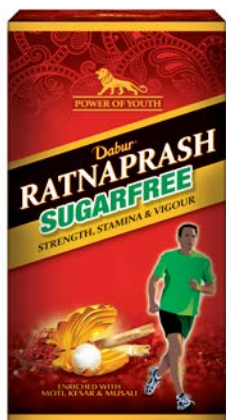


# Investor Communication

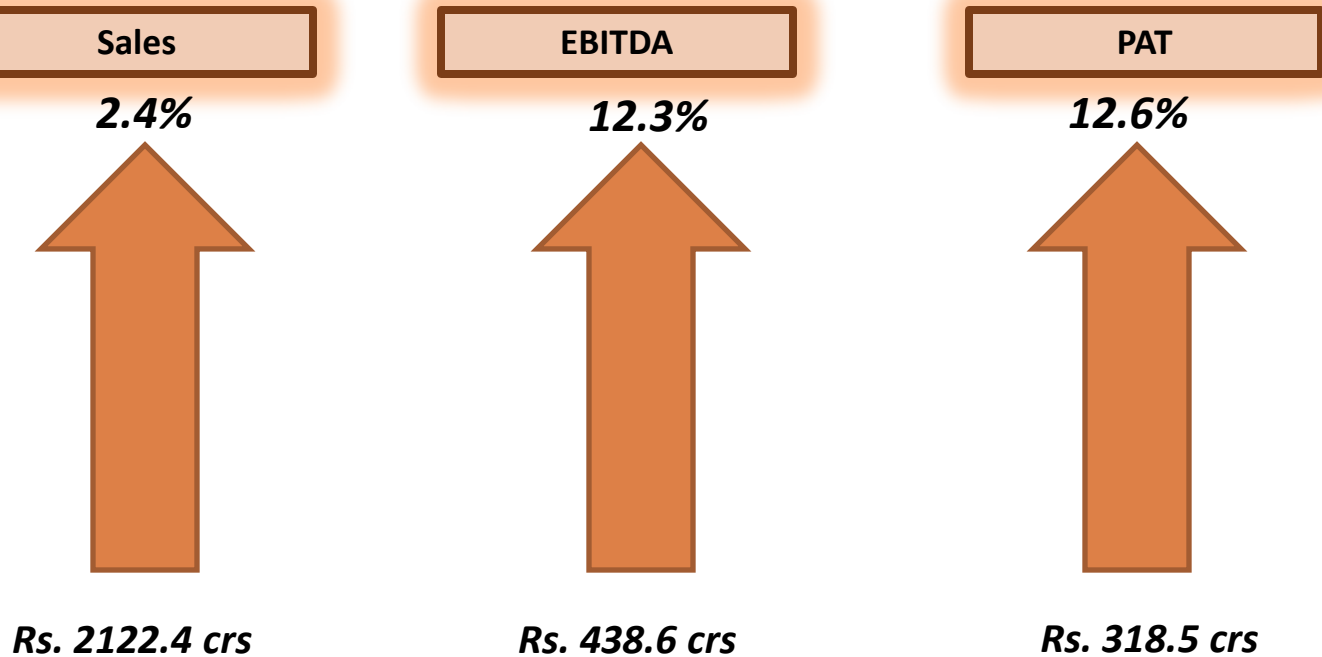
*Quarter ended 31<sup>st</sup> December, 2015*

28<sup>th</sup> January, 2016



# Financial Highlights Q3FY16

Growth



•We faced several headwinds this quarter :

- ✓ Political crisis in Nepal impacted the supply of Real Fruit juices and hence the Foods business suffered a decline of 23.7%
- ✓ Delayed winters impacted growth of the Healthcare category
- ✓ Continued category slowdown and hyper competitive intensity

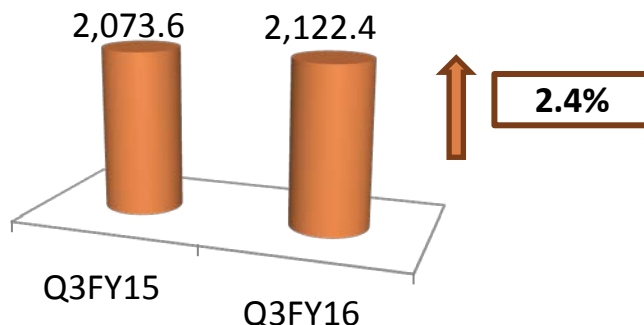
# Nepal Disruption continues...

- Political unrest by Madheshi
- Birgunj where the Dabur plant is located, is the epicenter
- Indefinite bandh – **Raxaul Border blockade since 24.09.2015**
- Dialogue between Nepal government & Madheshi parties still in progress
- Acute scarcity of fuel, raw material /packing material availability & transportation



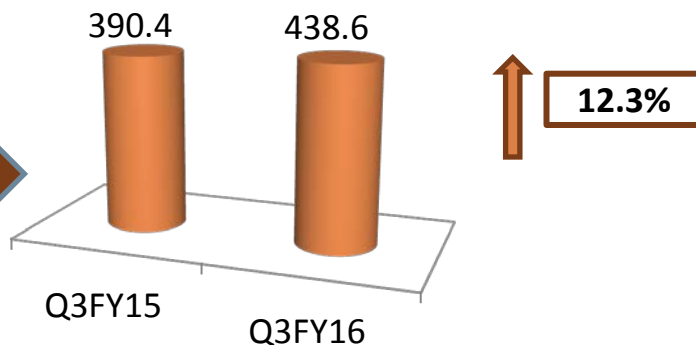
# Financial Highlights Q3FY16

Revenue  
(In Rs.Crs)



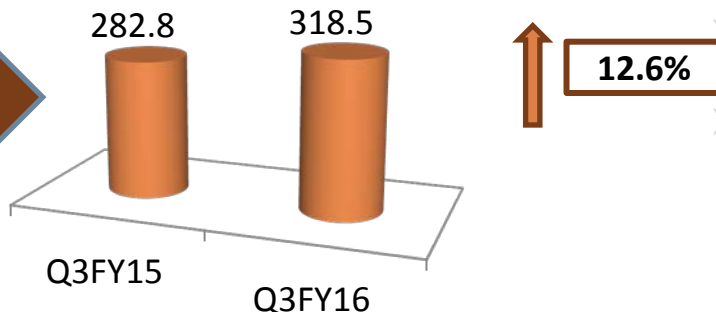
- Consolidated sales grew by 2.4%
- Domestic FMCG business was impacted by supply issue of Fruit juices which led to a decline of 23.7% in the Foods category
- Delayed winter impacted the winter centric products

EBITDA  
(In Rs.Crs)



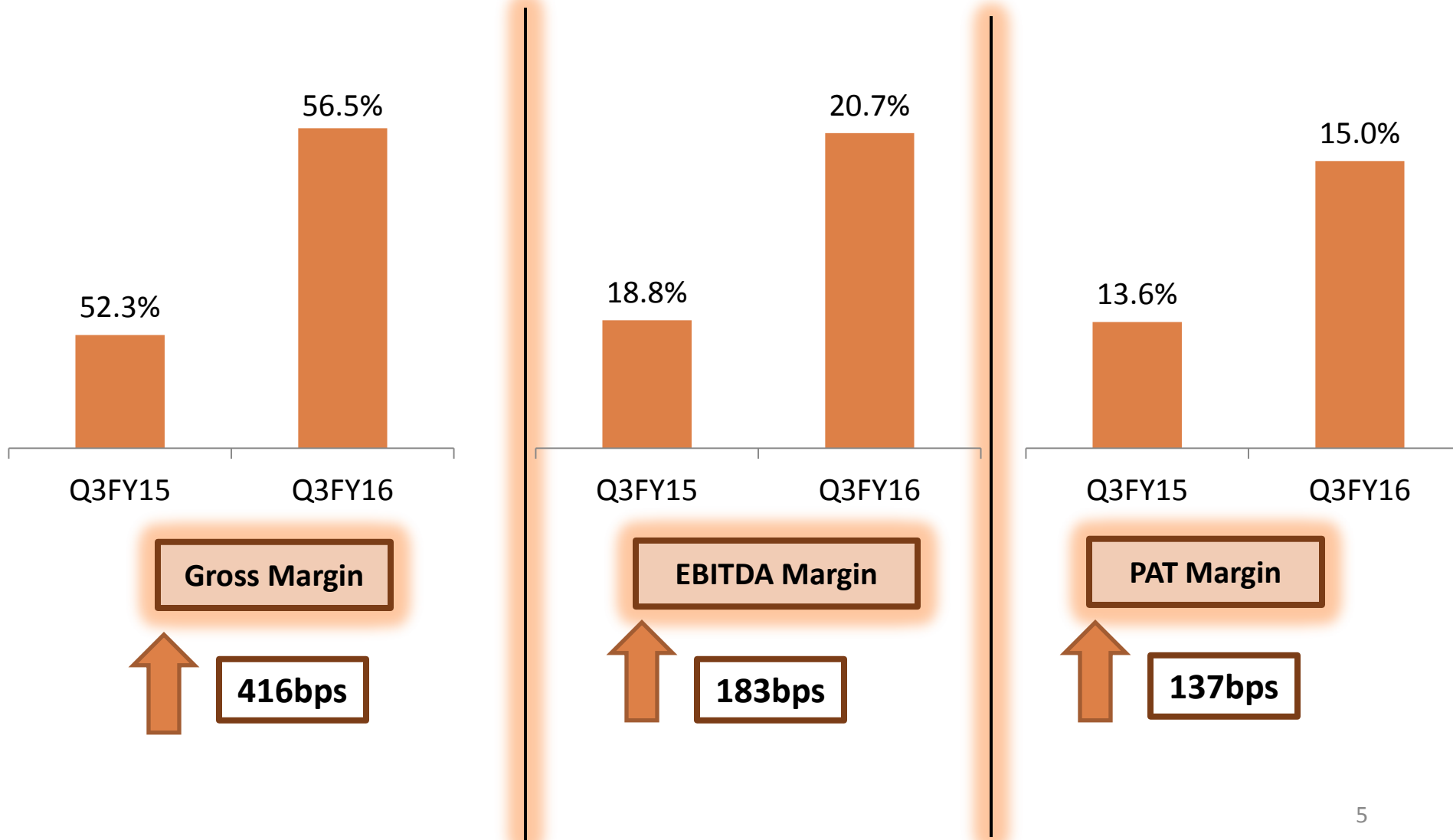
- EBITDA margin increased to 20.7% v/s 18.8% in Q3FY15
- Material Costs were lower at 43.5% of sales in Q3FY16 vs 47.7% in Q3FY15
- Adpro stood at 16.5% in Q3FY16 and increased by 109 bps compared to Q3FY15

\*PAT  
(In Rs.Crs)



- Consolidated PAT grew by 12.6%
- PAT Margins increased from 13.6% in Q3FY15 to 15% in Q3FY16

# Margin Profile Q3FY16



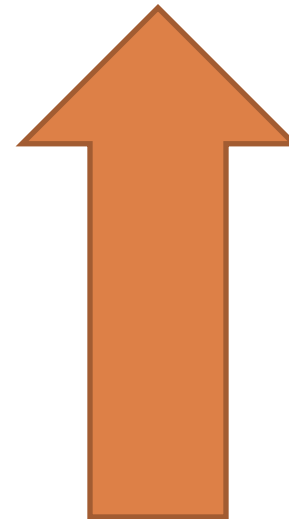
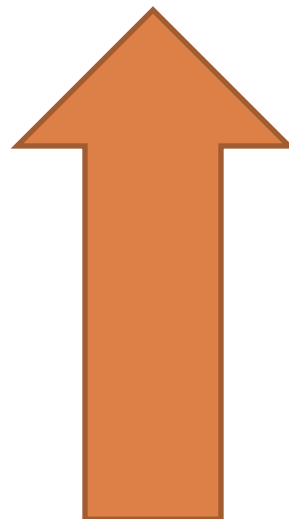
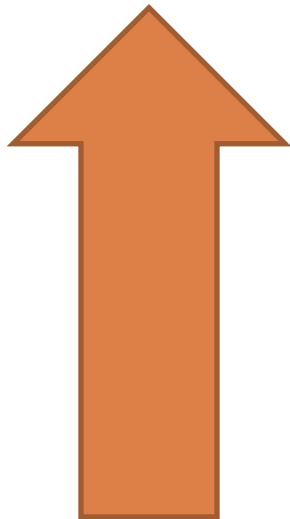
# Financial Highlights 9MFY16

**Growth**

**7.1%**

**16.9%**

**17.9%**



**Sales**

**EBITDA**

**PAT**

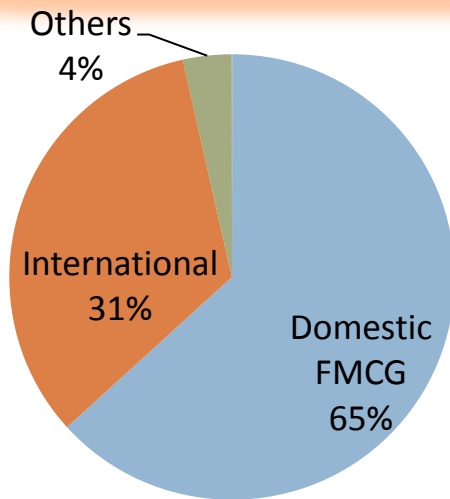
***Rs. 6278.6 crs***

***Rs. 1267.3 crs***

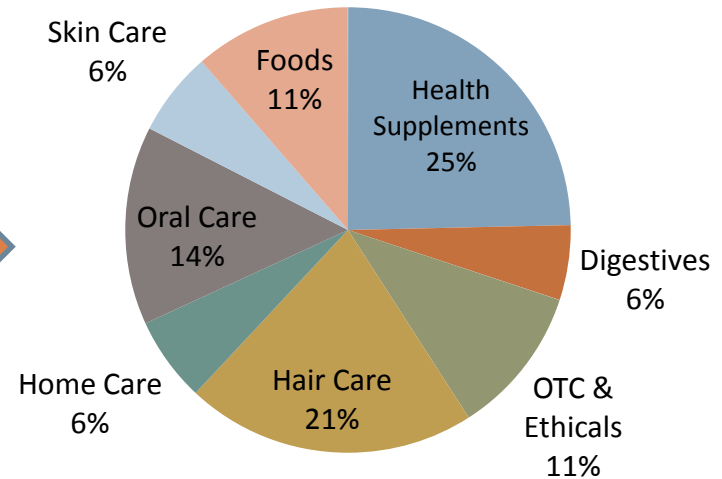
***Rs. 920.8 crs***

# Dabur Business Overview Q3FY16

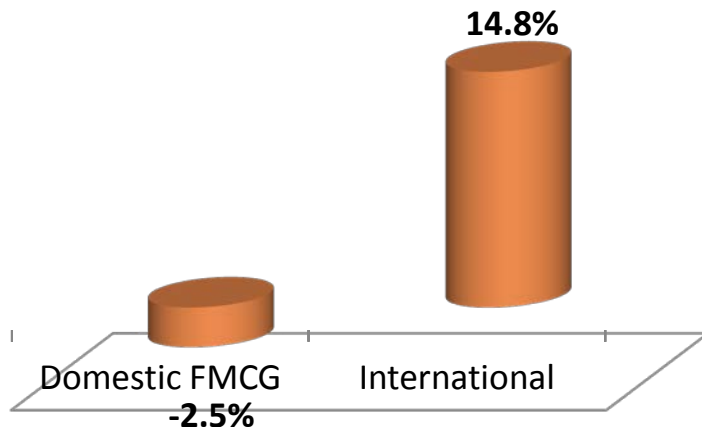
## Sales Contribution\*



## Domestic FMCG- Category Breakup



## International Sales Growth Rates



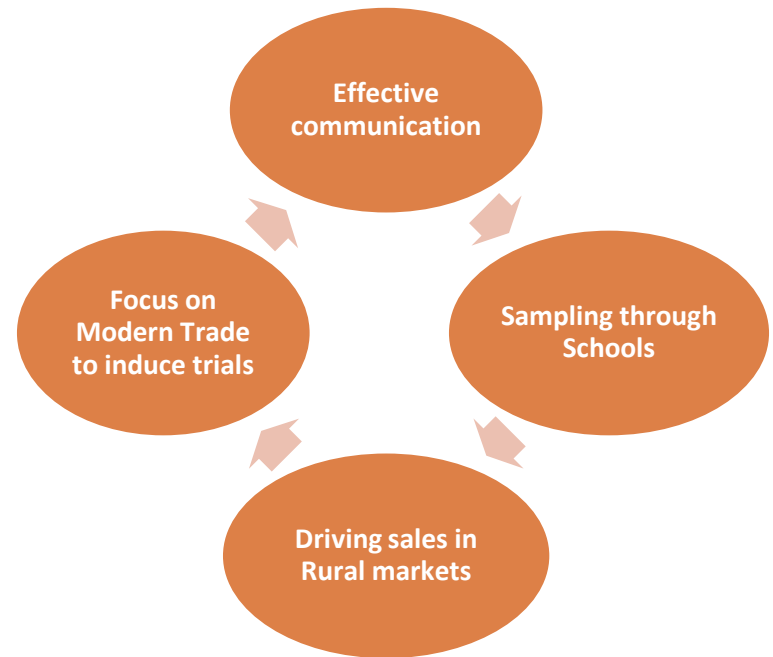
- Domestic FMCG Business was under pressure due to decline in Food category and delayed winters
- International Business grew by 14.8% with the Namaste business recording strong double digit growth
- International Business contributed to 31% of consolidated sales

# Category Highlights



# Oral Care

- The Oral Care portfolio recorded 10.5% growth with the toothpaste portfolio growing at 15.5% in Q3FY16
- Red Toothpaste continued on a robust growth trajectory and posted double-digit volume led growth on the back of strong consumer pull
- Meswak recorded strong double digit growth driven by effective brand communication- product users turned into ambassadors
- Red Toothpowder was under pressure due to category slowdown



# Skin Care

- The Skin Care portfolio posted good growth of 9.5% in Q3FY16
- Focused advertising pre festive season helped ramp up demand for the category. Oxy Franchise is gaining traction and witnessed good growth
- Fem Diamond Bleach* was launched. Premium Bleach variants like Gold and Diamond are driving the Bleach category growth
- Gulabari posted good growth with Gulabari Face Freshener and Rose Water performing well on the back of strong advertising
- Gulabari Face Wash range test launched



Fem Diamond Bleach



Gulabari Face Wash Range

# Hair Care

- Hair Oil portfolio posted 2% growth in Q3FY16 driven by high single digit volume growth
- Perfumed Hair Oil category performed well with both Sarso Amla Hair Oil and Dabur Almond Hair Oil posting high teens growth in Q3FY16
- Coconut Oil category witnessed good volume growth, however price deflation in the category led to softer value growth
- The shampoo portfolio continued to be under pressure due to heightened competitive intensity
- Vatika Shampoo has been relaunched in a more contemporary format as “Vatika Oil Rebalance”. This along with Dabur Almond Shampoo expected to strengthen the portfolio going forward





# *Vatika Naturals Oil Balance Range*



# Micromarketing & Consumer engagement to drive Shampoo Sales



## अमर उजाला मिस नेचुरल कांटेस्ट कानपुर की साक्षी बनीं 'मिस नेचुरल'



लखनऊ (व्यूरो)। राजधानी में मंगलवार की शाम खुबसूरती के ग्रेड फिनाले से गुलजार रही। अमर उजाला व डायर वाटिका जैम्स 'मिस नेचुरल' कांटेस्ट में कानपुर की साक्षी राज विजयी रही। उन्हें पुरस्कार के रूप में 50 हजार रुपये दिए गए। गोल्डन ब्लॉसम रिचॉर्ट में हुए ब्यूटी कांटेस्ट में लखनऊ की आदिका विरोन रनर-अप जबकि सेकंड रनर-अप भी लखनऊ की वर्षा कपूर रही। कार्यक्रम की मुख्य अतिथि अभिनेत्री सोहा अली खान ने विजेताओं को क्राउन पहनाकर व बुरे देकर पुरस्कृत किया।

# Home Care

- The Home Care portfolio posted growth of 8.4% in Q3FY16
- Targeting schools to generate trials, doctor endorsements and extensive use of Digital media to spread awareness about Dengue helped Odomos clock robust double digit growth in Q3FY16
- Odonil recorded good growth this quarter. Innovation in the brand continued with the launch of two new fragrances- *Flirty Strawberry* and *Passion Fruit*
- Sanifresh 'Germ guard' variant was launched this quarter



Odonil: Passion Fruit & Flirty Strawberry

Sanifresh Germ Guard



# OTC & Ethicals

- The OTC & Ethicals portfolio registered growth of 7.5% in Q3FY16
- Honitus, Janam Ghunti, Gripe Water, Nature Care and Shilajit recorded strong double digit growth on the back of increased doctor coverage as a part of the Medico Marketing Initiative- Project LEAD
- Doctor detailing, e-advocacy and focused communication helped Lal Tail grow in double-digits
- National launch of Dabur Baby Massage Oil happened in Q3FY16
- Apple and Mixed Fruit flavors have been launched in Women tonics- Ashokarishta and Dashmularishta and *Honitus Mixed Fruit* was test launched



Honitus Mixed Fruit



Honitus Big Junior RJ Hunt



Women Tonics- Apple& Mixed Fruit

# Health Supplements & Digestives

## Health Supplements

- The category was under pressure due to delayed winters and recorded a decline of 7.1% this quarter
- Flavours and premium variants of Chyawanprash recorded strong double digit growth
- Ratnaprash has gained good equity among consumers and Ratna Prash sugar free variant was launched for diabetics in Q3FY16

## Digestives

- Digestives registered a decline of 2.4% in Q3FY16 primarily due to category slowdown
- Hajmola Yoodley has been gaining traction. Plans underway for a national launch in the summer season
- Pudin Hara recorded good growth through enhanced sampling and focus on gaining share in the Anti-fizz category





# Foods

- Foods business declined by 23.7% due to supply disruptions of fruit juices from Nepal leading to lost sales of around Rs.100crs for the quarter
- Alternative supply arrangements have been made and demand would be met by augmenting production in Sri Lanka , Rajasthan (Newai Plant) and through third party manufacturers
- The category has a robust innovation pipeline for the upcoming season



## Measures for reviving sales of Real

Increasing visibility at POS

Gaining more shelf space

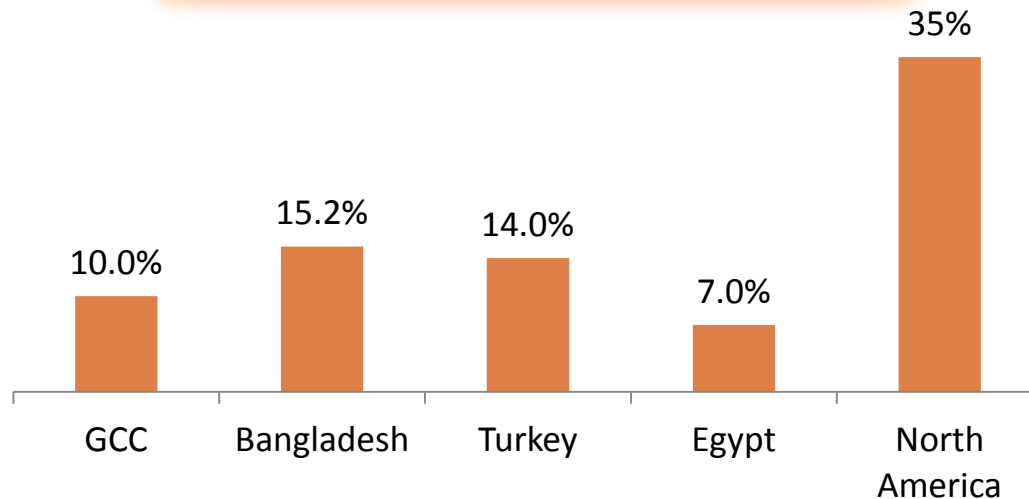
Enhance brand spends

Driving Trials

# International Business

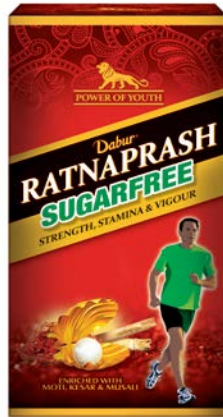
- International Business registered growth of 14.8% with constant currency growth of 13.3% in Q3FY16
- Organic International Business grew by 10.7% on the back of good growth in MENA region
- Namaste posted strong double digit growth with both the US and Non- US business performing well
- Hobi reported double digit growth in Constant Currency terms. However, growth in INR was impacted by currency depreciation
- Product innovation and continued investment behind the brands shall drive growth

## \*Key Growth Markets Q3FY16



# Recently Launched

India



Ratnaprash Sugarfree



Fem Diamond Bleach



Gulabari Facewash



Sanifresh Germguard

International



Dermoviva Body Wash Range



Vatika Enriched Hair Oil-Gerghir



Herbal Olive Enamel Care Toothpaste

# Consolidated P&L

DIL (Consolidated) P&L - in Rs. crores	Q3FY16	Q3FY15	YoY (%)	9M FY16	9M FY15	YoY (%)
<b>Net Sales</b>	<b>2,122.4</b>	<b>2,073.6</b>	<b>2.4%</b>	<b>6,278.6</b>	<b>5,861.6</b>	<b>7.1%</b>
Other Operating Income	4.6	5.5	-16.2%	14.1	15.9	-11.5%
Material Cost	923.2	988.1	-6.6%	2820.7	2814.1	0.2%
<i>% of Sales</i>	43.5%	47.7%		44.9%	48.0%	
Employee Expense	202.8	177.8	14.1%	592.8	517.2	14.6%
<i>% of Sales</i>	9.6%	8.6%		9.4%	8.8%	
Advertising & Publicity	350.0	319.4	9.6%	959.0	859.0	11.6%
<i>% of Sales</i>	16.5%	15.4%		15.3%	14.7%	
Other Expenses	272.8	241.8	12.8%	815.7	716.4	13.9%
<i>% of Sales</i>	12.9%	11.7%		13.0%	12.2%	
Other Non Operating Income	60.4	38.6	56.6%	162.9	113.4	43.7%
<b>EBITDA</b>	<b>438.6</b>	<b>390.4</b>	<b>12.3%</b>	<b>1,267.3</b>	<b>1,084.1</b>	<b>16.9%</b>
<i>% of Sales</i>	20.7%	18.8%		20.2%	18.5%	
Finance Costs	10.9	9.5	14.1%	34.9	29.8	17.2%
Depreciation & Amortization	32.3	30.9	4.6%	97.8	86.8	12.7%
<b>Profit Before Tax (PBT)</b>	<b>395.4</b>	<b>350.0</b>	<b>13.0%</b>	<b>1134.6</b>	<b>967.5</b>	<b>17.3%</b>
Exceptional Item	0.0	0.0		0.0	0.0	
Tax Expenses	76.6	66.3	15.5%	212.6	183.9	15.6%
<b>PAT(Before extraordinary item)</b>	<b>318.8</b>	<b>283.7</b>	<b>12.4%</b>	<b>922.0</b>	<b>783.6</b>	<b>17.7%</b>
<i>% of Sales</i>	15.0%	13.7%		14.7%	13.4%	
<b>Extraordinary Item</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>	
<b>PAT(After extraordinary Items)</b>	<b>318.8</b>	<b>283.7</b>	<b>12.4%</b>	<b>922.0</b>	<b>783.6</b>	<b>17.7%</b>
<b>Minority Interest - Profit/(Loss)</b>	<b>0.3</b>	<b>1.0</b>		<b>1.3</b>	<b>2.5</b>	
<b>PAT (After Extra ordinary item &amp; Minority Int)</b>	<b>318.5</b>	<b>282.8</b>	<b>12.6%</b>	<b>920.8</b>	<b>781.1</b>	<b>17.9%</b>
<i>% of Sales</i>	15.0%	13.6%		14.7%	13.3%	

Thank You