Financial Analysts and Institutional Investors Meet
6 Sep 2019
1. Dabur’s Recent Performance

2. Recent Macroeconomic Trends

3. Our Growth Strategy

4. International Business
Our Vision

Dedicated to the Health & Well-being of every Household
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$ 11 bn
The Year Gone By – FY19 Performance

Volume Growth 11%

Revenue from Operations
- FY18: 7,748
- FY19: 8,533
- +11%

Operating Profit
- FY18: 1,617
- FY19: 1,740
- +8%

Net Profit/ PAT
- FY18: 1,354
- FY19: 1,442
- +7%

Market Capitalization (Rs. crore)
- FY18: 57,602
- FY19: 72,586
- +26%

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
Q1 FY20 Performance

Volume Growth 9.6%

Revenue from Operations

Q1 FY19: 2,081
Q1 FY20: 2,273
+9%

Operating Profit

Q1 FY19: 386
Q1 FY20: 458
+19%

Net Profit/ PAT

Q1 FY19: 329
Q1 FY20: 363
+10%

Note:
1. All figures are in INR cr
2. The figures in circle represent growth figures
### India Business – Category-Wise

<table>
<thead>
<tr>
<th>Category</th>
<th>Key Brands</th>
<th>Revenue Contribution (FY19)</th>
<th>FY19 Growth</th>
<th>Q1 FY20 Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Supplements</td>
<td>Honey, Chyawanprash, Dabur</td>
<td>17.6%</td>
<td>14.6%</td>
<td>19.6%</td>
</tr>
<tr>
<td>Digestives</td>
<td>Stomil, Pudin Hara</td>
<td>5.9%</td>
<td>16.4%</td>
<td>18.2%</td>
</tr>
<tr>
<td>OTC &amp; Ethicals</td>
<td>Lal Tail, Honitus</td>
<td>8.9%</td>
<td>13.7%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Hair Care</td>
<td>Amla, Vaika, Armol</td>
<td>21.6%</td>
<td>14.8%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Oral Care</td>
<td>REDPASTE, MESWAK</td>
<td>16.8%</td>
<td>9.5%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Home Care</td>
<td>Odonil, ODOMOS</td>
<td>6.9%</td>
<td>13.0%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Skin Care</td>
<td>Ferr, Gulabari</td>
<td>5.3%</td>
<td>17.2%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Foods</td>
<td>Real, Dabur HOMMADE</td>
<td>17.1%</td>
<td>8.1%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Note: Numbers in the charts represent GST adjusted growth (like-to-like)
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Recent Macro Trends

GDP Growth at Six Year Low

Manufacturing IIP remains subdued
FMCG Sector – Quarterly Growth

- **Value Growth**
- **Volume Growth**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Value Growth</th>
<th>Volume Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 FY18</td>
<td>13.6%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Q3 FY18</td>
<td>10.2%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>11.4%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>10.6%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>16.2%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>15.7%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Q4 FY19</td>
<td>13.4%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Q1 FY20</td>
<td>10.0%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Jul'19</td>
<td>7.1%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>
What is causing the slowdown?

Liquidity Crunch

Agricultural distress due to negligible growth in rural wages

Real Wage Growth in Rural

Unemployment Rate

Unemployment at its peak levels
Agenda

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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

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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

13.7% FY19 Sales Growth
Strengthen fitness proposition

Innovation – Launch premium variants

Localised communication strategy

Increase food usage of honey through new formats

17.3% FY19 Sales Growth
Strengthen Ayurvedic positioning

Renovation and contemporization

Create a portfolio for baby care

Distribution enhancement

14.9% FY19 Sales Growth
17.3% FY19 Sales Growth

- Reinforce Ayurvedic positioning
- Regionalization
- New formats & variants: Lozenges, Hot Sip
- Distribution enhancement
Extend Pudin Hara into Food

Scale up the Powder Fizz portfolio

Modernization of formats

Use digital media to connect with millennials

21.1% FY19 Sales Growth
9.3% FY19 Sales Growth

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.

22.4% FY19 Sales Growth
Scale up the Vatika franchise in India

Launching Ayurvedic variants

Connect digitally with millennials

Strengthen distribution in weak geographies
9.3% FY19 Sales Growth

Increasing Consumption Occasions

Expansion in low through put geographies

Premiumization through new health-based variants

Entering the fruit drinks segment
STEP 1 – Implemented ahead to our pledged timeline

5% Sugar reduction in 78% of Real portfolio: Part of our pledge under Eat Right Movement by FSSAI

STEP 2 – Work in Progress

Further reduction in added sugar by 20-30%
Pillars of Our Growth Strategy

- Power Brands Strategy
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- Sustainability/ESG Focus
Driving Innovation and Renovation – India

Dabur Babool Ayurvedic Paste
Ayurvedic Toothpaste For Your Family
Driving Innovation and Renovation – India
Driving Innovation and Renovation – India
CREATED BY NATURE, CURATED BY Vatika
Driving Innovation and Renovation – India

Hair Removal Cream
Driving Innovation and Renovation – India

fairness और glow

INTRODUCING

FRUIT Crème Bleach

Enriched with the goodness of 7 fruit extracts

SPECIAL PRICE ₹70/- ₹65/-
Driving Innovation and Renovation – India
Driving Innovation and Renovation – India

KABZ OVER

NEW 20% EXTRA

100% AYURVEDIC

NatureCare

Effective Relief from Constipation
Natural Laxative Granules
Driving Innovation and Renovation – India

Ethicals

Dabur Hridayasava

Dabur Dadimavaleha

Vasant Meha Ras
Driving Innovation and Renovation – India
Driving Innovation and Renovation – India
New range of Hair Waxes and Hair Mousse in Hobby, Turkey

ORS Fix-It Range in USA

Amla Kids in Egypt

Vatika Serum in Egypt

Vatika Afro Naturals Range in South Africa

Olive Oil with Black Castor in South Africa
Pillars of Our Growth Strategy

- Power Brands Strategy
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- 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

Increasing Direct Reach

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

(in mn outlets)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Reach</th>
</tr>
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<tbody>
<tr>
<td>FY17</td>
<td>0.9</td>
</tr>
<tr>
<td>FY18</td>
<td>1.0</td>
</tr>
<tr>
<td>FY19</td>
<td>1.1</td>
</tr>
<tr>
<td>FY20E</td>
<td>1.2</td>
</tr>
</tbody>
</table>
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
- Bigbasket
- Flipkart
- Netmeds
- Grofers
Rural Focus

Portfolio as per Consumer Preferences

Increasing Reach

Building Rural Infrastructure

~1,400
Rural Sales Force

45%
FY19 Contribution to Sales

394
Super stockists

12,333
Sub-stockists
(663 added in Q1)

Focus on LUPs

<table>
<thead>
<tr>
<th></th>
<th>FY18</th>
<th>FY19</th>
<th>Q1 FY20</th>
<th>FY20E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>41,473</td>
<td>44,068</td>
<td>48,103</td>
<td>55,000</td>
</tr>
<tr>
<td>Sales Force</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Increasing Village Coverage
Regional Focus through RISE

RISE Initiatives in North East

<table>
<thead>
<tr>
<th>Real Fruit ORS Launched</th>
<th>Sponsoring Local Events (Miss India North East contest in association with Gulabari)</th>
<th>Anmol Jasmine – Regional Communication</th>
</tr>
</thead>
</table>

RISE
Regional Insights And Speed of Execution
### Regional Focus through RISE

**RISE Initiatives in South**

<table>
<thead>
<tr>
<th><strong>South specific ad for Dabur Honey</strong></th>
<th><strong>Anmol Green in Tamil Nadu</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Dabur Honey ad" /></td>
<td><img src="image2.png" alt="Anmol Green ad" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Vatika hair oil endorsed by regional celebs in South</strong></th>
<th><strong>Dabur Amla Regional TVC in South</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image3.png" alt="Vatika hair oil" /></td>
<td><img src="image4.png" alt="Dabur Amla TVC" /></td>
</tr>
</tbody>
</table>

**RISE**

**Regional Insights**

**And**

**Speed of Execution**
Power Brands Strategy

Driving Innovation and Renovation

Distribution Expansion

Operational Excellence

Capability Enhancement

Sustainability/ESG Focus
Our Manufacturing Footprint in India

- Jammu
- Baddi
- Pantnagar
- Sahibabad
- Tezpur
- Nasik
- Silvassa
- Alwar
- Pantnagar
- Katni
- Narehndrapur
- Newai
- Pithampur
Our Manufacturing Footprint in India

- Pantnagar
- Tezpur
- Baddi
- Silvassa
Our Manufacturing Strategy - International

- Turkey EU
- Nigeria ECOWAS
- UAE GCC + GAFTA
- South Africa SADC
- US NAFTA (3P)
- Egypt COMESA

8 manufacturing locations

From centralized manufacturing to localized manufacturing for speed and flexibility
Our Manufacturing Footprint Overseas

- UAE
- Egypt
- Nigeria
- South Africa
- Turkey
- Sri Lanka
- Bangladesh
- Nepal
Supply Chain Transformation – Project Lakshya

**Improve range availability and service levels**

**Reduce Logistics Costs**

**Reduce Finished Goods Inventory**

### Range Availability at C&FA Level

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Mar'19</th>
<th>Aug'19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>78%</td>
<td>92%</td>
<td>93%</td>
</tr>
</tbody>
</table>

### Number of C&FAs

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Mar'19</th>
<th>Aug'19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32</td>
<td>28</td>
<td>26</td>
</tr>
</tbody>
</table>

### Modern Trade Fill Rates (OTIFs)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Mar'19</th>
<th>Aug'19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>87%</td>
<td>94%</td>
<td>94%</td>
</tr>
</tbody>
</table>

### Days of Inventory - India Business

<table>
<thead>
<tr>
<th></th>
<th>Mar'18</th>
<th>Mar'19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>46</td>
<td>42</td>
</tr>
</tbody>
</table>
Pillars of Our Growth Strategy

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Capability – Improving Diversity & Inclusion

Women employees in India %

- 45: On-roll Parlour Promoters
- 25: Management Trainees
- 22: Research Function
- 16: Marketing Function
- 14: Finance Department

Profile by Age Group in India
[In Nos] (As on March 31, 2019)
- Upto 25 years old: 1,508
- Between 25 and 30 years old: 1,067
- Between 31 and 35 years old: 1,244
- Between 35 and 40 years old: 1,007
- Above 40: 148

Total employees: 7,458

Mix of nationalities working in Dabur: 22

Employees in India: 4,974
Overseas Employees: 2,484
Capability Building

Creating a Matrix Organisation

- Sales
- Marketing
- Operations
- Marketing Services
- DRDC
- Trade Marketing

Shared Goals across Functions

Strengthening the Team

- E-Comm Head
- Healthcare Head
- Ayurveda Head
- OTC Head
- Digital Head
New Age HR Ecosystem

**Employer Branding**
- #WomenCan
- DantSnan

**Appification**
- PULSE - HRMS
- OLA for Corporates
- Ramco Mhub 2
- Car Pool

**Career & On-boarding Portal**
- Video Recruitment enabling efficiency
- Engagement from the day of offer acceptance

**Online Career Development**
- Online PMS & Feedback
- Succession Planning
- Development Plan

**HR Analytics**
Data driven Decisions
Focus on Development
Empsense

**Artificial Intelligence & Machine Learning**
Chatbots

**Social Media**
- Competitions
- Trend Setters
- Job Postings

**Continuous People Development**
- Online Gamified Platform Midtickle being used for training & development
- Continuous succession planning for key positions
R&D Capabilities

98
Employees in R&D team

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

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

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ESG – Key Focus Areas

- Environment Sustainability
- Eradicating Hunger, Poverty and Malnutrition
- Preventive Healthcare
- Promoting Biodiversity
- Women Empowerment & Skill Development
- Robust Governance

2% of profits spent on CSR
Creating a Greener Manufacturing Ecosystem

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Energy Consumed (GJ/MT)</strong></td>
<td>2.07</td>
<td>2.03</td>
<td>1.96</td>
</tr>
<tr>
<td><strong>Raw Water Used (in KL/MT)</strong></td>
<td>5.05</td>
<td>4.32</td>
<td>3.41</td>
</tr>
<tr>
<td><strong>Effluent Generation (KL/MT)</strong></td>
<td>2.12</td>
<td>1.38</td>
<td>1.25</td>
</tr>
<tr>
<td><strong>Total CO₂ Emitted (KG/MT)</strong></td>
<td>0.08</td>
<td>0.05</td>
<td>0.04</td>
</tr>
<tr>
<td><strong>Total SOx emitted (KG/MT)</strong></td>
<td>0.65</td>
<td>0.46</td>
<td>0.21</td>
</tr>
</tbody>
</table>
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
Eradicating Hunger, Poverty and Malnutrition

Over 5 mn packs of Real juices distributed
10,000 Ragpickers benefitted from a full-time Health Post in their community

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
Jeewanti Centre for Medicinal Plants in Uttarakhand
Honey Beekeeping in Himachal Pradesh
Women Empowerment & Skill Development

Vocational training to over 6,000 women in 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
- Woman director
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Key Regions in International Business

Present in 100+ countries

NA Ethnic
Namaste U.S.
UK & Europe
Turkey
Egypt
MENA
SAARC

Region Distribution:
- Asia: 24.8%
- Middle East: 27.1%
- Americas: 13.8%
- Europe: 12.2%
- Africa: 22.1%
## Market Position in Categories in Key Markets

<table>
<thead>
<tr>
<th>Category</th>
<th>Saudi Arabia</th>
<th>Egypt</th>
<th>UAE</th>
<th>Nigeria</th>
<th>Morocco</th>
<th>Algeria</th>
<th>US</th>
<th>Turkey</th>
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</thead>
<tbody>
<tr>
<td>Hair Oil</td>
<td>#1</td>
<td>#1</td>
<td>#2</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
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<tr>
<td>Hair Cream</td>
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<tr>
<td>Hair Gel</td>
<td>#1</td>
<td>#2</td>
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<td>Hair Serums</td>
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<td>#5</td>
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<td>Leave-On</td>
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<td>#3</td>
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<td>Hair Color</td>
<td>#5</td>
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<td>Relaxers</td>
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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
Thank You