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Dabur – Overview

Overview

- Established in 1884 – 133 years of trust and excellence
- One of the world’s largest in Ayurveda and natural healthcare
- Having one of the largest distribution network in India, covering 6 mn+ outlets
- 20 world class manufacturing facilities catering to needs of diverse markets
- Strong overseas presence with ~30% contribution to consolidated sales

Awards

- Dabur Red Paste rated as 2nd most trusted brand by the consumers in the Oral Care category by the Brand Equity India’s Most Trust Brand 2017
- Dabur Vatika #BraveandBeautiful campaign wins 2 Effies
- Dabur moves up 4 Places in Fortune India 500 List; ranked 163 in the list for 2015
- Dabur ranked 25 in the list of Best Companies for CSR in India, according to the Economic Times
- Dabur India successfully held the first-ever Guinness World Record attempt for the largest simultaneous Nasya Panchkarma Treatment session

Market cap: US$ 9.4bn

INR:USD F/X Rate: 64.14
Manufacturing facilities

12 manufacturing locations in India

- Jammu
- Baddi
- Alwar
- Newai
- Sahibabad
- Pantnagar
- Tezpur
- Katni
- Silvasa
- Nasik
- Pithampur

8 international manufacturing locations

- UAE
- Egypt
- Nigeria
- South Africa
- Turkey
- Sri Lanka
- Bangladesh
- Nepal
Distribution network

**Urban**

- Factory
  - C&F
    - GT Stockist
      - Wholesaler
        - Retailer
          - Consumer
    - MT Stockist
      - Retailer
        - Consumer
    - Insti Stockist

**Rural**

- Factory
  - C&F
    - Super Stockist
      - Sub Stockist
        - Retailer
          - Consumer
    - Retailer
        - Consumer

**Distribution reach of 6.3 mn retail outlets; Cover over 40,000 villages directly**
Market leader in 6 categories

Leading position in key categories across verticals

#Relative Competitive Position

1. Honey
2. Chyawanprash
3. Baby Massage Oil
4. Glucose
5. Hair Oils
6. Oral Care
7. Skin Care - Bleaches
8. Toilet Cleaners
9. Air Fresheners
10. Mosquito Repellants
11. Juices

Healthcare

Home and Personal Care

Foods

Position basis Nielsen Market Share data MAT Dec’17
Building bigger brands

10 bn+

1 bn+

16 brands with turnover of INR 1bn+ with 3 brands which are 10bn+
1. Dabur – Overview

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Q3 FY18 – Consolidated Financials

**Revenue**

- Consolidated revenue increased by 6.1% on reported basis, GST adjusted constant currency growth was 12.9%
- Domestic business revenue grew by 17.7% led by volume growth of 13.0%
- International Business grew by 5% on constant currency basis on the back of strong growth in GCC, Egypt, SSA and Nepal
- Currency devaluation in overseas markets resulted in translation loss of INR 66 crore (3.6%)
Q3 FY18 – Impact of GST and Currency on Growth

**Consolidated Revenue from Operations**

- **Reported Value Growth**: 6.1%
- **GST Impact**: 3.3%
- **Currency Impact**: 3.6%
- **Underlying GST and Currency Adjusted Growth**: 12.9%

**Domestic FMCG Revenue**

- **Reported Value Growth**: 13.0%
- **GST Impact**: 4.7%
- **Underlying GST Adjusted Growth**: 17.7%
• Contribution of Domestic FMCG increased to 70% from 65% last year
• International Business contributed 27% as compared to 30% last year
**Domestic FMCG – Category-wise Sales**

- **Share of Hair Care category remained stable at 18%**
- **Oral Care category increased share from 15% to 16%**
- **Home Care and Health Supplements also increased share by ~1%**
- **Food decreased from 17% in Q3 FY17 to 14% in Q3 FY18**
Home and Personal Care (HPC) – Q3 FY18

- **HPC posted a growth of 22.9%** in Q3 FY18
- **Oral care** recorded a **growth of 23%** driven by increase in penetration, strengthening foothold in MT, strong growth in South and increase in commerce sales
  - **Toothpaste** category recorded **growth of 26%** and gained market share
    - Red Toothpaste Franchise continued its growth momentum
    - Babool & Meswak recorded strong double digit growth
  - **Toothpowder** category posted **growth of 6.2%**
- **Hair oil** category grew by **16.7%** on the back of good growth in both coconut and perfumed oils
- **Shampoos category** grew by **56%** driven by re-launch of Vatika Shampoo brand and focused marketing initiatives
- **Homecare category posted growth of 36%** led by strong performance of Odonil and Sanifresh
- **Skin care posted growth of 14.5%** driven by double digit growth across brands

*Note: Growth figures refer to Like-to-like growth (adjusted for GST)*
Healthcare (HC) – Q3 FY18

• Healthcare vertical posted growth of 16.6% in Q3 FY18

• Health Supplements grew by 19.5% on the back of strong growth of Chyawanprash and Honey

• Dabur Honey reported a strong recovery growing by 33.2% and gaining market share

• Digestives posted growth of 19.3% led by strong performance of Hajmola tablets and Pudin Hara group

• OTC & Ethicals category grew by 8.7% led by good growth in Lal Tail, Honitus, Ashokarishta and Dashmularishta

Note: Growth figures refer to Like-to-like growth (adjusted for GST)
Foods – Q3 FY18

• **Foods category remained flat during Q3** primarily on account of high base as Foods had grown at 52% in Q3FY17.

• Shifting of Diwali season & proliferation of value players also impacted sales in the quarter

• Culinary business impacted by supply issues for some of the key SKUs

• Launched **India’s first range of packaged fruit-based Mocktails in a ready-to-drink format under the Réal brand**

• Activ Coconut Water continued to post good sales

• Continued A&P support to increase frequency of consumption

• Focus on innovation and penetration led growth

*Note: Growth figures refer to Like-to-like growth (adjusted for GST)*
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Project Buniyaad – Distribution enhancement

Urban Strategy
Leveraging potential through Channel based approach

Rural Strategy
Split the front line teams into two to increase reach and frequency – Showing significant positive gains

Portfolio Focus
Leveraging split teams for focused portfolio building

Enabling Technology
Using technology to track and improve performance and automate processes

New Avenues of Growth
Leveraging the alternate channels of MT and C&C to grow at a rapid pace

Continue Engagement
Using initiatives and technology to build and continuously motivate the trade and front line teams

Project Buniyaad achieves its direct reach target of 1 mn outlets

Direct Reach – No. of Outlets

<table>
<thead>
<tr>
<th>Month</th>
<th>Direct Reach – No. of Outlets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-15</td>
<td>916,869</td>
</tr>
<tr>
<td>Mar-16</td>
<td>910,095</td>
</tr>
<tr>
<td>Mar-17</td>
<td>912,332</td>
</tr>
<tr>
<td>Dec-17</td>
<td>1,020,974</td>
</tr>
</tbody>
</table>
### Consumer/Marketing Initiatives (1 of 2)

<table>
<thead>
<tr>
<th>School Contact Programs (Oral Care)</th>
<th>Winter Special Offers on Gulabari</th>
<th>Festive TV Campaign</th>
<th>Generating Trials for Bleach through Workshops and Seminars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Odonil Zipper – Title Sponsor of ITA Awards 2017</td>
<td>Odonil Zipper - Khushboo on Wheels</td>
<td>Odomos – Associating with Government of Uttar Pradesh</td>
<td>Defeating Diabetes</td>
</tr>
</tbody>
</table>

By generating trials for Bleach through workshops and seminars, Dabur aims to attract customers and promote its products. Furthermore, Odonil Zipper is the title sponsor of the Indian Television Academy Awards 2017, while Odonil Zipper and Khushboo on Wheels are associated with the Government of Uttar Pradesh. Additionally, Odomos is featured in a campaign designed to defeat diabetes.
<table>
<thead>
<tr>
<th>Consumer/Marketing Initiatives (2 of 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monsoon Campaign for Dabur Chyawanprash</strong></td>
</tr>
<tr>
<td><strong>Dabur Honey – Weight Management</strong></td>
</tr>
<tr>
<td><strong>New Year Resolutions Campaign</strong></td>
</tr>
<tr>
<td><strong>Hajmola branded boats at Chitrakoot Mela, UP</strong></td>
</tr>
<tr>
<td><strong>Ayurved Parv</strong></td>
</tr>
<tr>
<td><strong>Honitus Hot Sip – TV Campaign</strong></td>
</tr>
<tr>
<td><strong>Real Mocktails</strong></td>
</tr>
<tr>
<td><strong>Dabur Amla Miss North India</strong></td>
</tr>
</tbody>
</table>
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Recent Launches

- Sani Fresh Bathroom Cleaner
- GlycoDab tablets - Ayurvedic medicine
- Odonil Nature Air Freshener – Fruit Blast
- Real Mocktails – Pina Colada and Virgin Mary
- Odomos Fabric Roll-On
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International Business – Q3 FY18

- *International Business* posted 5% growth in constant currency terms during Q3 FY18
- Severe currency devaluation in Egyptian Pound, Naira and Turkish Lira led to significant translation loss of INR 66 crore impacting ~3.6% of consolidated sales
- **GCC markets** witnessed a turn around with constant currency growth of 20.0% led by Saudi Arabia which grew by 34%
- **Egypt** posted strong growth of 45.5% in constant currency
- **Sub Saharan Africa** posted 23.6% constant currency growth led by localization and distribution expansion initiatives in Nigeria, South Africa and East Africa
- SAARC markets reported good growth led by Nepal and Pakistan
- Shutdown in Algeria & Yemen led to loss of sales in North African region
- US business of Namaste reported muted performance due to category issues and competitive activity

**Constant Currency Growth Rate – Q3 FY18**

- Egypt: 45.5%
- GCC: 20.0%
- Pakistan: 18.1%
- Nepal: 18.0%
- Turkey: 2.8%
- Namaste (15.9%)
- SSA: 23.6%
Consumer & Marketing Initiatives – International

- Dentist Advice to go back to Nature
- Oral Care Program in UAE Schools
- In Store visibility - shampoos
- International Dental Conference, Iraq
- Dabur Amla – Youtube campaign
- Vatika Enrich Oil – Regional Arab TVC Airing
- New Packaging for Vatika Hammam Zaith
- Vatika Shampoo – Pan Arab TVC
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Business strategy – India Business

**Healthcare**
- Leadership in Ayurveda – scientific evidence & research
- OTC portfolio to be scaled up through innovation & brand investments
- Doctor advocacy through Medico Marketing channel

**Home & Personal Care**
- Ayurvedic / Herbal focus
- Premiumization & Differentiation
- Strong innovation agenda
- Potential to expand in adjacencies within current categories

**Foods**
- Maintain leadership in Juices & Nectars category
- Leveraging the Fruit equity associated with the ‘Real’ brand
- Focus on ‘Healthy’ range of products
Business Strategy – IBD

- Brands positioned on “Herbal and Natural” platform
- Product portfolio customized to local preferences
- Strong investments in brands and business
- Leveraging Digital platform to enhance consumer awareness and brand visibility
- Local supply chain & management offers strategic advantage
The next growth wave

Build bigger brands
More than 15 brands in the range of INR >0.1 to 1 bn which can grow to INR 1bn+

Continued Innovation
NPD pipeline primed to deliver new products in key categories – 4-5 new products every year

Driving distribution expansion
Direct reach of 1 mn +, increasing the no. of SKUs, rural potential, IT enablement, data analytics

Consumer Health
Strong core competence, low competitive intensity, strong profitability, low penetration

Geographical expansion
Expand into overseas focus markets where our brands are relevant – MENA, Africa, SAARC
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### Consolidated Profit & Loss – Q3 FY18

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY18</th>
<th>Q3 FY17</th>
<th>Y-o-Y (%)</th>
<th>9M FY18</th>
<th>9M FY17</th>
<th>Y-o-Y (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue from operations</strong></td>
<td>1,966.4</td>
<td>1,852.9</td>
<td>6.1%</td>
<td>5,715.4</td>
<td>5,786.8</td>
<td>(1.2%)</td>
</tr>
<tr>
<td>Other Income</td>
<td>66.3</td>
<td>83.1</td>
<td>(20.1%)</td>
<td>231.9</td>
<td>233.3</td>
<td>(0.6%)</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>2,032.8</td>
<td>1,936.0</td>
<td>5.0%</td>
<td>5,947.4</td>
<td>6,020.1</td>
<td>(1.2%)</td>
</tr>
<tr>
<td>Material Cost</td>
<td>952.3</td>
<td>938.3</td>
<td>1.5%</td>
<td>2,844.0</td>
<td>2,867.1</td>
<td>(0.8%)</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>48.4%</td>
<td>50.6%</td>
<td></td>
<td>49.8%</td>
<td>49.5%</td>
<td></td>
</tr>
<tr>
<td>Employee expense</td>
<td>204.8</td>
<td>189.2</td>
<td>8.3%</td>
<td>612.0</td>
<td>616.5</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>10.4%</td>
<td>10.2%</td>
<td></td>
<td>10.7%</td>
<td>10.7%</td>
<td></td>
</tr>
<tr>
<td>Advertisement and publicity</td>
<td>185.3</td>
<td>177.2</td>
<td>4.6%</td>
<td>481.1</td>
<td>523.1</td>
<td>(8.0%)</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>9.4%</td>
<td>9.6%</td>
<td></td>
<td>8.4%</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>220.5</td>
<td>214.3</td>
<td>2.9%</td>
<td>646.0</td>
<td>688.7</td>
<td>(6.2%)</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>11.2%</td>
<td>11.6%</td>
<td></td>
<td>11.3%</td>
<td>11.9%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>403.5</td>
<td>333.9</td>
<td>20.8%</td>
<td>1,132.3</td>
<td>1,091.4</td>
<td>3.7%</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>20.5%</td>
<td>18.0%</td>
<td></td>
<td>19.8%</td>
<td>18.9%</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>469.8</td>
<td>416.9</td>
<td>12.7%</td>
<td>1,364.2</td>
<td>1,324.7</td>
<td>3.0%</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>23.9%</td>
<td>22.5%</td>
<td></td>
<td>23.9%</td>
<td>22.9%</td>
<td></td>
</tr>
<tr>
<td>Finance Costs</td>
<td>13.2</td>
<td>13.9</td>
<td>(5.3%)</td>
<td>39.8</td>
<td>42.4</td>
<td>(6.0%)</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>40.5</td>
<td>33.3</td>
<td>21.6%</td>
<td>119.6</td>
<td>103.3</td>
<td>15.7%</td>
</tr>
<tr>
<td>Tax Expenses</td>
<td>83.3</td>
<td>75.2</td>
<td>10.7%</td>
<td>230.1</td>
<td>232.7</td>
<td>(1.1%)</td>
</tr>
<tr>
<td>Net profit after tax but before share of profit/(loss) from joint venture</td>
<td>332.9</td>
<td>294.5</td>
<td>13.0%</td>
<td>960.1</td>
<td>946.3</td>
<td>1.5%</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>16.9%</td>
<td>15.9%</td>
<td></td>
<td>16.8%</td>
<td>16.4%</td>
<td></td>
</tr>
<tr>
<td>Share of profit / (loss) of joint venture</td>
<td>0.2</td>
<td>0.2</td>
<td>(4.7%)</td>
<td>0.4</td>
<td>0.3</td>
<td>27.3%</td>
</tr>
<tr>
<td>Non controlling interest</td>
<td>0.9</td>
<td>0.9</td>
<td>(0.4%)</td>
<td>2.4</td>
<td>2.8</td>
<td>(16.3%)</td>
</tr>
<tr>
<td><strong>Net profit for the period/year</strong></td>
<td><strong>332.1</strong></td>
<td><strong>293.8</strong></td>
<td><strong>13.1%</strong></td>
<td><strong>958.2</strong></td>
<td><strong>943.8</strong></td>
<td><strong>1.5%</strong></td>
</tr>
<tr>
<td>% of Revenue</td>
<td><strong>16.9%</strong></td>
<td><strong>15.9%</strong></td>
<td></td>
<td><strong>16.8%</strong></td>
<td><strong>16.3%</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Note: All figures are in INR crores, unless otherwise stated*
Consolidated Balance Sheet (1 of 2)

All figures are in INR crores, unless otherwise stated

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 30/09/2017 (Unaudited)</th>
<th>As at 31/03/2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Property, plant and equipment</td>
<td>1,508</td>
<td>1,479</td>
</tr>
<tr>
<td>(b) Capital work-in-progress</td>
<td>55</td>
<td>42</td>
</tr>
<tr>
<td>(c) Investment property</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>(d) Goodwill</td>
<td>411</td>
<td>411</td>
</tr>
<tr>
<td>(e) Other Intangible assets</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>(f) Biological assets other than bearer plants</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>(g) Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Investments</td>
<td>2,486</td>
<td>2,499</td>
</tr>
<tr>
<td>(ii) Others</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>(g) Other non-current assets</td>
<td>98</td>
<td>102</td>
</tr>
<tr>
<td><strong>Total Non-current assets</strong></td>
<td>4,638</td>
<td>4,615</td>
</tr>
<tr>
<td>2 Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Inventories</td>
<td>1,000</td>
<td>1,107</td>
</tr>
<tr>
<td>(b) Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Investments</td>
<td>1,041</td>
<td>741</td>
</tr>
<tr>
<td>(ii) Trade receivables</td>
<td>767</td>
<td>650</td>
</tr>
<tr>
<td>(iii) Cash and cash equivalents</td>
<td>123</td>
<td>163</td>
</tr>
<tr>
<td>(iv) Bank Balances other than (iii) above</td>
<td>147</td>
<td>142</td>
</tr>
<tr>
<td>(v) Others</td>
<td>56</td>
<td>34</td>
</tr>
<tr>
<td>(c) Other current assets</td>
<td>330</td>
<td>280</td>
</tr>
<tr>
<td>(d) Assets held for sale</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>3,467</td>
<td>3,116</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>8,105</td>
<td>7,731</td>
</tr>
</tbody>
</table>
## Consolidated Balance Sheet (2 of 2)

All figures are in INR crores, unless otherwise stated.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 30/09/2017 (Unaudited)</th>
<th>As at 31/03/2017 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1 Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Equity share capital</td>
<td>176</td>
<td>176</td>
</tr>
<tr>
<td>(b) Other Equity</td>
<td>5,100</td>
<td>4,671</td>
</tr>
<tr>
<td>Equity attributable to shareholders of the Company</td>
<td>5,276</td>
<td>4,847</td>
</tr>
<tr>
<td>Non Controlling Interest</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>5,301</td>
<td>4,872</td>
</tr>
<tr>
<td><strong>2 Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Borrowings</td>
<td>474</td>
<td>471</td>
</tr>
<tr>
<td>(ii) Other financial liabilities</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>(b) Provisions</td>
<td>56</td>
<td>53</td>
</tr>
<tr>
<td>(c) Deferred tax liabilities (Net)</td>
<td>114</td>
<td>108</td>
</tr>
<tr>
<td><strong>Total Non-current liabilities</strong></td>
<td>645</td>
<td>636</td>
</tr>
<tr>
<td><strong>3 Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Borrowings</td>
<td>507</td>
<td>440</td>
</tr>
<tr>
<td>(ii) Trade payables</td>
<td>1,218</td>
<td>1,303</td>
</tr>
<tr>
<td>(iii) Other financial liabilities</td>
<td>96</td>
<td>174</td>
</tr>
<tr>
<td>(b) Other current liabilities</td>
<td>189</td>
<td>175</td>
</tr>
<tr>
<td>(c) Provisions</td>
<td>106</td>
<td>92</td>
</tr>
<tr>
<td>(d) Current tax Liabilities (Net)</td>
<td>42</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total Current liabilities</strong></td>
<td>2,158</td>
<td>2,223</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td>8,105</td>
<td>7,731</td>
</tr>
</tbody>
</table>
Thank You