Fourth largest sector in the economy

Current size of the Indian FMCG Market is around USD 45 bn

Grown at an annual average of 11 per cent over the last decade *

Urban segment is the largest contributor to the sector- accounting for two-thirds of total revenue

Sector is likely to touch sales of USD 100 bn by 2020

*Source: IBEF Report on FMCG
FMCG Growth Drivers

1. Rising Income driving Purchases
2. Growth of Modern Trade & E-Commerce
3. Low Penetration & Consumption
4. Evolving consumer lifestyle
5. Favorable demographics
Dabur – An Overview

DEDICATED TO THE HEALTH AND WELL BEING OF EVERY HOUSEHOLD

One of the oldest and largest FMCG Companies in the country

World’s largest in Ayurveda and natural healthcare

Total reach of 5.3mn outlets, one of the highest among FMCG companies

20 world class manufacturing facilities catering to needs of diverse markets

Strong overseas presence with 31% contribution to consolidated sales
Dabur & Ayurveda

- Synonymous with Ayurveda since 130 yrs
- The No. 1 Ayurvedic Brand in 50 countries
- Stringent quality test of every ingredient and herb
- Team of world’s best Ayurvedic Doctors & Experts
- Over 4000 acres of farms to protect the close to extinction herbs & plants

AYURVEDA: DABUR’S CORE PHILOSOPHY
Health and Well-Being

*Health & Well being* - The underlying theme across the portfolio

**Dabur Honey**
Weight Management

**Dabur Baby Massage Oil**
Free of paraffin and parabens - Safe for babies

**Focus on Ayurvedic OTC**
No.1 in Women Health Tonics

**Innovations in Healthcare Category**
Health and Well-Being

Health & Well Being focus has been extended to HPC and Foods

- **Red Tooth Paste** - Focused on Ingredient Effectiveness
- **Odomos** - Protection from Dengue
- **Sanifresh** - Toilet Cleaner
- **Activ** - Juices for a healthy lifestyle

Recently introduced the ‘Real Wellnezz’ range with the Jamun flavour.
Distribution Framework

Urban

Factory

C&F

GT Sockist
  Wholesaler
    Retailer
      Consumer

MT Stockist
  Retailer
    Consumer

Insti Stockist

Rural

Factory

C&F

Super Sockist
  Sub Sockist
    Retailer
      Consumer

Retailer

Consumer
1884 • Established by Dr SK Burman in Kolkata
1994 • Came out with first public issue
1998 • Inducted professional management
2000 • Crossed the 1000 crs turnover mark
2005 • Dabur acquired Balsara
2008 • Acquired Fem Pharma
2010 • Acquired Hobi and Namaste
2012 • Dabur crosses billion dollar turnover mark
Global Business Footprint

Dabur has 12 domestic facilities, the key locations being Baddi (Himachal Pradesh) & Pantnagar (Uttaranchal)
Dabur Performance Snapshot

**Sales**

- **CAGR 18%**
- FY11: 40.8
- FY12: 52.8
- FY13: 61.5
- FY14: 70.7
- FY15: 78.1

**Profit After Tax**

- **CAGR 17%**
- FY11: 5.7
- FY12: 6.4
- FY13: 7.6
- FY14: 9.1
- FY15: 10.7

Dabur has had a strong & PAT growth trajectory on the back of a robust business model.
## Strong Financial Profile

### Net Worth (INR Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Worth</td>
<td>13.9</td>
<td>17.2</td>
<td>21.0</td>
<td>26.6</td>
<td>33.5</td>
</tr>
</tbody>
</table>

### ROIC

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROIC</td>
<td>32.7%</td>
<td>34.0%</td>
<td>38.3%</td>
<td>43.6%</td>
<td>45.2%</td>
</tr>
</tbody>
</table>

### EBITDA Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>20.4%</td>
<td>17.9%</td>
<td>17.8%</td>
<td>18.2%</td>
<td>18.9%</td>
</tr>
</tbody>
</table>

### EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>3.3</td>
<td>3.7</td>
<td>4.4</td>
<td>5.2</td>
<td>6.1</td>
</tr>
</tbody>
</table>

*Includes Non-Operating income
Business Structure

Dabur India Ltd.

Domestic (69%)

Domestic FMCG (66%)

Others (3%)

Organic International (22%)

Namaste Labs (6%)

Hobi Group (3%)

International (31%)

* Others include Retail, Commodity exports etc

Note: % figure in brackets indicate % share in Consolidated Sales for FY15
Sales By Business Vertical

Domestic FMCG*
- Healthcare (33%)
- HPC (48%)
- Foods (19%)

International Business Region Wise Breakdown

* Breakdown of Domestic FMCG business basis FY15 Sales
India Business Strategy

Healthcare
- Increasing Doctor Advocacy
- Thrust on building the OTC portfolio

Home & Personal Care
- Premiumization & Differentiation
- Strong innovation pipeline

Foods
- Leveraging the Fruit equity associated with the ‘Real’ brand
- Focus on Healthy range of products
Increasing Doctor Advocacy

Project LEAD: Leveraging Through Empowered Anchoring & Detailing

Doctor Advocacy is the key to enhance consumer franchise

- Front end teams to be separated for Healthcare (OTC & Ethicals) and the rest of the Domestic FMCG business to have focused attention on both segments of the business
- Demand generation from doctors shall be the key focus:
  - Advocacy platform being built
  - Both Ayurvedic and Allopathic doctor reach to be ramped up
  - Building the detailing team- Around 170 Medical representatives hired; Number will increase to 275 by end of the fiscal
  - Head of business inducted for Medical detailing and marketing
  - IT Platform and hand held devices for seamless information flow for the detailing team
Continue to build bigger brands

10bn+

1bn+

14 brands with turnover of INR 1bn+ with 3 brands over 10bn
Competitive Position

We continue to lead across verticals - Healthcare, HPC and Foods

#Relative Competitive Position

* Position basis Nielsen Market Share data MAT Dec’15
Product Innovation

India
- Ratnaprash Sugarfree
- Fem Diamond Bleach
- Gulabari Facewash
- Sanifresh Germguard

International
- Dermoviva Bodywash Range
- Vatika Enriched Hair Oil - Gerghir
- Herbal Olive Enamel Care Toothpaste
Distribution Expansion

**Project Double**
- Rolled out in FY13 to expand direct coverage in rural markets
- Direct Village coverage has increased from 14000 villages in FY11 to 44,000 villages in FY15
- Focus on increasing efficiency and productivity of the channel

**Project 50-50**
- Aimed at leveraging the potential of Top 130 towns which contribute to 50% of urban consumption
- Segregating the grocery channel teams for wholesale & retail
- Initiative is in line with renewed focus on urban markets

**Project CORE**
- To enhance chemist coverage and provide further impetus to our Health Care portfolio
- Direct Chemist Coverage is currently 213,000
- Strategy is to increase coverage and range for better throughput
International Business Overview

- Comprises 31% of Consolidated Sales in FY15
- Localized supply chain network for efficient business operations
- Sustained investment in brands and innovation to grow the topline
- Business foray had been entirely organic since 1980’s, until FY2010-11 when we acquired Hobi Group and Namaste Labs
International-Competitive Position

Hair Cream*

- No.1 Position in the Hair Cream Category in KSA, UAE, and Egypt
- Volume Market Share Mat March 2015

- KSA: 36.5%
- UAE: 36.6%
- Egypt: 44.1%

Hair Oils*

- No.1 Position in the Hair Oils Category in KSA & Egypt and No.2 in UAE

- KSA: 64.8%
- UAE: 27.5%
- Egypt: 67.3%
## Region Wise Strategy

### Middle East
- Increase penetration in Hair Care across markets
- Strengthen Oral Care and Skin Care

### Africa
- Increase share of Ethnic Hair Care by scaling up ORS(Namaste)
- Cross pollinate with products from MENA and Turkeys

### Asia
- Increase product width and penetration in neighboring markets
- Enter emerging markets like Myanmar with personal care products such as Toothpastes and Shampoos

### America
- Leveraging product technology and consumer insights for African Hair Care
- Continue to cater to large Indian Diaspora through the ethnic channels

### Europe
- Cross pollinate to grow the Turkish and Export sales
- Expand consumer base in UK and rest of Europe by adding products, improving distribution and focused marketing
Financial Highlights 9MFY16

Growth

- 7.1%
- 16.9%
- 17.9%

Sales
- Rs. 6278.6 crs

EBITDA
- Rs. 1267.3 crs

PAT
- Rs. 920.8 crs
Margin Profile 9MFY16

Q3FY15 | Q3FY16
---|---
Gross Margin | 52% | 55.1%

Q2FY15 | Q2FY16
---|---
EBITDA Margin | 18.5% | 20.2%

Q2FY15 | Q2FY16
---|---
PAT Margin | 13.3% | 14.7%

Gross Margin Improvement: 308bps
EBITDA Margin Improvement: 169bps
PAT Margin Improvement: 134bps
Sustainability: A Key Focus

Dabur is committed to being a responsible company and making a positive contribution to Society and Environment.

- **1,141 acres under cultivation for rare medicinal herbs in India**
- **2,028 beneficiary families of our Self – Help Group initiatives**
- **9,13,750 school kids benefitting from our Healthcare Initiatives**
- **13 States covered under our Agronomical Initiatives**
- **1,674 farmers/beneficiaries of our Agronomical initiatives in India**
- **586 women trained at our vocational training centers**
Share Price Performance, Dividends and Shareholding

**Share Holding Pattern As on 31st December 2015**

- Promoters: 68%
- FII: 20%
- DII: 5%
- Others: 6%

**Market Capitalization**

- *in INR bn*
  - FY11: 167.2
  - FY12: 185.4
  - FY13: 238.9
  - FY14: 313.1
  - FY15: 466.5

**CAGR 29%**

**Dividend History**

- **FY03:** 140%
- **FY04:** 200%
- **FY05:** 250%
- **FY06:** 250%
- **FY07:** 175%
- **FY08:** 150%
- **FY09:** 175%
- **FY10:** 200%
- **FY11:** 115%
- **FY12:** 130%
- **FY13:** 150%
- **FY14:** 175%
- **FY15:** 200%

*Bonus issue in FY07 & FY11*
## Consolidated P&L

<table>
<thead>
<tr>
<th>DIL (Consolidated) P&amp;L in Rs. million</th>
<th>Q3FY16</th>
<th>Q3FY15</th>
<th>YoY (%)</th>
<th>9M FY16</th>
<th>9M FY15</th>
<th>YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>21,224</td>
<td>20,736</td>
<td>2.4%</td>
<td>62,786</td>
<td>58,616</td>
<td>7.1%</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>46</td>
<td>55</td>
<td>-6.6%</td>
<td>141</td>
<td>159</td>
<td>0.2%</td>
</tr>
<tr>
<td>Material Cost</td>
<td>9,232</td>
<td>9,881</td>
<td>-6.6%</td>
<td>28,207</td>
<td>28,141</td>
<td>0.2%</td>
</tr>
<tr>
<td>% of Sales</td>
<td>43.5%</td>
<td>47.7%</td>
<td></td>
<td>44.9%</td>
<td>48.0%</td>
<td></td>
</tr>
<tr>
<td>Employee Costs</td>
<td>2,028</td>
<td>1,778</td>
<td>14.1%</td>
<td>5,928</td>
<td>5,172</td>
<td>14.6%</td>
</tr>
<tr>
<td>% of Sales</td>
<td>9.6%</td>
<td>8.6%</td>
<td></td>
<td>9.4%</td>
<td>8.8%</td>
<td></td>
</tr>
<tr>
<td>Ad Pro</td>
<td>3,500</td>
<td>3,194</td>
<td>9.6%</td>
<td>9,590</td>
<td>8,590</td>
<td>11.6%</td>
</tr>
<tr>
<td>% of Sales</td>
<td>16.5%</td>
<td>15.4%</td>
<td></td>
<td>15.3%</td>
<td>14.7%</td>
<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>2,728</td>
<td>2,418</td>
<td>12.8%</td>
<td>8,157</td>
<td>7,164</td>
<td>13.9%</td>
</tr>
<tr>
<td>% of Sales</td>
<td>12.9%</td>
<td>11.7%</td>
<td></td>
<td>13.0%</td>
<td>12.2%</td>
<td></td>
</tr>
<tr>
<td>Other Non Operating Income</td>
<td>604</td>
<td>386</td>
<td>56.6%</td>
<td>1,629</td>
<td>1,134</td>
<td>43.7%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>4,386</td>
<td>3,904</td>
<td>12.3%</td>
<td>12,673</td>
<td>10,841</td>
<td>16.9%</td>
</tr>
<tr>
<td>% of Sales</td>
<td>20.7%</td>
<td>18.8%</td>
<td></td>
<td>20.2%</td>
<td>18.5%</td>
<td></td>
</tr>
<tr>
<td>Interest Exp. and Fin. Charges</td>
<td>109</td>
<td>95</td>
<td>14.1%</td>
<td>349</td>
<td>298</td>
<td>17.2%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>323</td>
<td>309</td>
<td>4.6%</td>
<td>978</td>
<td>868</td>
<td>12.7%</td>
</tr>
<tr>
<td><strong>Profit Before Tax (PBT)</strong></td>
<td>3,954</td>
<td>3,500</td>
<td>13.0%</td>
<td>11,346</td>
<td>9,675</td>
<td>17.3%</td>
</tr>
<tr>
<td>Exceptional Item</td>
<td>0</td>
<td>0</td>
<td></td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Tax Expenses</td>
<td>766</td>
<td>663</td>
<td>15.5%</td>
<td>2,126</td>
<td>1,839</td>
<td>15.6%</td>
</tr>
<tr>
<td><strong>PAT (Before extraordinary item)</strong></td>
<td>3,188</td>
<td>2,837</td>
<td>12.4%</td>
<td>9,220</td>
<td>7,836</td>
<td>17.7%</td>
</tr>
<tr>
<td>% of Sales</td>
<td>15.0%</td>
<td>13.7%</td>
<td></td>
<td>14.7%</td>
<td>13.4%</td>
<td></td>
</tr>
<tr>
<td>Extraordinary Item</td>
<td>0</td>
<td>0</td>
<td></td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>PAT (After extraordinary items)</strong></td>
<td>3,188</td>
<td>2,837</td>
<td>12.4%</td>
<td>9,220</td>
<td>7,836</td>
<td>17.7%</td>
</tr>
<tr>
<td>Minority Interest - (Profit)/Loss</td>
<td>3</td>
<td>10</td>
<td></td>
<td>13</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td><strong>PAT (After Extra ordinary item &amp; Minority Int)</strong></td>
<td>3,185</td>
<td>2,828</td>
<td>12.6%</td>
<td>9,208</td>
<td>7,811</td>
<td>17.9%</td>
</tr>
<tr>
<td>% of Sales</td>
<td>15.0%</td>
<td>13.6%</td>
<td></td>
<td>14.7%</td>
<td>13.3%</td>
<td></td>
</tr>
</tbody>
</table>
Statement of Assets and Liabilities

<table>
<thead>
<tr>
<th></th>
<th>As at 31/03/2015</th>
<th>As at 31/03/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Shareholders’ funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Share capital</td>
<td>1756.5</td>
<td>1743.8</td>
</tr>
<tr>
<td>(b) Reserves and surplus</td>
<td>31784.9</td>
<td>24815.8</td>
</tr>
<tr>
<td>Sub-total - Shareholders’ funds</td>
<td>33541.4</td>
<td>26559.6</td>
</tr>
<tr>
<td>2 Minority interest</td>
<td>181.6</td>
<td>159.1</td>
</tr>
<tr>
<td>3 Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Long-term borrowings</td>
<td>2105.7</td>
<td>2604.0</td>
</tr>
<tr>
<td>(b) Deferred tax liabilities (net)</td>
<td>587.1</td>
<td>448.3</td>
</tr>
<tr>
<td>(c) Other long-term liabilities</td>
<td>1.2</td>
<td>0.0</td>
</tr>
<tr>
<td>(c) Long-term provisions</td>
<td>462.1</td>
<td>408.9</td>
</tr>
<tr>
<td>Sub-total - Non-current liabilities</td>
<td>3154.9</td>
<td>3461.2</td>
</tr>
<tr>
<td>4 Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Short-term borrowings</td>
<td>5229.9</td>
<td>4477.4</td>
</tr>
<tr>
<td>(b) Trade payables</td>
<td>10958.4</td>
<td>10965.3</td>
</tr>
<tr>
<td>(c) Other current liabilities</td>
<td>5436.4</td>
<td>4794.2</td>
</tr>
<tr>
<td>(d) Short-term provisions</td>
<td>2560.2</td>
<td>2703.2</td>
</tr>
<tr>
<td>Sub-total - Current liabilities</td>
<td>24184.9</td>
<td>22940.1</td>
</tr>
<tr>
<td><strong>TOTAL - EQUITY AND LIABILITIES</strong></td>
<td>61062.8</td>
<td>53120.0</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Fixed assets</td>
<td>13060.3</td>
<td>11672.1</td>
</tr>
<tr>
<td>(b) Goodwill on consolidation</td>
<td>6214.0</td>
<td>6214.0</td>
</tr>
<tr>
<td>(c) Non-current investments</td>
<td>14074.0</td>
<td>4926.4</td>
</tr>
<tr>
<td>(d) Long-term loans and advances</td>
<td>207.5</td>
<td>245.4</td>
</tr>
<tr>
<td>(e) Other non-current assets</td>
<td>201.3</td>
<td>180.7</td>
</tr>
<tr>
<td>Sub-total - Non-current assets</td>
<td>33757.1</td>
<td>23238.6</td>
</tr>
<tr>
<td>2 Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Current investments</td>
<td>4059.7</td>
<td>5838.3</td>
</tr>
<tr>
<td>(b) Inventories</td>
<td>9732.7</td>
<td>9725.1</td>
</tr>
<tr>
<td>(c) Trade receivables</td>
<td>7108.4</td>
<td>6753.0</td>
</tr>
<tr>
<td>(d) Cash and bank balances</td>
<td>2760.4</td>
<td>5193.8</td>
</tr>
<tr>
<td>(e) Short-term loans and advances</td>
<td>2788.7</td>
<td>1955.1</td>
</tr>
<tr>
<td>(f) Other current assets</td>
<td>855.8</td>
<td>416.1</td>
</tr>
<tr>
<td>Sub-total - Current assets</td>
<td>27305.7</td>
<td>29881.4</td>
</tr>
<tr>
<td><strong>Total - Assets</strong></td>
<td>61062.8</td>
<td>53120.0</td>
</tr>
</tbody>
</table>
Thank You