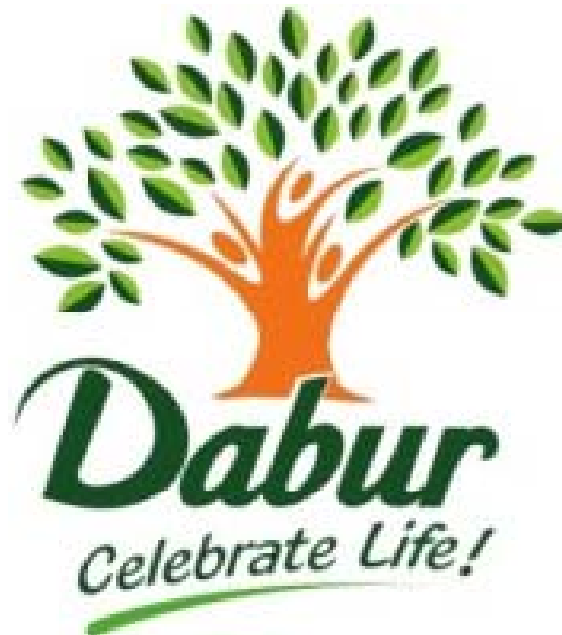


# Dabur India Limited

## Investor Communication

Quarter ended June 30, 2013



*July 24, 2013*

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# Performance Overview : Q1 FY2013-14



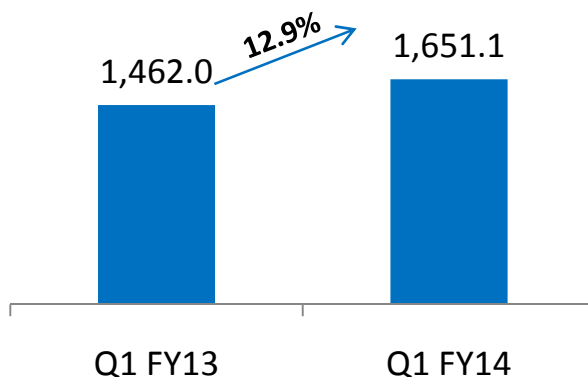
- Consolidated Net Sales grew by 12.9% to Rs. 1,651.1 crores
  - Domestic FMCG business revenues grew by 13.2%
  - International Business registered growth of 17.4%
- Consolidated EBITDA grew by 15.5% to Rs. 277.5 crores in Q1FY14. EBITDA margins improved by 37 bps
- Consolidated PAT reported an increase of 24.5% to Rs. 186.0 crores. PAT excluding exceptional items grew by 20.7%
- The new fruit juice facility set up in Sri Lanka commenced production
- Dabur's Board ranked among the top 5 companies in a study conducted by Hay Group and Economic times
- Dabur ranked amongst the 'Top 5 Companies To Work For' in the manufacturing sector, according to Business Today magazine. Dabur is the only Indian company to part of the list.



# Financial Performance: Q1 FY14

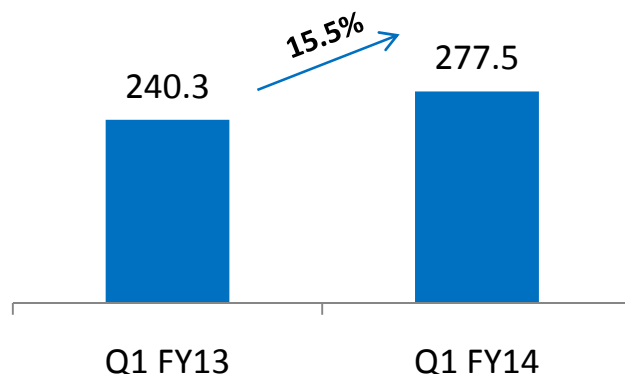


## Revenue (in Rs. Cr.)



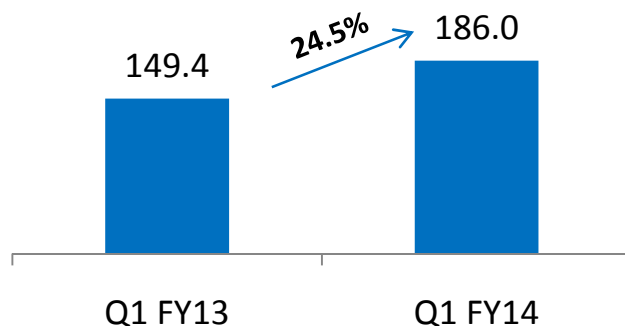
- Consol. Sales grew by 12.9% during Q1FY14
- Domestic FMCG growth continued to grow at a steady pace reporting 13.2% growth
- International business reported growth of 17.4% with organic international business growing by 18.5%

## EBITDA (in Rs. Cr.)



- EBITDA increased by 15.5% and EBITDA margin expanded to 16.8% in Q1FY14 v/s 16.4% in Q1FY13
- Material costs were lower at 48.9% of sales in Q1FY14 v/s 50.0% in Q1FY13
- Adpro as % of sales during Q1FY14 was at 15.4% v/s 15.7% in Q1FY13

## PAT\* (in Rs. Cr.)



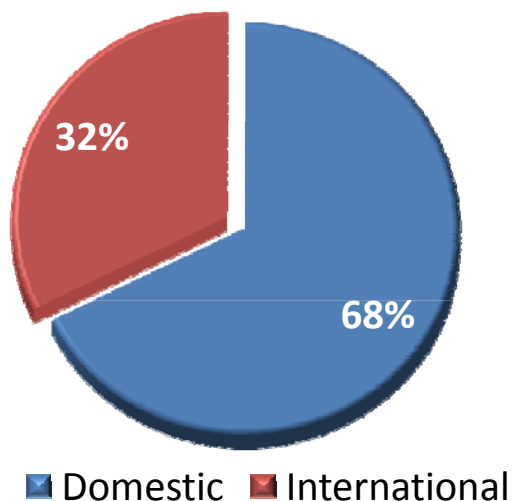
- Above factors translated into consolidated PAT\* growth of 24.5%
- PAT Margins improved to 11.3% in Q1FY14 from 10.2% in Q1FY13
- PAT excluding exceptional items^ grew by 20.7%

\*After minority interest. ^Exceptional item pertains to sale of Weikfield International (UAE) LLC

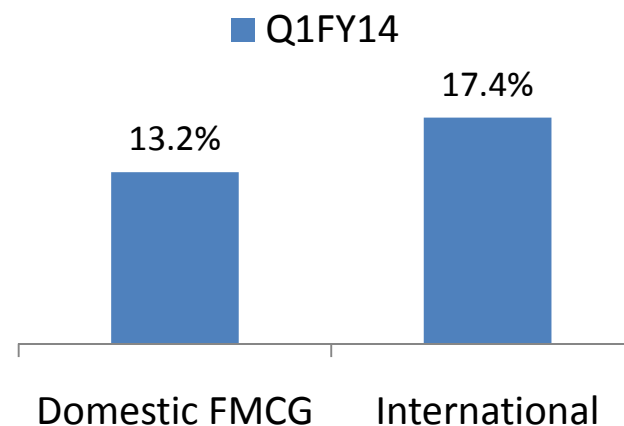
# Business Overview – Q1 FY14



Sales Contribution (Q1 FY14)\*



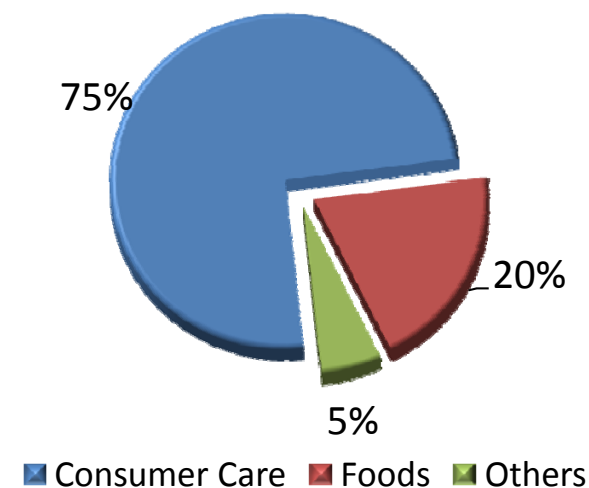
Domestic and International Sales Growth Rates



Note: International includes Namaste and Hobi

- Domestic FMCG business comprising Consumer care and Foods reported growth of 13.2% in Q1FY14
- International Business including acquisitions grew by 17.4% in Q1FY14
- 'Others' consisting of commodity exports registered some decline due to softening international prices

Domestic Sales Split (Q1 FY14)

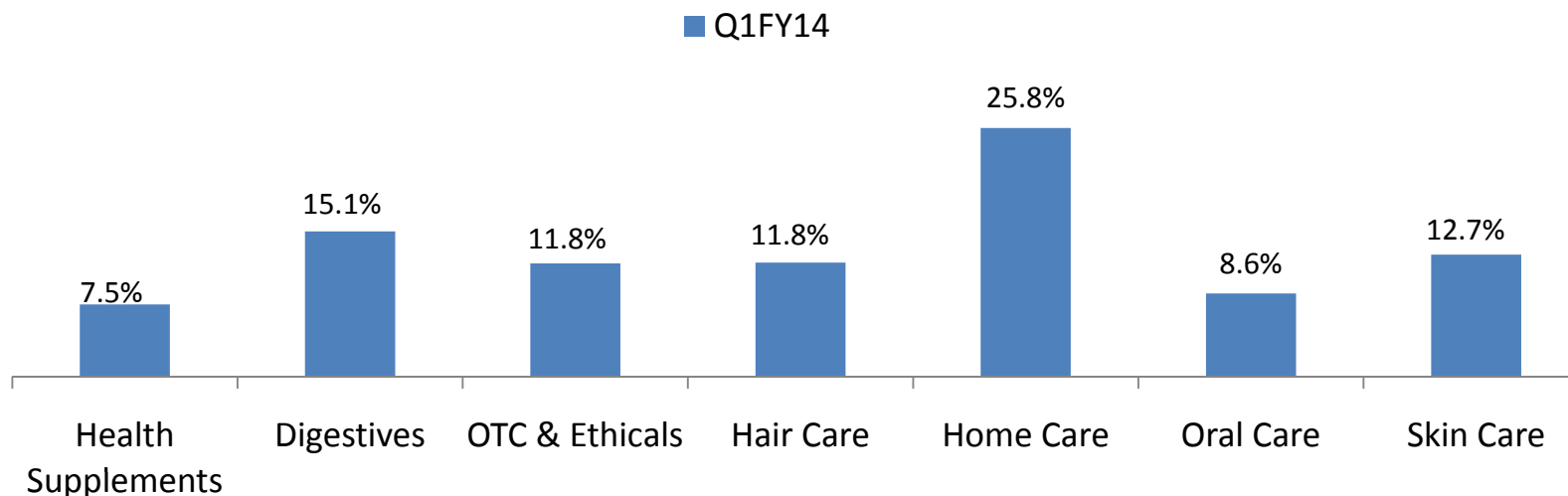


\* Excludes Retail

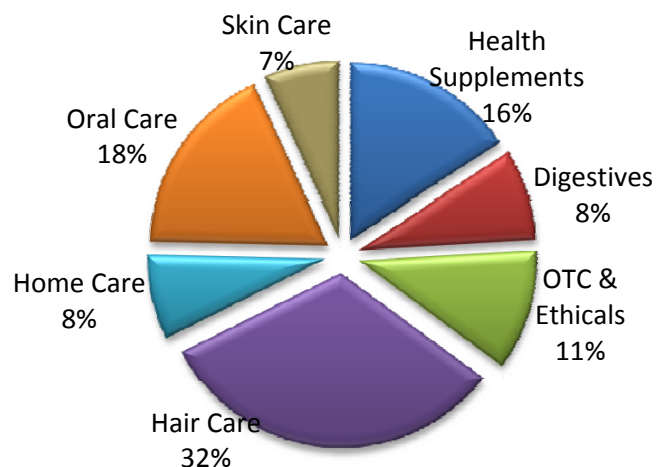
# Consumer Care Business



## Consumer Care Category Growth Rates (%)



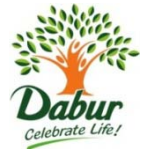
## Category Contribution (Q1FY14)



## Highlights

- Hair Care, which is the largest category grew by 11.8% with Shampoos registering 22.8% growth
- Digestives are back on growth path and registered 15.1% growth
- Home Care reported robust growth at 25.8% during Q1FY14
- Growth in Health Supplements was somewhat impacted by early onset of monsoon

# Health Supplements



- Health Supplements grew by 7.5% in Q1FY14, somewhat impacted by pressure on Glucose sales due to early onset of monsoons
- Dabur Honey performed well across channels and regions
- Chyawanprash sales are typically low in Q1 due to seasonal factors and hence does not have a major impact



Honey: New website – [www.daburhoney.com](http://www.daburhoney.com)

# Digestives



- Digestives grew well at 15.1% in Q1FY14 with strong growth across brands
- Both Hajmola Tablets and Candy formats performed well
- Initial response to the recently launched Anardana variant in Hajmola has been encouraging



Hajmola: Anardana campaign

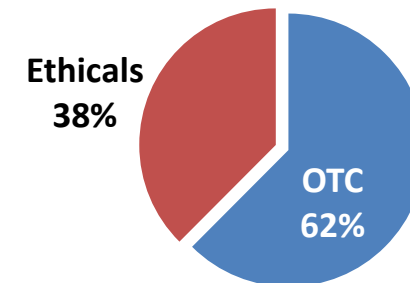
Note: Lal Tail has been reclassified into OTC category from Digestives category  
Pudin Hara and Isabgol have been reclassified under Digestives category from OTC category

# OTC & Ethicals



- OTC & Ethicals portfolio grew by 11.8% in Q1FY14
- OTC portfolio grew by 10.9% in Q1FY14
  - The biggest brand Lal Tail performed well during the quarter
- Ethicals portfolio reported growth of 13.2% in Q1FY14 driven by trade and consumer activations

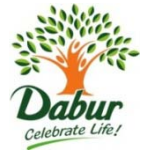
OTC v/s Ethicals Sales Split (Q1FY14)



**Ethicals Portfolio: Trade and Consumer Activations**



# Hair Care



- Hair Oils grew by 10% in Q1FY14, primarily driven by volumes
- Perfumed Hair Oils performed well growing by 15.3%, driven by good performance of Dabur Amla Hair Oil & Dabur Almond hair Oil
- New marketing campaign launched for Vatika Hair Oil
- Shampoos grew at a robust 22.8% in Q1FY14, inspite of stiff competition



Vatika: New Campaign

# Home Care



- Home Care grew at a robust 25.8% in Q1FY14
- Odonil, the biggest brand in Home Care performed well with growth across formats
- Odomos reported double digit growth driven by focused marketing activities



**Odomos: Enhanced digital presence**

# Skin Care



- Skin Care grew by 12.7% in Q1FY14
- Bleaches under the Fem portfolio reported double digit growth. OxyLife Aloe Vera Gel bleach, the first of its kind, was launched during the quarter.
- Gulabari including creams and lotions performed well during the quarter



**OxyLife: Launch of India's first Gel bleach**

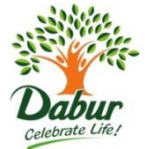
# Oral Care



- Oral Care reported growth of 8.6% in Q1FY14
- Toothpaste portfolio grew by 14% in Q1FY14 driven by good growth in premium offerings positioned on herbal / Ayurvedic platform
- Toothpowder declined marginally during the quarter in line with shift in consumer preference from toothpowders to toothpastes.



# Foods



- Foods grew by 18.7% in Q1FY14 and crossed the Rs. 200 crore mark during the quarter
- Both Real and Real Activ performed well during Q1FY14
  - The Supa Fruits range was launched during the quarter
  - Drinking Yoghurts were launched in Mango and Strawberry flavours
- Culinary portfolio grew in double digits in Q1FY14



Real: Launch of Supa Fruits



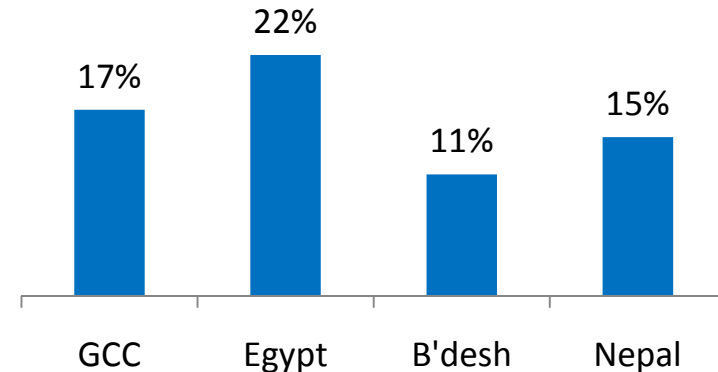
Real Activ: Launch of Drinking Yoghurts

# International Business



- International Business including acquisitions grew by 17.4% in Q1FY14
- Organic International business performed well growing by 18.5% in Q1FY14
- Namaste business is back on recovery path with double digit growth in sales
- Hobby business performed well in Q1FY14
- Juice manufacturing facility in Sri Lanka commissioned

Key Growth Markets –Q1FY14(%)



Launch of Vatika Hair Mayonnaise in International Business



# Consolidated P&L (Published)



<i>in Rs. crores</i>	<b>Q1FY14</b>	<b>Q1FY13</b>	<b>YoY (%)</b>
<b>Net Sales</b>	<b>1651.1</b>	<b>1462.0</b>	<b>12.9%</b>
Other Operating Income	5.4	9.3	-41.7%
Material Cost	807.4	731.6	10.3%
<i>% of Sales</i>	48.9%	50.0%	
Employee Expense	131.2	112.2	17.0%
<i>% of Sales</i>	7.9%	7.7%	
Advertising & Publicity	254.2	229.2	10.9%
<i>% of Sales</i>	15.4%	15.7%	
Other Expenses	222.8	184.5	20.7%
<i>% of Sales</i>	13.5%	12.6%	
Other Non Operating Income	36.6	26.3	38.9%
<b>EBITDA</b>	<b>277.5</b>	<b>240.0</b>	<b>15.6%</b>
<i>% of Sales</i>	16.8%	16.4%	
Finance Costs	13.3	21.3	-37.4%
Depreciation & Amortization	28.7	26.7	7.6%
<b>Profit Before Tax (PBT)</b>	<b>235.5</b>	<b>192.1</b>	<b>22.6%</b>
Exceptional Item	0.0	-4.7	
Tax Expenses	48.4	37.8	28.2%
<b>PAT(before minority interest)</b>	<b>187.0</b>	<b>149.6</b>	<b>25.0%</b>
<b>Minority Interest - Profit/(Loss)</b>	<b>1.0</b>	<b>0.2</b>	
<b>PAT (after minority interest)</b>	<b>186.0</b>	<b>149.4</b>	<b>24.5%</b>
<i>% of Sales</i>	11.3%	10.2%	

# Consolidated Statement of Assets and Liabilities



In Rs. crores	As at 30/06/2013	As at 31/03/2013	As at 30/06/2012
<b>Â EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	174.4	174.3	174.3
(b) Reserves and surplus	2085.4	1950.1	1671.1
<b>Sub-total - Shareholders' funds</b>	<b>2259.8</b>	<b>2124.4</b>	<b>1845.3</b>
<b>2. Minority interest</b>	<b>13.7</b>	<b>12.1</b>	<b>2.3</b>
<b>3. Non-current liabilities</b>			
(a) Long-term borrowings	516.8	539.9	818.0
(b) Deferred tax liabilities (net)	37.7	36.2	28.8
(c) Other long-term liabilities	0.0	0.1	0.0
(d) Long-term provisions	40.6	49.2	210.8
<b>Sub-total - Non-current liabilities</b>	<b>595.1</b>	<b>625.5</b>	<b>1057.6</b>
<b>4. Current liabilities</b>			
(a) Short-term borrowings	533.9	611.4	318.0
(b) Trade payables	900.8	744.3	843.4
(c) Other current liabilities	322.8	432.0	135.7
(d) Short-term provisions	251.4	186.8	160.7
<b>Sub-total - Current liabilities</b>	<b>2008.9</b>	<b>1974.5</b>	<b>1457.9</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>4877.5</b>	<b>4736.4</b>	<b>4363.1</b>
<b>B ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets	1102.7	1053.0	1080.6
(b) Goodwill on consolidation	621.4	621.4	621.4
(c) Non-current investments	226.1	226.5	74.1
(d) Long-term loans and advances	15.4	15.8	26.5
(e) Other non-current assets	78.4	216.7	66.1
<b>Sub-total - Non-current assets</b>	<b>2044.0</b>	<b>2133.4</b>	<b>1868.7</b>
<b>2 Current assets</b>			
(a) Current investments	895.8	657.4	468.6
(b) Inventories	848.1	843.8	830.7
(c) Trade receivables	551.2	484.1	445.2
(d) Cash and cash equivalents	219.3	356.8	485.3
(e) Short-term loans and advances	225.6	201.5	197.8
(f) Other current assets	93.6	59.3	66.7
<b>Sub-total - Current assets</b>	<b>2833.5</b>	<b>2603.0</b>	<b>2494.5</b>
<b>Total -Assets</b>	<b>4877.5</b>	<b>4736.4</b>	<b>4363.1</b>





# Disclaimer



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