



Q3FY18 Performance Review

29th January 2018

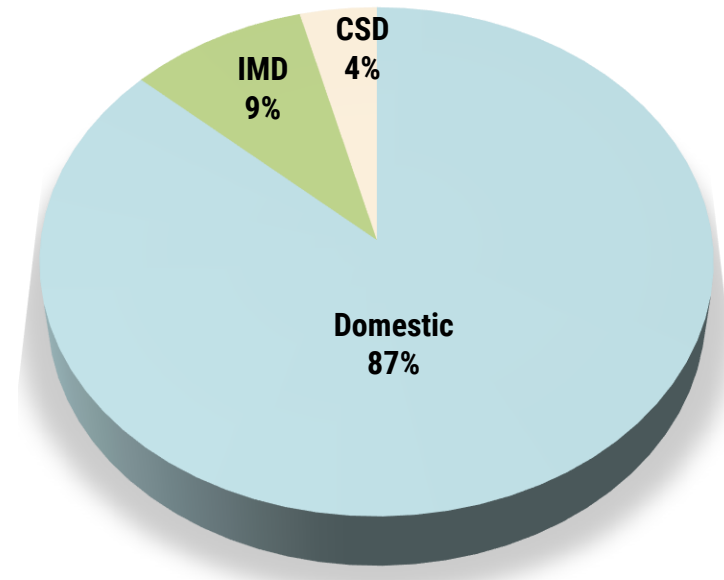


Q3FY18 Snapshot

- ❑ **Consolidated Revenues** (including GST/VAT) grew by **10%** during the quarter with **volumes growing by 6%**.
 - Reported Revenue from Operations grew by 4%
 - Domestic Revenues grew by 10% (*including GST/VAT*)
 - International Business grew by 16%
 - CSD Business declined by 2%

- ❑ **EBIDTA and PAT** grew by **2%** and **10%** respectively during the quarter.

Q3FY18 Business Wise Sales Split



Note: Like to Like Revenue Growth (including GST/VAT) has been reported in this presentation

Sales Performance

Performance update for Q3FY18

BoroPlus Range

- ❑ BoroPlus grew by **10%** during the quarter.
- ❑ Antiseptic Cream posted double digit growth despite a high base in Q3FY17.
 - Maintained leadership with a market share (value) of 67.5% in Q3FY18



Pain Management Range

- ❑ Pain Management Range grew by **17%** during the quarter
 - Balms posted Double digit volume growth
 - Fast Relief posted flat growth.
- ❑ New launches, Zandu Gel, Zandu Spray and Zandu Roll On performed well.



Navratna Range

- ❑ Navratna grew by **15%** during the quarter.
- ❑ Cool Oils posted Double digit volume growth during the quarter
 - Market Share (value) at 61.8% increased by 130 bps in Q3FY18



Male Grooming Range

- ❑ Male Grooming Range grew strongly by **22%** during the quarter led by a double digit volume growth in Fairness creams.
 - Market Share (value) of Fairness creams at 62.1% increased by 250 bps in Q3FY18
 - Market Share (value) of Fairness Face Wash at 13.8% increased by 210 bps in Q3FY18

- ❑ HE range volumes also grew in double digits.



Kesh King Range

- ❑ Kesh King declined by 19% during the quarter.
- ❑ Challenging trade sentiment in the wholesale channel and rural markets continued to impact the performance.
- ❑ Ayurvedic Oil maintained leadership with a market share (value) of 27.3% in Q3FY18



Healthcare Range

- ❑ Healthcare Range declined by 3% during the quarter due to lower sales of Pancharishtha.
 - Ex Pancharishtha, Healthcare range grew by 16%
- ❑ Chyawanprash range grew strongly with double digit volume growth.
 - Relaunched Zandu Kesari Jivan in a new attractive pack.
- ❑ Launched Sugar free variants with focus on improving health of consumers-
 - Zandu Kesari Jivan Sugarfree
 - Zandu Chyawanprashad (a sugar free ayurvedic revitaliser)
 - Zandu Pancharishtha Sugar Free.



Other Brands

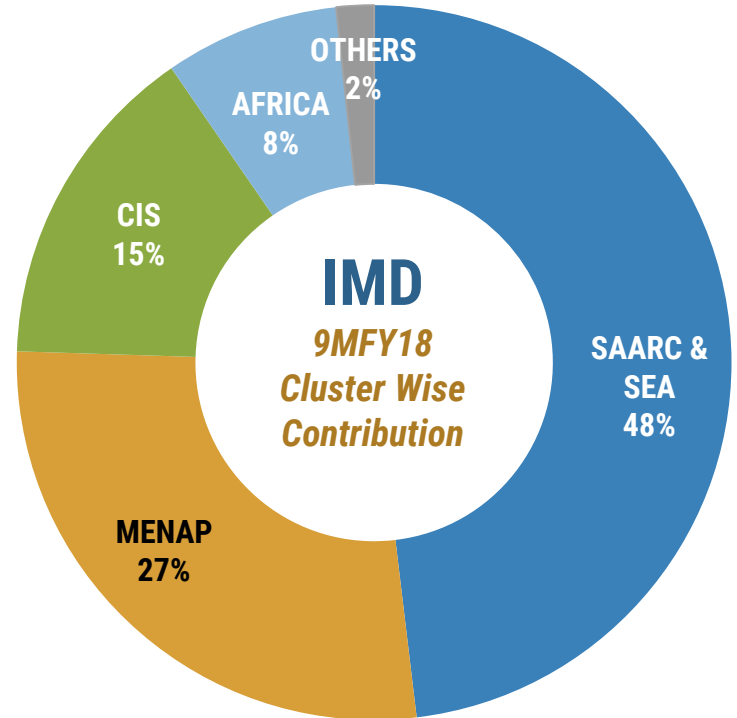
- ❑ 7 Oils in One continued to post double digit volume growth.
- ❑ Vasocare grew in low single digits due to a high base.





International Business Performance

- ❑ International Business grew by **16%** during the quarter
- ❑ CIS, MENAP and SEA regions grew robustly.
- ❑ Reported Market share gains across majority of the portfolio.



Legend:

- SAARC** South Asian Association for Regional Cooperation (*Major countries – Bangladesh, Nepal, Sri Lanka etc.*)
- SEA** South East Asia (*Major countries – Malaysia, Myanmar & Singapore*)
- MENAP** Middle East, North Africa & Pakistan (*Major countries – UAE, Qatar, Oman, Kuwait, Bahrain etc.*)
- CIS** Commonwealth of Independent States (*Major Countries – Russia, Ukraine etc.*)

Financial Analysis

Earnings analysis for Q3FY18

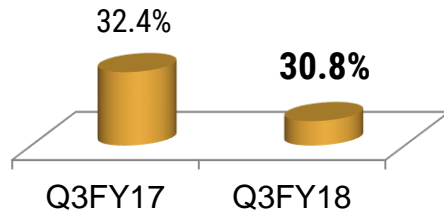


Q3FY18 Financial Analysis

Cost of Goods Sold

(as a % of Sales)

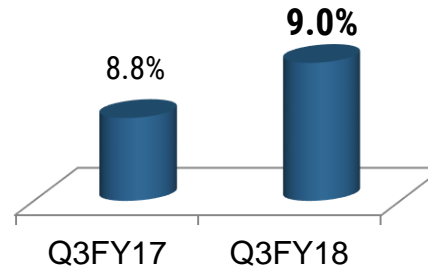
-160 bps



Staff Costs

(as a % of Sales)

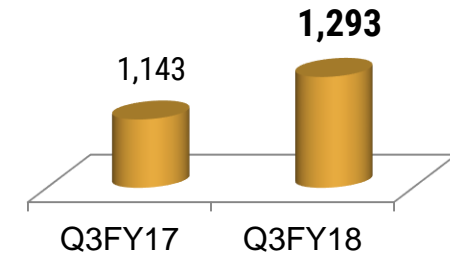
+ 20 bps



A&P Spends

(₹ in Millions)

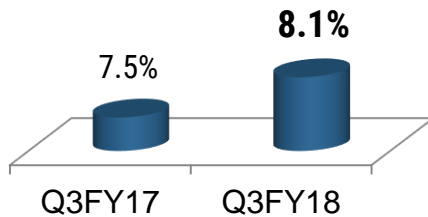
+130 bps



Admin & Other Exp

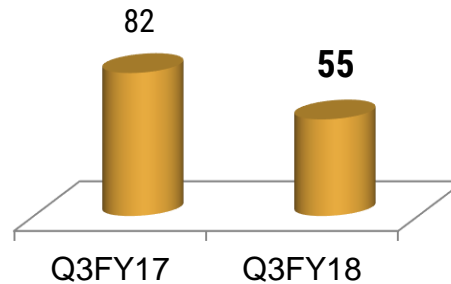
(as a % of Sales)

+ 60 bps



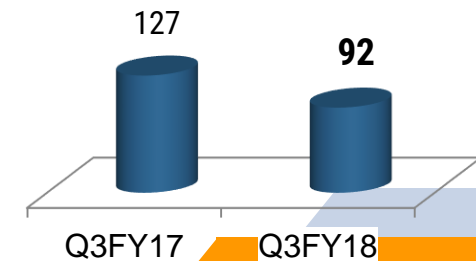
Other Income

(₹ in Millions)



Interest Paid

(₹ in Millions)





Q3FY18 Summarized Financials

₹ in Millions

Particulars	Q3FY18	%	Q3FY17	%	Growth %	FY17	%
Revenue from Operations (including GST/ VAT)	8,424	111.3%	7,661	105.5%	10.0%	26,941	106.4%
Less : GST/VAT	(857)	-11.3%	(401)	-5.5%	113.7%	(1,615)	-6.4%
Revenue from Operations	7,566	100%	7,260	100%	4.2%	25,326	100%
Materials Cost	2,334	30.8%	2,349	32.4%	-0.7%	8,825	34.8%
A&P	1,293	17.1%	1,143	15.7%	13.1%	4,428	17.5%
Staff Cost	680	9.0%	636	8.8%	6.9%	2,242	8.9%
Admn & Other Exp	613	8.1%	546	7.5%	12.3%	2,240	8.8%
EBIDTA	2,647	35.0%	2,585	35.6%	2.4%	7,591	30.0%
Other Income	55	0.7%	82	1.1%	-32.4%	311	1.2%
Interest	92	1.2%	127	1.8%	-27.4%	580	2.3%
Amortisation of acquired TM's/ brands	604	8.0%	705	9.7%	-14.2%	2,617	10.3%
Depreciation/Amortisation of other assets	195	2.6%	112	1.5%	74.7%	469	1.9%
PBT	1,810	23.9%	1,723	23.7%	5.0%	4,236	16.7%
Tax	338	4.5%	381	5.2%	-11.2%	836	3.3%
PAT	1,472	19.4%	1,342	18.5%	9.6%	3,400	13.4%
PAT After Minority Interest & Associate	1,472	19.5%	1,343	18.5%	9.6%	3,404	13.4%
Cash Profit (PAT + Dep. & Amortization)	2,272	30.0%	2,160	29.8%	5.2%	6,490	25.6%
EPS - Rs.	6.5		5.9		9.6%	15.0	
Cash EPS- Rs.	10.0		9.5		5.2%	28.6	



9MFY18 Summarized Financials

₹ in Millions

Particulars	9MFY18	%	9MFY17	%	Growth %	FY17	%
Revenue from Operations (including GST/ VAT)	21,270	110.4%	20,755	106.2%	2.5%	27,168	107.3%
Less : GST/VAT	(2,011)	-10.4%	(1,206)	-6.2%	66.8%	(1,842)	-7.3%
Revenue from Operations	19,259	100%	19,549	100%	-1.5%	25,326	100%
Materials Cost	6,369	33.1%	6,613	33.8%	-3.7%	8,825	34.8%
A&P	3,709	19.3%	3,669	18.8%	1.1%	4,428	17.5%
Staff Cost	1,966	10.2%	1,814	9.3%	8.4%	2,242	8.9%
Admn & Other Exp	1,753	9.1%	1,643	8.4%	6.7%	2,240	8.8%
EBIDTA	5,462	28.4%	5,810	29.7%	-6.0%	7,591	30.0%
Other Income	173	0.9%	219	1.1%	-20.8%	311	1.2%
Interest	276	1.4%	412	2.1%	-33.1%	580	2.3%
Amortisation of acquired TM's/ brands	1,807	9.4%	1,994	10.2%	-9.4%	2,617	10.3%
Depreciation/Amortisation of other assets	494	2.6%	329	1.7%	50.3%	469	1.9%
PBT	3,059	15.9%	3,295	16.9%	-7.2%	4,236	16.7%
Tax	593	3.1%	728	3.7%	-18.6%	836	3.3%
PAT	2,467	12.8%	2,567	13.1%	-3.9%	3,400	13.4%
PAT After Minority Interest & Associate	2,469	12.8%	2,571	13.2%	-4.0%	3,404	13.4%
Cash Profit (PAT + Dep. & Amortization)	4,767	24.8%	4,889	25.0%	-2.5%	6,486	25.6%
EPS - Rs.	10.9		11.3		-3.9%	15.0	
Cash EPS- Rs.	21.0		21.6		-2.5%	28.6	



Acquisition of Strategic Stake in “The Man Company”

- ❑ Forayed into the fast growing **Online Male Grooming segment** by agreeing to acquire **30% equity stake** (in 13 months) in **Helios Lifestyle Pvt. Ltd.** with an option to buy further at agreed valuation parameters.
- ❑ The company owns the brand “**The Man Company**” which offers a **head-to-toe range of premium men’s grooming products** in Bath & Body, Beard management, Shaving & Perfumes category based on premium essential oils which are free of harmful chemicals.
- ❑ The products are **currently sold online** majorly through the company's own website.
- ❑ The segment offers a huge headroom for innovation & growth and the investment is in line with the company’s strategy of leveraging online opportunities brought about by rapid digitalisation.



THE MAN COMPANY

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Thank You