

**J.P. Morgan India Investor
Summit 2019**

19 Sep 2019

Agenda

1. Dabur – Overview

2. Business Structure

3. India Business

4. International Business

5. Our Growth Strategy

6. Annexure

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

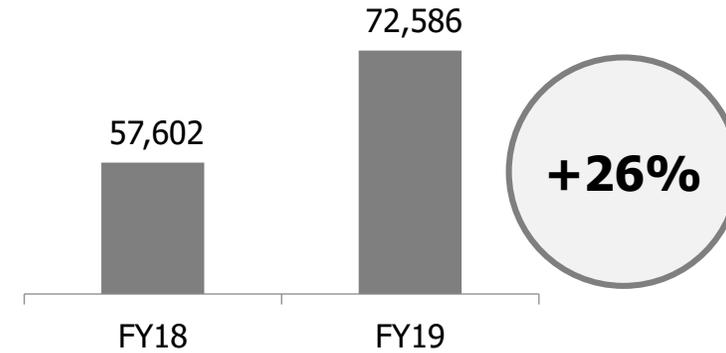
Strong overseas presence with ~27% contribution

Market Cap: US\$ 11 bn

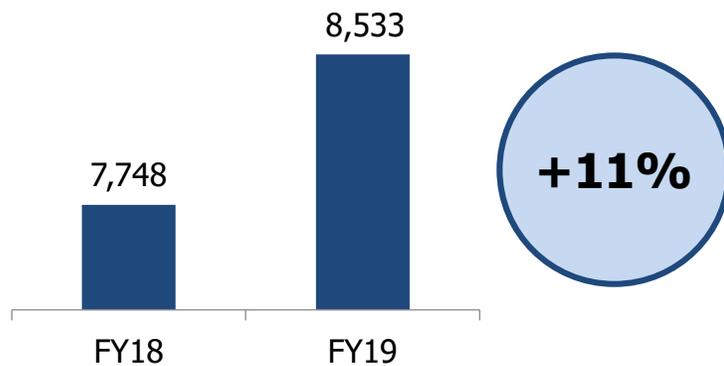
The Year Gone By – FY19 Performance

**Volume
Growth
11%**

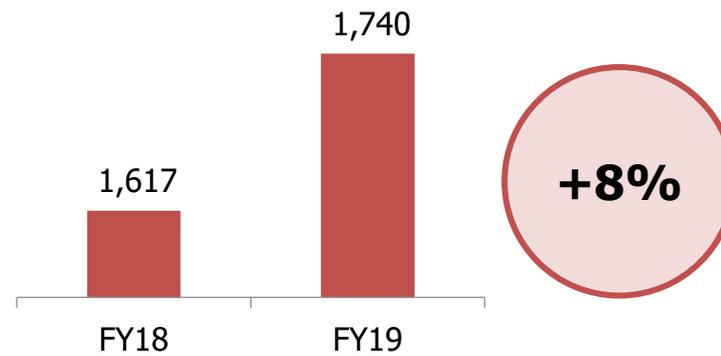
Market Capitalization (Rs. crore)



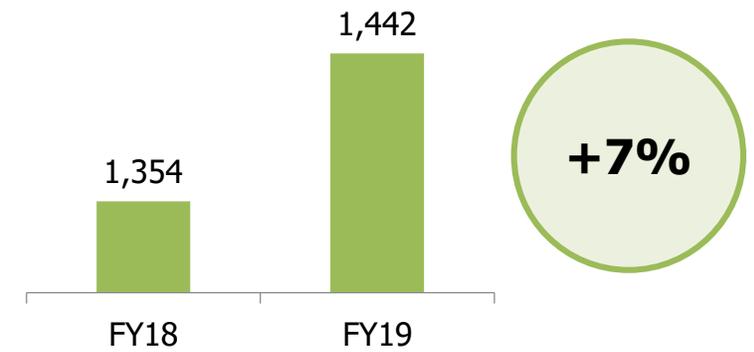
Revenue from Operations



Operating Profit



Net Profit/ PAT



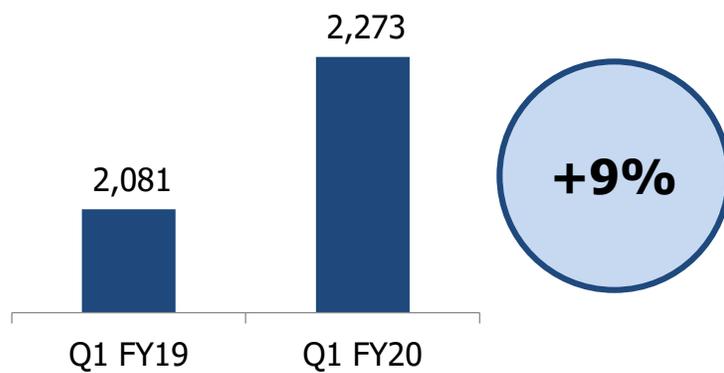
Note:

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

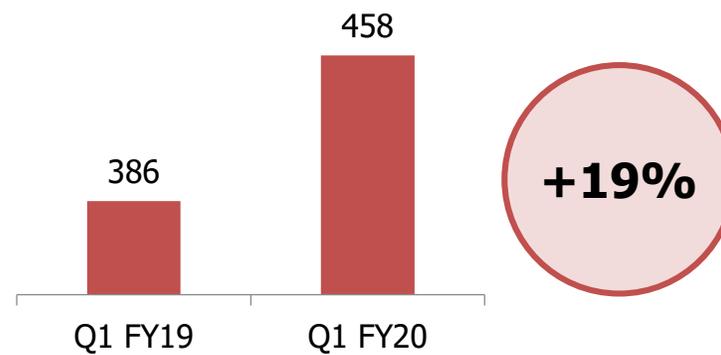
Q1 FY20 Performance

Volume
Growth
9.6%

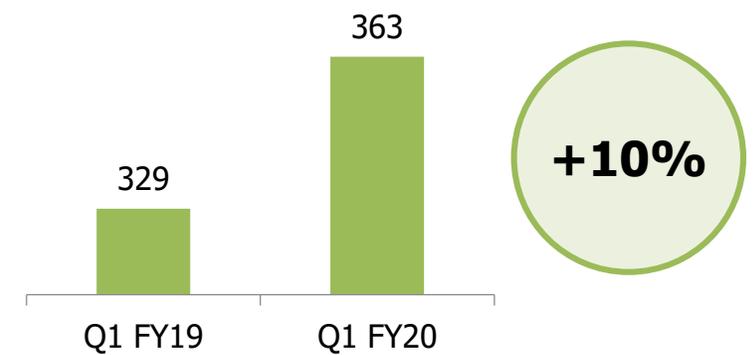
Revenue from Operations



Operating Profit



Net Profit/ PAT



Note:

1. All figures are in INR cr
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Business Structure



Domestic
(72.9%)

International
(27.1%)

Domestic FMCG
(69.4%)

Others
(3.5%)

Organic
(contributes 2/3rd of the International business)

Acquired
(contributes 1/3rd of the International business)

Key Brands



Key Brands



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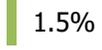
6. Annexure

India Business – Category-Wise

**Healthcare
(32.3%)**

**HPC
(50.6%)**

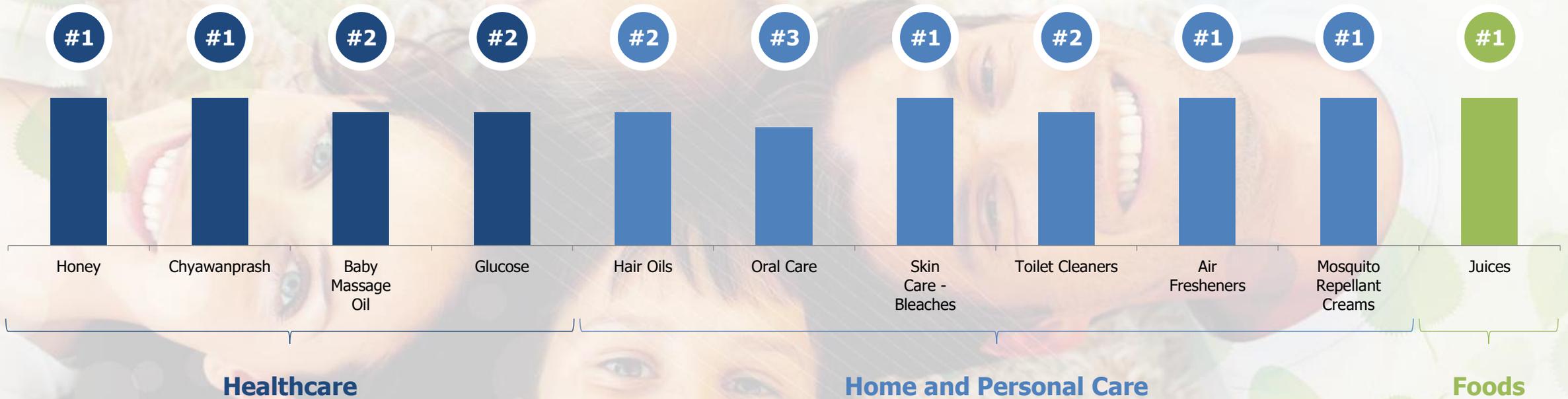
**Foods
(17.1%)**

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)

Market Leadership in Most Categories

#Relative Competitive Position¹



Leading position in key categories across verticals

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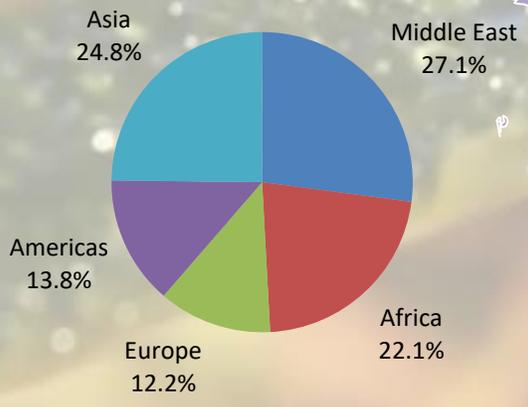
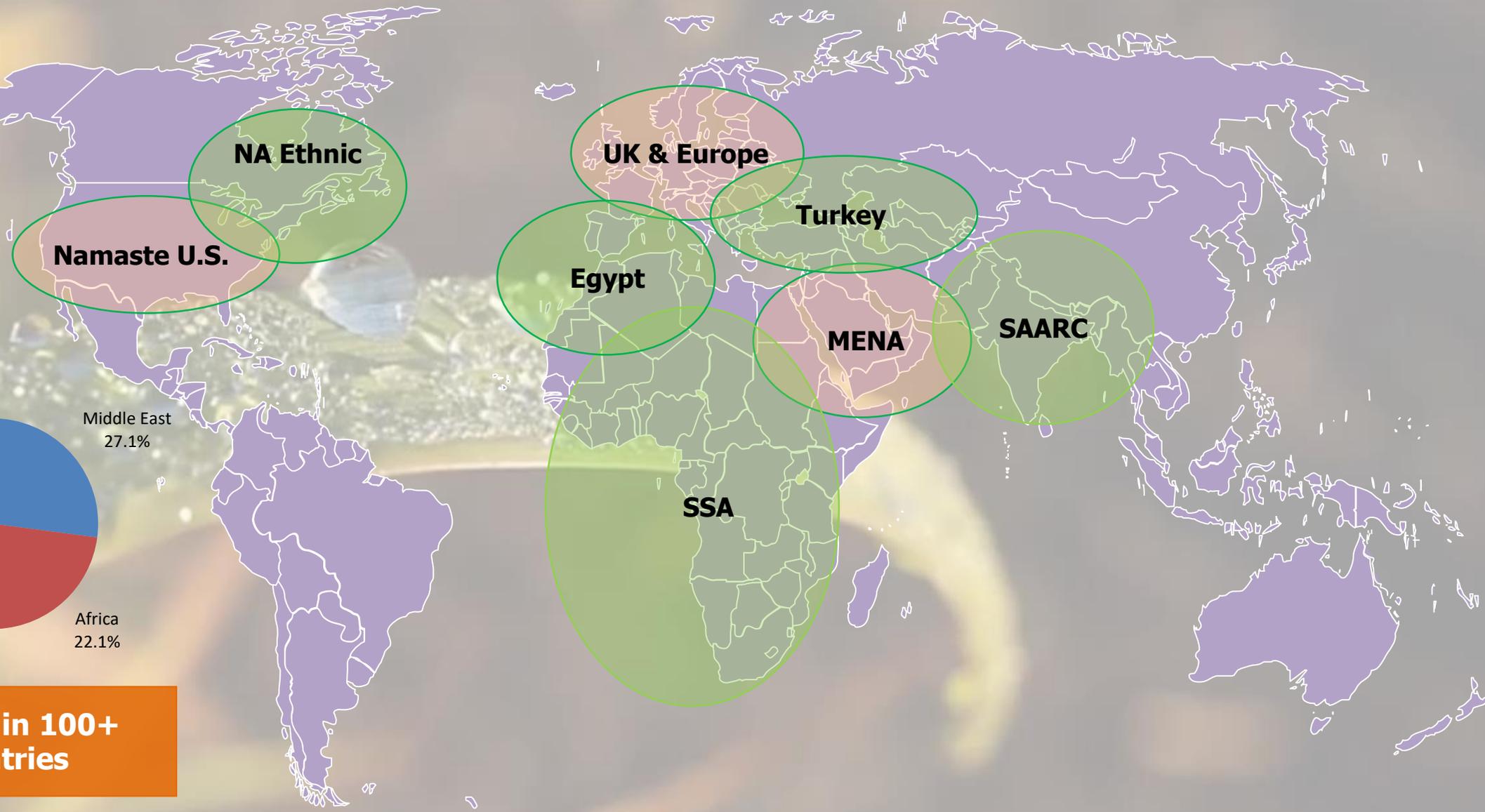
3. India Business

4. International Business

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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

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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
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**Operational
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**Capability
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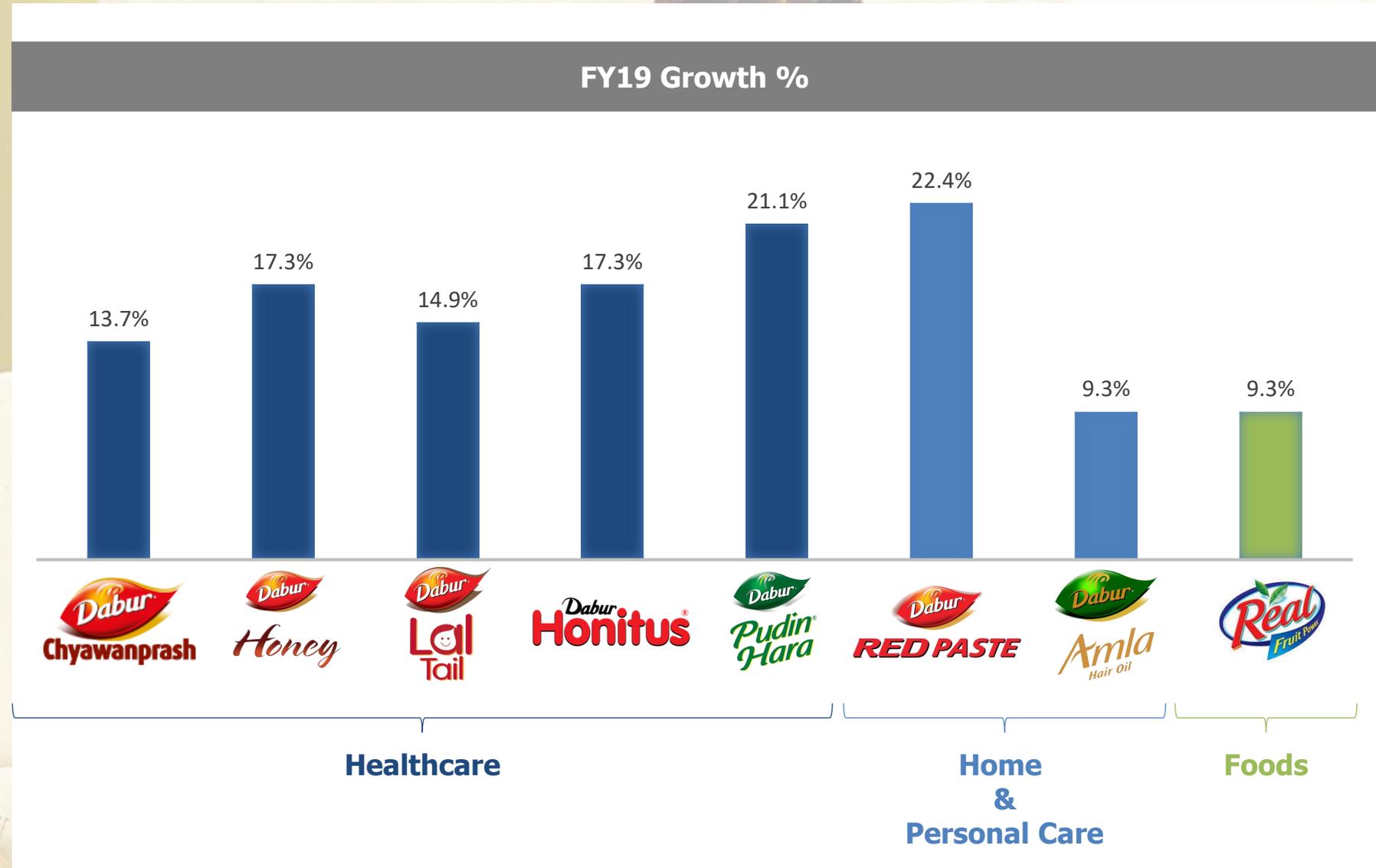


**Sustainability/ ESG
Focus**

Power Brands Strategy

Higher A&P Investments

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





Strengthen immunity positioning

Develop Modern Formats & communication for youth & kids

Extend usage beyond winters – monsoon campaign

Enhance chemist reach



**Strengthen
fitness
proposition**

**Innovation –
Launch premium
variants**

**Localised
communication
strategy**

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





Strengthen Ayurvedic positioning

Renovation and contemporization

Create a portfolio for baby care

Distribution enhancement



**Dabur
Honitus®**



Reinforce Ayurvedic positioning

Regionalization

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

Distribution enhancement



आयुर्वेद है, खरा है, पुदीन हरा है.



Scale up the Powder Fizz portfolio

Modernization of formats

Extend Pudina Hara into Food

Use digital media to connect with millennials



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





Scale up the Vatika franchise in India

Launching Ayurvedic variants

Connect digitally with millennials

Strengthen distribution in weak geographies



Increasing Consumption Occasions

Expansion in low through put geographies

Premiumization through new health-based variants

Entering the fruit drinks segment

Pillars of Our Growth Strategy



**Power Brands
Strategy**



**Driving Innovation
and Renovation**



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**Sustainability/ ESG
Focus**

Driving Innovation and Renovation – India Business

Healthcare



**NatureCare
Kabz
Over**



**GlucoPlus C –
Mango Flavour**



**Hajmola
Chat Cola**



**Dabur
Hridayasava**



**Dabur
Dadimavaleha**



**Vasant
Meha Ras**

Driving Innovation and Renovation – India Business

Home & Personal Care



**Dabur Amla Kids
Hair Oil & Shampoo**



**Babool
Ayurvedic
Toothpaste**



**Fem Fruit
Crème Bleach**



Odonil Smile

Driving Innovation and Renovation – India Business

Foods



**Real
Masala
Range**



Real Mixed Berries



Real Fruit ORS



**INR 10 SKU of Real Koolerz
Mango**

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



**Power Brands
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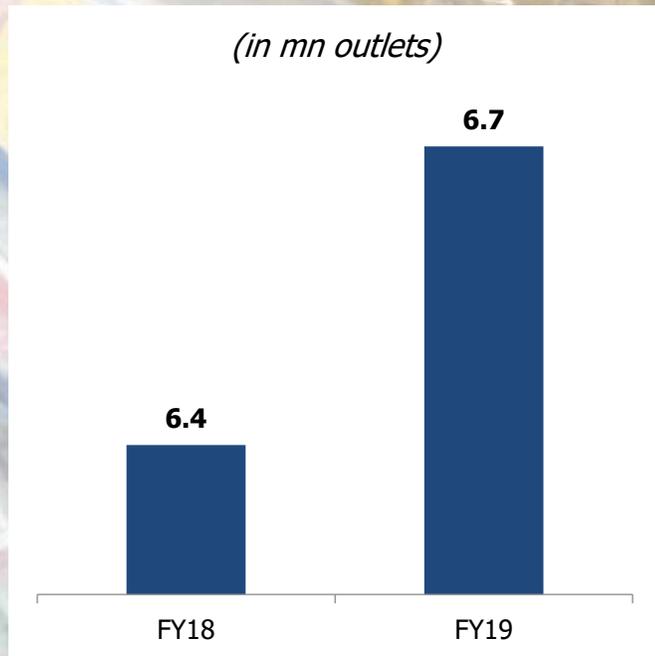


**Sustainability/ ESG
Focus**

Increasing Reach

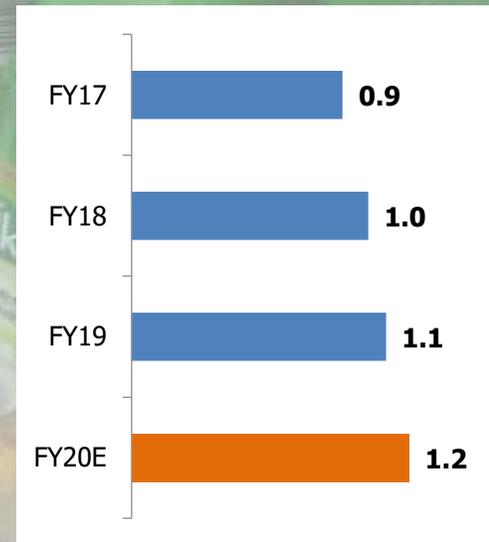
One of the largest distribution networks in FMCG covering 6.7 mn+ outlets

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

 1mg

 GROFERS

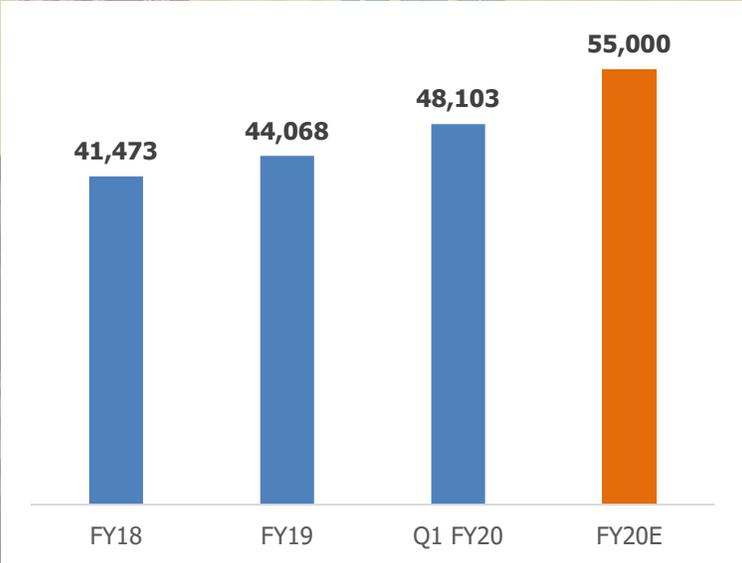
Rural Focus

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

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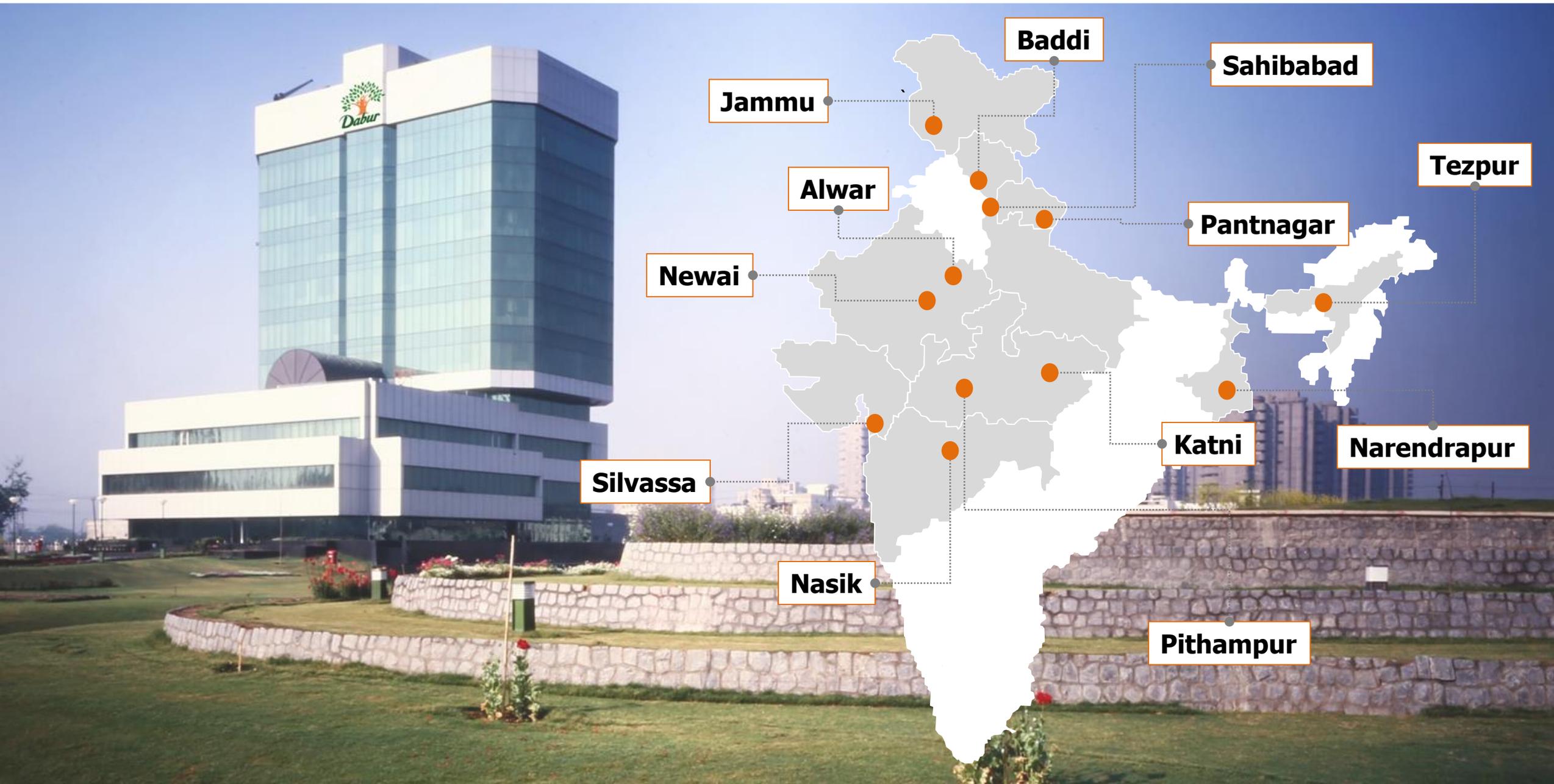


**Capability
Enhancement**



**Sustainability/ ESG
Focus**

Our Manufacturing Footprint in India



Jammu

Alwar

Newai

Silvassa

Nasik

Baddi

Sahibabad

Pantnagar

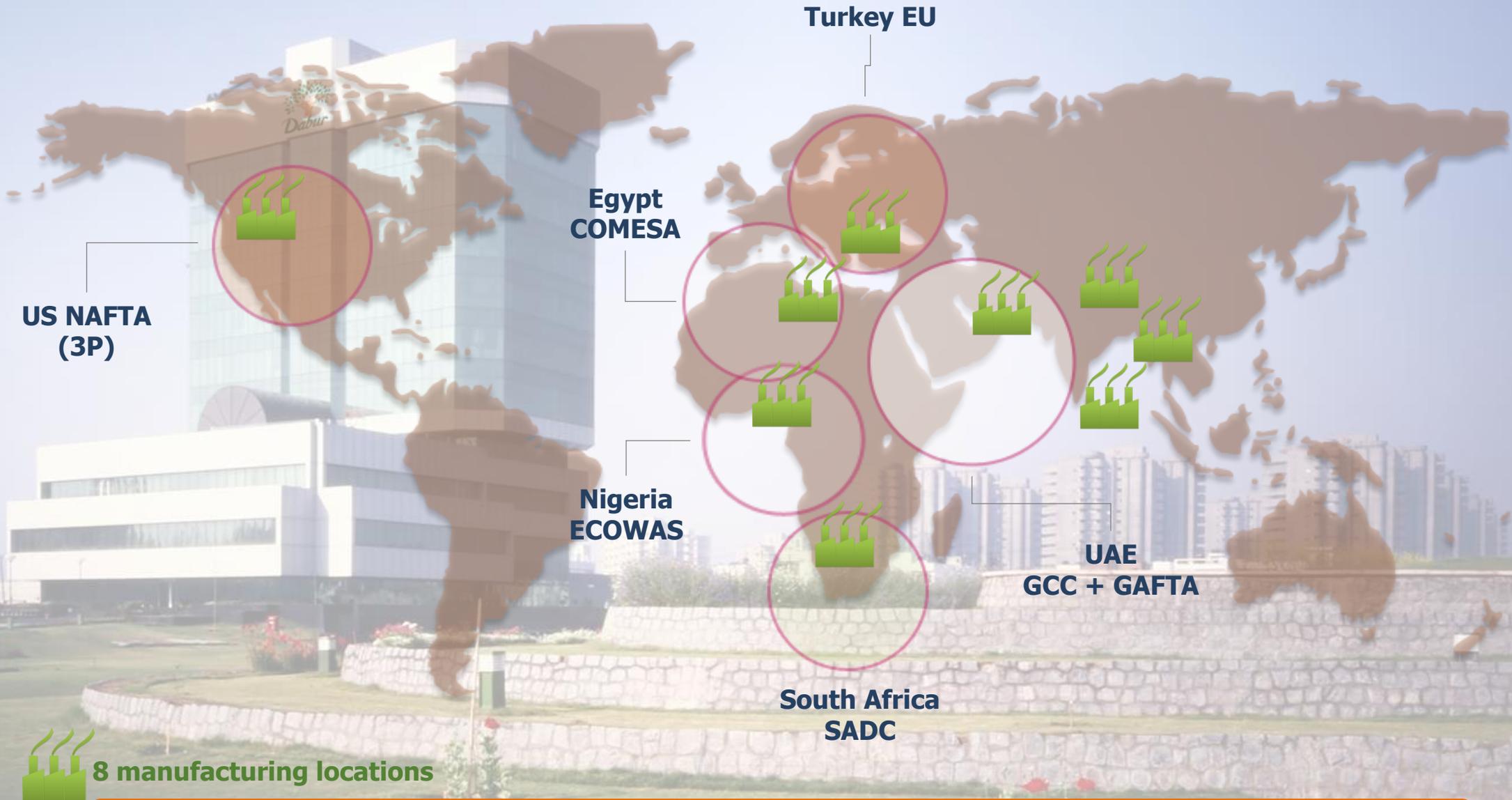
Tezpur

Katni

Narendrapur

Pithampur

Our Manufacturing Strategy - International

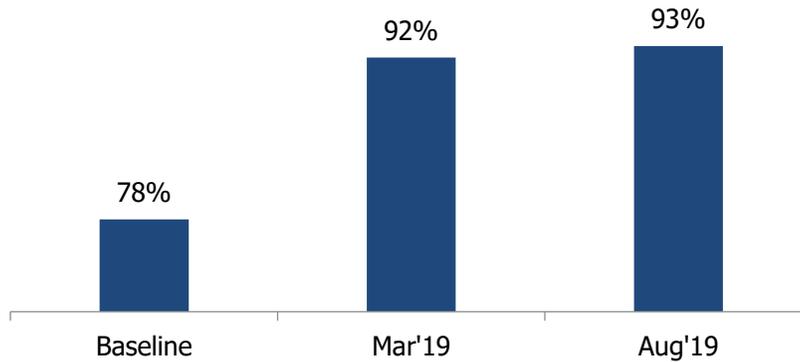


From centralized manufacturing to localized manufacturing for speed and flexibility

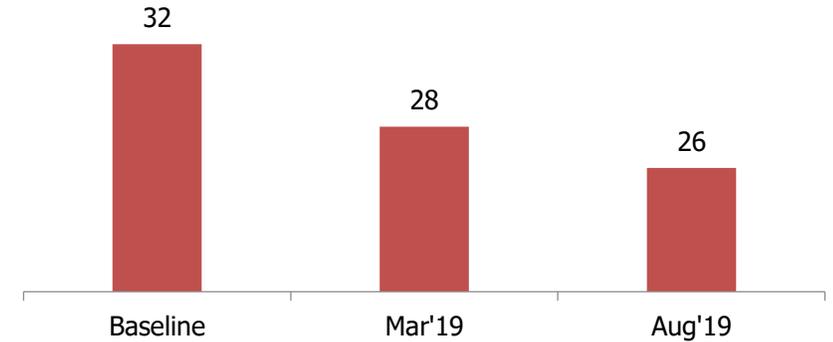
Supply Chain Transformation – Project Lakshya

Improve range availability and service levels

Range Availability at C&FA Level

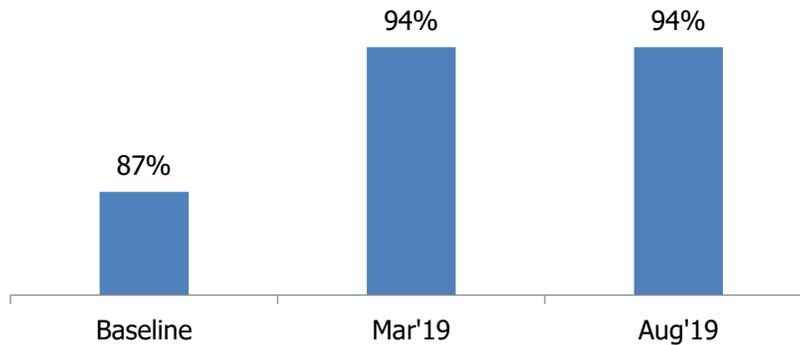


Number of C&FAs

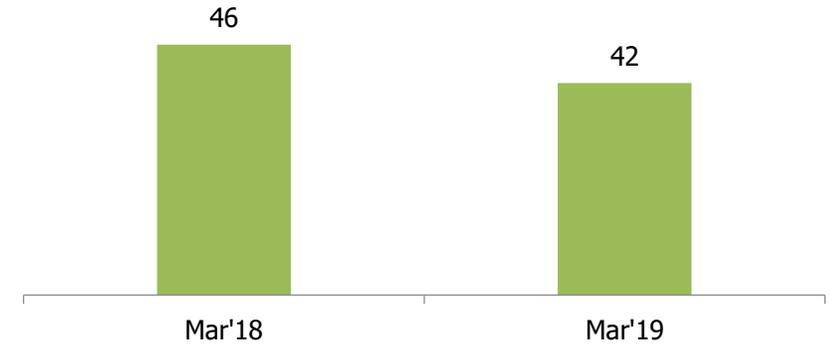


Reduce Logistics Costs

Modern Trade Fill Rates (OTIFs)



Days of Inventory - India Business



Reduce Finished Goods Inventory

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**Capability
Enhancement**



**Sustainability/ ESG
Focus**

Capability – Improving Diversity & Inclusion

Women employees in India %



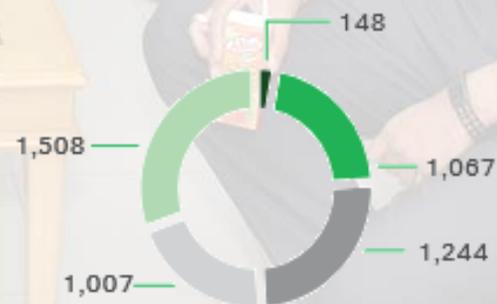
Mix of nationalities working in Dabur

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

4,974

2,484

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

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

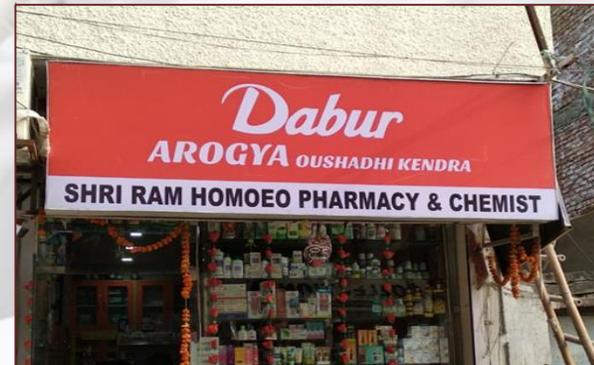
- Increase Ayurvedic Doctor Coverage from 40,000 to 55,000
- Scientific Knowledge Dissemination – 50 Top Ayurvedic Colleges

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



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**Sustainability/ESG
Focus**

ESG – Key Focus Areas

2% of profits spent on CSR

Environment Sustainability

Eradicating Hunger, Poverty and Malnutrition

Preventive Healthcare

Promoting Biodiversity

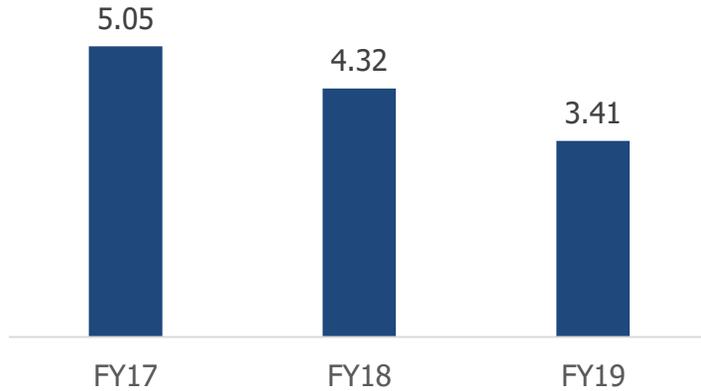
Women Empowerment & Skill Development

Robust Governance

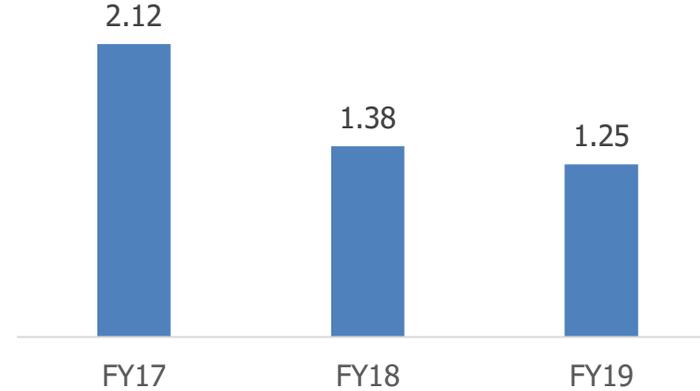


Creating a Greener Manufacturing Ecosystem

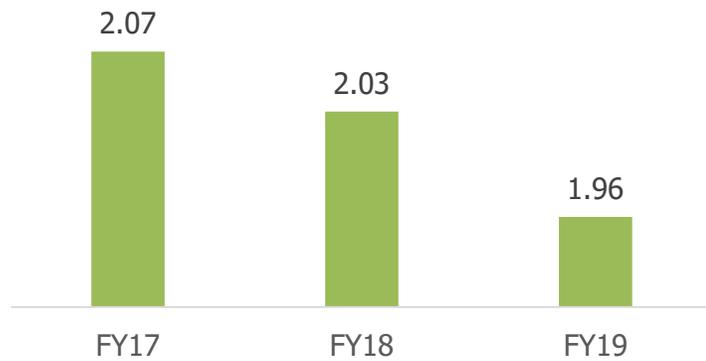
Raw Water Used (in KL/MT)



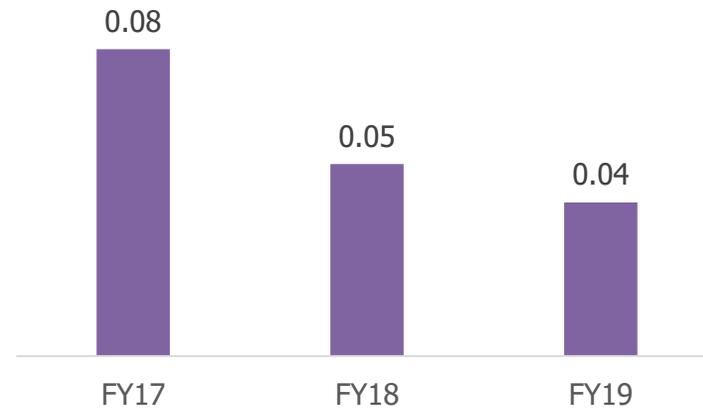
Effluent Generation (KL/MT)



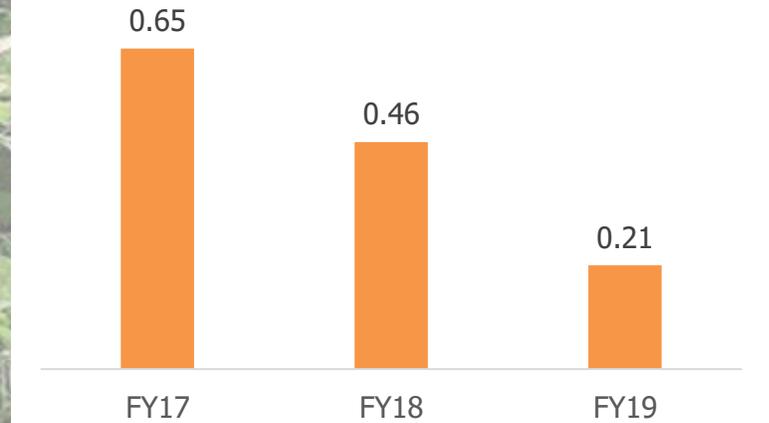
Total Energy Consumed (GJ/MT)



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

Our CSR Initiatives

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

Women Empowerment & Skill Development



Vocational training to over 6,000 women

Courses offered: 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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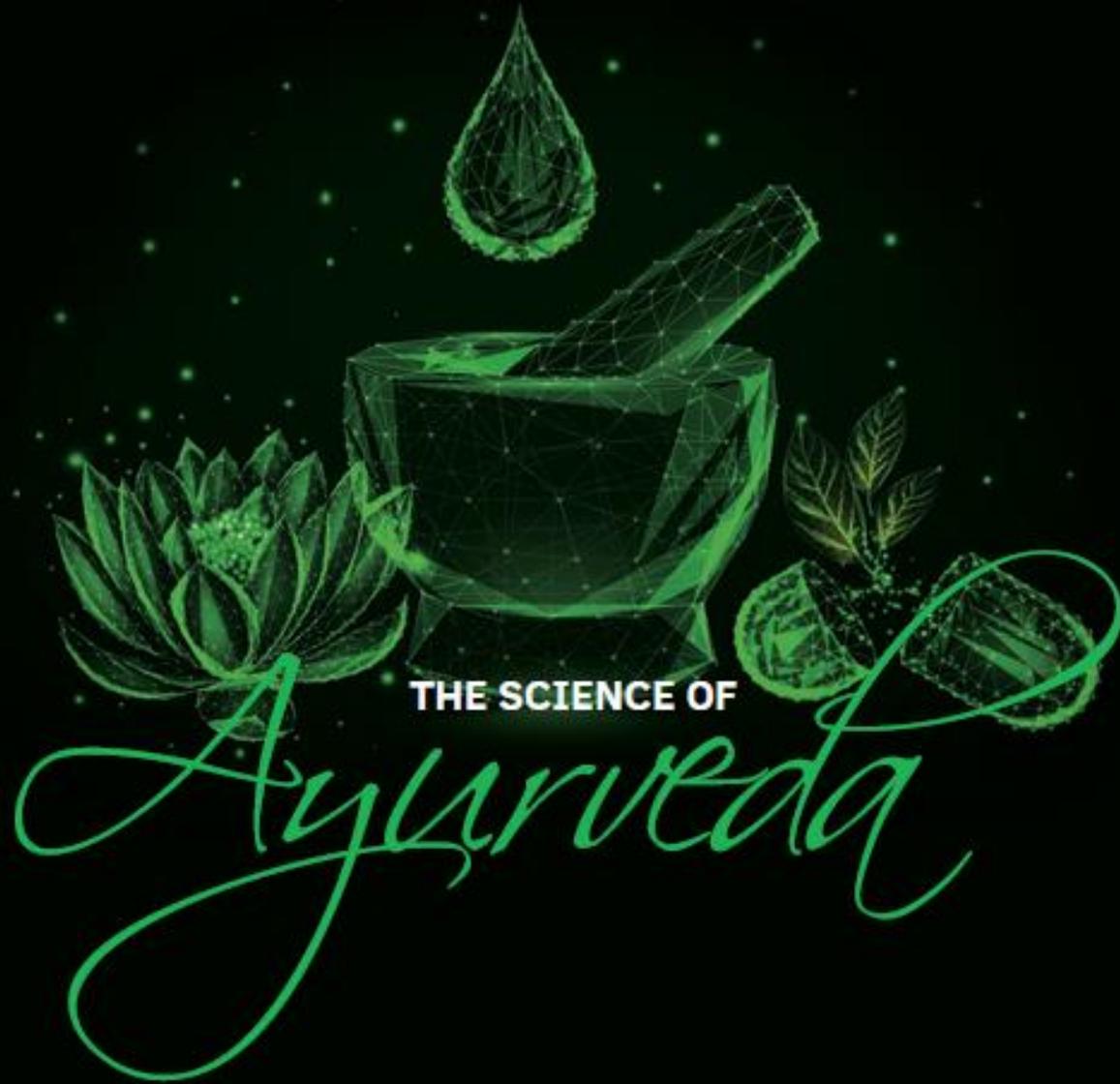
Consolidated Profit & Loss

	Q1 FY20	Q1 FY19	Y-o-Y (%)		FY19	FY18	Y-o-Y (%)
Revenue from operations	2,273.3	2,080.7	9.3%		8,533.1	7,748.3	10.1%
Other Income	73.3	73.7	(0.5%)		296.2	305.2	(3.0%)
Total Income	2,346.6	2,154.3	8.9%		8,829.2	8,053.5	9.6%
Material Cost	1,147.7	1,048.6	9.5%		4,309.0	3,846.4	12.0%
<i>% of Revenue</i>	<i>50.5%</i>	<i>50.4%</i>			<i>50.5%</i>	<i>49.6%</i>	
Employee expense	231.4	224.1	3.2%		937.9	792.8	18.3%
<i>% of Revenue</i>	<i>10.2%</i>	<i>10.8%</i>			<i>11.0%</i>	<i>10.2%</i>	
Advertisement and publicity	202.1	199.0	1.6%		608.3	606.7	0.3%
<i>% of Revenue</i>	<i>8.9%</i>	<i>9.6%</i>			<i>7.1%</i>	<i>7.8%</i>	
Other Expenses	234.4	222.9	5.2%		938.2	885.0	6.0%
<i>% of Revenue</i>	<i>10.3%</i>	<i>10.7%</i>			<i>11.0%</i>	<i>11.4%</i>	
Operating Profit	457.6	386.1	18.5%		1,739.6	1,617.4	7.6%
<i>% of Revenue</i>	<i>20.1%</i>	<i>18.6%</i>			<i>20.4%</i>	<i>20.9%</i>	
EBITDA	530.9	459.8	15.5%		2,035.7	1,922.6	5.9%
<i>% of Revenue</i>	<i>23.4%</i>	<i>22.1%</i>			<i>23.9%</i>	<i>24.8%</i>	
Finance Costs	15.3	14.9	2.5%		59.6	53.0	12.3%
Depreciation & Amortization	52.8	42.7	23.4%		176.9	162.2	9.1%
Profit before exceptional items, tax and share of profit/(loss) from joint venture	462.9	402.1	15.1%		1,799.3	1,707.4	5.4%
<i>% of Revenue</i>	<i>20.4%</i>	<i>19.3%</i>			<i>21.1%</i>	<i>22.0%</i>	
Share of profit / (loss) of joint venture	0.3	0.2	45.5%		1.0	0.2	300.0%
Exceptional item(s)	20.0	0.0	n.a.		75.3	14.5	418.2%
Tax Expenses	79.4	72.4	9.7%		278.6	335.4	(16.9%)
Net profit after tax and after share of profit/(loss) from joint venture	363.8	330.0	10.2%		1,446.3	1,357.7	6.5%
<i>% of Revenue</i>	<i>16.0%</i>	<i>15.9%</i>			<i>16.9%</i>	<i>17.5%</i>	
Non controlling interest	0.7	0.8	(11.3%)		3.9	3.3	17.1%
Net profit for the period/year	363.1	329.2	10.3%		1,442.3	1,354.4	6.5%
<i>% of Revenue</i>	<i>16.0%</i>	<i>15.8%</i>			<i>16.9%</i>	<i>17.5%</i>	

Consolidated Balance Sheet

Particulars		31/03/2019	31/03/2018
A	Assets		
1	Non-current assets		
(a)	Property, plant and equipment	1,548	1,552
(b)	Capital work-in-progress	64	42
(c)	Investment property	52	54
(d)	Goodwill	336	412
(e)	Other Intangible assets	33	10
(f)	Financial assets		
(i)	Investments	2,633	3,092
(ii)	Loans	10	13
(iii)	Others	79	4
(g)	Non-current tax assets (net)	1	3
(h)	Other non-current assets	86	80
	Total Non-current assets	4,842	5,262
2	Current assets		
(a)	Inventories	1,300	1,256
(b)	Financial assets		
(i)	Investments	725	713
(ii)	Trade receivables	848	706
(iii)	Cash and cash equivalents	108	154
(iv)	Bank Balances other than (iii) above	220	152
(v)	Loans	18	35
(vi)	Others	26	28
(c)	Current tax asset(net)	2	2
(d)	Other current assets	361	391
(e)	Assets held for sale	0	2
	Total current assets	3,608	3,440
	Total Assets	8,451	8,702

Particulars		31/03/2019	31/03/2018
B	Equity and Liabilities		
1	Equity		
(a)	Equity share capital	177	176
(b)	Other Equity	5,455	5,530
	Equity attributable to shareholders of the Company	5,632	5,707
	Non Controlling Interest	31	27
	Total equity	5,663	5,733
2	Non-current liabilities		
(a)	Financial liabilities		
(i)	Borrowings	26	364
(ii)	Other financial liabilities	5	4
(b)	Provisions	60	57
(c)	Deferred tax liabilities (Net)	23	109
	Total Non-current liabilities	113	534
3	Current liabilities		
(a)	Financial liabilities		
(i)	Borrowings	498	464
(ii)	Trade payables	1,470	1,410
(iii)	Other financial liabilities	328	238
(b)	Other current liabilities	197	173
(c)	Provisions	130	107
(d)	Current tax Liabilities (Net)	51	41
	Total Current liabilities	2,674	2,434
	Total Equity and Liabilities	8,451	8,702



Thank You