDA %
Jan-Dec'10 (12 mths)	53,390	-3.2 %
Jan-Mar'11 (3 mths)	11,921	-6.4 %
Apr-Jun'11 (3 mths)	12,311	8.8 %
Jul - Sept'11 (3 mths)	10,746	10.6 %
*Oct - Dec'11 (3 mths)	7,691	1.61 %
#Jan-March'12 (3 mths)	11,063	14.2%

***Oct-Dec'11** - Due to temporary shut down of Karaikal plant on account of Labour unrest from September 26, 2011 to December 26, 2011, 61 days. Sales of Henko Detergent lost 27 Crores and thereby loss of Rs. 7 crores in EBITDA (10%)

Jan-March'12 - Provisions made for past claims Rs. 9 crore (eliminated for calculating EBITDA).



Our Turnaround Plan For The Business



Operational Measures

Clean up (March 31, 2012)

- Change top management – retain select middle managers handling brands and distribution - **Executed**
- Remove all sales promotions and offers - **Underway**
- Increase retail prices across products appropriate to their positioning - **Underway**
- Remove current advertising agencies - **Executed**

Revitalize (2012-2014)

- Recruit a fresh field force of 200 sales persons
- Appoint a Special Task Force at Key positions including CEO, Marketing head and Supply Chain
- Transfer a few best-in-class sales heads from Jyothy to drive transformation
- Focus on South & East based stockists / distributors in the first phase and increase their productivity based incentives
- Transfer all manufacturing to single low-cost contract manufacturer / Jyothy's tax free facilities
- Re-launch brands with new creative and positioning in a phased manner

Expected Financial Impact

	Dec-10	6 -12 months	2012-13	2013-14	2014-15	2015-16
Revenue	5,339		6,000	7,000	10,000	12,000
growth (%)	-10%			17%	43%	20%
Gross Profit	2,406		2,000	2,100	3,000	3,600
margin (%)	45%		30%	30%	30%	30%
A&P Spend		Clean up phase; c.15-20% revenue degrowth possible	(1020)	(822)	(1,060)	(1,050)
			17.0%	11.7%	10.6%	8.7%
Salaries			(230)	(265)	(304)	(350)
Sales force			(180)	(207)	(238)	(274)
Management			(50)	(58)	(66)	(76)
Overheads			(30)	(33)	(36)	(40)
EBITDA	(169)		720	980	1,600	2,160
margin (%)	-3.2%		12.0%	14.0%	16.0%	18.0%





Jyothy Fabricare Services Ltd.

Jyothy Fabricare Services Limited



Jyothy Fabricare Services Limited (JFSL) - An Update



- JFSL is now country's biggest laundry chain with 122 retail outlets
- Current Operation in Bangalore, Delhi, Mumbai, Pune and Chennai
- Hyderabad will be operational by March 31, 2013
- IL & FS has invested Rs.50 cr and balance Rs. 50 cr will come post setting up of Chennai and Hyderabad plants
- IL&FS is making an investment of Rs. 100 crs for 25% equity at an Enterprise Valuation of Rs. 400 cr
- Bagged Prestigious Western Railways at Ahmedabad– BOOT contract for 10 years (Minimum guaranteed business Rs.65 crores)
- Bagged Prestigious DIAL project BOOT for 15 years



JFSL – Retail Outlets

Service Brand	Location	Retail Outlets
 The Art of Fabric Care. Perfected	Bangalore	10
	Mumbai	7
	Chennai	2
 ಸೌಕರ್ಯ ಸ್ನಾಯ್ಸ್ LAUNDERERS & DRY CLEANERS	Bangalore	26
 Wardrobe DRY CLEANING EXPERTS	Delhi	58
 EXPERT DRY CLEANERS	Bangalore	3
 AKASH DRY CLEANERS	Mumbai	5
 DHULAALI LAUNDRY & DRY CLEANING PROFESSIONALS	Pune	2
 FOUR SEASONS	Delhi	9
	Total	122



JFSL – Turnover

Rs. In lakhs

Location	Turnover		
	Year Ended March 31, 2011	Actual Year Ended March 2012	Projection for 2011-12
Bangalore	941	1658	1,917
Mumbai	-	913	1,201
Delhi	-	1460	1,406
Pune	-	137	207
Chennai	-	18	28
Total	941	4,186	4,759





Thank You

