

**Financial Analysts
and
Institutional Investors
Meet**

6 Sep 2019

Agenda

1. Dabur's Recent Performance

2. Recent Macroeconomic Trends

3. Our Growth Strategy

4. International Business

Dabur – A Leader in Ayurveda & Natural Healthcare

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

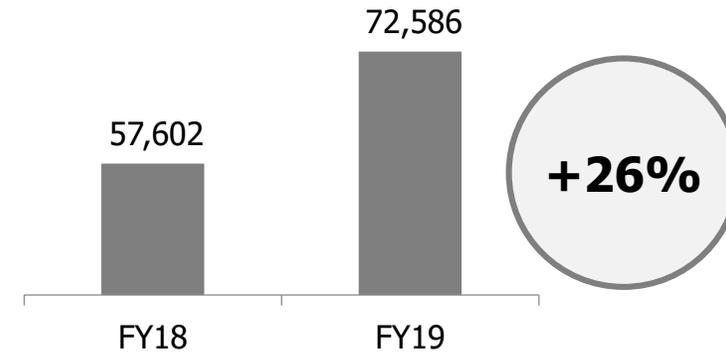
Strong overseas presence with ~27% contribution

Market Cap: US\$ 11 bn

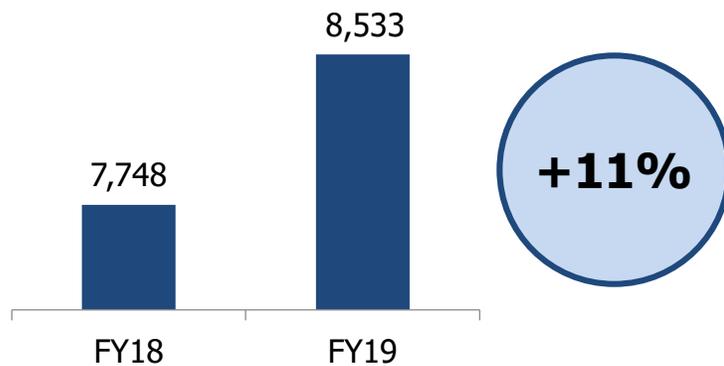
The Year Gone By – FY19 Performance

**Volume
Growth
11%**

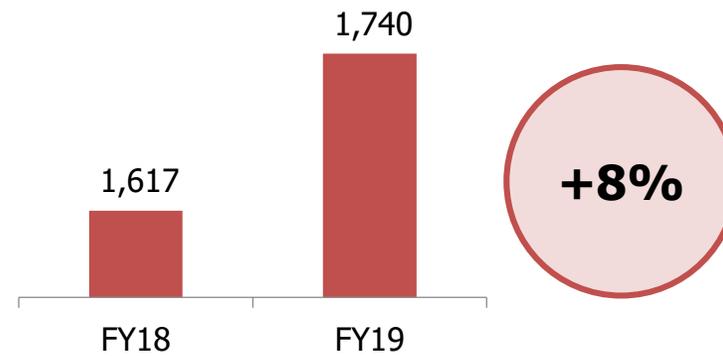
Market Capitalization (Rs. crore)



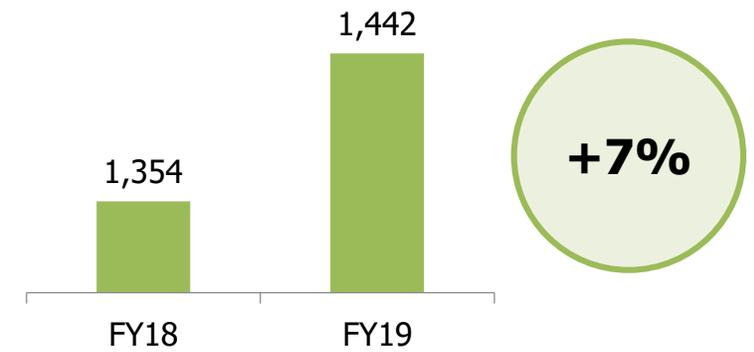
Revenue from Operations



Operating Profit



Net Profit/ PAT



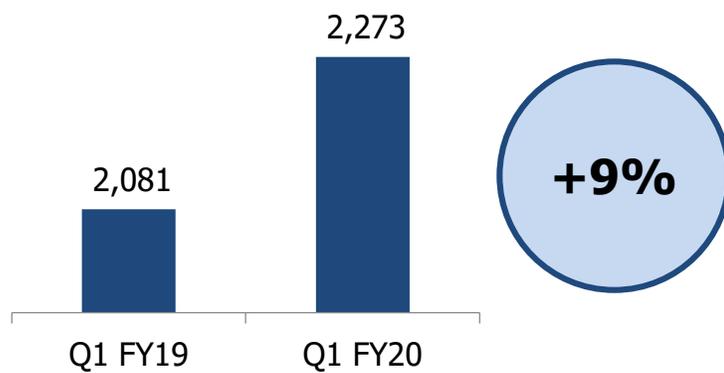
Note:

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

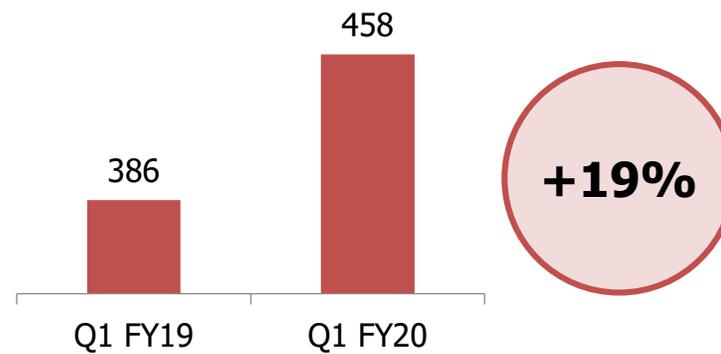
Q1 FY20 Performance

Volume
Growth
9.6%

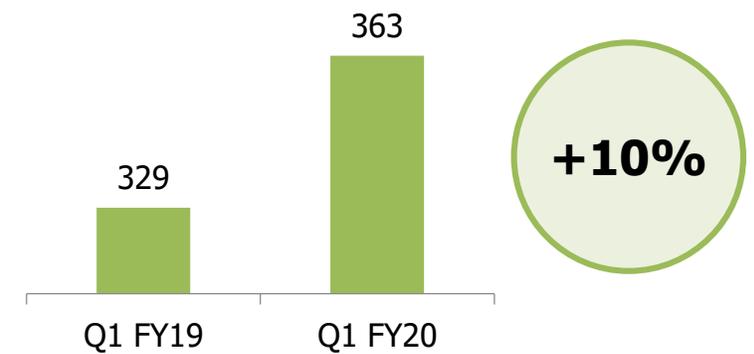
Revenue from Operations



Operating Profit



Net Profit/ PAT



Note:

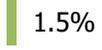
1. All figures are in INR cr
2. The figures in circle represent growth figures

India Business – Category-Wise

**Healthcare
(32.3%)**

**HPC
(50.6%)**

**Foods
(17.1%)**

Category	Key Brands	Revenue Contribution (FY19)	FY19 Growth	Q1 FY20 Growth
Health Supplements	  	17.6%	 14.6%	 19.6%
Digestives	 	5.9%	 16.4%	 18.2%
OTC & Ethicals	 	8.9%	 13.7%	 14.5%
Hair Care	  	21.6%	 14.8%	 11.9%
Oral Care	  	16.8%	 9.5%	 11.4%
Home Care	 	6.9%	 13.0%	 10.9%
Skin Care	 	5.3%	 17.2%	 12.1%
Foods	 	17.1%	 8.1%	 1.5%

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

Agenda

1. Dabur's Recent Performance

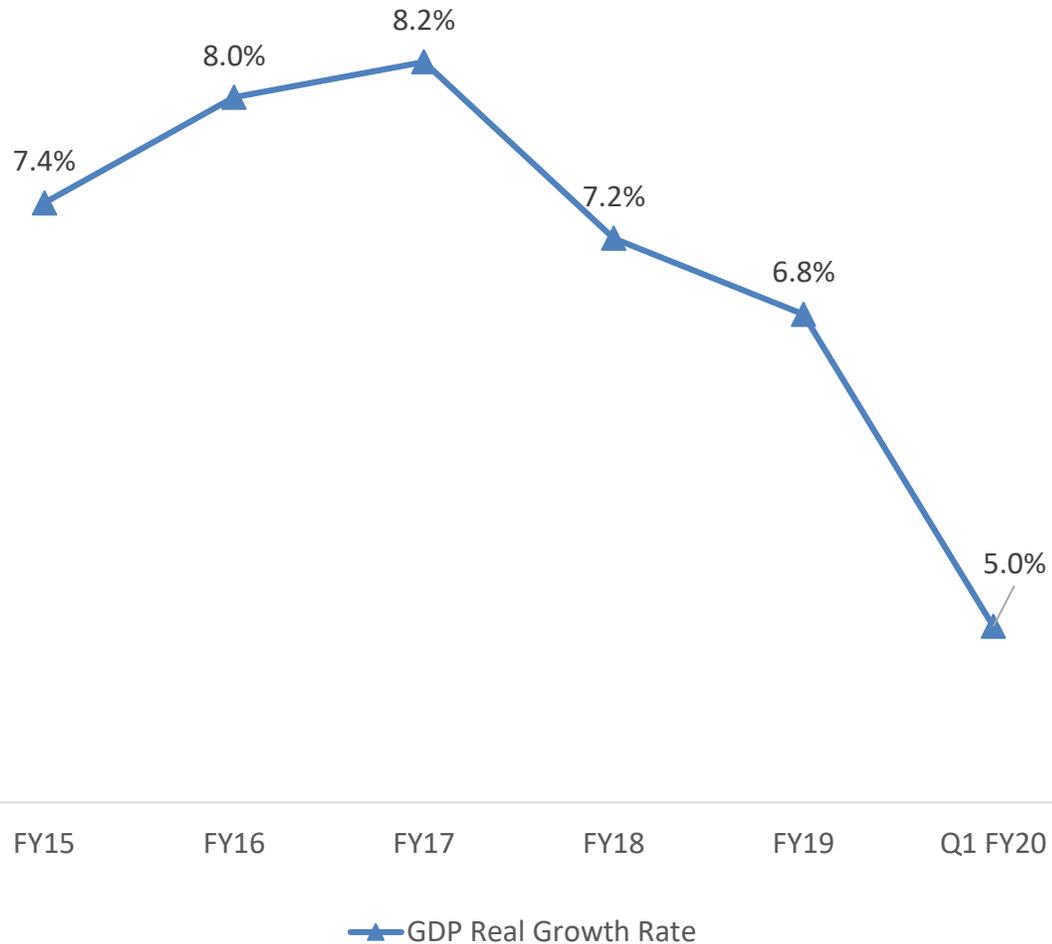
2. Recent Macroeconomic Trends

3. Our Growth Strategy

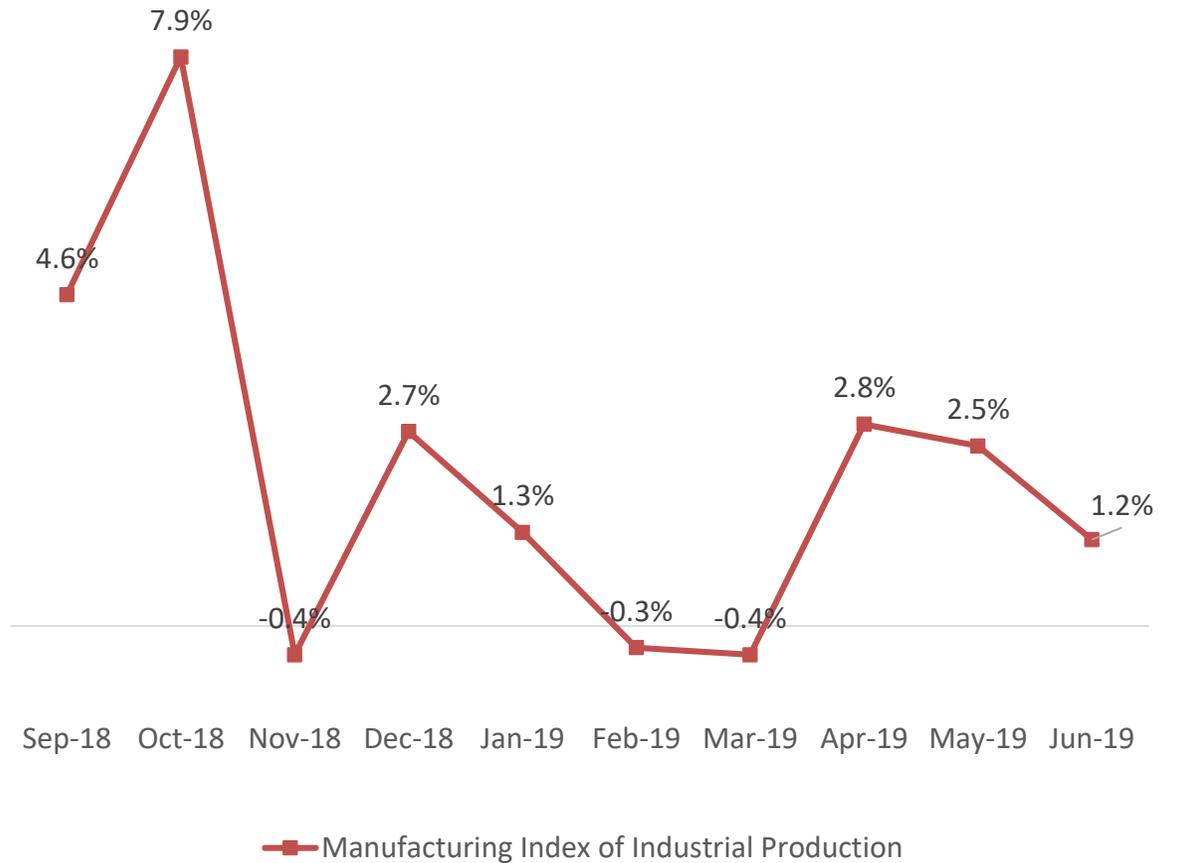
4. International Business

Recent Macro Trends

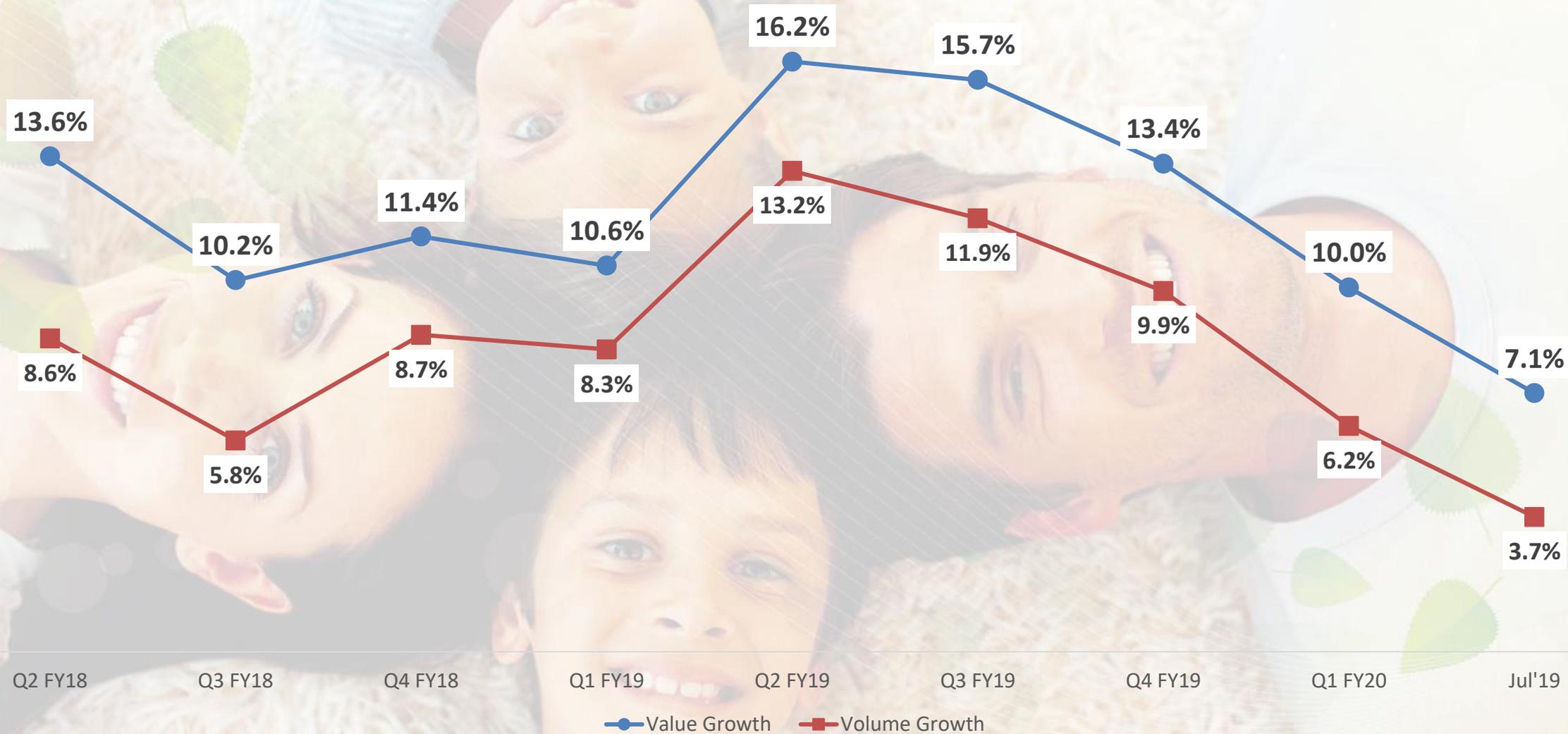
GDP Growth at Six Year Low



Manufacturing IIP remains subdued



FMCG Sector – Quarterly Growth

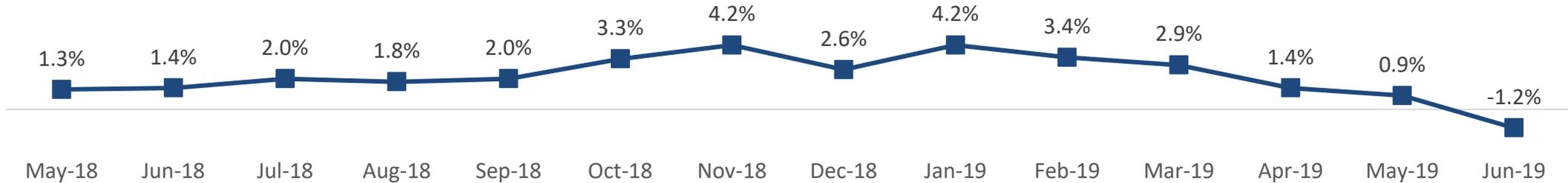


What is causing the slowdown?

Liquidity Crunch

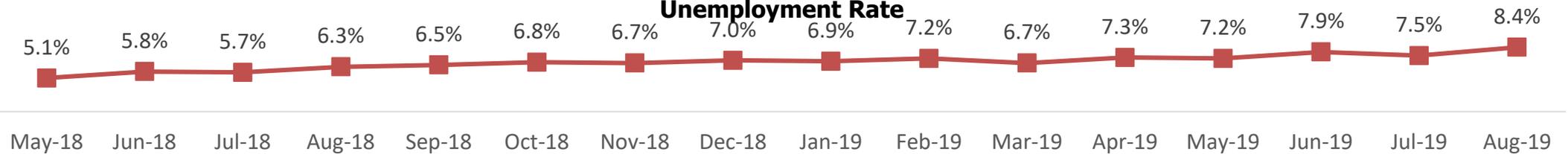
Agricultural distress due to negligible growth in rural wages

Real Wage Growth in Rural



Unemployment at its peak levels

Unemployment Rate



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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



**Power Brands
Strategy**



**Driving Innovation
and Renovation**



**Distribution
Expansion**



**Operational
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**Capability
Enhancement**

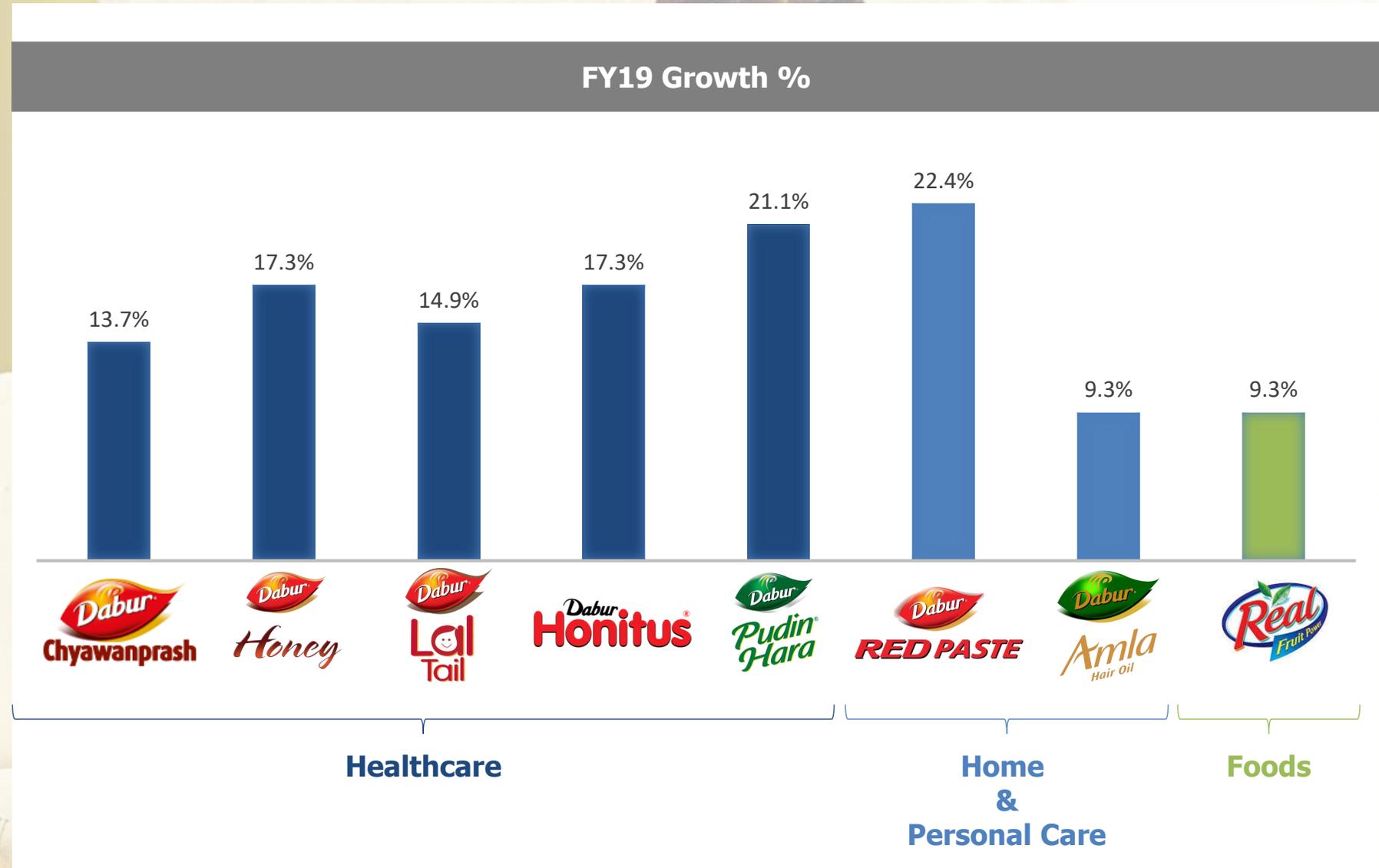


**Sustainability/ ESG
Focus**

Power Brands Strategy

Higher A&P Investments

Media spends increased by 20% for Power brands, while for the domestic business the increase was 6%





13.7%
FY19 Sales Growth



Strengthen immunity positioning

Develop Modern Formats & communication for youth & kids

Extend usage beyond winters – monsoon campaign

Enhance chemist reach





17.3%
FY19 Sales Growth

**Strengthen
fitness
proposition**

**Innovation –
Launch premium
variants**

**Localised
communication
strategy**

**Increase food
usage of honey
through new
formats**





14.9%
FY19 Sales Growth

Strengthen Ayurvedic positioning

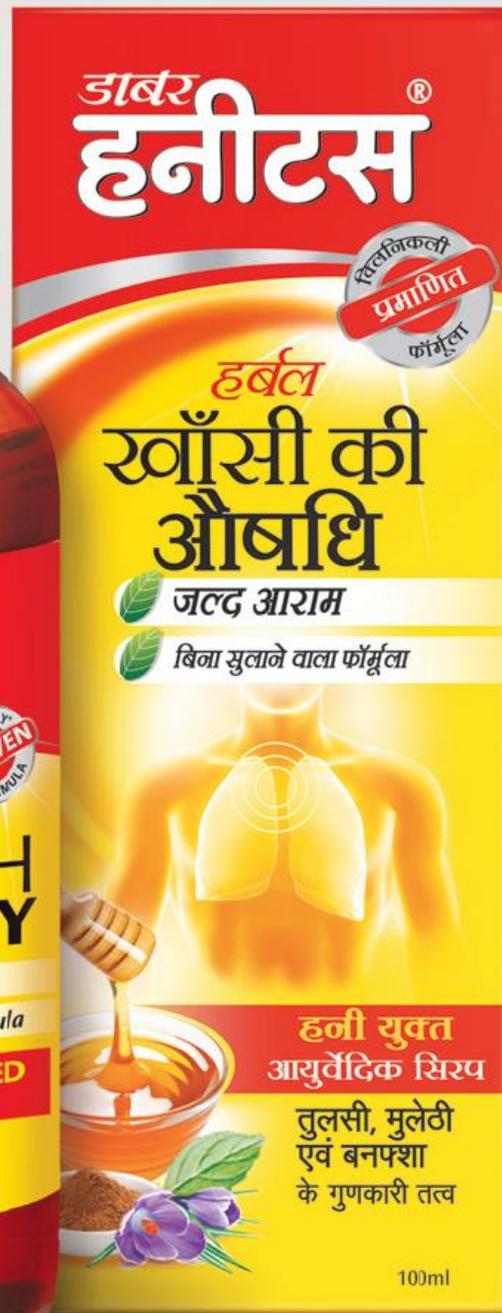
Renovation and contemporization

Create a portfolio for baby care

Distribution enhancement



**Dabur
Honitus®**



17.3%
FY19 Sales Growth

Reinforce Ayurvedic positioning

Regionalization

**New formats & variants: Lozenges,
Hot Sip**

Distribution enhancement



आयुर्वेद है, खरा है, पुदीन हरा है.



21.1%
FY19 Sales Growth

Scale up the
Powder Fizz
portfolio

Modernization
of formats

Extend Pudina
Hara into
Food

Use digital
media to
connect with
millennials





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



असली आँवला,
डाबर आँवला*





22.4%
FY19 Sales Growth



Gain
market
share from
non-natural
players

Focus on
low
through put
markets

Proposition
of 'Keeps
dental
Problem
Away'

Connect
digitally
with
Millennials





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



Healthy Fruit Nutrition – Reducing “Added Sugar”

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**



**Driving Innovation
and Renovation**



**Distribution
Expansion**



**Operational
Excellence**



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**Sustainability/ ESG
Focus**

Driving Innovation and Renovation – India

Dabur Babool Ayurvedic Paste

Ayurvedic Toothpaste
For Your Family



NEW



Driving Innovation and Renovation – India



Amla · Olive · Almond



Combo Pack



Amla · Olive · Shikakai



Driving Innovation and Renovation – India



Driving Innovation and Renovation – India

Dabur
Vatika
Naturals

SHAMPOO



CREATED BY NATURE,
CURATED BY **Vatika**



new



Driving Innovation and Renovation – India



Hair Removal
Cream



Driving Innovation and Renovation – India



fairness
और
glow

INTRODUCING

SPECIAL PRICE ~~₹70/-~~ ₹65/-



FRUIT
Crème Bleach



Enriched with the goodness of 7 fruit extracts

Driving Innovation and Renovation – India

Odonil



KABZ OVER



Driving Innovation and Renovation – India

HAJMOLA[®]
Chat Cola



An Ayurvedic Product.



Driving Innovation and Renovation – India



Driving Innovation and Renovation – India

Ethicals



Dabur Hridayasava



Dabur Dadimavaleha



Vasant Meha Ras

Driving Innovation and Renovation – India

Mixed Berries

Berry Berry Tasty

New

INTRODUCTORY PRICE ₹125 ~~₹110*~~



Mixed Berries

- ✓ Goodness of 6 super berries
- ✓ No added preservatives

1L

Mixed Berries Beverage

REALLY चलाकेदार

पेश है Fruits और मसालों की जुगलबंदी से बना Real का अनोखा Indian मसाला रंज।



Driving Innovation and Renovation – India

NEW
Real Fruit Power
Fruit ORS

**STAY RECHARGED,
REHYDRATED
& REFRESHED**

আরও বেশী কাজকর্মের জন্যে অ্যাঙ্কিভ
থাকুন আর নিজের শরীরকে হাইড্রেট
করে রাখুন ফল এবং জরুরী
নিউট্রিয়েন্টসের শক্তির সাথে।



Driving Innovation and Renovation – India



Driving Innovation and Renovation – International Business



New range of Hair Waxes and Hair Mousse in Hobby, Turkey



Vatika Serum in Egypt



Olive Oil with Black Castor in South Africa



ORS Fix-It Range in USA



Amla Kids in Egypt



Vatika Afro Naturals Range in South Africa

Pillars of Our Growth Strategy



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**Capability
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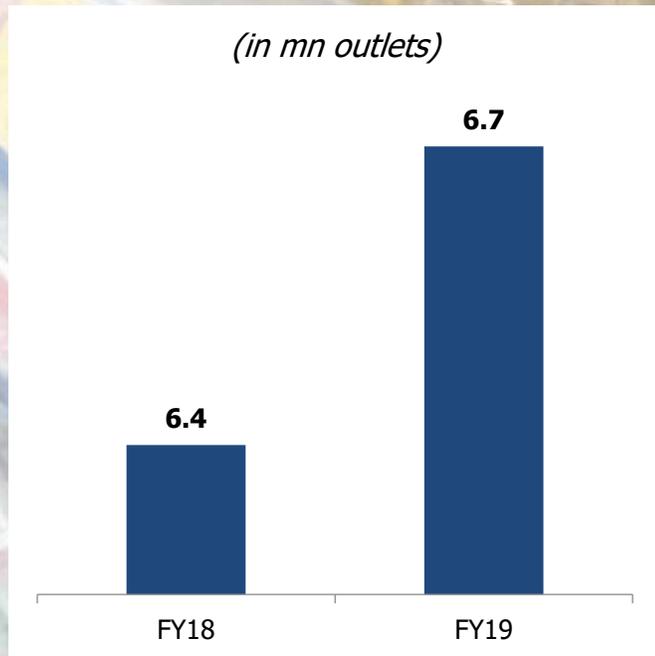


**Sustainability/ ESG
Focus**

Increasing Reach

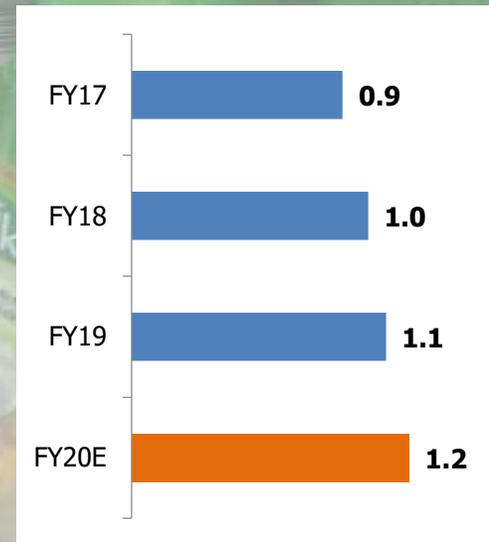
One of the largest distribution networks in FMCG covering 6.7 mn+ outlets

Increasing Total Reach



Increasing Direct Reach

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



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)

Growing
by
~50%

~2%
Saliency

E-commerce

E-comm Business Partners

amazon

big
basket

Flipkart

netmeds

1
1mg

G
GROFERS

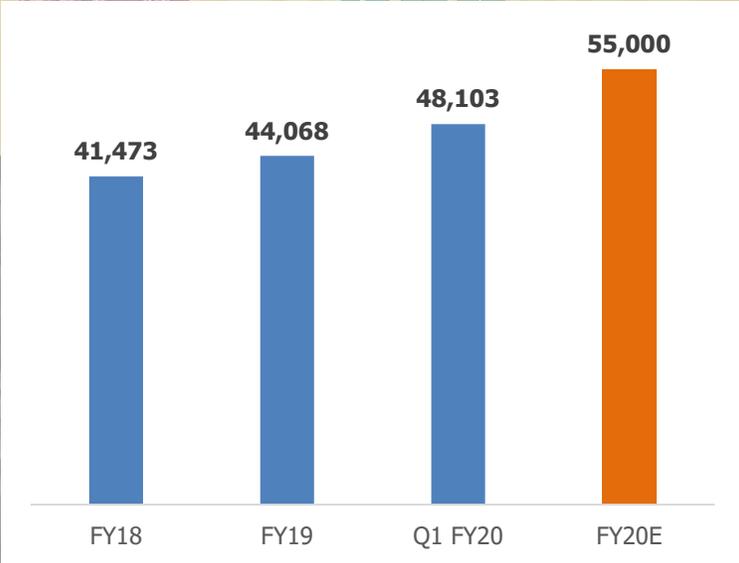
Rural Focus

Portfolio as per Consumer Preferences



Focus on LUPs

Increasing Reach



Increasing Village Coverage

Building Rural Infrastructure

~1,400 Rural Sales Force

45% FY19 Contribution to Sales

394 Super stockists

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

Regional Focus through RISE



RISE
Regional Insights
And
Speed of Execution

RISE Initiatives in North East



Real Fruit ORS Launched



**Sponsoring Local Events
(Miss India North East contest in
association with Gulabari)**



**Anmol Jasmine – Regional
Communication**

Regional Focus through RISE



RISE
Regional Insights
And
Speed of Execution

RISE Initiatives in South



South specific ad for Dabur Honey



Anmol Green in Tamil Nadu



Vatika hair oil endorsed by regional celebs in South



Dabur Amla Regional TVC in South

Pillars of Our Growth Strategy



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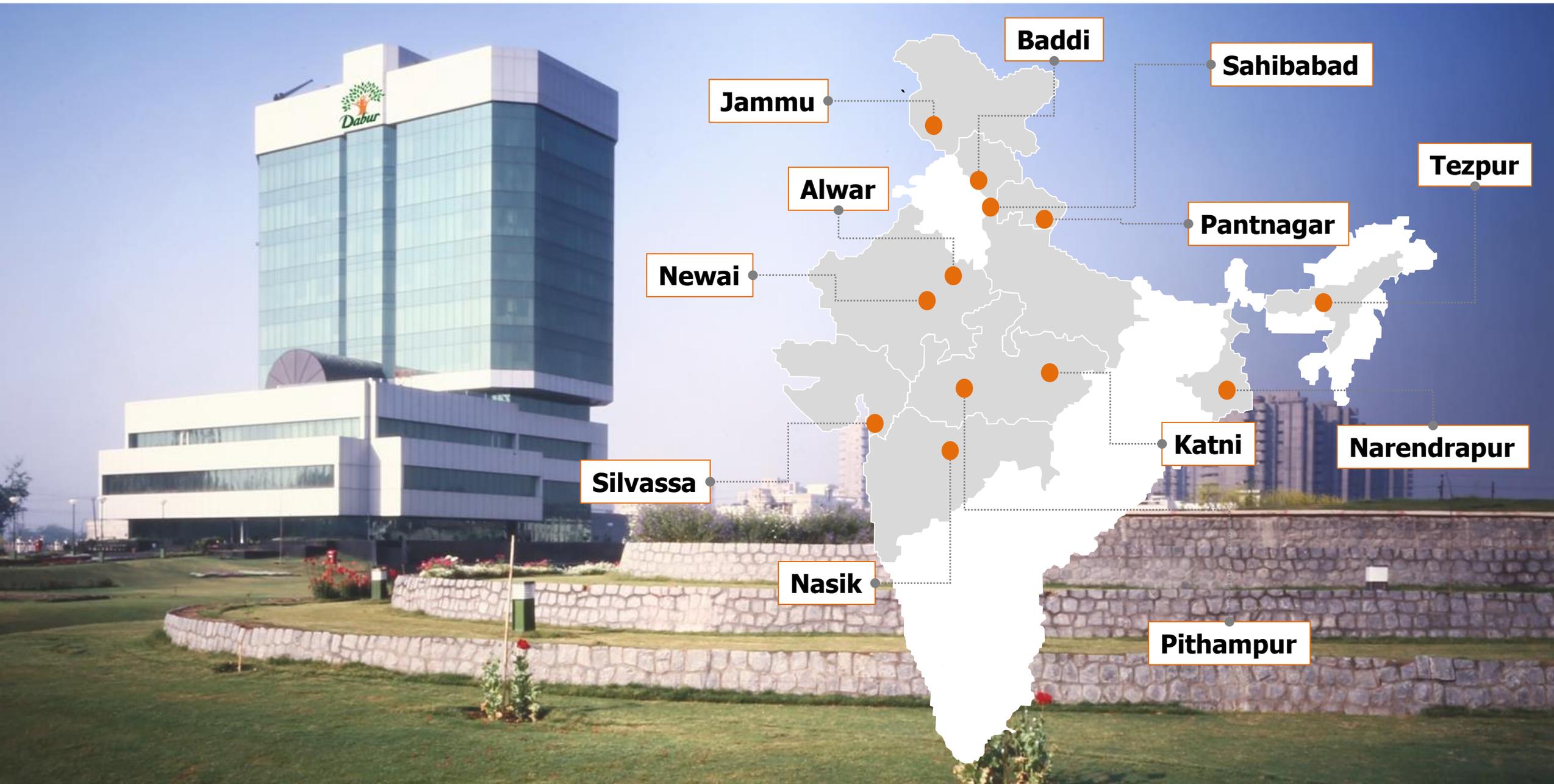


**Capability
Enhancement**



**Sustainability/ ESG
Focus**

Our Manufacturing Footprint in India



Our Manufacturing Footprint in India



Pantnagar



Tezpur



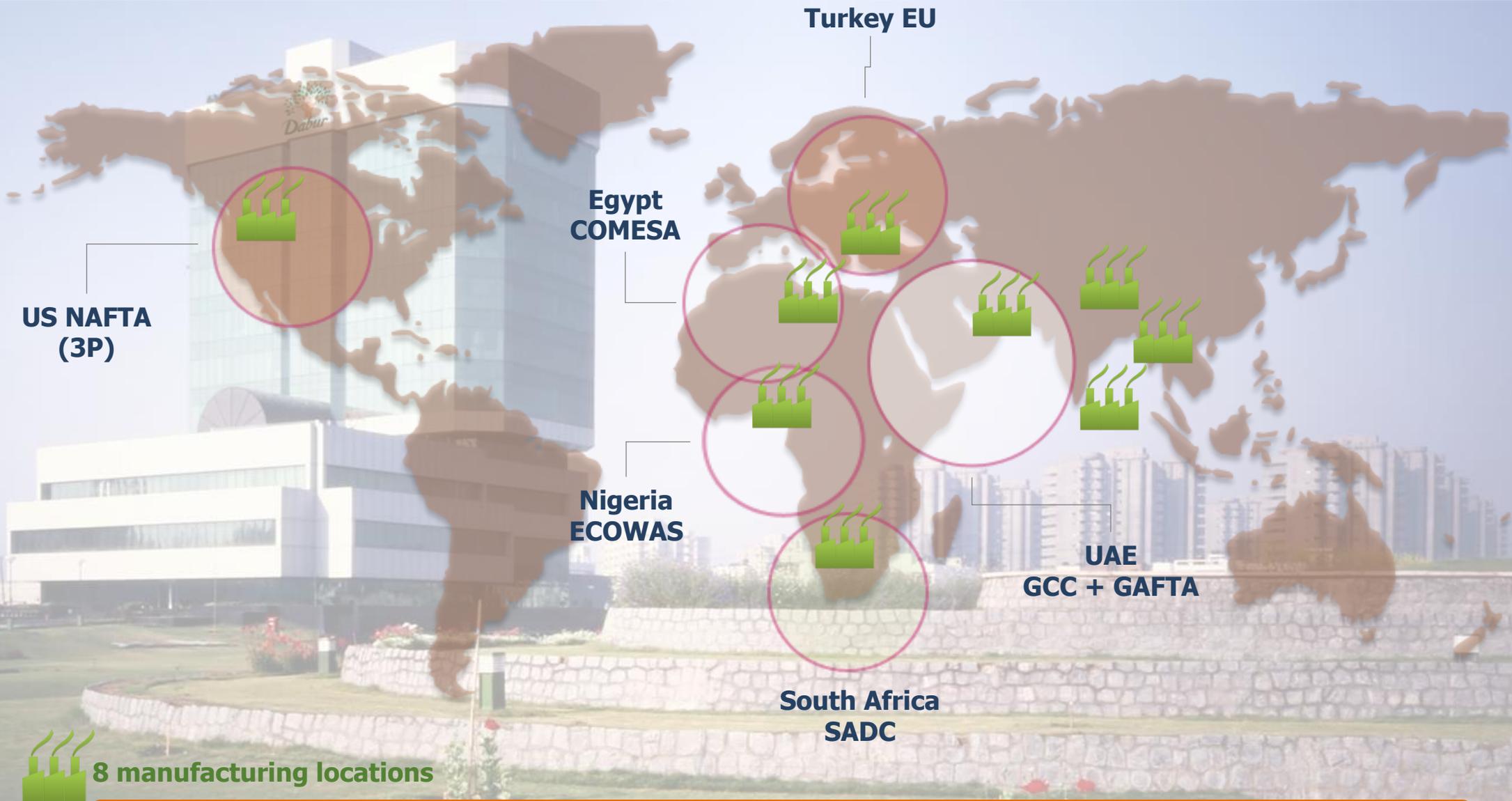
Baddi



Silvassa



Our Manufacturing Strategy - International



From centralized manufacturing to localized manufacturing for speed and flexibility

Our Manufacturing Footprint Overseas

UAE



Egypt



Nigeria



South Africa



Turkey



Sri Lanka



Bangladesh



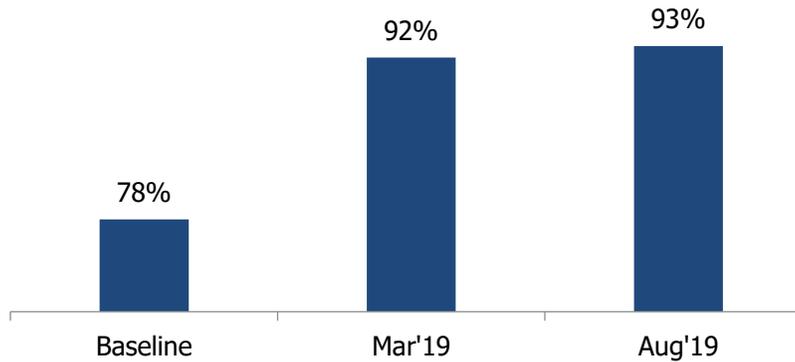
Nepal



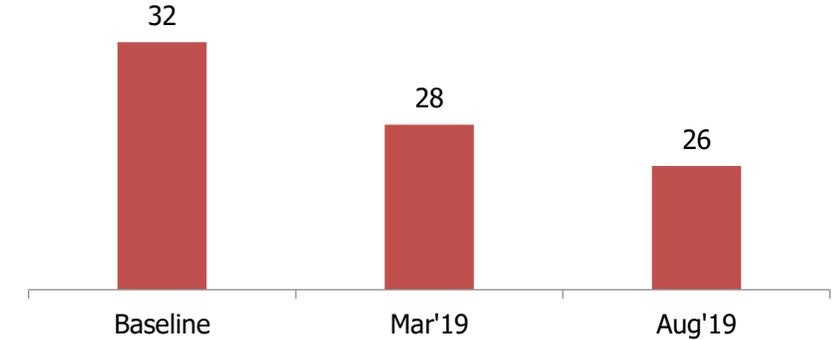
Supply Chain Transformation – Project Lakshya

Improve range availability and service levels

Range Availability at C&FA Level

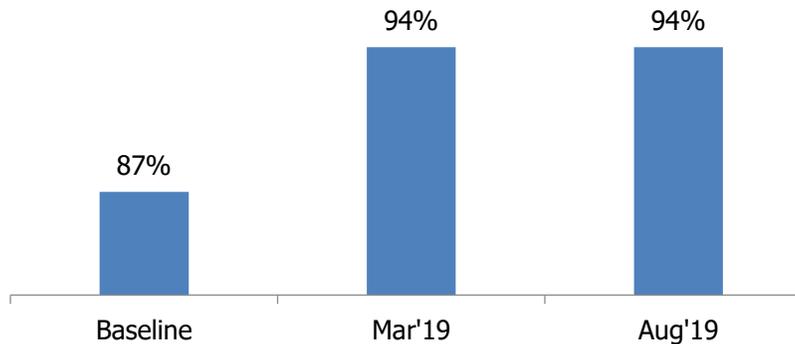


Number of C&FAs

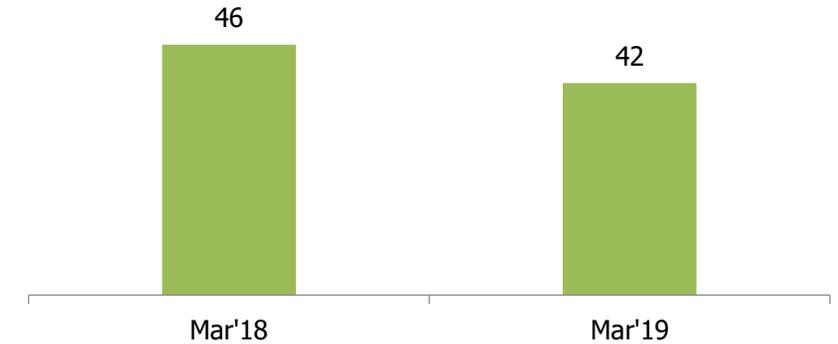


Reduce Logistics Costs

Modern Trade Fill Rates (OTIFs)



Days of Inventory - India Business



Reduce Finished Goods Inventory

Pillars of Our Growth Strategy



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**Capability
Enhancement**



**Sustainability/ ESG
Focus**

Capability – Improving Diversity & Inclusion

Women employees in India %



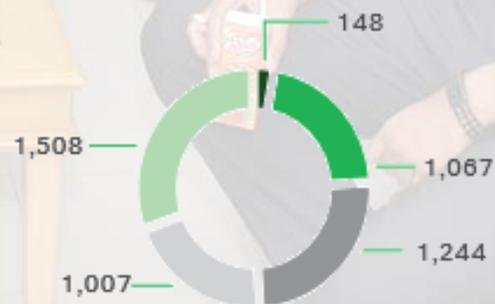
Mix of nationalities working in Dabur

22



Profile by Age Group in India (In Nos) (As on March 31, 2019)

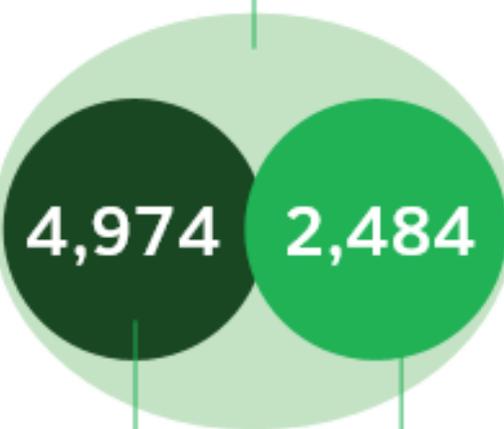
- upto 25 years old
- Between 25 and 30 years old
- Between 31 and 35 years old
- Between 36 and 40 years old
- Above 40



Total employees



7,458



Employees in India

Overseas Employees

Capability Building

Creating a Matrix Organisation



Strengthening the Team

E-Comm Head

Healthcare Head

Ayurveda Head

OTC Head

Digital Head

New Age HR Ecosystem

Employer Branding

- [#WomenCan](#)
- [DantSnan](#)

glassdoor

Appification

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

Artificial Intelligence & Machine Learning

Chatbots



Career & On-boarding Portal

- Video Recruitment enabling efficiency
- Engagement from the day of offer acceptance



HR Analytics

Data driven Decisions
Focus on Development
Empense

tableau

Online Career Development

- Online PMS & Feedback
- Succession Planning
- Development Plan



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



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

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

Enhancing Capability in Ayurveda

Portfolio Expansion

- Classical & Branded Range enhancement
- Hridayasava, Pure Herb Churnas, Vasant Meha Ras, Glycodab

Increase Doctor Advocacy

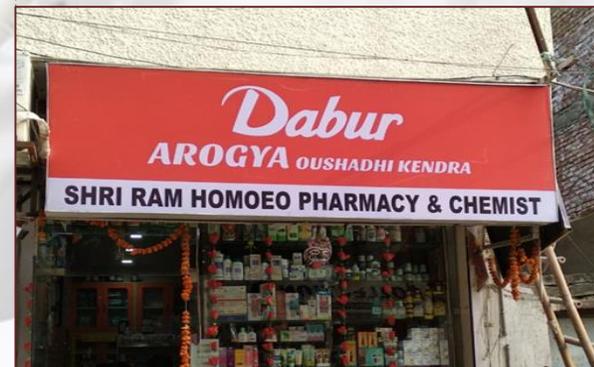
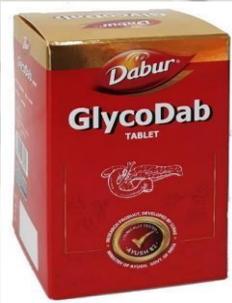
- Increase Ayurvedic Doctor Coverage from 40,000 to 55,000
- Scientific Knowledge Dissemination – 50 Top Ayurvedic Colleges

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



**Power Brands
Strategy**



**Driving Innovation
and Renovation**



**Distribution
Expansion**



**Operational
Excellence**



**Capability
Enhancement**



**Sustainability/ESG
Focus**

ESG – Key Focus Areas

2% of profits spent on CSR

Environment Sustainability

Eradicating Hunger, Poverty and Malnutrition

Preventive Healthcare

Promoting Biodiversity

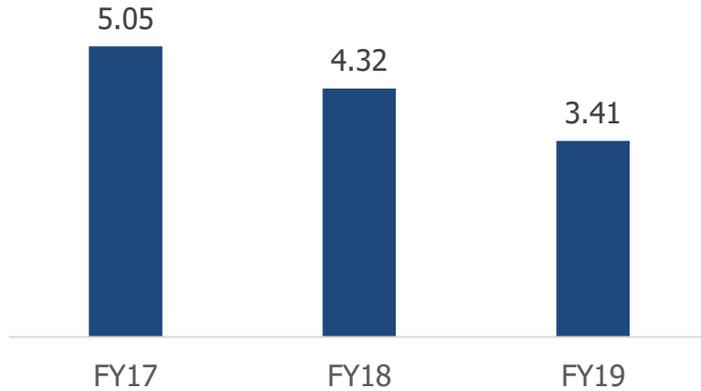
Women Empowerment & Skill Development

Robust Governance



Creating a Greener Manufacturing Ecosystem

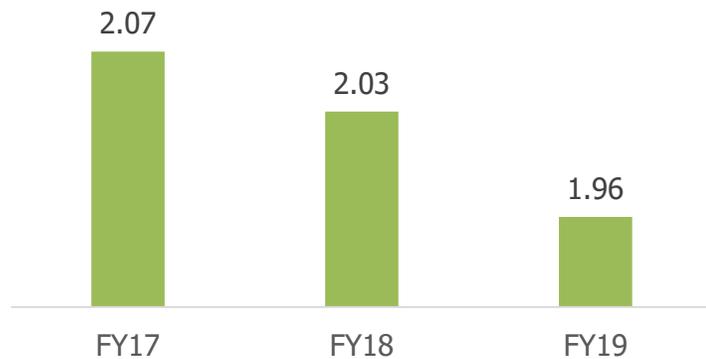
Raw Water Used (in KL/MT)



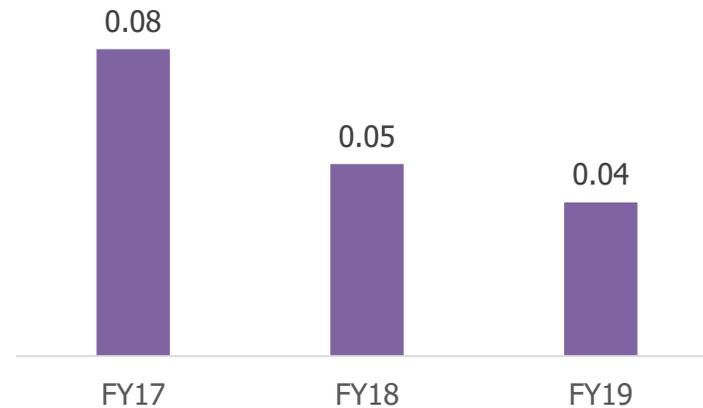
Effluent Generation (KL/MT)



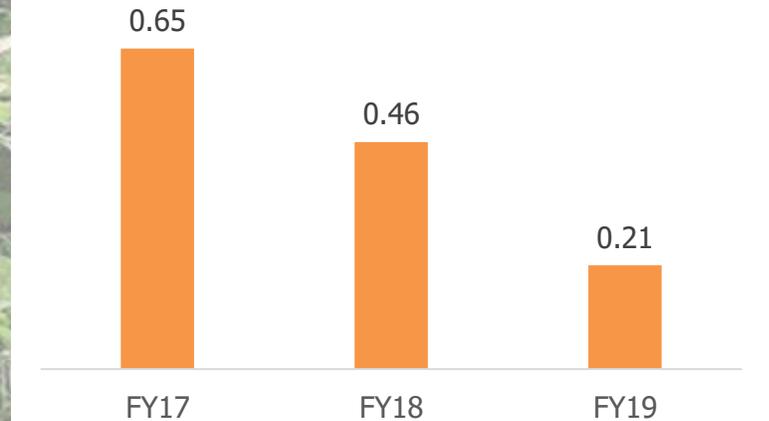
Total Energy Consumed (GJ/MT)



Total CO₂ Emitted (KG/MT)



Total SO_x emitted (KG/MT)



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

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

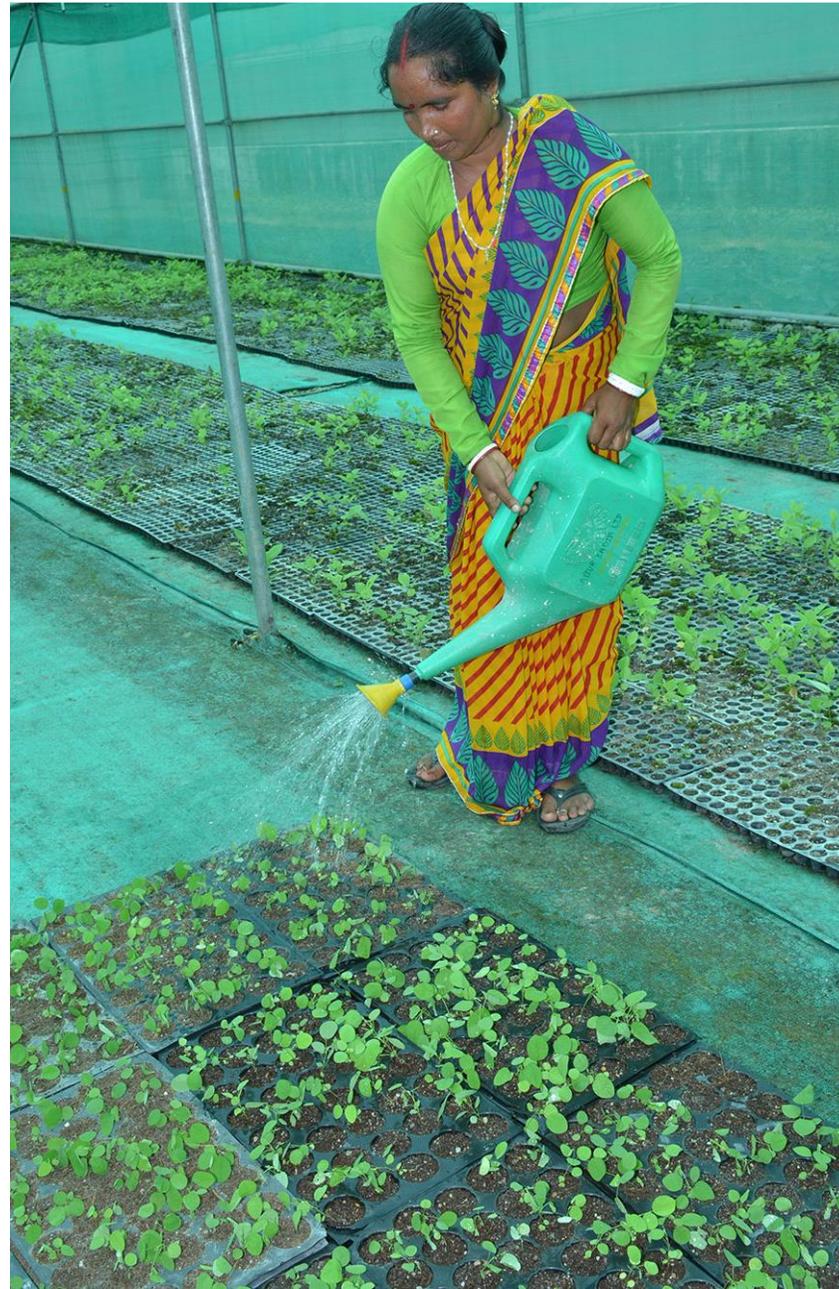
Over 3,000 farmer beneficiaries of our buyback programme



Banepa Greenhouse in Nepal



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

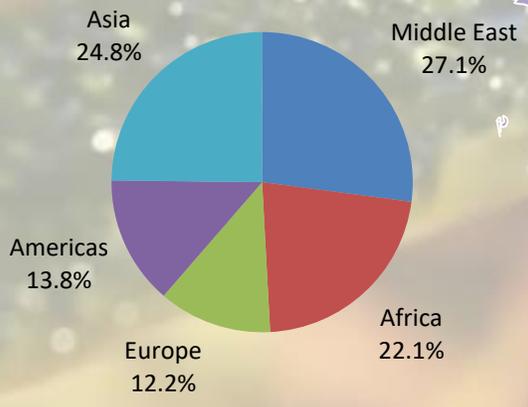
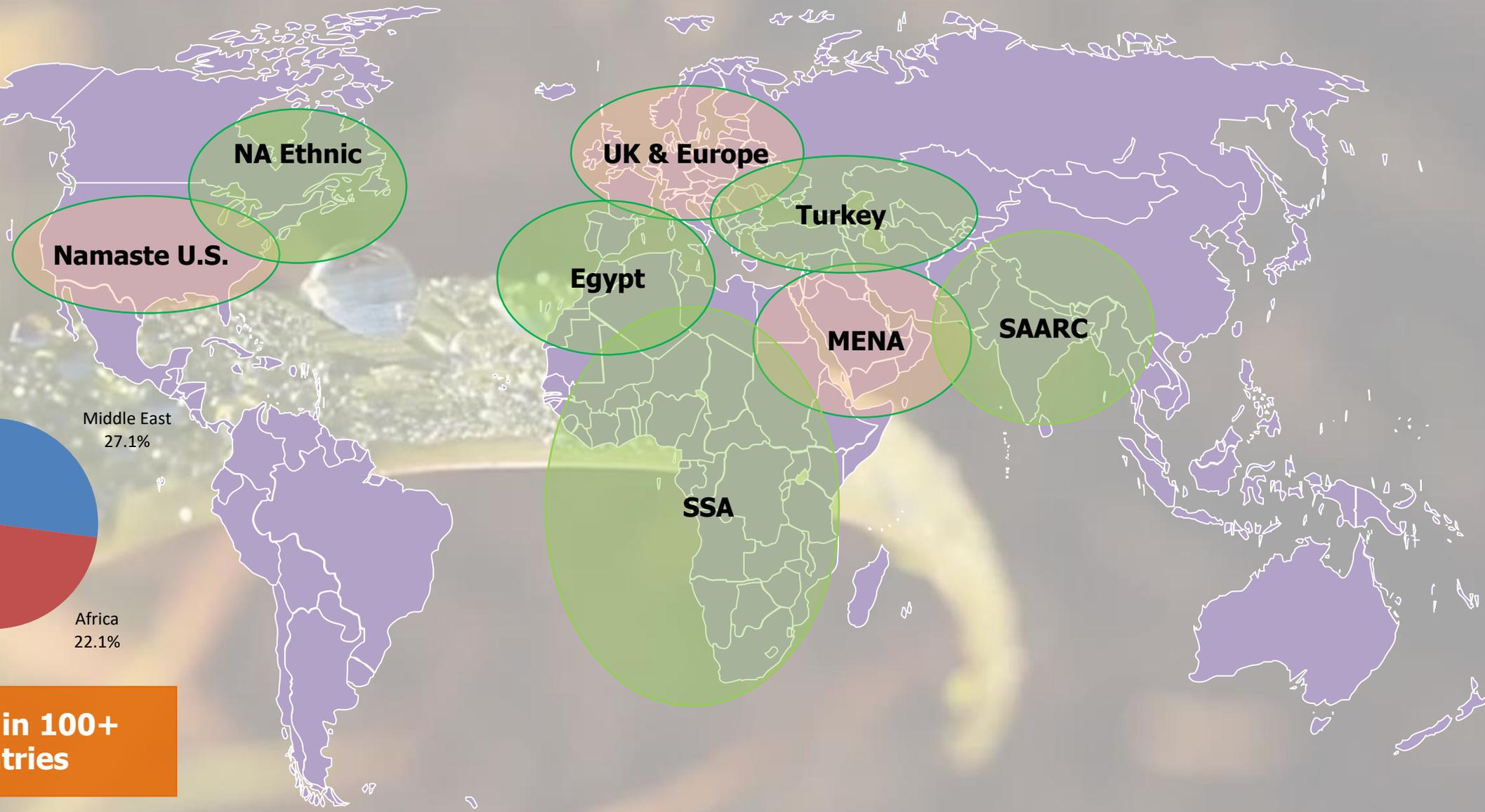
ESOP scheme to attract best talent

Woman director

Agenda

1. Dabur's Recent Performance
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- 4. International Business**

Key Regions in International Business



Present in 100+ countries

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

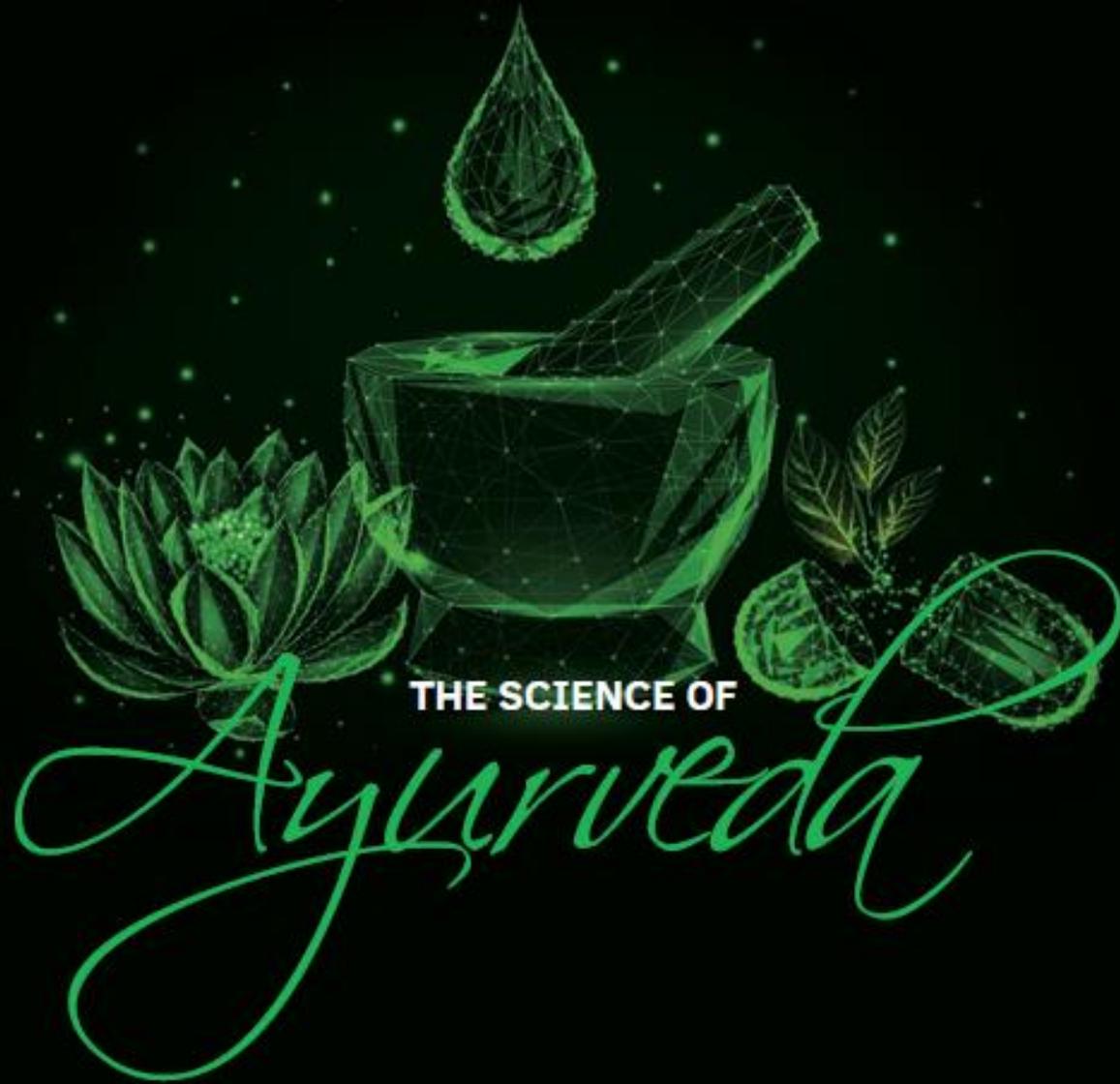


Sales & Distribution

MT – JBPs with Key Retailers in KSA and UAE

GT – Expand Distribution across Geographies

Division for Merchandising & Activations



Thank You