



Analyst Meet
Q3'20-21 Results
Conference Call
8th February 2021



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Robust General Trade & rural growth, however Modern Trade & Institutional business is muted



Unlocked India → Diversification of purchase basket as consumers transition to a normal life



Normalized pantry stocking & diversification of diet as more products get on the shelf



Steep inflation in certain commodities like palm oil



Resilient topline growth & market share; Significant improvement in profitability

Revenue

Consolidated Growth

6%

24-month Growth

10%

Profitability

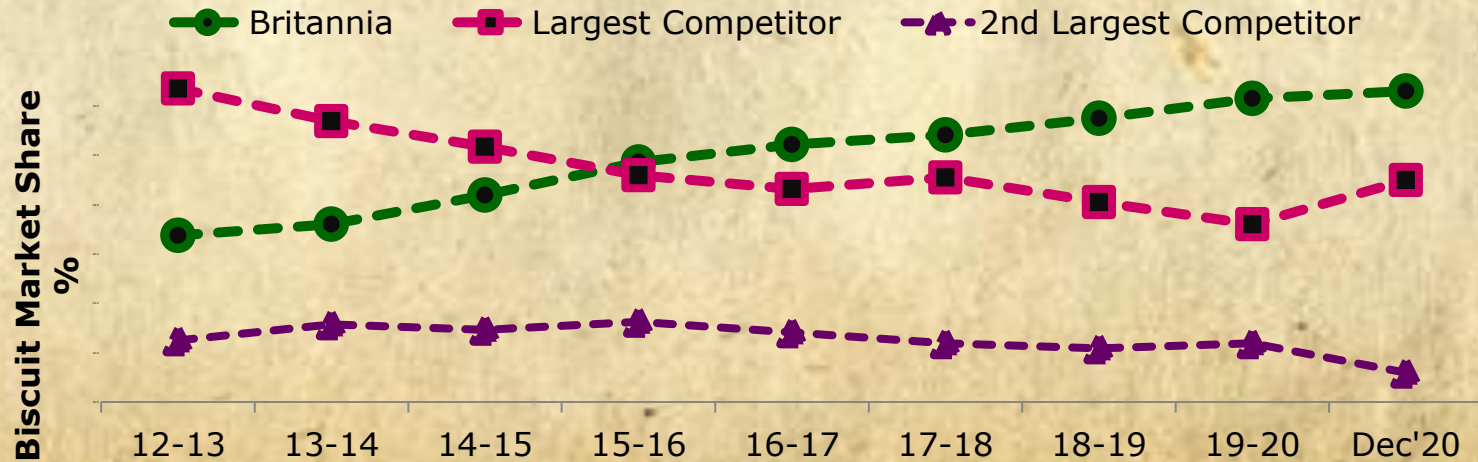
PAT Growth

22%

PAT%

14.7%
(+200 bps)

Market Share



As per AC Nielsen

Source: Company Financials – Consolidated Results



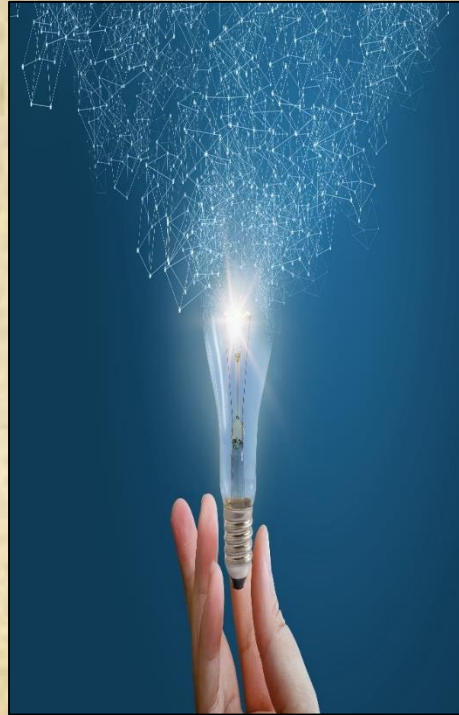
We continued to focus on our strategic planks

Striving for profitable growth

#1 Distribution & Marketing



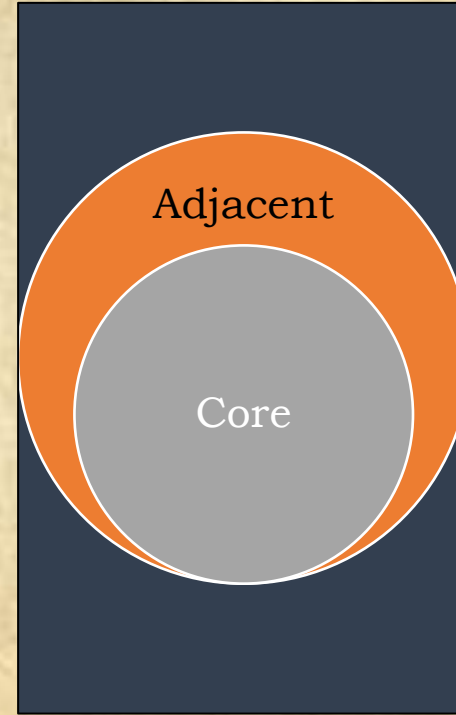
#2 Innovation



#3 Cost focus



#4 Adjacent business



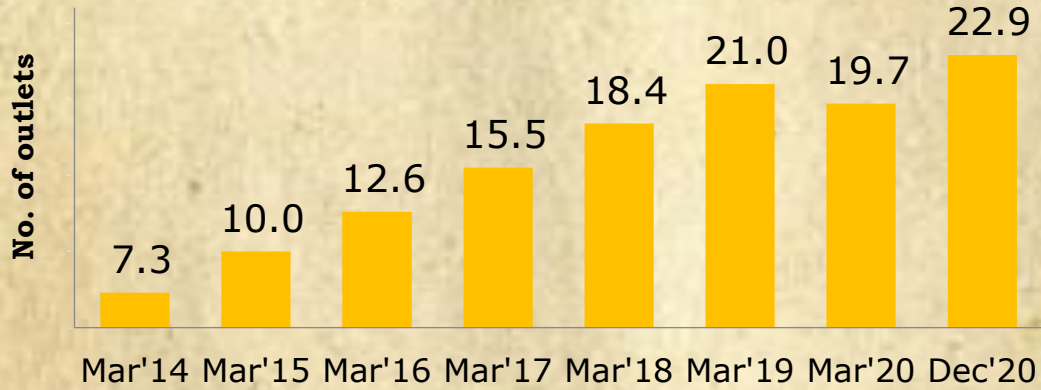
#5 Sustainability



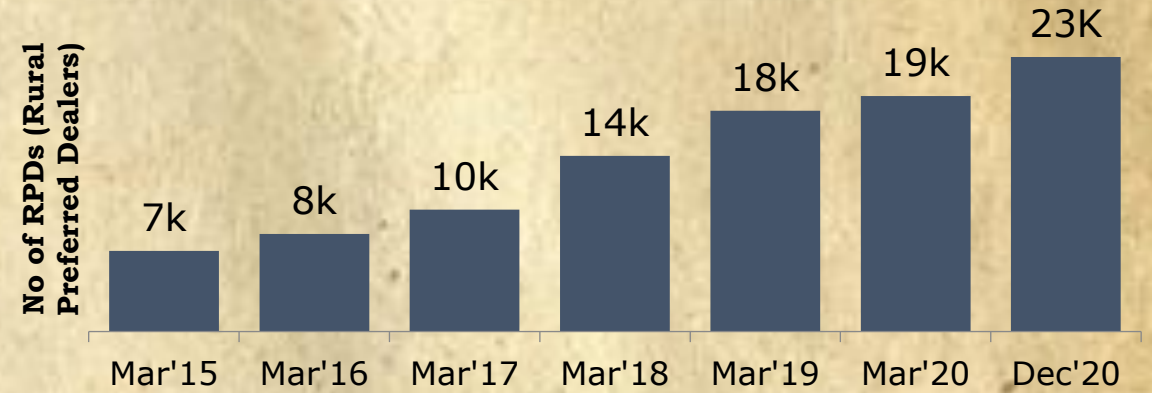


1A. Driving efficiency in distribution

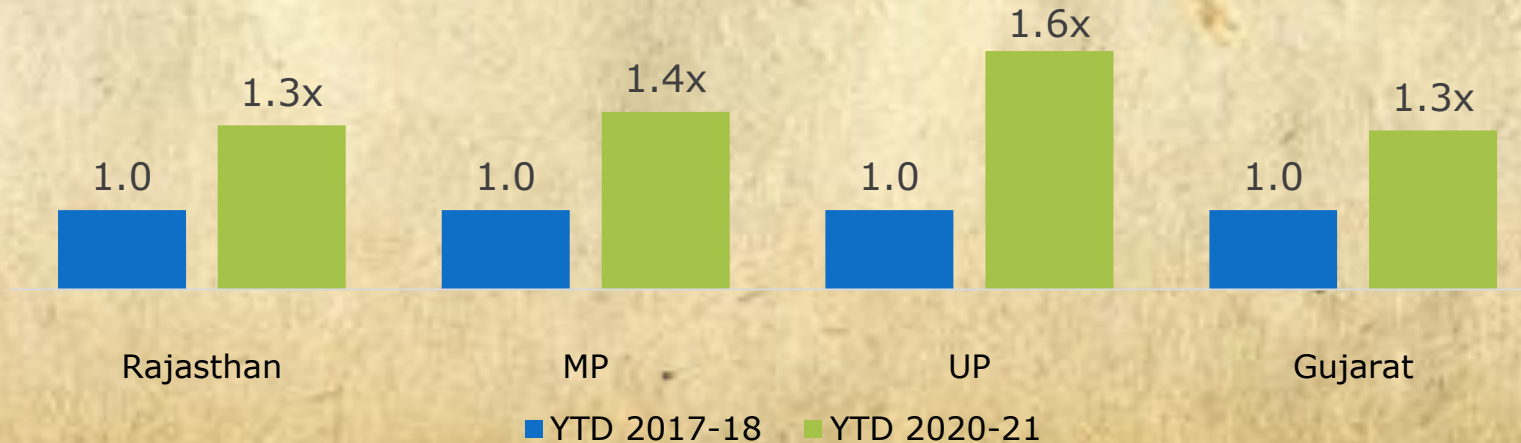
Increase in Direct Reach



Upbeat Rural distribution



YOY Double digit growth in Hindi belt



1B. Marketing activities back to normalcy

Key Brands on air

Good Day Cashew Campaign



Bourbon IPL, Treat Burst



Tiger Krunch



50-50



Nutri Choice

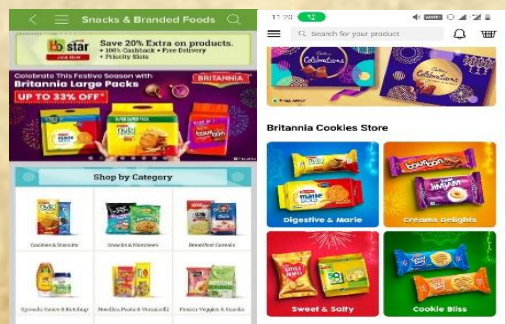


Bar & Layer Cake



Activation / Promo

E-commerce visibility & virtual stores



Swiss Roll -Chota Bheem



Promos





2. New Launches in the quarter

Wafers Rs. 10 → Growth unlock



Shubhkamnayein → Diwali Greetings



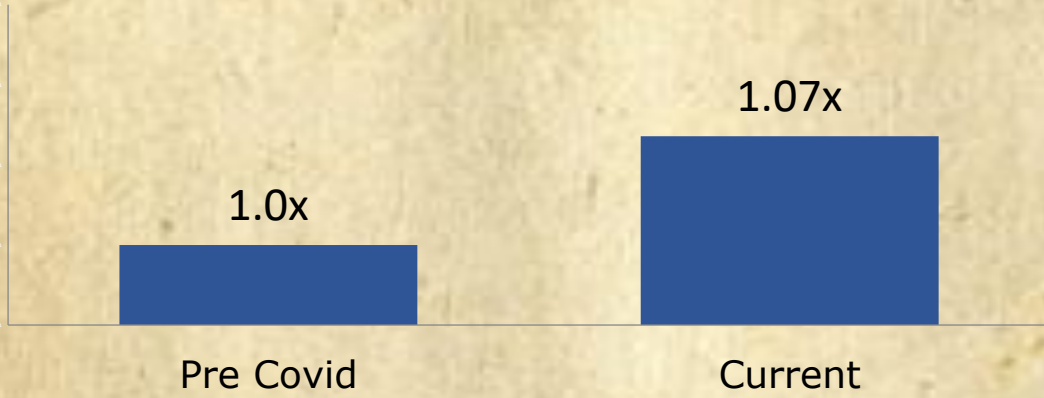
Pure Magic Chocolush Hazelnut



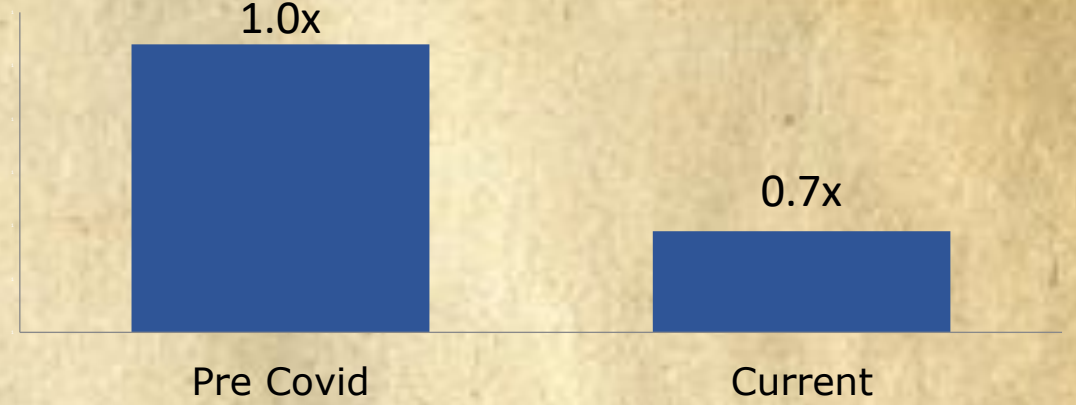


3. Continue to sustain the Covid efficiencies

Factory productivity

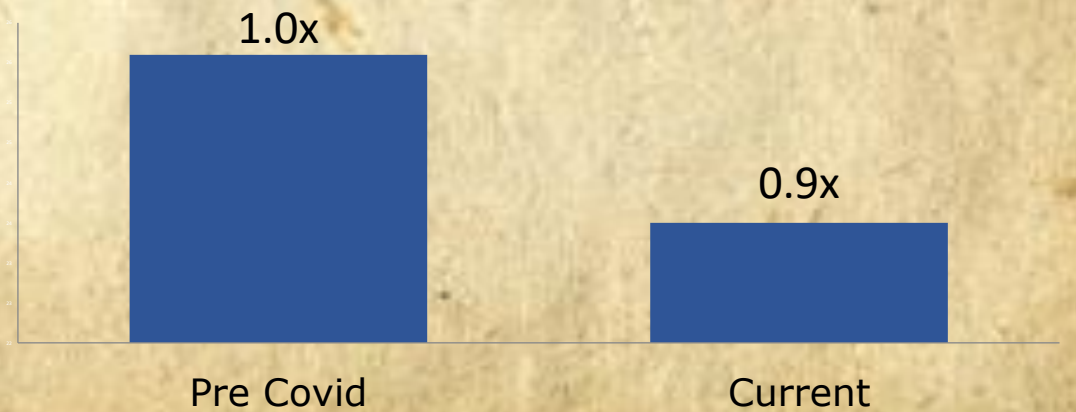
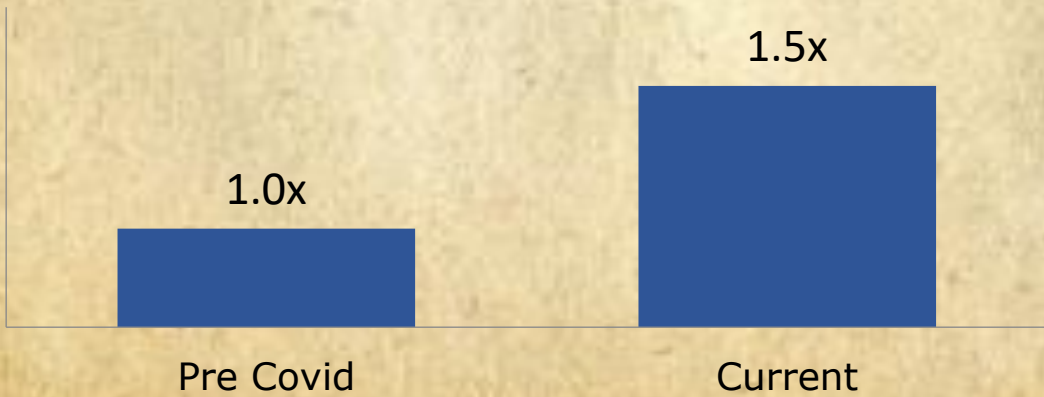


Wastages



← Direct dispatch from factories to distributors →

Depot space



4. Adjacency businesses driven hard

International



- ❑ Healthy growths in Middle East & Africa
- ❑ Rest of International continue to grow at a healthy pace

Bakery Adjacency



Improvement in Bread profitability

Stable growth & improved profitability

Growth & profitability improvement

Dairy



- ❑ Cheese continues to grow double digit
- ❑ Recovery in Drinks as out of home consumption picking up gradually
- ❑ Lower milk prices
- ❑ Improved Profitability

5. Sustainability

Reduce Plastic



Enhance the good in product



Goals	Achievement
Laminate reduction	15% per ton of FG since 13-14
Plastic Tray removal	Treat Creams
Easily Recyclable laminate	Transitioned for a major Brand
Plastic Recycling	Building capability inhouse

Goals	Achievement
5% Sugar reduction by 2022	Work underway for 2 large brands
5% Sodium reduction by 2022	Work underway for 3 large brands



Energy



Nutrition



Goals	Achievement
Fuel Reduction	35% since 13-14
Renewable power	To reach ~45% by end 2021

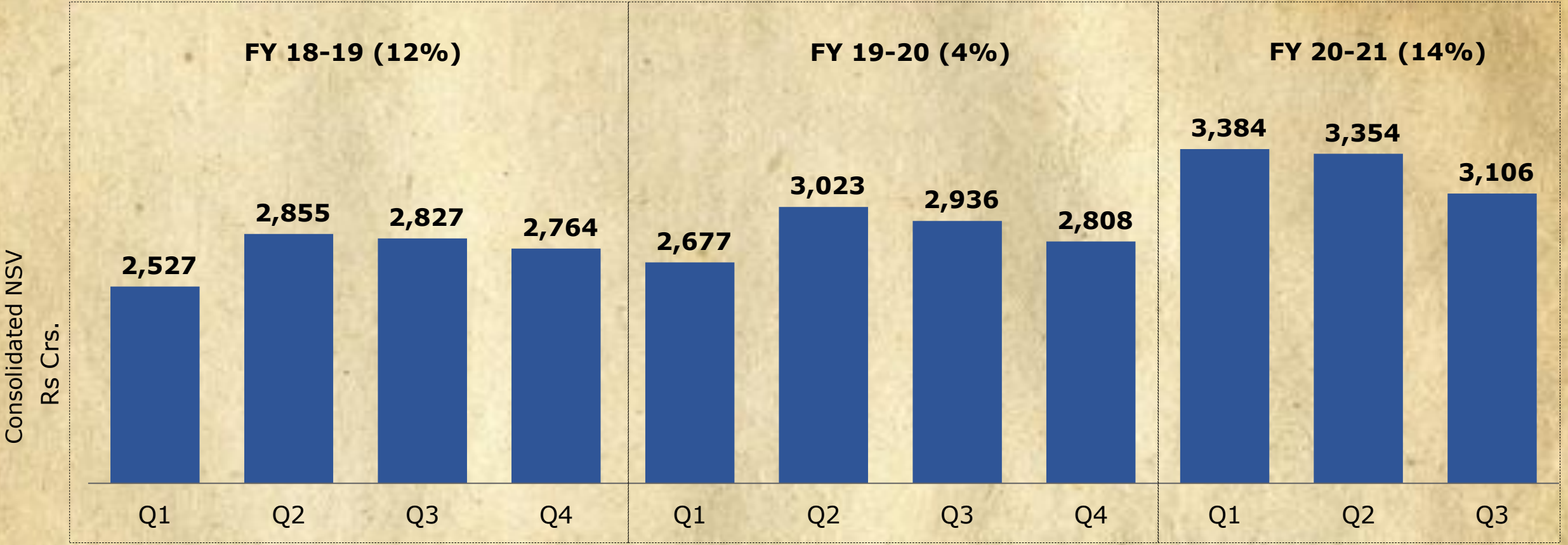
Approach
➤ Community based approach to improve the health and nutrition of children, adolescents and women
➤ Distribution of iron enriched biscuits
➤ Programs in 4 states and across 36,000 children

Team is driving the agenda with passion

Q3'20 Financials



Revenue growth



	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Growth%	6%	6%	4%	2%	26%	11%	6%
24 month growth%	20%	19%	15%	12%	34%	18%	10%

On cost front..

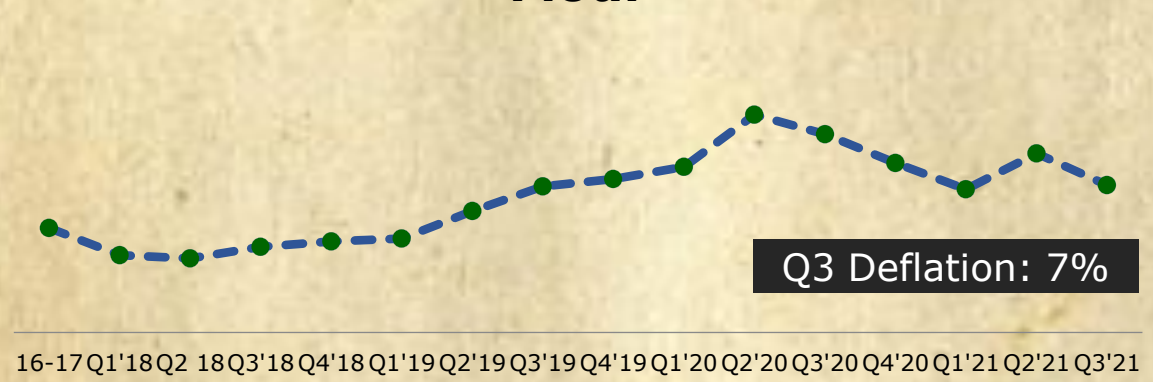


Commodity.. Moderate inflation @ ~1%

Steep inflation in Palm oil

Flour

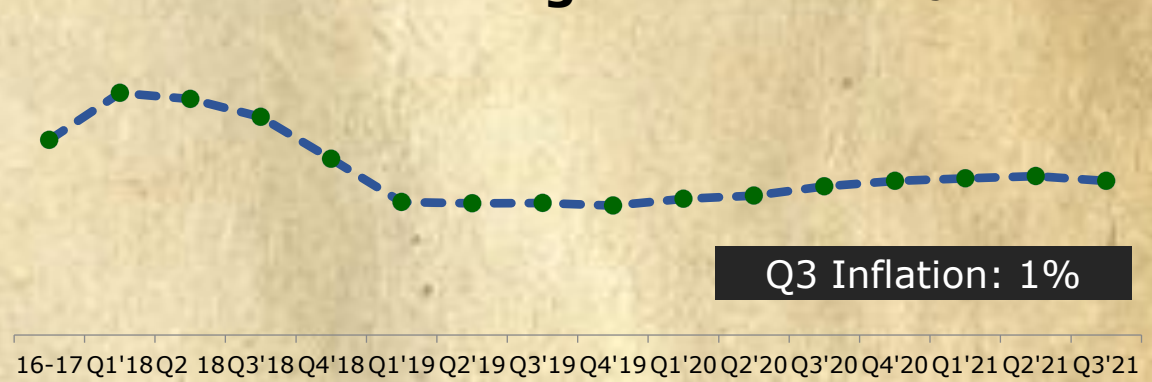
Rs./kg



Q3 Deflation: 7%

Sugar

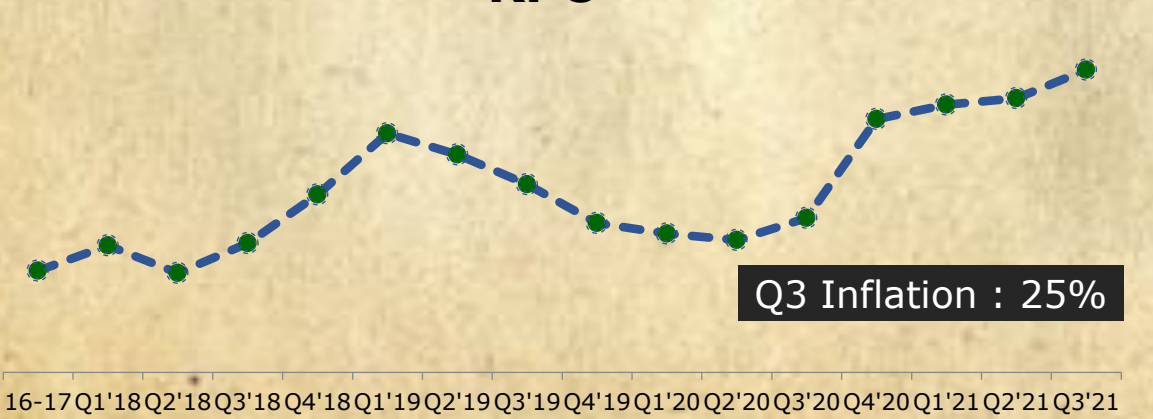
Rs./kg



Q3 Inflation: 1%

RPO

Rs./kg



Q3 Inflation : 25%

Milk

Rs./Ltr

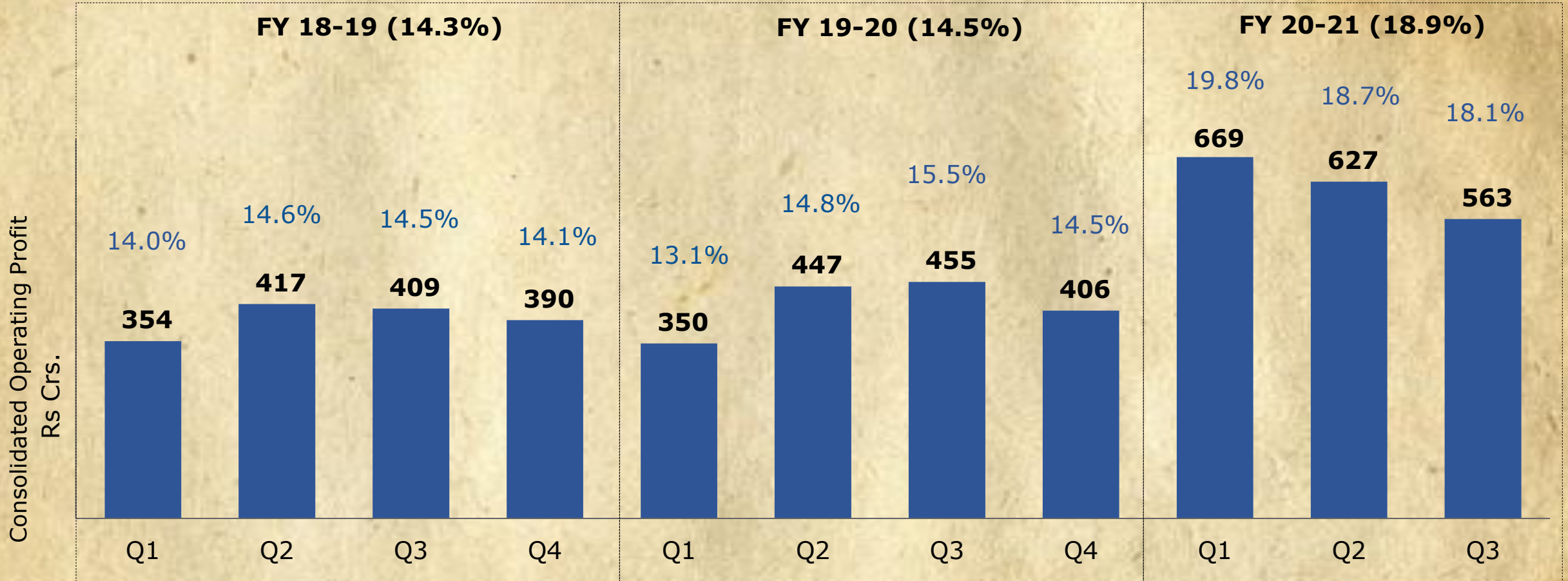


Q3 Deflation: 15%

And our journey on **cost efficiencies** is moving ahead with full steam, which has resulted in...



Sustained improvement in profitability



	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Growth%	-1%	7%	11%	4%	91%	40%	24%
24 month growth%	19%	30%	24%	14%	89%	50%	38%



Key Financial Lines – Consolidated (Reported)

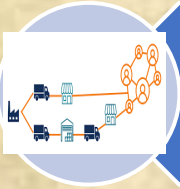
Particulars	Q3'20-21	Growth %
Net Sales	3,106	6%
Operating Profit	563	24%
Profit Before Tax	614	23%
Profit After Tax (Owner's share)	456	22%

Particulars	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21 Q1	20-21 Q2	20-21 Q3
Profit from Operations%	5.7%	8.0%	9.3%	13.2%	12.9%	13.8%	14.3%	14.5%	19.8%	18.7%	18.1%
Profit before Tax%	5.8%	8.3%	12.2%	14.7%	14.5%	15.4%	16.1%	16.1%	21.8%	20.0%	19.8%
Profit after Tax%	4.2%	5.8%	8.9%	9.9%	9.9%	10.2%	10.6%	12.3%	16.1%	14.9%	14.7%

Looking forward



Accelerate the pace of Innovation & new launches



Strengthen Distribution Infrastructure & reach



Focus on brand building & visibility



Large IT transformation project underway



Drive the ESG Agenda