



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

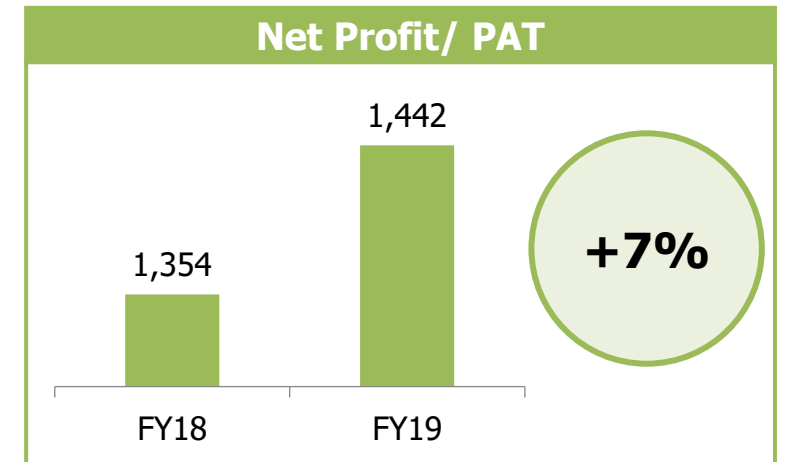
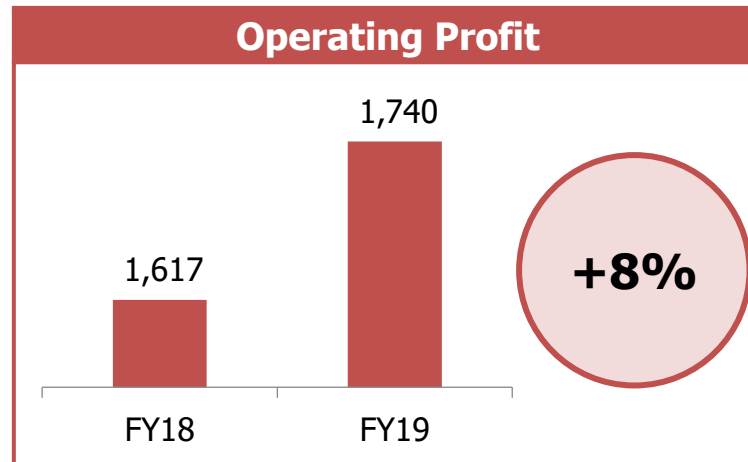
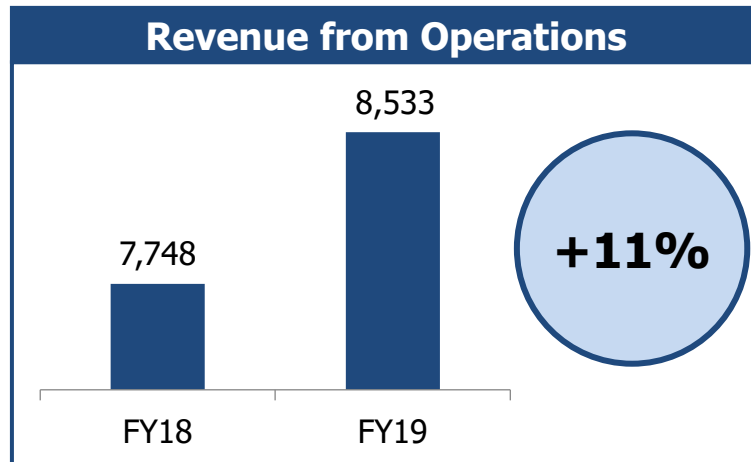
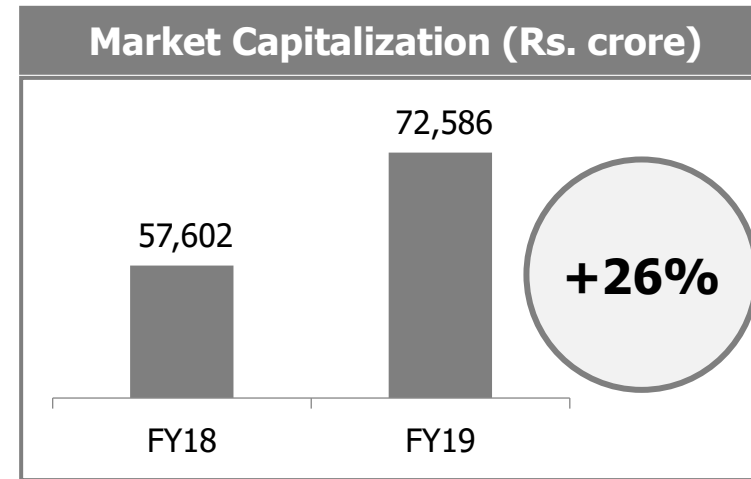
One of the largest distribution network in India, covering ~6.7 mn outlets

20 world class manufacturing facilities

Strong overseas presence with ~27% contribution

Market Cap: ~US\$ 12 bn

The Year Gone By – FY19 Performance

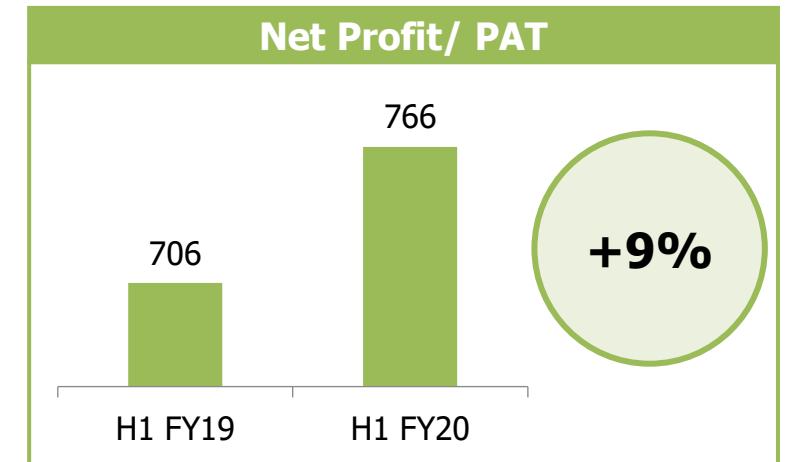
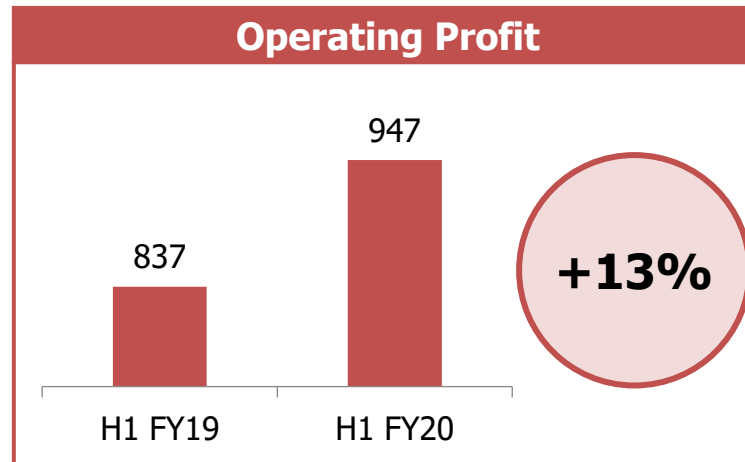
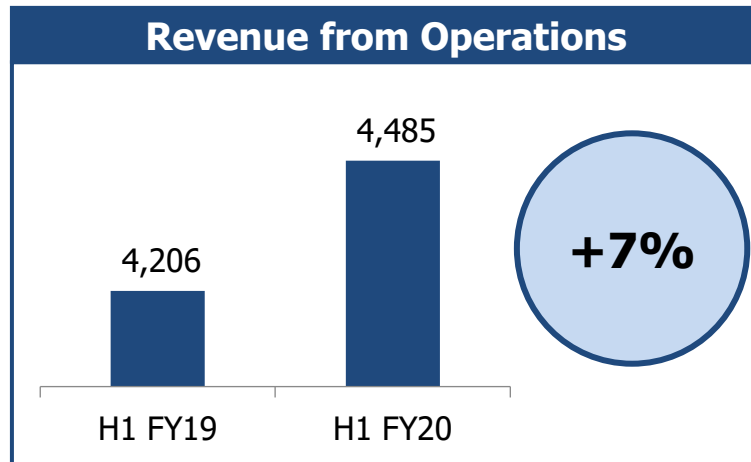


Note:

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 31st March

H1 FY20 Performance

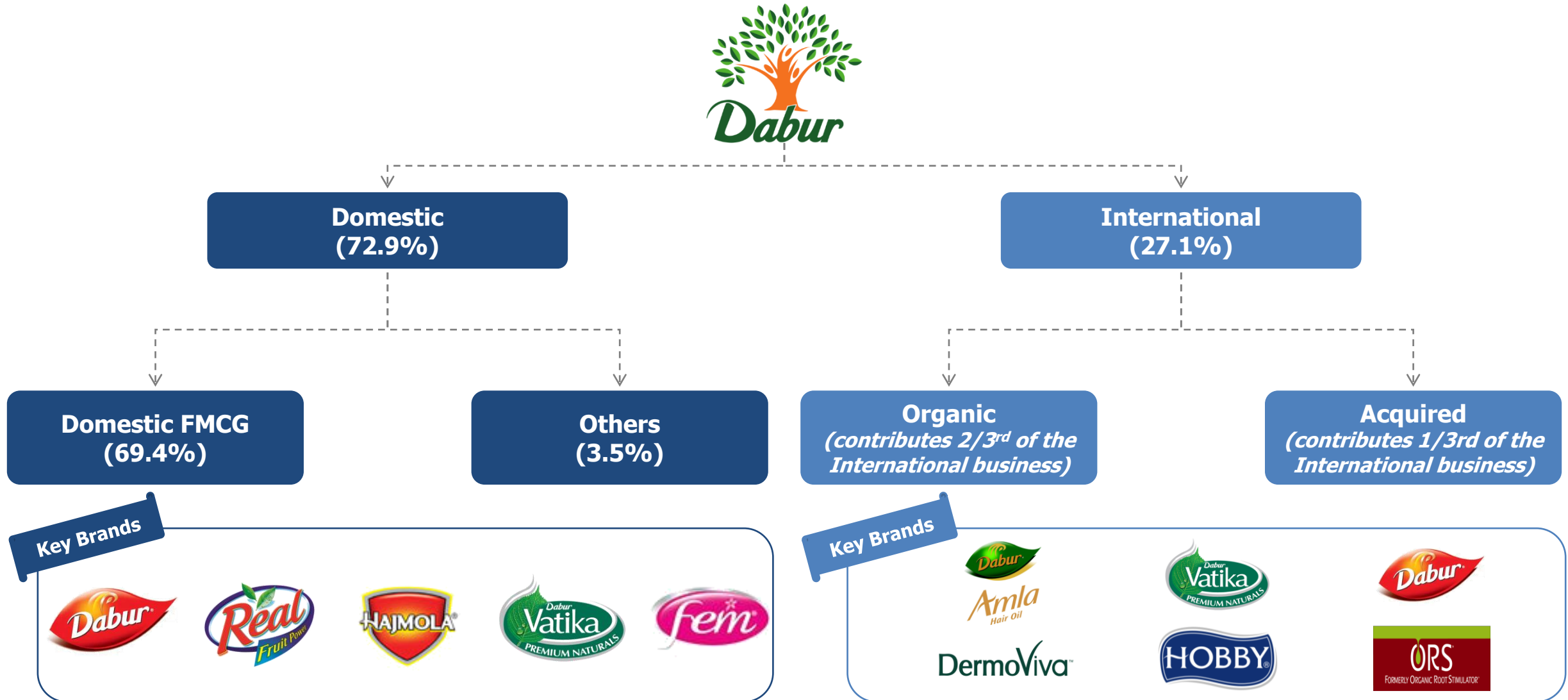
Volume
Growth
7.0%



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

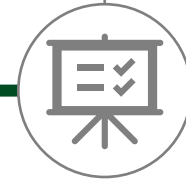
Dabur - Overview



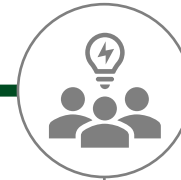
International
Business



Annexure



India Business



Our Growth Strategy

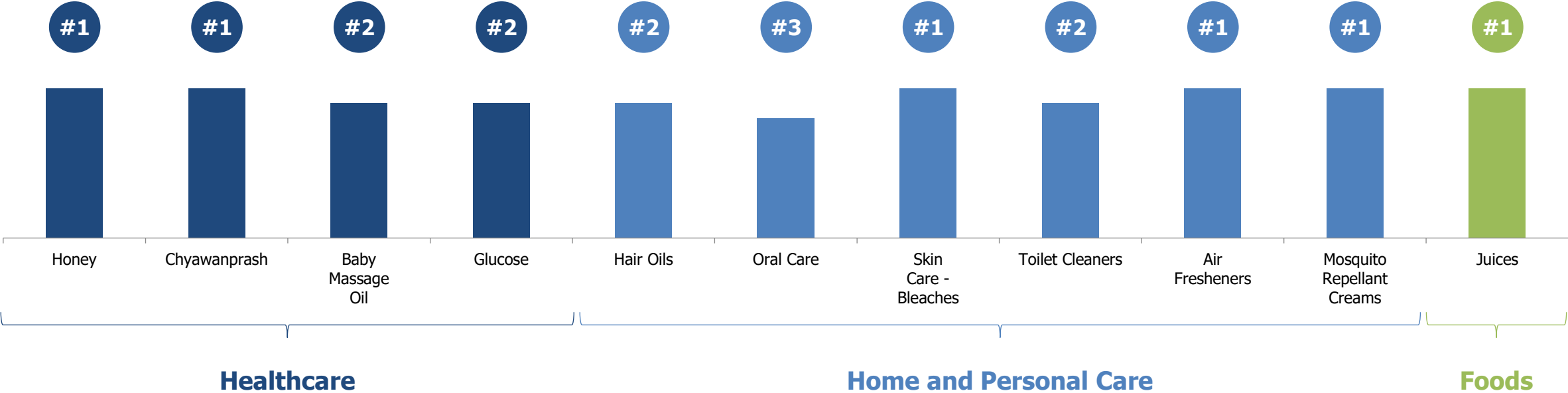
India Business – Category-Wise

	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 Position¹



Leading position in key categories across verticals

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

Agenda

Dabur - Overview



India Business

International
Business



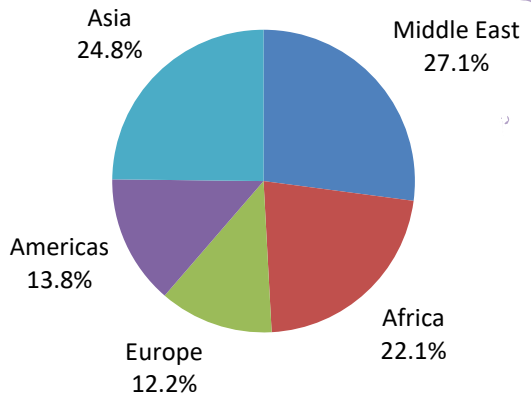
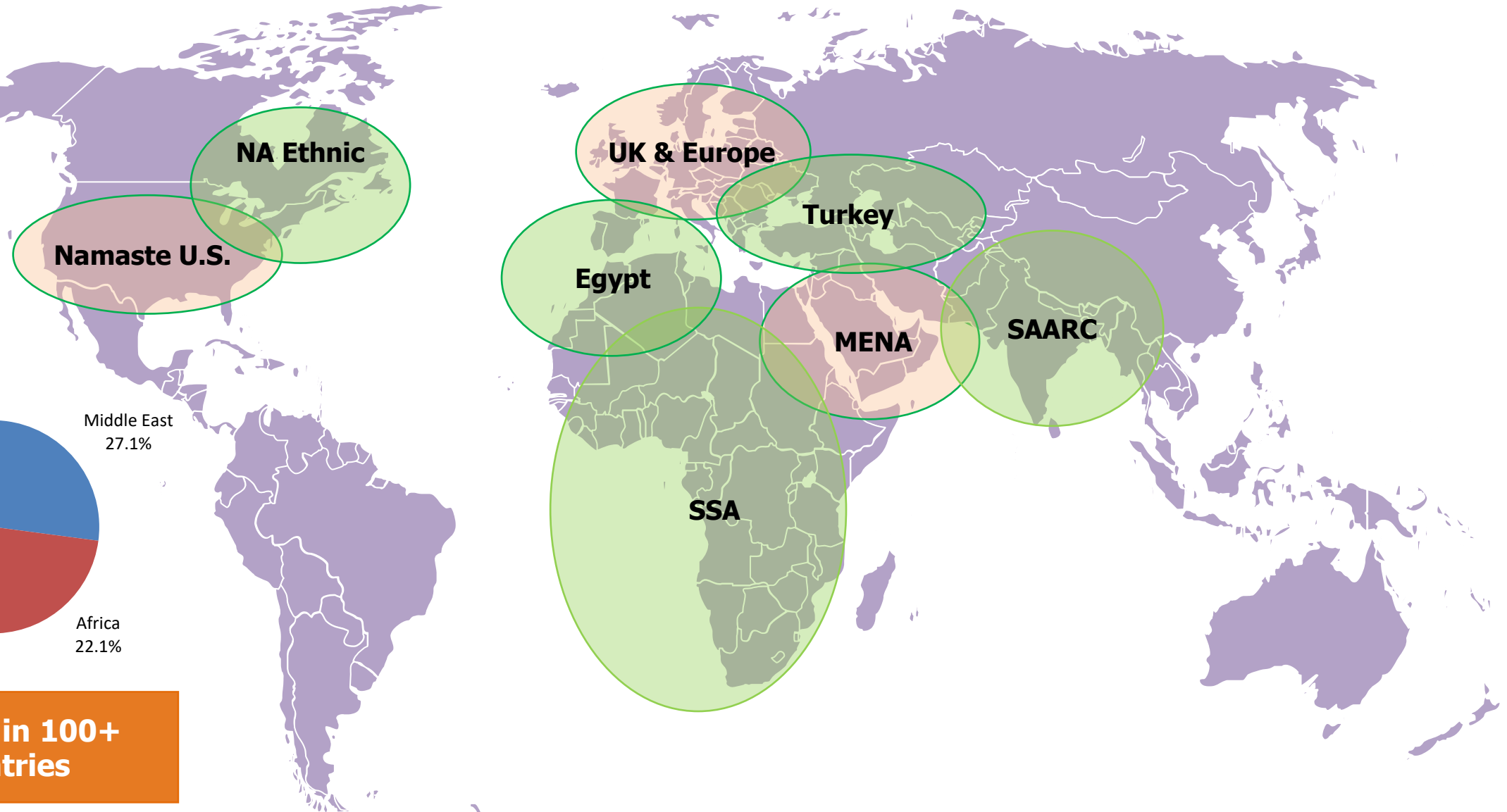
Our Growth Strategy



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

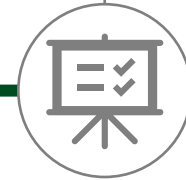
Dabur - Overview



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

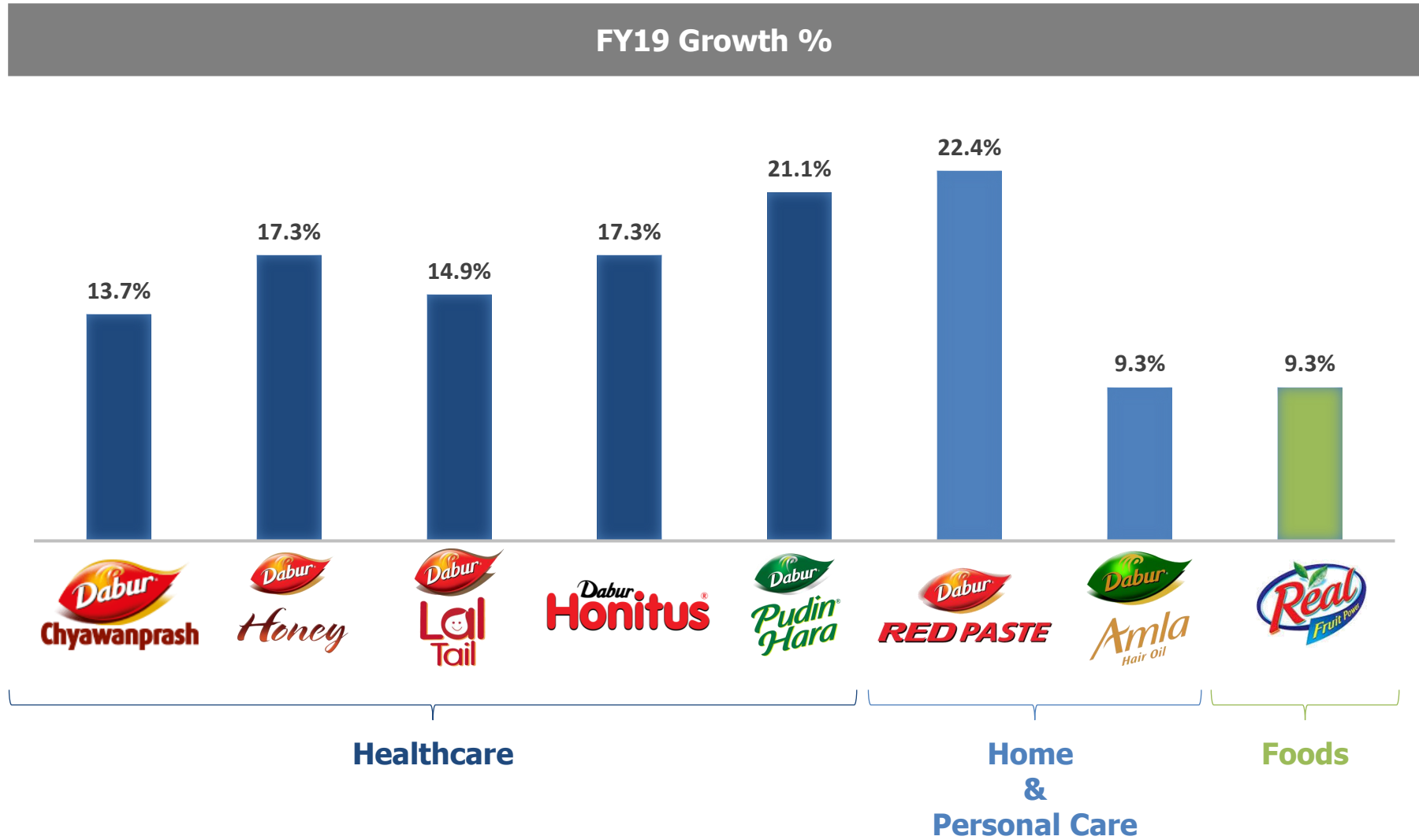


Sustainability/ ESG Focus

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.

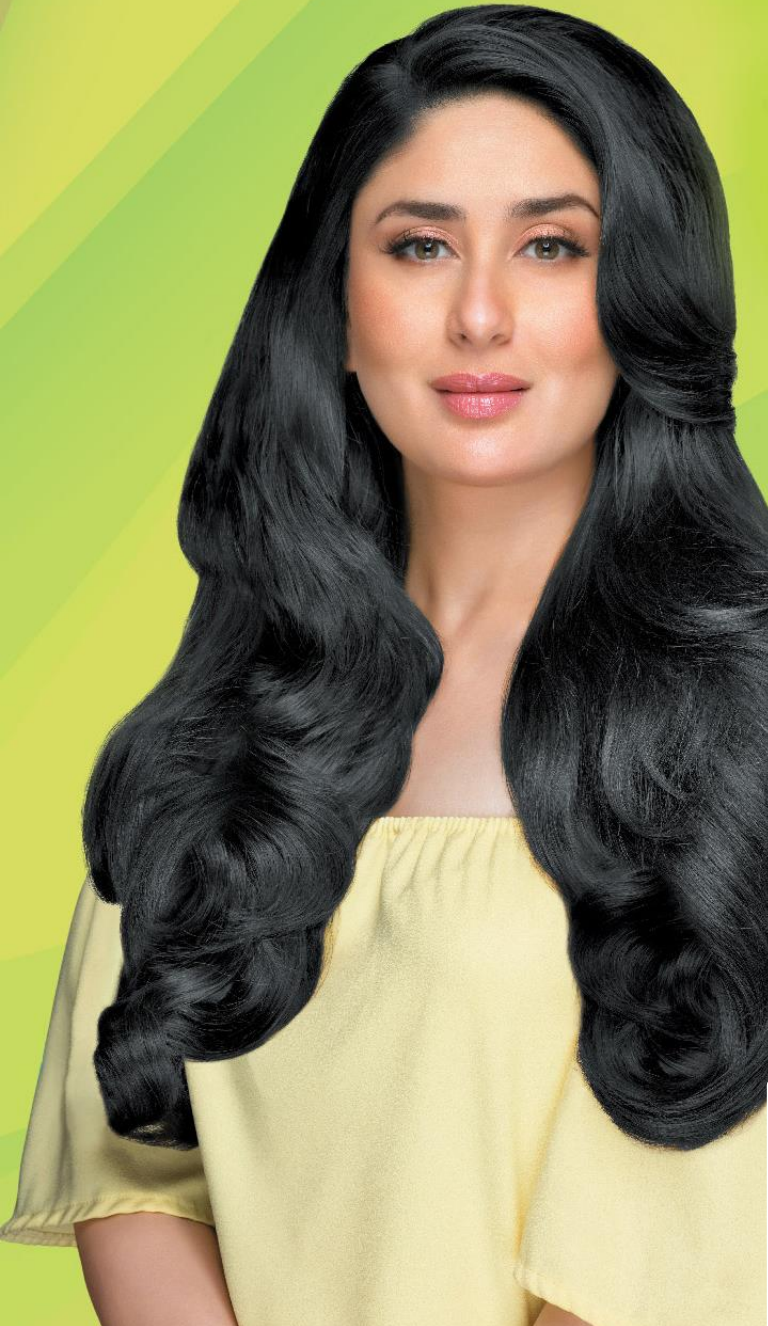


Scale up the Powder Fizz portfolio

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



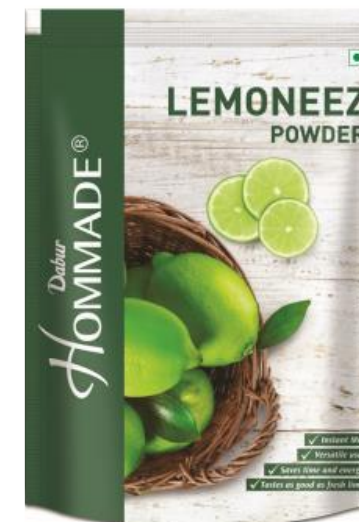
Real Mixed Berries



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



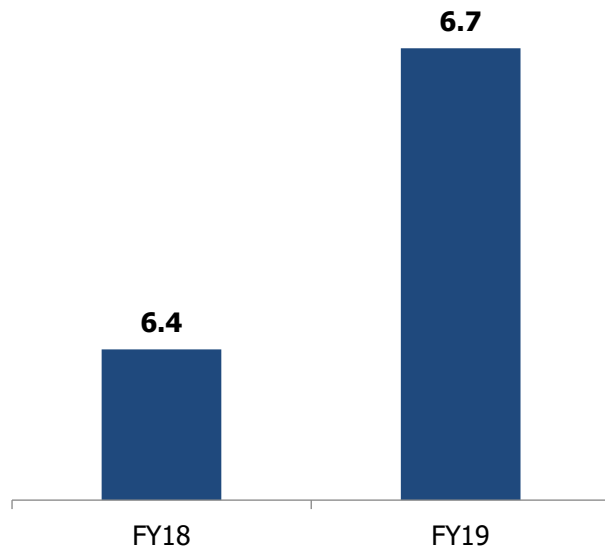
Sustainability/ ESG Focus

Increasing Reach

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

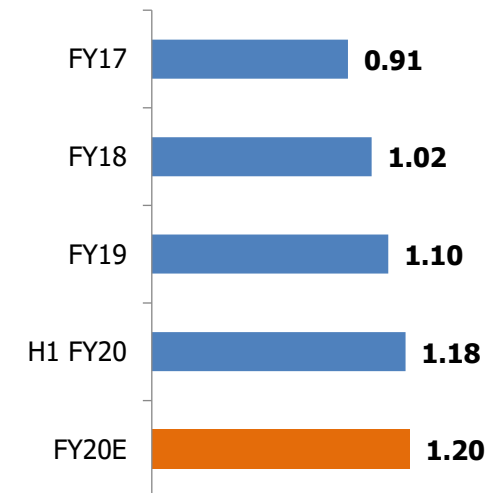
Increasing Total Reach

(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

amazon

big
basket

Flipkart



netmeds



G
GROFERS

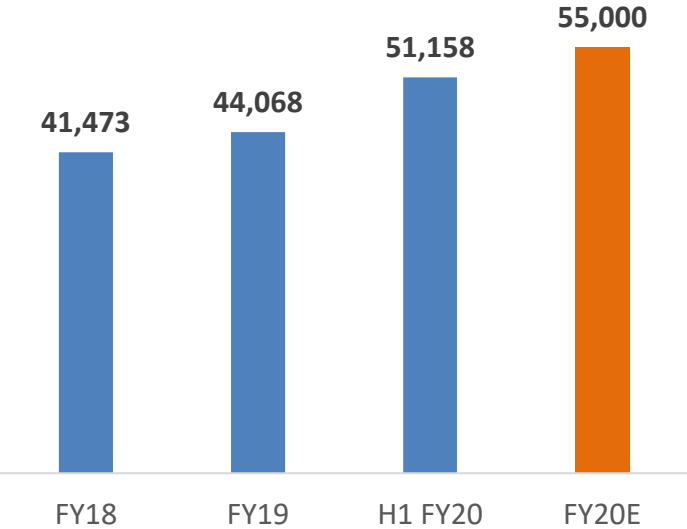
Rural Focus

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

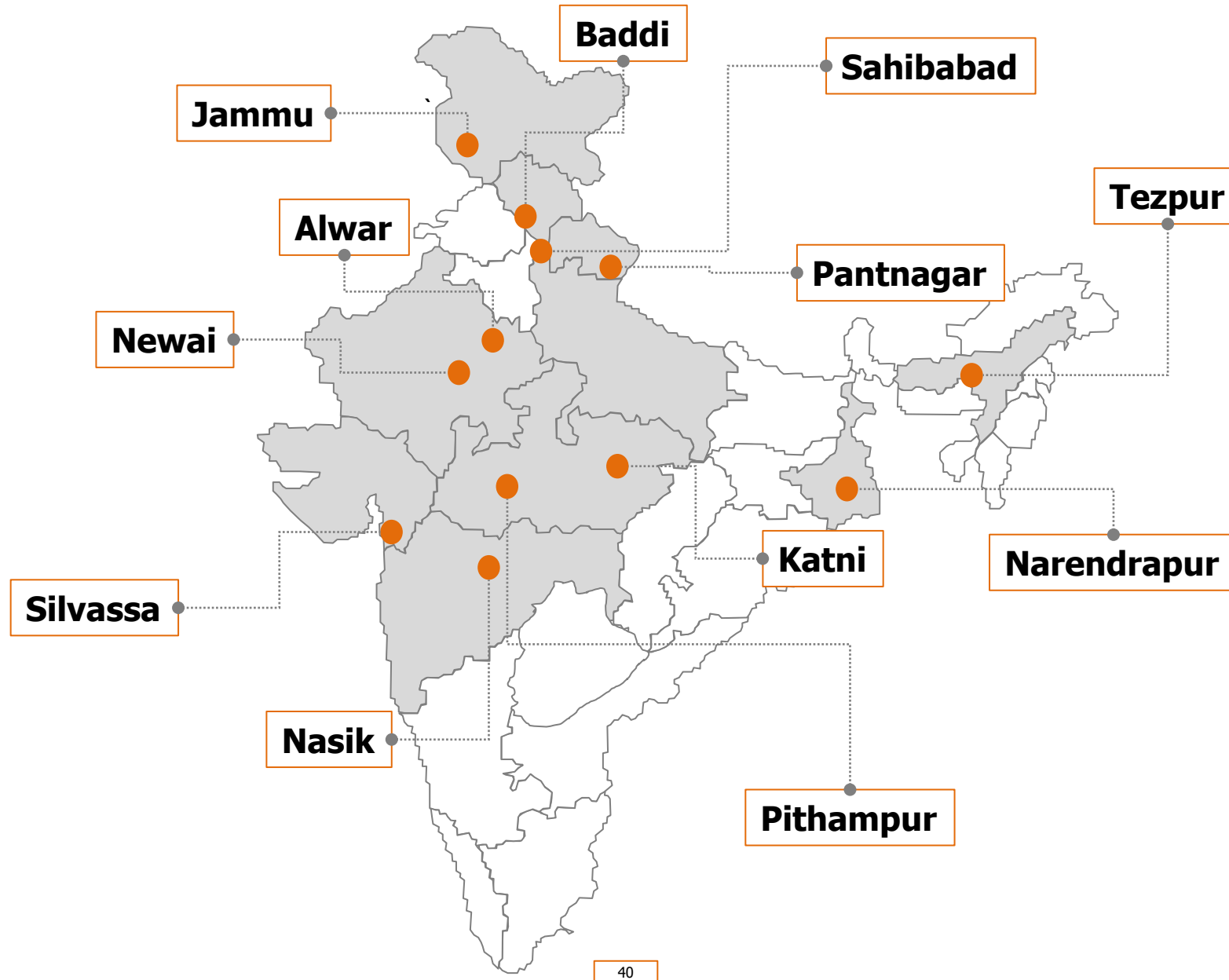


Capability Enhancement

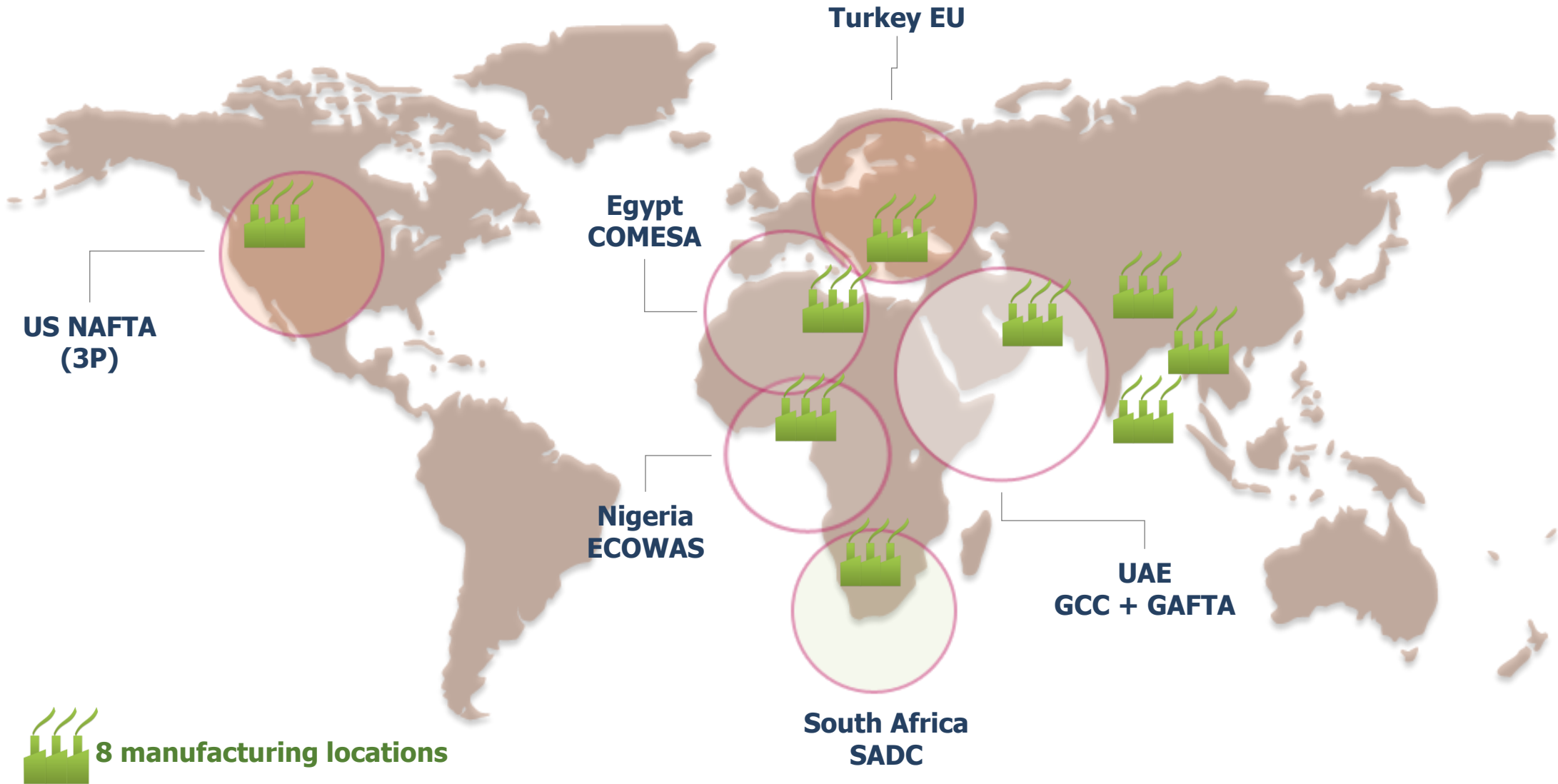


Sustainability/ ESG Focus

Our Manufacturing Footprint in India



Our Manufacturing Strategy - International



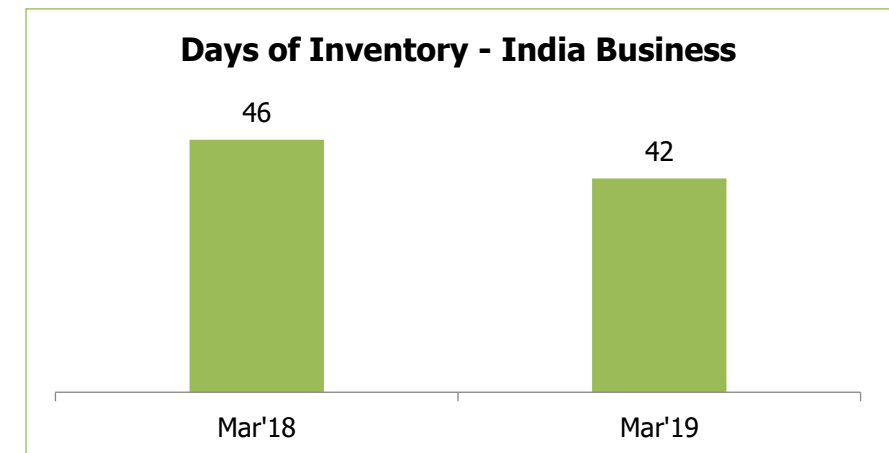
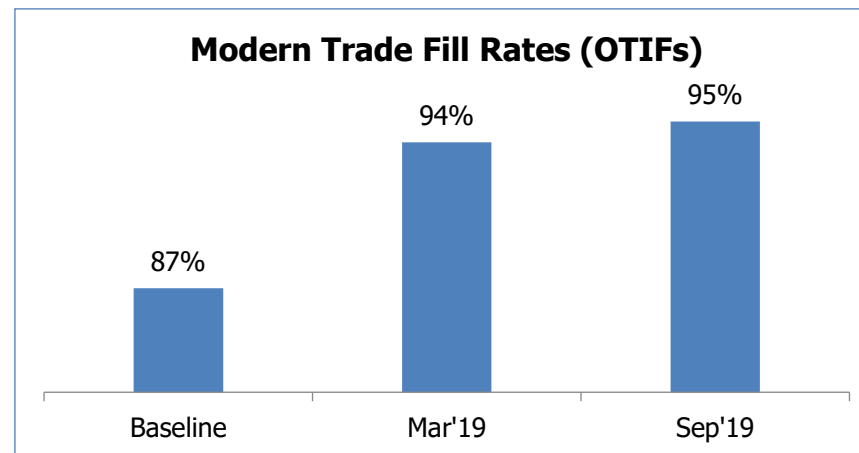
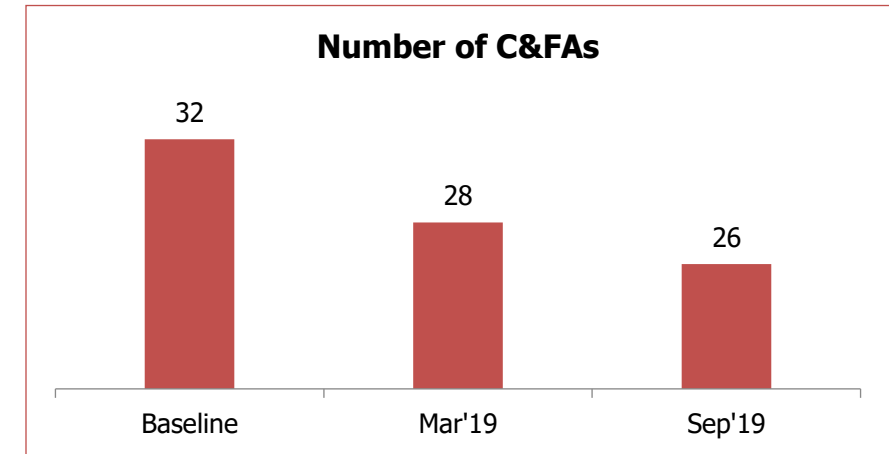
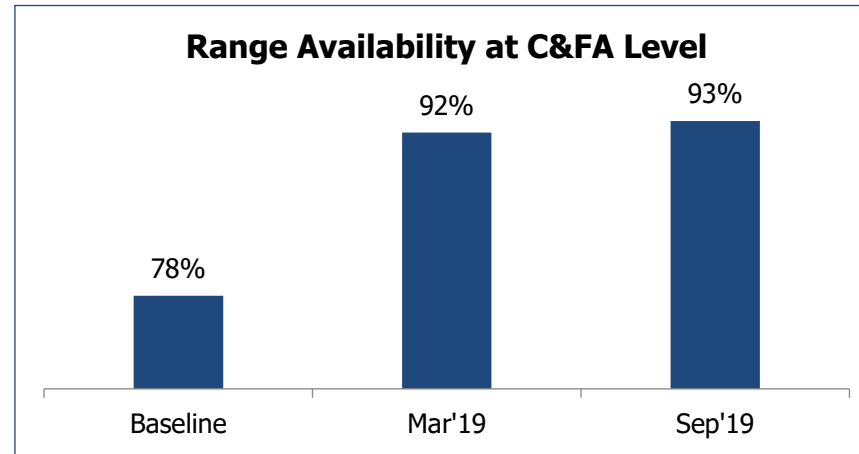
From centralized manufacturing to localized manufacturing for speed and flexibility

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



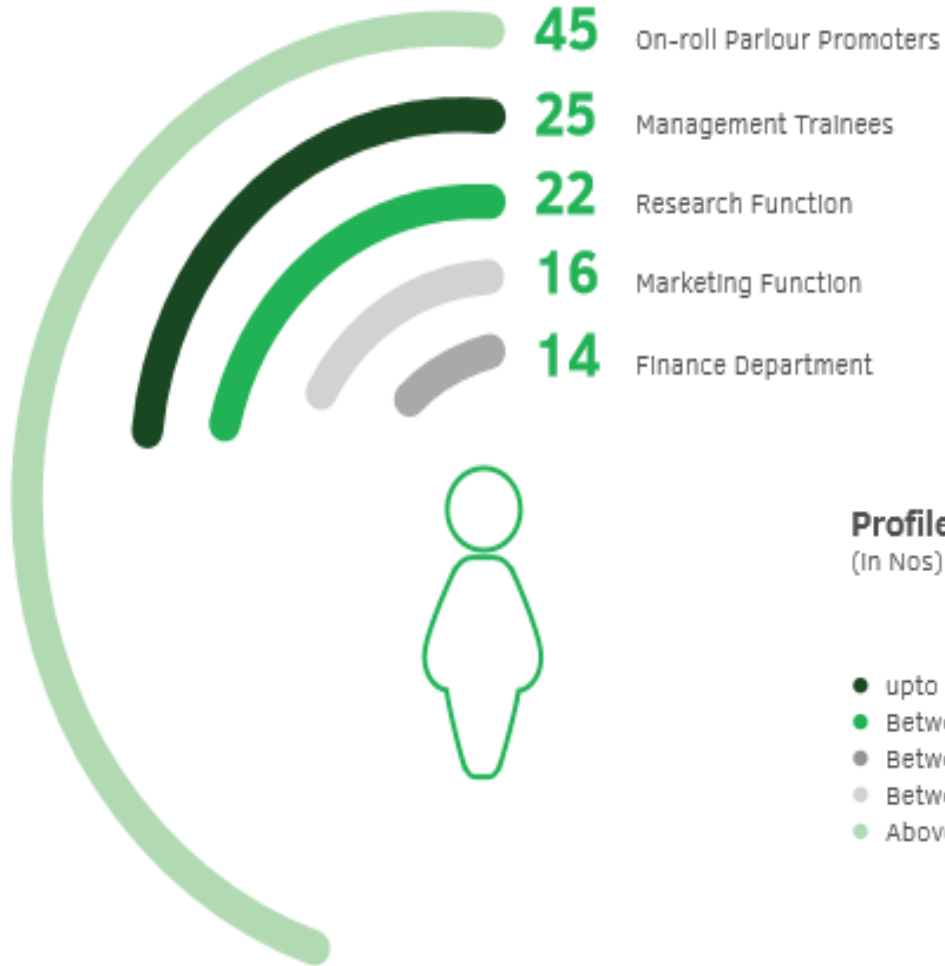
Capability Enhancement



Sustainability/ ESG Focus

Capability – Improving Diversity & Inclusion

Women employees in India %



Mix of nationalities working in Dabur

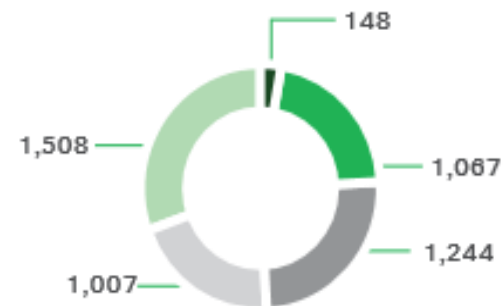
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Profile by Age Group in India (In Nos) (As on March 31, 2019)



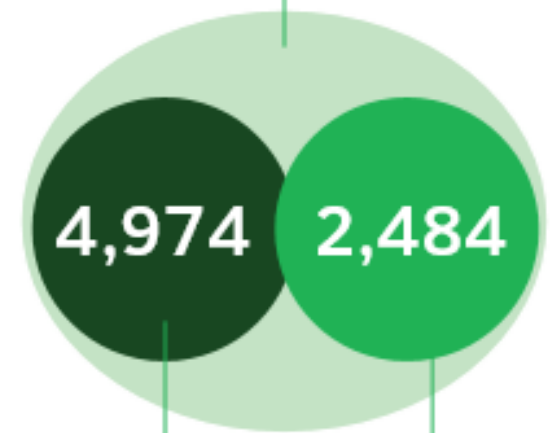
- upto 25 years old
- Between 25 and 30 years old
- Between 31 and 35 years old
- Between 36 and 40 years old
- Above 40



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

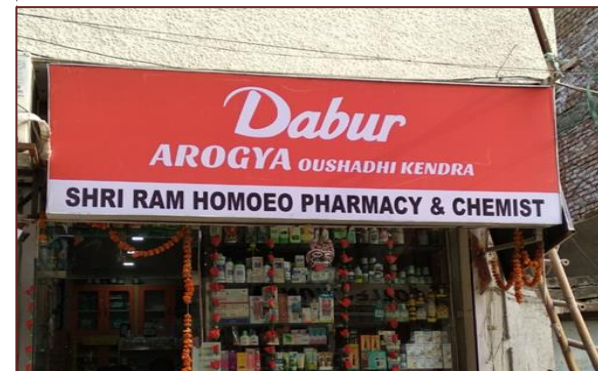
- Increase Ayurvedic Doctor Coverage from 40,000 to 55,000
- Scientific Knowledge Dissemination – 50 Top Ayurvedic Colleges

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

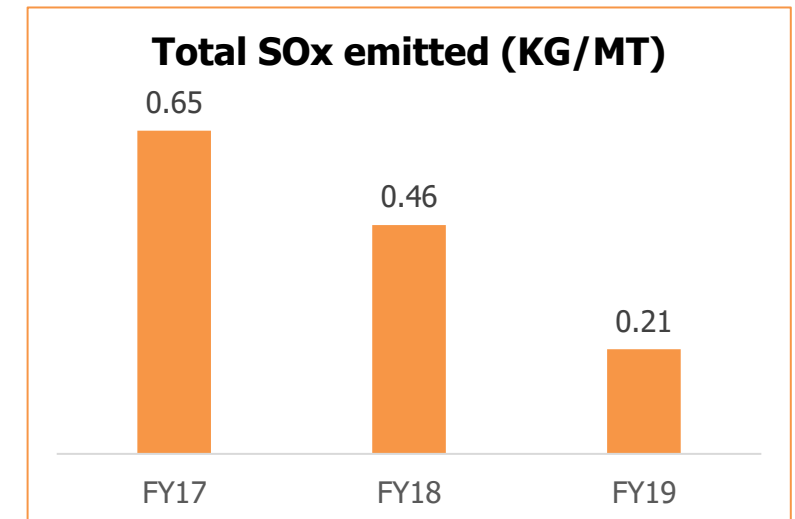
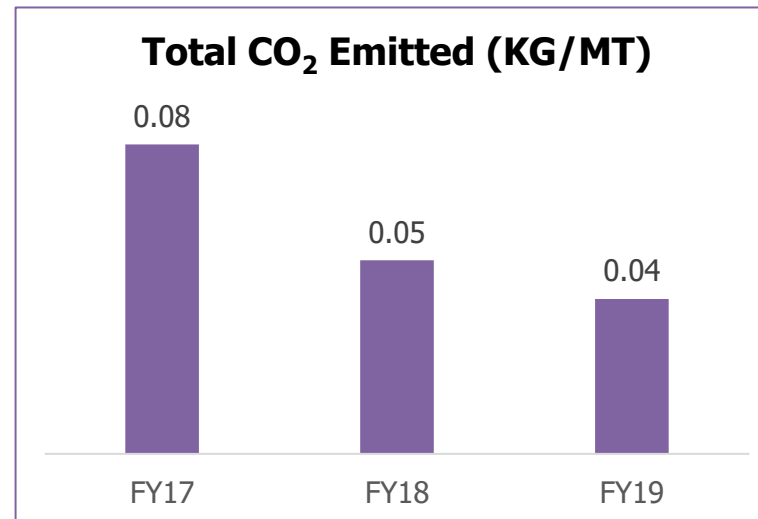
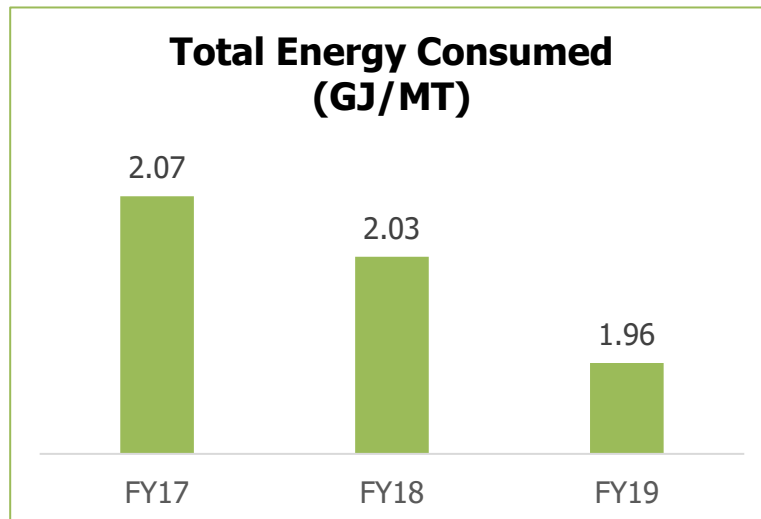
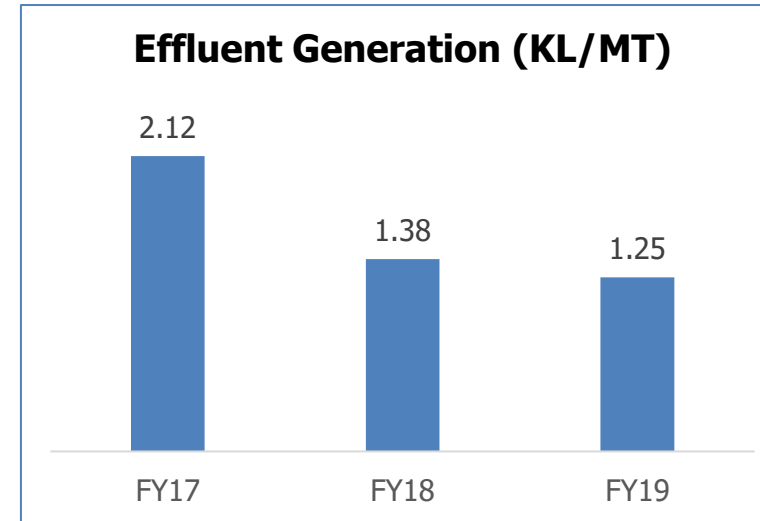
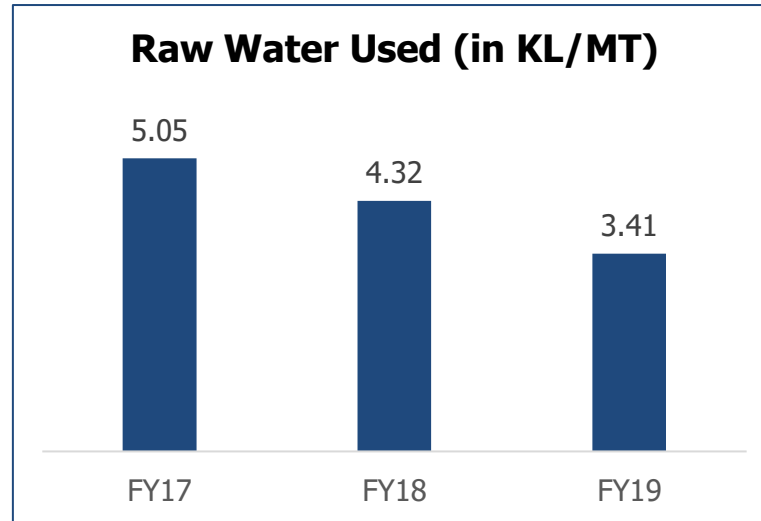
Preventive Healthcare

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** –
3rd 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



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India Business



Our Growth Strategy



Consolidated Profit & Loss

	H1 FY20	H1 FY19	Y-o-Y (%)		FY19	FY18	Y-o-Y (%)
Revenue from operations	4,485.3	4,205.7	6.6%		8,533.1	7,748.3	10.1%
Other Income	155.1	154.9	0.1%		296.2	305.2	(3.0%)
Total Income	4,640.3	4,360.5	6.4%		8,829.2	8,053.5	9.6%
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>	
Operating Profit	947.2	836.9	13.2%		1,739.6	1,617.4	7.6%
<i>% of Revenue</i>	<i>21.1%</i>	<i>19.9%</i>			<i>20.4%</i>	<i>20.9%</i>	
EBITDA	1,102.2	991.8	11.1%		2,035.7	1,922.6	5.9%
<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%
Net profit for the period/year	766.1	705.8	9%		1,442.3	1,354.4	6.5%
<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
A Assets		
1 Non-current assets		
(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
Total Non-current assets	4,362	4,850
2 Current assets		
(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
Total current assets	4,732	3,586
Total Assets	9,093	8,437

Particulars	Sep'19	Mar'19
B Equity and Liabilities		
1 Equity		
(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
Total equity	6,185	5,663
2 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	124	26
(ii) Other financial liabilities	3	5
(b) Provisions	63	60
(c) Deferred tax liabilities (Net)	15	23
Total Non-current liabilities	206	113
3 Current liabilities		
(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
Total Current liabilities	2,702	2,660
Total Equity and Liabilities	9,093	8,437

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