



# Dabur India Limited

## Investor Communication

Quarter and Year ended March 31, 2012

*April 30, 2012*





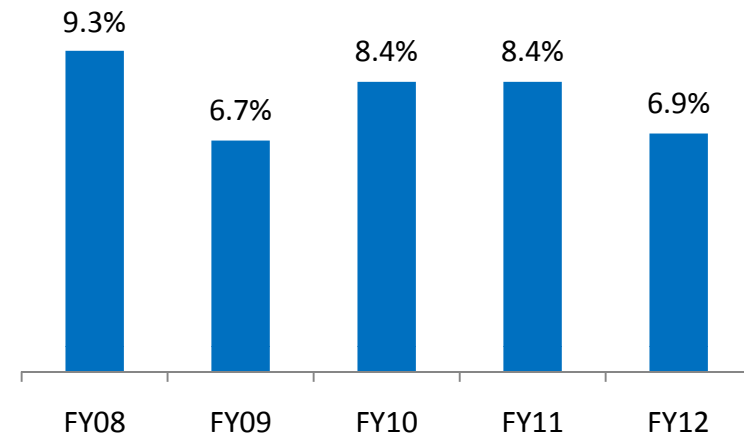
# Indian Economy



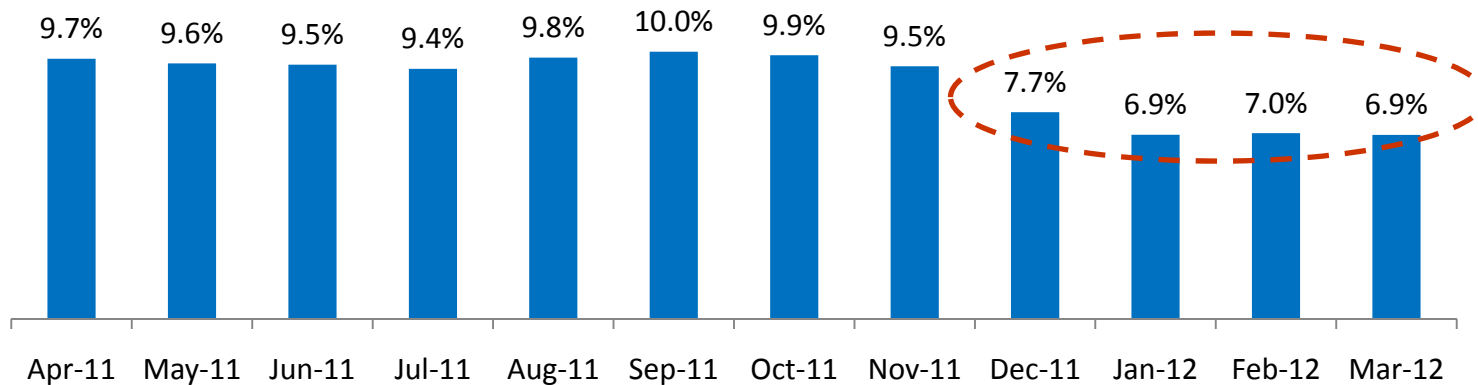
## Overview

- Macro economic variables under pressure during FY12 with deceleration in GDP to 6.9%
- Inflationary pressures persisted during the year, though there was some relief towards the end of the year, but the environment is still challenging
- RBI has resorted to rate cuts and reduced repo rate from 8.5% to 8%, which bodes well for the overall economic growth

## India – Real GDP Growth Rate (YoY %)



## WPI Change – YoY (%)





# Performance Overview : Q4 and FY12



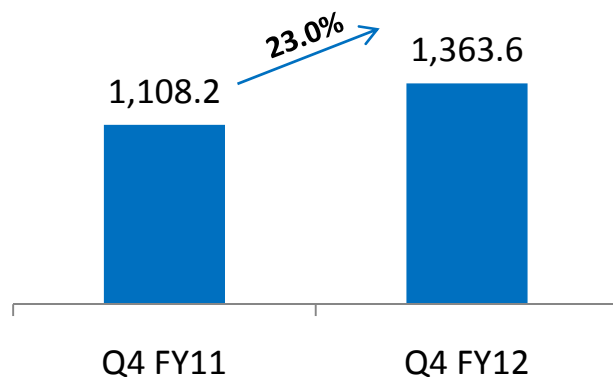
- Fiscal 2011-12 has been a landmark year with Dabur surpassing Rs. 5000 crore revenue mark
- Consolidated Sales grew by 23.0% in Q4FY12 to Rs. 1,363.6 crore and by 29.6% in FY12 to Rs. 5,283.2 crore
- Consolidated PAT increased by 16.0% to Rs. 170.5 crore during Q4FY12 and by 13.4% in FY12 to reach Rs. 644.9 crore.
- EBITDA increased by 13.7% during FY12 in spite of high input cost pressure.
- Domestic sales growth continued on the upward trajectory, growing by 19.2% in Q4FY12 and by 14.7% during FY12
- International Business (ex acquisitions) reported growth of 45.8% during Q4FY12 and 27.2% during FY12
- Final Dividend of Re. 0.75 per share proposed taking total dividend for the year to 130% i.e. Rs. 1.30 per share.



# Financial Performance: Q4 FY2011-12

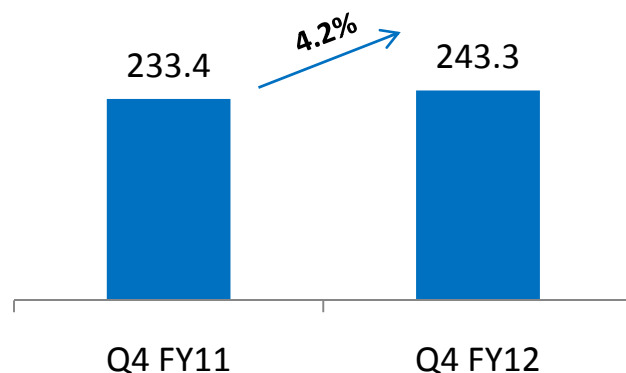


## Revenue (in Rs. Cr.)



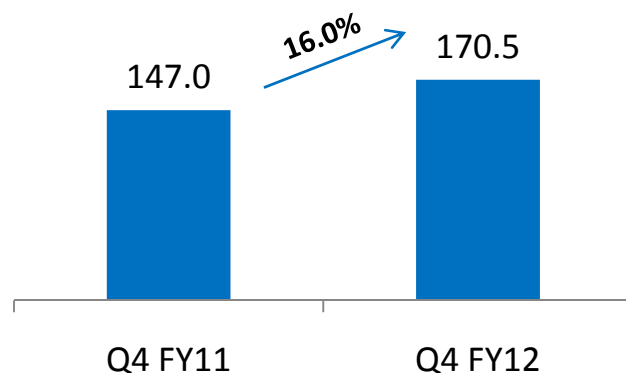
- Consolidated Sales grew by 23.0% during Q4FY12.
- Sales growth was a combination of volume growth and price increases and marginal translation gains
- Volume growth was at 12.4%

## EBITDA (in Rs. Cr.)



- EBITDA increased by 4.2% while EBITDA margin was lower at 17.8% in Q4FY12 v/s 21.1% in Q4FY11
- Material costs were at 50.2% of sales vis-à-vis 47% in Q4FY11
- Adpro during the quarter increased to 13.4% as compared to 11.5% in previous year

## PAT (in Rs. Cr.)



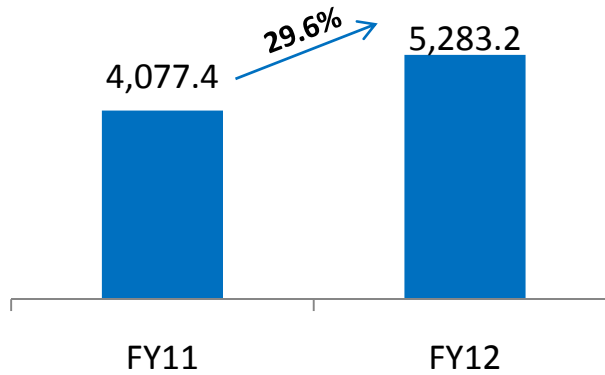
- Consolidated PAT reported growth of 16.0%
- This was despite severe input cost pressure and increase in advertising and promotional costs



# Financial Performance: FY2011-12

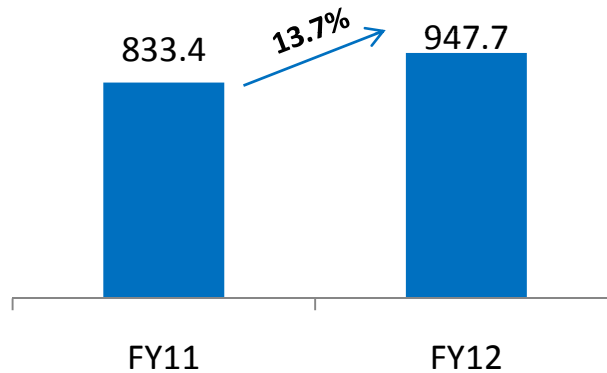


## Revenue (in Rs. Cr.)



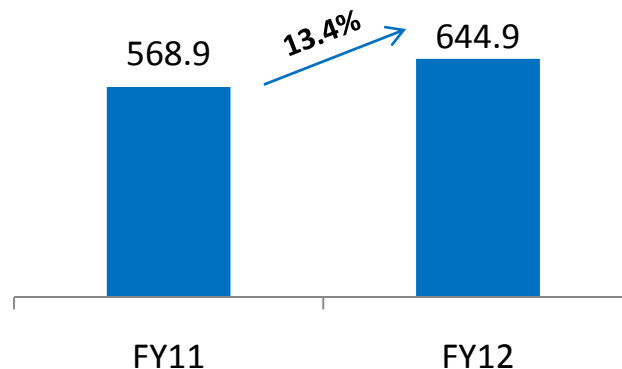
- Consolidated Sales grew strongly at 29.6%, driven by a mix of acquisitions, price increases and volumes
- Excluding acquisitions, sales grew by 18%

## EBITDA (in Rs. Cr.)



- EBITDA increased by 13.7% during FY12
- EBITDA reported growth of 13.4%. However the EBITDA margin declined to 17.9% in FY12 v/s 20.4% in FY11
- Material costs increased to 50.8% of sales in FY12 v/s 47.5% last year

## PAT (in Rs. Cr.)



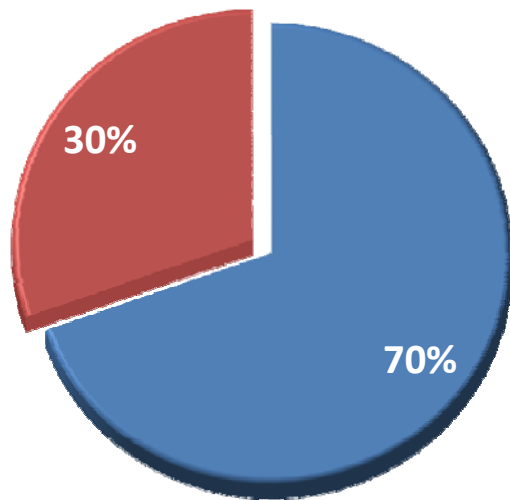
- Consolidated PAT grew by 13.4% in spite of high inflation and adverse currency movements
- PAT margin was at 12.2% in FY12 v/s 13.9% previous year



# Business Overview

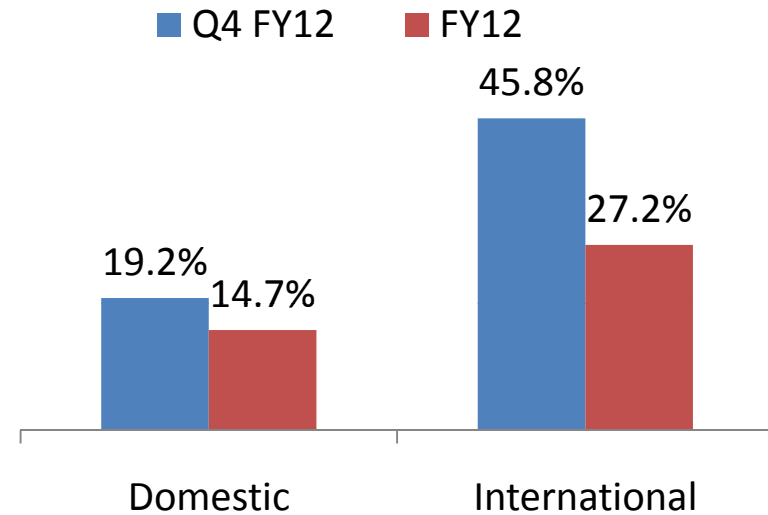


Sales Contribution (FY12)



■ Domestic ■ International

Domestic and International Growth Rates



Note: International refers to organic business and Namaste and Hobi not included herein

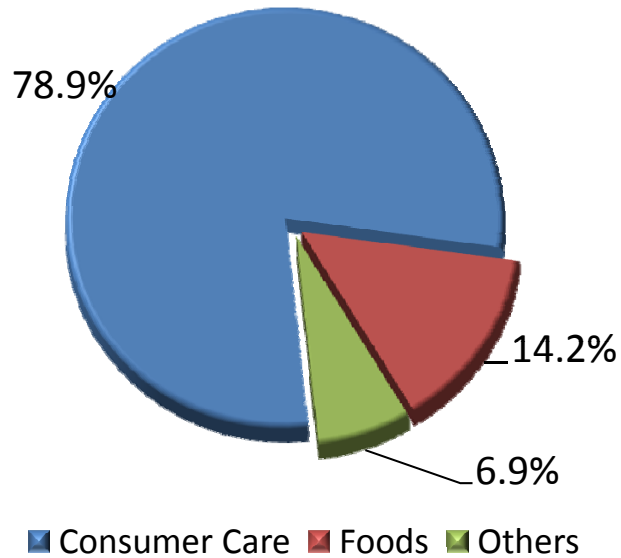
- Domestic business grew by 19.2% during Q4FY12 and by 14.7% in FY12
- International Business (excl. Hobi and Namaste) grew by 45.8% in Q4FY12 and by 27.2% in FY12. Growth in constant currency terms was at 35.0% for Q4FY12 and 23.2% in FY12
- Hobi and Namaste recorded growth of 22% and 15.6% respectively in Q4FY12



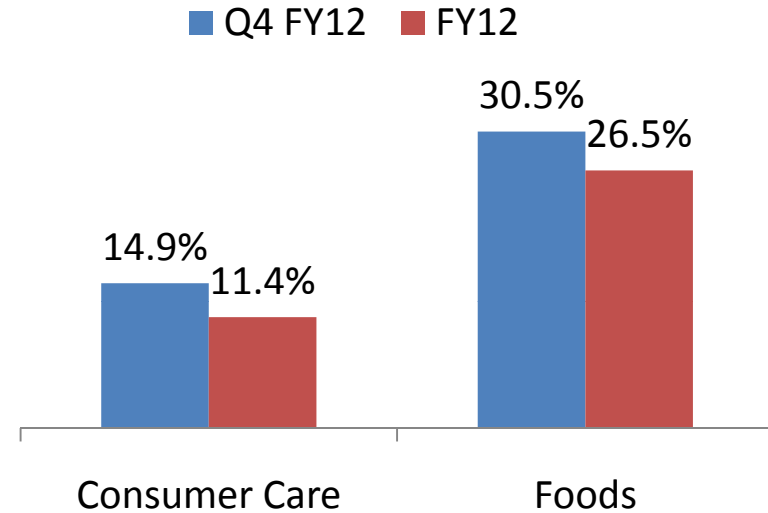
# Domestic Business Overview



Sales Contribution (FY12)



Consumer Care and Foods Growth Rates



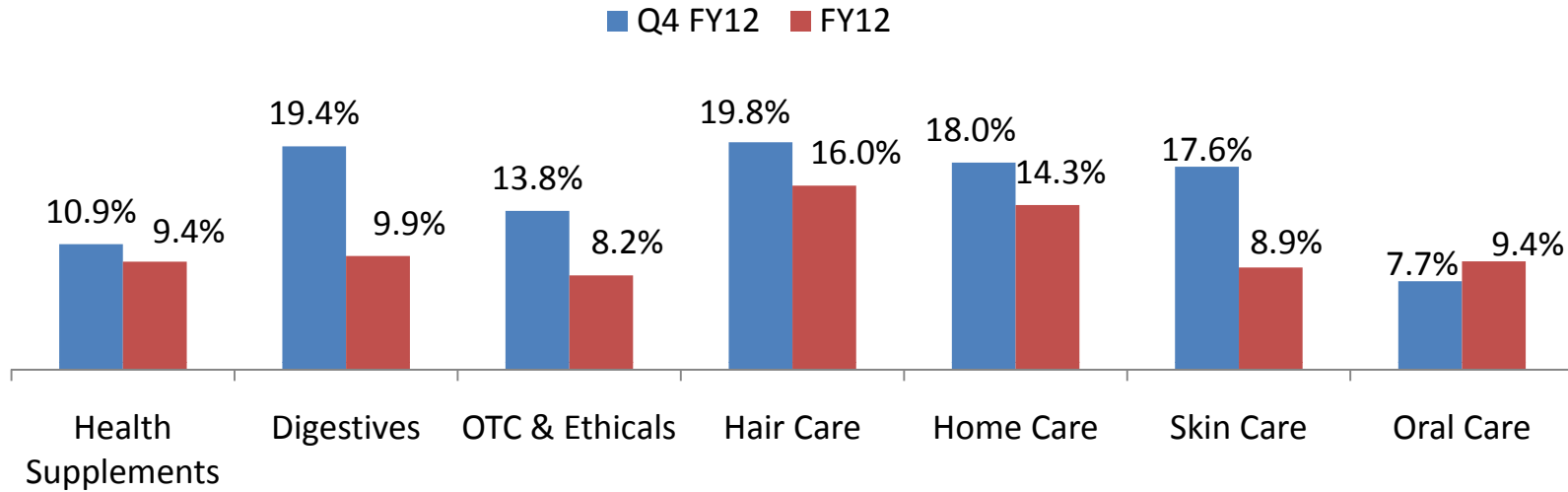
- Consumer care grew by 14.9% in Q4FY12 and 11.4% in FY12.
- Foods continued on robust growth trajectory, growing by 30.5% in Q4FY12 and by 26.5% in FY12



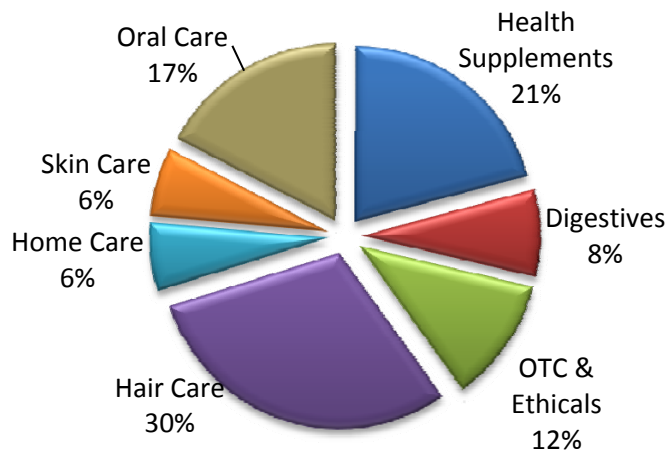
# Consumer Care Business



Consumer Care Category Growth Rates (%)



Category Contribution (FY12)



- The largest category, Hair Care witnessed fastest growth at 19.8% in Q4FY12. Shampoo category witnessed revival with growth of 16.8%
- Home Care grew by 18% in Q4FY12
- Oral Care grew by 7.7%, with toothpastes growing by 8.3% in Q4FY12
- Health Supplements recorded growth of 10.9% during Q4FY12
- Digestives grew at a robust 19.4% in Q4FY12





# Health Supplements



- Health Supplements grew by 10.9% in Q4FY12 and by 9.4% in FY12 driven by good growth in Dabur Honey and Chyawanprash
- Dabur Honey reported robust growth across all channels, regions and SKU sizes. Dabur Honey's proposition on the Stay Young platform aided growth.
- Dabur Glucose was flattish during the quarter and year on account of a weak summer during H1FY12 and extended winters during Q4FY12.

## Digestives

- Digestives grew at a robust 19.4% in Q4FY12 and by 9.9% for FY12
- Hajmola Tablets reported strong growth driven by media initiatives and launch of new variants and SKUs
- Hajmola Candy staged a revival, witnessing good growth in Q4FY12 backed by media initiatives.

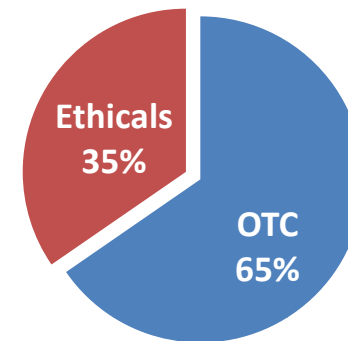


# OTC & Ethicals



- OTC & Ethicals portfolio grew by 13.8% in Q4FY12 and by 8.2% in FY12
- OTC portfolio grew by 11.4% in Q4FY12 and by 9.4% in FY12
  - The biggest brand Lal Tail witnessed strong growth
  - Honitus franchise including cough syrup and lozenges performed well
- Ethicals portfolio, which witnessed pressure on sales due to distribution realignment in the first half was back on track and grew by 18% in Q4FY12. Growth for FY12 was at 5.9%

OTC v/s Ethicals Sales Split (FY12)



**Note: Lal Tail has been reclassified into OTC category from Digestives category  
Pudin Hara and Isabgol have been reclassified under Digestives category from OTC category**



# Hair Oils



- Hair Oils reported robust growth of 20.2% in Q4FY12 and 21.1% in FY12 driven by strong volume growth and price increases
- Amla Hair Oil grew well, inspite of stiff competition and maintained market share
- Vatika Hair Oils reported strong growth during the quarter and fiscal
- Almond Hair Oil - launched in Nov 2011 continues to receive good consumer response

## Shampoos

- Shampoos staged a revival, growing by 16.8% in Q4FY12
- The biggest variant – Henna (Green variant), has been the best performer
- Competitive intensity continues to remain high in the category
- During the year, growth was largely driven by:
  - Strengthening proposition on ‘Naturals’ platform
  - Advertising focus on Green variant
  - Impactful presence on TV through sponsorships



## Skin Care



- Skin Care grew by 17.6% in Q4FY12 and by 9% in FY12
- Gulabari sales were tepid during the year, primarily on account of low category growth and heightened local competition. However new marketing initiatives planned to drive the brand going forward.
- Fem portfolio grew by 20.6% in Q4FY12 and by 12.5% in FY12. Strong growth witnessed revival post distribution realignment.

## Oral Care

- Oral Care reported growth of 7.7% in Q4FY12 and 9.4% in FY12
- Toothpastes portfolio grew by 8.3% in Q4FY12 and by 11.1% in FY12, increasing volume market share during the year
- Our premium offerings in toothpastes have done well during the quarter
- Dabur Red Toothpowder grew marginally, witnessing gains in market share



# Home Care



- Home Care grew at a robust 18.0% in Q4FY12 and by 14.3% in FY12
- The largest brand Odonil witnessed strong growth across formats (blocks, aerosols etc.) and regions. During the year, Odonil crossed Rs. 100 crore in sales and is now the twelfth brand in Dabur's Billion Rupee Brand club
- Odomos sales were flattish
- Sanifresh witnessed robust growth on the back of successful restage

## Foods

- Foods crossed the Rs. 500 crore mark during FY12
- Robust growth at 30.4% in Q4FY12 and 26.5% in FY12 with growth across regions and channels
  - Both Real and Activ witnessed strong growth momentum
  - New variants launched including Plum, Pomegranate and Super Berries
  - More extensions & variants planned in both Real and Activ range

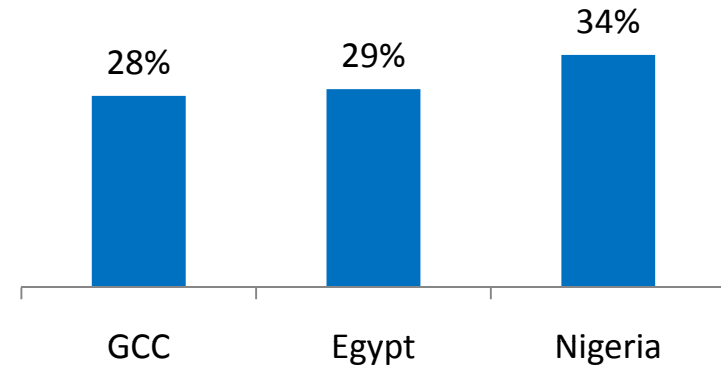


# International Business

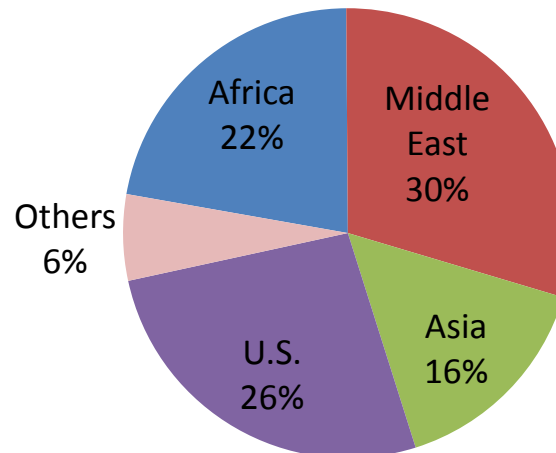


- International Business (excl. acquisitions) grew by 45.8% in Q4FY12 and by 27.2% in FY12
- Growth in constant currency terms was at 35% for Q4FY12 and 23.2% in FY12, largely driven by volumes
- Key growth markets - GCC, Egypt and Nigeria
- Key growth categories - Shampoos, Hair Cream and Toothpaste
- New product launches include Vatika Styling Hair Gels, skin care range under the Dermoviva brand and new variants of hair oils, shampoos and Hamam Zaith

Key Growth Markets – FY12 (%)



International Sales Breakdown (including acquisitions) – FY12





# Acquisitions Update



## Hobi Group

- Hobi posted revenues of Rs. 34 crores in Q4FY12 and Rs. 140 crores for FY12
- Sales grew by 22% in Q4FY12
- Investing strongly behind brands and portfolio to put the business on a strong growth trajectory
- Hobi products introduced in MENA and India in modern trade channels
- Hair gel technology leveraged to introduce Vatika Hair Gels in MENA region

## Namaste Laboratories

- Namaste recorded revenues of Rs. 137 crores in Q4FY12 and Rs. 547.1 crores in FY12
- Sales grew by 15.6% in Q4FY12
- Local manufacturing for Namaste commenced in RAK, UAE
- Aggressive growth plans to tap African markets and increase market share in the US



# Consolidated P&L



In Rs. crores	Q4FY12	Q4FY11	YoY (%)	FY12	FY11	YoY (%)
<b>Net Sales</b>	<b>1363.6</b>	<b>1108.2</b>	<b>23.0%</b>	<b>5,283.2</b>	<b>4,077.4</b>	<b>29.6%</b>
Other Operating Income	9.0	5.9	53.7%	22.2	27.1	-17.9%
Material Cost	684.9	521.3	31.4%	2,685.2	1,937.5	38.6%
<i>% of Sales</i>	50.2%	47.0%		50.8%	47.5%	
Employee Costs	95.6	87.3	9.6%	387.4	308.7	25.5%
<i>% of Sales</i>	7.0%	7.9%		7.3%	7.6%	
Ad Pro	182.0	127.4	42.9%	659.5	534.6	23.4%
<i>% of Sales</i>	13.4%	11.5%		12.5%	13.1%	
Other Expenses	185.7	161.0	15.4%	683.1	522.5	30.7%
<i>% of Sales</i>	13.6%	14.5%		12.9%	12.8%	
Other Non Operating Income	19.0	16.3	16.7%	57.4	32.1	78.6%
<b>EBITDA</b>	<b>243.3</b>	<b>233.4</b>	<b>4.2%</b>	<b>947.6</b>	<b>833.4</b>	<b>13.7%</b>
<i>% of Sales</i>	17.8%	21.1%		17.9%	20.4%	
Interest Exp. and Fin. Charges	5.7	15.9		53.8	30.3	
Depreciation + Amortization	29.3	29.1		103.2	95.2	
<b>Profit Before Tax (PBT)</b>	<b>208.3</b>	<b>188.4</b>	<b>10.5%</b>	<b>790.5</b>	<b>707.9</b>	<b>11.7%</b>
Tax Expenses	37.7	41.4	-8.9%	146.4	139.0	5.3%
<b>PAT(After exceptional Items)</b>	<b>170.5</b>	<b>147.0</b>	<b>16.0%</b>	<b>644.1</b>	<b>568.9</b>	<b>13.2%</b>
<b>Minority Interest - (Profit)/Loss</b>	<b>0.0</b>	<b>0.0</b>		<b>-0.8</b>	<b>0.3</b>	
<b>PAT (After Extra ordinary item &amp; Minority Int)</b>	<b>170.5</b>	<b>147.0</b>	<b>16.0%</b>	<b>644.9</b>	<b>568.6</b>	<b>13.4%</b>
<i>% of Sales</i>	12.5%	13.3%		12.2%	13.9%	





# Consol. Statement of Assets & Liabilities



		<i>in Rs. crores</i>	
Particulars		As at (current year end) 31/03/2012	As at (previous year end) 31/03/2011
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	174	174
	(b) Reserves and surplus	1,543	1,217
	(c) Money received against share warrants	-	-
	<b>Sub-total - Shareholders' funds</b>	<b>1,717</b>	<b>1,391</b>
<b>2</b>	<b>Share application money pending allotment</b>		
<b>3</b>	<b>Minority interest *</b>	3	4
<b>4</b>	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	727	717
	(b) Deferred tax liabilities (net)	27	19
	(c) Other long-term liabilities	-	-
	(d) Long-term provisions	658	578
	<b>Sub-total - Non-current liabilities</b>	<b>1,412</b>	<b>1,314</b>
<b>5</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	347	303
	(b) Trade payables	859	661
	(c) Other current liabilities	120	109
	(d) Short-term provisions	164	141
	<b>Sub-total - Current liabilities</b>	<b>1,490</b>	<b>1,214</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>4,622</b>	<b>3,923</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets	869	732
	(b) Goodwill on consolidation *	799	799
	(c) Non-current investments	89	2
	(d) Deferred tax assets (net)	-	-
	(e) Long-term loans and advances	433	340
	(f) Other non-current assets	72	101
	<b>Sub-total - Non-current assets</b>	<b>2,262</b>	<b>1,974</b>
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	393	418
	(b) Inventories	824	709
	(c) Trade receivables	462	355
	(d) Cash and cash equivalents	448	280
	(e) Short-term loans and advances	154	127
	(f) Other current assets	79	60
	<b>Sub-total - Current assets</b>	<b>2,360</b>	<b>1,949</b>
	<b>TOTAL - ASSETS</b>	<b>4,622</b>	<b>3,923</b>



# Disclaimer



Some of the statements made in this presentation contain forward looking information that involve a number of risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, as well as uncertainties and contingencies that are subject to change. Actual results can differ materially from those anticipated in the Company's forward-looking statements as a result of a variety of factors, including those set forth from time to time in the Company's press releases and reports and those set forth from time to time in the Company's analyst calls and discussions. We do not assume any obligation to update the forward-looking statements contained in this presentation.

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