



THANK YOU  
FOR MAKING US NO.1.

Analyst Meet  
Q2'16-17 Results  
Conference Call - Bangalore  
9<sup>th</sup> November 2016

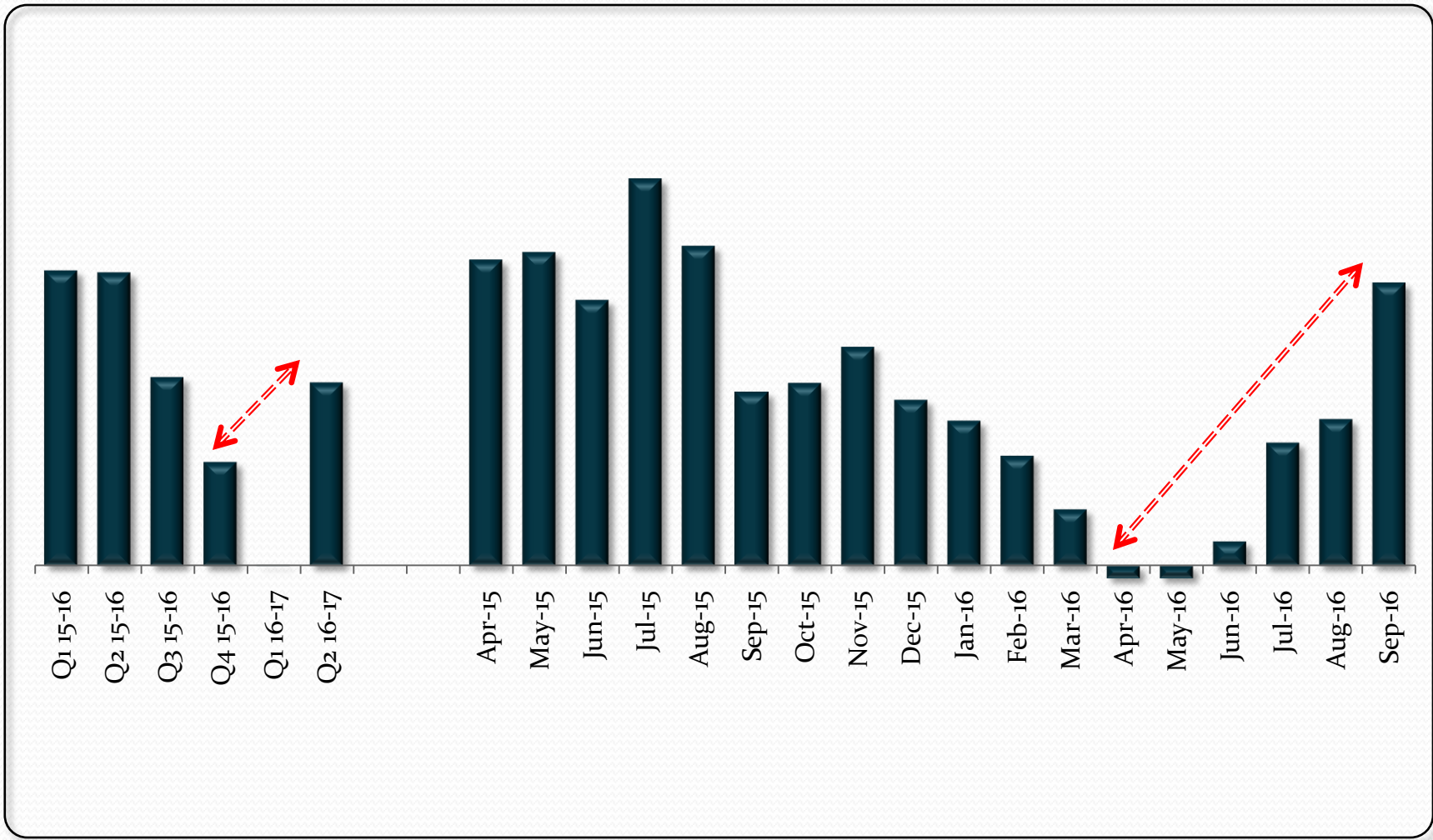
## *Disclaimer*

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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.

# Biscuit market growth has shown some positive momentum in the last few months

Market Growth%

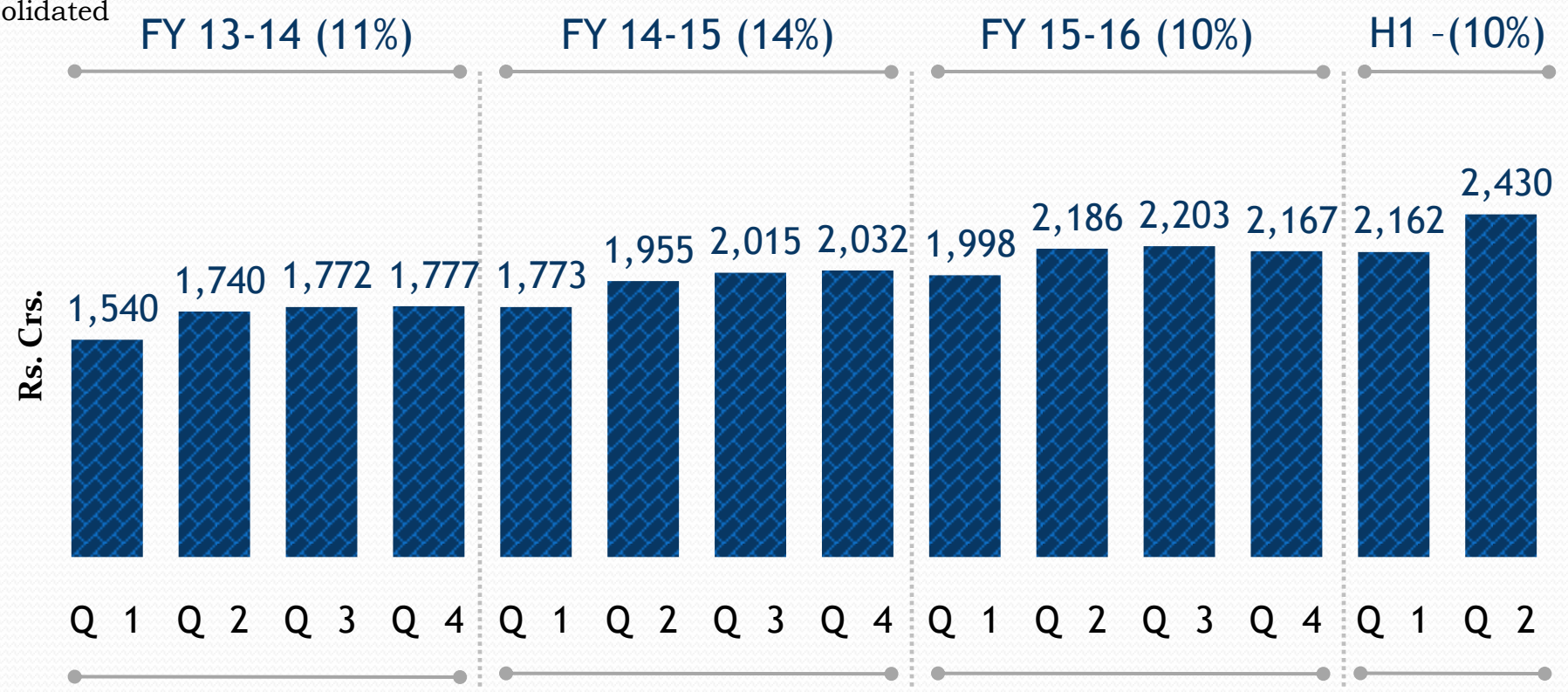


Source: Nielsen estimates



# We have outpaced the market & are back to double digit growth

Consolidated

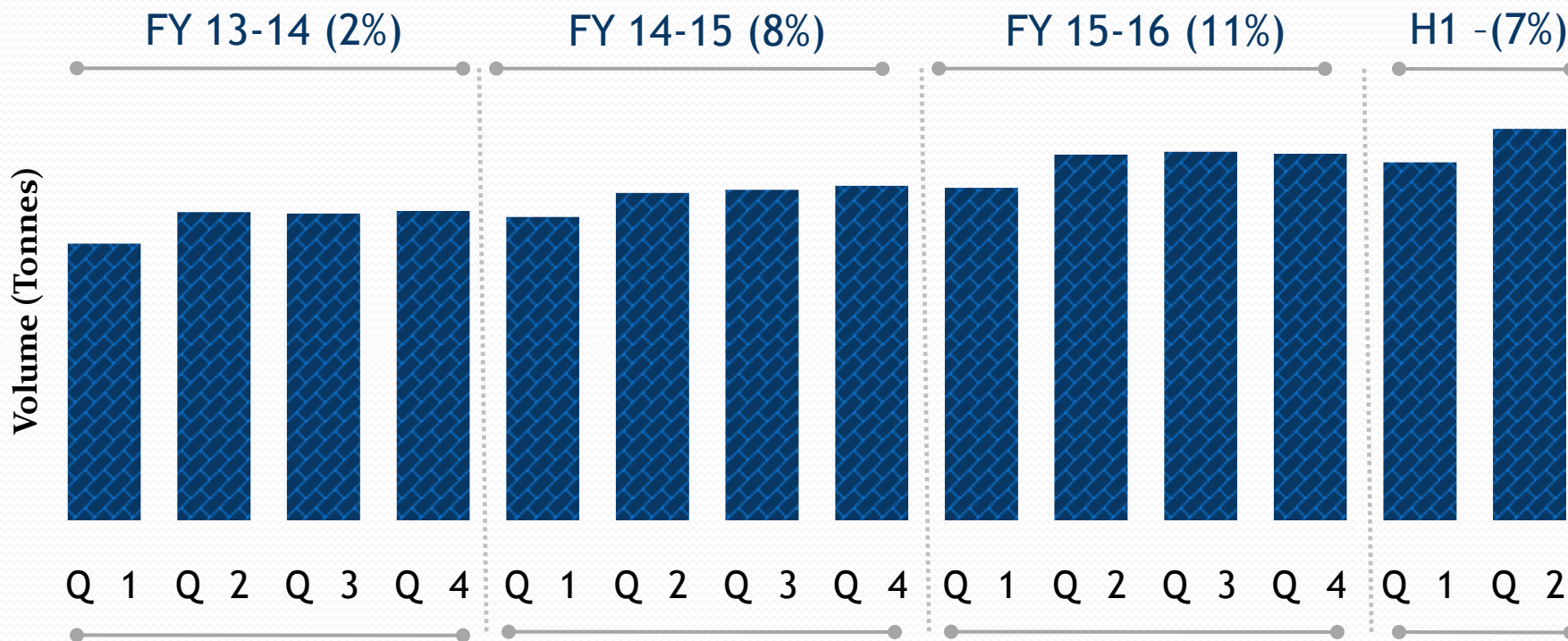


	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Growth%	14%	13%	10%	9%	15%	12%	14%	14%	13%	12%	9%	7%	8%	11%
24 months growth%	28%	24%	28%	21%	31%	27%	25%	24%	30%	26%	24%	22%	22%	24%

Note: Numbers mentioned above have been re-stated for FY 15-16 & H1'16-17 as per IND AS. While FY 13-14 & FY 14-15 numbers are as per earlier GAAP.

# Backed by solid volume growths

Consolidated

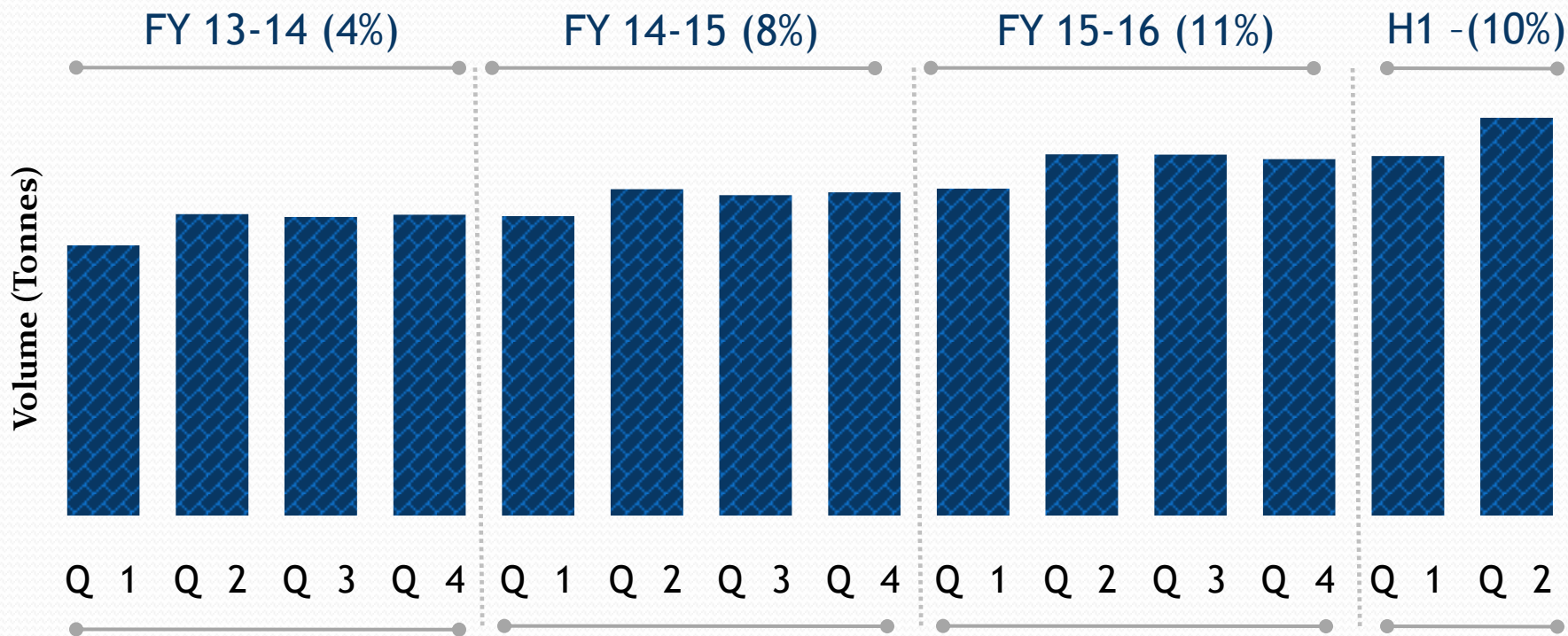


	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Growth%	2%	1%	3%	3%	10%	6%	8%	8%	10%	12%	11%	10%	8%	7%
24 months growth%	5%	4%	8%	5%	12%	8%	11%	12%	20%	19%	20%	18%	18%	20%

# And double digit volume growth in our base business



Base business



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Growth%	6%	3%	4%	4%	11%	8%	7%	7%	9%	11%	13%	10%	10%	10%
24 months growth%	6%	5%	12%	9%	17%	12%	12%	12%	21%	20%	21%	18%	20%	22%

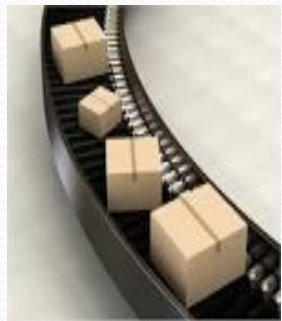


# We are deploying our energy on the right levers to grow faster than market



**Expanding our distribution in terms of direct reach**

[~80k outlets added in Q2 @ 1.4 MM outlets; Narrowed the gap with nearest competitor by 0.45 MM outlets since 2013]

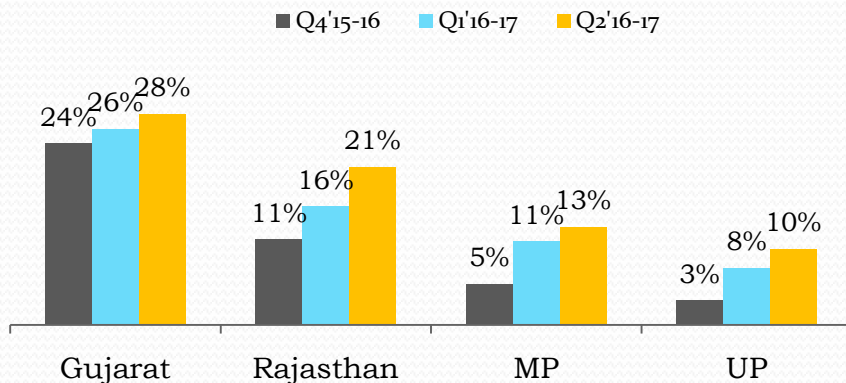


**Focus on rural growth agenda accelerated**

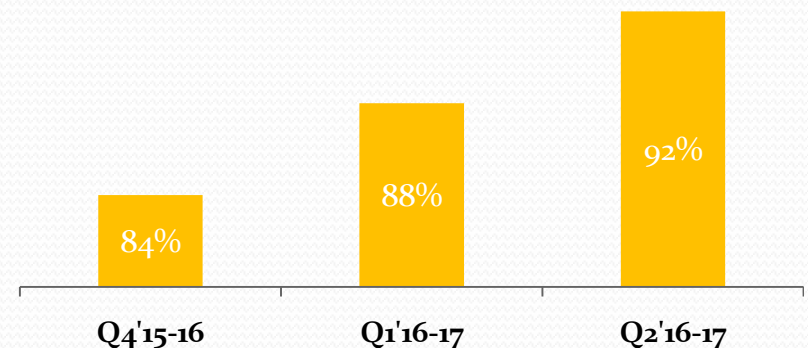
[Growth in high double digit continues with 9,000+ rural distributors; 1,000+ distributors added since March'16]



**Our weak markets are doing very well**



**Significant increase in penetration of handheld devices**



# Driving initiatives to strengthen our brands & boost consumption



## New launches help bolster the portfolio

### 50-50: Mathri Masti

Delightful Combination of Indian Spices with indulgence of butter



### Goodday Chocochip

Restaged with "Smiles"



### Bread variants - Kulchas

Atta variant



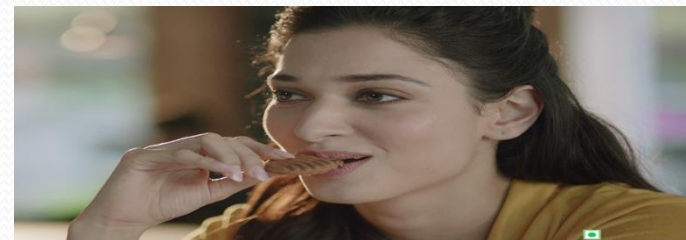
Maida variant

## Celebrity endorsements & campaigns

### Goodday – Smiles Campaign



### Goodday Chocochip re-stage with South Star Tamanna



### Milkbikis – New TVC - Kal ke Liye Roz





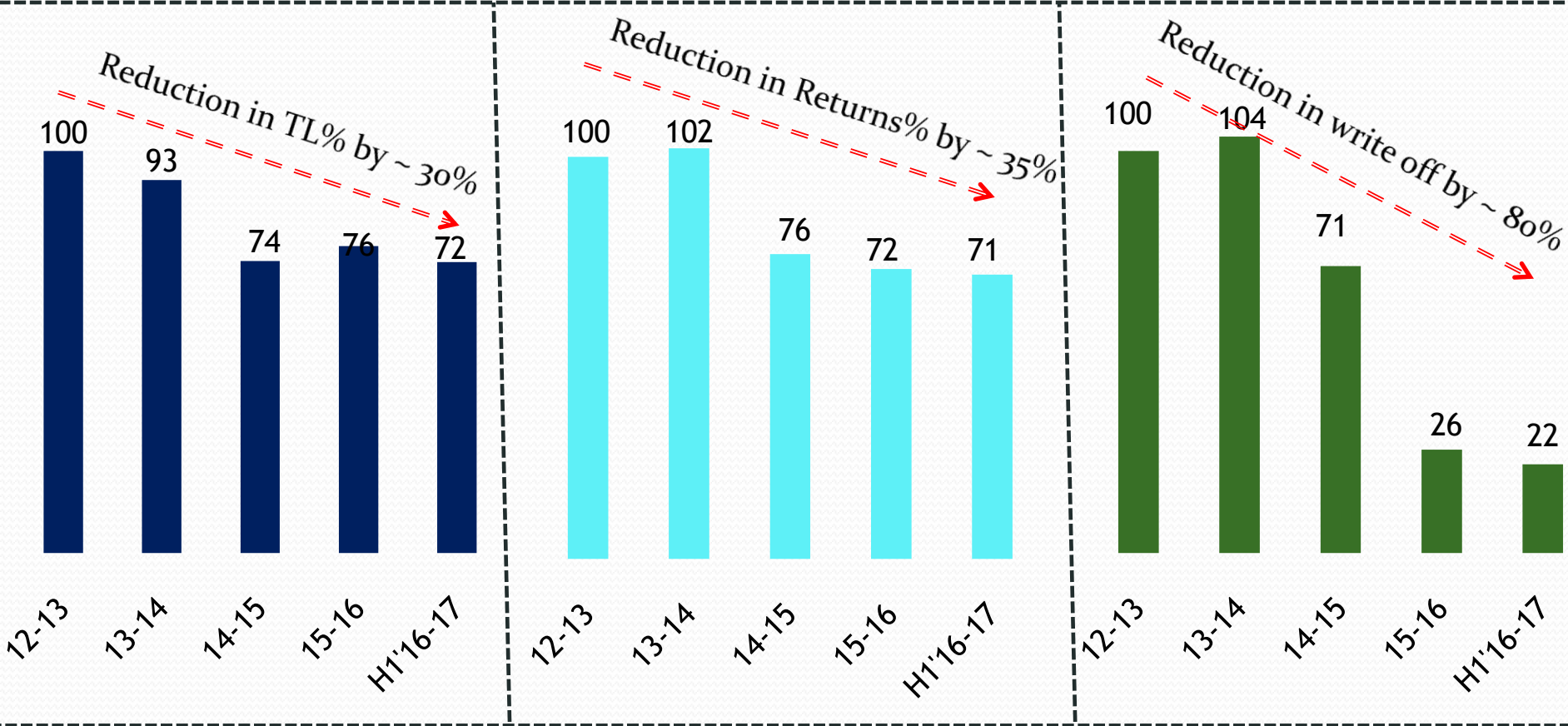


*All these measures have helped  
us gain & sustain our market  
leadership*



*We continue to focus on  
efficiencies & wastage reduction  
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

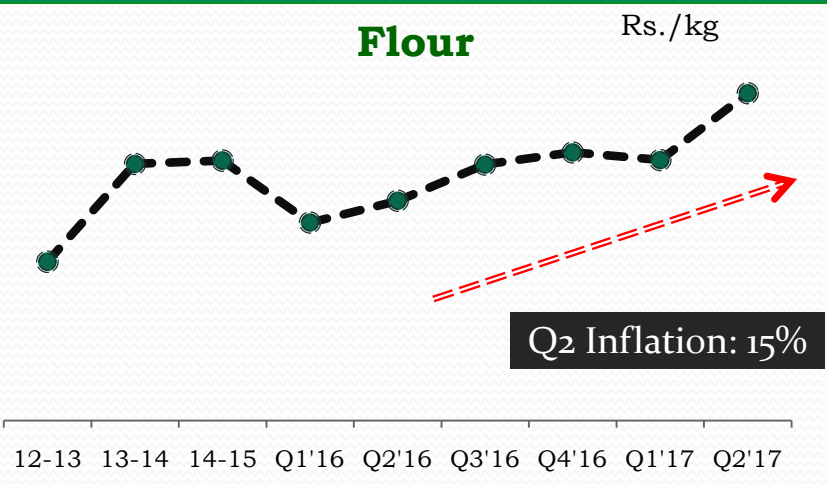


*Meanwhile, material prices have  
firmed up significantly in the  
current quarter....much higher  
than what we expected*

# Commodity prices continue to trend up significantly higher than what we expected...

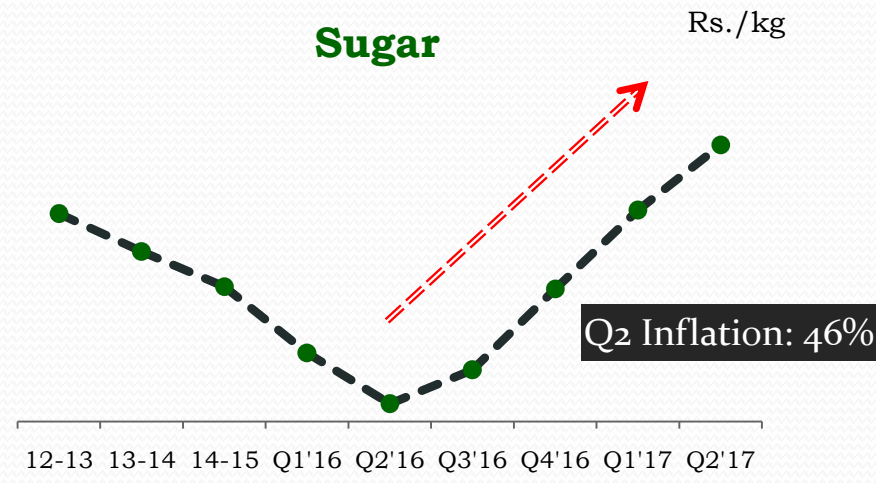
## Flour

Rs./kg



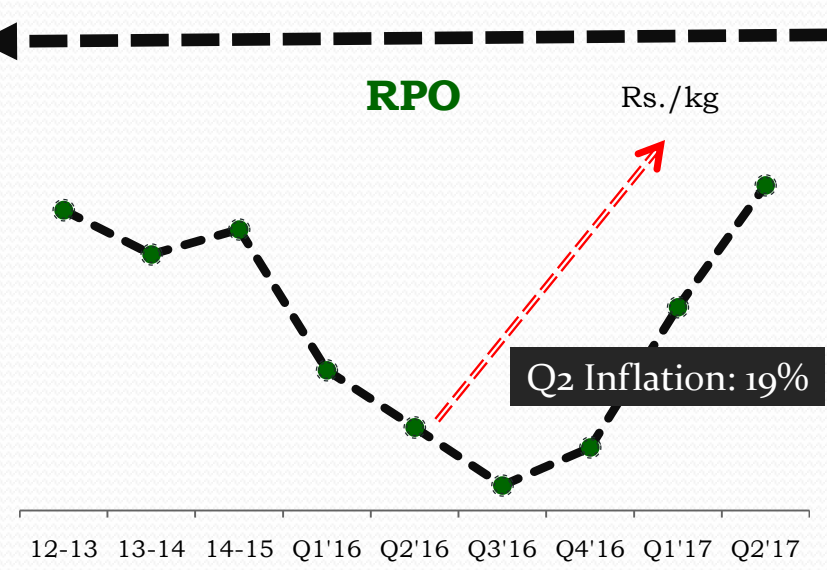
## Sugar

Rs./kg



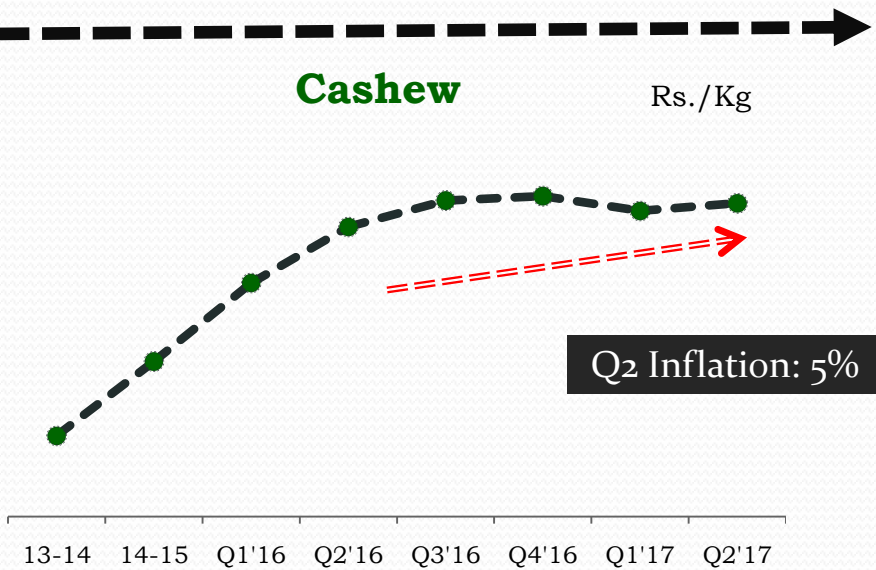
## RPO

Rs./kg



## Cashew

Rs./Kg







*However, we expect that certain initiatives taken by the government in terms of reduction in import duties, imposition of stocking norms on traders etc. shall provide some respite from this steep inflation going forward...*



*We have also initiated combination of pricing & cost efficiency measures to address the impact of inflation. However, being competitive & gaining market share are our key priorities...*



*Update on our subsidiary  
businesses*

# Subsidiary businesses - Update

## ❖ Dairy business:

- *Topline growth has been strong.*
- *Bottomline has been 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 strong*
  - *Dedicated factory in Mundra SEZ (Gujarat) being set up to strengthen backend*
- *Middle East business:*
  - *Topline under stress considering the market environment and currency/forex issues in many countries*
  - *Profitability impacted primarily due to lower topline*
- *Our agenda on targeting countries with Indian diaspora has been progressing well.*

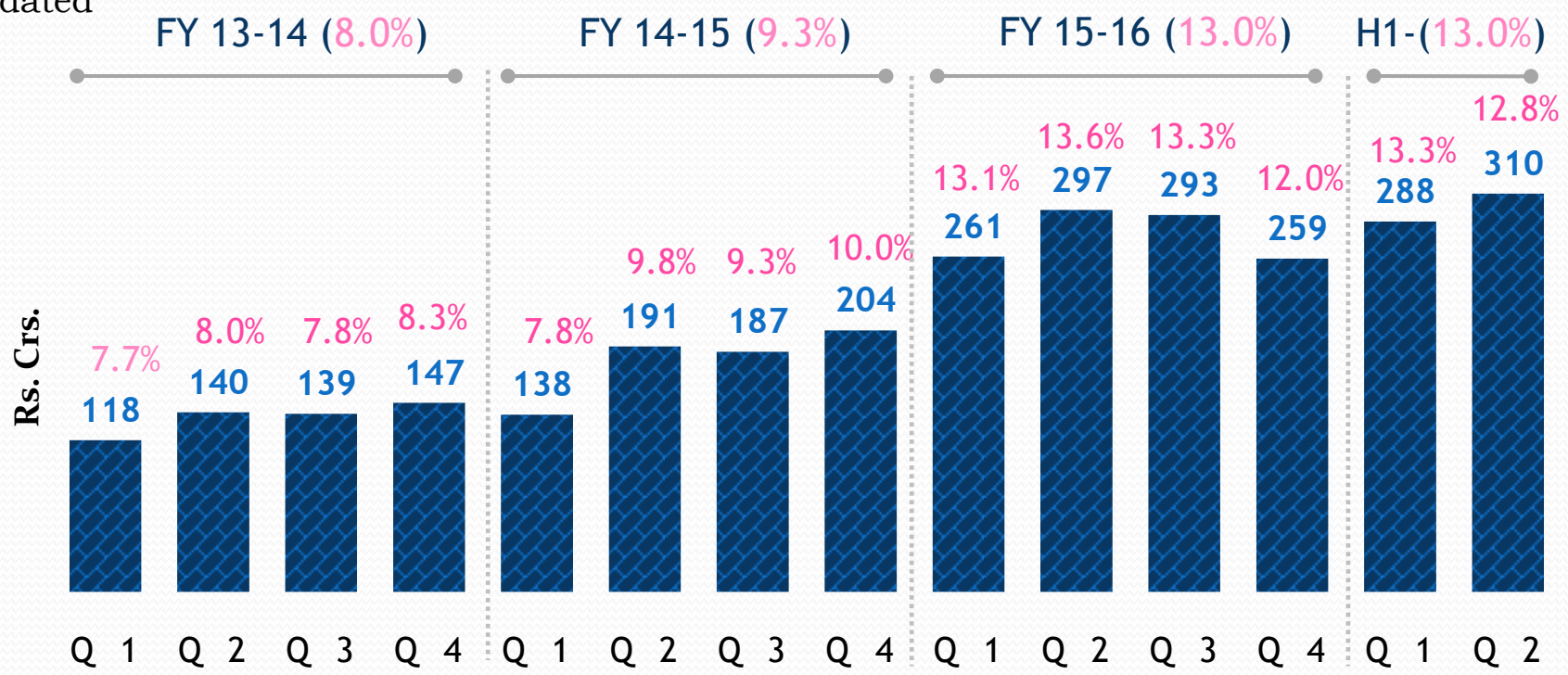


*Our bottom-line performance has been robust considering the hyper-inflationary environment that is currently prevailing*



# Our endeavor now would be to sustain the level of profitability we have achieved...

Consolidated



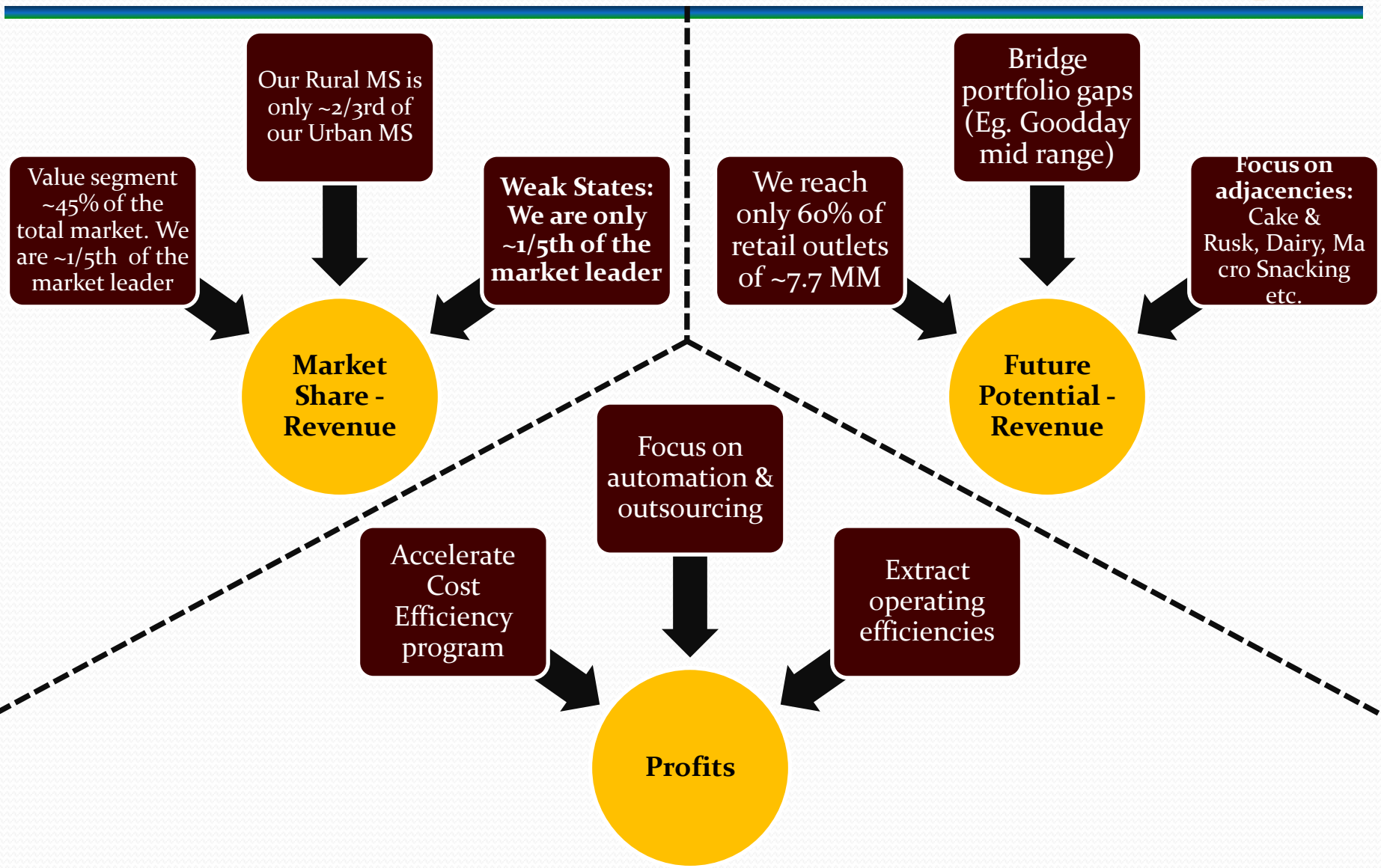
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Growth%	87%	89%	64%	17%	17%	37%	35%	38%	89%	56%	57%	27%	11%	4%
24 months growth%	209%	140%	85%	90%	119%	158%	121%	62%	121%	113%	112%	76%	109%	62%

Note: Numbers mentioned above have been re-stated for FY 15-16 & H1'16-17 as per IND AS. While FY 13-14 & FY 14-15 numbers are as per earlier GAAP.



*We are confident of keeping our momentum going by working on multiple opportunity areas as we progress on our journey...!*

# We shall continue to work on these opportunity areas as we move ahead...



## *We are actively working on our endeavor to...*

- 
- *Launch one new category every year*
  - *Launch differentiated products by leveraging new technologies*
  - *Enter new countries/geographies and increase our international play*

THE BRITANNIA PROMISE



# Financials



# Key Financial Lines - Consolidated



Rs. Crs.

Particulars (Consolidated)	Q2'16-17	Growth %
Net Sales	2,430	11%
Profit from Operations	310	4%
Profit Before Tax	350	6%
Profit After Tax	234	6%

Particulars (Consolidated)	2011-12	2012-13	2013-14	2014-15	2015-16	Q1'16-17	Q2'16-17
Profit from Operations %	4.6%	5.7%	8.0%	9.3%	13.0%	13.3%	12.8%
Profit before Tax%	4.9%	5.8%	8.3%	12.2%	14.3%	15.1%	14.4%
Profit after Tax%	3.7%	4.2%	5.8%	8.9%	9.6%	10.1%	9.6%

# Reconciliation - IND AS v/s earlier GAAP

NSV Reconciliation	FY 15-16	Q1'15-16	Q1'16-17	Q2'15-16	Q2'16-17
AS per IND AS	8,554	1,998	2,162	2,186	2,430
AS per earlier GAAP	8,607	2,003	2,176	2,191	2,432
<b>Variance</b>	<b>(53)</b>	<b>(5)</b>	<b>(14)</b>	<b>(5)</b>	<b>(2)</b>
<b>Reasons for variance:</b>					
Trade Loads, Discounts etc. reclassified from A&SP cost to NSV	(282)	(61)	(70)	(63)	(71)
Excise Duty reclassified from NSV to a separate cost line	229	57	56	58	69

PAT Reconciliation	FY 15-16	Q1'15-16	Q1'16-17	Q2'15-16	Q2'16-17
AS per IND AS	825	194	219	221	234
AS per earlier GAAP	806	190	209	219	225
<b>Variance</b>	<b>18</b>	<b>4</b>	<b>10</b>	<b>2</b>	<b>9</b>
<b>Reasons for variance:</b>					
Fair Valuation of Investments	20	4	10	2	10
Others (mainly on account of ESOP cost)	(2)	(0)	(0)	(0)	(1)



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