

Presentation to Shareholders

2019-20



Presenter: S. Sambhu Prasad
Chairman and Managing Director
Date: 23.09.2020

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History – Values Driven Organization

Our Values

- Commitment towards interests of all stakeholders-customers, employees, shareholders & community.
- To achieve leadership position in all our businesses.
- We never compromise on our ethics and this is reflected in all our actions.
- We strive to provide a culture that accepts new ideas, embraces change and rejects bureaucracy and small-mindedness.



AMRUTANJAN BRAND MANIFESTO

- We stand for individual and family well being.
- Our expertise lies in combining science with naturalness and we have been honing this since 1893.
- We are committed to creating offerings which help people get rid of pain.
- Our products will be efficacious in providing the relief which our consumers seek.
- We endeavor to delight our customers through the experience we provide.
- The products we make are pure and natural.
- We are against using chemicals like Diclofenac which are harmful and have side effects which impact the larger environment as well.
- We will stay loyal to our roots of Ayurveda, Naturalness and usage of herbs in our products.



- Amrutanjan balm developed in 1893 at Mumbai
- The Company went public in 1936
- Developed by Freedom fighter and philanthropist Dessodharaka Nageswararao Pantulu garu
- One of three century old pain brands in India : Amrutanjan, Iodex and Zandu
- Amrutanjan brand now sold in more than 3 variants and formats like spray and roll on through 25 SKUs
- First company to launch Pain balm in Sachet
- First brand in India to venture into services with Pain Management Clinic centered at Chennai
- Entered into Women's Hygiene space in 2013 with Launch of Comfy Sanitary Pads
- Amrutanjan is placed 530th out of 1000 publicly traded companies by market capitalization (NSE/31.3.2020)
- Amrutanjan has created shareholder wealth of 15x of capital (not counting dividends) since 2006

OVERVIEW (contd..)



- Amrutanjan brand is available in 1.06Mn outlets and also in Modern Format and on sites like Amazon.in
- The company has a direct distribution reach of 250,000 outlets
- The company has launched a Sales Force Automation project to digitize the entire sales value chain
- The company has distributor presence in 21 countries
- The company is looking at US markets having successfully obtained US FDA registration
- The company registered sales of INR 289 Crores in 2019-20
- New product sales is 30% of total sales
- The company has doubled top line between 2014 and 2020

HERITAGE LIKE NONE OTHER





तकनीकी आँकड़े
TECHNICAL DATA

बारी करने की तारीख
Date of Issue ... 1-5-1969

मूल्य बर्ग
Denomination ... 20 P.

कुल आकार
Overall Size ... 3.34 x 2.88 से.मी.
cm

मुद्रण आकार
Printing Size ... 2.98 x 2.52 से.मी.
cm

प्रति शीट संख्या
Number per issue Sheet ... 42

रंग
Colour ... गह्रा भरा
Dark Brown

छिद्रण
Perforation ... 14 x 13 1/2

जलचिह्न
Water mark ... बिना जलचिह्न वाले
कागज पर मुद्रित
Printed on unwater-
marked paper

मुद्रण प्रक्रिया
Printing Process ... फोटोसिक्वा
Photogravure

मुद्रित टिकटों की संख्या
Number Printed ... 30,00,000

डिजाइन और मुद्रण
Designed and Printed at ... भारत प्रतिभूति मुद्रणालय
India Security Press

डिजाइन का विवरण

यह डाक-टिकट अनुपम्य आकार का है जिसमें काशीनाधुनी नागेश्वर राव पंतुलु का चित्र अंकित है।

Description of Design

The design of the Stamp is horizontal and depicts a portrait of Kasinadhuni Nageswara Rao Pantulu.

बिक्री की शर्तें

यदि विदेशों से नये डाक-टिकट व प्रथम दिवस आचरण के दिनों के माँग पर डाक-तार विभाग के पाम भेजे जाएँ तो उन्हें भारतीय डाक-टिकट संकलन कारो, बडा डाकघर, बम्बई के पते पर भेजा जाना चाहिए और उनके माध् भारत में मूलाका जा सकने वाला बैंक ड्राफ्ट वा रेखांकित चेक भी भेजा जाना चाहिए।

TERMS OF SALE

Overseas orders, if placed with the P & T Department for the supply of the new stamps and First Day Covers should be addressed to the *Indian Philatelic Bureau, G.P.O. Bombay* and be accompanied by a bank draft or crossed cheque encashable in India.

भारतीय डाक-तार विभाग
INDIAN POSTS AND TELEGRAPHS

मूल्य १०
Price 10 P.

Produced by the Directorate of Advertising & Visual Publicity, Ministry of I. & B., Govt. of India, New Delhi for the Indian Posts & Telegraphs Department and printed at the National Printing Works, Delhi.

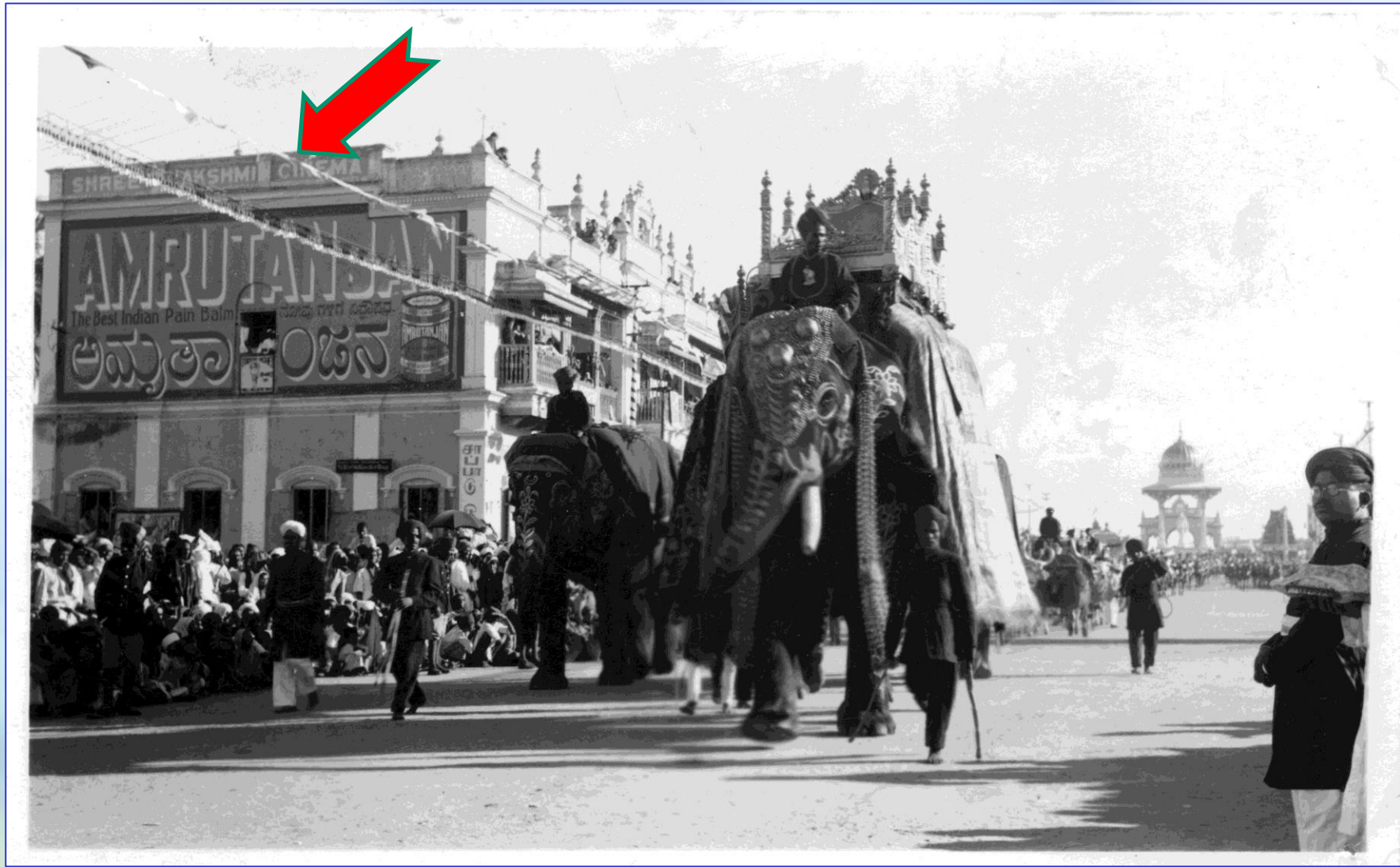
No. 3/1969 PIV-Bolagwal. 40,000 April '69



भारत INDIA
काशीनाधुनी नागेश्वर राव पंतुलु
स्मारक डाक-टिकट
KASINADHUNI NAGESWARA RAO PANTULU
COMMEMORATION STAMP
1-5-1969

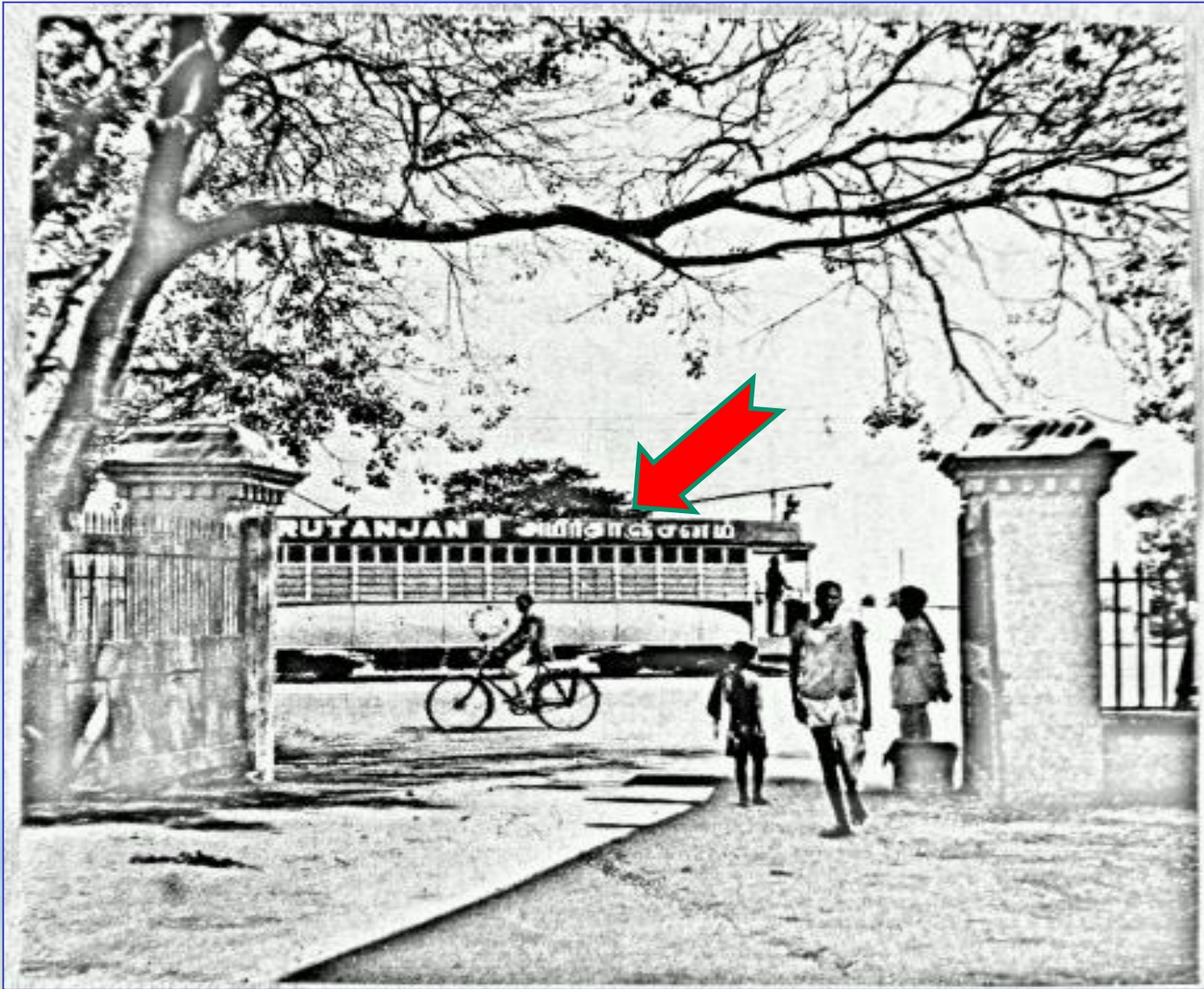
MEMORABILIA





Amrutanjan Pain Balm hoarding in Mysore. This early 20th century picture was taken during the Maharaja's procession.

MEMORABILIA



MEETING OF CHESS GRAND MASTERS IN REYKJAVIK



Robert James "**Bobby**" Fischer (considered by many to be the greatest chess player) once asked Viswanathan Anand (Indian chess Grandmaster and the current World Chess Champion) **“If he was carrying any Amrutanjan balm. Apparently, he used to stock it up when he was in New Jersey, but couldn’t find any in Iceland.”**

Top 1000 Companies based on Market Capitalization

499	ITDC	India Tourism Development Corporation Limited
500	APARINDS	Apar Industries Limited
501	SWARAJENG	Swaraj Engines Limited
502	UNICHEMLAB	Unichem Laboratories Limited
503	NOCIL	NOCIL Limited
504	BANARISUG	Bannari Amman Sugars Limited
505	PHILPCARB	Phillips Carbon Black Limited
506	IFBIND	IFB Industries Limited
507	SHK	S H Kelkar and Company Limited
508	HGS	Hinduja Global Solutions Limited
509	TATACOFFEE	Tata Coffee Limited
510	BLISSGVS	Bliss GVS Pharma Limited
511	SUZLON	Suzlon Energy Limited
512	SOUTHBANK	The South Indian Bank Limited
513	GDL	Gateway Distriparks Limited
514	MAITHANALL	Maithan Alloys Limited
515	PRAJIND	Praj Industries Limited
516	GMDCLTD	Gujarat Mineral Development Corporation Limited
517	RSYSTEMS	R Systems International Limited
518	IOLCP	IOL Chemicals and Pharmaceuticals Limited
519	JKTYRE	JK Tyre & Industries Limited
520	UFLEX	UFLEX Limited
521	GREENPLY	Greenply Industries Limited
522	TVTODAY	TV Today Network Limited
523	IIFLSEC	IIFL Securities Limited
524	RAMCOIND	Ramco Industries Limited
525	MAHLIFE	Mahindra Lifespace Developers Limited
526	HERITGFOOD	Heritage Foods Limited
527	SHARDACROP	Sharda Cropchem Limited
528	KPITTECH	KPIT Technologies Limited
529	JTEKTINDIA	Jtekt India Limited
530	AMRUTANJAN	Amrutanjan Health Care Limited
531	CARERATING	CARE Ratings Limited
532	POLYPLEX	Polyplex Corporation Limited
533	JAMNAAUTO	Jamna Auto Industries Limited
534	BOMDYEING	Bombay Dyeing & Mfg Company Limited

Amrutanjan in 530th position in Top 1000 Companies based on Market Capitalization as on 31st March 2020

Source: www.nseindia.com



Business – Growing Steadily

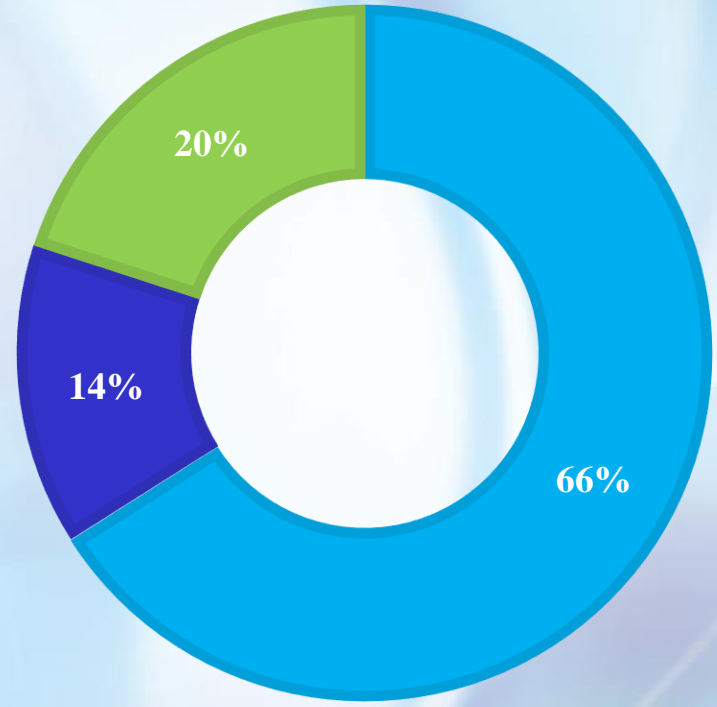
AMRUTANJAN PRESENCE IN FMCG LANDSCAPE



CONTRIBUTION TO FMCG SALES BY COMPANY SIZE

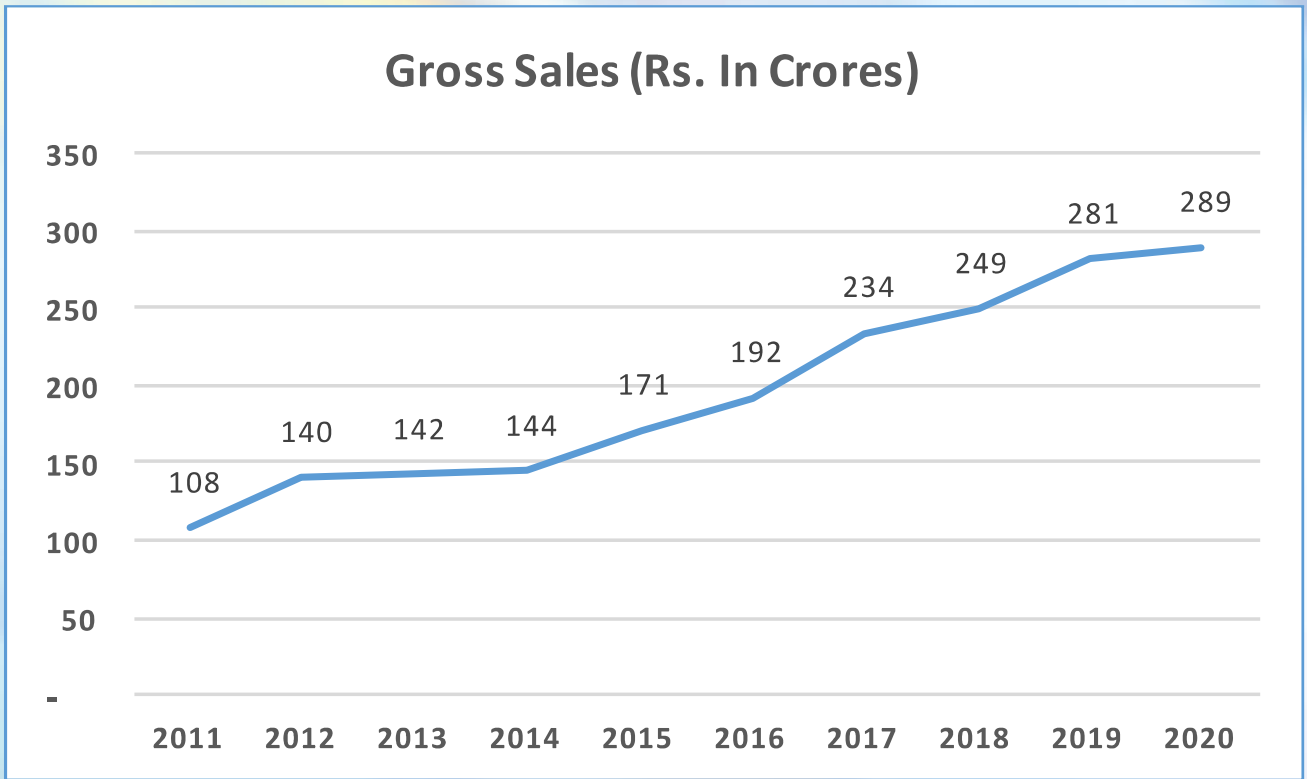
Why have so few managed to scale their business?

Company Size	No. of Companies
Large (>600 Crs)	64
Medium (100-600 Crs)	221
Small (<100 Crs)	40310



■ Large (>600 Crs) ■ Medium (100-600 Crs) ■ Small (<100 Crs)

GROWTH IN SALES FOR LAST 10 YEARS



Covid -Impact

- Covid was a Black Swan Event- once in a generation occurrence
- It disrupted business the last 10 days of the fiscal year.
 - Crucial 10 days for FMCG industry
- Revenue loss was 33 cr -322 cr projected revenue instead of 289 cr.
- Complete loss of production and sales man days in April and May
- Sales man days still not back to pre Covid levels
- No cut in salaries to preserve morale
- Key raw material prices crashed –favoring our Gross Margins
- Initial impact on sales due to logistics issues

Covid -Future

- Shift in consumer behavior towards Ayurvedic and health care products
- Wellness, Immunity are key considerations.
- Rise in E commerce- We have done entire last year sales in first 5 months
- Days Sales Outstanding cut by 40%
- Consumers buying balms over tablets and also for steam inhalation
- Electro plus drink also seeing acceptance as a immunity booster
- Making Boards and Management rethink Purpose , Values and strategies
- Planning 6 new launches in FY 21.
- Utilization at 100% for all plants- Balm, Comfy
- We have to focus on indirect and distributor sales



Win at all times: Achieving Sustainable Growth



MAJOR DECISIONS THAT HELPED SUSTAIN GROWTH – KEY STRATEGIC ACTIONS



- Launched Distribution revamp program in 2009
 - **Strategic Transformation of Amrutanjan Redistribution (S.T.A.R)**
 - Increase direct distribution
 - Moved to a FMCG distribution from Pharma model
 - Added 300 sales people under direct and indirect roles
 - Daily sales reporting
 - Lines per Call, Lines per Distributor focus and other metrics driven sales
- Increased Ad to Sales ratio with goal of SOV #1 or #2 in Key Markets
- Focus on High Quality, World Class, Supply Chain partners
- Qualify Function Deployment (QFD)

MAJOR DECISIONS THAT HELPED SUSTAIN GROWTH-BENEFITS SEEN



- Results of good decisions/execution:

- Slow growth moved to double digit growth!

Years	Revenue	CAGR
FY 01 – 08	59-78 cr	4%
FY 09 – 20	87-289 cr	12%

- New Products now generate 79 Cr of sales compared to only 4 Cr!

Years	NP sales as % of total	NP Sales-Value in Cr
FY 2008	5%	<5cr
FY 2020	30%	79cr

- High wholesale dependency and uneven sales flighting

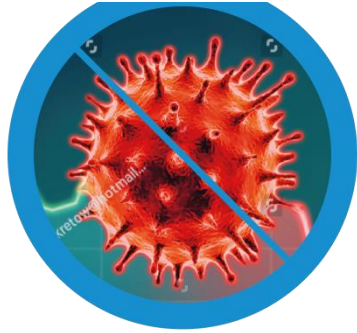
- Wholesale contribution has been controlled at a healthy level of 30% from as high as 50%

OUR BUSINESS: AMRUTANJAN RANGE



NO GERMS : HAND SANITIZER

**NEW
PRODUCT**



**KILLS
99.9% GERMS**



**NO WATER
REQUIRED**



**LEMON
FRAGRANCE**



**NEW
PRODUCT**

Amrutanjan Advanced Pain Relief + Patch

This Pain Patch has high pure natural menthol. In a unique combination with Amrutanjan's Hot Action Heat Therapy, it makes faster relief possible. Advanced Back Pain Patch users will experience stronger burning sensation and instant pain relief. Moreover, it has no Diclofenac, which makes it very safe too.

India's 1st Hydrogel Patch with

UP TO TARGETED PAIN RELIEF **8** HRS*

100%
AYURVEDIC ACTIVE INGREDIENTS
NO DICLOFENAC

#HOT ACTION HEAT THERAPY



HIGH PURE NATURAL MENTHOL 5%



NON-MESSY



CATEGORIES WE FOCUS ON

Amount – Rs. In Crores

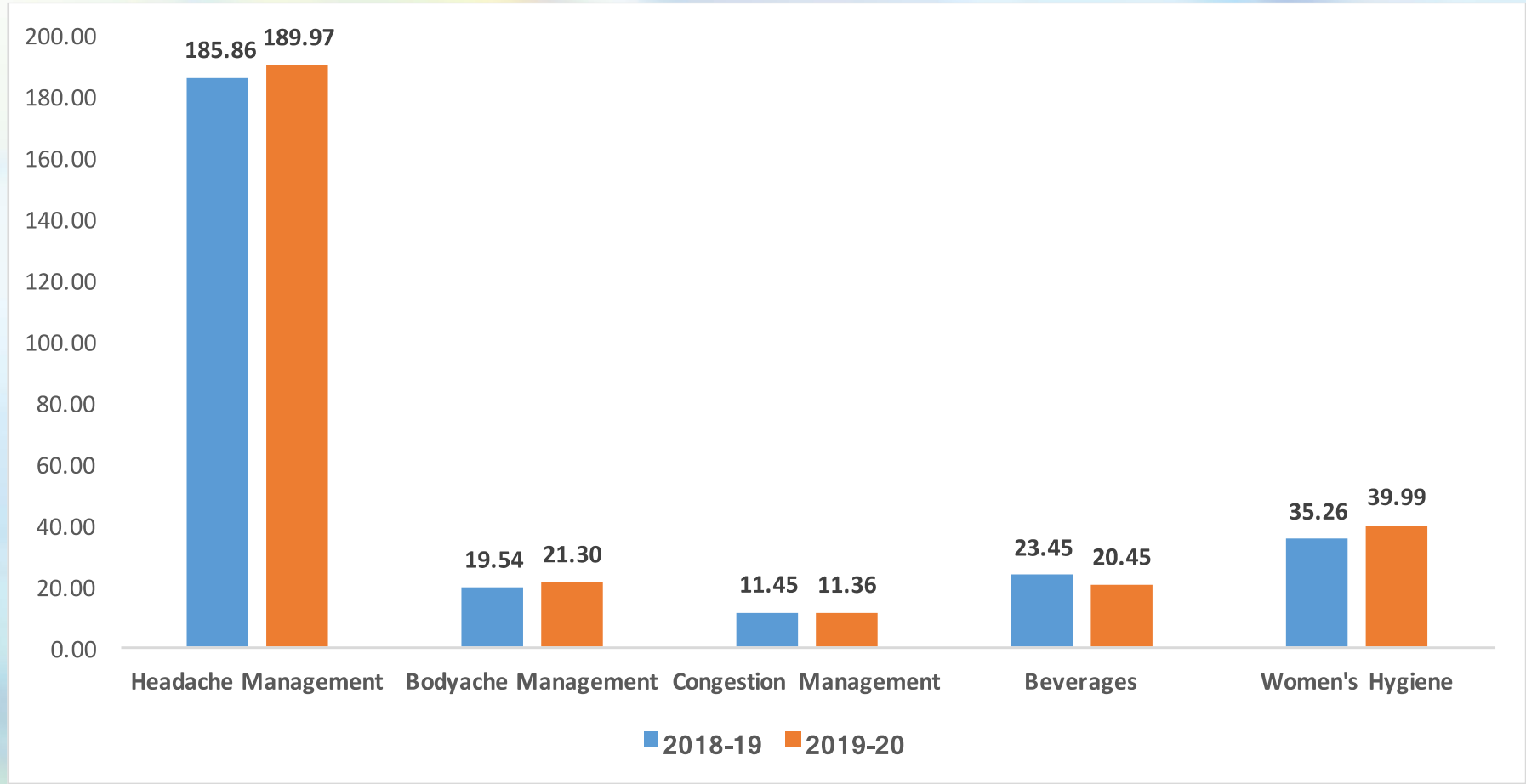


Particulars	Head Management	Body Management	Congestion Management	Non alcoholic Beverages	Women's Hygiene
Sales - 2019-20	189.97	21.30	11.36	20.45	39.99
% of contribution	67.11%	7.52%	4.01%	7.22%	14.13%

SALES COMPARISON FOR 2018-2019 & 2019-2020

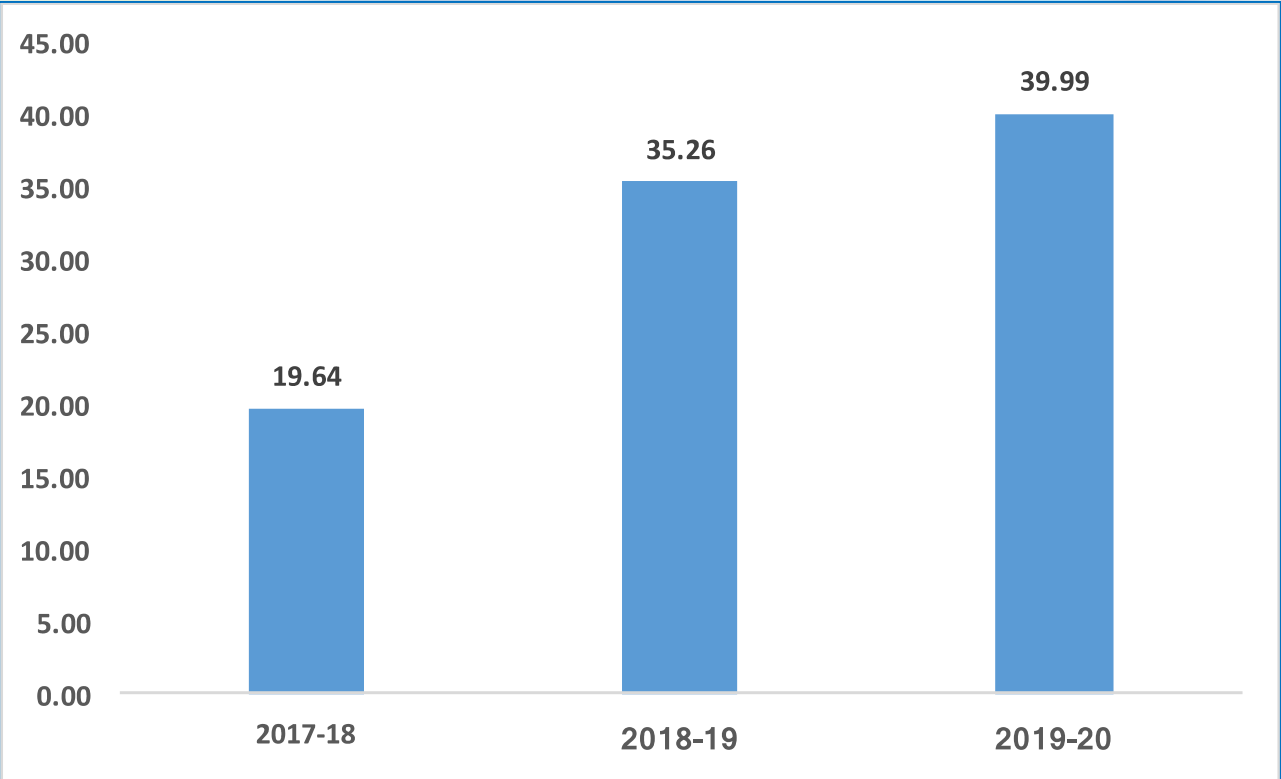


Amount – Rs. In Crores



WOMEN'S HYGIENE – LAST 3 YEARS REVENUE

Amount – Rs. In Crores



CASE STUDY



BRAND: COMFY

1. Sales Growth over Last 3 years: 19 to 40cr
FY 18: 138% → FY 19: 80% → FY 20: 13% (Impact due to COVID)
2. Distribution Growth over Last 3 years: 150,000 to 260,000 outlets
FY 18: 150% → FY 19: 40% → FY 20: 14%
3. Positioning: ‘**Quality Pads at Affordable Price**’ and ‘**80% better Absorption**’
4. Consumer Segmentation: Targeted at ‘**First Time Users**’ and ‘**Cloth Users**’ in Lower Town Class where quality napkins with affordable price is a challenge
5. Learnings:
 1. Unique consumer insights
 2. World class product delivery: Tied up with EU zone partner
Built panel of global experts on women’s hygiene
 3. Distribution growth was key to trials and repeats.



BRAND: ELECTRO+

1. Brand was launched to capitalize the growing need for Rehydration drink. This category also has high synergy with Amrutanjan's core channel strength 'Chemists'
2. Distribution: Currently reaching the market through direct distribution strength
3. Positioning: **'All Day Rehydration'**
4. Consumer Segmentation: Targeted at **'Active Lifestyle Consumers'**. Its has unique R3 formula which **'Restores Electrolytes'**, **'Refills Glycogen'** and **'Reduces Muscle Stress'**

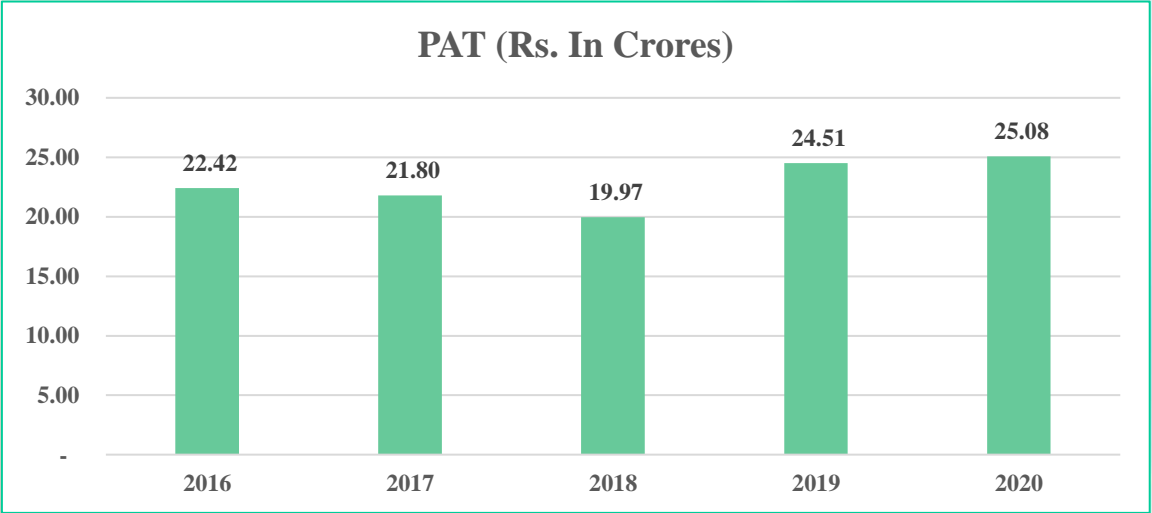
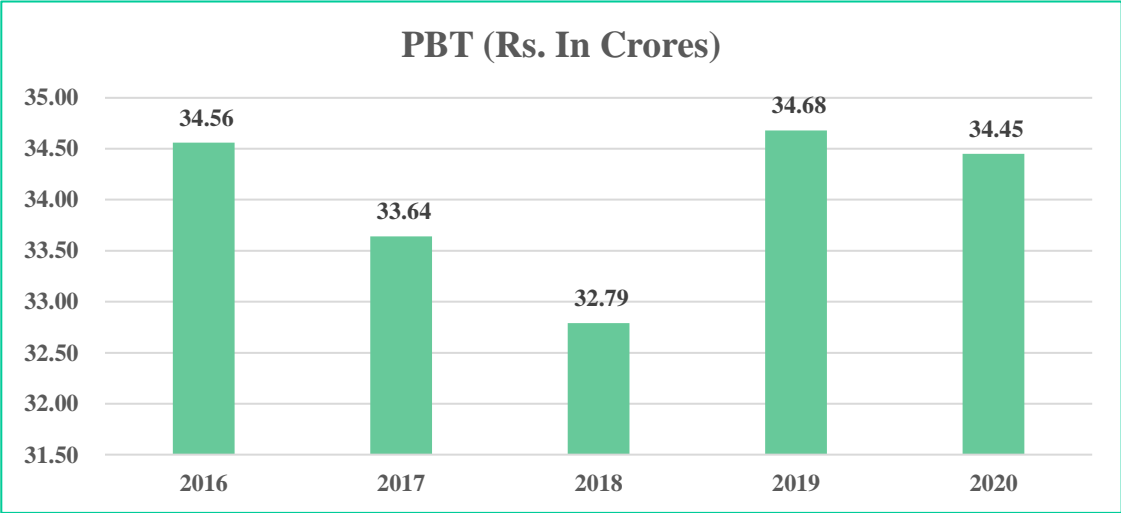
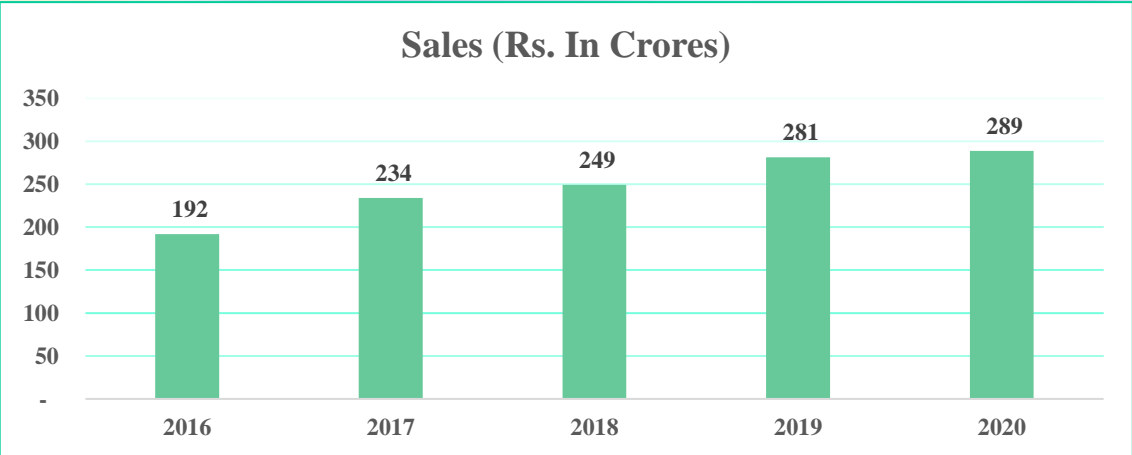




Financials – Strong Fundamentals

- Gross sales of the Company has increased from Rs. 281.31 Cr. to Rs. 288.92 Cr. (2.71% Growth)
- Profit Before Tax at 34.45 Cr. for FY20 against 34.68 Cr. for FY19
- Profit after Tax has increased from Rs. 24.51 Cr. to Rs. 25.08 Cr. (2.33% Growth)
- Earnings per share has increased from Rs.8.38 to Rs.8.58

GROWTH IN SALES & PROFIT





Investors Delight – Wealth Creation

Quote

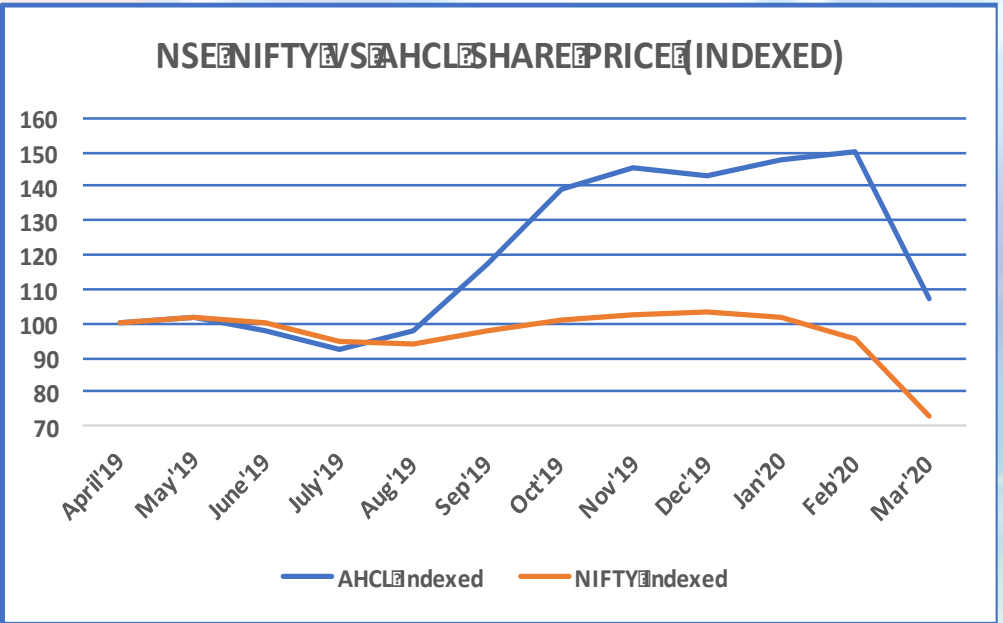
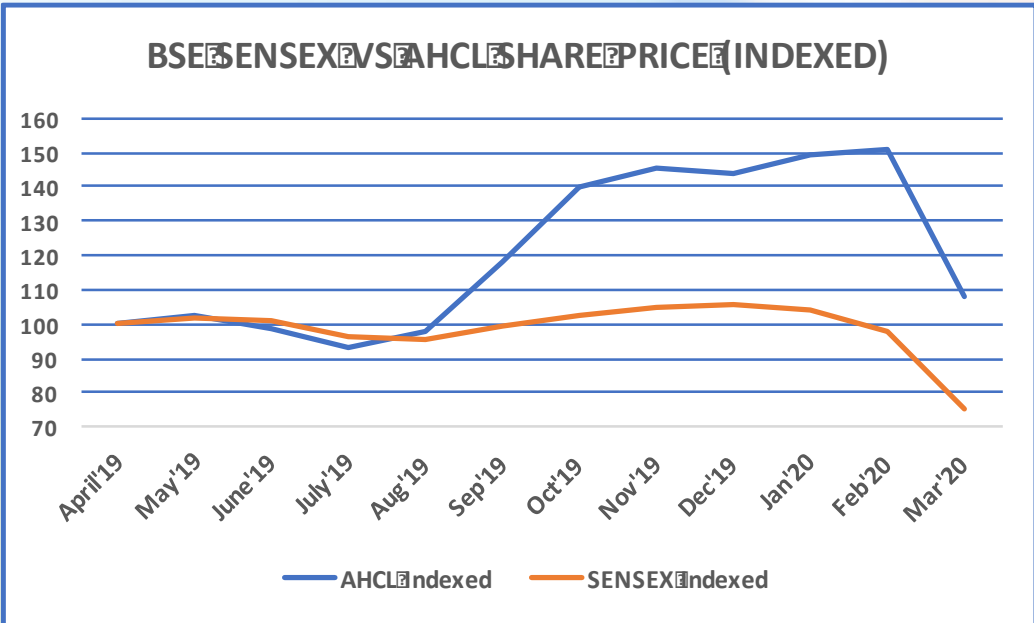
“Your goal as an investor should simply be to purchase, at a rational price, a part interest in an easily understandable business whose earnings are virtually certain to be materially higher five, ten and twenty years from now”

- Warren Buffett



GROWTH – SALES, PROFIT, DIVIDEND & MARKET CAP

Particulars	2014-15	2019-20	Growth over 5 years	Average Growth (CAGR)
	Rs. In Cr.	Rs. In Cr.	%	%
Sales growth in 5 years	171.00	288.92	68.96%	11.06%
PBT growth in 5 years	26.39	34.45	30.54%	5.48%
Dividend growth in 5 years	5.12	9.21	79.88%	12.46%
Market cap growth in 5 years	699.20	964.46	37.94%	6.64%



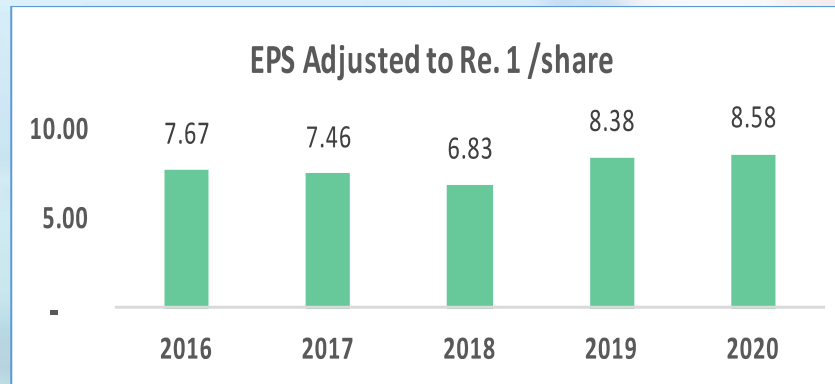
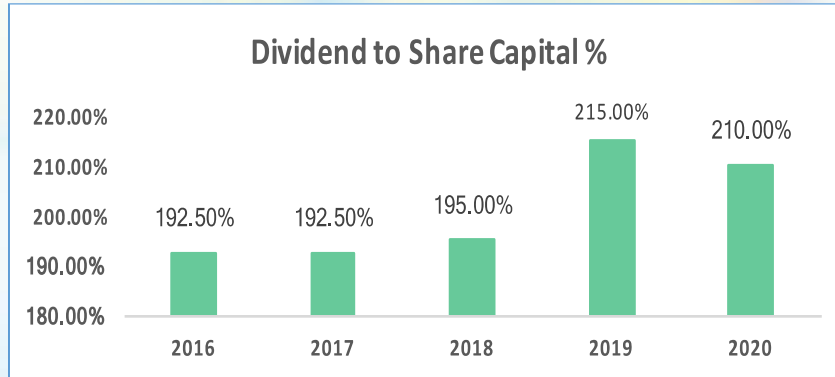
KEY FINANCIAL RATIOS FOR 3 YEARS



Particulars	Mar'20	Mar'19	Mar'18
Revenue from Operations / Share (Rs.)	89.45	86.63	76.88
Net Profit/Share (Rs.)	8.58	8.39	6.83
Return on Assets (%)	12.22%	13.07%	12.03%
Return on Capital Employed (%)	20.85%	22.95%	24.59%
Total Debt / Equity	0.24	0.19	0.20
Enterprise Value (Cr.)	964.46	905.42	795.15

Note: Per Share details for all the 3 years are calculated after considering share split for uniformity

DIVIDEND & EPS DETAILS



Note: Earning Per Share details are calculated after considering share split for uniformity

Year	Dividend	Special dividend	Buy Back	Total cash returned to Share Holders
(Figures in Rs. Crs)				
2006	1.28	-	-	1.28
2007	1.92	-	-	1.92
2008	2.24	-	5.95	8.19
2009	5.21	12.80	-	18.01
2010	4.55	-	-	4.55
2011	4.44	-	9.62	14.06
2012	4.38	-	-	4.38
2013	4.38	-	-	4.38
2014	4.68	-	-	4.68
2015	5.12	-	-	5.12
2016	5.63	-	-	5.63
2017	3.22	-	-	3.22
2018	5.63	-	-	5.63
2019	5.70	-	-	5.70
2020	6.29	2.92	-	9.21
From 2006 to 2020	64.67	15.72	15.57	95.96

SHARE HOLDER'S RETURN

FOR THOSE WHO INVESTED DURING 1982



Year	Opening No. of Shares	Bonus Shares	Closing No. of Shares	Ratio	Action
1982-1983	100	50	150	2:01	Bonus
1985-1986	150	100	250	3:02	Bonus
1989-1990	250	250	500	1:01	Bonus
1992-1993	500	167	667	3:01	Bonus
2000-2001	667	667	1334	1:01	Bonus
2012-2013	1334		6670	1:05	Split
2018-2019	6670		13340	1:02	Split

Year	No. of Shares	Price per share (Rs.)	Share Value (Rs.)
1981	100	39	3,900
2020	13340	330	4,402,200
CAGR			20.32%



Thank You