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
Sympathy for the ones affected by the pandemic

Appreciate the efforts put in by..

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

I am a part of Britannia Dehradun sales team
I delivered products to distributors on my scooter when trucks were not available

I am a part of Finance team
I ensured permission to operate factories & depots

I am a part of Ranjangaon HR team
I reached out to the authorities to mobilize workers from their hometown

I am a part of Jhagadia factory team
I ensured operations with no labour strikes & operations with better efficiencies

I am a part of Kolkata depot team
I ensured dispatches with low inventory & limited manpower

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
- 24-month Growth
  - +34%
  - +26%

Operating profit
- Growth
  - +91%
  - 19.8% (+670 bps)

PAT
- Growth
  - +117%
  - 16.1% (+675 bps)

Source: Company Financials – Consolidated Results
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

- Mar'14: 7.3
- Mar'15: 10.0
- Mar'16: 12.6
- Mar'17: 15.5
- Mar'18: 18.4
- Mar'19: 21.0
- Mar'20: 19.7
- Jun'20: 21.5

Rural distribution continued upbeat

<table>
<thead>
<tr>
<th>Month</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar'15</td>
<td>7k</td>
<td>8k</td>
<td>10k</td>
<td>14k</td>
</tr>
<tr>
<td>Mar'16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar'17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar'18</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar'19</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar'20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun'20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No of RPPs (Rural Preferred Dealers)

Double digit growth in Hindi belt

<table>
<thead>
<tr>
<th>State</th>
<th>2017-18</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rajasthan</td>
<td>1.0</td>
<td>1.6x</td>
</tr>
<tr>
<td>MP</td>
<td>1.0</td>
<td>1.6x</td>
</tr>
<tr>
<td>UP</td>
<td>1.0</td>
<td>1.8x</td>
</tr>
<tr>
<td>Gujarat</td>
<td>1.0</td>
<td>1.6x</td>
</tr>
</tbody>
</table>

CAGR growth of 16-20%
In view of the demand situation & low stocks, Media was planned in a focused way

- 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

Mariegold: My start contest 2.0 for homemakers

Nutrichoice: ‘Good Choices can happen at Home’

Goodday: Khushibaaz & Smiles

Premium Cream: PM Chocolush, Treat Burst
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 increases 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

<table>
<thead>
<tr>
<th>Better mix</th>
<th>Efficiencies</th>
<th>Cost Reduction</th>
</tr>
</thead>
</table>
| • Prioritized high margin categories & staples
  ➢ Premium segment
  ➢ Milk &
  ➢ Marie
• High throughput varieties | • 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 | • 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

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

Double Digit revenue growth & Profitability improvement
Q1’20 Financials
### Consoliated NSV

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY 17-18 (10%)</th>
<th>FY 18-19 (12%)</th>
<th>FY 19-20 (4%)</th>
<th>FY 20-21 (26%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>2,225</td>
<td>2,527</td>
<td>2,677</td>
<td>2,855</td>
</tr>
<tr>
<td>Q2</td>
<td>2,537</td>
<td>2,855</td>
<td>3,023</td>
<td>3,023</td>
</tr>
<tr>
<td>Q3</td>
<td>2,558</td>
<td>2,827</td>
<td>2,936</td>
<td>2,936</td>
</tr>
<tr>
<td>Q4</td>
<td>2,510</td>
<td>2,764</td>
<td>2,808</td>
<td>2,808</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth%</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17-18</td>
<td>14%</td>
<td>13%</td>
<td>11%</td>
<td>10%</td>
<td>6%</td>
<td>6%</td>
<td>4%</td>
<td>2%</td>
<td>26%</td>
</tr>
<tr>
<td>FY 18-19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 19-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 20-21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>24 month growth%</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17-18</td>
<td>20%</td>
<td>21%</td>
<td>25%</td>
<td>24%</td>
<td>20%</td>
<td>19%</td>
<td>15%</td>
<td>12%</td>
<td>34%</td>
</tr>
<tr>
<td>FY 18-19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 19-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 20-21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Nos. in the bracket indicate revenue growths.

Consolidated NSV as per published results.
**Commodity. Overall Q1 inflation @ ~3%**

**Positive outlook on good monsoon & harvest**

- **Flour**
  - Rs./kg
  - Q1 Inflation: 3%

- **Sugar**
  - Rs./kg
  - Q1 Inflation: 4%

- **RPO**
  - Rs./kg
  - Q1 Inflation: 23%

- **Milk**
  - Rs./Ltr
  - Q1 Deflation: 7%
Improved profitability

Consolidated Operating Profit as per published results

Percentages indicate operating profit % to Consolidated NSV
# Key Financial Lines – Consolidated (Reported)

## Key Financial Lines

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q1’20-21</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>3,384</td>
<td>26%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>669</td>
<td>91%</td>
</tr>
<tr>
<td>Profit Before Tax*</td>
<td>737</td>
<td>88%</td>
</tr>
<tr>
<td>Profit After Tax (Owner’s share)</td>
<td>546</td>
<td>117%</td>
</tr>
</tbody>
</table>

## Profit from Operations%

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

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

Source: Company Financials – Consolidated Results
• 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