

**INVESTOR PRESENTATION
SEPTEMBER 2017**



The Science of Ayurveda

DABUR OVERVIEW

One of the oldest and largest FMCG Companies in the country

World's largest in Ayurveda and natural healthcare

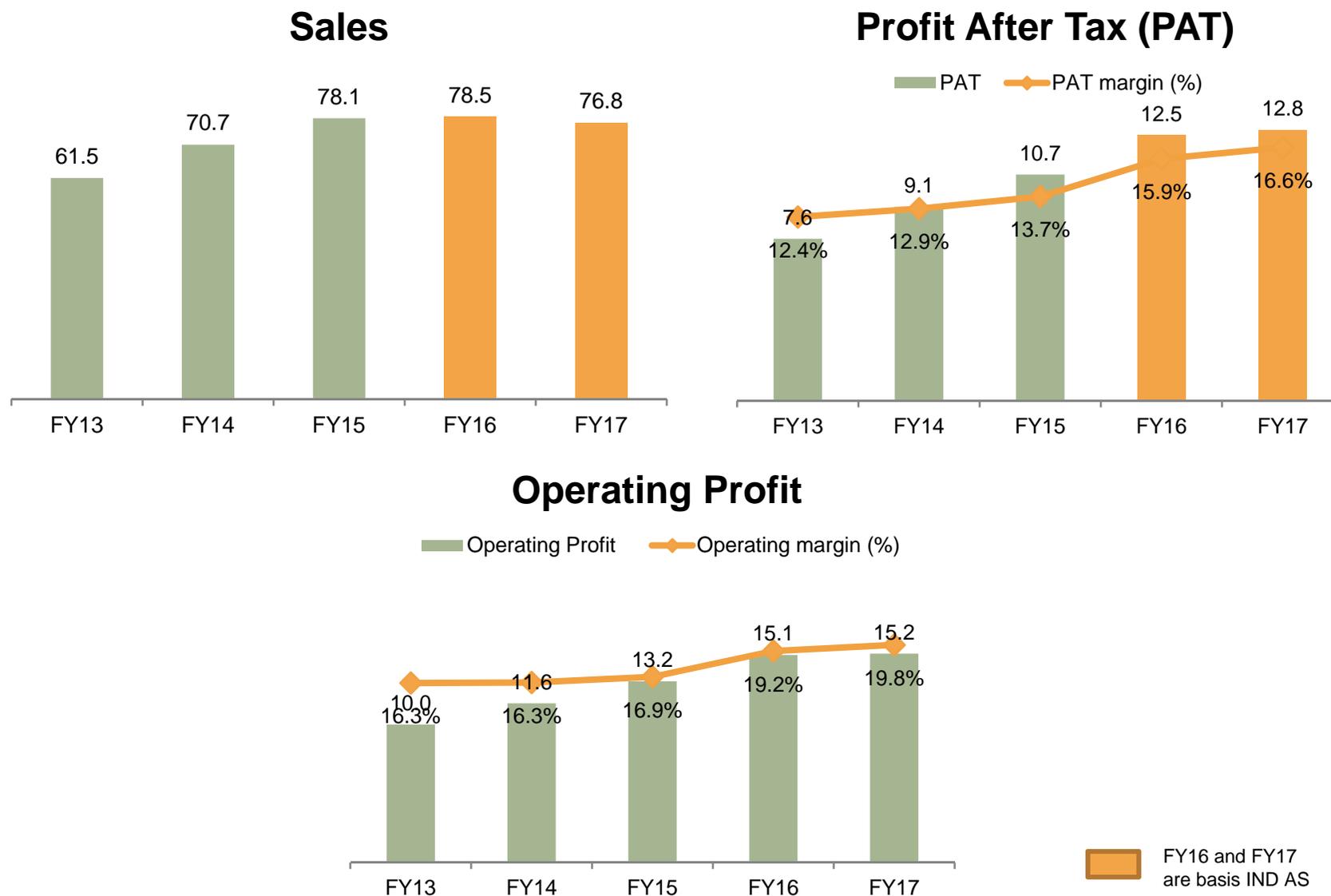
Total reach of 6 mn outlets, one of the highest among FMCG companies

Nineteen world class manufacturing facilities catering to needs of diverse markets

Strong overseas presence with 30% contribution to consolidated sales

STRONG FINANCIAL PROFILE

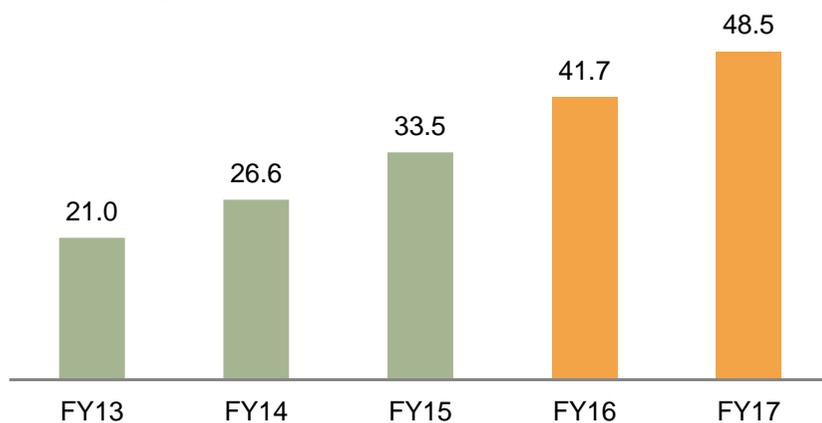
In INR Bn



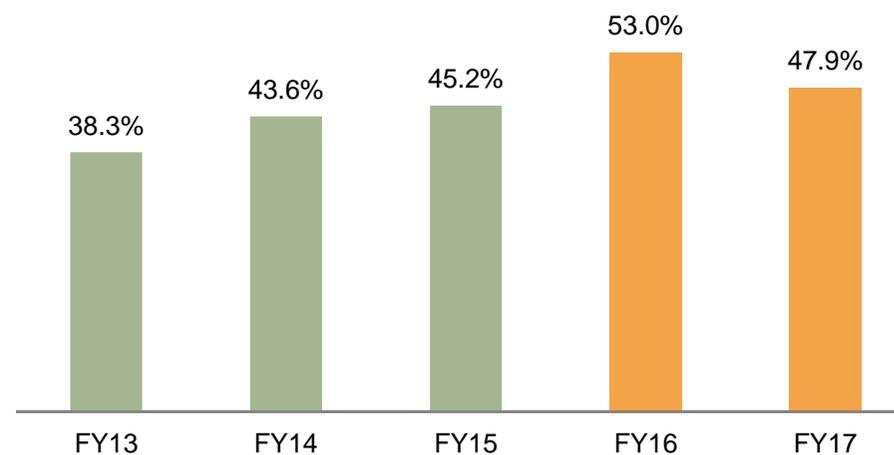
STRONG FINANCIAL PROFILE

Shareholders' Funds

In INR Bn

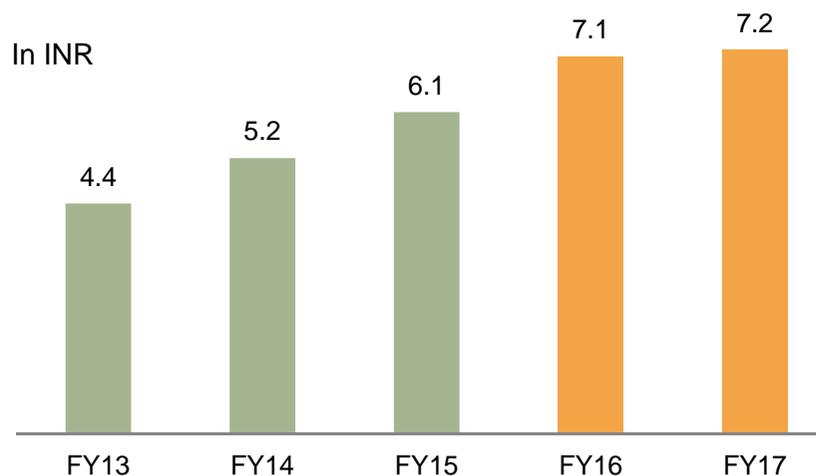


ROIC



Earnings Per Share

In INR



 FY16 and FY17 are basis IND AS

MANUFACTURING FACILITIES

Twelve Domestic Manufacturing Locations in India

Baddi, Himachal Pradesh

Pantnagar, Uttaranchal

Sahibabad, Uttar Pradesh

Jammu, J&K

Silvasa, Dadra & Nagar Haveli

Alwar, Rajasthan

Katni, Madhya Pradesh

Narendrapur, West Bengal

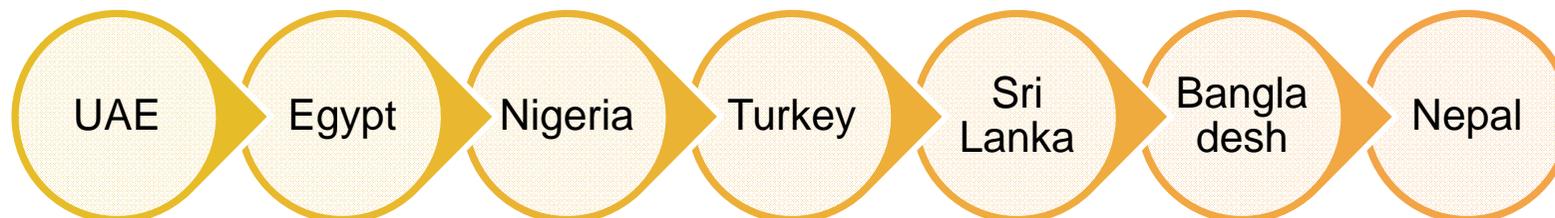
Pithampur, Madhya Pradesh

Tezpur, Assam

Newai, Rajasthan

Nasik, Maharashtra

Seven International Manufacturing Locations

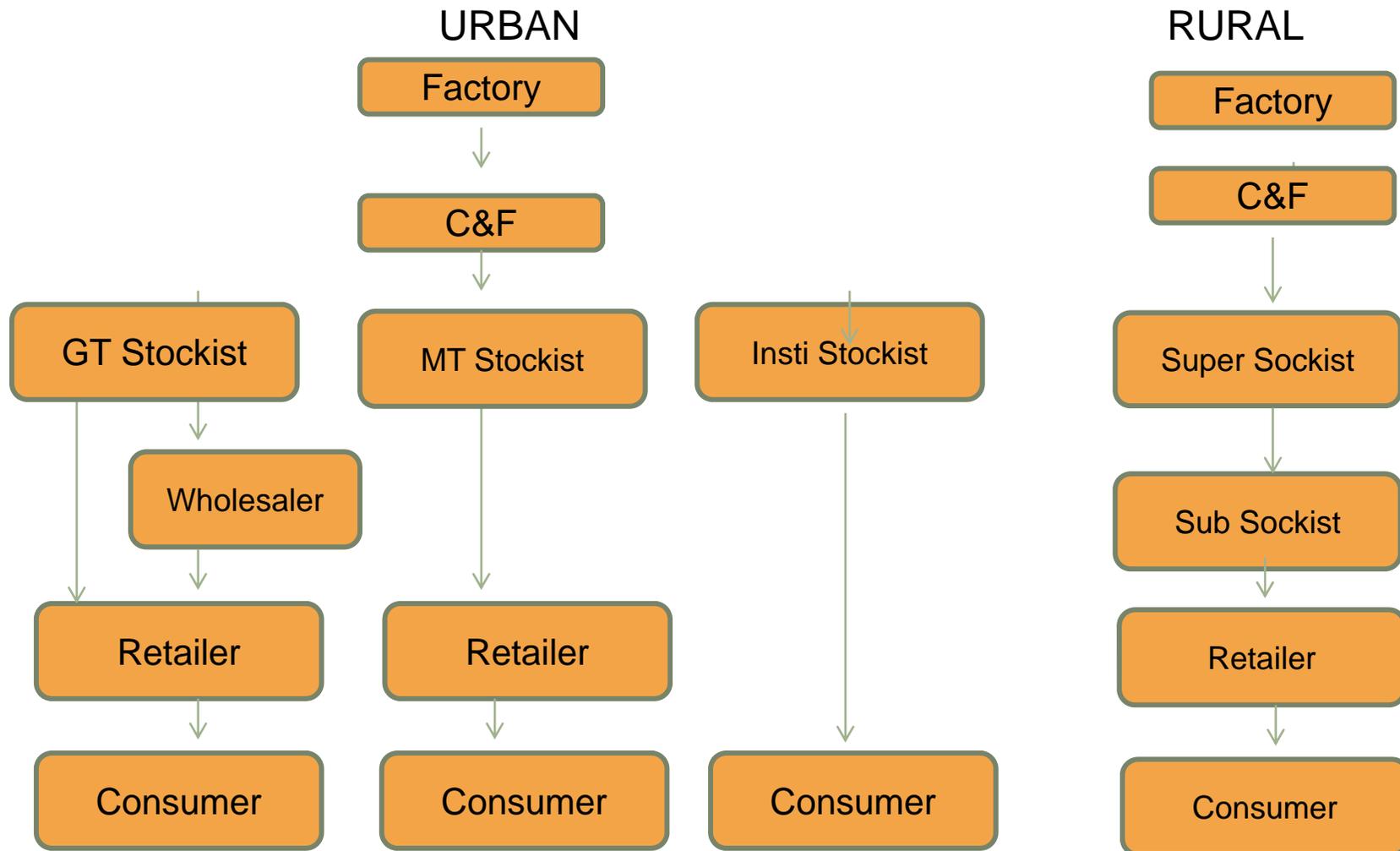


TEZPUR PLANT

- **New manufacturing facility commissioned in Tezpur, Assam in March'17.**
- Investment of Rs 250 Crore
- Largest production facility for Dabur across the globe
- Will manufacture entire range of Dabur's Ayurvedic Medicines, Health Supplements, Hair Oils, Shampoos, Toothpastes, Skin Care and Home Care products
- Spread over 30 acres of land, this factory features fully automated processing lines and automated packing lines to optimize supply chain and quality management with special focus on environment and sustainability



DISTRIBUTION NETWORK



Distribution reach of 6 mn retail outlets; Cover over 45000 villages directly

DISTRIBUTION INITIATIVES



Focus on enhancing field efficiencies

- Inducted around 1000 Village salesmen on company rolls
- Increase the outlet coverage per SSM

Increasing Direct Reach

- Near term target to increase direct reach to 1 mn outlets

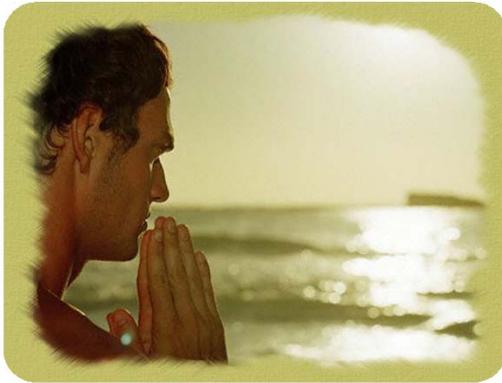
Product Focus

- Rural Focused Product Mix
- Innovative launches in Urban

Capability enhancement through training and IT enablement

Focus on alternative channels- Increased role of Modern Trade, Cash & Carry and E Commerce

WHAT IS AYURVEDA?



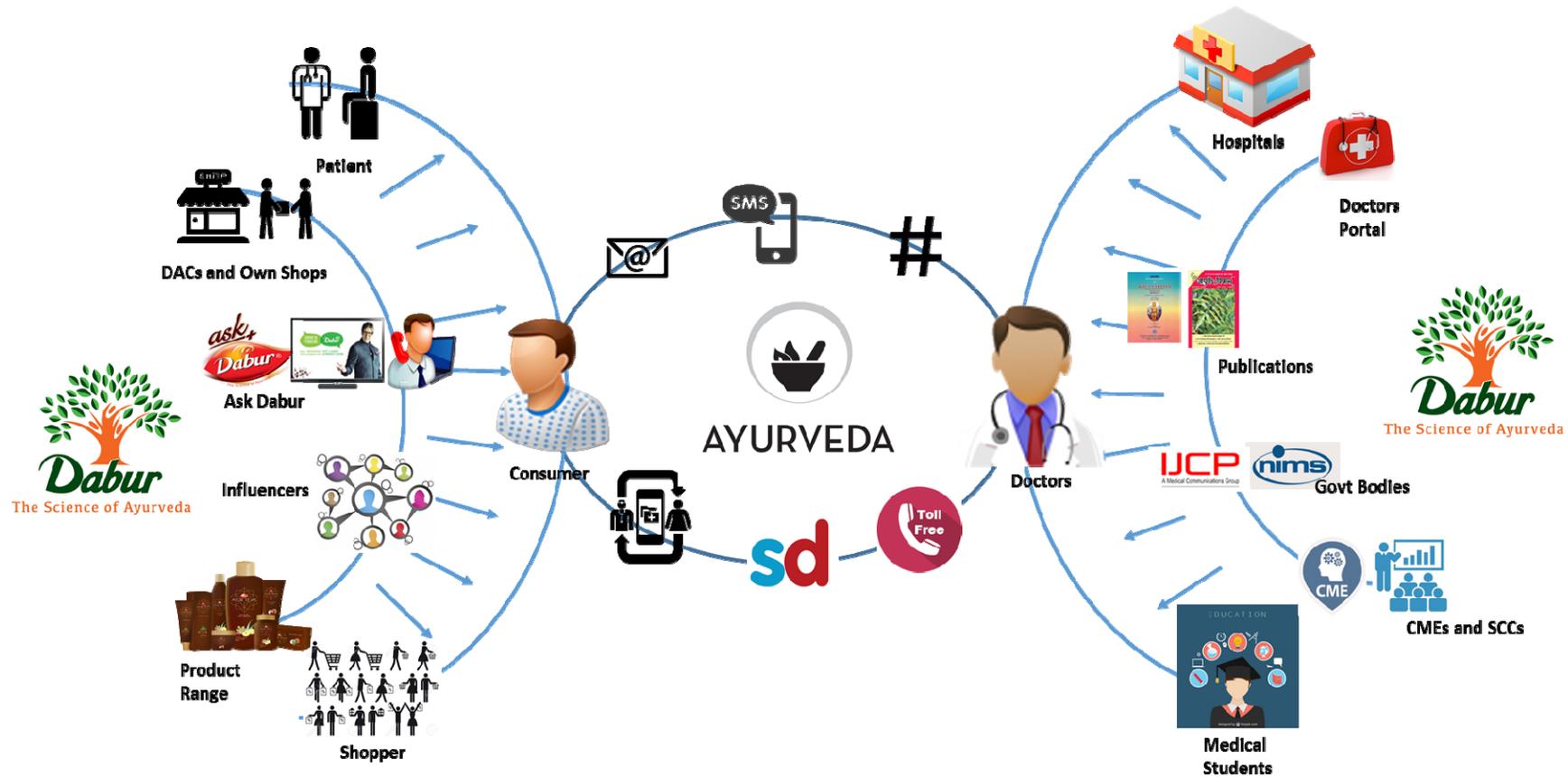
“AYUR” + “VEDA” = SCIENCE OF LIFE

Ayurveda is the traditional system of healthcare which promotes PREVENTION and CURE

- Ayurveda is based upon Natural Remedies which incorporate the healing properties of plants and herbs.
- It is a holistic system which heals by activating the natural inherent curative force of the body



DABUR & AYURVEDA



Dabur has created the Ayurveda eco system over many decades involving R&D, medical fraternity, hospitals, patients along with manufacturing and selling the entire product range of Classical Ayurveda

CLAIM BASED COMMUNICATION



Double immunity

**DOUBLE
Immunity***
Clinically Tested



2X faster physical growth



Clinically proven formula



Clinically proven formula



Stay fit, feel young

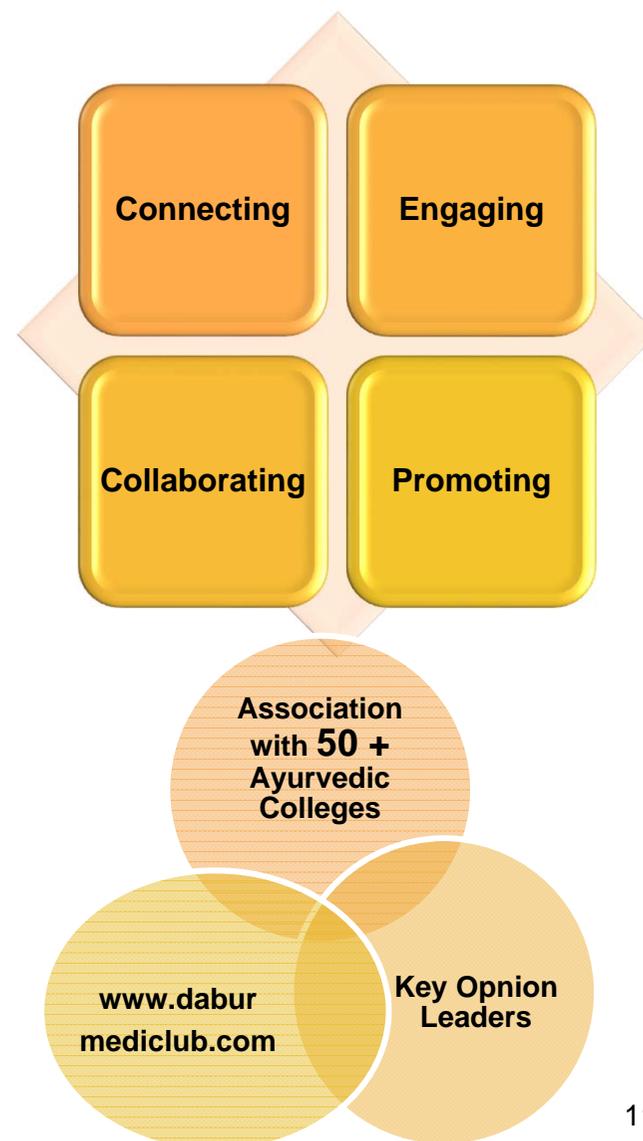
**STAY FIT,
FEEL YOUNG**

Dabur focuses on evidence based claims for its products

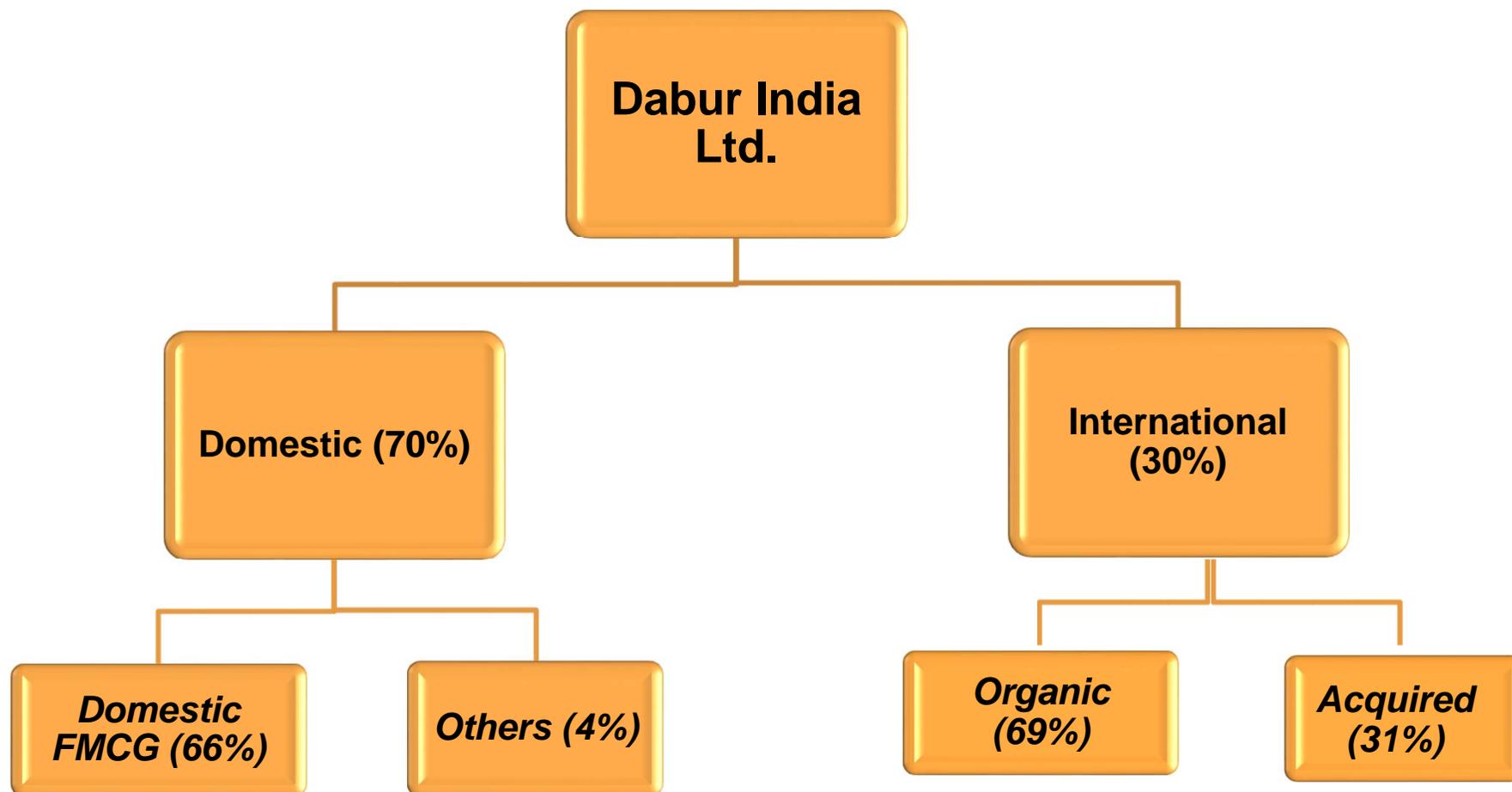
PROMOTING AYURVEDA: DOCTOR REACH

**Directly
reaching
32000+
Doctors**

- Detailing and Product sampling



DABUR BUSINESS STRUCTURE

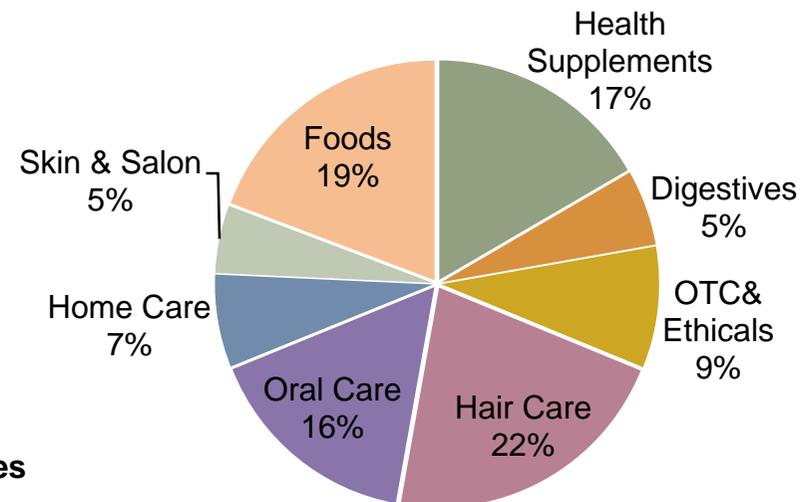
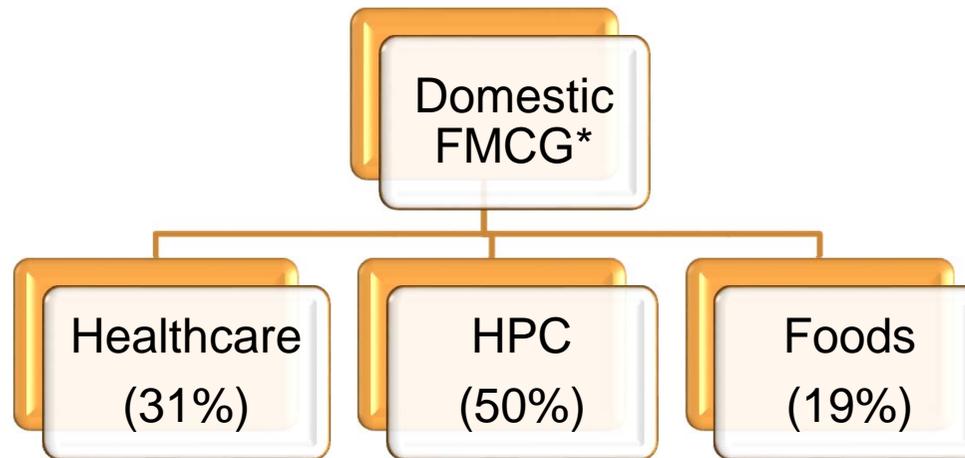


* Others include Retail, Commodity exports etc

Note: % figure in brackets indicate % share in Consolidated Sales for FY17

INDIA BUSINESS

SALES BY BUSINESS VERTICAL

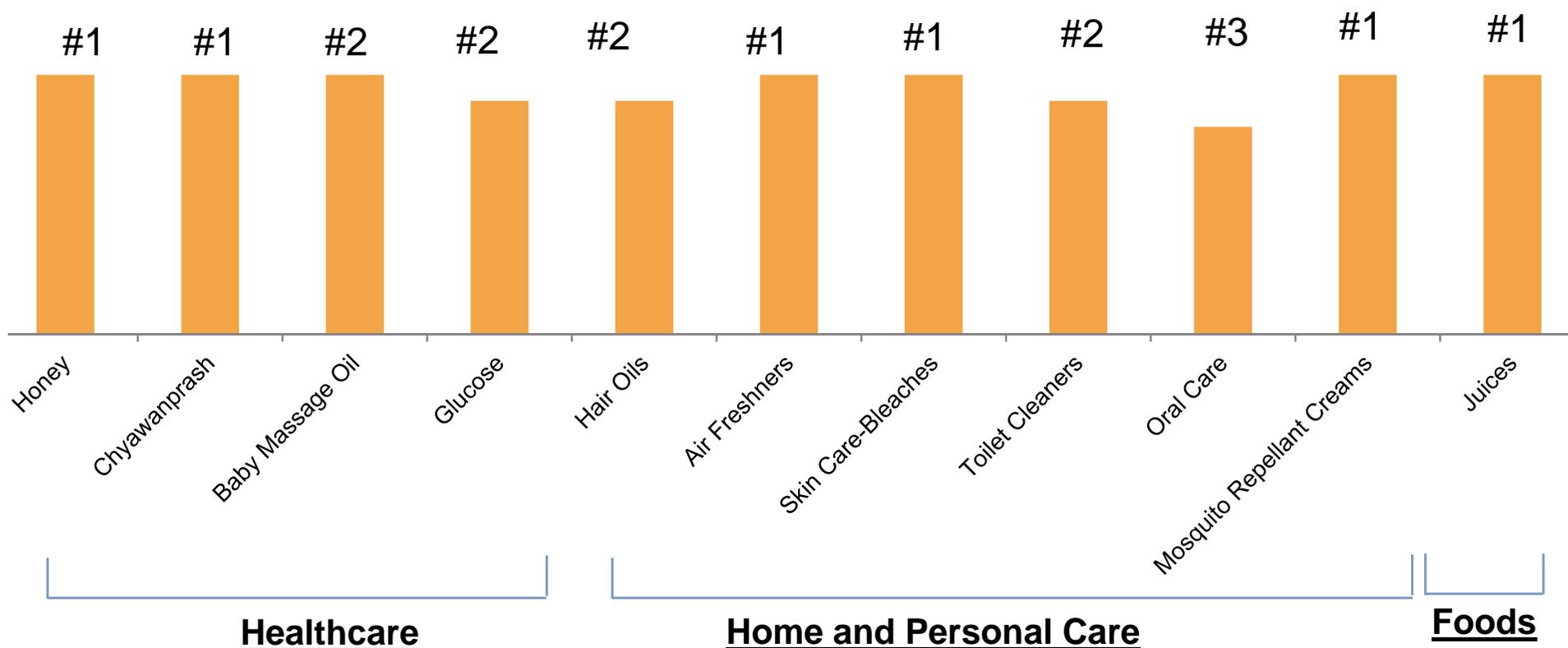


* Breakdown of Domestic FMCG business basis FY17 Sales

MARKET LEADER IN 6 CATEGORIES

Leading position in key categories across verticals

#Relative Competitive Position



* Position basis Nielsen Market Share data MAT Mar'17
15.

BUSINESS STRATEGY

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

Foods

- Maintain leadership in Juices & Nectars category
- Leveraging the Fruit equity associated with the 'Real' brand
- Focus on 'Healthy' range of products

FOCUS ON INNOVATIONS



Dabur Red Gel



Dabur Woman Restorative Tonic



Dabur Honey Tulsi & Ginger



Dabur Madhurakshak



Dabur Brahmi Amla Hair Oil



Honitus Hot Sip



Real Wellnezz Amla



Fem Ultra Gold Bleach

CONTINUE TO BUILD BIGGER BRANDS

10bn+



1bn+



16 brands with turnover of INR 1bn+ with 3 brands over 10bn

MOST TRUSTED BRANDS



ORAL CARE

2016 2015

1	Colgate	1
2	Closeup	2
3	Dabur (Toothpaste)	4
4	Pepsodent	3
5	Patanjali Dant Kanti	NE
6	Oral-B	5
7	Vicco Vajradanti	7
8	Babool	6
9	Sensodyne	9
10	Anchor	8

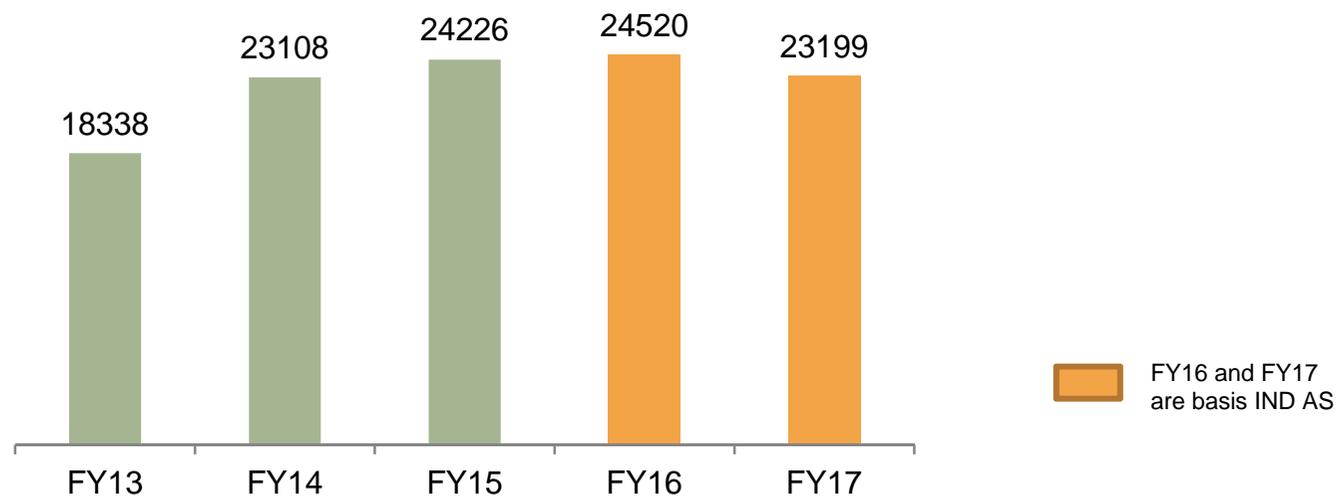
- **Dabur Red Paste** and **Dabur Hajmola** – have been ranked amongst the **biggest gainers in the latest Brand Equity Most Trusted Brands List**
- Dabur Red Paste moved up 66 places and **was ranked 34 in the Brand Equity Most Trusted Brands 2016** list, released by The Economic Times, up from its ranking of 100 in the previous year
- In the Oral Care category list, ***Dabur Red Paste took the third place***, a gain of one rank from the previous year. The year 2016 had seen Dabur Red Paste also break into the Top 3 in the market, becoming the third largest toothpaste brand in the country.
- **Hajmola** gained 38 places and was ranked 85 in the list. The brand was also ranked in the **Top 5 in the OTC category** for 2016

INTERNATIONAL BUSINESS

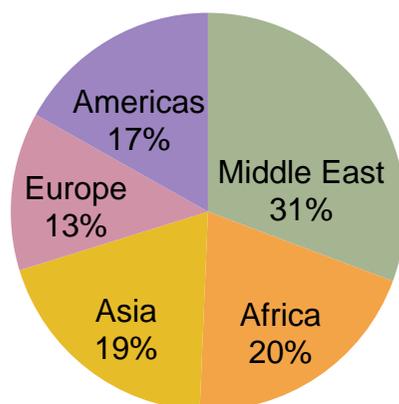
BUSINESS OVERVIEW

Sales Trend

In INR Mn



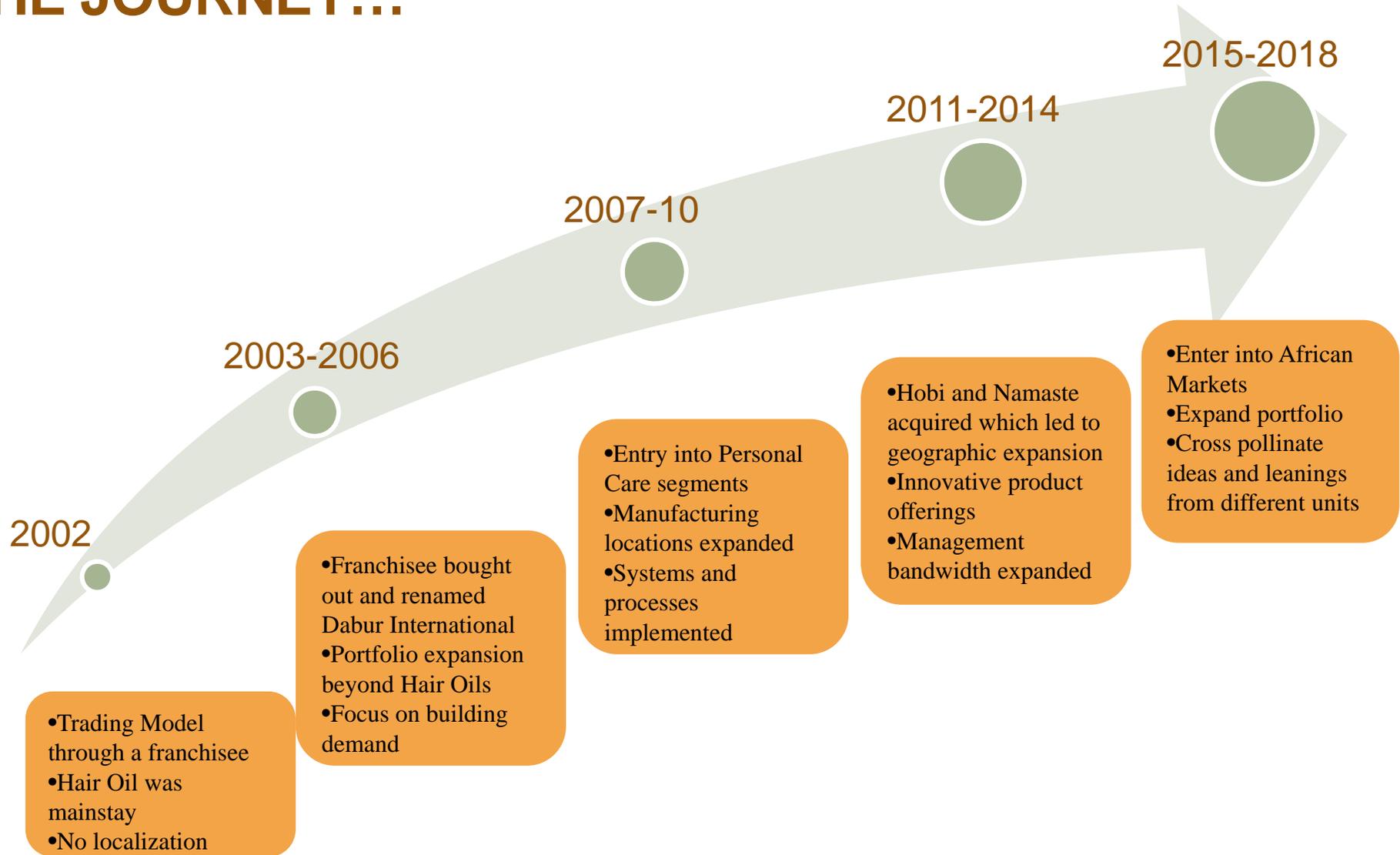
Regionwise Sales:FY 2016-17



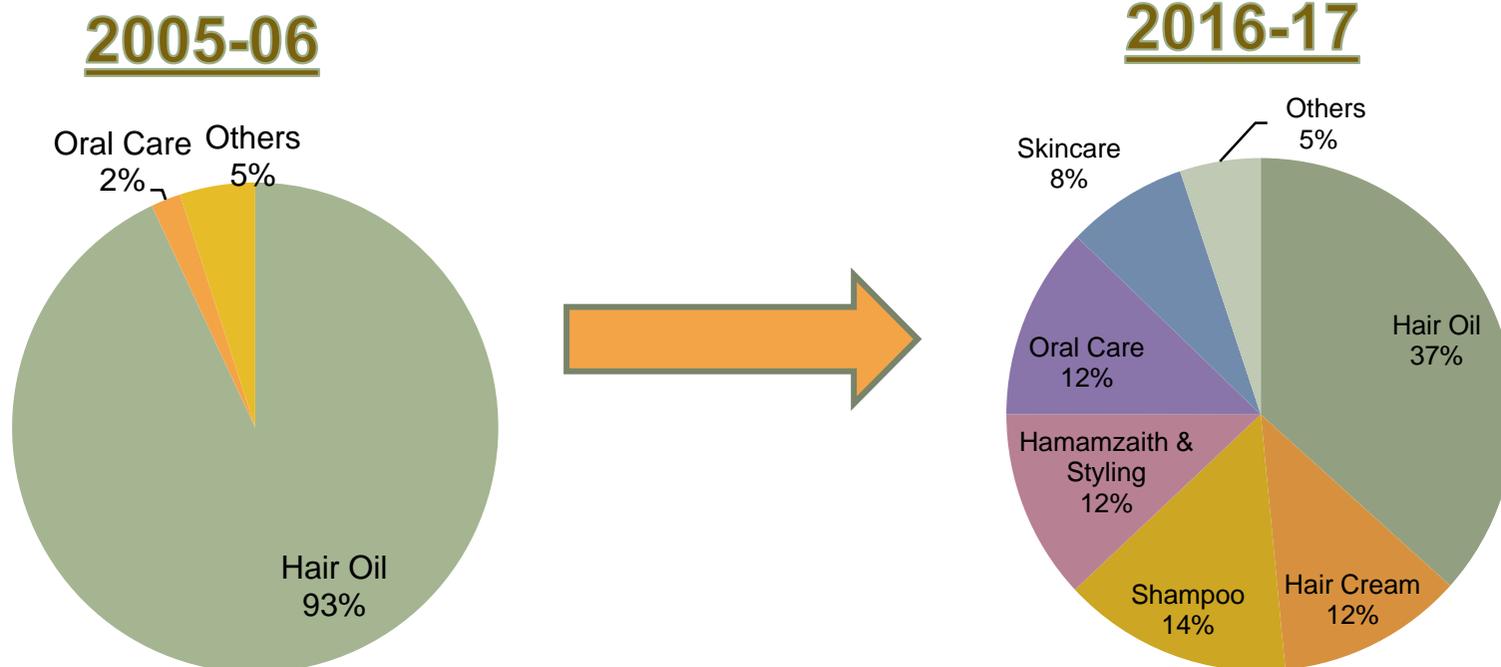
Key Markets



THE JOURNEY...



ORGANIC INTERNATIONAL BUSINESS



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

RECENT INNOVATIONS - IBD



Dermoviva Facial Fluid Range



Amla Men Hair Tonic



Herbal Olive Enamel Care Toothpaste



Vatika Shampoo Relaunch



Dermoviva Baby Range- Olive Enriched Powder and Olive Baby Soap



Vatika Stand Tough Styling Gel

IBD : BUSINESS STRATEGY

Capitalize on the “Herbal Wave” trend

Focus on Core Categories like Hair Care, Oral Care and Skin Care

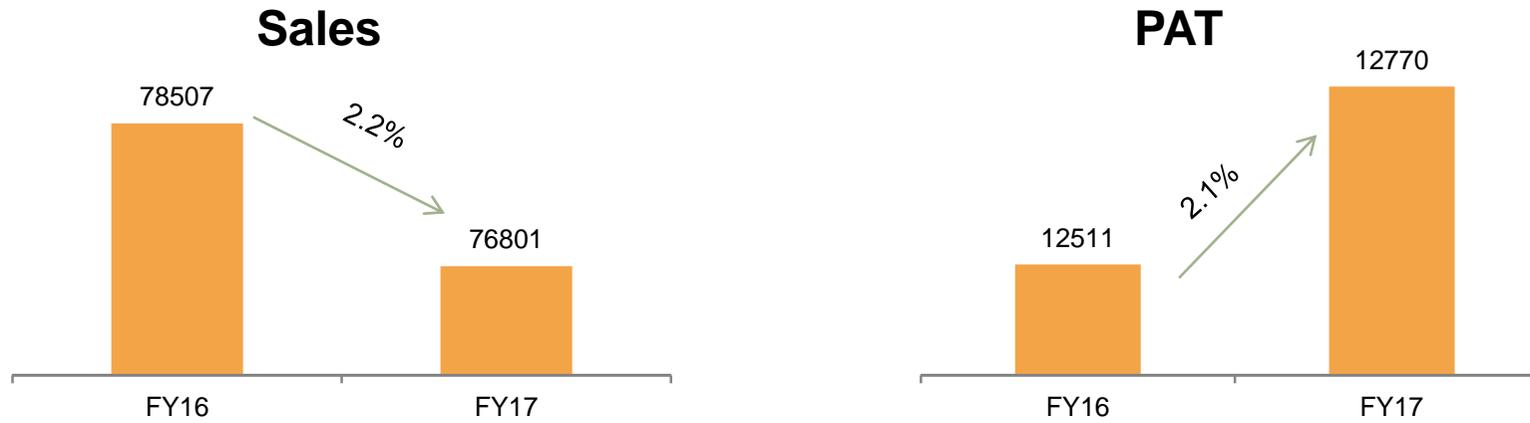
Leveraging Digital platform to enhance consumer awareness and brand visibility

Optimize Advertising spends and capture better efficiencies

Continued focus on brand innovation and renovation

CONSOLIDATED PERFORMANCE : FY17

In INR Mn



- Sales for FY17 declined by 2.2% and stood at Rs.76.8 bn. However, Sales were flattish in constant currency terms
- PAT increased by 2.1% and stood at Rs.12.77 bn.
- Operating margin increased from 19.3% in FY16 to 19.6% in FY17
- Domestic business was impacted because of trade disruption and pipeline correction during demonetisation
- International business faced headwinds because of geo political disturbance in the Middle East and currency volatility in Egypt, Nigeria and Turkey

GST IMPACT

- Netting of GST from sales will reduce topline by around 5%
- No material impact on bottomline as net effect of GST is more or less neutral
- GST roll off has been smooth with all direct channel partners coming on board
- Wholesale trade yet to come back to normalcy; however other channels such as Cash & Carry, Modern Trade, E commerce and Super-Sub networks have picked up
- Trade de-stocking preceding the GST implementation hurt sales in Q1FY18
- However longer term GST should be positive for the sector with increasing compliance and streamlining of logistics and supply chain.

SUSTAINABILITY: A KEY FOCUS

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

2537

*farmers/beneficiaries
of our Agronomical
initiatives in India*

9.3 lakh

*saplings of rare herbs
distributed free of
cost to farmers*

1253 Household
toilets constructed

2374 students

*benefited from School
Support Programmes*

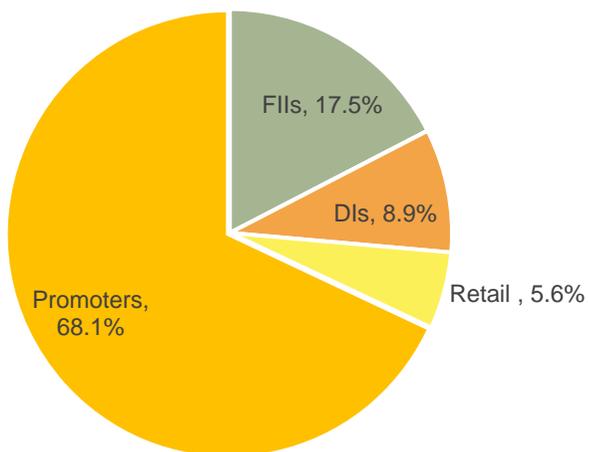
393

*Women gained literacy
at our Adult literacy
centres*

510 women trained
at our vocational
training centers

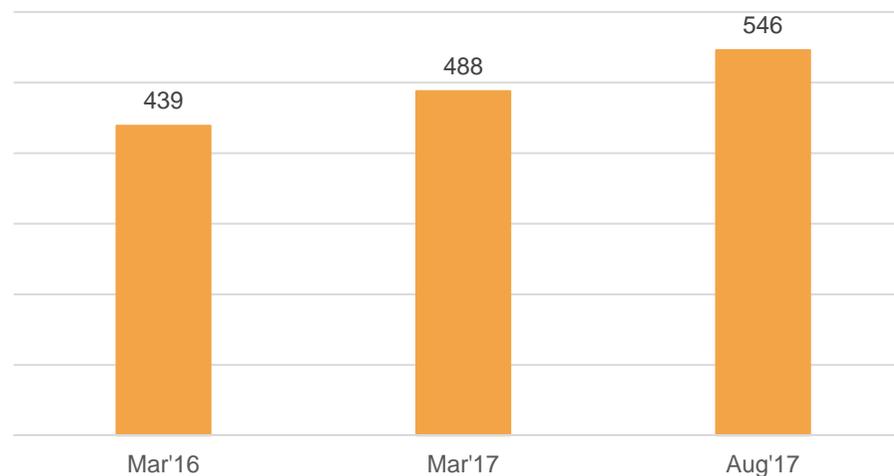
SHAREHOLDING, M CAP AND DIVIDEND

Shareholding Pattern - As on 4th August, 2017

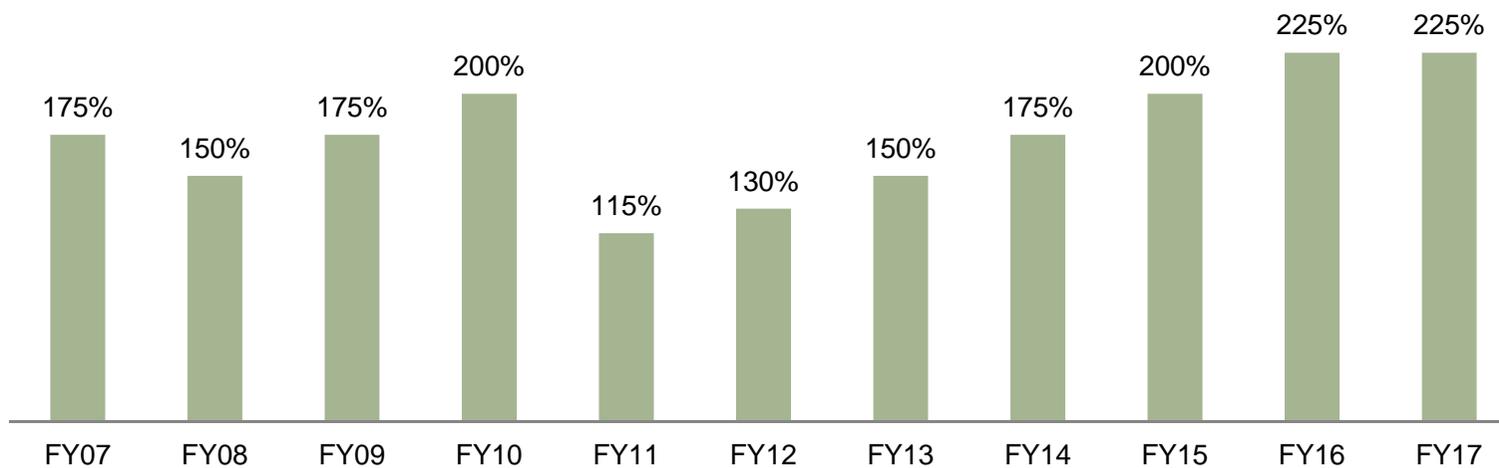


Market Cap

In INR Bn



Dividend History



CONSOLIDATED P&L : FY2016-17

In INR Mn

DIL (Consolidated) P&L	FY17	FY16	YoY (%)
Net Sales	76,801	78,507	-2.20%
Other Operating Income	214	180	18.40%
Material Cost	38,432	38,496	-0.20%
% of Sales	50.0%	49.0%	
Employee Expense	7,896	7,941	-0.60%
% of Sales	10.3%	10.1%	
Advertising & Publicity	6,461	7,716	-16.30%
% of Sales	8.4%	9.8%	
Other Expenses	9,135	9,352	-2.30%
% of Sales	11.9%	11.9%	
Operating Profit	15,089	15,183	-0.60%
% of Sales	19.6%	19.3%	
Other Non Operating Income	2,983	2,172	37.40%
EBITDA	18,073	17,355	4.10%
% of Sales	23.5%	22.1%	
Finance Costs	540	485	11.40%
Depreciation & Amortization	1,429	1,332	7.30%
Profit Before Tax (PBT)	16,104	15,538	3.60%
Tax Expenses	3,303	2,999	10.10%
PAT	12,801	12,539	2.10%
Minority Interest - Profit/(Loss)	34	27	
Share of profit / (loss) of associates & joint venture	3	-0	
PAT (After Minority Int)	12,770	12,511	2.10%
% of Sales	16.6%	15.9%	

Note: IND AS implemented w.e.f 1st April, 2016

STATEMENT OF ASSETS AND LIABILITIES

In INR Mn



Particulars		31.3.2017	31.3.2016
ASSETS			
	Non-current assets		
	(a) Property, plant and equipment	14,790	12,388
	(b) Capital work-in-progress	421	448
	(c) Investment property	550	606
	(d) Goodwill	4,105	4,105
	(e) Other Intangible assets	139	181
	(f) Financial assets		
	(i) Investments	24,994	18,809
	(ii) Others	124	132
	(g) Other non-current assets	1,023	498
	Total Non-current assets	46,146	37,166
	Current assets		
	(a) Inventories	11,067	10,965
	(b) Financial assets		
	(i) Investments	7,408	7,492
	(ii) Trade receivables	6,504	8,092
	(iii) Cash and cash equivalents	1,632	1,312
	(iv) Bank Balances other than (iii) above	1,416	887
	(v) Others	341	291
	(c) Current Tax Asset(Net)		31
	(c) Other current assets	2,797	3,088
	Total current assets	31,165	32,157
	TOTAL ASSETS	77,310	69,323
	EQUITY AND LIABILITIES		
	(a) Equity share capital	1,762	1,759
	(b) Other Equity	46,712	39,947
	Equity attributable to shareholders of the Company	48,474	41,706
	Non Controlling Interest	248	217
	Total equity	48,722	41,923
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	4,712	3,424
	(ii) Other financial liabilities	37	50
	(b) Provisions	534	509
	(c) Deferred tax liabilities (Net)	1,080	882
	Total Non-current liabilities	6,364	4,865
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	4,403	4,497
	(ii) Trade payables	13,027	13,301
	(iii) Other financial liabilities	1,737	1,203
	(b) Other current liabilities	1,754	2,317
	(c) Provisions	919	905
	(d) Current tax Liabilities (Net)	385	310
	Total Current liabilities	22,225	22,535
	TOTAL EQUITY AND LIABILITIES	77,310	69,323

Thank You

For any queries and feedback please contact :

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