



THANK YOU  
FOR MAKING US NO.1.

Analyst Meet  
Conference Call - Bangalore  
10<sup>th</sup> August 2016



# Disclaimer

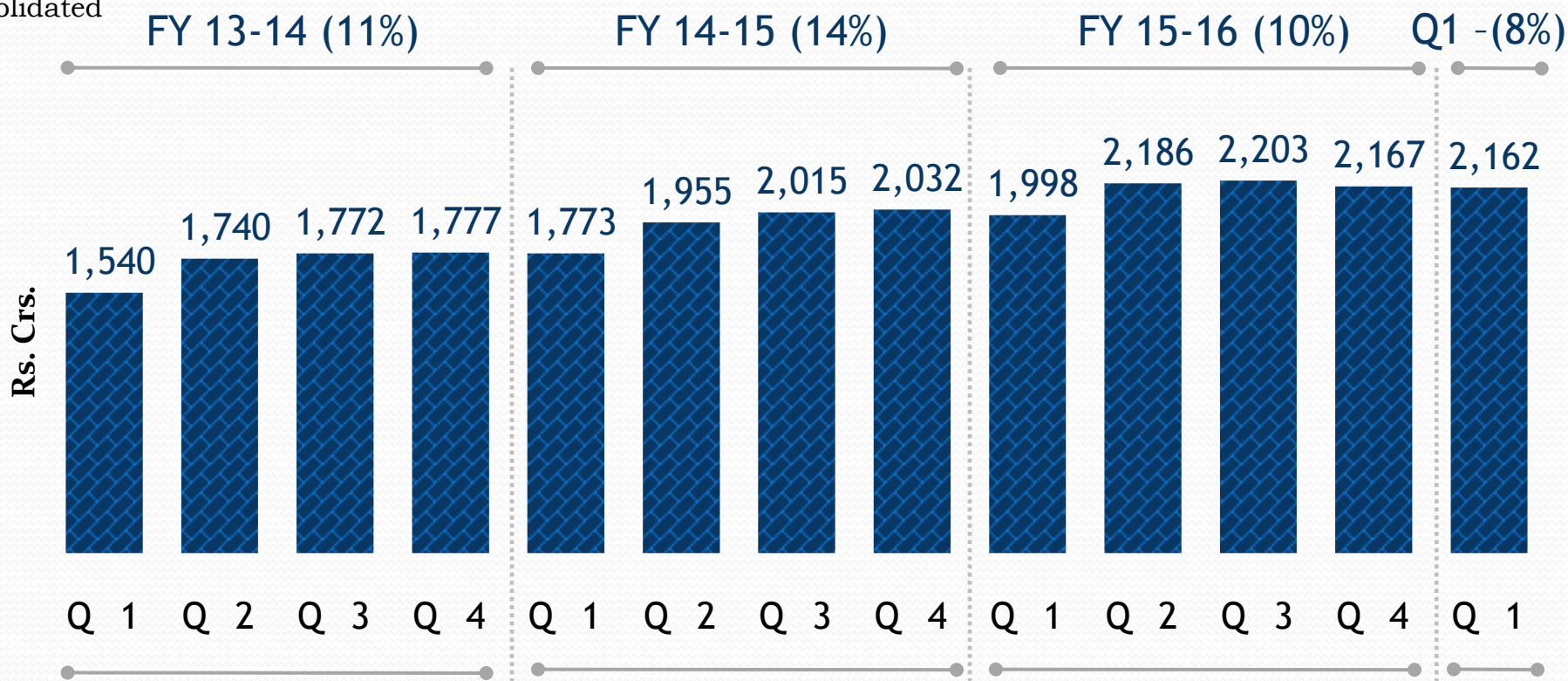
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This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements. The future involves risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include factors such as general economic conditions, commodities and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.

# Subdued category growth, however we have outpaced it



Consolidated

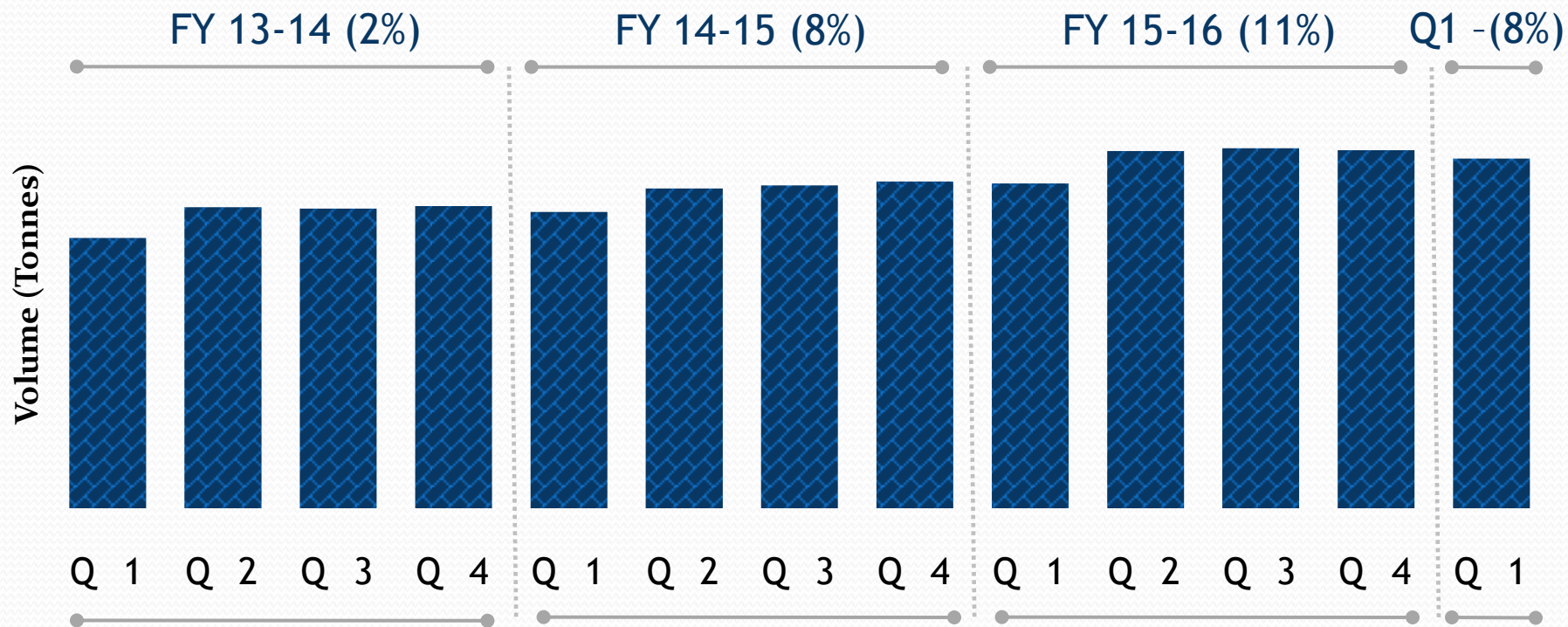


	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Growth%	14%	13%	10%	9%	15%	12%	14%	14%	13%	12%	9%	7%	8%
24 months growth%	28%	24%	28%	21%	31%	27%	25%	24%	30%	26%	24%	22%	22%

Note: Numbers mentioned above have been re-stated for FY 15-16 & Q1'16-17 as per IND AS. While FY 13-14 & FY 14-15 numbers as per earlier GAAP.

# Backed by solid volume growths

Consolidated



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Growth%	2%	1%	3%	3%	10%	6%	8%	8%	10%	12%	11%	10%	8%
24 months growth%	5%	4%	8%	5%	12%	8%	11%	12%	20%	19%	20%	18%	18%

# Achieved by unrelenting execution focus on our Go to Market Strategy...



Expanding our distribution in terms of direct reach

[~60k outlets added in Q1 @ 1.32 MM outlets;  
Narrowed the gap with nearest competitor by 0.4 MM outlets since 2013]



Focusing on expansion of Route to Market Strategy

[Split Route - Implemented in 100+ towns]



Driving Sales Efficacy through hand held devices

[No. of Salesmen with PDAs – 15% increase from March'16]



Driving our rural growth agenda

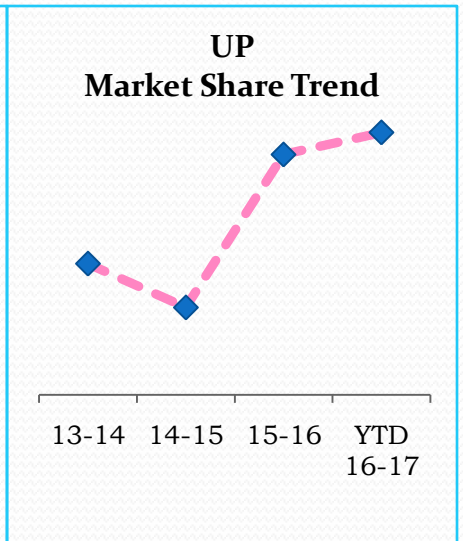
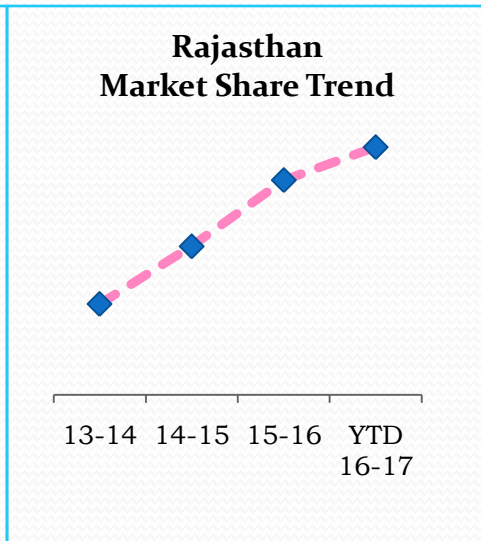
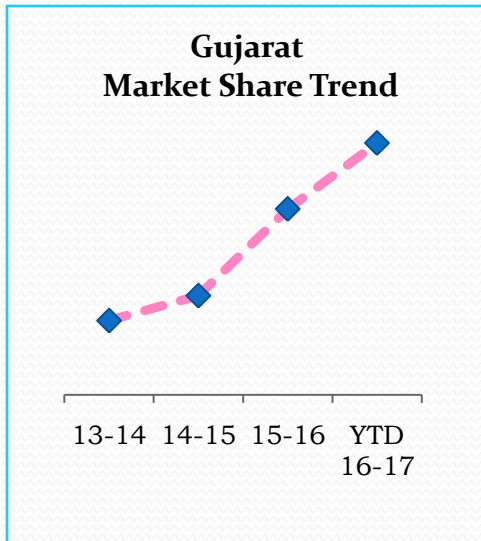
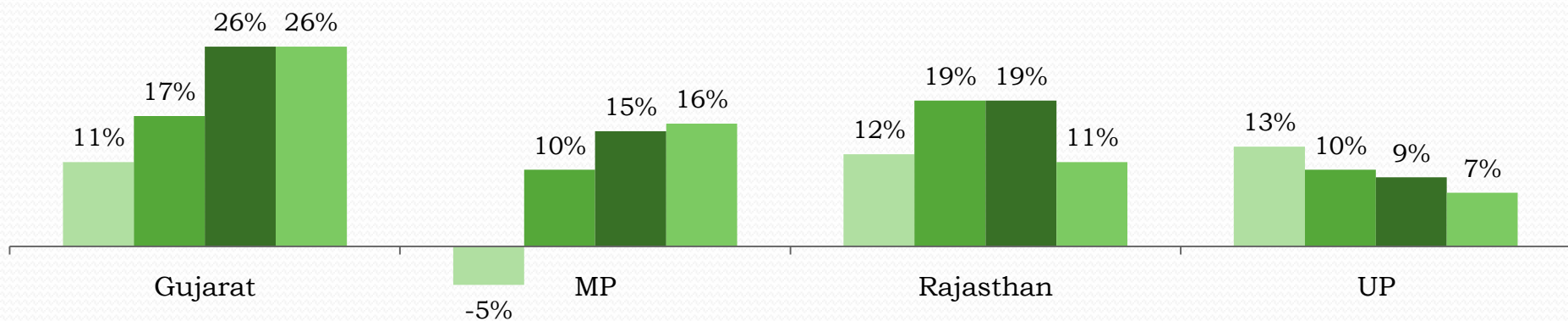
[Growing in high double digits with 8,000+ distributors]



# Progressed well on our weak state agenda...

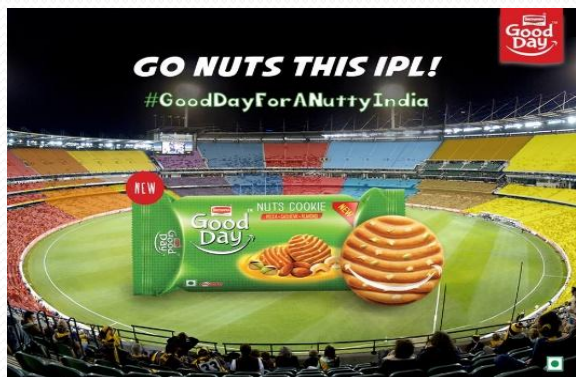
■ 14 vs 13 ■ 15 vs 14 ■ 16 vs 15 ■ 17 vs 16

NSV Growth %





# Continued High Impact Associations



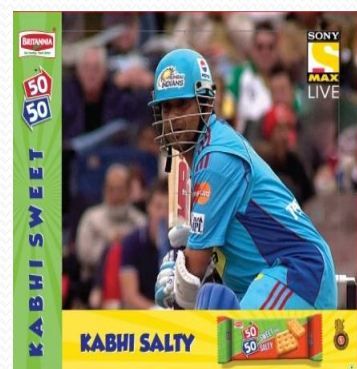
Association with IPL



Tie up with Master Chefs



Association with Filmfare - South



Association with RCB

# Launched delightful products

**Goodday Nuts Cookies**



**NutriChoice Oats Cookies**



**NutriChoice Digestive Zero**



**Cake Biscotti**



**Veg Cake**



**Milk Rusk**







*All these measures have helped us  
gain & sustain our market  
leadership*

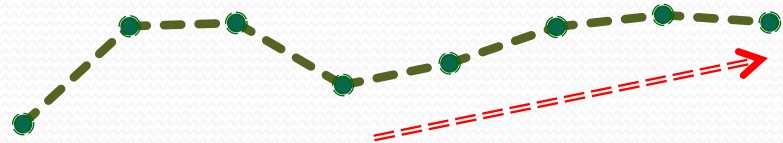


*Meanwhile, material prices have firmed up in the last 2 quarters*

# With Prices of Key Commodities ticking up...

## Flour

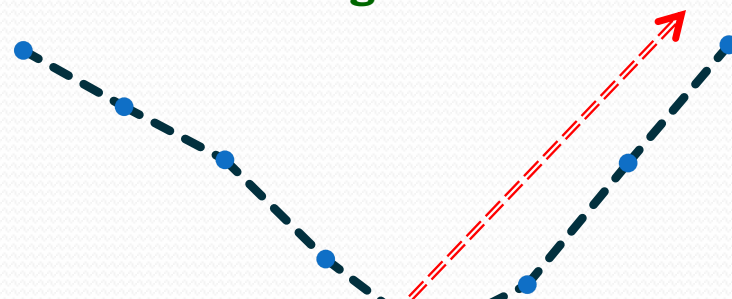
Rs. /kg



12-13 13-14 14-15 Q1'16 Q2'16 Q3'16 Q4'16 Q1'17

## Sugar

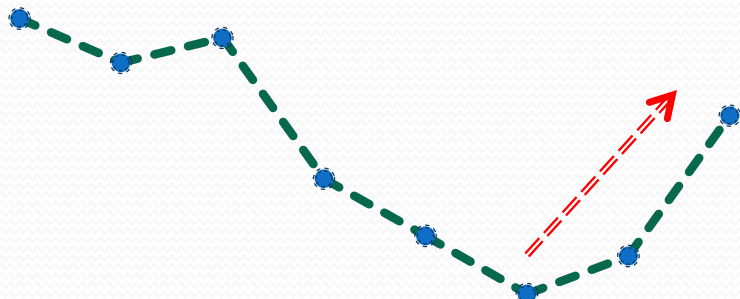
Rs. /kg



12-13 13-14 14-15 Q1'16 Q2'16 Q3'16 Q4'16 Q1'17

## RPO

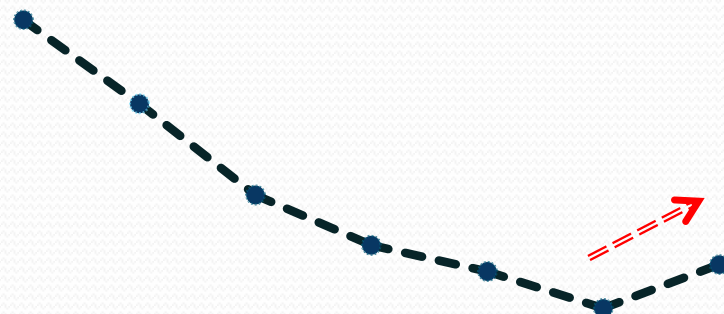
Rs. /kg



12-13 13-14 14-15 Q1'16 Q2'16 Q3'16 Q4'16 Q1'17

## Crude Oil

US\$/barrel



13-14 14-15 Q1'16 Q2'16 Q3'16 Q4'16 Q1'17



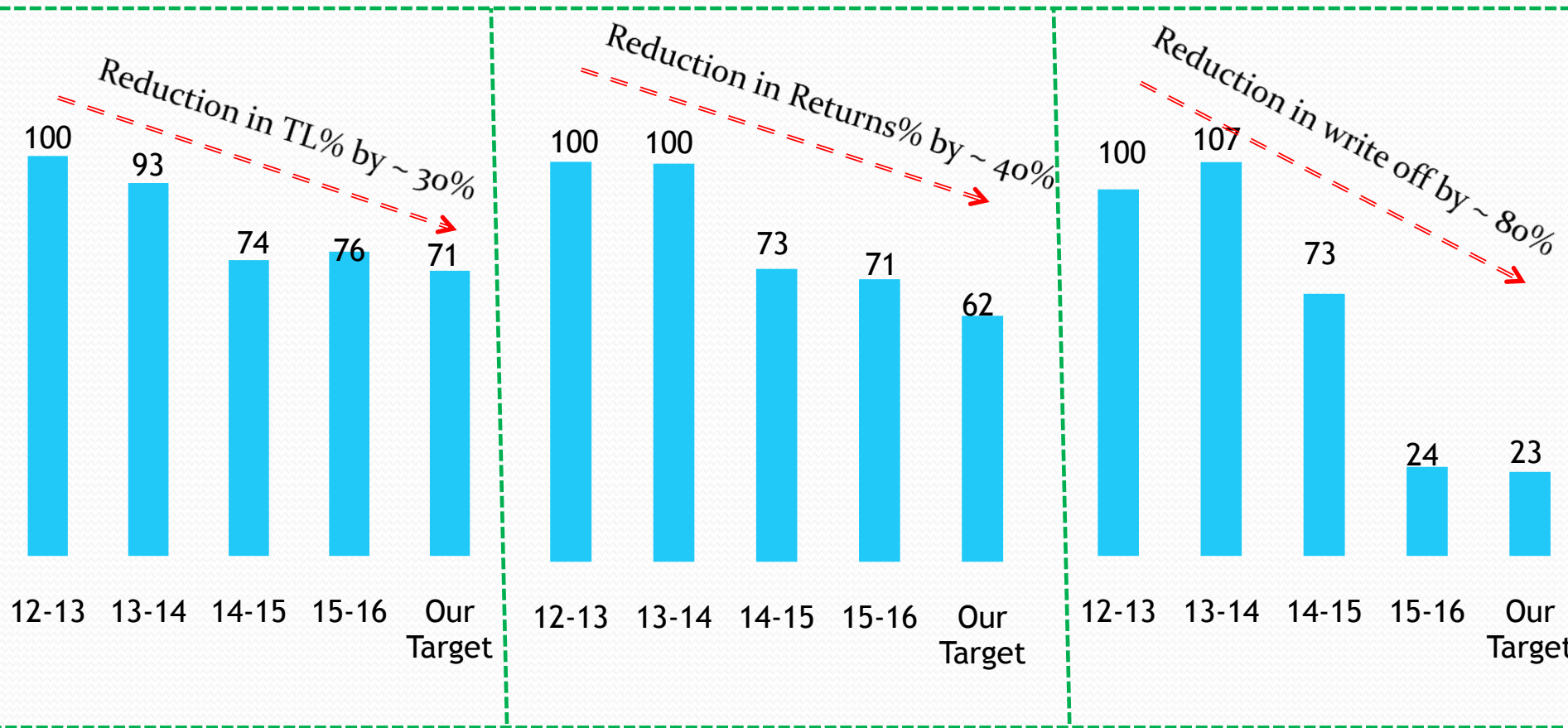
*We have initiated combination of pricing & cost efficiency measures to address this without rendering ourselves uncompetitive..*





*We continue to focus on efficiencies  
in all aspects of operations....*

# We are targeting increased extraction from Trade Spends, Reduction in Market Returns & Stock write off



FY 12-13 indexed to 100



*Update on our subsidiary businesses*

## Subsidiary businesses - Update

### ❖ **Dairy business:**

- *Topline growth has been strong.*
- *Bottomline impacted due to:*
  - *Higher milk prices*
  - *Normal tax payable (out of MAT)*
- *Supply chain integration plan is currently under review*

### ❖ **International business:**

- *India Exports:*
  - *Topline & bottomline growth has been in high double digits*
- *Middle East business:*
  - *Topline under stress considering the market environment*
  - *Profitability impacted due to lower topline*
- *Our agenda on targeting countries with Indian diaspora has been progressing well.*





*Our focus on People agenda  
continues...*

# To build great leaders & a great team

Leadership development programs  
*(360 degree feedbacks & Team Effectiveness)*



Succession planning initiatives  
*(Back filling for critical positions)*



Capability development programs  
*(Functional training & Individual development plans)*



Cross functional team work  
*(Promoting Cross functional projects)*





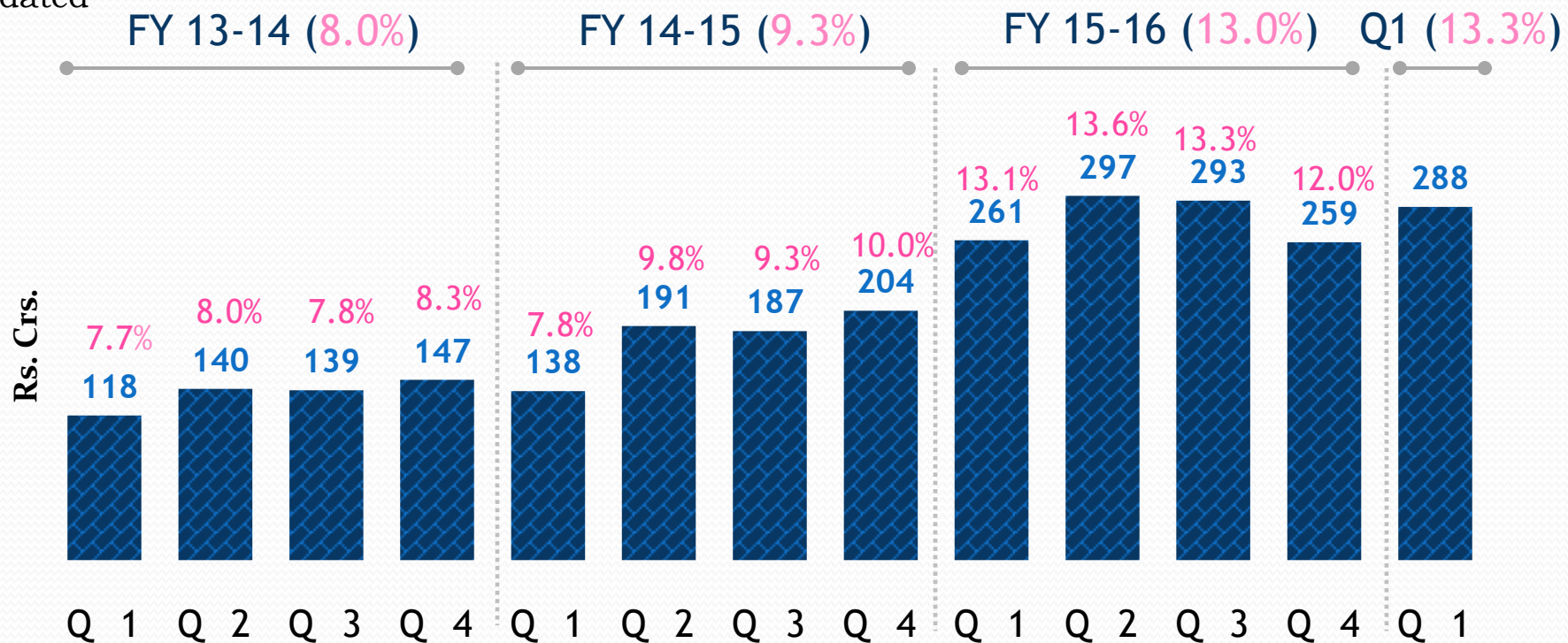
*As a result of these efforts....*



# We have delivered another quarter of double digit growth

**Our endeavor going forward is to sustain our profitability**

Consolidated



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Growth%	87%	89%	64%	17%	17%	37%	35%	38%	89%	56%	57%	27%	11%
24 months growth%	209%	140%	85%	90%	119%	158%	121%	62%	121%	113%	112%	76%	109%

Note: Numbers mentioned above have been re-stated for FY 15-16 & Q1'16-17 as per IND AS. While FY 13-14 & FY 14-15 numbers as per earlier GAAP.

Operating Profit%



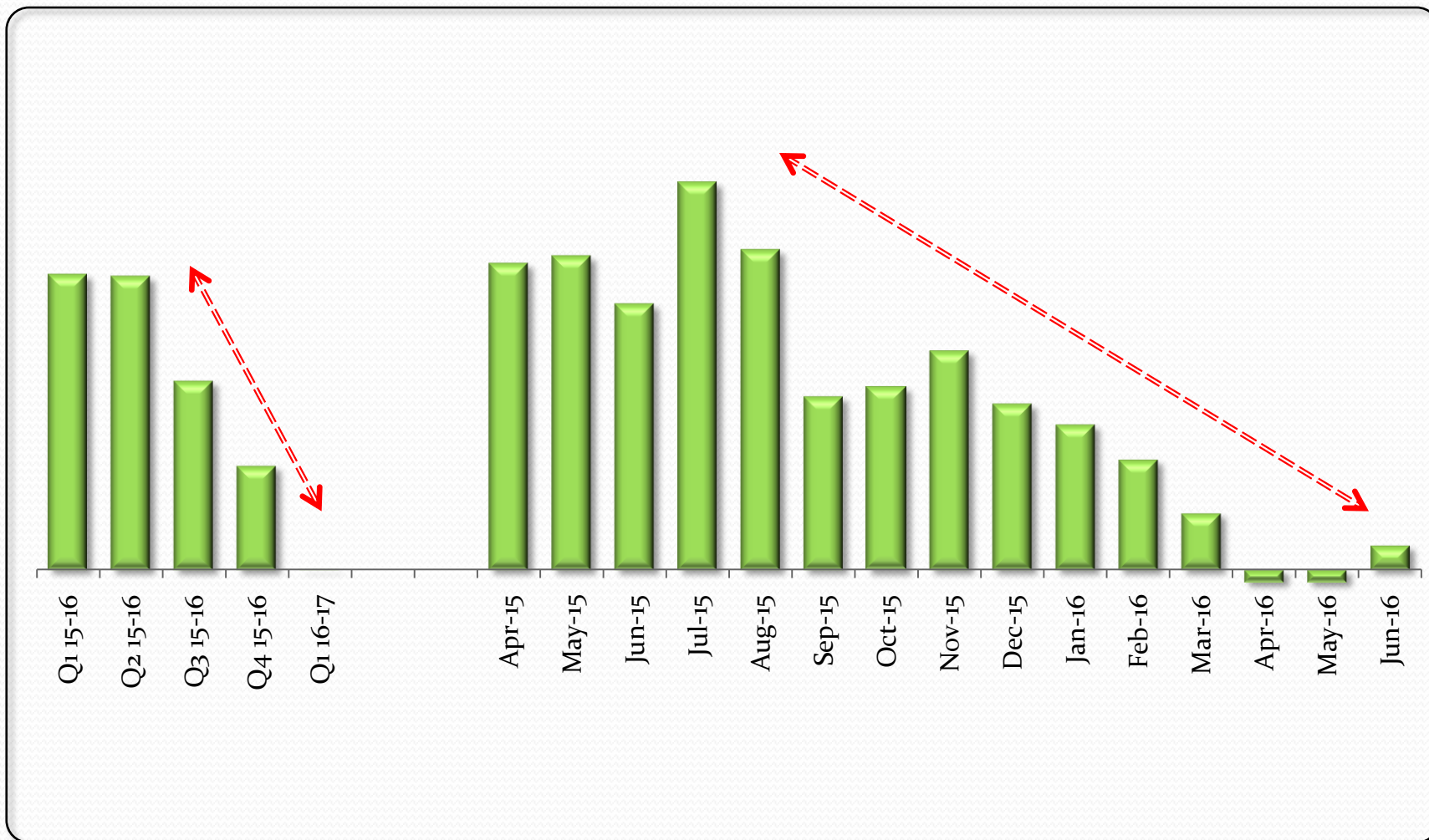


*All this was achieved in a sluggish demand scenario & challenging environment...*

# Biscuit market growth on a declining trend & was flat in Q1



Market Growth%





*While the category growths are expected to remain subdued, we are confident of keeping our momentum going by working on multiple opportunity areas!*

# Opportunity Areas

## Opportunities to enhance Revenue

We reach only  
**60%** of total  
retail outlets of  
~7.7 MM

Our Rural MS is  
only ~2/3rd of  
our Urban MS

Weak States: We  
are only ~1/5th  
of the market  
leader

Value segment  
~45% of the total  
market. We are  
~1/5th of the  
market leader

Bridge  
portfolio gaps  
(Eg. Goodday  
mid range etc.)

Focus on  
adjacencies:  
Cake &  
Rusk, Dairy, Mac  
ro Snacking etc.

## Opportunities to enhance Profitability

Accelerate Cost  
Efficiency  
program

Focus on  
automation &  
outsourcing

Extract  
operating  
efficiencies



# Financials

# Key Financial Lines - Consolidated



Rs. Crs.

Particulars (Consolidated)	Q1'16-17	Growth %
Net Sales	2,162	8%
Profit from Operations	288	11%
Profit Before Tax	326	15%
Profit After Tax	219	13%

Particulars (Consolidated)	2011-12	2012-13	2013-14	2014-15	2015-16	Q1'16-17
Profit from Operations %	4.6%	5.7%	8.0%	9.3%	13.0%	13.3%
Profit before Tax%	4.9%	5.8%	8.3%	12.2%	14.3%	15.1%
Profit after Tax%	3.7%	4.2%	5.8%	8.9%	9.6%	10.1%



# Reconciliation - IND AS v/s earlier GAAP

NSV Reconciliation	FY 15-16	Q1'15-16	Q1'16-17
AS per IND AS	8,554	1,998	2,162
AS per earlier GAAP	8,607	2,003	2,176
<b>Variance</b>	<b>(53)</b>	<b>(5)</b>	<b>(14)</b>
<b>Reasons for variance:</b>			
Trade Loads, Discounts etc. re-classified from A&SP cost to NSV	(282)	(61)	(70)
Excise Duty reclassified from NSV to a separate cost line	229	57	56

PAT Reconciliation	FY 15-16	Q1'15-16	Q1'16-17
AS per IND AS	825	194	219
AS per earlier GAAP	806	190	209
<b>Variance</b>	<b>18</b>	<b>4</b>	<b>10</b>
<b>Reasons for variance:</b>			
Fair Valuation of Investments	20	4	10
Others (mainly on account of ESOP cost)	(2)	(0)	(0)



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