



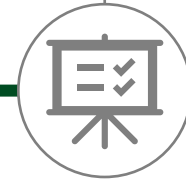
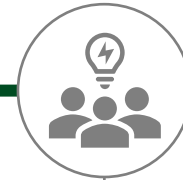
**Investor Presentation  
November 2019**

# Agenda

**Dabur - Overview**

**International  
Business**

**Annexure**



**India Business**

**Our Growth Strategy**

# Dabur – A Leader in Ayurveda & Natural Healthcare

**Established in 1884 – 135 years of trust and heritage**

**Among the Top 4 FMCG companies in India**

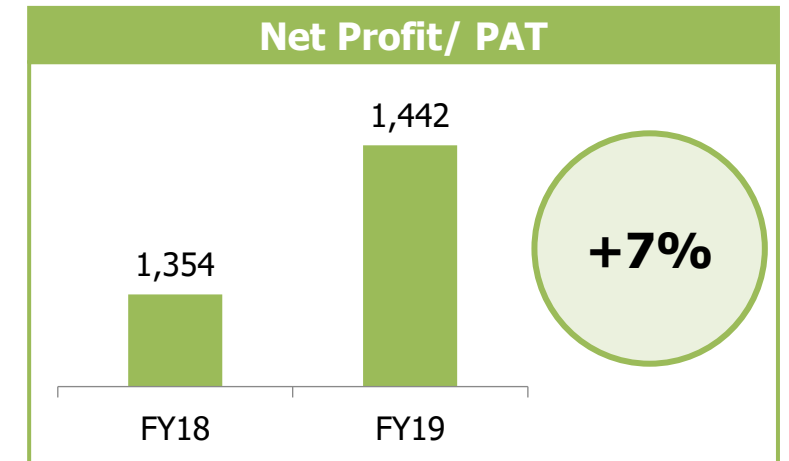
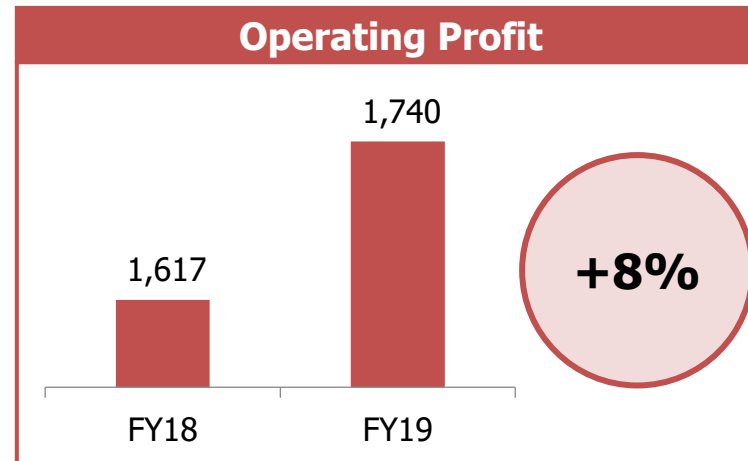
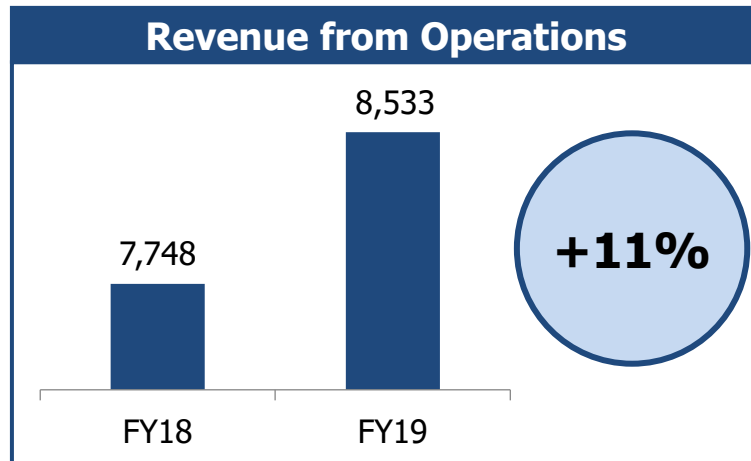
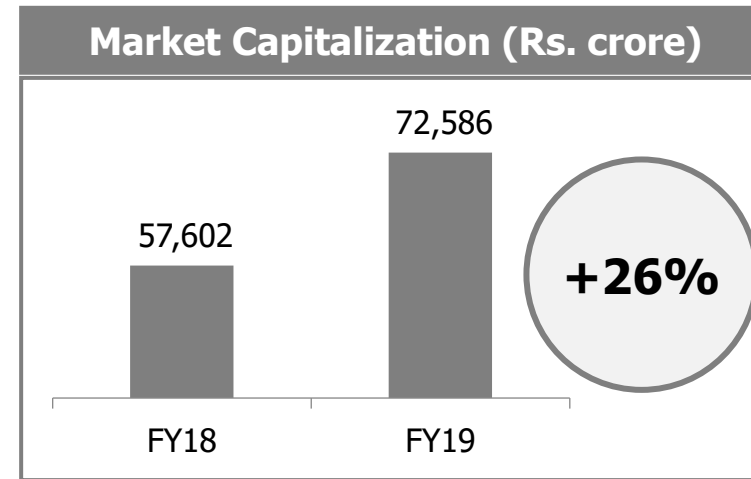
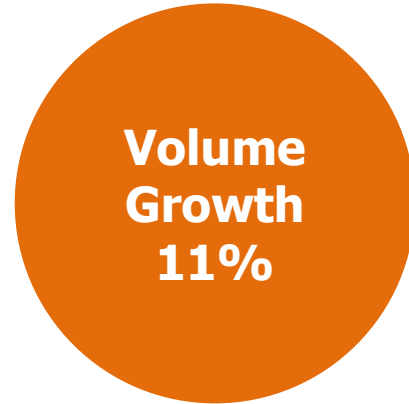
**One of the largest distribution network in India, covering ~6.7 mn outlets**

**20 world class manufacturing facilities**

**Strong overseas presence with ~27% contribution**

**Market Cap: ~US\$ 12 bn**

# The Year Gone By – FY19 Performance

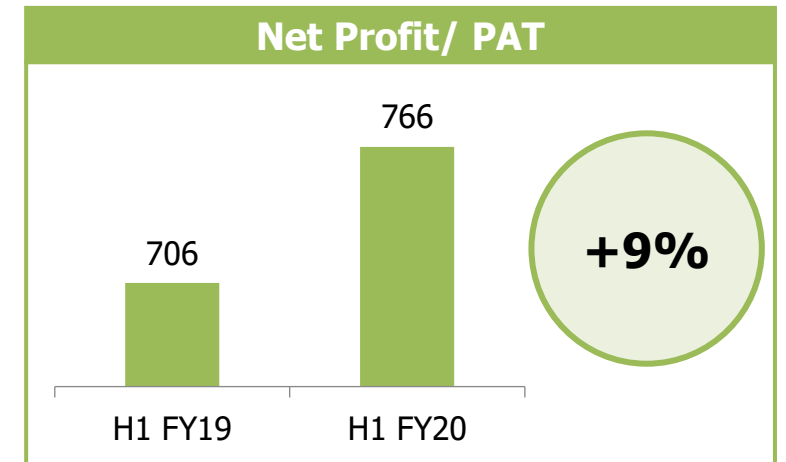
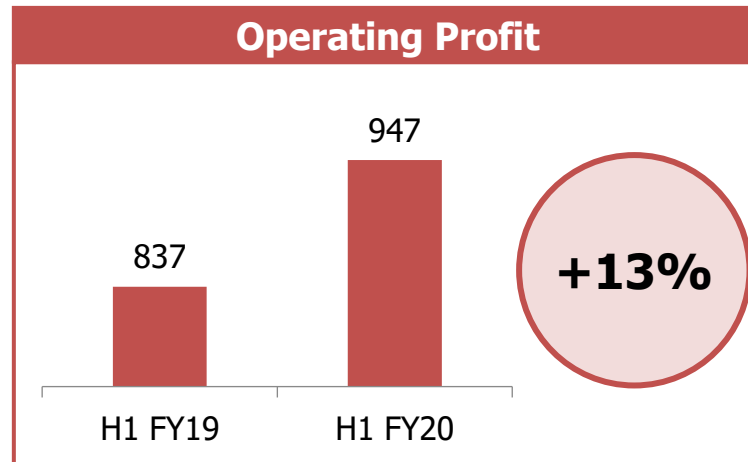
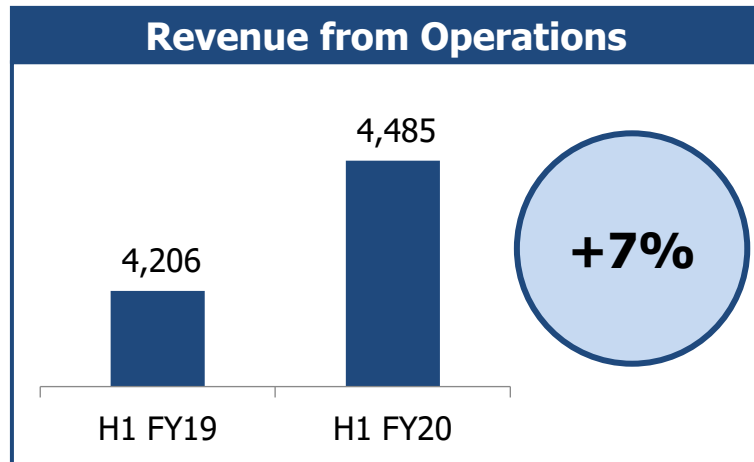


**Note:**

1. All figures are in INR cr
2. The figures in circle represent growth figures – for revenue from operations, the growth refers to like-to-like growth
3. Market Cap refers to the market cap on the year ending 31<sup>st</sup> March

# H1 FY20 Performance

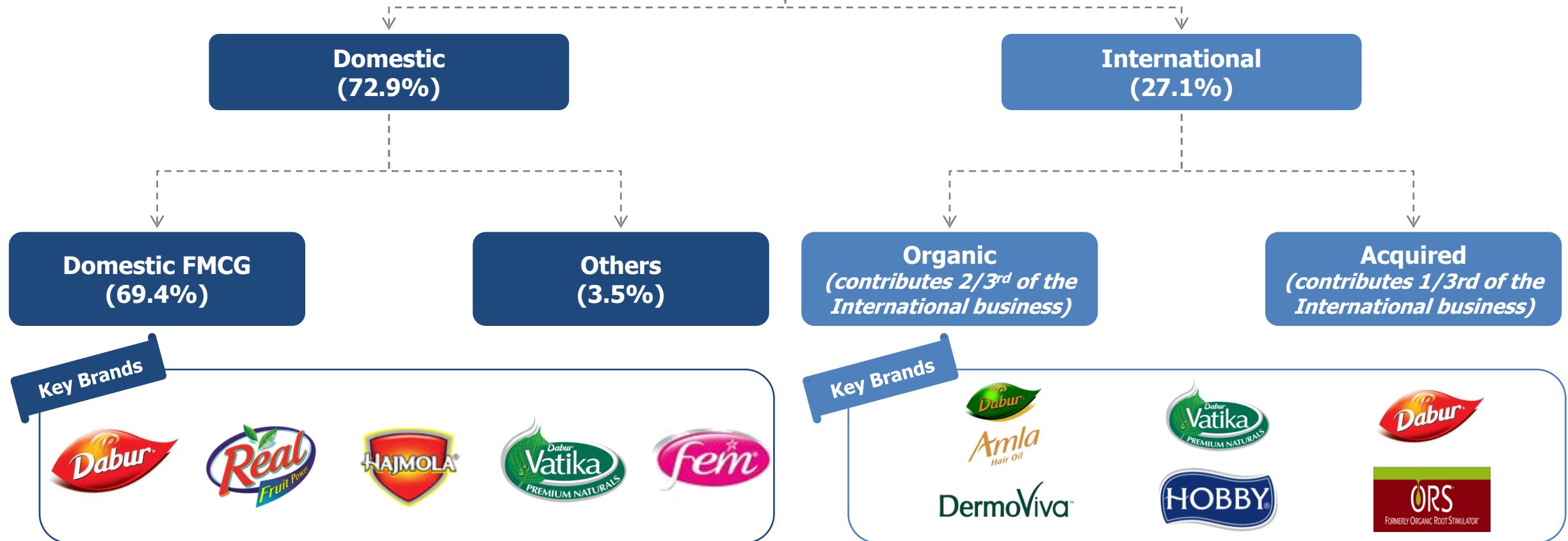
Volume  
Growth  
7.0%



Note:

1. All figures are in INR cr
2. The figures in circle represent growth figures

# Business Structure



Note: The figures in brackets are as per FY19 revenue

# Agenda

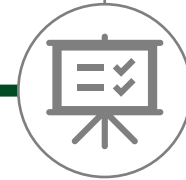
Dabur - Overview



International  
Business



Annexure



**India Business**



**Our Growth Strategy**

# India Business – Category-Wise

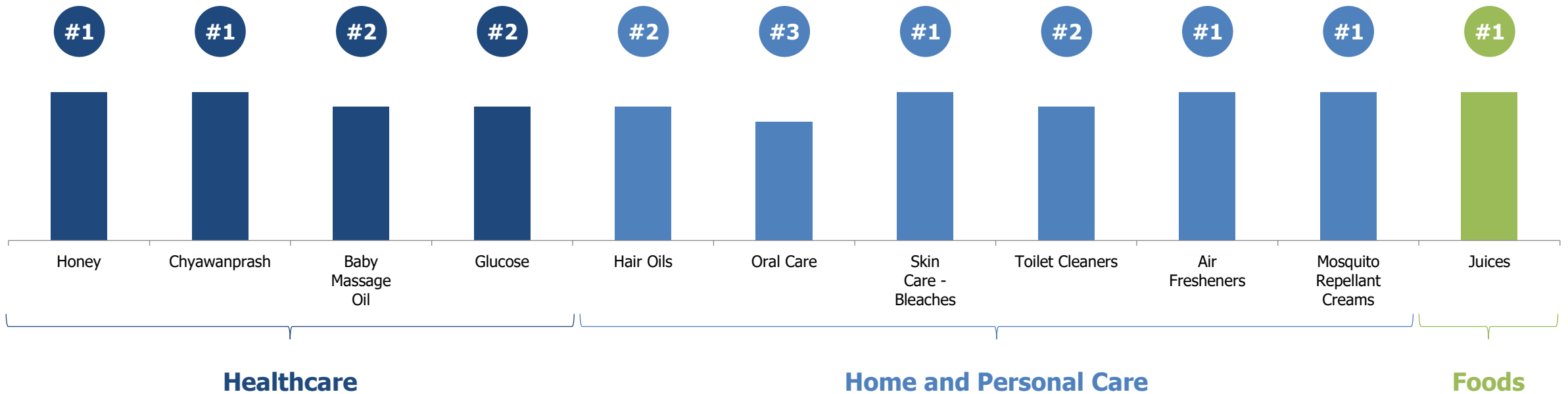
	Category	Key Brands	Revenue Contribution (FY19)	FY19 Growth	H1 FY20 Growth
Healthcare (32.3%)	Health Supplements	  	17.6%	 14.6%	 16.7%
	Digestives	 	5.9%	 16.4%	 14.2%
	OTC & Ethicals	 	8.9%	 13.7%	 9.6%
HPC (50.6%)	Hair Care	  	21.6%	 14.8%	 8.0%
	Oral Care	  	16.8%	 9.5%	 7.8%
	Home Care	 	6.9%	 13.0%	 8.7%
	Skin Care	 	5.3%	 17.2%	 6.6%
Foods (17.1%)	Foods	 	17.1%	 8.1%	 (1.5%)

Note: FY19 Growth refers to GST adjusted growth (like-to-like)



# Market Leadership in Most Categories

#Relative Competitive Position<sup>1</sup>



Leading position in key categories across verticals

1. Position basis Nielsen Market Share data MAT Sep'19

# Agenda

Dabur - Overview



India Business

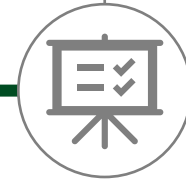
International  
Business



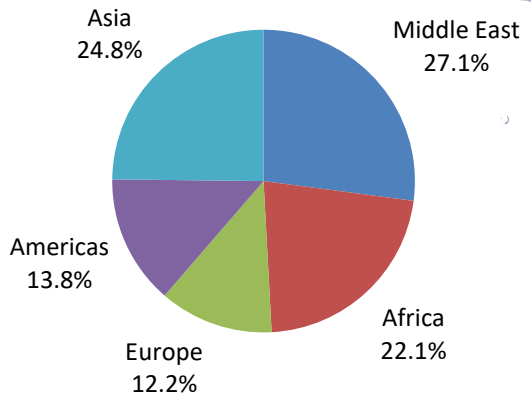
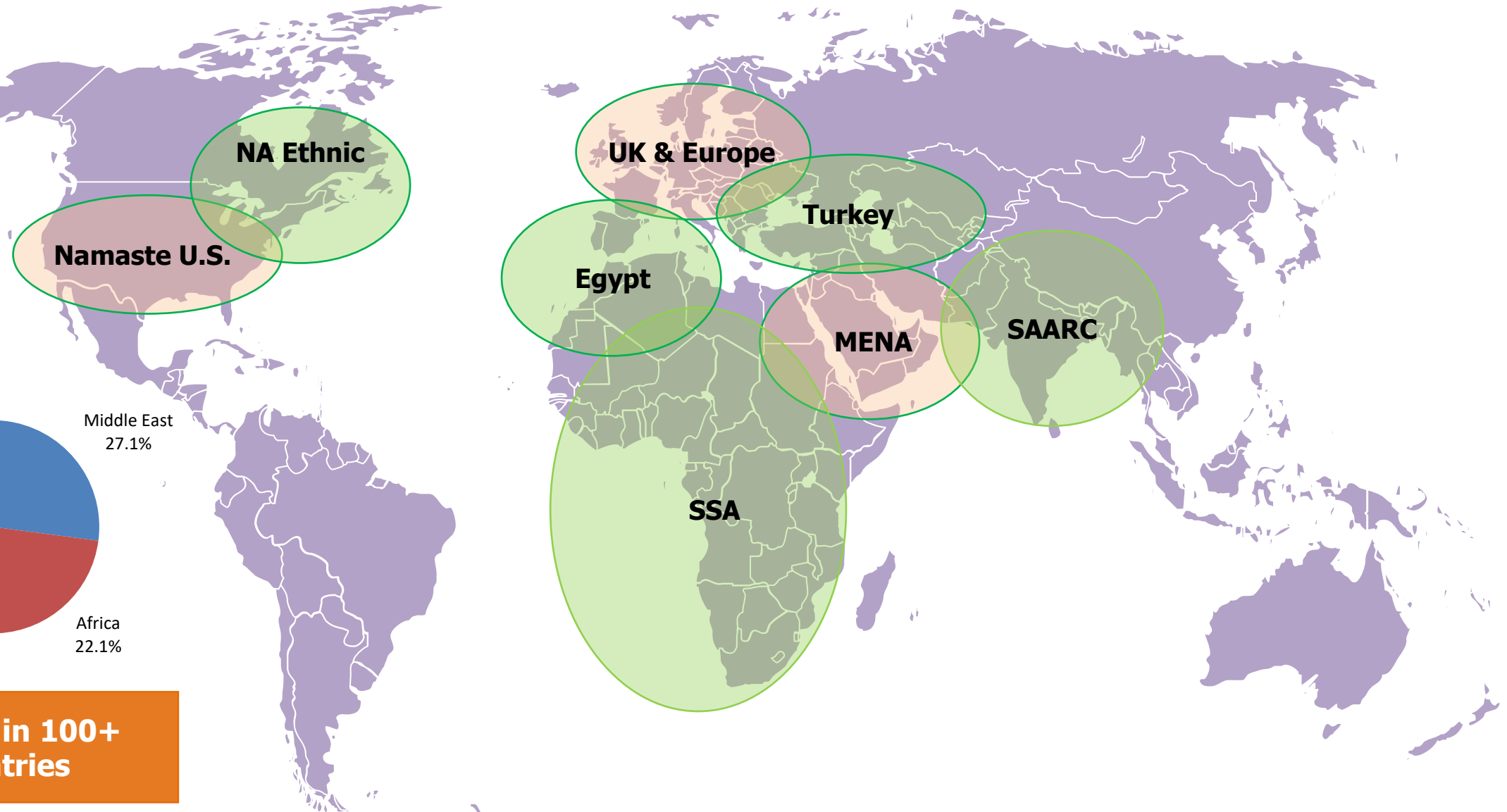
Our Growth Strategy



Annexure



# Key Regions in International Business



**Present in 100+ countries**

# Market Position in Categories in Key Markets

Category	Saudi Arabia	Egypt	UAE	Nigeria	Morocco	Algeria	US	Turkey
Hair Oil	#1	#1	#2		#1	#1		
Hair Cream	#1	#1	#1		#1	#1		
Hair Gel	#1	#2	#1					#1
Hair Mask	#1	#1	#1					
Hair Serums	#3	#3	#2					
Shampoo	#6	#6	#5					
Leave-On	#6		#3					
Hair Color			#5					
Toothpaste	#5	#4	#4	#3	#3	#3		
Depilatories	#3		#3					
Relaxers							#1	

# International Business – Initiatives to Drive Growth



## Winning in Consumers' minds

Launching modern formats and variants

Connecting with Younger Audience

Enhancing Digital Footprint



## Winning in New Geographies

Seeding new markets



## Winning in New Categories

Seeding new categories

Foraying into adjacencies



## Sales & Distribution

MT – JBPs with Key Retailers in KSA and UAE

GT – Expand Distribution across Geographies

Division for Merchandising & Activations

# Agenda

Dabur - Overview



International  
Business



Annexure



India Business



**Our Growth Strategy**



# Pillars of Our Growth Strategy



**Power Brands Strategy**



**Driving Innovation and  
Renovation**



**Distribution Expansion**



**Operational Excellence**



**Capability Enhancement**



**Sustainability/ ESG Focus**

# Pillars of Our Growth Strategy



**Power Brands Strategy**



**Driving Innovation and  
Renovation**



**Distribution Expansion**



**Operational Excellence**



**Capability Enhancement**



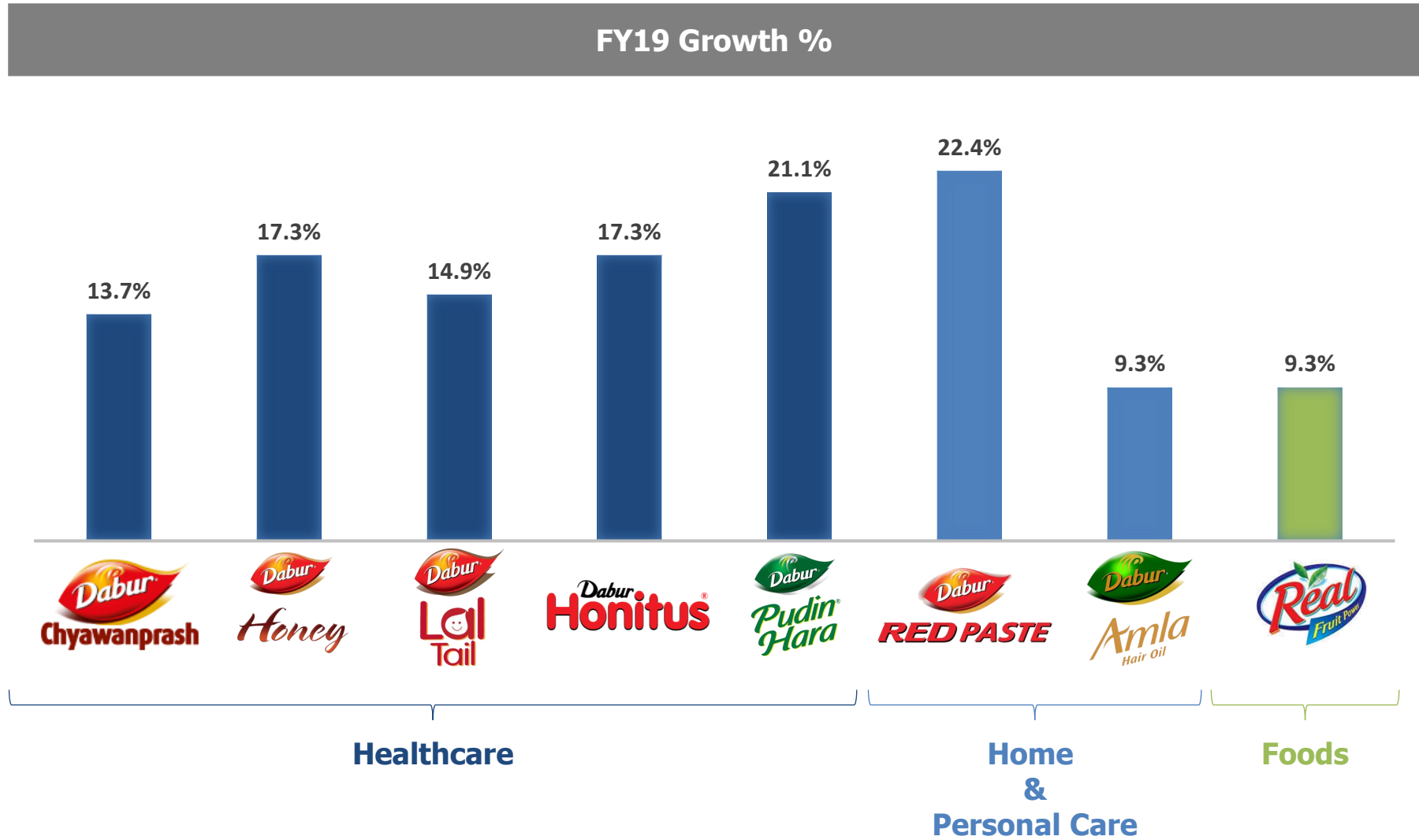
**Sustainability/ ESG Focus**



# Power Brands Strategy

**Higher A&P Investments**

*Media spends increased by 20% for Power brands, while for the domestic business the increase was 6%*





**Strengthen immunity positioning**

**Develop Modern Formats & communication for youth & kids**

**Extend usage beyond winters – monsoon campaign**

**Enhance chemist reach**



**Strengthen  
fitness  
proposition**

**Innovation –  
Launch premium  
variants**

**Localised  
communication  
strategy**

**Increase food  
usage of honey  
through new  
formats**





Strengthen Ayurvedic positioning

Renovation and contemporization

Create a portfolio for baby care

Distribution enhancement



**Dabur  
Honitus®**



Reinforce Ayurvedic positioning

Regionalization

New formats & variants: Lozenges,  
Hot Sip

Distribution enhancement



आयुर्वेद है, खरा है, पुदीन हरा है.

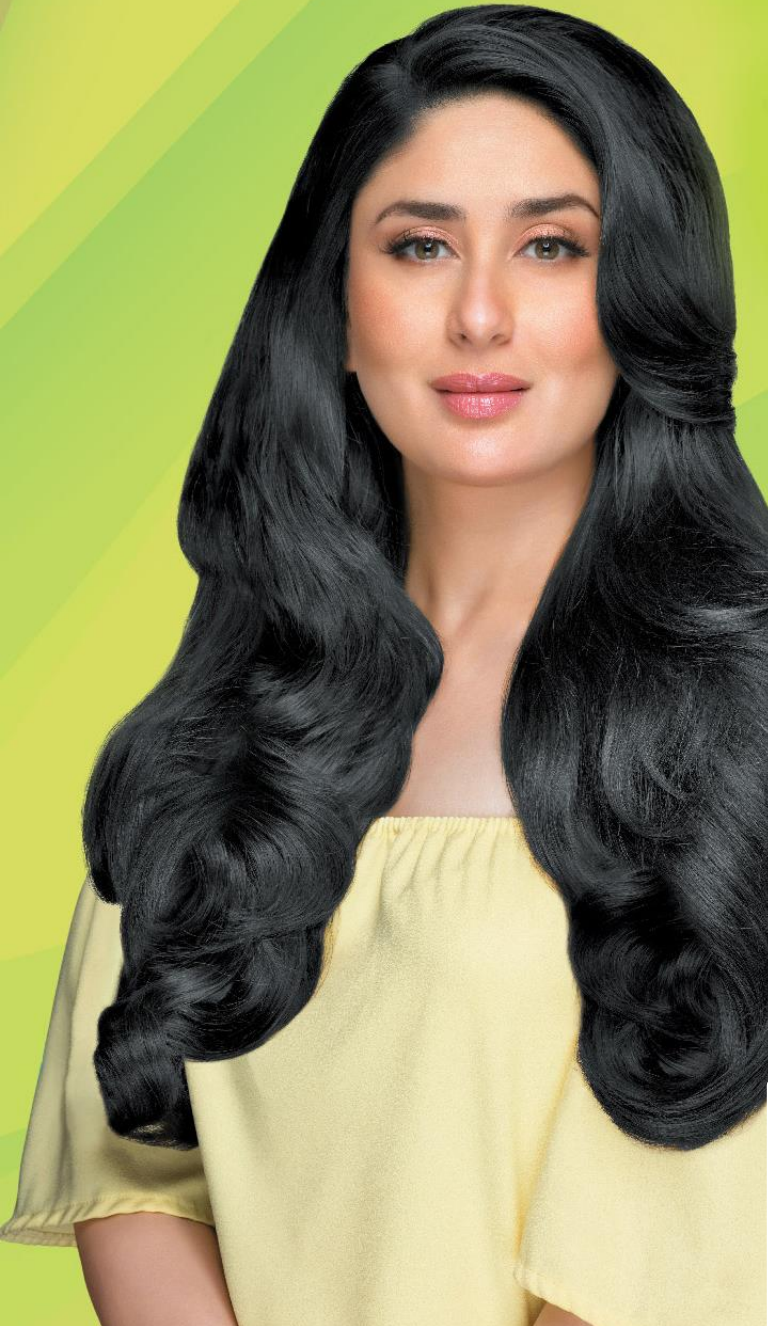


Scale up the Powder Fizz portfolio

Modernization of formats

Extend Pudin Hara into Food

Use digital media to connect with millennials



Strengthen the core brand  
'Asli Amla Dabur Amla'

Contemporization and  
Premiumization

Create moats through  
flanker brands - Brahmi &  
Sarson Amla

Improve Accessibility





Gain market share from non-natural players

Focus on low through put markets

Proposition of 'Keeps dental Problem Away'

Connect digitally with Millennials





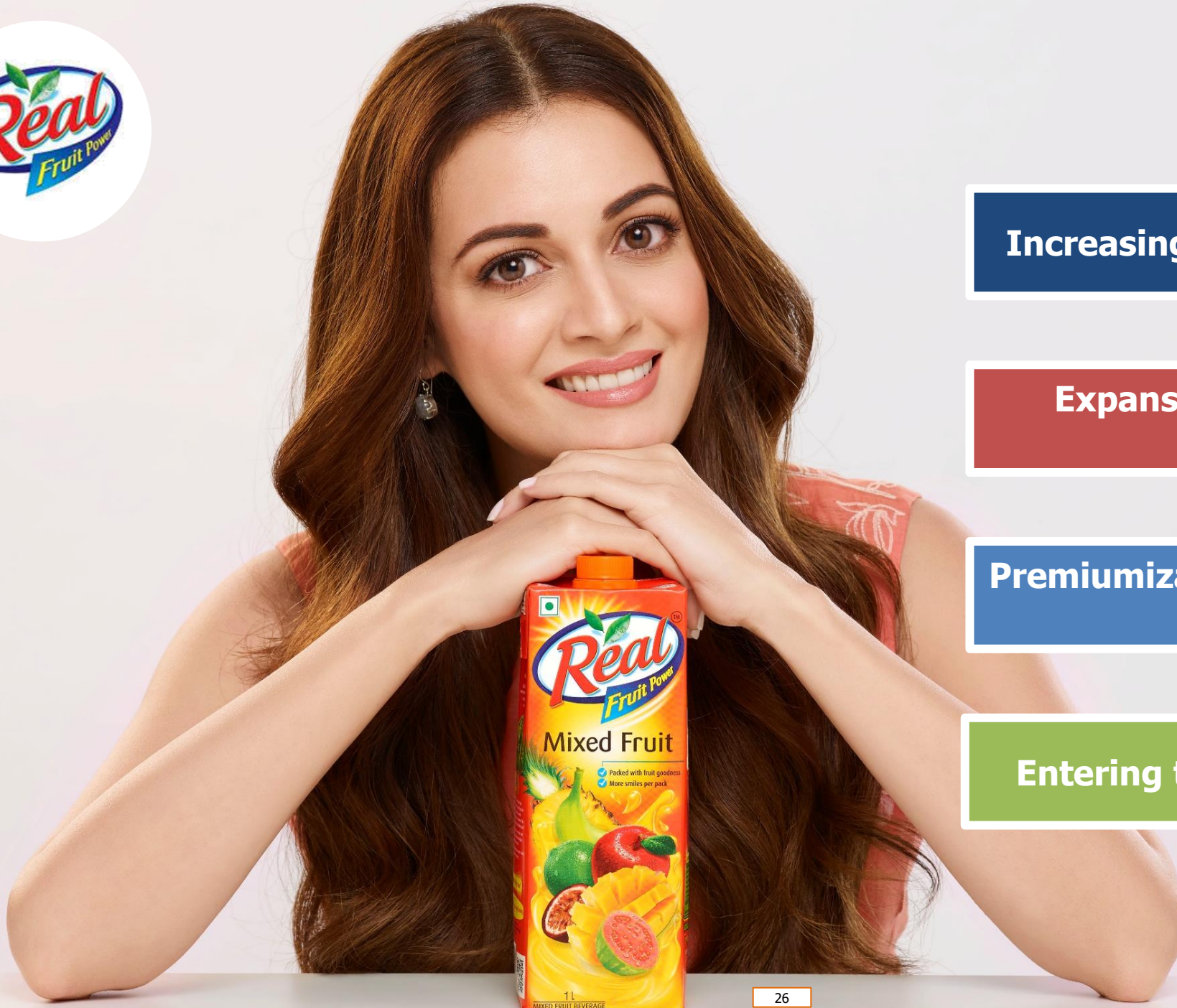


**Scale up the Vatika franchise in India**

**Launching Ayurvedic variants**

**Connect digitally with millennials**

**Strengthen distribution in weak geographies**



**Increasing Consumption Occasions**

**Expansion in low through put geographies**

**Premiumization through new health-based variants**

**Entering the fruit drinks segment**

# Pillars of Our Growth Strategy



**Power Brands Strategy**



**Driving Innovation and  
Renovation**



**Distribution Expansion**



**Operational Excellence**



**Capability Enhancement**



**Sustainability/ ESG Focus**

# Driving Innovation and Renovation – India Business

## Healthcare



**NatureCare  
Kabz  
Over**



**GlucoPlus C –  
Mango Flavour**



**Hajmola  
Chat Cola**



**Dabur  
Hridayasava**



**Dabur  
Dadimavaleha**



**Vasant  
Meha Ras**

# Driving Innovation and Renovation – India Business

## Healthcare



### Amla Churna

*(Boosts immunity, relieves acidity and burning sensation, beneficial for eyes, antioxidant properties)*



### Arjun Chhal Churna

*(Good for heart health, healthy cholesterol levels, helps relieve excessive thirst)*



### Brahmi Churna

*(Helps improve concentration, antioxidant properties)*



### Giloy Churna

*(Boosts immunity, antioxidant properties. Useful in gout and arthritis, helps purify blood)*



### Haritaki Churna

*(For constipation, healthy gut, improves digestion)*



### Neem Churna

*(For healthy skin, useful in skin problems like acne, wounds etc and worm infestation)*

# Driving Innovation and Renovation – India Business

## Home & Personal Care



**Dabur Amla Kids  
Hair Oil & Shampoo**



**Babool  
Ayurvedic  
Toothpaste**



**Fem Fruit  
Crème Bleach**

# Driving Innovation and Renovation – India Business

## Foods



**Real  
Masala  
Range**



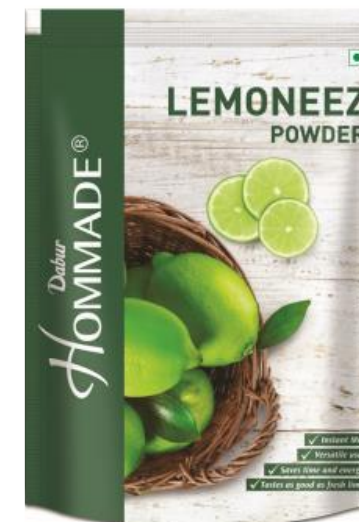
**Real Mixed Berries**



**Real Fruit  
ORS**



**INR 10  
SKU of  
Real  
Koolerz  
Mango**



**Lemoneez  
Powder –  
500 gm  
SKU in  
Foods  
Services  
Business**

# Driving Innovation and Renovation – International Business



**Real Juices in UAE, Japan and Bahrain**



**ORS Olive Oil Fix It Range**



**Olive Oil with Black Castor**



**Vatika Hair Food**



**Vatika Hair Wax**



**Vatika Afro Naturals Range**



# Pillars of Our Growth Strategy



**Power Brands Strategy**



**Driving Innovation and  
Renovation**



**Distribution Expansion**



**Operational Excellence**



**Capability Enhancement**



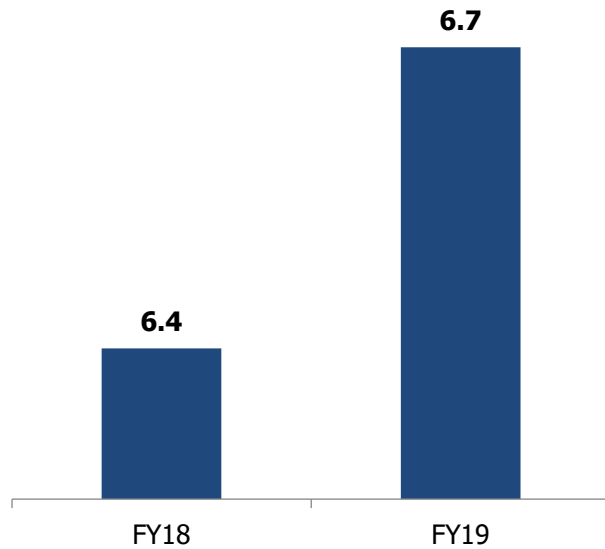
**Sustainability/ ESG Focus**

# Increasing Reach

One of the largest distribution networks in FMCG covering 6.7 mn+ outlets

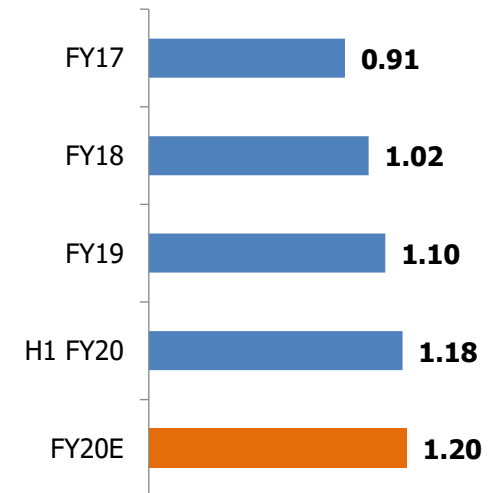
## Increasing Total Reach

*(in mn outlets)*



## Increasing Direct Reach

Aim to increase direct reach to 1.2 mn outlets by end of FY20



# Urban Focus

## Modern Trade

Growing  
in  
double  
digit

**Improved Engagement**  
*(Buniyaad Munafa – OFO Channel Program)*

**Enhance Shelf Share**

~15%  
Saliency

**Shopper Engagement**  
*(In-shop promoters and in-store activations)*

## E-commerce

Growing  
by  
~50%

~2%  
Saliency

### E-comm Business Partners



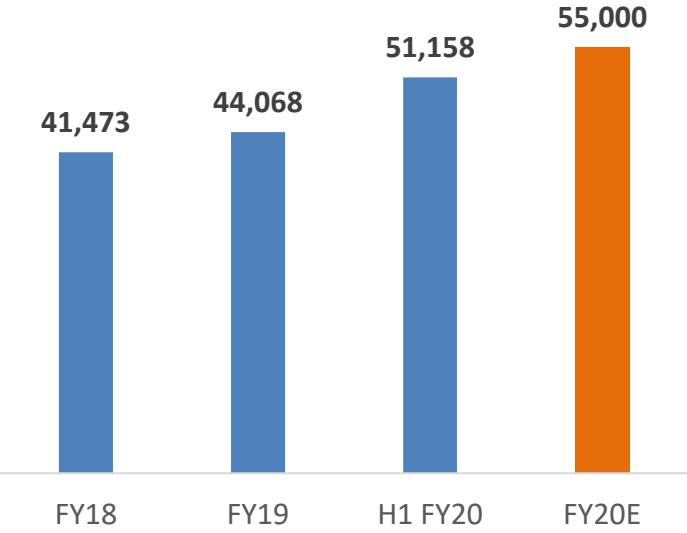
# Rural Focus

## Portfolio as per Consumer Preferences



Focus on LUPs

## Increasing Reach



Increasing Village Coverage

## Building Rural Infrastructure

~1,400 Rural Sales Force

45% FY19 Contribution to Sales

395 Super stockists

13,008 Sub-stockists (1,338 added in H1)

# Regional Focus through RISE



**RISE**  
Regional Insights  
And  
Speed of Execution

## RISE Initiatives in North East



**Real Fruit ORS Launched**



**Sponsoring Local Events  
(Miss India North East contest in  
association with Gulabari)**



**Anmol Jasmine – Regional  
Communication**

# Regional Focus through RISE



**RISE**  
Regional Insights  
And  
Speed of Execution

## RISE Initiatives in South



South specific ad for Dabur Honey



Anmol Green in Tamil Nadu



Vatika hair oil endorsed by regional celebs in South



Dabur Amla Regional TVC in South

# Pillars of Our Growth Strategy



**Power Brands Strategy**



**Driving Innovation and  
Renovation**



**Distribution Expansion**



**Operational Excellence**

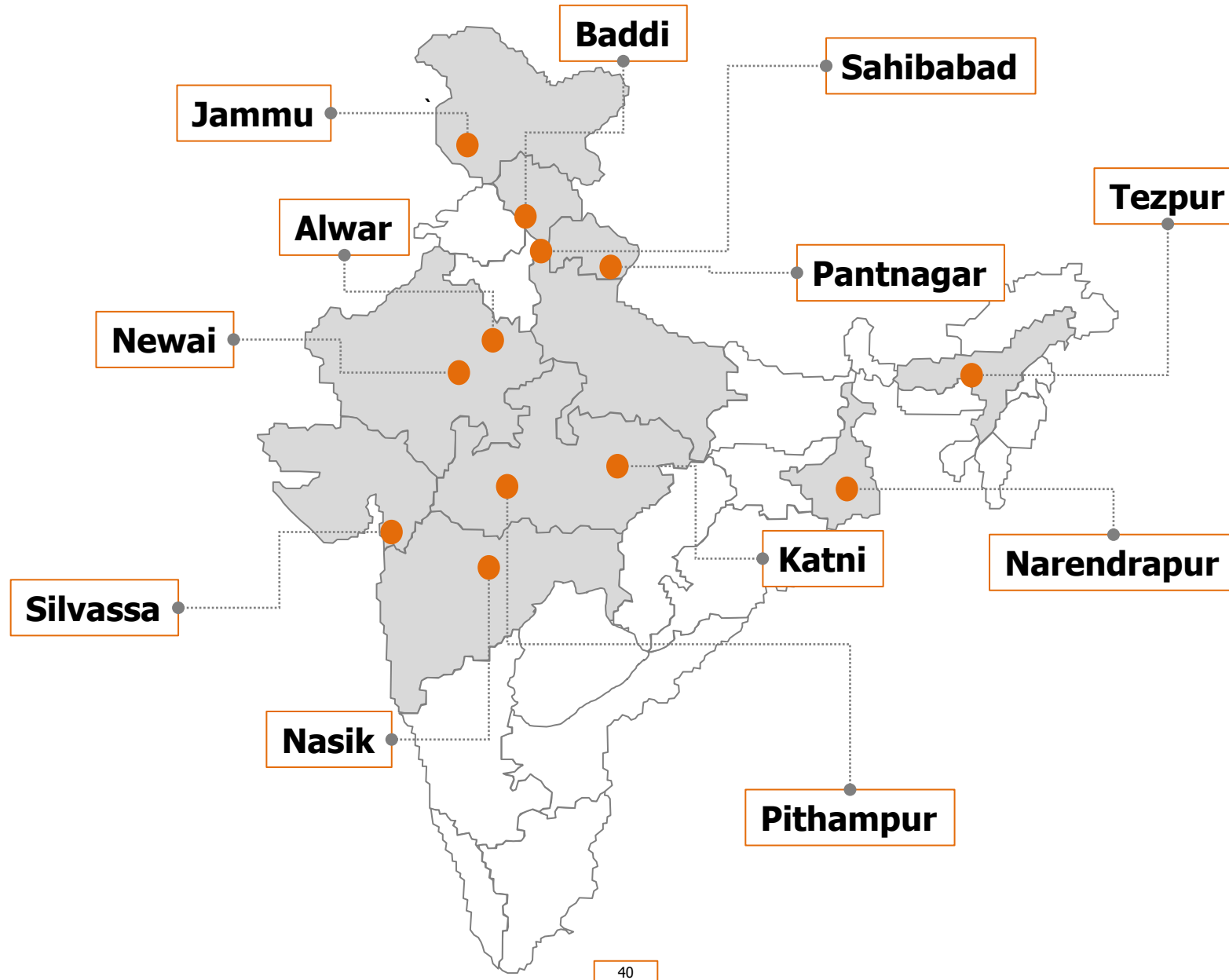


**Capability Enhancement**



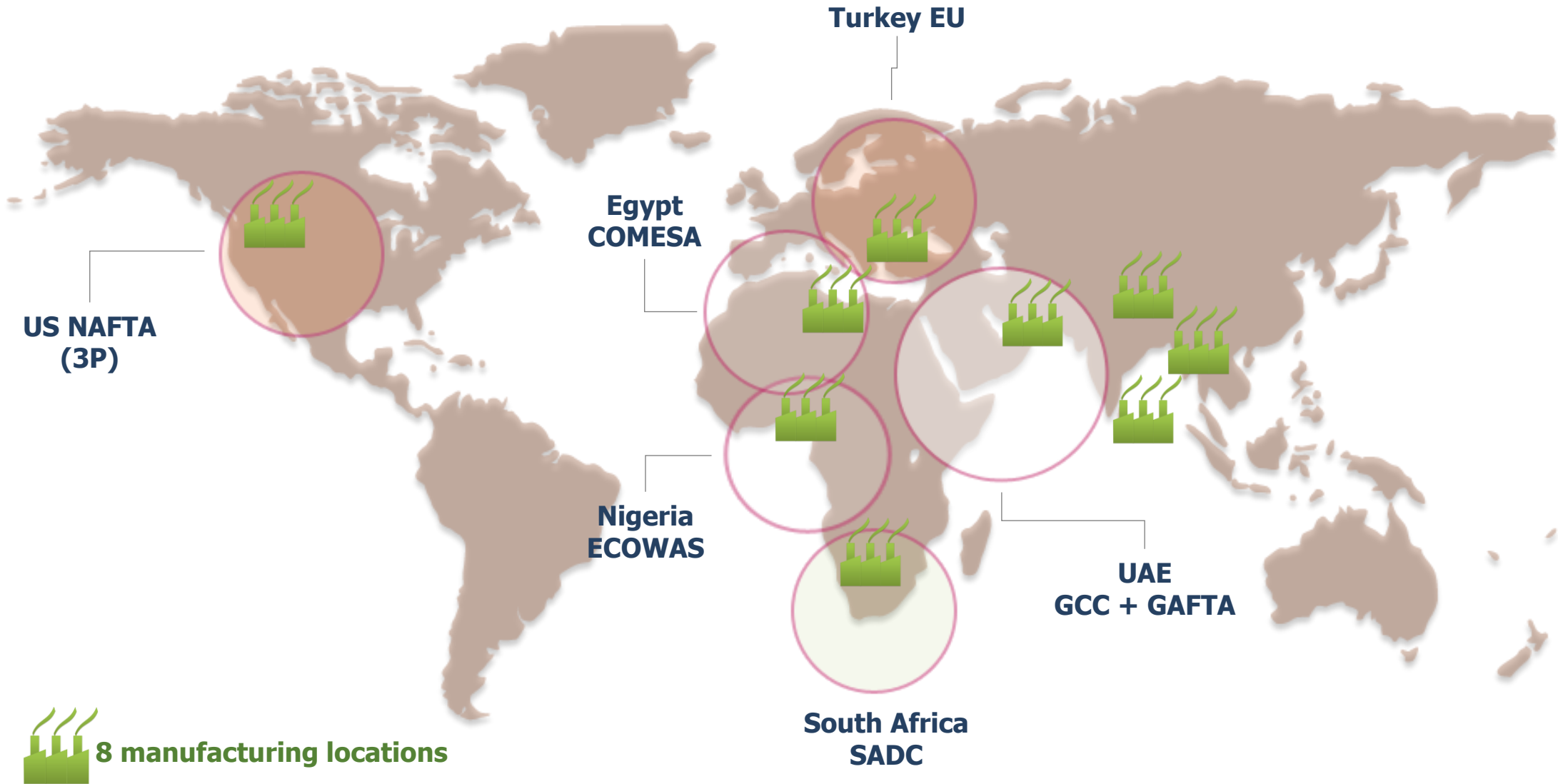
**Sustainability/ ESG Focus**

# Our Manufacturing Footprint in India





# Our Manufacturing Strategy - International



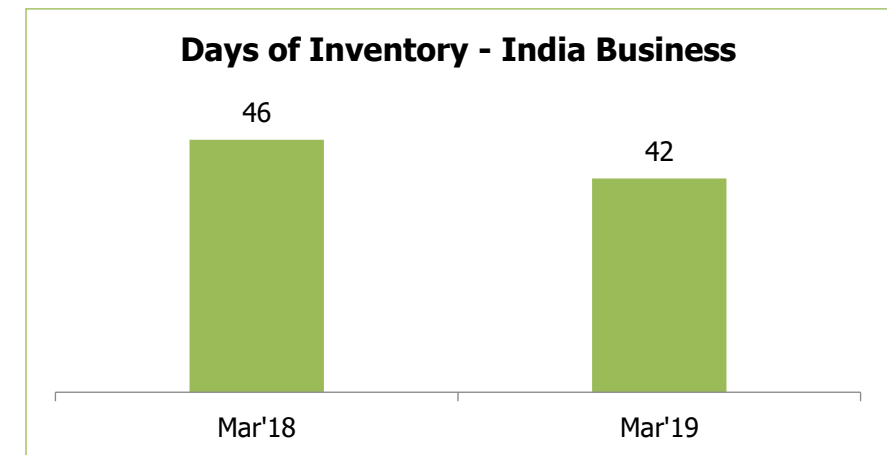
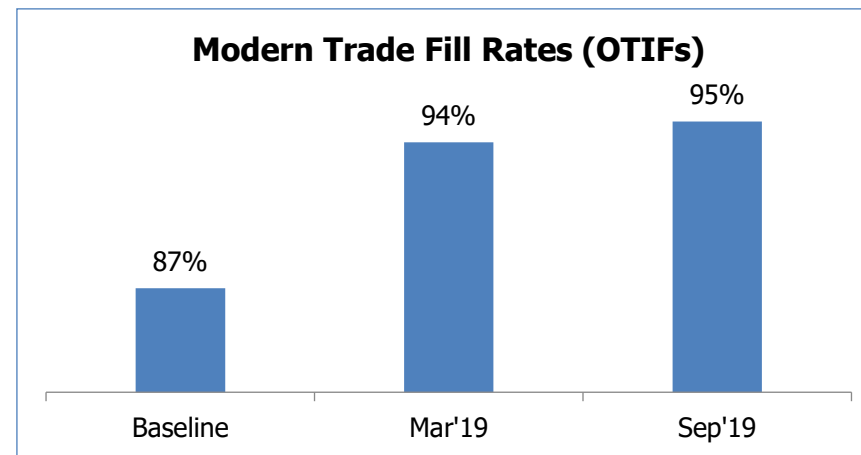
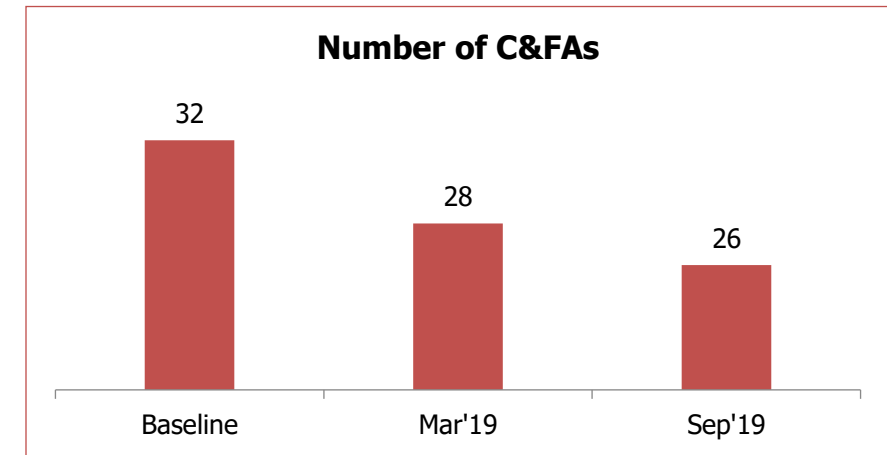
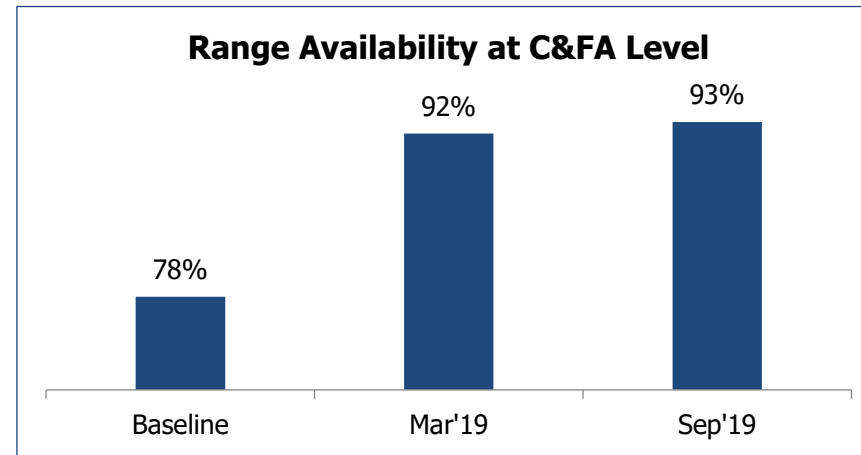
From centralized manufacturing to localized manufacturing for speed and flexibility

# Supply Chain Transformation – Project Lakshya

Improve range availability and service levels

Reduce Logistics Costs

Reduce Finished Goods Inventory



# Pillars of Our Growth Strategy



**Power Brands Strategy**



**Driving Innovation and  
Renovation**



**Distribution Expansion**



**Operational Excellence**



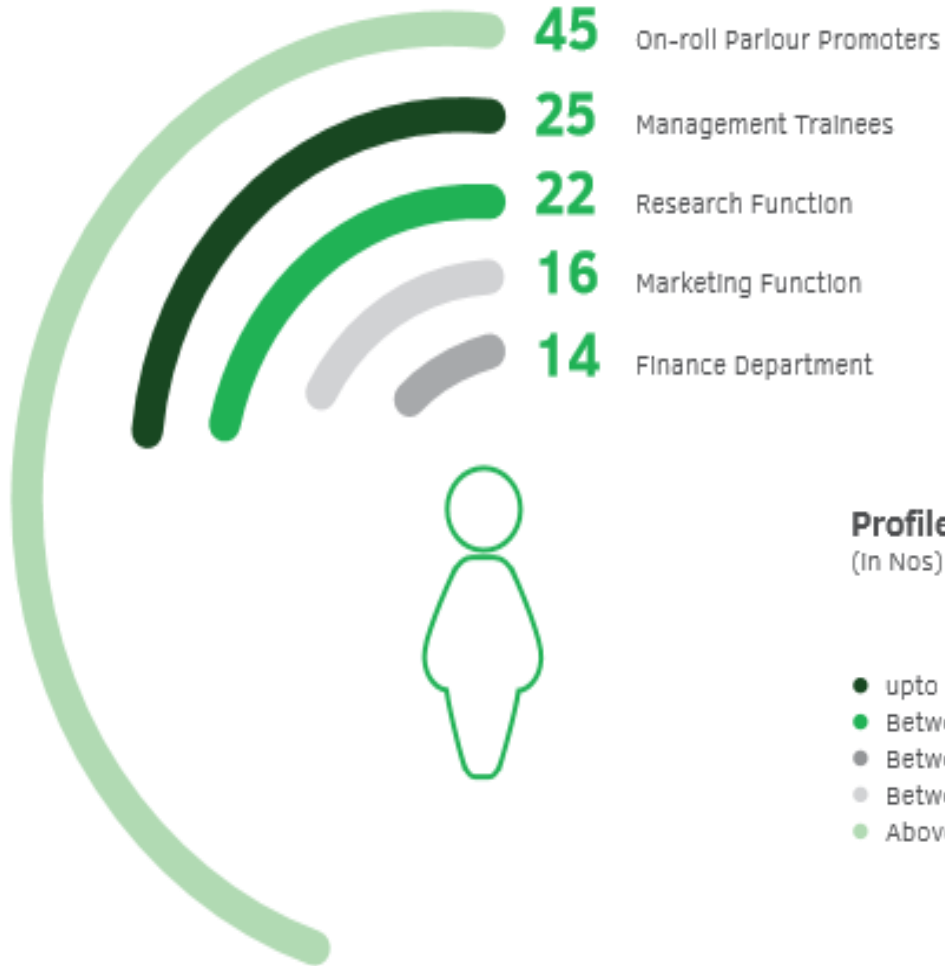
**Capability Enhancement**



**Sustainability/ ESG Focus**

# Capability – Improving Diversity & Inclusion

## Women employees in India %



## Mix of nationalities working in Dabur

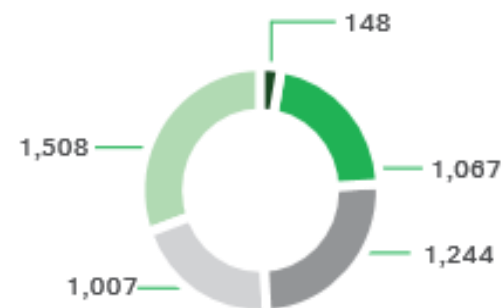
22



## Profile by Age Group in India (In Nos) (As on March 31, 2019)



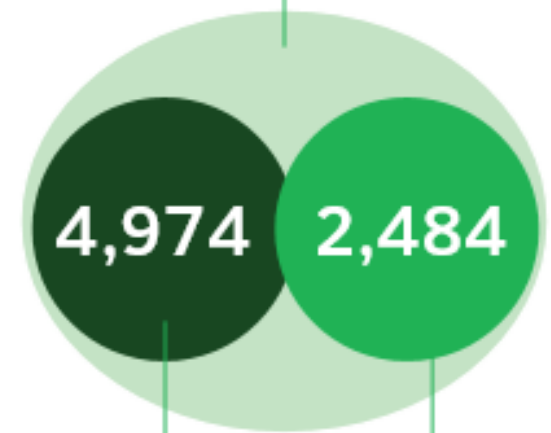
- upto 25 years old
- Between 25 and 30 years old
- Between 31 and 35 years old
- Between 36 and 40 years old
- Above 40



## Total employees



7,458



Employees in India

Overseas Employees

# Capability Building

## Creating a Matrix Organisation



## Strengthening the Team

**E-Comm Head**

**Healthcare Head**

**Ayurveda Head**

**OTC Head**

**Digital Head**

# R&D Capabilities

**98**

Employees in R&D team



**Team has doctors, pharmacists, chemists, botanists, agronomists, biotechnologists, oil technologists, food technologists and plant tissue culturists**

**16%**

Increase in R&D Expenditure in FY19

**18**

Patent applications filed

**NABL accredited analytical laboratory**

**AYUSH recognized Drug Testing Laboratory**

**200+ herbs**

Fingerprints captured till date

# Enhancing Capability in Ayurveda

## Portfolio Expansion

- Classical & Branded Range enhancement
- Hridayasava, Pure Herb Churnas, Vasant Meha Ras, Glycodab

## Increase Doctor Advocacy

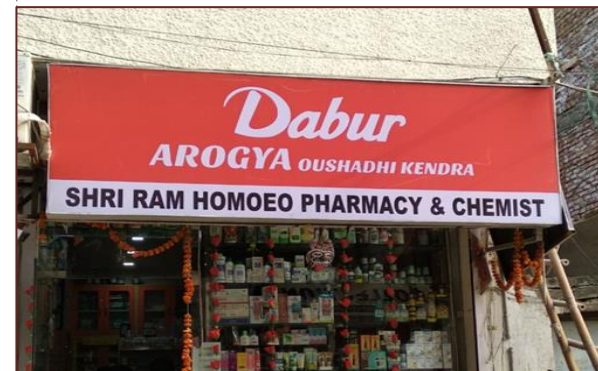
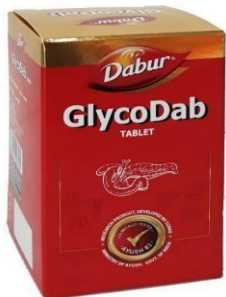
- Increase Ayurvedic Doctor Coverage from 40,000 to 55,000
- Scientific Knowledge Dissemination – 50 Top Ayurvedic Colleges

## Enhance Consumer Touch Points

- Increase Dabur Ayurved Chikitsalayas from 525 to 650
- Increase Dabur branded Ayurvedic Stores from 1,500 to 2,500

## Consumer Engagement

- Health Camps
  - 6,000 in Clinics
  - 10 Lakh Rural Consumers
- Consumer Sampling through religious events



# Upgrading Our IT and Digital Capabilities

**ERP  
Upgradation**

**Migrated to  
SAP HANA  
and BW  
HANA**

**Integrated  
supply chain  
planning  
through SAP  
IBP**

**Upgrading  
Distributor  
Management  
System  
(DMS)**

**Using  
Tableau to  
create virtual  
dashboards**

**Upgrading  
Sales Force  
Automation  
(SFA)**



# Pillars of Our Growth Strategy



**Power Brands Strategy**



**Driving Innovation and  
Renovation**



**Distribution Expansion**



**Operational Excellence**



**Capability Enhancement**



**Sustainability/ ESG Focus**

# ESG – Key Focus Areas

2% of  
profits  
spent on  
CSR

**Environment Sustainability**

**Eradicating Hunger, Poverty and Malnutrition**

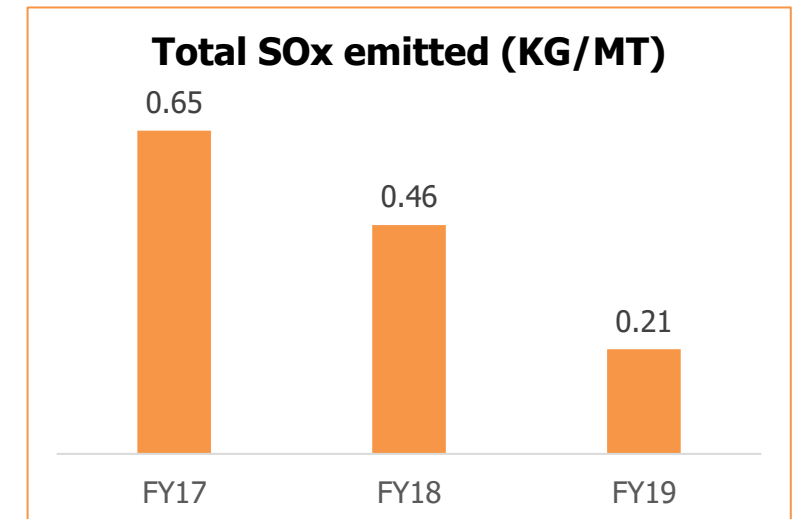
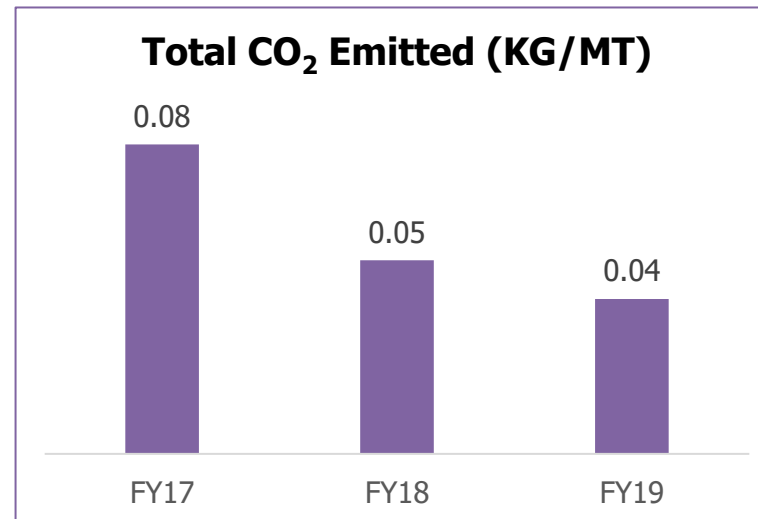
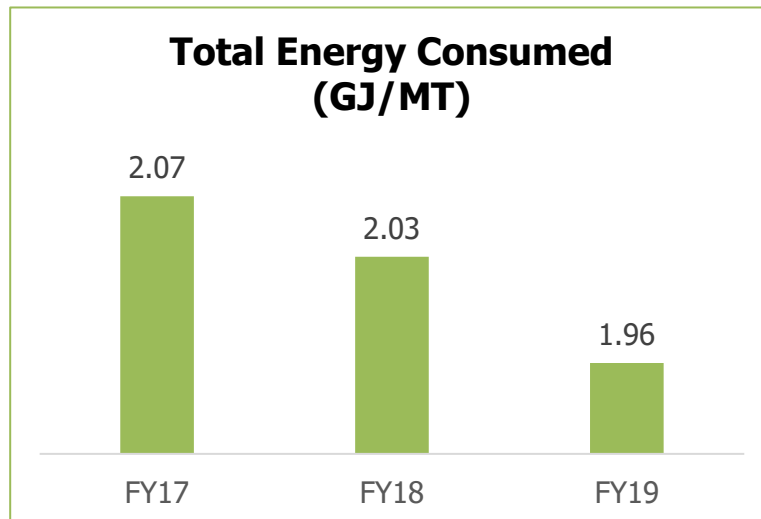
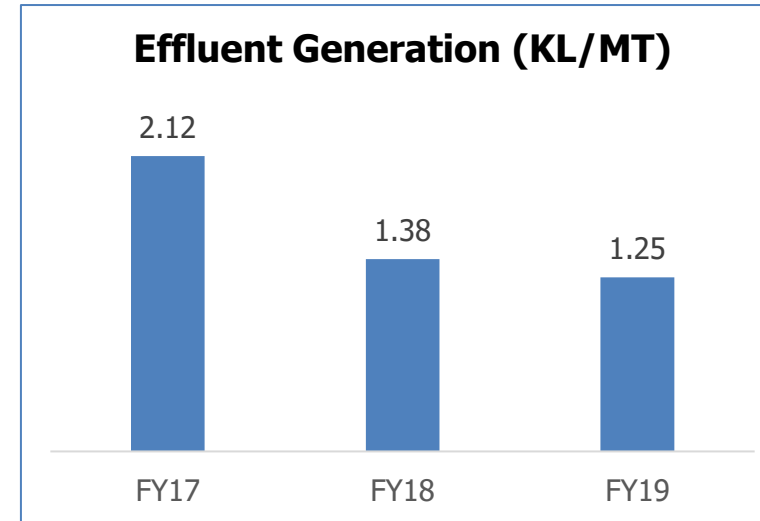
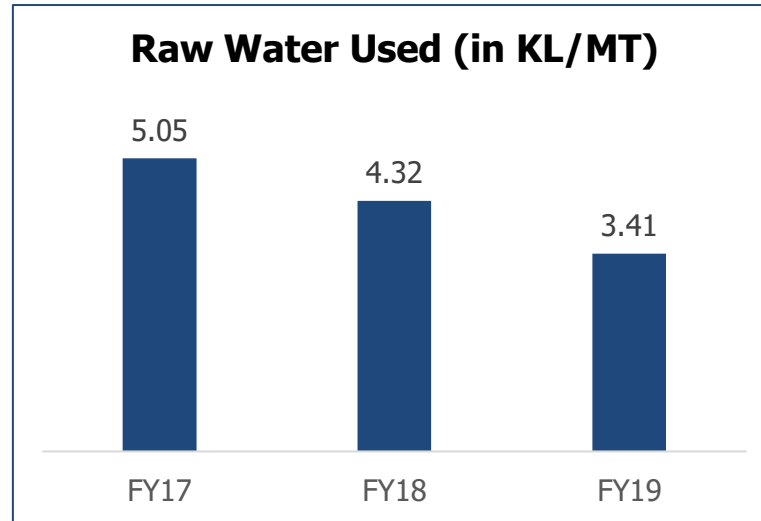
**Preventive Healthcare**

**Promoting Biodiversity**

**Women Empowerment & Skill Development**

**Robust Governance**

# Creating a Greener Manufacturing Ecosystem



# Environment Sustainability – Plastic Waste Management



**Target to become Plastic Waste Neutral Company by 2020-21**

**20% Plastic waste generated by Dabur collected and processed/recycled in FY19 across 6 states**

**Target increased to 60% in 2019-20 across 25 states**

**Initiative to be rolled out pan-India to collect 100% plastic waste in 2020-21**

# Our CSR Initiatives

## Eradicating Hunger, Poverty and Malnutrition



**Over 5 mn packs of Real juices distributed**

## Preventive Healthcare



**Constructed around 4,000 household toilets till date**

**42 villages 'Open Defecation Free'**

**10,000 Ragpickers benefitted from a full-time Health Post in their community**

## Promoting Biodiversity



**15 lakh saplings planted**

**Over 6,000 acres under cultivation of rare herbs**

**Over 3,000 farmer beneficiaries of our buyback programme**

## Women Empowerment & Skill Development



**Vocational training to over 6,000 women**

**Courses offered: tailoring, beauticians and computer education**

# Robust Governance



Dabur was awarded the **ICSI National Award for Excellence in Corporate Governance 2018 – 3<sup>rd</sup> time in a row**

Well experienced and diversified professional Board with majority of independent Directors

Separate position of CEO and Non-Executive Chairman

Promoters not drawing any remuneration and no executive position being held by any Promoter

Three tiers of Audit-Transactional, Internal and Statutory

Dividend payout ratio of 50% of standalone net profits

ESOP scheme to attract best talent

# Agenda

Dabur - Overview



International  
Business



Annexure



India Business



Our Growth Strategy



# Consolidated Profit & Loss

	H1 FY20	H1 FY19	Y-o-Y (%)		FY19	FY18	Y-o-Y (%)
<b>Revenue from operations</b>	<b>4,485.3</b>	<b>4,205.7</b>	<b>6.6%</b>		<b>8,533.1</b>	<b>7,748.3</b>	<b>10.1%</b>
Other Income	155.1	154.9	0.1%		296.2	305.2	(3.0%)
<b>Total Income</b>	<b>4,640.3</b>	<b>4,360.5</b>	<b>6.4%</b>		<b>8,829.2</b>	<b>8,053.5</b>	<b>9.6%</b>
Material Cost	2,236.2	2,124.4	5.3%		4,309.0	3,846.4	12.0%
<i>% of Revenue</i>	<i>49.9%</i>	<i>50.5%</i>			<i>50.5%</i>	<i>49.6%</i>	
Employee expense	472.9	458.4	3.2%		937.9	792.8	18.3%
<i>% of Revenue</i>	<i>10.5%</i>	<i>10.9%</i>			<i>11.0%</i>	<i>10.2%</i>	
Advertisement and publicity	346.3	332.5	4.2%		608.3	606.7	0.3%
<i>% of Revenue</i>	<i>7.7%</i>	<i>7.9%</i>			<i>7.1%</i>	<i>7.8%</i>	
Other Expenses	482.7	453.4	6.5%		938.2	885.0	6.0%
<i>% of Revenue</i>	<i>10.8%</i>	<i>10.8%</i>			<i>11.0%</i>	<i>11.4%</i>	
<b>Operating Profit</b>	<b>947.2</b>	<b>836.9</b>	<b>13.2%</b>		<b>1,739.6</b>	<b>1,617.4</b>	<b>7.6%</b>
<i>% of Revenue</i>	<i>21.1%</i>	<i>19.9%</i>			<i>20.4%</i>	<i>20.9%</i>	
<b>EBITDA</b>	<b>1,102.2</b>	<b>991.8</b>	<b>11.1%</b>		<b>2,035.7</b>	<b>1,922.6</b>	<b>5.9%</b>
<i>% of Revenue</i>	<i>24.6%</i>	<i>23.6%</i>			<i>23.9%</i>	<i>24.8%</i>	
Finance Costs	30.5	30.4	0.2%		59.6	53.0	12.3%
Depreciation & Amortization	107.2	85.8	24.9%		176.9	162.2	9.1%
Profit before exceptional items, tax and share of profit/(loss) from joint venture	964.5	875.5	10.2%		1,799.3	1,707.4	5.4%
<i>% of Revenue</i>	<i>21.5%</i>	<i>20.8%</i>			<i>21.1%</i>	<i>22.0%</i>	
Share of profit / (loss) of joint venture	0.5	0.5	8.2%		1.0	0.2	300.0%
Exceptional item(s)	60.0	0.0	n.a.		75.3	14.5	418.2%
Tax Expenses	137.6	168.5	(18.3%)		278.6	335.4	(16.9%)
Net profit after tax and after share of profit/(loss) from joint venture	767.5	707.5	8.5%		1,446.3	1,357.7	6.5%
<i>% of Revenue</i>	<i>17.1%</i>	<i>16.8%</i>			<i>16.9%</i>	<i>17.5%</i>	
Non controlling interest	1.4	1.7	(20.0%)		3.9	3.3	17.1%
<b>Net profit for the period/year</b>	<b>766.1</b>	<b>705.8</b>	<b>9%</b>		<b>1,442.3</b>	<b>1,354.4</b>	<b>6.5%</b>
<i>% of Revenue</i>	<i>17.1%</i>	<i>16.8%</i>			<i>16.9%</i>	<i>17.5%</i>	



# Consolidated Balance Sheet

Particulars	Sep'19	Mar'19
<b>A Assets</b>		
<b>1 Non-current assets</b>		
(a) Property, plant and equipment	1,679	1,548
(b) Capital work-in-progress	112	64
(c) Investment property	52	52
(d) Goodwill	336	336
(e) Other Intangible assets	39	33
(f) Financial assets		
(i) Investments	1,564	2,633
(ii) Loans	20	18
(iii) Others	465	78
(g) Non-current tax assets (net)	1	1
(h) Other non-current assets	88	88
(i) Deferred tax assets	6	0
<b>Total Non-current assets</b>	<b>4,362</b>	<b>4,850</b>
<b>2 Current assets</b>		
(a) Inventories	1,355	1,301
(b) Financial assets		
(i) Investments	1,308	725
(ii) Trade receivables	945	834
(iii) Cash and cash equivalents	168	108
(iv) Bank Balances other than (iii) above	491	220
(v) Loans	19	11
(vi) Others	1	26
(c) Current tax asset(net)	29	1
(d) Other current assets	416	360
(e) Assets held for sale	0	0
<b>Total current assets</b>	<b>4,732</b>	<b>3,586</b>
<b>Total Assets</b>	<b>9,093</b>	<b>8,437</b>

Particulars	Sep'19	Mar'19
<b>B Equity and Liabilities</b>		
<b>1 Equity</b>		
(a) Equity share capital	177	177
(b) Other Equity	5,975	5,455
Equity attributable to shareholders of the Company	6,152	5,632
Non-Controlling Interest	33	31
<b>Total equity</b>	<b>6,185</b>	<b>5,663</b>
<b>2 Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	124	26
(ii) Other financial liabilities	3	5
(b) Provisions	63	60
(c) Deferred tax liabilities (Net)	15	23
<b>Total Non-current liabilities</b>	<b>206</b>	<b>113</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	574	498
(ii) Trade payables	1,533	1,455
(iii) Other financial liabilities	194	328
(b) Other current liabilities	214	198
(c) Provisions	136	130
(d) Current tax Liabilities (Net)	52	51
<b>Total Current liabilities</b>	<b>2,702</b>	<b>2,660</b>
<b>Total Equity and Liabilities</b>	<b>9,093</b>	<b>8,437</b>

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