

Dabur India Limited

Investor Presentation

Quarter ended 31st December 2018

31 January 2019

An orange arrow pointing to the right, highlighting the first item in the list.

1. Q3 FY19 – Overview

2. Category Highlights

3. Business Initiatives

4. International Business

5. Profit & Loss Statements

Q3 FY19 – Overview



1

Growth in Domestic FMCG was 15.2% backed by volume growth of 12.4%

2

Consolidated revenue grew by 11.8% to INR 2,199 crore

3

International Business reported growth of 3.4%

4

Standalone operating profit grew by 18.0% taking the operating margin to 22.0%; Consolidated operating margin steady at 20.3%

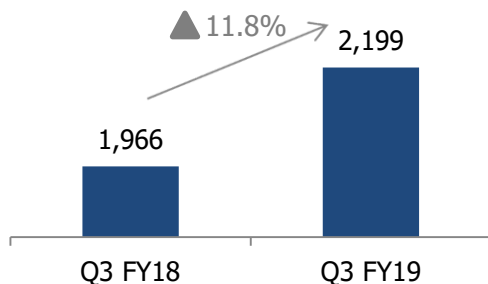
5

Standalone PAT grew by 17.6%; Consolidated PAT increased by 10.2% to reach INR 366.1 crore

Q3 FY19 – Consolidated Financials

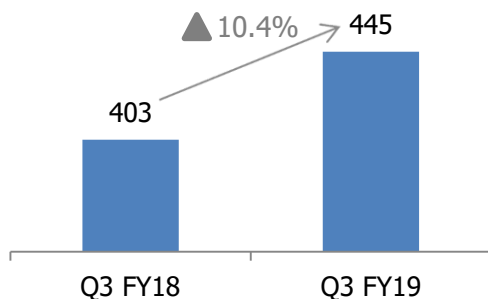


Revenue



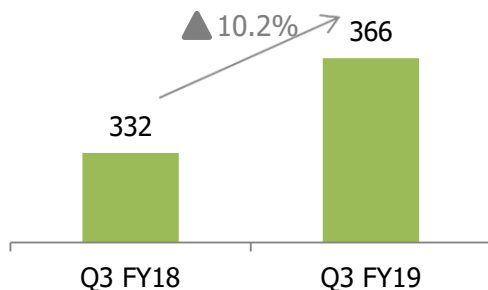
- Domestic business revenue grew by 15.2% led by volume growth of 12.4%
- Growth in International Business was impacted by continued under performance of MENA markets and adverse currency movement

Operating Profit



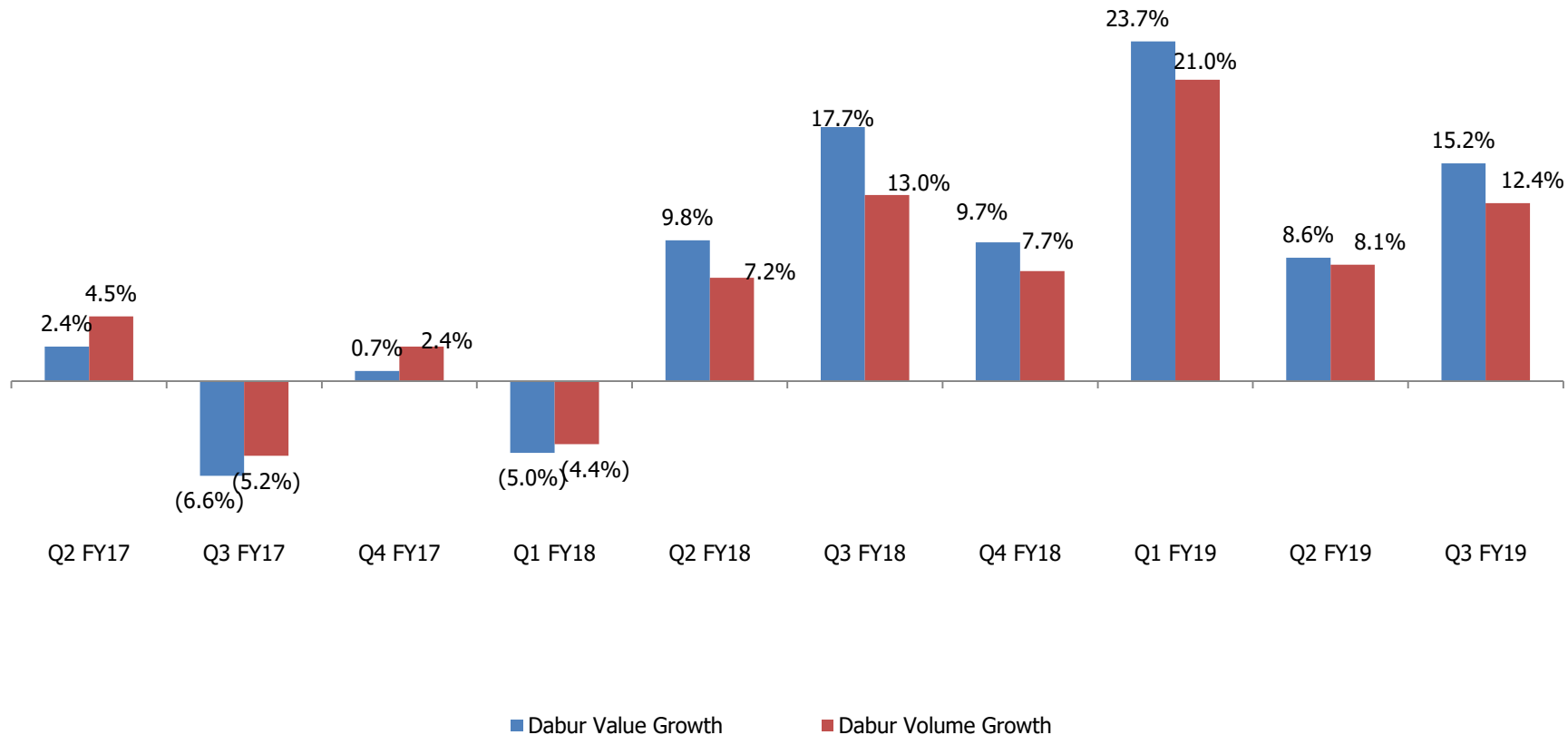
- Material cost increased from 48.4% in Q3 FY18 to 50.7% in Q3 FY19 due to adverse currency, inflation and promotional costs
- Other expenditure was at 10.1% vs 11.2% in Q3 FY18 on account of cost savings and efficiencies
- Consolidated Operating Margin at 20.3% as compared to 20.5% in Q3FY18

PAT



- Standalone PAT increased by 17.6%
- Consolidated Profit After Tax grew by 10.2%
- Profitability in International Business impacted due to sluggish sales in MENA, higher promotional costs and currency devaluation in some markets

Value and Volume Growth Trend for Dabur Domestic FMCG



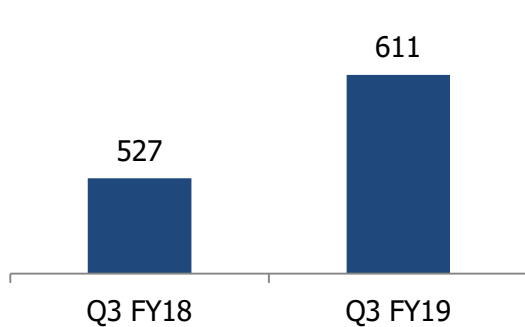
Domestic FMCG business recorded 15.2% value growth backed by 12.4% volume growth

Domestic FMCG Growth – By Verticals



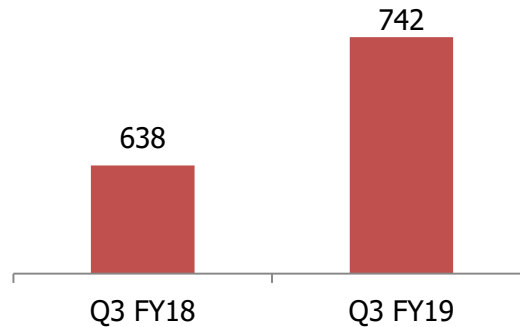
Healthcare

Growth: 15.9%



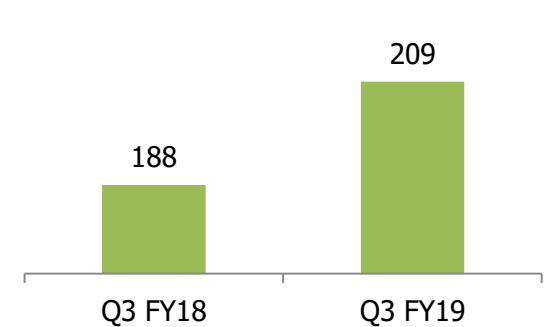
Home & Personal Care (HPC)

Growth: 16.3%



Foods

Growth: 11.1%

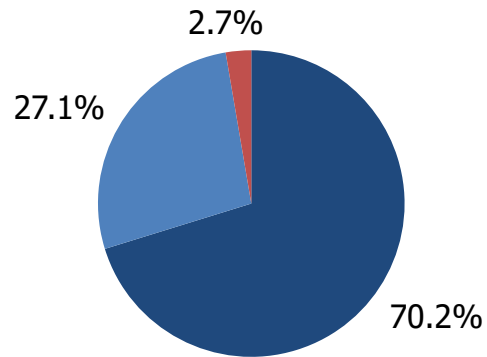


Growth was in the double digits for all the three verticals

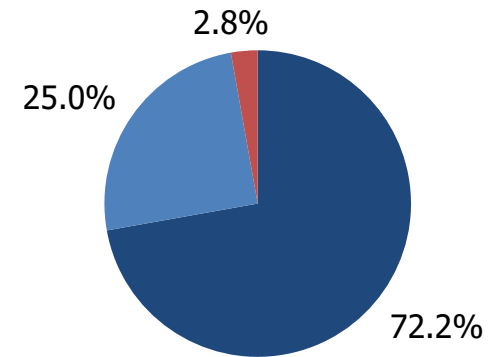
Q3 FY19 – Business Overview



Q3 FY18



Q3 FY19



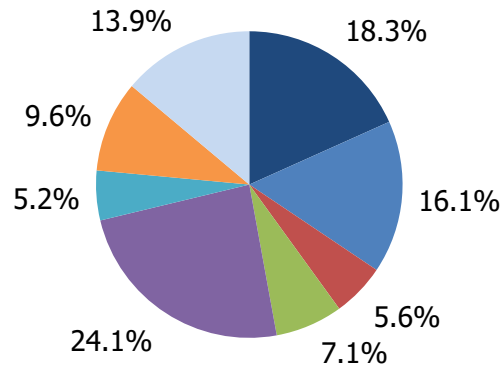
■ Domestic ■ International ■ Others

- **Contribution of Domestic FMCG increased to 72.2% from 70.2% last year**
- **International Business contributed 25.0% as compared to 27.1% last year**

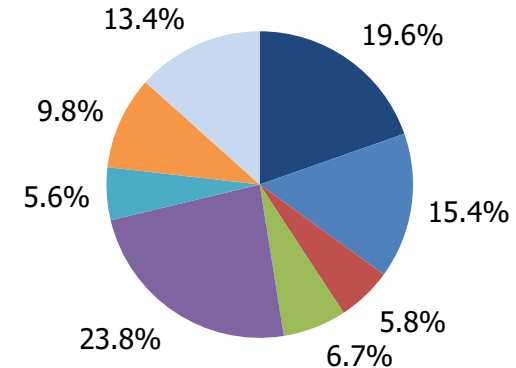
Domestic FMCG – Category-wise Sales Q3 FY19



Q3 FY18



Q3 FY19



■ Hair Care ■ Oral Care ■ Skin Care ■ Home Care ■ Health Supplements ■ Digestives ■ OTC & Ethicals ■ Foods

- **Share of Hair Care category increased from 18.3% to 19.6%**
- **Oral Care category decreased share from 16.1% to 15.4%**
- **Health Supplements' share decreased by ~30bps**
- **Food decreased by ~50 bps from 13.9% in Q3 FY18 to 13.4% in Q3 FY19**

1. Q3 FY19 – Overview

 **2. Category Highlights**

3. Business Initiatives

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5. Profit & Loss Statements

Home and Personal Care (HPC) – Q3 FY19



- HPC posted growth of 16.3% in Q3 FY19
- Oral care recorded growth of 10.0% with toothpastes growing at 11.1%
 - › Red Toothpaste Franchise continued its growth momentum with RTP growing by 22.6%
 - › Babool was impacted by high competitive intensity at economy price points
- Hair oil category grew by 23.6% with all round growth in all brands and gain in market share
- Shampoos category reported strong growth of 25.2% led by on ground activations and visibility drive
- Homecare category posted growth of 8.9% with strong growth in Sanifresh
- Skin care recorded growth of 19.3% driven by strong double digit growth in Gulabari and good performance of bleach portfolio



Dabur Sarson Amla becomes the 17th brand in our portfolio to cross INR 100 cr mark



Dabur Amla – What Women Want

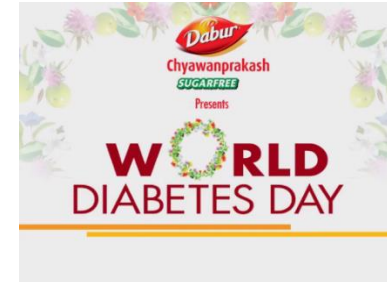


Dabur Gulabari Miss India North East 2018

Healthcare (HC) – Q3 FY19



- **Healthcare grew by 15.9% in Q3 FY19**
- **Health Supplements recorded growth of 13.8%** on the back of double digit growth in Chyawanprash and Honey
 - **Chyawanprash grew by 10.0%**
 - **Dabur Honey grew by 19.8%**
- **Digestives posted growth of 22.5%** driven by continued strong performance of Hajmola tablets and Pudina Hara
- **OTC category grew by 17.7%** on the back of good growth in Lal Tail, Honitus and Shilajit
- **Ethicals portfolio grew by 17.4%** driven by strong growth across product categories



Promoting World Diabetes Day (14th November)



Dabur Honey - Building Fitness Associations @ Gurgaon Millenium City Marathon



Pudin Hara – Strong Growth across formats

- **Beverages grew by 11.5%**

- Ethnic Masala range performed well – launch in MT showing good traction; being rolled out to GT
 - Activ Coconut Water continues on its strong growth trajectory
 - New variants of juices to be launched in coming season
- Market share at peak level of around 56% – a gain of ~300 bps over the same quarter last year



Market share gains continue for Real



Tiffin time is Real time



Coconut water continues to grow on the back of Media Support

1. Q3 FY19 – Overview

2. Category Highlights









 **3. Business Initiatives**

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Dabur at Kumbh 2019



Initiative	Description
 	<ul style="list-style-type: none"> • Set Up Dabur Red Paste Dant Snan toothpaste dispensers across akharas at the mela ground • Besides dispensing Dabur Red Paste onto a toothbrush, these dispensing units are also being used to spread the message of oral hygiene among the devotees as they carry the message: "Kumbh Snan Se Pehle, Dabur Dant Snan" (Cleanse your teeth before cleansing your body)
 	<ul style="list-style-type: none"> • Conducting a role play-based activation, in which each Hajmola variants is being positioned as a candidate fighting an election • During the mela, our promoters will be conducting extensive sampling of Hajmola variants amongst the devotees and they will be asked to vote for their favourite variant. At the end of the mela, the winner of this taste election would be declared at the mela ground
 	<ul style="list-style-type: none"> • An initiative to promote Dabur Amla with a purpose • Under this campaign, all children arriving at Prayagraj will be issued badges with their names and contact details of their parents written on them • Given the fact that we see a lot of cases of children getting lost in the mela crowd, these badges will help people connect the lost children with their parents
 	<ul style="list-style-type: none"> • Dabur Vatika Changing Rooms for women, called Lajja Kawach, have been installed • Specially trained beauty advisors and volunteers are also present at the venue to give the women a chance to experience Dabur Vatika shampoo

Consumer / Marketing Initiatives (1/2)



Dabur Chyawanprash – Anti-Medicine Campaign



Dabur Chyawanprash – New TVC



Title sponsorship of Pro Wrestling League



Dabur Amla – New Communication in South

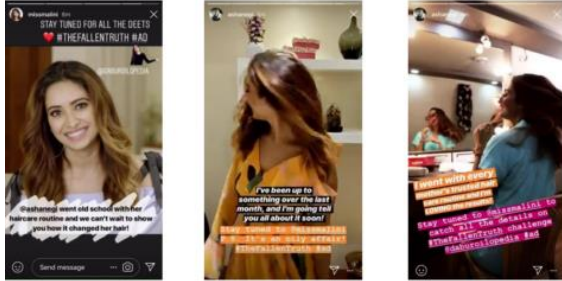


Launched Soya-Protein enriched Almond Hair Oil



Vatika Super Mom

Consumer / Marketing Initiatives (2/2)



**Vatika Hair Oil –
#Falltruth Challenge on
Social Media**



**Hajmola Sampling across airlines,
schools, restaurants and trains**



**Participation in Regional Festivals/
Melas**



**Honitus Hot Sip – Print and Digital
Campaign**



Gulabari – Soft and Rosy

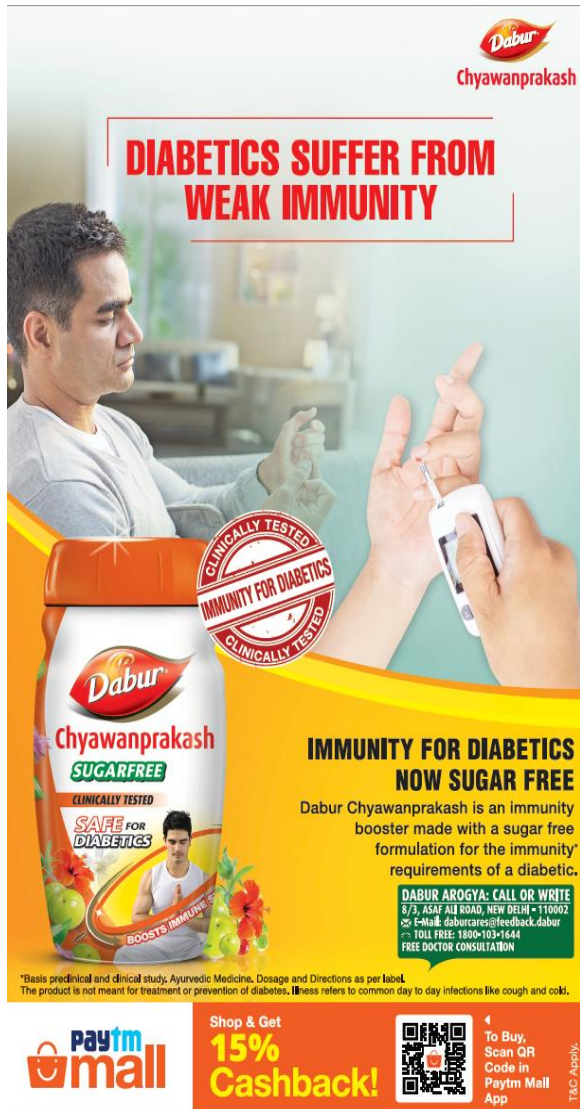


Dabur Honey – Print Campaign

Advertisements in Q3 FY19 (1/2)

Dabur
Chyawanprakash

DIABETICS SUFFER FROM WEAK IMMUNITY



IMMUNITY FOR DIABETICS NOW SUGAR FREE

Dabur Chyawanprakash is an immunity booster made with a sugar free formulation for the immunity requirements of a diabetic.

DABUR AROGYA: CALL OR WRITE
8/3, ASAF ALI ROAD, NEW DELHI - 110002
E-MAIL: daburcare@feedback.dabur
TOLL FREE: 1800-103-1644
FREE DOCTOR CONSULTATION

Shop & Get 15% Cashback!

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T&C Apply.

Dabur
HOMMADE®

Feast of happiness, made with goodness.

This Diwali, cook up a grand feast with the best of pastes, purees and coconut milk from Dabur Hommade. Made from choicest ingredients which make your dish absolutely delicious and lip-smacking.



Shop online: amazon.in

DABUR CARES: CALL OR WRITE
8/3, ASAF ALI ROAD, NEW DELHI-110002
E-MAIL: daburcare@feedback.dabur
Website: dabur.com
TOLL FREE 1800-103-1644

Dabur
Chyawanprash

Pollution and the changing weather increase the risk of cough, cold and other illnesses.



Give your child the immunity from illnesses with Dabur Chyawanprash.

Dabur Chyawanprash is a formulation of Ashwagandha, Guduchi, Amla and 40 other herbs that help boost immunity.

DABUR CARES: CALL OR WRITE
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E-MAIL: daburcare@feedback.dabur
Website: dabur.com
TOLL FREE 1800-103-1644

Ayurvedic medicine. *Basis clinical study, Dosage and direction as per label. **Less refers to common day to day infections like cough and cold.

Advertisements in Q3 FY19 (2/2)



डाबर ब्राह्मी आँवला
ब्राह्मी और आँवला का पोषण सिर्फ ₹10 में

- लंबे और मज़बूत बाल
- 40 ml अब सिर्फ ₹10/- में

40 ml

DABUR CARES: CALL OR WRITE 8/3, ASAF ALI ROAD, NEW DELHI-110002 E-MAIL: daburcares@feedback.dabur Website: dabur.com Toll Free 1800-103-1644

खाँसी-जुख़ाम से जल्द आराम के लिए

डाबर हनीटस मधुवाणी

सितोपलादि और शहद के गुणों से भरपूर
सितोपलादि के 4 शक्तिशाली आयुर्वेदिक तत्व और शहद का उत्कृष्ट मिश्रण जो दे जल्द आराम

CLINICALLY TESTED FORMULA

हनीटस मधुवाणी

5 तत्वों की आयुर्वेदिक शक्ति

पिपली | दालचीनी | सुखमैला | वंशलोचन + हनी

आयुर्वेदिक दवा • लेबल पर दिए निर्देशानुसार ही सुराक लें • सभी प्रमुख दवाई की दुकानों पर उपलब्ध
डाबर आरोग्य : चिकित्सक से निःशुल्क परामर्श के लिए कॉल करें, 1800-103-1644 (टॉल फ्री)

**MEDICINES OR DOUBLE IMMUNITY?
THE CHOICE IS YOURS.**

THIS WINTER GIVE YOUR CHILD THE DOUBLE IMMUNITY OF DABUR CHYAWANPRASH.

Dabur Chyawanprash is a formulation of Ashwagandha, Guduchi, Amla and 40 other herbs that help boost immunity and provide protection from illnesses during winters.

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Dabur Chyawanprash
2x IMMUNITY
CLINICALLY TESTED

PROTECTION FROM ILLNESSES

Always use medicines as instructed by your doctor. It is advised to consult your doctor if you have any chronic illness. Medicines are to be used as per label. © Dabur India Pvt. Ltd. All rights reserved.

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▶ **4. International Business**

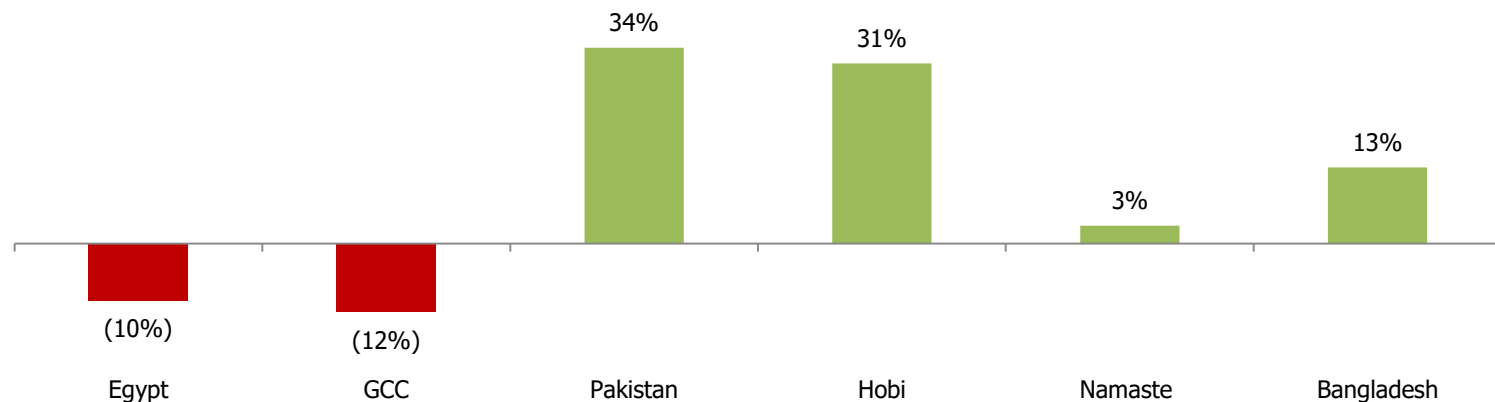
5. Profit & Loss Statements

International Business – Q3 FY19



- **International Business** reported 3.4% growth with constant currency growth of around 1%
- **Egypt** business was under pressure on account of hyper inflation and liquidity issues
- **SAARC** grew by 11% on the back of strong growth in Pakistan and Bangladesh
- **Hobby** had a strong quarter, growing by 31% in constant currency terms; however currency devaluation impacted in translation
- **GCC markets** declined by 12% due to consumption pressure and sharp decline in categories
- **Namaste** business reported double digit growth in SSA & North America but was brought down by EU & Middle East

Constant Currency Growth Rate – Q3 FY19



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Consolidated Profit & Loss



	Q3 FY19	Q3 FY18	Y-o-Y (%)	9M FY19	9M FY18	Y-o-Y (%)
Revenue from operations	2,199.2	1,966.4	11.8%	6,404.9	5,715.4	12.1%
Other Income	75.3	66.3	13.4%	230.1	231.9	(0.8%)
Total Income	2,274.5	2,032.8	11.9%	6,635.0	5,947.4	11.6%
Material Cost	1,115.3	952.3	17.1%	3,239.7	2,844.0	13.9%
<i>% of Revenue</i>	<i>50.7%</i>	<i>48.4%</i>		<i>50.6%</i>	<i>49.8%</i>	
Employee expense	237.6	204.8	16.0%	696.0	612.0	13.7%
<i>% of Revenue</i>	<i>10.8%</i>	<i>10.4%</i>		<i>10.9%</i>	<i>10.7%</i>	
Advertisement and publicity	178.1	185.3	(3.9%)	510.6	481.1	6.1%
<i>% of Revenue</i>	<i>8.1%</i>	<i>9.4%</i>		<i>8.0%</i>	<i>8.4%</i>	
Other Expenses	222.9	220.5	1.1%	676.2	646.0	4.7%
<i>% of Revenue</i>	<i>10.1%</i>	<i>11.2%</i>		<i>10.6%</i>	<i>11.3%</i>	
Operating Profit	445.4	403.5	10.4%	1,282.3	1,132.3	13.3%
<i>% of Revenue</i>	<i>20.3%</i>	<i>20.5%</i>		<i>20.0%</i>	<i>19.8%</i>	
EBITDA	520.6	469.8	10.8%	1,512.5	1,364.2	10.9%
<i>% of Revenue</i>	<i>23.7%</i>	<i>23.9%</i>		<i>23.6%</i>	<i>23.9%</i>	
Finance Costs	16.7	13.2	26.8%	47.2	39.8	18.5%
Depreciation & Amortization	44.9	40.5	10.9%	130.7	119.6	9.3%
Profit before exceptional items, tax and share of profit/(loss) from joint venture	459.1	416.2	10.3%	1,334.6	1,204.8	10.8%
<i>% of Revenue</i>	<i>20.9%</i>	<i>21.2%</i>		<i>20.8%</i>	<i>21.1%</i>	
Share of profit / (loss) of joint venture	0.5	0.2	205.9%	1.0	0.4	140.5%
Exceptional item(s)	0.0	0.0	n.a.	0.0	14.5	(100.0%)
Tax Expenses	92.4	83.3	10.9%	260.8	230.1	13.4%
Net profit after tax and after share of profit/(loss) from joint venture	367.2	333.0	10.3%	1,074.8	960.6	11.9%
<i>% of Revenue</i>	<i>16.7%</i>	<i>16.9%</i>		<i>16.8%</i>	<i>16.8%</i>	
Non controlling interest	1.2	0.9	27.7%	2.9	2.4	20.7%
Net profit for the period/year	366.1	332.1	10.2%	1,071.9	958.2	11.9%
<i>% of Revenue</i>	<i>16.6%</i>	<i>16.9%</i>		<i>16.7%</i>	<i>16.8%</i>	

Note: All figures are in INR crores, unless otherwise stated

Standalone Profit & Loss



	Q3 FY19	Q3 FY18	Y-o-Y (%)	9M FY19	9M FY18	Y-o-Y (%)
Revenue from operations	1,664.5	1,449.3	14.8%	4,674.8	4,099.4	14.0%
Other Income	67.4	60.6	11.2%	211.7	212.4	(0.3%)
Total Income	1,731.8	1,509.9	14.7%	4,886.4	4,311.8	13.3%
Material Cost	863.9	734.0	17.7%	2,437.0	2,145.3	13.6%
<i>% of Revenue</i>	<i>51.9%</i>	<i>50.6%</i>		<i>52.1%</i>	<i>52.3%</i>	
Employee expense	147.9	122.9	20.3%	429.1	359.4	19.4%
<i>% of Revenue</i>	<i>8.9%</i>	<i>8.5%</i>		<i>9.2%</i>	<i>8.8%</i>	
Advertisement and publicity	147.0	146.8	0.1%	413.8	380.2	8.8%
<i>% of Revenue</i>	<i>8.8%</i>	<i>10.1%</i>		<i>8.9%</i>	<i>9.3%</i>	
Other Expenses	140.2	135.7	3.3%	421.3	396.2	6.3%
<i>% of Revenue</i>	<i>8.4%</i>	<i>9.4%</i>		<i>9.0%</i>	<i>9.7%</i>	
Operating Profit	365.5	309.9	18.0%	973.5	818.3	19.0%
<i>% of Revenue</i>	<i>22.0%</i>	<i>21.4%</i>		<i>20.8%</i>	<i>20.0%</i>	
EBITDA	432.9	370.5	16.9%	1,185.2	1,030.7	15.0%
<i>% of Revenue</i>	<i>26.0%</i>	<i>25.6%</i>		<i>25.4%</i>	<i>25.1%</i>	
Finance Costs	9.5	5.2	82.8%	23.5	16.0	47.0%
Depreciation & Amortization	28.0	26.2	6.9%	80.2	76.2	5.3%
Profit before exceptional items, tax and share of profit/(loss) from joint venture	395.4	339.1	16.6%	1,081.5	938.5	15.2%
<i>% of Revenue</i>	<i>23.8%</i>	<i>23.4%</i>		<i>23.1%</i>	<i>22.9%</i>	
Exceptional item(s)	0.0	0.0	n.a.	0.0	14.5	(100.0%)
Tax Expenses	83.2	73.6	13.1%	231.5	205.5	12.7%
Net profit for the period/year	312.1	265.5	17.6%	850.0	718.5	18.3%
<i>% of Revenue</i>	<i>18.8%</i>	<i>18.3%</i>		<i>18.2%</i>	<i>17.5%</i>	

Note: All figures are in INR crores, unless otherwise stated



डैमेज्ड हेयर मतलब बालों में प्रोटीन की कमी.

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