

Dabur India Limited

**Investor Presentation
June 2018**



1. Dabur – Overview

2. Business Structure

3. India Business

4. The Journey of our Gems

5. International Business

6. The next growth wave

7. Annexure

Dabur – Overview



Overview

Established in 1884 – 134 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 6.3 mn outlets

20 world class manufacturing facilities catering to needs of diverse markets

Strong overseas presence with ~28% contribution to consolidated sales



Market cap:
US\$
10bn

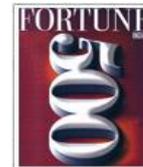
Awards



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

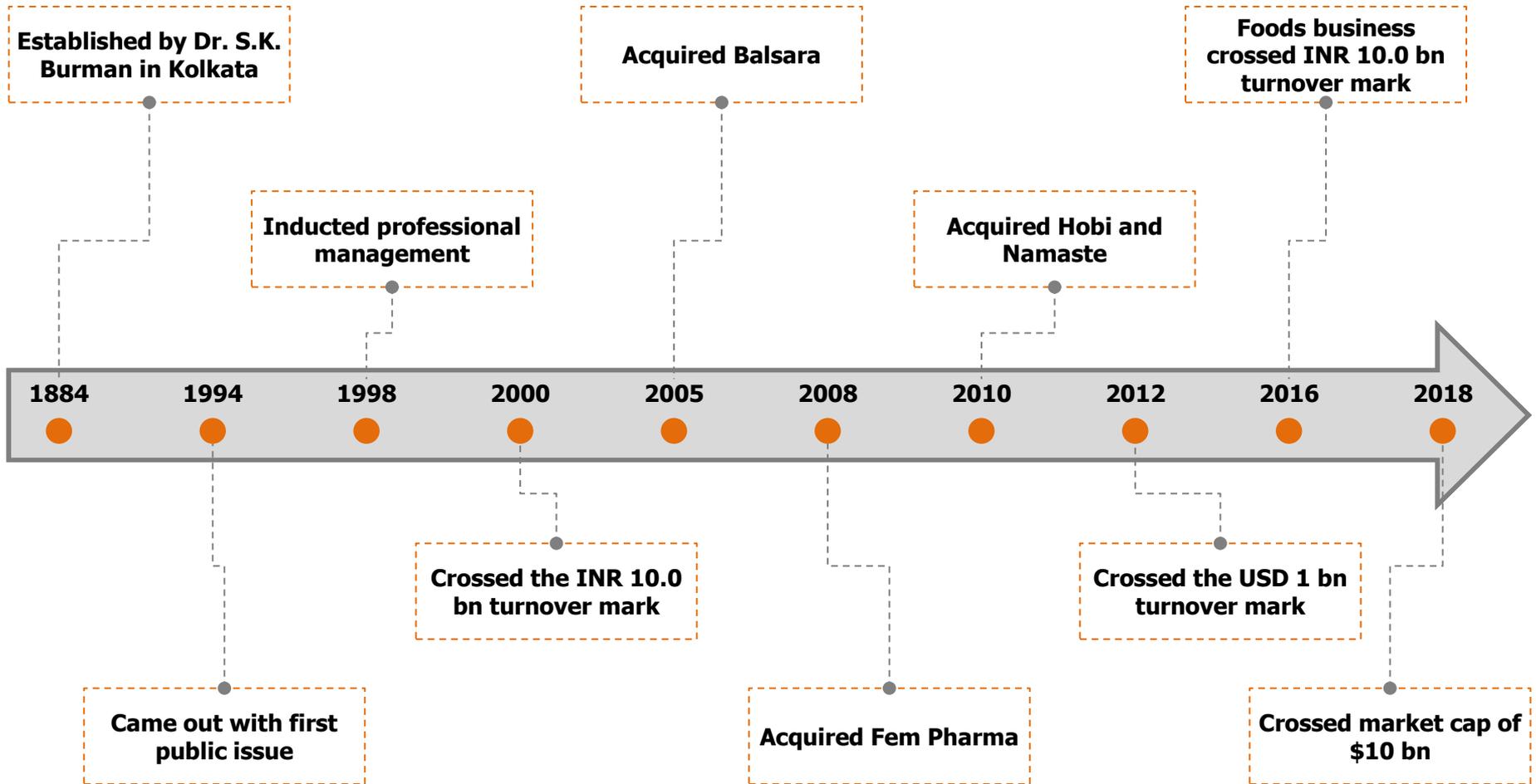


Dabur **ranked 25 in the list of Best Companies for CSR in India**, according to the Economic Times



Dabur India **successfully held the first-ever Guinness World Record attempt for the largest simultaneous Nasya Panchkarma Treatment session**

Key milestones



Ayurveda = Dabur's Core Philosophy

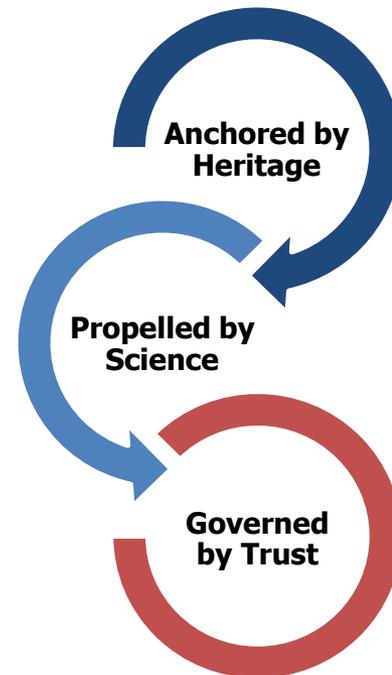
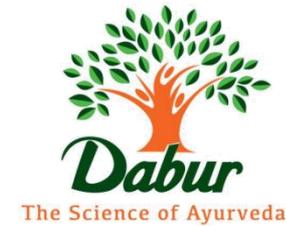
Synonymous with Ayurveda since 133 years

Known for making Ayurveda accessible to every household in India

Stringent quality test of every ingredient and herb

Strong R&D infrastructure including in-house Ayurvedic doctors & scientists

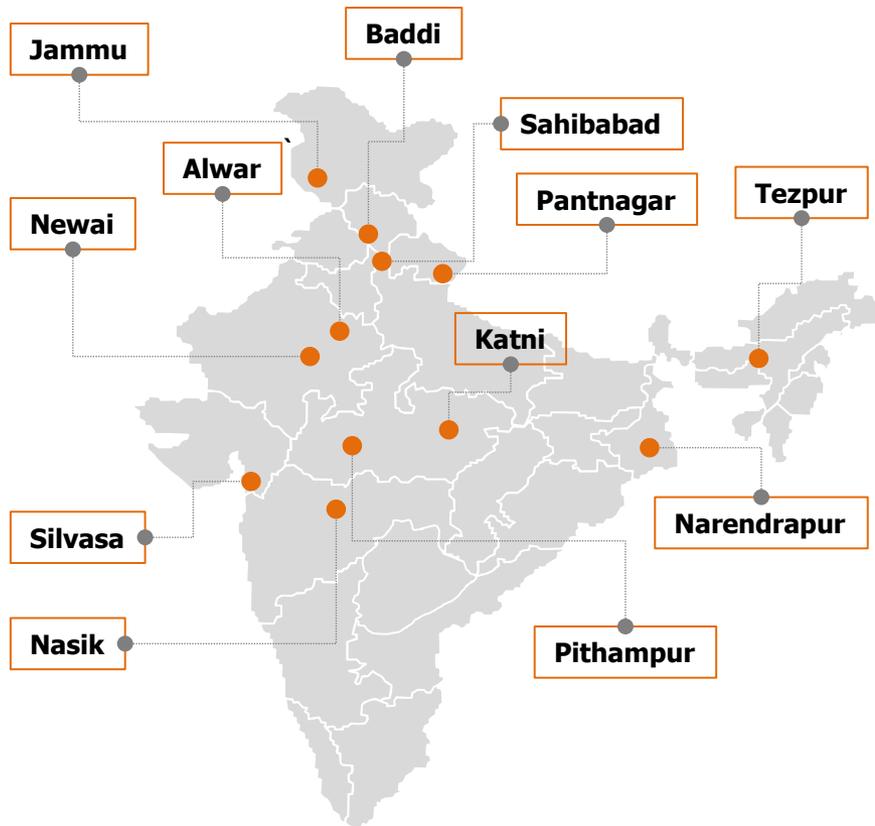
Over 5,000 acres of cultivation of endangered herbs and plants



Manufacturing facilities



12 manufacturing locations in India



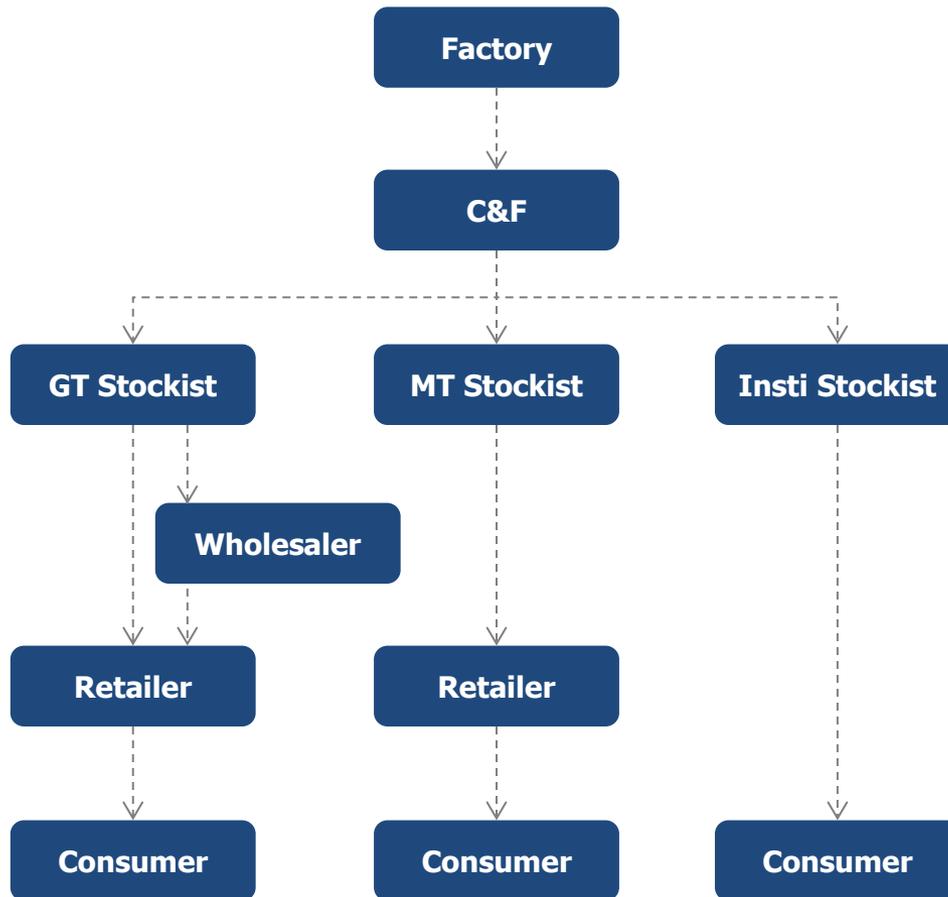
8 international manufacturing locations

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

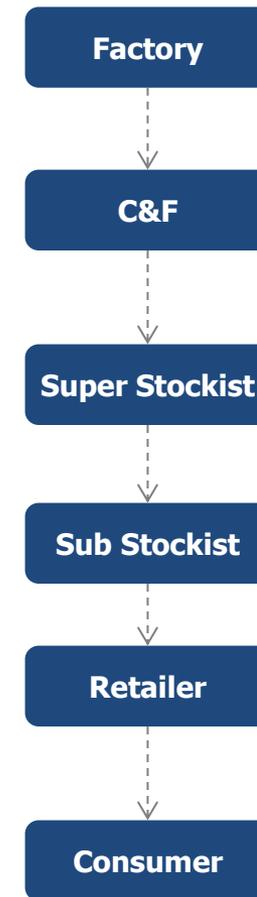
Distribution Network



Urban



Rural

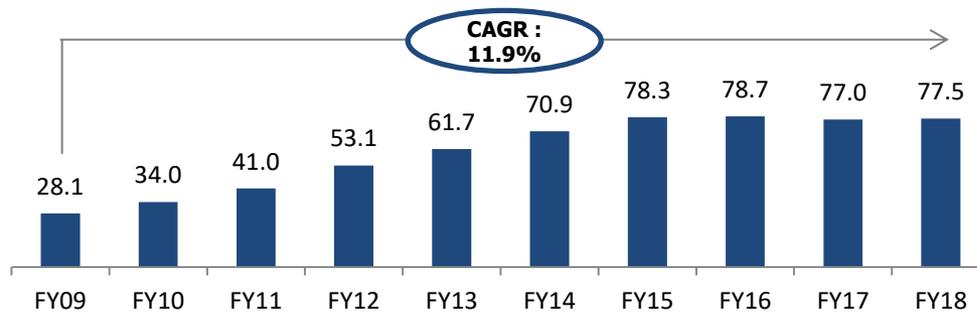


Distribution reach of 6.3 mn retail outlets with direct reach of 1 mn

Strong Financial Profile

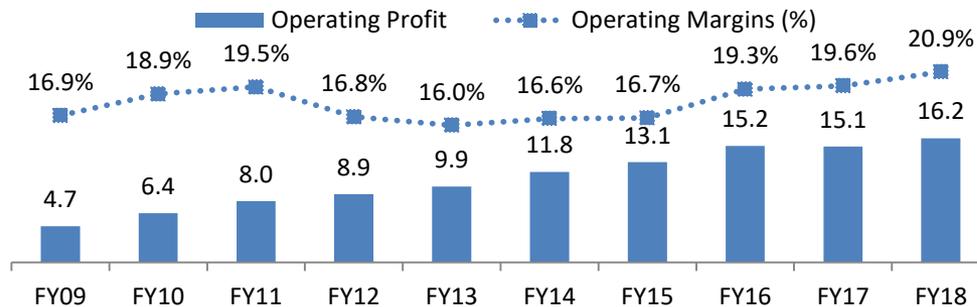


Revenue from Operations



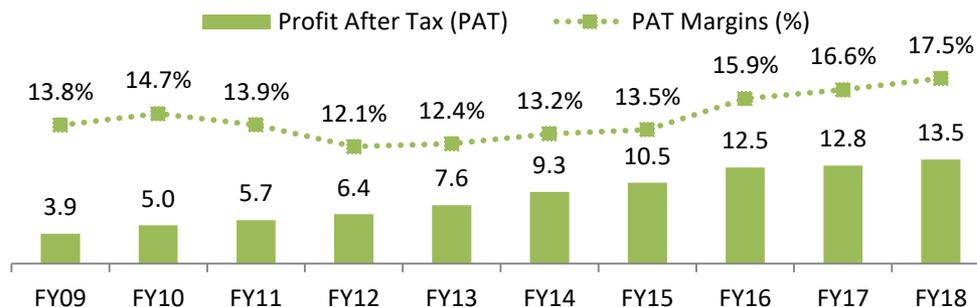
- Revenue has become ~3x over the last 10 years
- Last 3 years' revenue looks optically static due to change in accounting standards, demonetization and implementation of GST

Operating Profit



- In FY18, the operating margin of 20.9% was the highest ever in the history of the company

PAT



- PAT has grown at a CAGR of 15% over the last 10 years
- PAT margin is the highest ever in the history of the company

Note: All figures are in INR bn
 FY09 to FY15 is basis IGAAP, FY16 and FY17 are as per IndAS and FY18 is as per IndAS and takes into account GST

1. Dabur – Overview

 **2. Business Structure**

3. India Business

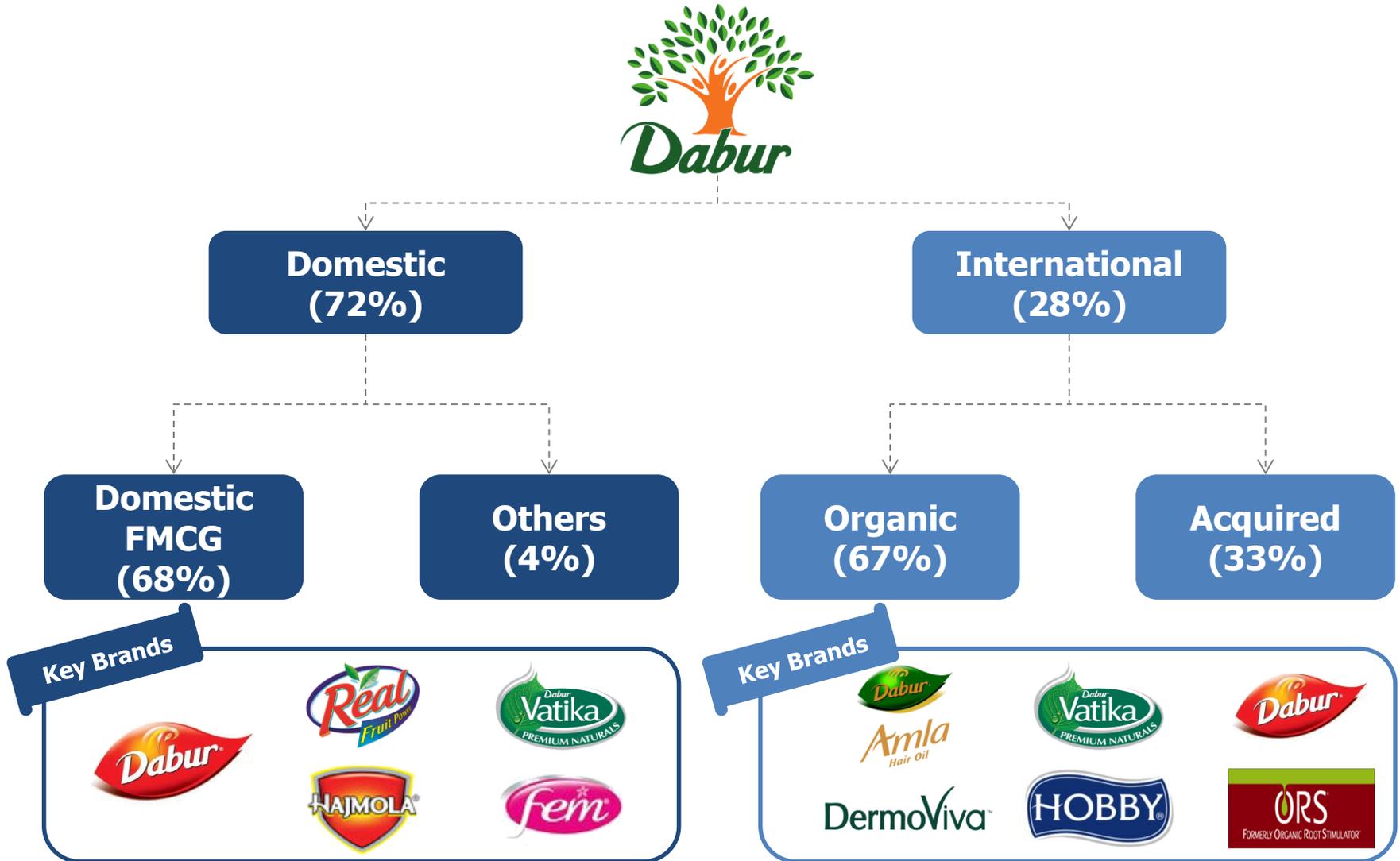
4. The Journey of our Gems

5. International Business

6. The next growth wave

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Business structure



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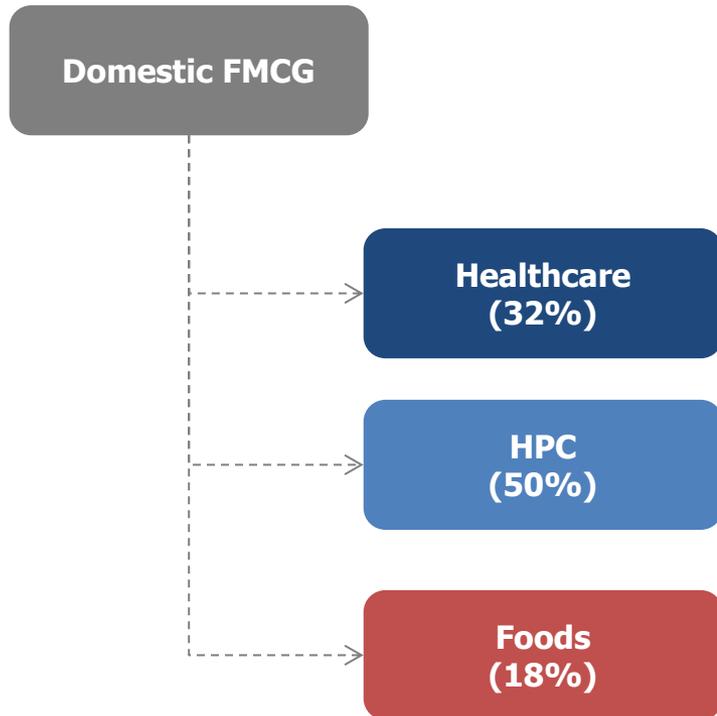
6. The next growth wave

7. Annexure

Sales by Business Vertical



Domestic FMCG – Business Verticals¹



Key categories

Category	Revenue Contribution (FY18)	Key Brands
Hair Care	21%	
Foods	18%	
Health Supplements	17%	
Oral Care	17%	
OTC & Ethicals	9%	
Others ²	18%	

1. Based on FY18 Revenue

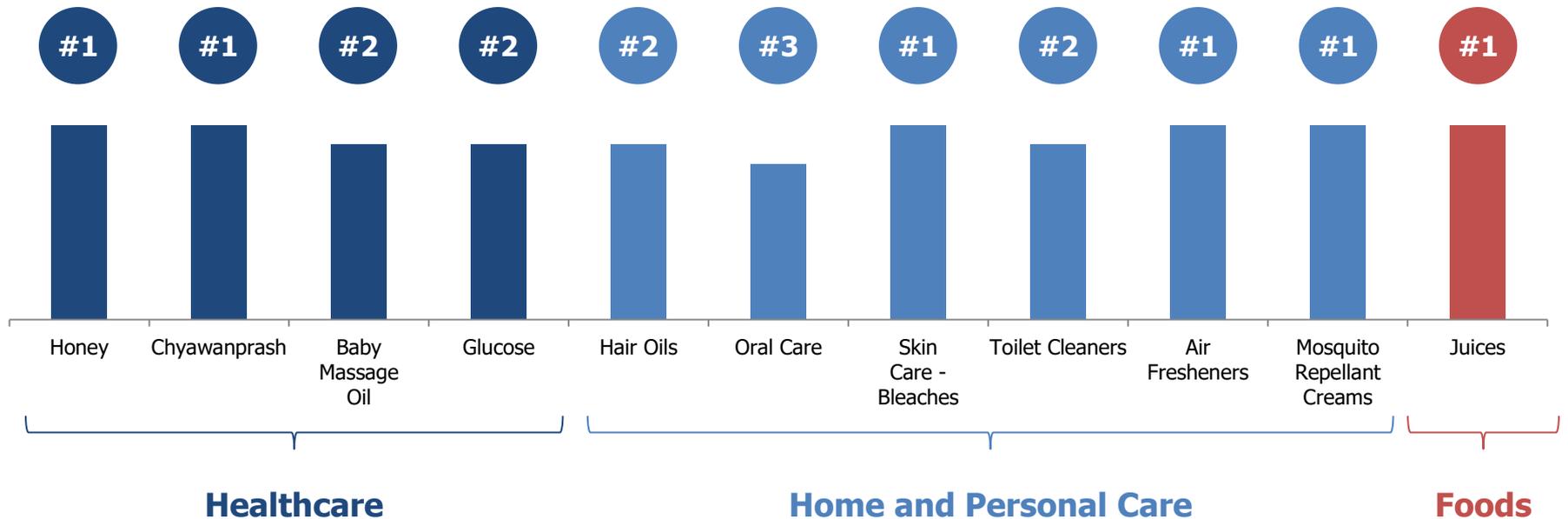
2. Others includes Digestives, Skin Care and Home Care

Market leader in 6 categories



Leading position in key categories across verticals

#Relative Competitive Position¹



¹. Position basis Nielsen Market Share data MAT Mar'18

Building bigger brands



10 bn+



Amla
Hair Oil



1 bn+



16 brands with turnover of INR 1bn+ with 3 brands which are INR 10bn+

Recent Innovations



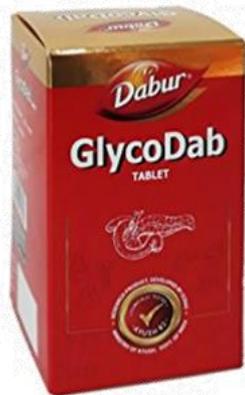
Vatika Shampoo with Satt Poshan



Vatika Enriched Coconut Hair Oil



Anmol Jasmine Hair Oil



**GlycoDab Tablets
(Ayurvedic Medicine)**



Odonil Zipper



Real Koolerz

Healthcare

- Leadership in Ayurveda – scientific evidence & research
- OTC portfolio to be scaled up through innovation & awareness creation
- 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

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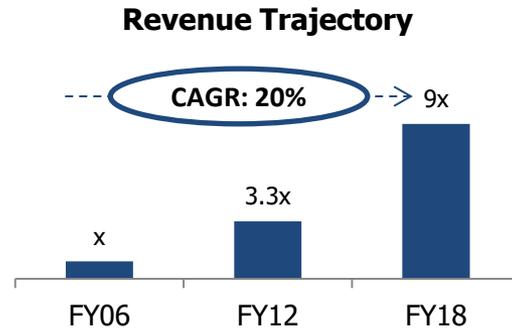
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Odonil's Journey

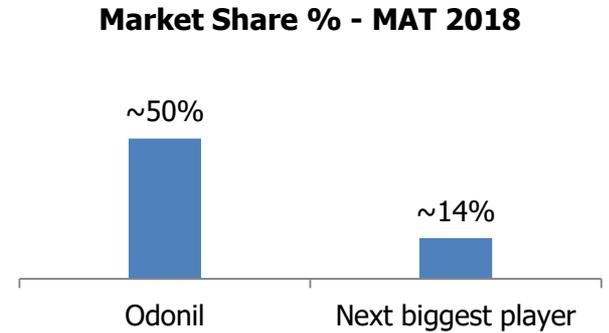
Led by constant innovation and evolving communication



Odonil has become 9x in the last 12 years...



...and is the market leader in the air fresheners category



Led by constant innovation and new launches in the space and...

FY06	FY11	FY13	FY15	FY18
Blocks	Pluggy	Gel	1 Touch Air Sanitizer	Zipper

Supported by evolving communication themes and advertisements

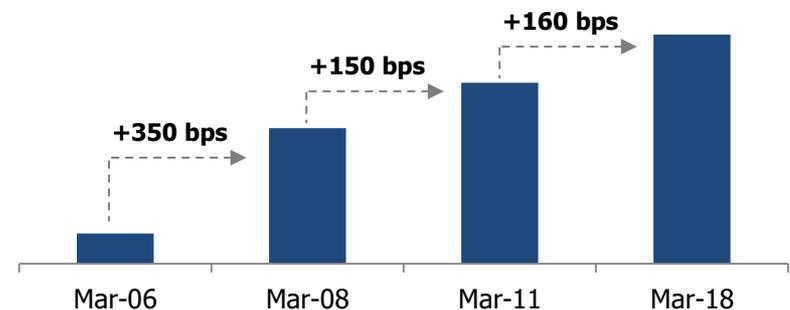
Till FY07 Mal Odor Removal	FY07 to FY11 Transformation(Mood)	FY11 to FY16 Transformation(Space)	Since FY16 Social Necessity

Dabur's journey to become the 3rd largest toothpaste company in India



- Over the last 15 years, Dabur has grown from a **tooth powder company to one of the top 3 players in the toothpaste category**
- **Entered the toothpaste category** with the launch of Dabur Red Paste in **2004**
- Acquisition of **Balsara in 2005 added Babool and Meswak brands to the herbal oral care portfolio**
- **Recently launched Dabur Red Gel to capture Ayurvedic segment among Gel users**
- Growing at a rapid pace, Dabur has become the **third largest toothpaste company in the country** and has a strong innovation pipeline

Consistent increase in market share of Dabur in the toothpaste category



Real continues on the journey of dominance in J&N category



Real Fruit Power



Real Activ



Real Wellnezz



Real Koolerz



Real Mocktails

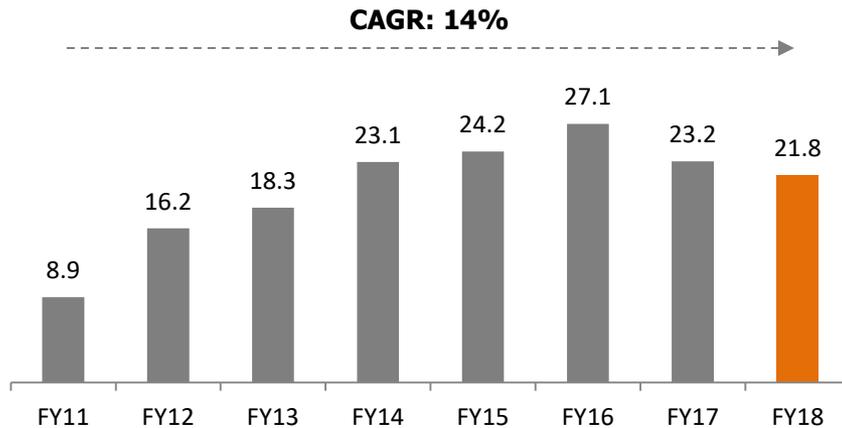


Real Activ Coconut Water

- Real Fruit Juices were **launched in 1998** to create the packaged fruit juice category in India
- **First to launch variants** like Litchi, Guava, Pomegranate, Cranberry, Supafruits, Mosambi and the 'Activ' range of fruit and veggie blends
- **More than 30 variants** in the portfolio currently
- Continuing to be the **market leader with >50% share**
- Recently launched **Real Koolerz** to enter the drinks category
- **Strong innovation pipeline to cater to consumers across the spectrum**

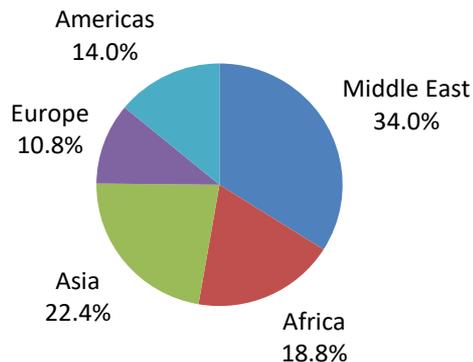
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Sales (INR bn)



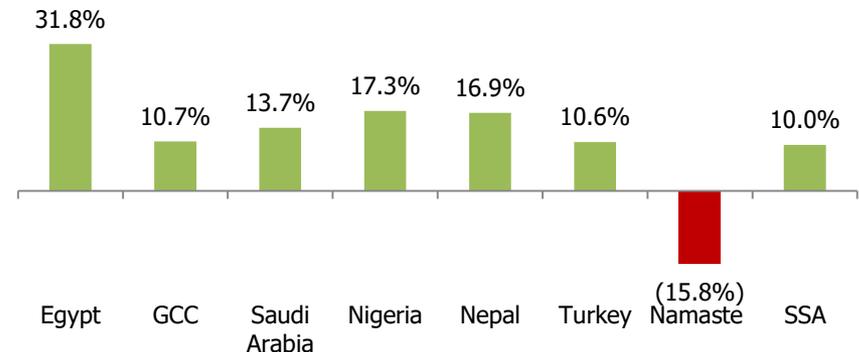
- International Business comprises the Organic and Acquired business
- Organic business (67% of international) is an extension of Indian portfolio with the same personal care brands operating internationally
- Acquired business (32% of international) comprises Hobi and Namaste
- FY17 and FY18 were impacted due to geopolitical headwinds and severe currency devaluation in our key markets

Region-wise Sales (FY18)

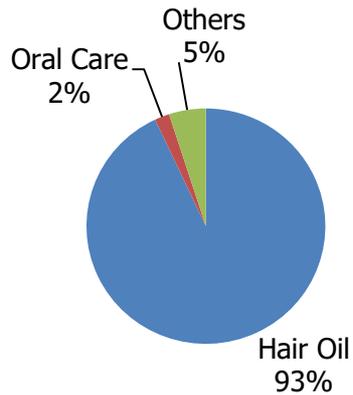


Performance of Key Markets (FY18)

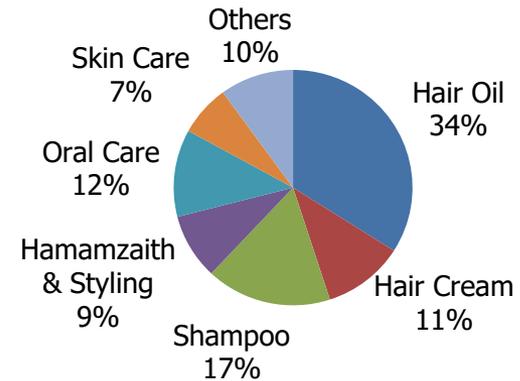
Constant Currency Growth Rate – FY18



FY06



FY18



Organic International Business has evolved from being just a Hair Oil business to a diversified personal care entity

Acquired International Business



Namaste



- **Key Geographies**
 - USA
 - Africa
- **Key Categories**
 - Straighteners
 - Styling
 - Shampoo & Conditioners

Hobi



- **Key Geographies**
 - Turkey
- **Key Categories**
 - Hair Styling
 - Shampoo & Conditioners
 - Liquid Soap
 - Skin & Body Care



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

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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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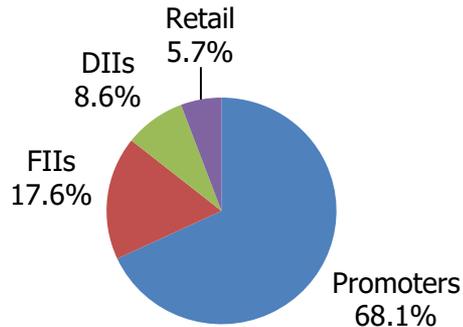


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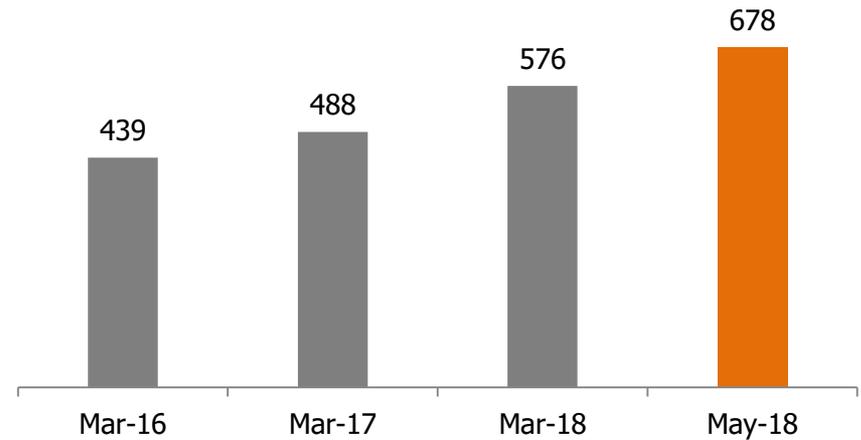
Shareholding, Market Cap and Dividends



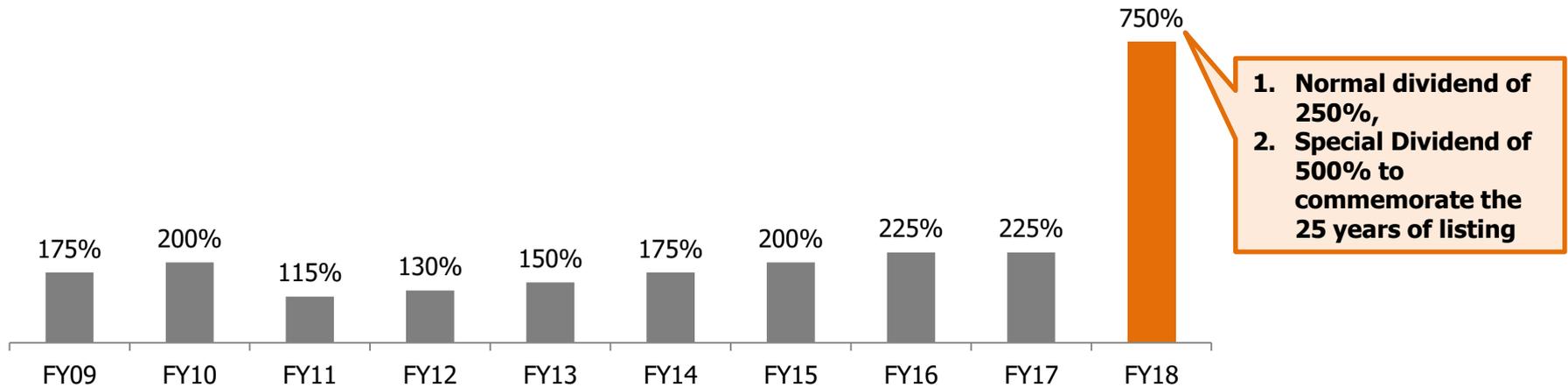
Shareholding pattern



Market Cap (INR bn)



Dividend history



**Real
activ**

SIP HEALTHY. STAY HEALTHY.

Get 100% apple juice for 100% health benefits.

Every 1 ltr pack of Real Activ Apple Juice is filled with the unadulterated goodness of 12* luscious apples. Just make the real choice and stay active.

- ✔ No Added Sugar
- ✔ No Added Colour
- ✔ No Added Preservatives

**Real
activ
100%**

**NO
ADDED SUGAR &
PRESERVATIVES**

Apple Juice

*1 ltr pack equals juice of 12 apples, each apple weighing approx 100g

DABUR CARES: CALL OR WRITE
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E-MAIL: daburcare@feedback.dabur.com
Website: dabur.com
TOLL FREE 1800-103-1644

Select Advertisements – May 2018



Dabur Anmol Jasmine
Abundant nourishment at a remarkable price.

Goodness of coconut oil, almonds and jasmine at 30% less price than Parachute Jasmine*

**100 ml
₹ 28/-**

	100ml	200ml
Anmol Jasmine	₹ 28	₹ 55
Parachute Jasmine	₹ 38 (90ml)	₹ 82
Your savings	₹ 10	₹ 27

DABUR CARE: CALL OR VISIT
TOLL FREE 1122-434444
*Based on MRP of the pack as on 16 May 2018

Dabur ALMOND HAIR OIL

The real cause of Hair Damage is Protein Loss from hair.

Your hair is made of protein. When hair loses protein, it gets damaged. But Dabur Almond Hair Oil provides your hair the nourishment of almond and the power of protein and Vitamin E. It helps maintain the protein in your precious locks making them damage-free and lustrous.

Almond Oil + Natural protein + Vitamin E = Damage control

**₹ 80/-
100ML + 50ML FREE**

Switch to Dabur Almond Hair Oil with added protein.

DABUR CARE: CALL OR VISIT
TOLL FREE 1122-434444
*Based on MRP of the pack as on 16 May 2018

डबल ब्राह्मी आँवला
ब्राह्मी और आँवला का पोषण सिर्फ ₹10 में

✓ ब्राह्मी और आँवला का पोषण
✓ लंबे, मजबूत बाल
✓ 40ml सिर्फ ₹10/- में
✓ नए फ्लॉप टॉप पैक में

**₹ 10/-
40 ml**

DABUR CARE: CALL OR VISIT
TOLL FREE 1122-434444
*Based on MRP of the pack as on 16 May 2018

Consolidated Profit & Loss



	Q4 FY18	Q4 FY17	Y-o-Y (%)	FY18	FY17	Y-o-Y (%)
Revenue from operations	2,032.9	1,914.7	6.2%	7,748.3	7,701.4	0.6%
Other Income	73.2	65.0	12.6%	305.2	298.3	2.3%
Total Income	2,106.1	1,979.7	6.4%	8,053.5	7,999.8	0.7%
Material Cost	1,002.4	976.1	2.7%	3,846.4	3,843.2	0.1%
<i>% of Revenue</i>	<i>49.3%</i>	<i>51.0%</i>		<i>49.6%</i>	<i>49.9%</i>	
Employee expense	180.7	173.1	4.4%	792.8	789.6	0.4%
<i>% of Revenue</i>	<i>8.9%</i>	<i>9.0%</i>		<i>10.2%</i>	<i>10.3%</i>	
Advertisement and publicity	125.6	123.0	2.1%	606.7	646.1	(6.1%)
<i>% of Revenue</i>	<i>6.2%</i>	<i>6.4%</i>		<i>7.8%</i>	<i>8.4%</i>	
Other Expenses	239.0	224.9	6.3%	885.0	913.5	(3.1%)
<i>% of Revenue</i>	<i>11.8%</i>	<i>11.7%</i>		<i>11.4%</i>	<i>11.9%</i>	
Operating Profit	485.2	417.6	16.2%	1,617.4	1,508.9	7.2%
<i>% of Revenue</i>	<i>23.9%</i>	<i>21.8%</i>		<i>20.9%</i>	<i>19.6%</i>	
EBITDA	558.4	482.6	15.7%	1,922.6	1,807.3	6.4%
<i>% of Revenue</i>	<i>27.5%</i>	<i>25.2%</i>		<i>24.8%</i>	<i>23.5%</i>	
Finance Costs	13.2	11.7	13.5%	53.0	54.0	(1.8%)
Depreciation & Amortization	42.6	39.5	7.7%	162.2	142.9	13.5%
Profit before exceptional items, tax and share of profit/(loss) from joint venture	502.6	431.4	16.5%	1,707.4	1,610.4	6.0%
<i>% of Revenue</i>	<i>24.7%</i>	<i>22.5%</i>		<i>22.0%</i>	<i>20.9%</i>	
Share of profit / (loss) of joint venture	(0.2)	(0.1)	n.m.	0.2	0.3	(5.6%)
Exceptional item(s)	0.0	0.0	n.a.	14.5	0.0	n.a.
Tax Expenses	105.2	97.7	7.7%	335.4	330.3	1.5%
Net profit after tax and after share of profit/(loss) from joint venture	397.2	333.7	19.0%	1,357.7	1,280.3	6.0%
<i>% of Revenue</i>	<i>19.5%</i>	<i>17.4%</i>		<i>17.5%</i>	<i>16.6%</i>	
Non controlling interest	1.0	0.5	81.2%	3.3	3.4	(0.7%)
Net profit for the period/year	396.2	333.1	18.9%	1,354.4	1,276.9	6.1%
<i>% of Revenue</i>	<i>19.5%</i>	<i>17.4%</i>		<i>17.5%</i>	<i>16.6%</i>	

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

Particulars		As at 31/03/2018 (Audited)	As at 31/03/2017 (Audited)
A	Assets		
1	Non-current assets		
	(a) Property, plant and equipment	1,552	1,479
	(b) Capital work-in-progress	42	42
	(c) Investment property	54	55
	(d) Goodwill	412	411
	(e) Other Intangible assets	10	14
	(f) Financial assets		
	(i) Investments	3,092	2,499
	(ii) Loans	13	12
	(ii) Others	4	4
	(g) Other non-current assets	3	3
	(h) Non-current tax assets (net)	80	95
	Total Non-current assets	5,262	4,615
2	Current assets		
	(a) Inventories	1,256	1,107
	(b) Financial assets		
	(i) Investments	713	741
	(ii) Trade receivables	706	650
	(iii) Cash and cash equivalents	154	163
	(iv) Bank Balances other than (iii) above	152	142
	(v) Loans	35	11
	(vi) Others	28	14
	(c) Current Tax Asset(Net)	2	0
	(d) Other current assets	391	290
	(e) Assets held for sale	2	0
	Total current assets	3,440	3,117
	Total Assets	8,702	7,732

Consolidated Balance Sheet (2 of 2)



All figures are in INR crores, unless otherwise stated

Particulars		As at 31/03/2018 (Audited)	As at 31/03/2017 (Audited)
B	Equity and Liabilities		
1	Equity		
	(a) Equity share capital	176	176
	(b) Other Equity	5,530	4,671
	Equity attributable to shareholders of the Company	5,707	4,847
	Non Controlling Interest	27	25
	Total equity	5,733	4,872
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	364	471
	(ii) Other financial liabilities	4	4
	(b) Provisions	56	53
	(c) Deferred tax liabilities (Net)	109	108
	Total Non-current liabilities	534	636
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	464	440
	(ii) Trade payables	1,410	1,309
	(iii) Other financial liabilities	238	174
	(b) Other current liabilities	173	169
	(c) Provisions	107	93
	(d) Current tax Liabilities (Net)	41	38
	Total Current liabilities	2,434	2,224
	Total Equity and Liabilities	8,702	7,732



**बदहज़मी, गैस और
जलन से जल्द राहत,
सुपरएक्टिव
पुदीना सत्व के साथ!**

आयुर्वेद है, खरा है, पुदीन हरा है



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