



ANALYST MEET Q1'20-21 RESULTS

**CONFERENCE CALL
17TH JULY 2020**



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.

The quarter began with uncertainty & significant challenges



Appreciate the efforts put in by..

- The Health workers
- Our Employees
- Our Business partners
- Our Vendors
- Our Customers



Trying to make a difference

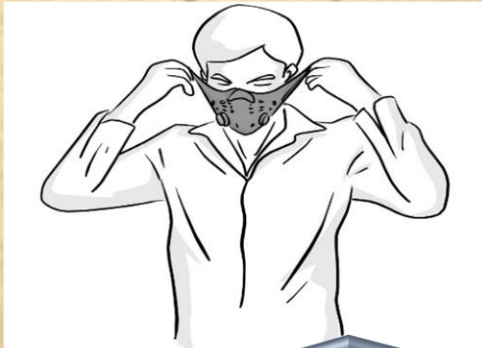
The team came together to help the needy:

- 30 lac hot meals
- 1.5 lac grocery kits (140 lac meal equivalents)
- 200 lac bakery packs
- Helped migrants on their way back



Focus on safety was paramount

Entity wide protocols



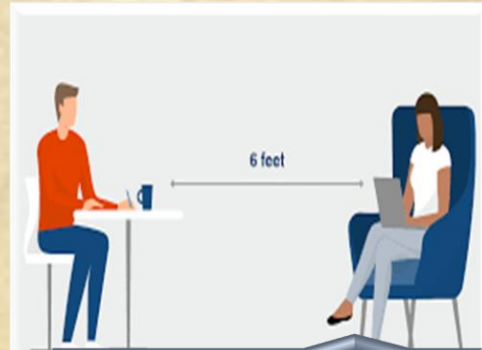
Mask



Sanitization



Temperature scanning

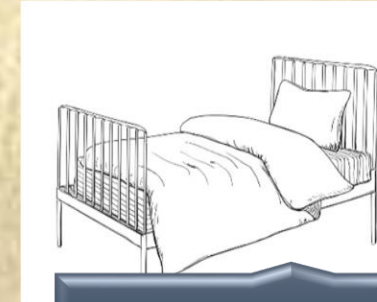


Social distancing

Manufacturing protocols



Transport



Dormitory



Doctor on site

Sales protocols



Private transport



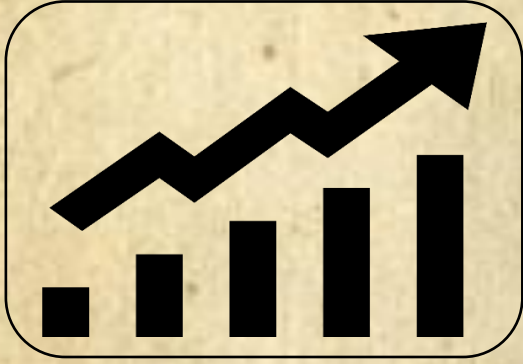
Market visit based on risk assessment

The Ultimate Measure Of A Man Is Not Where He Stands In Moments Of Comfort And Convenience, But Where He Stands At Times Of Challenge And Controversy

- Martin Luther King, Jr.

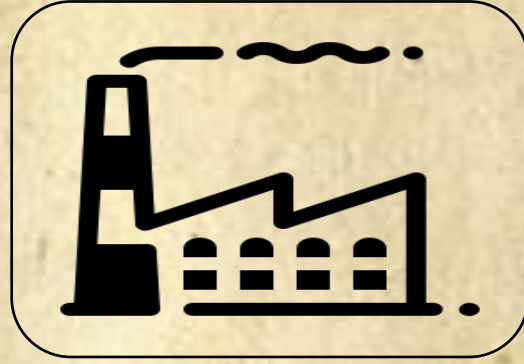


We converted challenges to opportunities



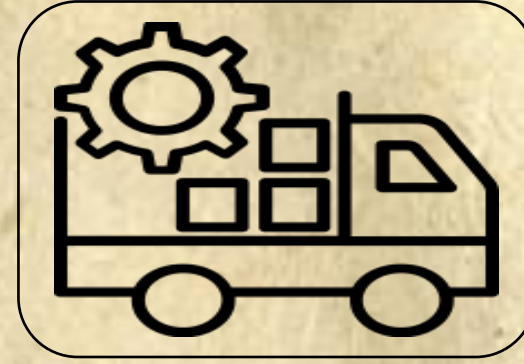
Sales & Marketing

- Expanded Rural reach
- Direct Reach > pre-covid
- Enabled tele ordering
- SMS blasts
- Distributor point pick up
- Retailer survey
- Focused digital campaigns



Manufacturing

- Started factories
- Ramped up volumes
- Production prioritization
- Increased productivity
- Worked round the clock
- Added new capacities



Distribution

- Linearity in billing
- Serviced with low inventory
- Direct sales from factory



Procurement

- Ensured Material availability
- Alternate vendor development

Support functions:

- ❖ **Finance:** Ensured approvals to operate, uninterrupted backend operations & drove cost reduction
- ❖ **IT:** Remote support to depots / factories & work from home
- ❖ **HR:** Ensured safety & engagement of employees



Exceptional teamwork across organization

#Khushibaaz



Area Sales Executive

I am a part of Britannia Dehradun sales team

I delivered products to distributors on my scooter when trucks were not available



Finance Manager

I am a part of Finance team

I ensured permission to operate factories & depots



HR Manager

I am a part of Ranjangaon HR team

I reached out to the authorities to mobilize workers from their hometown



Factory Manager

I am a part of Jhagadia factory team

I ensured operations with no labour strikes & operations with better efficiencies



Customer Service Officer

I am a part of Kolkata depot team

I ensured dispatches with low inventory & limited manpower



Purchase Officer

I am a part of Wheat buying team in Rudrapur

I travelled through truck from Rajasthan to commence wheat buying in Rudrapur



Resulting in a strong all-round performance

Revenue

Growth

+26%

+34%

24-month Growth

Operating profit

Growth

+91%

19.8%
(+670 bps)

Operating profit %

PAT

Growth

+117%

16.1%
(+675 bps)

PAT %



We also focused on our strategic planks

#1 Distribution & Marketing



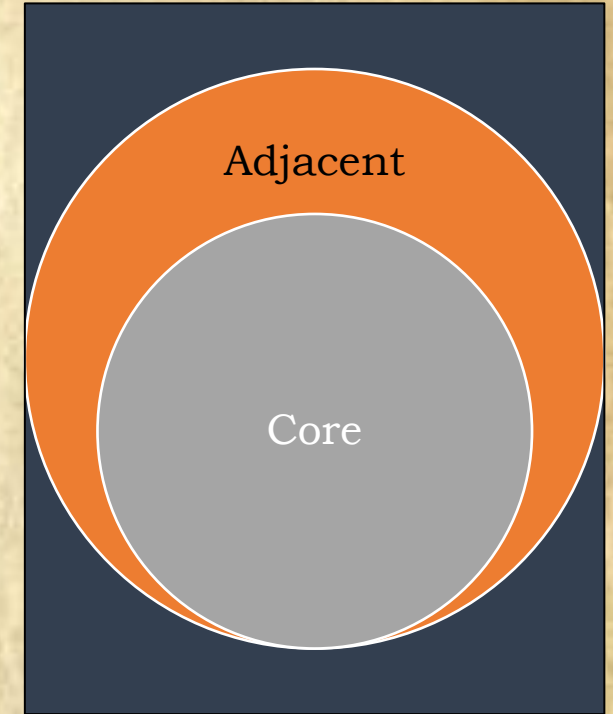
#2 Innovation



#3 Cost focus



#4 Adjacent business

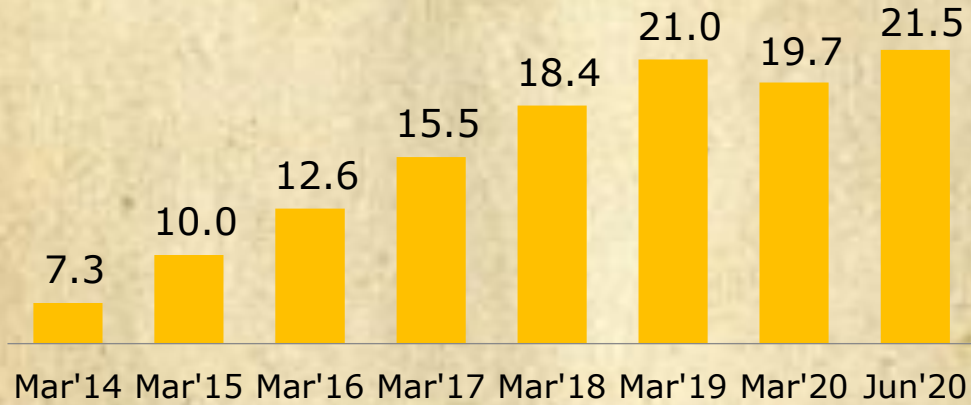


Strive for profitable growth

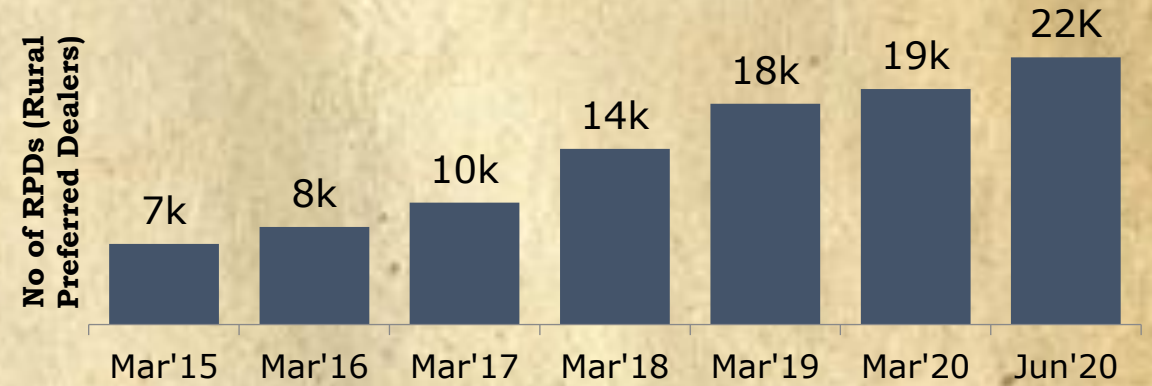


Distribution brought back to normalcy in no time

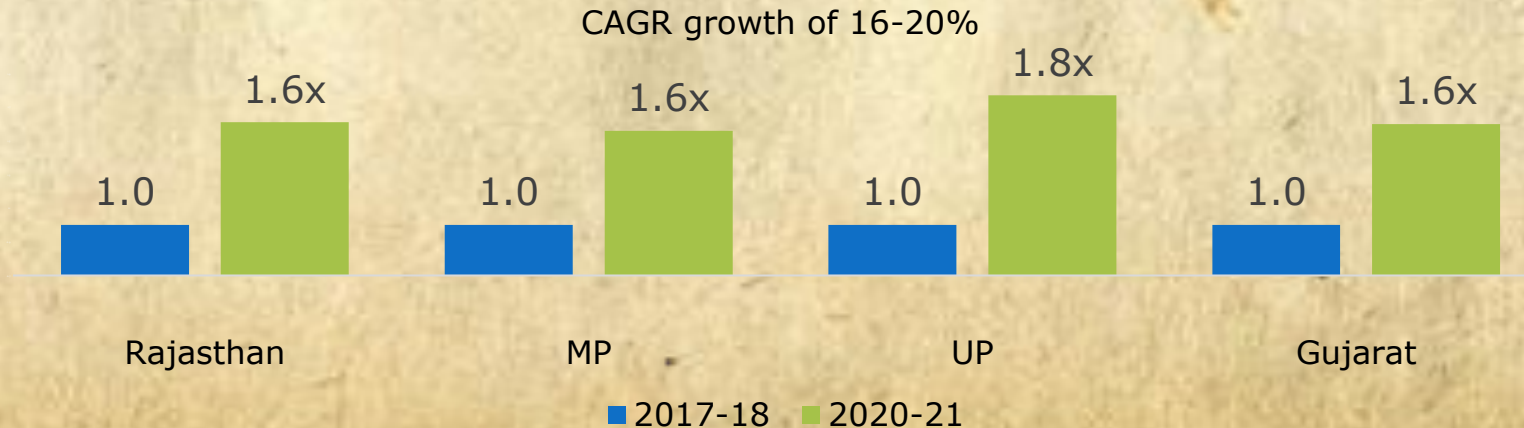
Reached normalcy in Direct Reach



Rural distribution continued upbeat



Double digit growth in Hindi belt



In view of the demand situation & low stocks, Media was planned in a focused way

Mariegold: My start contest 2.0 for homemakers



Nutrchoice: 'Good Choices can happen at Home'



Goodday: Khushibaaz & Smiles



Premium Cream: PM Chocolush, Treat Burst



- Start up event to promote homemakers to become entrepreneurs
- Launched by Mr. Amitabh Kant, CEO Niti Aayoh
- 1.5 Mn participants from 32 states
- 10,000 NSDC certified skill development course
- Top 50 ideas presented to eminent jury
- Prize: Rs. 10 lacs each to 10 winners



While the focus was on meeting demand, we had a few new launches

Lassi launch in summer



Layer cake Rs. 5





Demonstrated agility in cost control

While there were increase in costs owing to overall environment:

- a. Safety requirement of Sanitizers, masks & social distancing
- b. Shortage of manpower
- c. Vehicle availability

We more than neutralized the incremental costs through efficiencies in operations

Better mix

- Prioritized high margin categories & staples
 - Premium segment
 - Milk &
 - Marie
- High throughput varieties

Efficiencies

- **Front end**
 - Linear billing
 - Distributor stock reduction:50%
 - Low distributor attrition
 - Reduced market returns
 - Reduced A&SP spends
- **Back end**
 - Near zero stock write off
 - Reduced distance to market
 - Direct sales from factories
 - Reduced depot space
 - Factory efficiencies
 - Wastage reduction

Cost Reduction

- Working capital management
 - Reduced inventory
 - Reduced in Debtors
- Leveraged
 - Overheads
 - Factory cost
 - Employee cost
- Avoided Discretionary costs
- Renegotiated contracts



Adjacency businesses driven hard

International



- ❑ Middle East & Africa back to growth trajectory
- ❑ Rest of International growing at a strong pace

Bakery Adjacency



Rusk & Bread grew faster than Company's overall growth

Double Digit revenue growth & Profitability improvement

Dairy

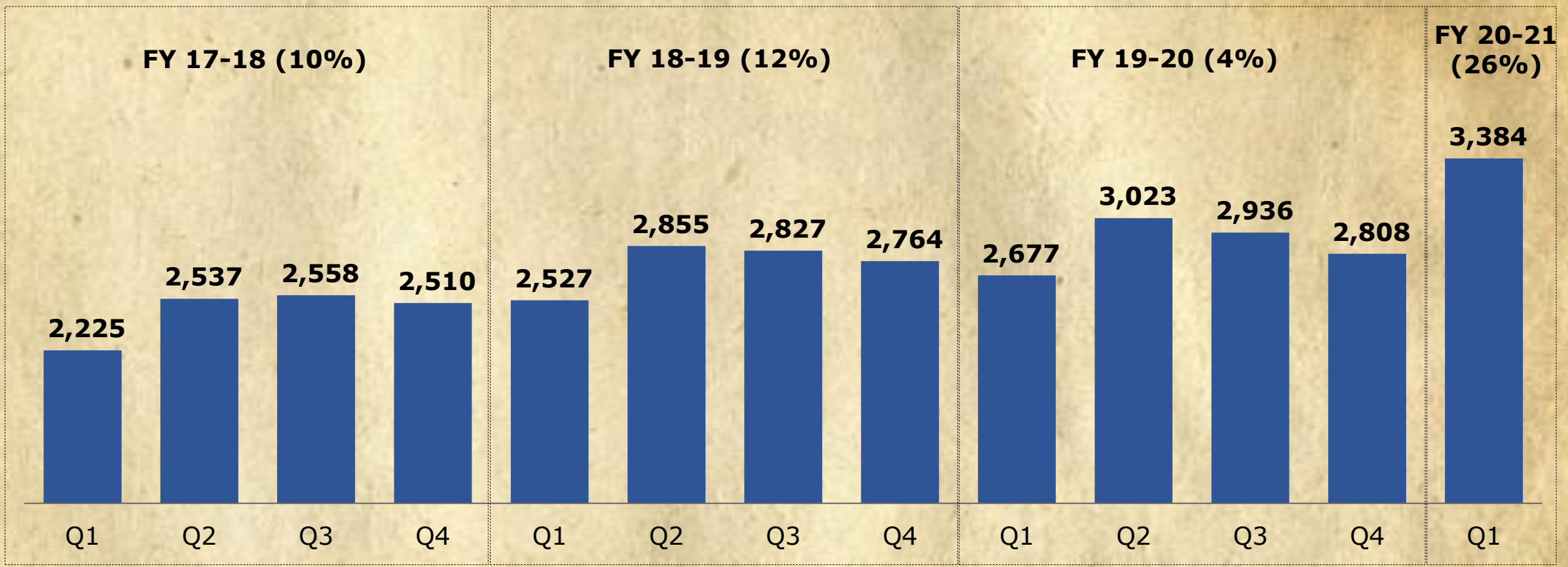
- ❑ Cheese lead the growths in Dairy
- ❑ Benign Milk prices
- ❑ 'Winkin Cow Lassi' launched to bolster drinks portfolio
- ❑ Aired 'Britannia Cheese Star Chef' on Digital



Q1'20 Financials



Revenue growth



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Growth%	14%	13%	11%	10%	6%	6%	4%	2%	26%
24 month growth%	20%	21%	25%	24%	20%	19%	15%	12%	34%

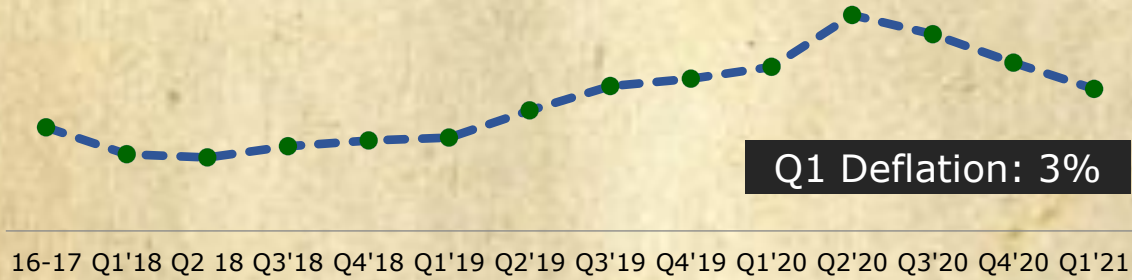


Commodity.. Overall Q1 inflation @ ~3%

Positive outlook on good monsoon & harvest

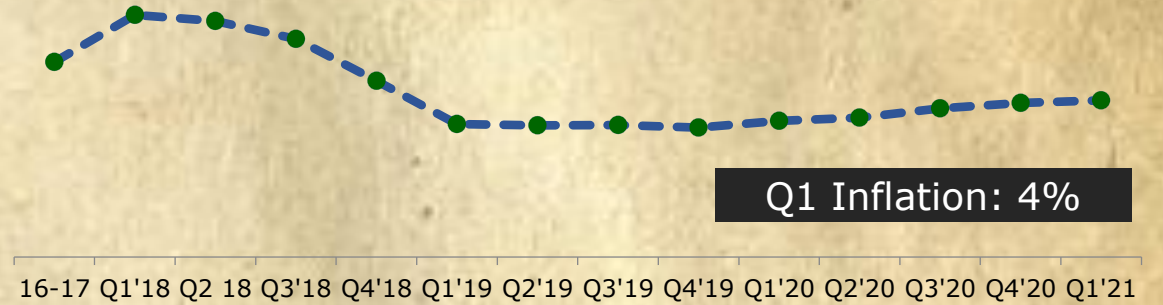
Flour

Rs./kg



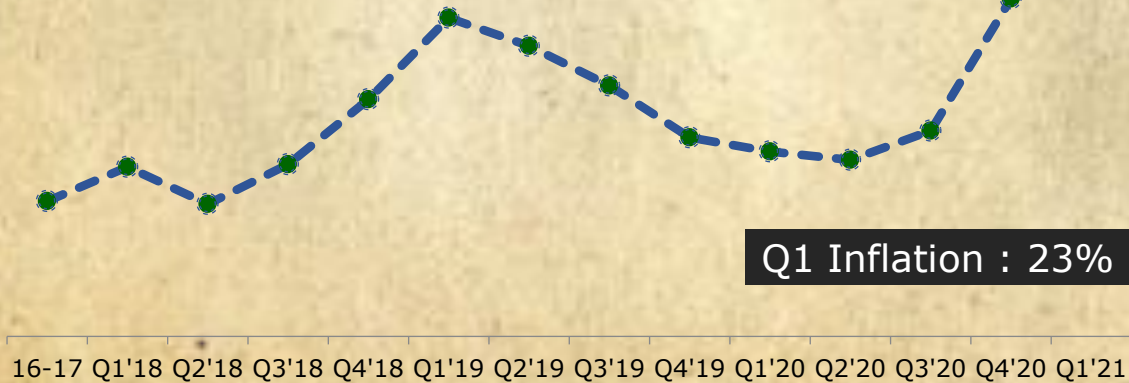
Sugar

Rs./kg



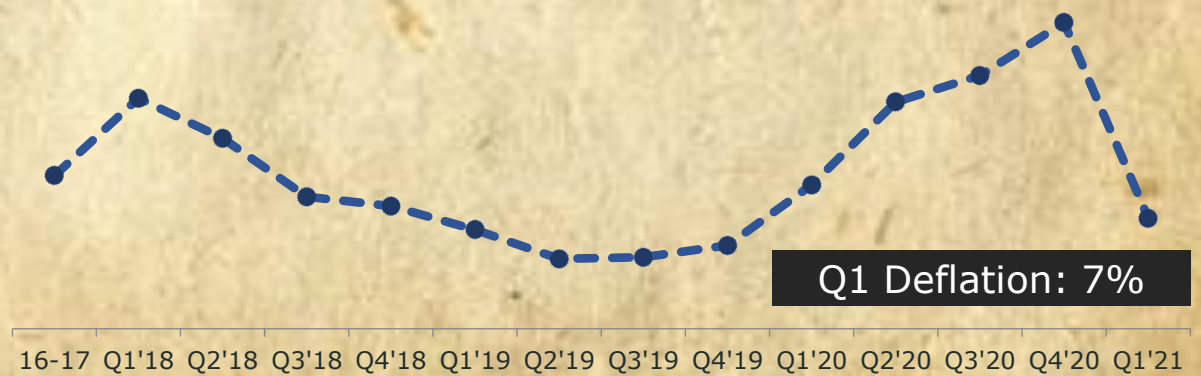
RPO

Rs./kg



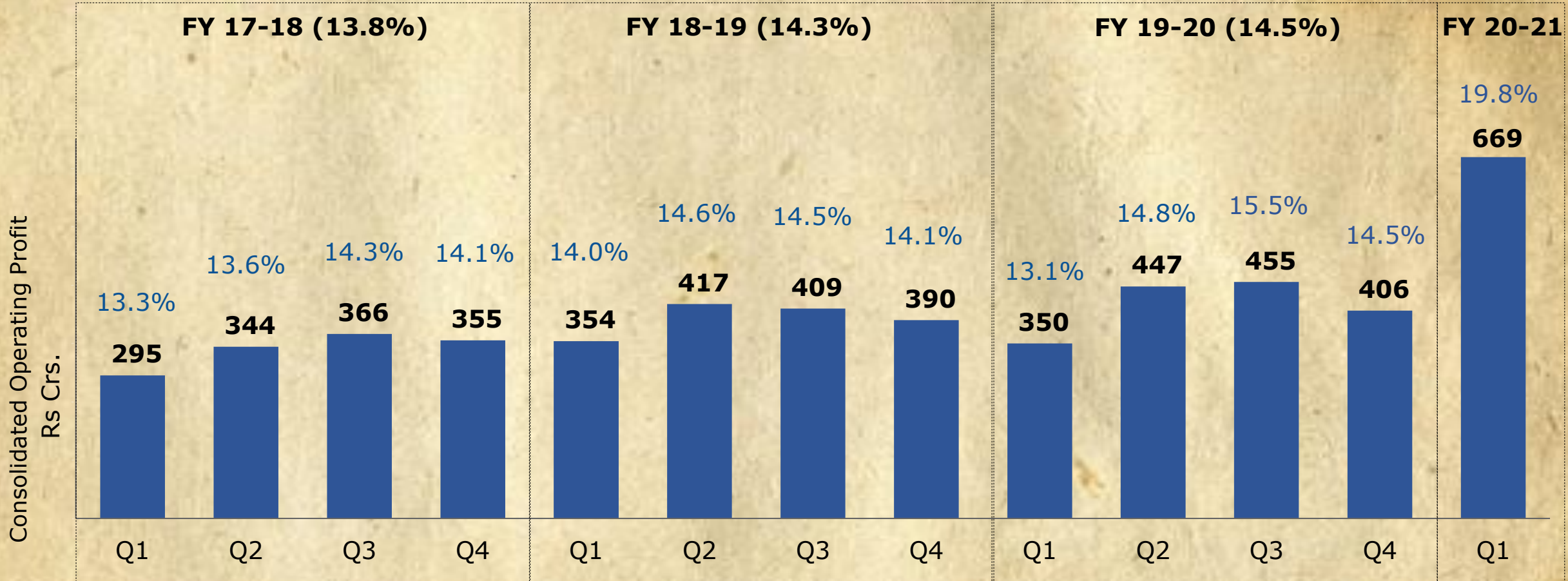
Milk

Rs./Ltr





Improved profitability



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Growth%	20%	21%	12%	10%	-1%	7%	11%	4%	91%
24 month growth%	23%	35%	44%	42%	19%	30%	24%	14%	89%

Consolidated Operating profit as per published results

Percentages indicate operating profit % to Consolidated NSV



Key Financial Lines – Consolidated (Reported)

Particulars	Q1'20-21	Growth %
Net Sales	3,384	26%
Operating Profit	669	91%
Profit Before Tax*	737	88%
Profit After Tax (Owner's share)	546	117%

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

* Factors interest on bonus debentures @ Rs. 5 Cr per month starting Sep'19.

- Keep a close watch on how things pan out:
 - ❖ consumer behavior
 - ❖ distribution model etc.
- Adapting quickly to the dynamic environment
- Challenging the status quo
- Leveraging knowledge sharing
- Nimble culture in the team

