bajaj corp limited

January 12, 2018

DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 023 Fax No.2272 3121/2037/2039 **Stock Code: 533229**	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No.C/1, 'G'Block Bandra- Kurla Complex Bandra East, Mumbai 400 051 Fax No.2659 8237/8238 **Stock Code: BAJAJCORP**

Dear Sir(s),

Sub: Revised Investor Presentation

Please find enclosed a copy of Revised Investor Presentation for the Quarter ended December 31, 2017.

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,

Yours faithfully,
For Bajaj Corp Limited

Hitesh Kanani
General Manager - Company Secretary
Membership No.: FCS6188

Encl: as above

Registered Office: Old Station Road, Sevashram Chouraha, Udaipur 313 001
CIN: L01110RJ2006PLC047173
Phone : 0294-2561631, 2561632
Website : www.bajajcorp.com

bajaj Corp Ltd.

INVESTOR PRESENTATION

JANUARY - 2018

NAYA bajaj

GREAT PLACE TO WORK® CERTIFIED JAN 2017 - DEC 2017 INDIA

FLOW

- BAJAJ PATHFINDER AND NEW VISION MISSION VALUES
- BUSINESS CONTEXT & INITIATIVES OF Q3
- Q3 RESULTS SUMMARY
- WAY FORWARD
- DETAILED PERFORMANCE

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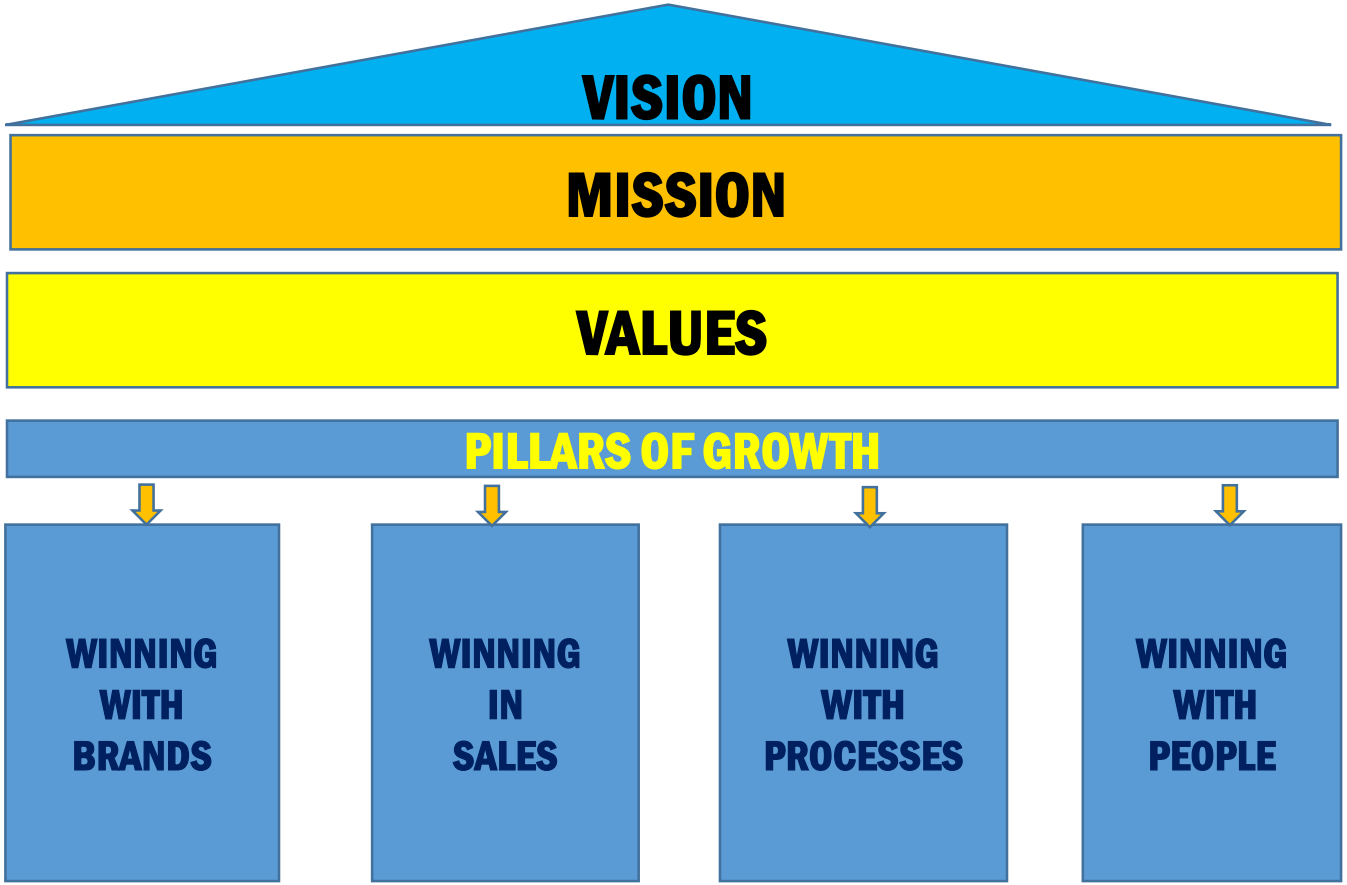
THE NAYA BAJAJ PATHFINDER



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NAYA BAJAJ – MISSION 2020

- We aspire to make BCL a complete FMCG company by introducing a culture of innovation here to create newer pathbreaking products for consumers across the globe

- We will help our consumers feel good, look good and get more out of life with our premium mixes and make them accessible even in the farthest corner of the rural markets

- We will strongly Engage with, Develop, Recognize and Retain Talent within the organization across every department

- We will develop the most efficient ways of doing business by using cutting edge IT tools across all processes and make BCL a future ready organization that can add even more value for our consumers and customers

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NAYA BAJAJ – VALUES

1. Consumer First : Our first priority is to our CONSUMERS and then to our customers, employees and the communities we serve in.

2. Entrepreneurship : We will think and act like owners of our business and develop a strong growth mentality and a positive outlook to our work.

3. Integrity :We will do the right things , be transparent with all, trust each other and keep ourselves accountable for the responsibilities given to us

4. Innovation : We will take measured risks, conquer challenges and continue to differentiate through our products

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Q3 – Market Context

- **Trade**
  - WS is still depressed though there are signs of sequential recovery now
  - Urban Retail remains unaffected and there is no negative impact of GST
  - CSD channel is looking slightly better but difficult to predict if it will ever go back to its earlier size
- **Offtakes**
  - Total Hair Oil Market continues to grow but the growth rates have come down in Q3 vs the FH
  - LHO Market is growing but at a slower pace to THO, sequential growth rates have come down (like THO)
- **Costs**
  - Input costs are on the rise especially the prices of LLP. Prices of LLP is on rising trend since last quarter

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BCL - Key Initiatives in Q3

Marketing – Innovation / Innovation / Innovation

- **Re-launch of Brahmi Amla Hair oil**
  - Benefits of Ayurvedic Brahmi + Amla extracts to help reduce hairfall
  - Brand Ambassador – Dhrashti Dhami (TV celeb)
  - New Premium Carton Packaging

- **Bajaj Almond Drops enters Guinness Book of World Records**
  - Innovative activity done to amplify our current No.1 Campaign
  - Strong viral impact especially on digital, giving us PR worth 4Cr.

- **No Marks**
  - Consistently on air on No Marks to build awareness and generate more trials.

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BCL - Key Initiatives in Q3

Sales - Automation / Direct Distribution

- Rural Coverage Expansion Continues – doubling in the first 9 months till now
- SFA rollout in Rural – making us fully automated across all channels now
- MT we continued to drive momentum on our brands through better and more offtake generation activities especially during festival months

HR – Building Greater Transparency and Trust

- Rolled out our new Mission/Vision/Values and pathfinder to 100% of our employees through townhalls conducted across 5 locations
- Completed an audit with Aon Hewitt to help us streamline our HR processes fully

Supply Chain – Leveraging Efficiency while improving service levels

- Post GST, we have started implementation our strategy to consolidate our depots
- In Q3 we have come down from 28 depot's to 24. This will help us to drive consolidat in warehousing setup and to leverage efficiency in logistics cost

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Q3 Results – Consistent Volume Driven Growth

- **Overall Company Value growth of 5.9%**
  - Led by a strong domestic Value Growth of 8.8% and volume growth of 8.2%
  - Domestic growths led by a 9.2% value growth in GT and 9.9% in MT
  - CSD continues to depress the overall growth and is at -2.7%
  - IB has severely underperformed and is at -44%
- **Comparable tax base value growth of 10.1%**
  - Taking base tax rate to be similar to current
  - Value growth in Domestic business at 14% (on comparable Tax basis)
- **EBITDA - 35.02%**
  - EBITDA for the quarter has grown by 11% in absolute value terms on account of GST Refund (Budgetary Support) coupled with volume & value growth.
  - GST Refund for Second and Third Quarter accounted for as Other Operating Revenues
- **PAT - 27.96%**
  - PAT for the quarter has declined by 3% on account of decrease in other income from treasury operations and unrealised M2M losses

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Q3 Results - Growth From Both Categories

- **100% of our Brands have grown in Q3 in domestic business**
  - Haircare category has grown at 7.5 % value and 7.9% in volume
  - Skincare category has grown at 70% value and 33% in volume
- **No Marks in growth for the first time in 2 years**
  - UP growth at 1.6 times rest of the country.
  - The successful UP Pilot is getting rolled out in other markets now
- **Brahmi Amla Re-launch has started off well – brand growth at 65%**
  - Doubled our distribution
  - Doubling of offtakes post the launch
  - New TVC campaign on air with a new regional celeb

- Taking base tax rate to be similar to current

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WAY FORWARD..

- **What Do We Expect in Q4**
  - Improvement in WS Channel pick-up
  - Input cost inflation to continue further

- **Our Plan**
  - Keep working on our innovation pipeline to tap into the whitespace opportunities in both haircare and skincare.
  - Keep driving momentum in MT channel and on enhancing direct distribution in rural
  - Improve our sales mix further to get profitable volume driven growths

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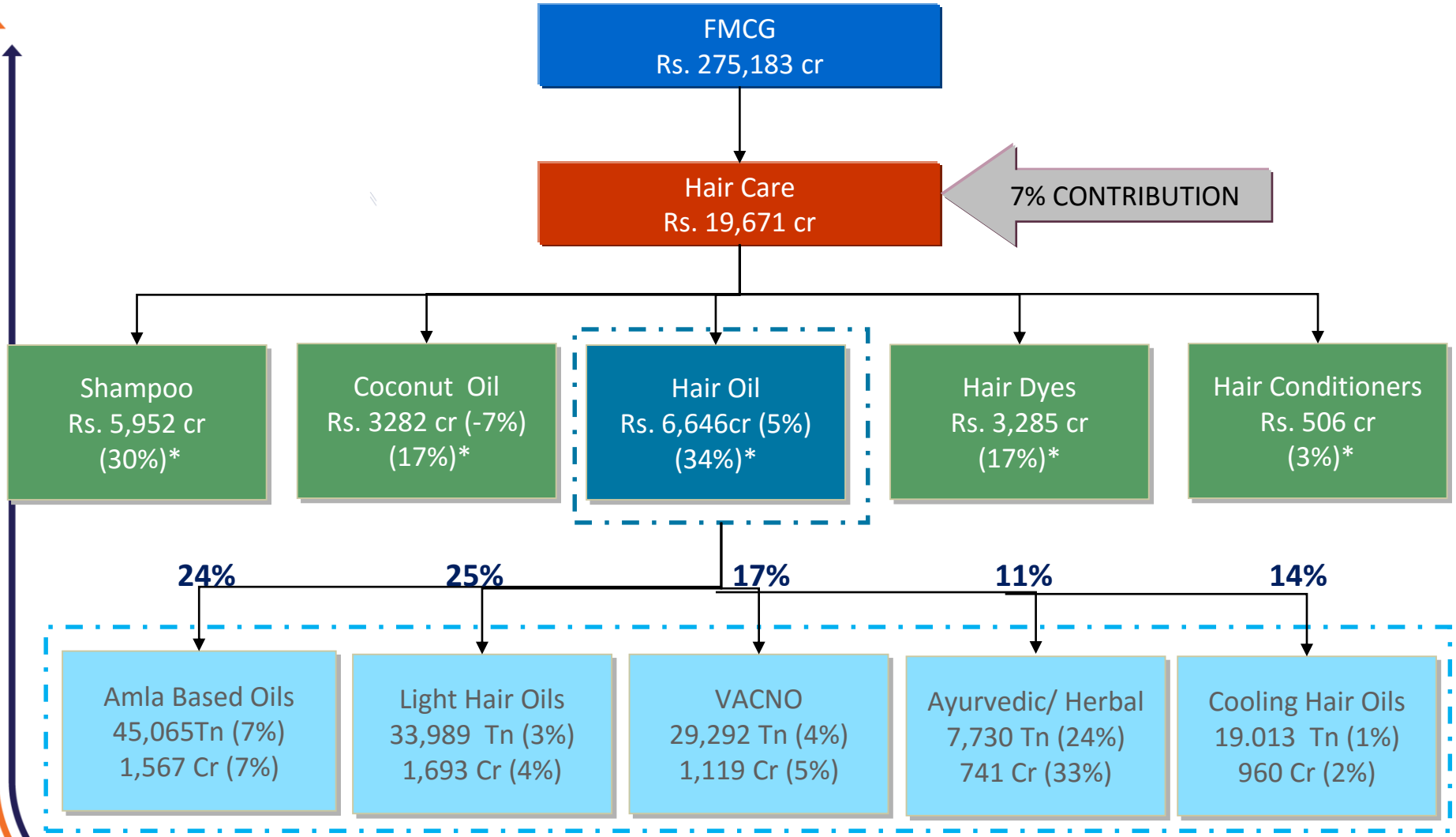
INDUSTRY OVERVIEW

INDUSTRY SIZE AND STRUCTURE



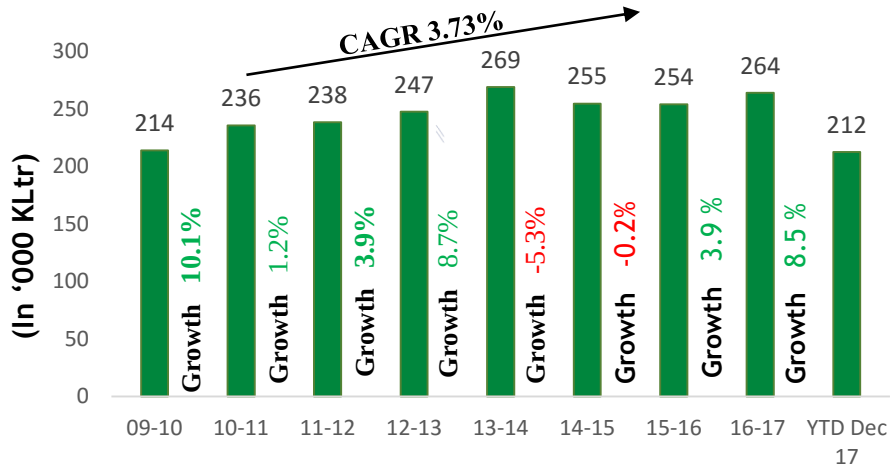
*Others (9% contribution)
5,546 Tn (-15%)
566 Cr (-12%)

* Value based share of Hair Care Market

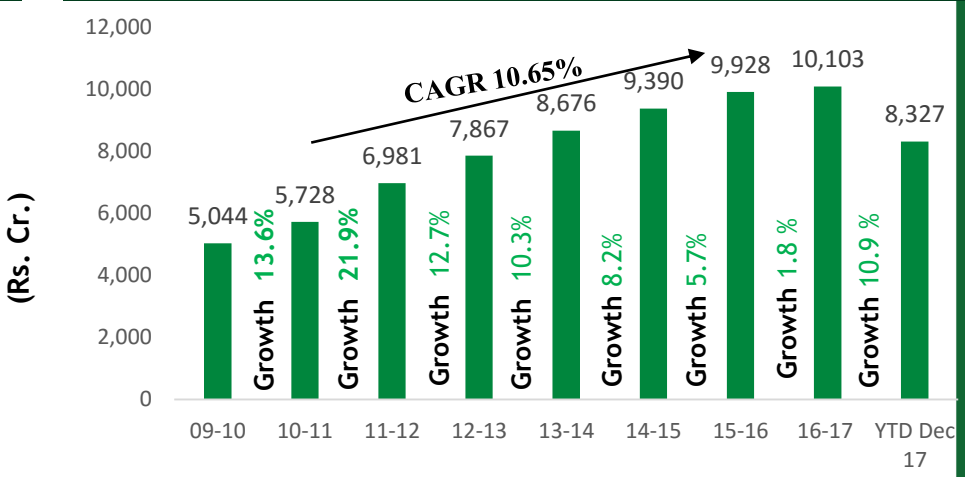
All India (U+R) MAT DEC 2016

Hair Oil Market in India

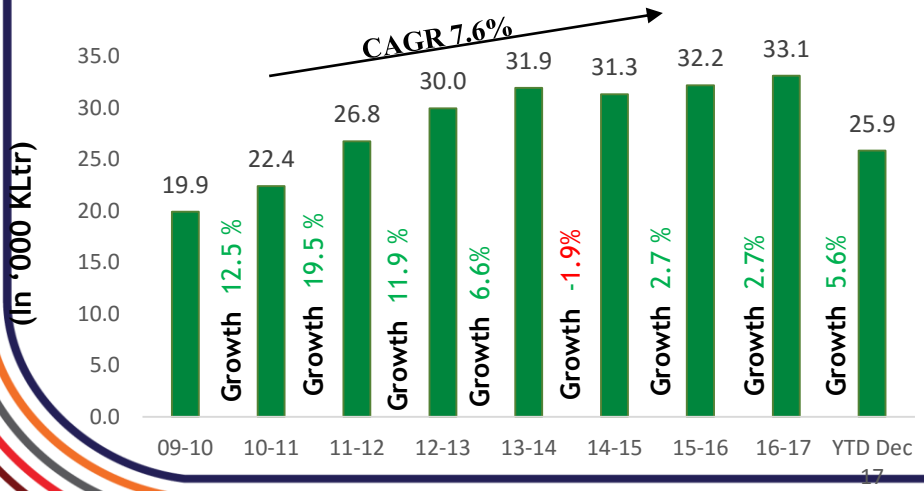
Overall Hair Oil Market - Volume



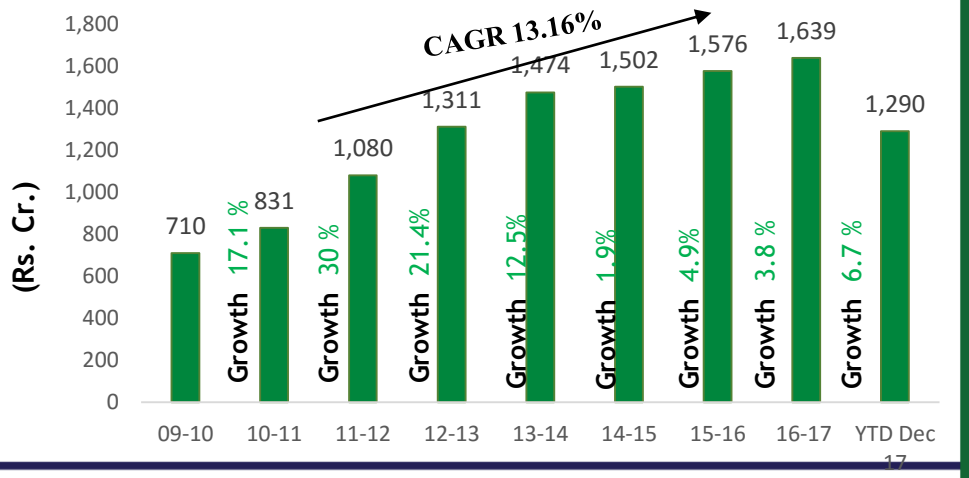
Overall Oil Market - Value



Light Hair Oil - Volume



Light Hair Oil - Value



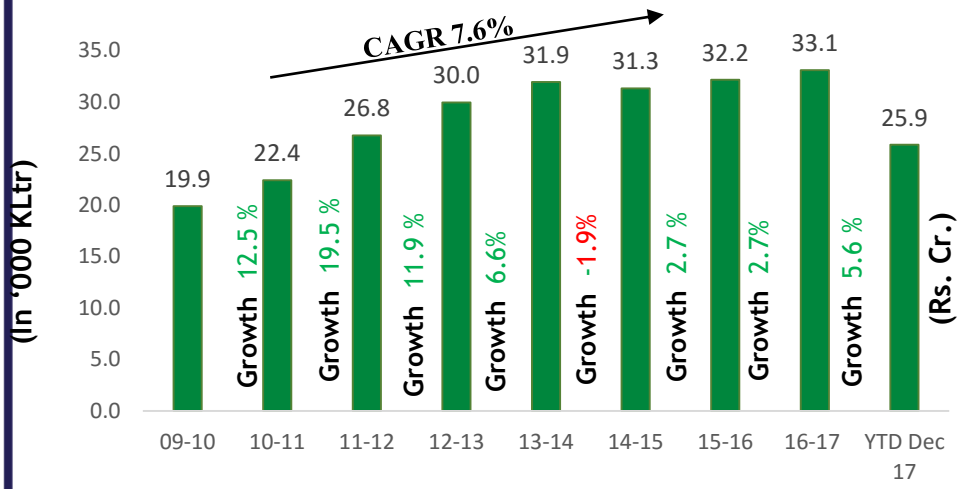
Source: Nielsen Retail Audit Report, Dec 2017; LHO nos. adjusted from 15-16 for like to like comparison

Please note that Nielsen has had an update in its database and hence this presentation contains recast Retail data numbers

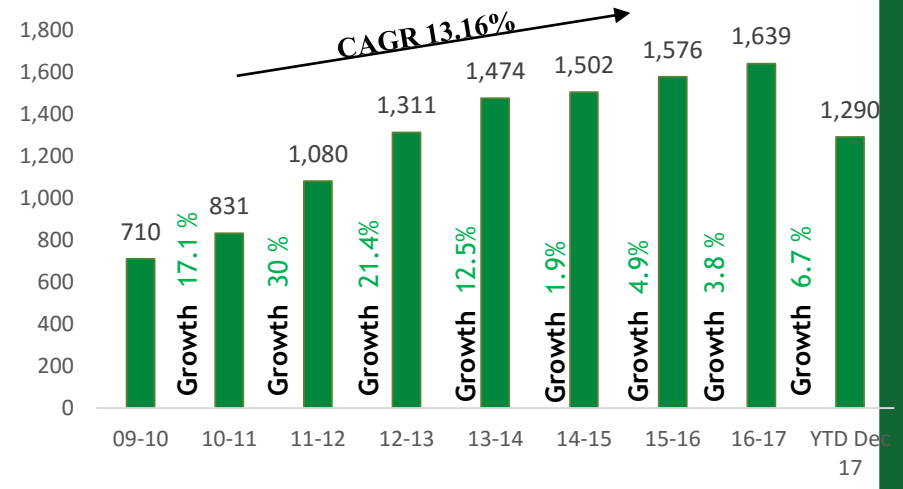
Hair Oils category shows Vol & Val growth as compared to YTD Dec 16. LHO segment also shows Val & Vol growth.

Light Hair Oil Market in India

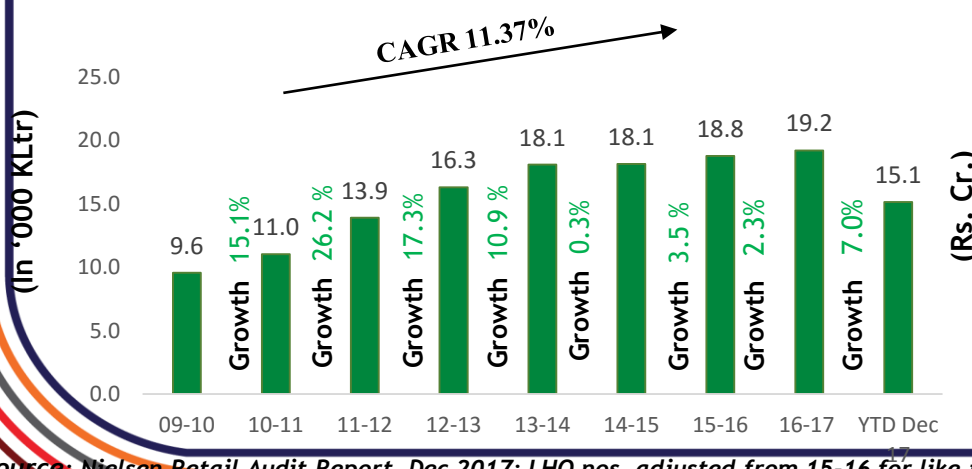
Light Hair Oil - Volume



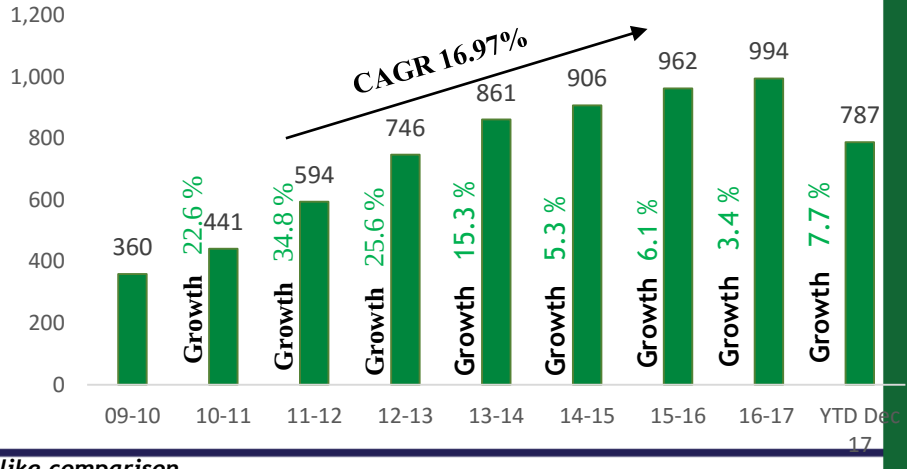
Light Hair Oil - Value



Almond Drops Hair Oil Market - Volume



Almond Drops Hair Oil Market - Value

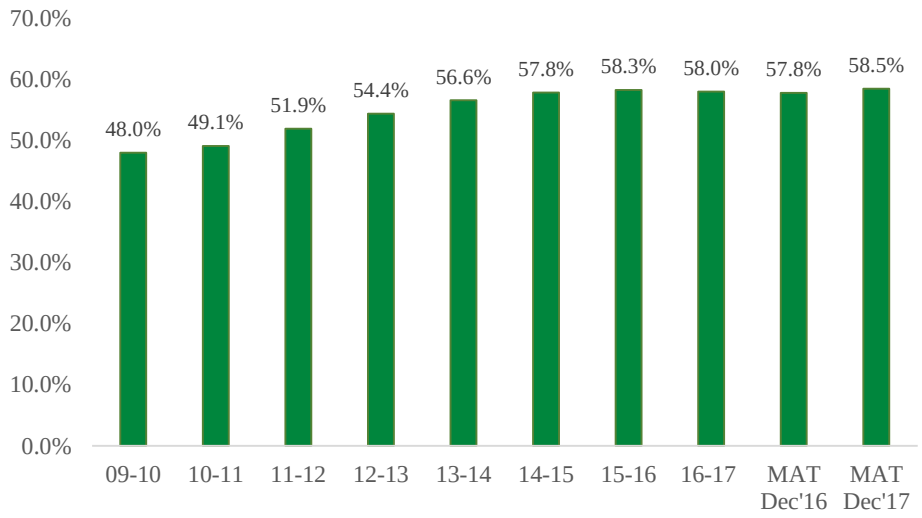


Source: Nielsen Retail Audit Report, Dec 2017; LHO nos. adjusted from 15-16 for like to like comparison

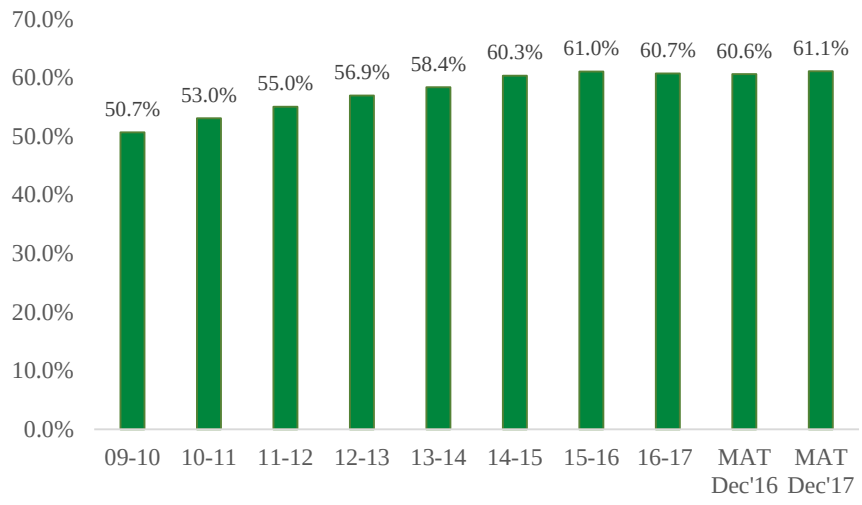
Bajaj Almond Drops shows growth in both volume & value as compared to YTD Dec 16

Market Shares Trends in Light Hair Oil Category (AI – U+R)

Volume MS



Value MS

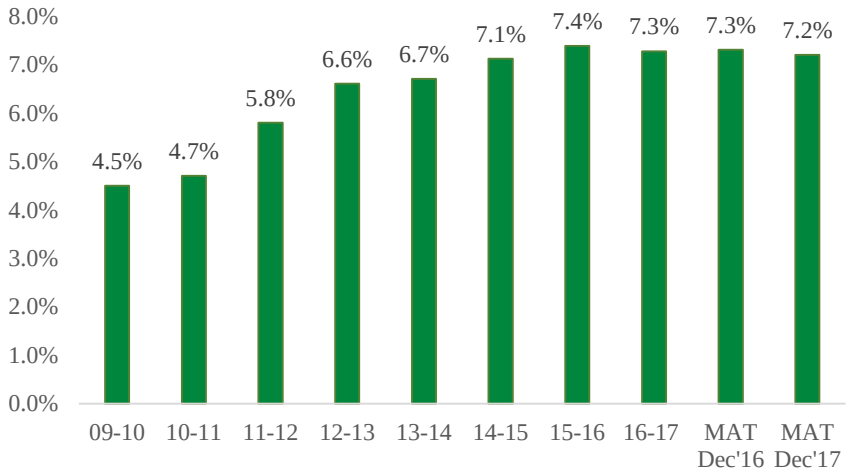


ADHO has reached its highest ever market share in the LHO category - Both value and Volume

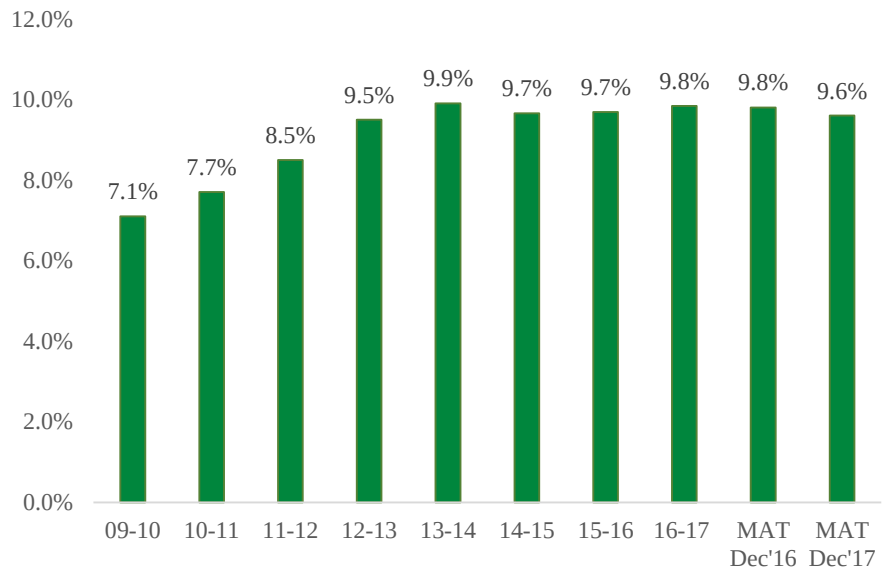
Source: Nielsen Retail Audit Report, Dec 2017

Market Shares Trends in Total Hair Oil Category (AI – U+R)

Volume MS



Value MS



Bajaj Almond Drops is stable on MS Volume but marginal fall in MS val in the THO category

Source: Nielsen Retail Audit Report, Dec 2017

MS Trends Qtrly - THO AI(U+R)

	MS Val			MS Vol		
	Q1'17	Q2'17	Q3'17	Q1'17	Q2'17	Q3'17
ADHO	9.6	9.3	9.4	7.2	7	7.2
All Bajaj Brands*	10	9.7	9.9	7.7	7.6	7.8

Overall positive trends in for ADHO in THO category on both MS vol & MS val

Source: Nielsen Retail Audit Report, Dec 2017

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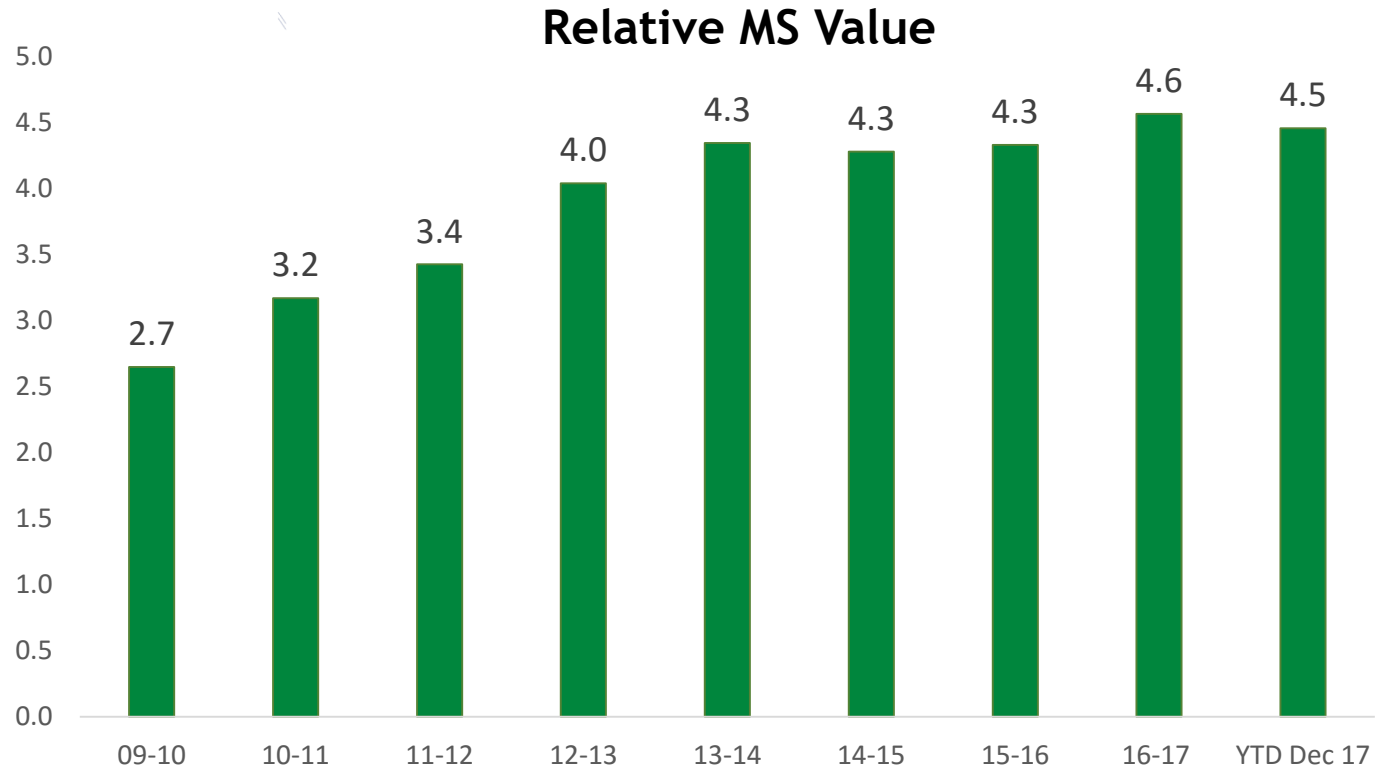
ADHO – Relative Market Share – Value Trend

Relative Market share is the ratio of Bajaj Almond Drops market share to the next largest competitor in LHO segment

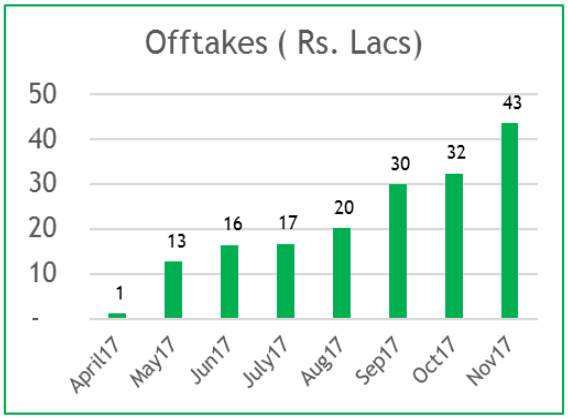


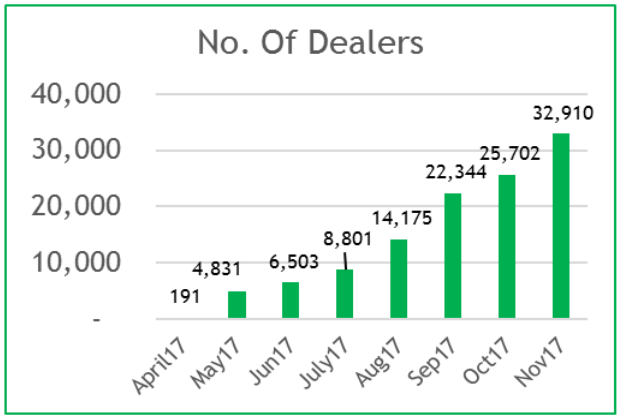
Source: Nielsen Retail Audit Report, Dec 2017; LHO nos. adjusted from 15-16 for like to like comparison

Strong Relative market share demonstrates the strength of the brand

Bajaj Brahmi Amla Hair Oil Restage in Q3

- Restaged Bajaj Brahmi Amla Hair oil
  - Benefits of **Ayurvedic Brahmi** + Amla extracts to help reduce hairfall
  - Brand Ambassador – Dhrashti Dhami (of Madhubala fame)
  - New Premium Packaging





Source: AC Nielsen RMS Nov 17

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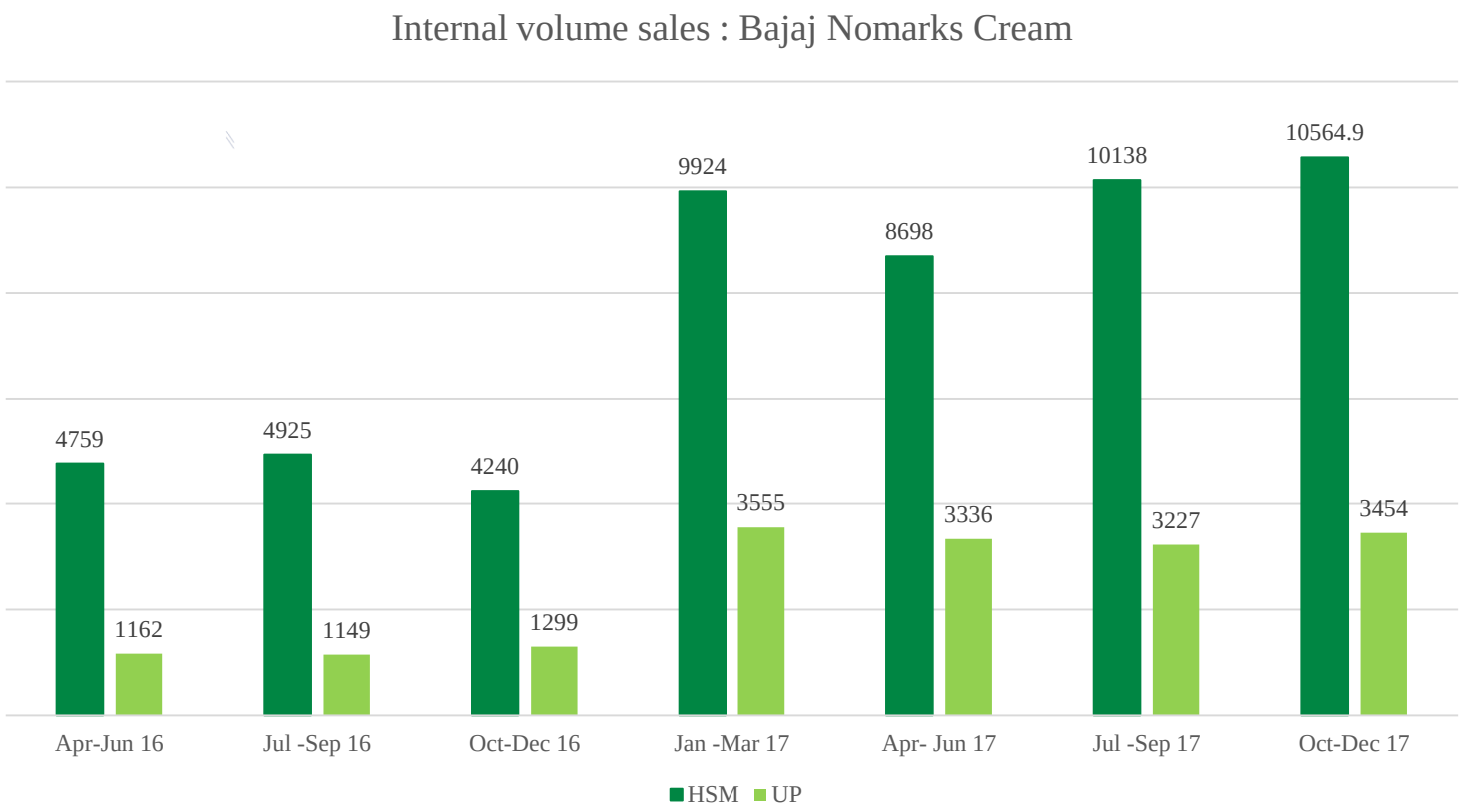
Nomarks Cream Performance in 17-18



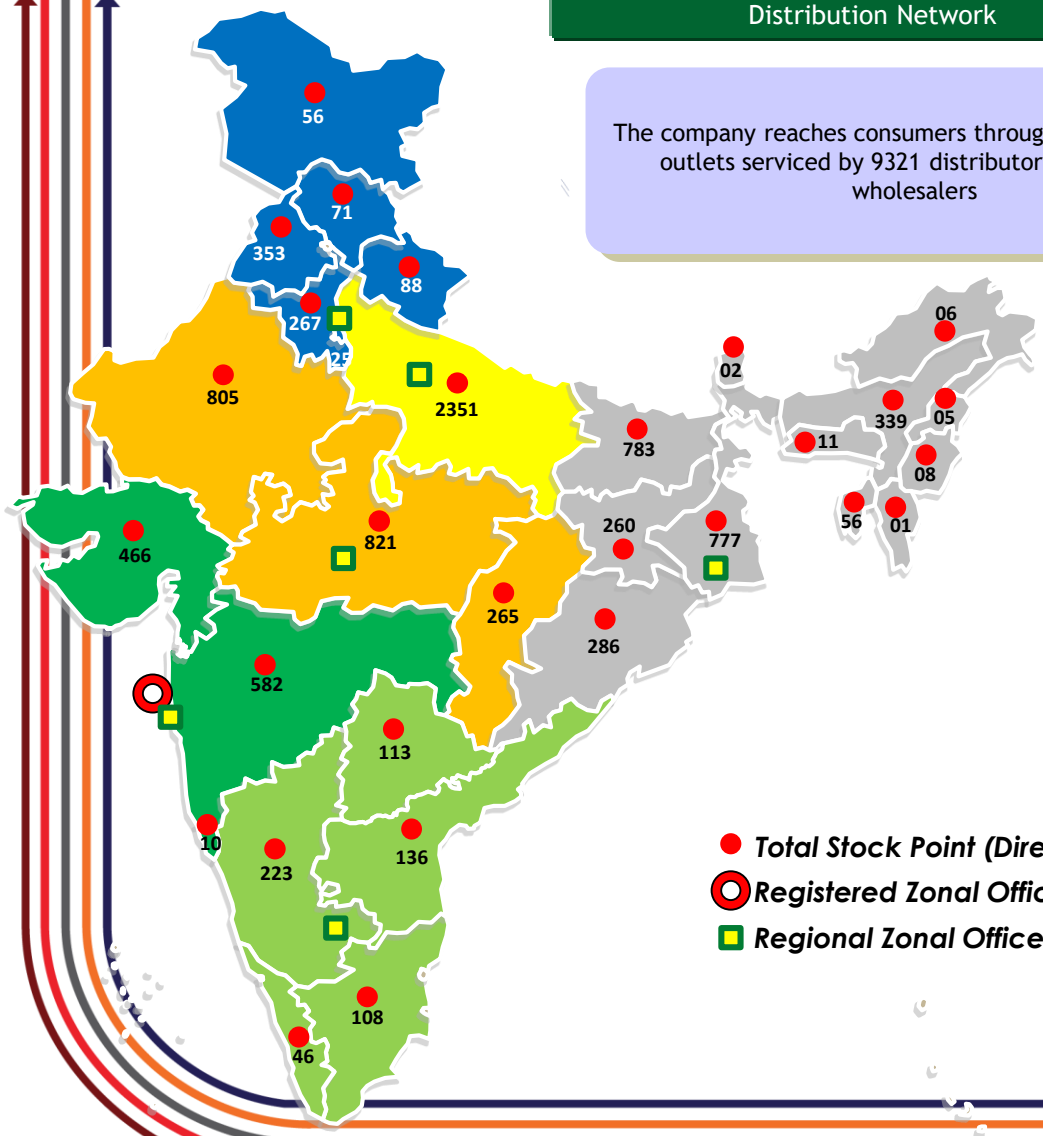
YTD Growth of 111% in HSM markets and 178% in pilot market - UP

Distribution

Strong Distribution Network

Distribution Network

The company reaches consumers through 3.8 lakh retail outlets serviced by 9321 distributors and 20328 wholesalers



- *Total Stock Point (Direct + Indirect)*
- *Registered Zonal Office*
- *Regional Zonal Office*

Distribution Structure

Factory (9)

OWN - Himachal Pradesh -2, Uttarakhand- 1, Guwahati 1
THIRD PARTY - Himachal Pradesh-2, Bangladesh-1, Uttarakhand- 2

↓

Central Warehouse (2)

↓

Regional Distribution Centre (26)

Urban Distribution

↓

Redistribution Stockiest 1121

↓

Retail Outlets 1,522,902

Rural Distribution

↓

Super Stockiest - 320

↓

Sub-Stockiest- 7880

↓

Retail Outlets - 2,265,581

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Sales Force Automation

- SFA program was launched under the name of **Project Saathi** last year.
- It was started with the objective of better coverage & control of distribution, better efficiency
- Currently all 1300 ISRs are under SFA (As on 31st December)
- Fastest National Roll out with FMCG space – 6 months (Industry norm 1.5 – 2 years)
- Rural Sales Team connected with SFA (new Module)
- Merchandiser module also successfully implemented

Financials

Financial Information

Summary Income Statement

(Rs. In Crore)

Particulars	Q3FY18	Q3FY17	9MFY18	9MFY17
Sales (Net)	197.32	186.40	597.40	586.28
EBITDA	69.10	62.33	190.60	202.68
EBITDA Margin	*35.02%*	*33.44%*	*31.90%*	*34.57%*
Profit Before Tax & Exceptional Item	*70.15*	*73.48*	*204.52*	*232.39*
Exceptional Item (Trademark & Intellectual Properties)	-	-	-	*18.38*
Profit Before Tax(PBT)	*70.15*	*73.48*	*204.52*	*214.00*
Net Profit after Tax	55.16	57.80	160.86	168.29
Net Profit Margin	*27.96%*	*31.01%*	*26.93%*	*28.70%*

Summary Balance Sheet

(Rs. In Crore)

Particulars	As on 31.12.2017	As on 31.03.2017
Shareholders Equity	662.68	501.77
Net Fixed Assets	52.27	53.80
Investments (including Bank FDs, Debt MF and Government Securities & Bonds)	594.34	458.53
Net Current Assets	16.07	- 10.56

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Profit & Loss Q3 and 9M FY2018

Rs. in Crore

Particulars	Q3 FY18	Q3 FY17	YoY%	9M FY 18	9M FY 17	YoY%
Net Sales	**197.32**	**186.40**	**5.86%**	**597.40**	**586.28**	**1.90%**
Other Operating Income	10.73	0.51		12.21	1.72	
Material Cost	64.39	64.38		200.54	200.94	
% of Sales	32.63%	34.54%		33.57%	34.27%	
Employees Cost	19.26	15.71		55.52	44.17	
% of Sales	9.76%	8.43%		9.29%	7.53%	
Advertisement & Sales Prom.	32.65	24.85		89.19	78.25	
% of Sales	16.55%	13.33%		14.93%	13.35%	
Other Expenses	22.65	19.64		73.76	61.96	
% of Sales	11.48%	10.54%		12.35%	10.57%	
EBITDA	**69.10**	**62.33**	**10.89%**	**190.60**	**202.68**	**-5.96%**
% of Sales	35.02%	33.44%		31.90%	34.57%	
Other Income	4.48	13.75		23.49	37.03	
Finance Cost	0.28	0.24		0.78	0.67	
Depreciation	1.90	1.26		5.02	3.37	
Corporate Social Responsibility	1.25	1.10		3.77	3.30	
Profit Before Tax & Exceptional Item	**70.15**	**73.48**	**-4.52%**	**204.52**	**232.39**	**-11.99%**
Exceptional Item (Trademark & Intellectual Properties)	-	-		-	18.39	
Profit Before Tax(PBT)	**70.15**	**73.48**	**-4.52%**	**204.52**	**214.00**	**-4.43%**
Tax Expenses	14.99	15.68		43.67	45.71	
Profit After Tax(PAT)	**55.16**	**57.80**	**-4.54%**	**160.85**	**168.29**	**-4.42%**
% of Sales	27.96%	31.01%		26.93%	28.70%	
Other Comprehensive Income (net of tax)	-	-		0.05	-	
Total Comprehensive Income (net of tax)	**55.16**	**57.80**	**-4.54%**	**160.90**	**168.29**	**-4.39%**
Basic & Diluted EPS (Rs.)	3.74	3.92		10.91	11.41	

Note: Other Operating Income includes GST Refund (Budgetary Support) of Rs. 10.25 Cr upto Dec 2017.

Sales Value Growth

Sales Vertical	Growth Q1 FY 18	Growth Q2 FY 18	Growth Q3 FY 18
General Trade	-3.03%	10.20%	14.09%
Modern Trade	11.65%	22.85%	13.83%
Total Domestic (Exc. CSD)	**-2.26%**	**11.06%**	**14.07%**
Canteen Stores Department	-39.21%	-20.28%	-2.72%
Total Domestic	**-3.83%**	**8.96%**	**13.38%**
International Business	2.83%	-24.18%	-44.24%
Total for the Company	**-3.60%**	**7.44%**	**10.08%**

Note: The Growth number for the company post GST period has been arrived at after adjusting GST impact.

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Statement of Quarter wise Sales (Volume)

STATEMENT OF QUARTERWISE SALES (VOLUME - In Cases)

	ADHO		KPCO		BAHO		AHO		Nomarks		Others		Total		% Inc over PY
	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	FY 18	FY 17	
Q1	1,185,731	1,269,703	7,407	7,483	9,408	11,801	32,058	45,072	24,817	29,195	5,347	8,081	1,264,768	1,371,336	-7.77%
Q2	1,288,939	1,210,568	1,537	2,107	19,689	15,376	25,466	40,865	25,257	27,225	9,307	7,640	1,370,195	1,303,780	5.09%
Q3	1,239,955	1,186,481	312	764	20,524	11,761	31,325	27,043	24,545	26,300	5,610	4,886	1,322,271	1,257,235	5.17%
Total	**3,714,625**	**3,666,752**	**9,256**	**10,354**	**49,621**	**38,938**	**88,849**	**112,980**	**74,619**	**82,720**	**20,264**	**20,607**	**3,957,234**	**3,932,351**	**0.63%**

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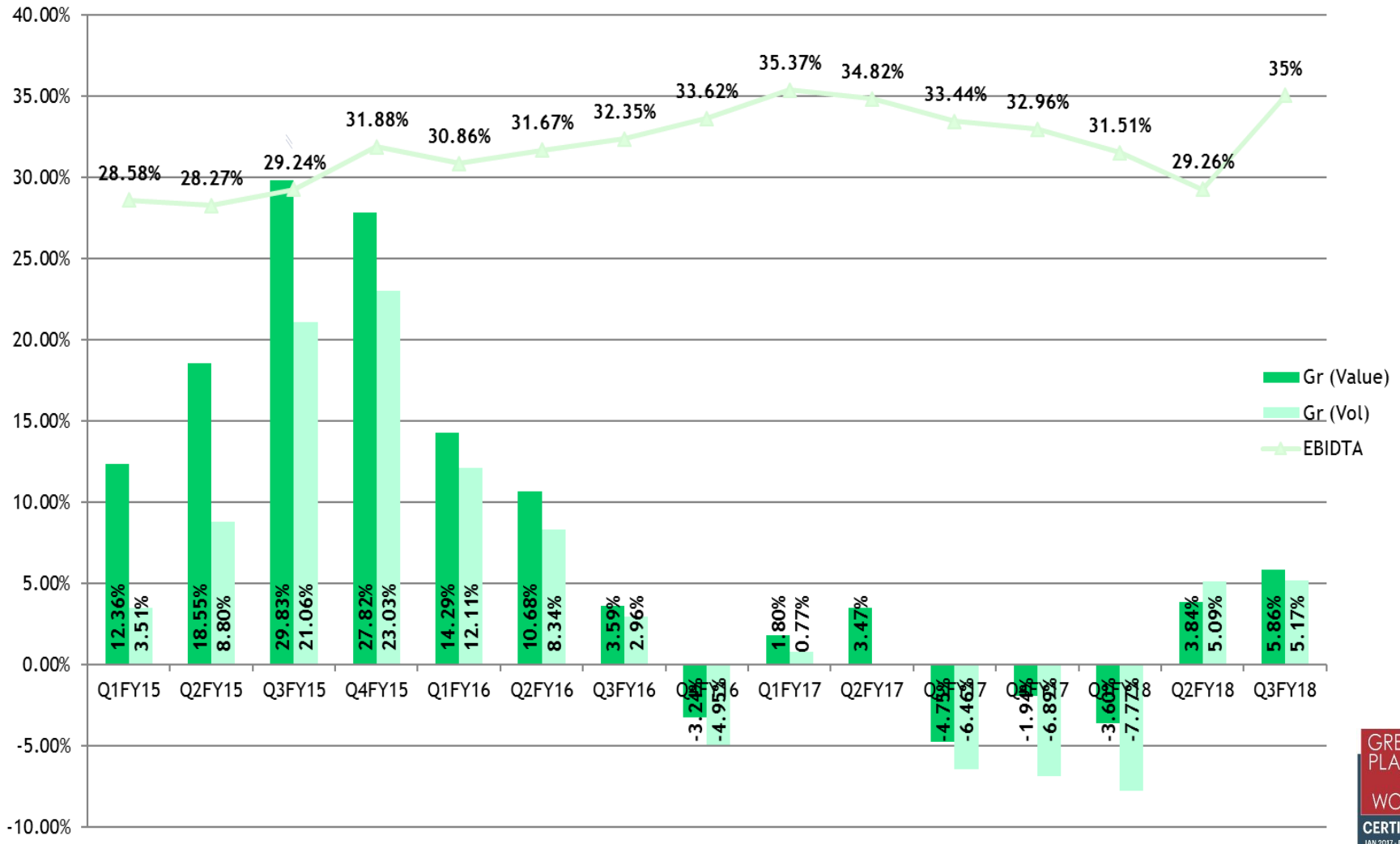
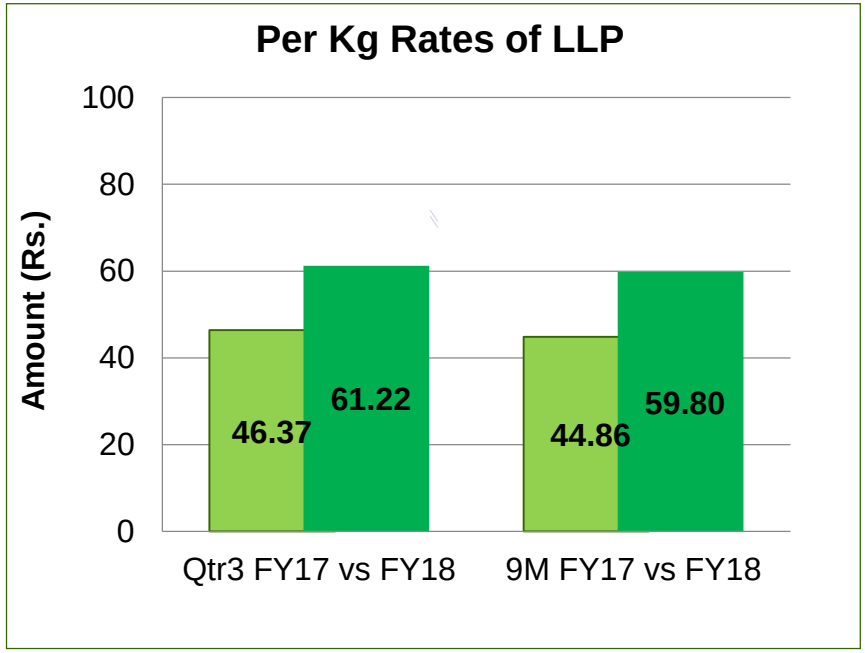
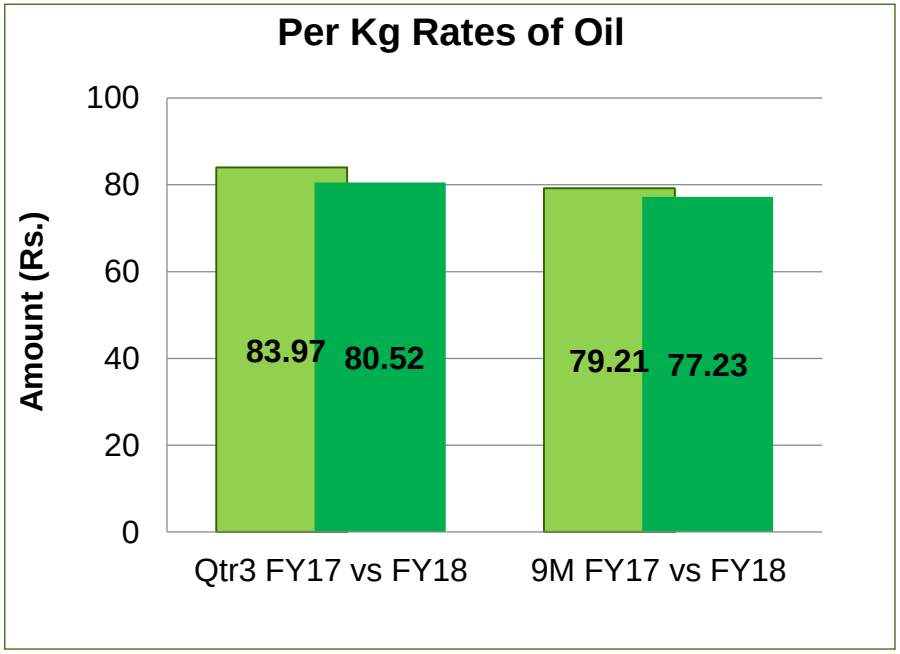
Consistent Performance over the last 15 successive quarters



Change in Prices of Key Ingredients





- ✓ **During the quarter average landed price of LLP increased to Rs 61.22/Kg from Rs 46.37/Kg in corresponding quarter of previous year. The adjusted landed cost during the quarter is Rs. 52.81/Kg.**
- ✓ **Prices of Refined Oil decrease to Rs 80.52/Kg from Rs 83.97/Kg in corresponding quarter of previous year. The adjusted landed cost during the quarter is Rs. 76.69/Kg.**

Fund Position

- **Fund Position:**
  - The total Fund available with the company as on 31st Dec 2017 is Rs. 470.02 Crores
  - This has been invested in Bank Fixed Deposits, top rated PSU Bonds & Liquid MFs
  - There is no investment in ANY Inter Corporate Deposit

Particulars	*Amount (Rs. in Crores)*
Bank FDs	*19.24*
Bonds	*423.98*
Liquid Plans of Mutual Funds	*26.80*
Total	***470.02***

GREAT PLACE TO WORK® CERTIFIED JAN 2017 - DEC 2017 INDIA

Dividend Payout History

Year	No. of Shares (in Lacs)	Face Value	Dividend Payout (Rs in Lacs)	% to Capital	Dividend per share (Rs.)
2017-18	1,475	1	17,700.00	1200%	12.00
2016-17	1,475	1	16,962.50	1150%	11.50
2015-16	1,475	1	16,962.50	1150%	11.50
2014-15	1,475	1	16,962.50	1150%	11.50
2013-14	1,475	1	9,587.50	650%	6.50
2012-13	1,475	1	9,587.50	650%	6.50
2011-12	1,475	1	5,900.00	400%	4.00
2010-11	295	5	2,802.50	190%	9.50

GREAT PLACE TO WORK® CERTIFIED JAN 2017 - DEC 2017 INDIA

For More Information

- Please Visit www.Bajajcorp.com

THANK YOU

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