bajaj CONSUMER CARE

May 7, 2019

DCS - CRD BSE Limited First Floor, New Trade Wing Rotunda Building Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 023 Fax No. 2272 3719/ 2037 Script Code: : 533229	Listing Compliance 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 Script Code: BAJAJCON

Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Our Letter dated May 4, 2019

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation of our earlier intimation, please note that the Company has hosted an Investor Meet on Monday, May 6, 2019 at Mumbai. The presentation is attached and also uploaded on our website.

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

Yours truly,
For Bajaj Consumer Care Limited

Makarand Karnataki
Head-Legal & Company Secretary
Membership No. ACS 14509

Encl.: As above

Investor Meet - May 2019

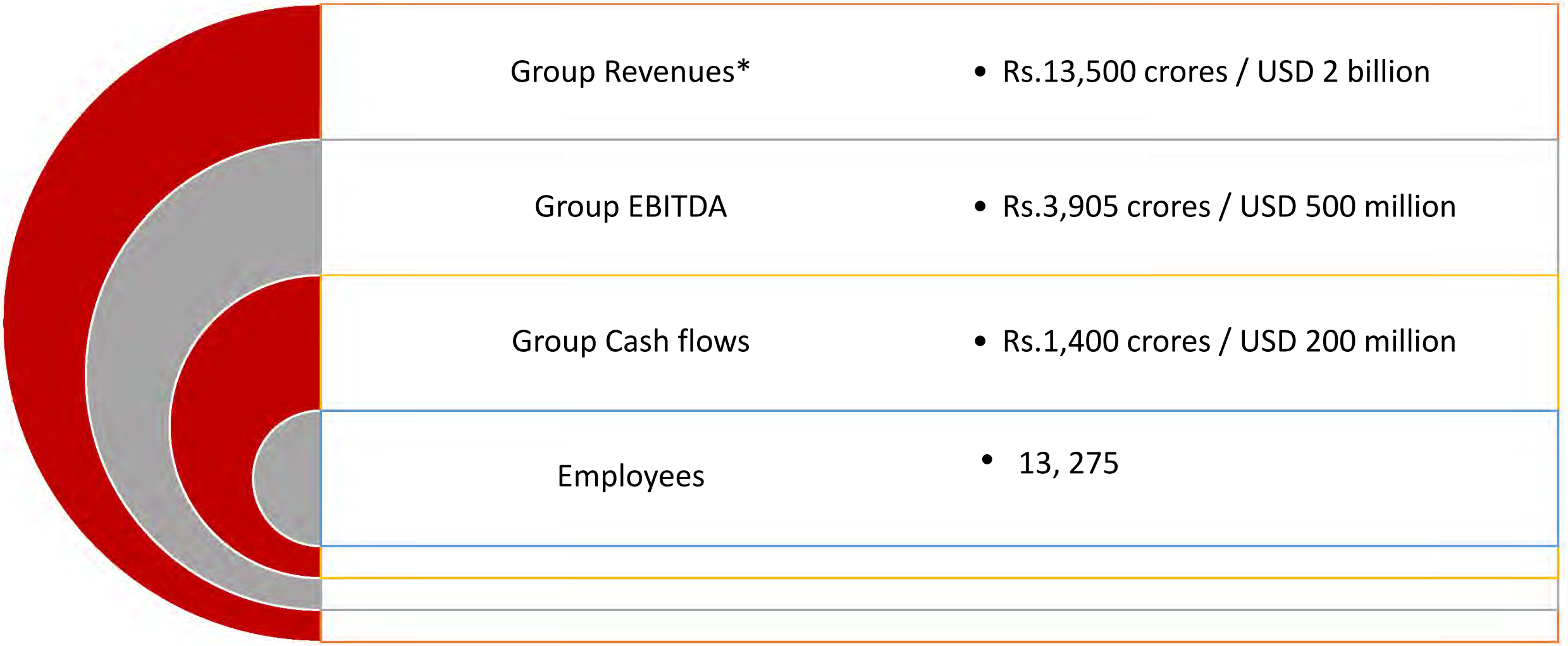
Safe Harbor

Certain statements mentioned in this presentation concerning our future growth prospects may be forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in FMCG industry including those factors which may affect our costs, wage increases, our ability to attract and retain talent, our ability to manage our international operations, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies within and India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.


bajaj
GROUP
Think Tomorrow.

bajaj GROUP
Think Tomorrow.



*Bajaj Group is defined as Bajaj Consumer Care, Bajaj Energy and Bajaj Hindusthan Sugar Limited

- Nine decades ago, the Bajaj Group was born out of India's struggle for freedom
- Founded by Shri Jamnalal Bajaj, freedom fighter, philanthropist and close confidante of Mahatma Gandhiji who was adopted by Mahatma Gandhi as his 5th son.
- Today it has become a global business group with products in over 14 countries, over 13,000 employees and Group revenue of USD 2 billion.
- Bajaj Group is amongst India's most respected business houses enriching millions of life through their work in important sectors of country.

Leadership over the years

Jamnalal Bajaj
(1889-1942)



Kamalnayan Bajaj
(1915-1972)



Shishir Bajaj
Age – 72 yrs



Kushagra Nayan Bajaj
Age – 42 yrs



Bajaj Group Values

- **TRUSTEES FOR SOCIETY – PROGRESS BEFORE PROFITS**
- **Believe in delivering sustainable, inclusive growth**
- **Transparency in running our businesses**

- There are 2 Trusts within Bajaj Foundation, namely:

    1. **Kamalnayan Jamnalal Bajaj Foundation (KJBF) in Wardha district of Maharashtra**
    2. **Jamnalal Kaniram Bajaj Trust (JKBT) in Sikar district of Rajasthan**

- Focus area – integrated water resources development & agro based livelihood.
    - 224 rivers / streams of 586 km length rejuvenated
    - 100 check dams & 3169 farm ponds constructed
    - 1512 group lift irrigation & 8000 micro irrigation systems installed
    - 880 roof rain water harvesting structures constructed
    - 3.5 lakh acres of land covered under water resource development & sustainable agriculture
    - 3932 Women Self-Help Groups formed with 50,000+ members

- Cumulative CSR Spend – Rs. 253 crores in last 10 years
- Employees strength – 210+ people
- Our Reach
    - Wardha – 820 villages covered out of 1060 villages & 5.92 lakh people benefitted out of 13.36 lakh population.
    - Sikar – 300 villages covered out of 1167 villages & 4.22 lakh people benefitted out of 26.77 lakh population.

Update on pledging of BCCL shares

- **Why** did we borrow against Bajaj Consumer shares?
- **How much** did we borrow and how much is still outstanding?
- **When** will the shares be unpledged?
- **How** will the shares be unpledged?

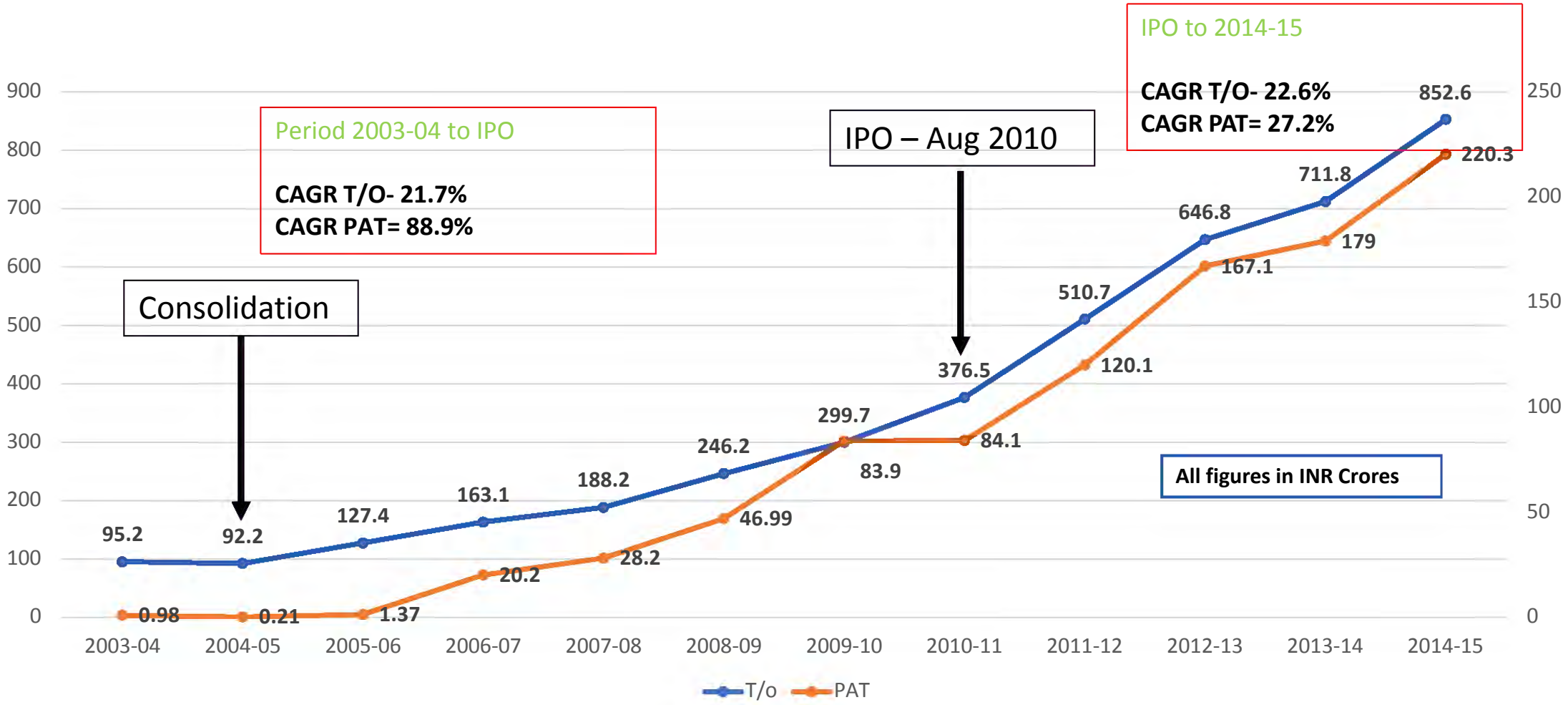
What makes BCCL the "crown jewel" of Bajaj Group?

- **Strong brand**: Bajaj Almond Drops
- **Profitability:** Most profitable hair oil brand over a sustained time period
- **Consumer facing:** Only Bajaj Group business with direct consumer access
- **Deep distribution:** Highest distributed hair oil brand in the country reaching 4 million outlets
- **Debt Free** with strong cash flows
- **Consistent shareholder value creation** with great future value creation potential
- **Capable, pedigreed and experienced** management team
- **Corporate governance:** High level of disclosures to investors, almost NYSE compliant
- **Independent** from all other group companies

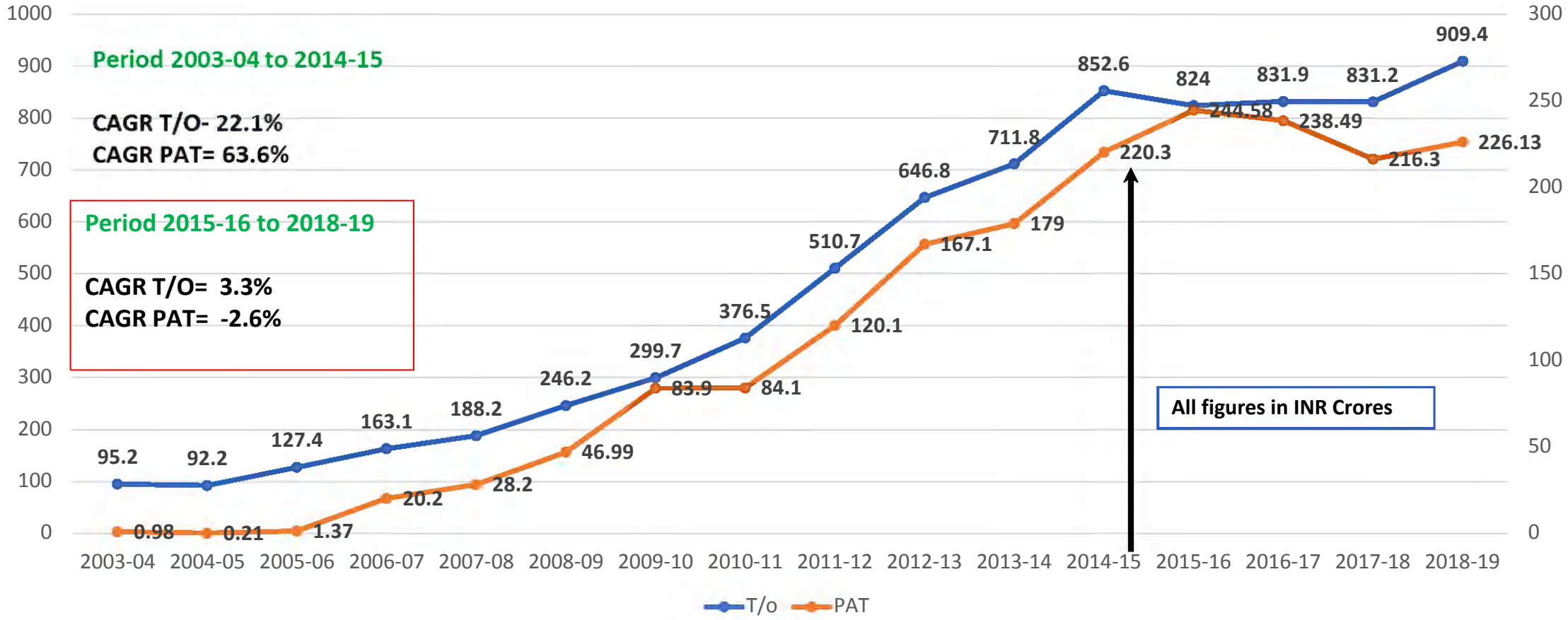
Values of BCCL completely aligned with those of the Bajaj Group

The Growth story

Delivered consistent, profitable growth for more than a decade



Blip in our performance over last 3 years



We were investing in the future over last 3 years

- We readied ourselves for the future by **getting our processes right** – both customer facing and back-end

- Made significant investments in **sales and supply chain automation**

- Improved the consumer facing functions i.e. Marketing & R&D by **bringing in top notch talent** from outside and engaging world-class agencies to **strengthen our equity**

- Invested in getting better and smarter – **capability building** for our resources across functions

- Continued **focus on cost excellence** to sustain our profitability levels

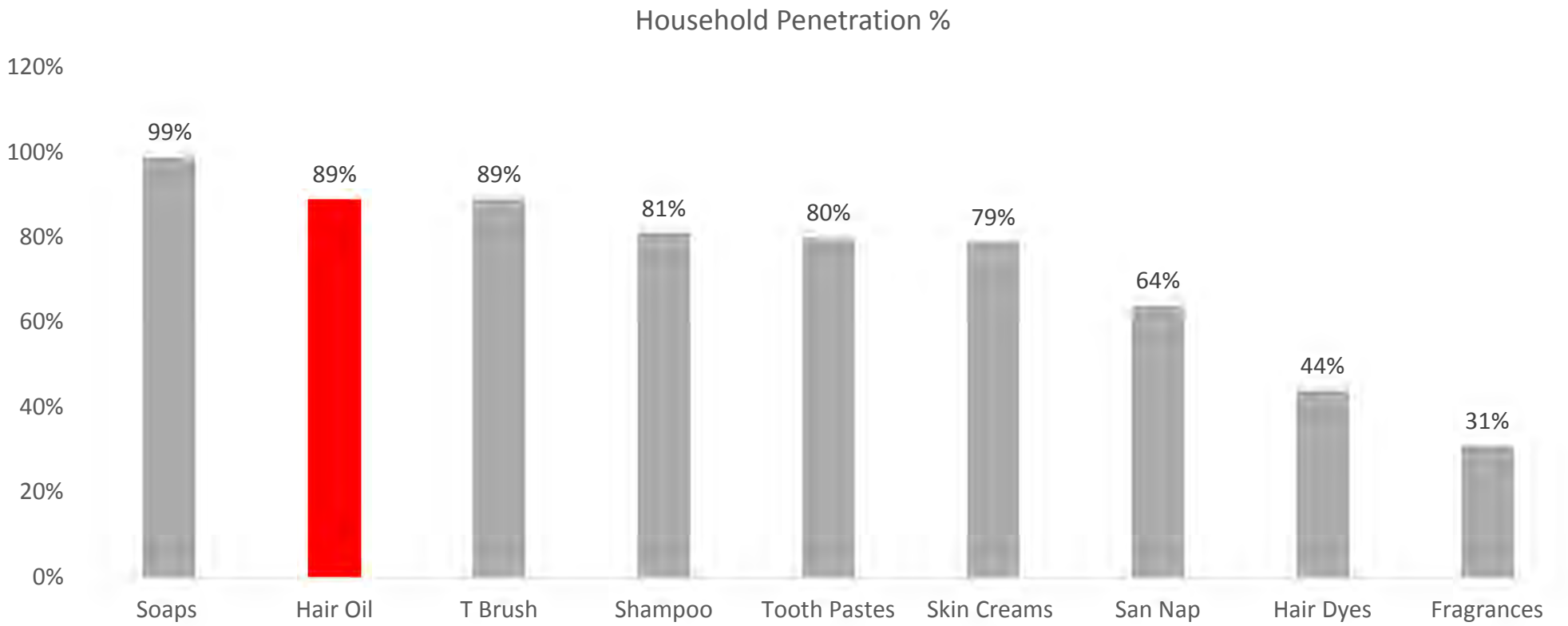
Why are we bullish on the Hair Oil category?

Hair Oils – large, thriving and here to stay…

- **Indian in nature** : Part of the legacy handed over from one generation to another;
- **Large in size:** 2nd largest personal care category in India at Rs.13,223 crores*
- **Growing fast:** Grew 17.1% by value and 8.7% by Volume in FY 19
- **Deeply penetrated:** 89% of all Indian Households(rich and poor) use Hair Oils;
- **Penetration levels similar** across SEC A/B/C Households and rural and urban
- **Consolidated:** Top 10 Brands account for 75.2% of the total branded hair oil market with only 3 Indian companies actively focused on this space
- **Bajaj growing share:** Market share (in THO**) has risen from **4.4% in '07 to 9.6% in '19**

* As Per Nielsen ** THO= Total Branded Hair Oil

Hair oil is one of the most deeply penetrated categories in India



Bajaj has grown its Household penetration from 17.4% to 20% over the last 1 year; but has significant headroom to grow…

Source- Kantar, 2018 (U+R)

Hair oil category is dominated by 4 Indian players

Company	Market Share (%)
Marico	46.2%
Bajaj	10.1%
Dabur	7.5%
Emami	6.9%
Shalimar	2.8%
Total	**73.7%**

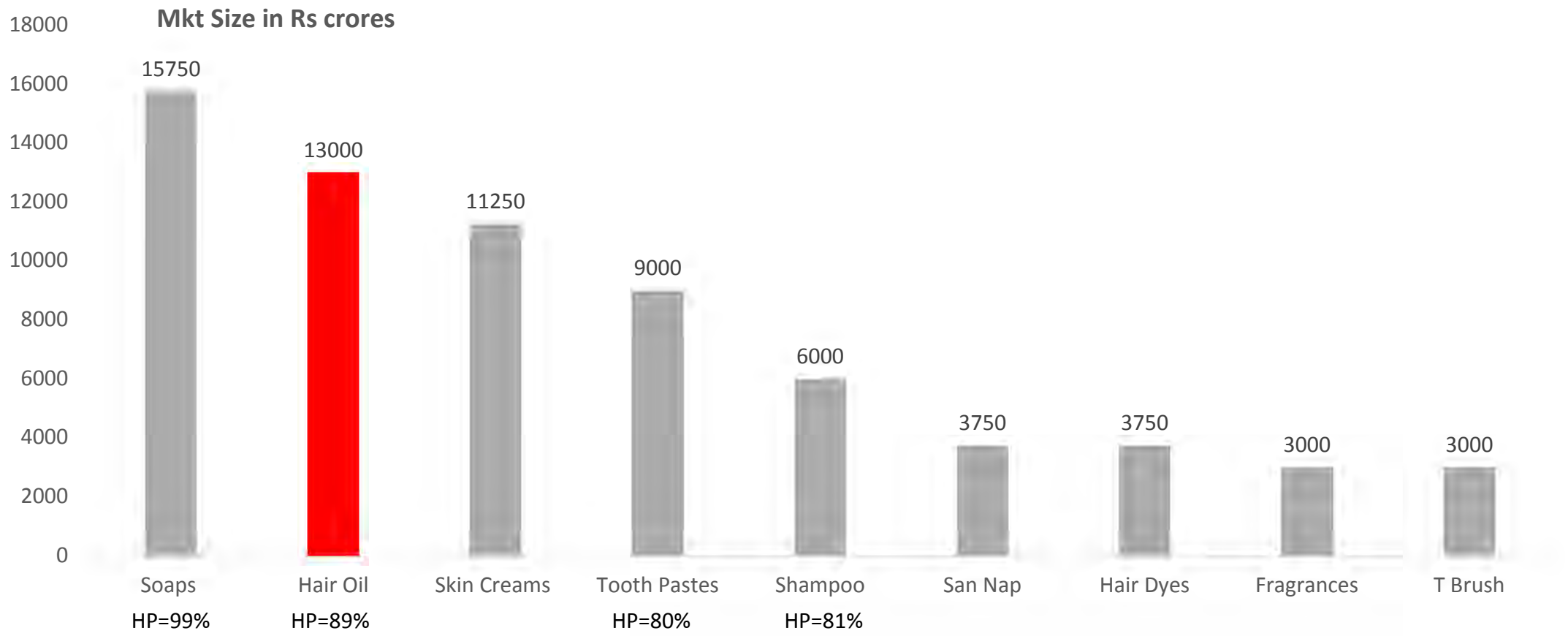
Brand	Company	Value MS (%)
Parachute	Marico	35.5%
Bajaj Almond Drops	Bajaj	9.6%
Dabur Amla	Dabur	7.5%
Nihar Shanti Badam	Marico	5.5%
Navratna	Emami	4.9%
Parachute Jasmine	Marico	3.3%
Shalimar	Shalimar	2.8%
Himgange	GD Pharma	2.2%
Kesh King	Emami	2%
Hair & Care	Marico	1.9%

Top Five companies in Hair Oils have 73% of the value share and all are Indian Promoter owned cos.

Top 10 Brands of Hair Oils have a cumulative Market Share of 75.2% of THO

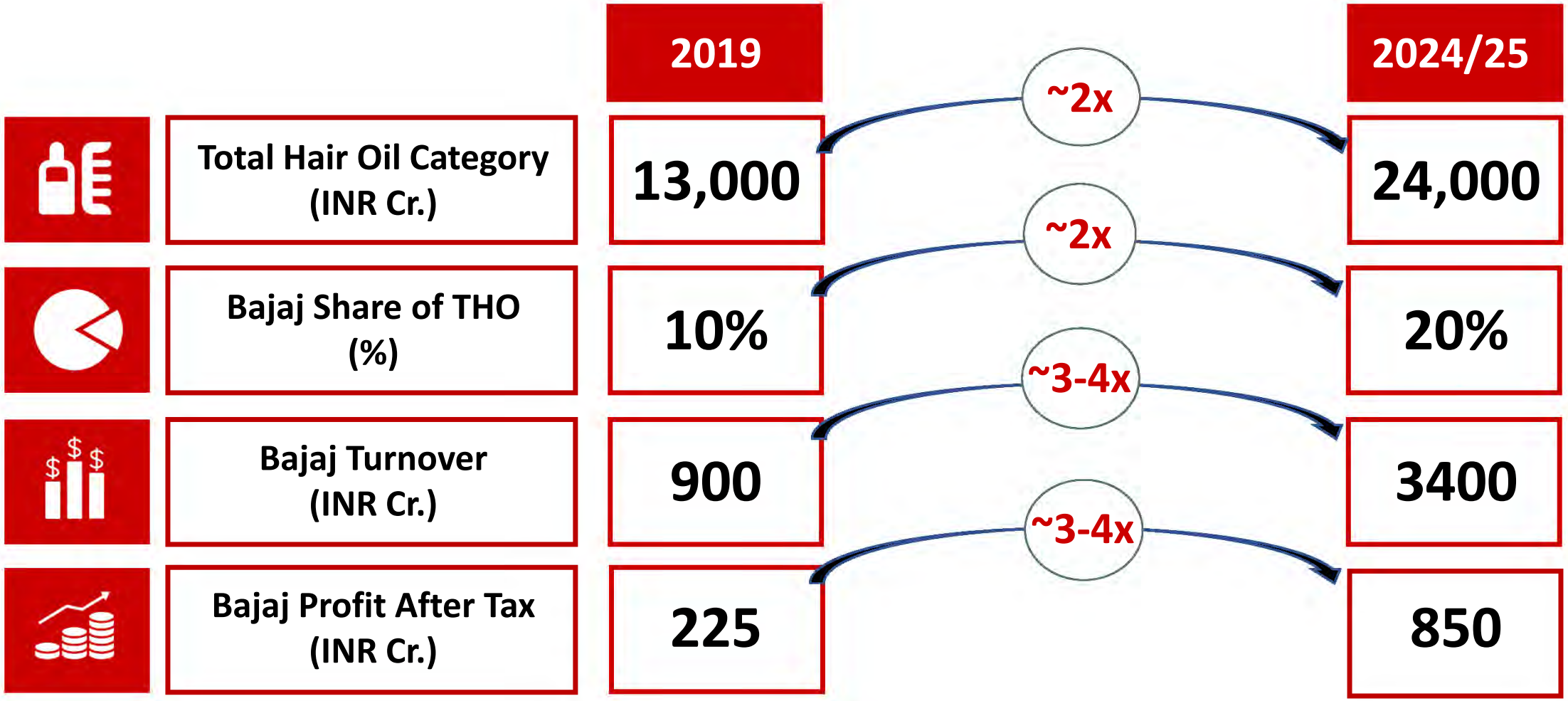
Is the Hair Oil category big enough to fuel our growth ambition?

Market size of categories - Indian FMCG categories



Source- Nielsen, 2017 (U+R)

Our ambition is to deliver 2X market share and 3-4X profits over next 5-6 years



We don’t believe that single category companies are at a disadvantage

Many single category companies have valuations in line with their multi-category competitors

	bajaj CONSUMER CARE	BRITANNIA	Colgate	Dabur The Science of Ayurveda	marico make a difference
Category market share	~10% (Hair Oils)	~30% (Biscuits)	>50% (Toothpaste)	Diversified	Diversified
Revenue	~₹ 856 Cr. (2018)	~₹ 9,540 Cr. (2018)	~₹ 4,370 Cr. (2018)	~₹ 7748 Cr. (2018)	~₹ 6417 Cr. (2018)
PAT	~₹ 216 Cr. (2018)	~₹ 950 Cr. (2018)	~₹ 670 Cr. (2018)	~₹ 1354 Cr. (2018)	~₹ 827 Cr. (2018)
Market Cap	~₹ 4,630 Cr. (2019)	~₹ 74,000 Cr. (2019)	~₹ 34,160 Cr. (2019)	~₹ 57,602 Cr. (2018)	~₹ 42,089 Cr. (2018)
Market Cap to Revenue	~5.4x	~7.8x	~7.8x	~ 7.4 x	~6.6x
Market Cap to PAT	~21x	~78x	~51x	~ 42.5 x	~50.9x

Many single category companies have valuations in line with their multi-category competitors

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	Coca-Cola	pepsi	MOUTAI	DIAGEO	HERSHEY'S	Mondelēz International	BURBERRY	LVMH	L'ORÉAL	P&G
Focus category (salience by revenue)	Beverages (100%)	Beverages (46%); Snacks; Cereal, etc.	Baiju (100%)	Whisky (~40%); Beer (16%)	Chocolate (>80%)	Chocolate (31%); Biscuits (42%)	Apparel and accessories (100%)	Apparel and accessories (~45%); Spirits & Wines (13%)	Personal Care (100%)	Personal care (~30%); Fabric and Home care (~32%)
Revenue	~$31.9B (2018)	~$64.7B (2018)	~$9.1B (2017)	~$15.9B (2018)	~$7.8B (2018)	~$26B (2018)	~€3.20B (2018)	~€46.8B (2018)	~$30B (2018)	~$66.8B (2018)
PAT	~$6.4B (2018)	~$12.6B (2018)	~$4.3B (2017)	~$3.9B (2018)	~$1.2B (2018)	~$3.4B (2018)	~€0.3B (2018)	~€7.0B (2018)	~$4.5B (2018)	~$9.8B (2018)
Market Cap	~$200B (2019)	~$171B (2019)	~$159B (2019)	~$98B (2019)	~$23.9B (2019)	~$71.3B (2019)	~€9.4B (2019)	~€165B (2019)	~$151B (2019)	~$260B (2019)
Market Cap to Revenue	~6.3x	~2.6x	~17.5x	~6.2x	~3.1x	~2.7x	~2.9x	~3.5x	~5x	~3.9x
Market Cap to PAT	~31x	~14x	~37x	~25x	~20x	~21x	~27x	~24x	~34x	~27x

The Way forward…

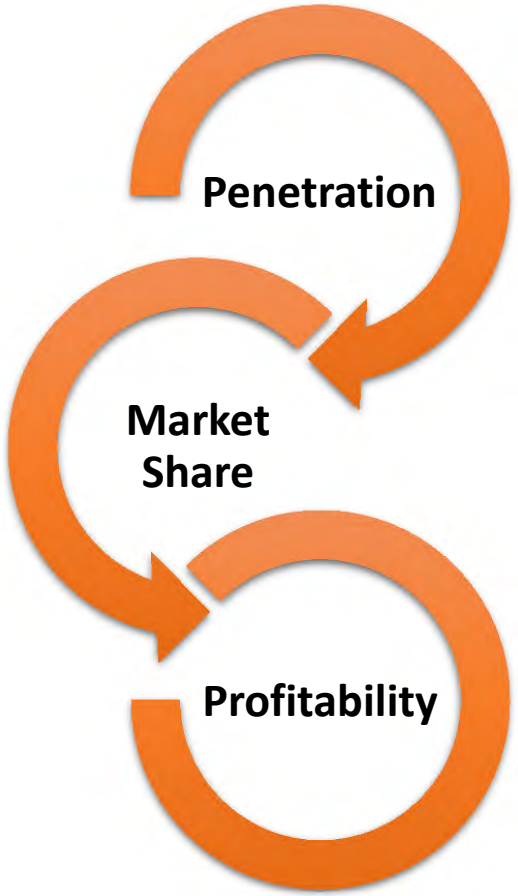
Our growth strategy going forward….

- **Focus strongly on the Hair Oil Category** – Aim to hit 20% share in 5-6 Years
- **Micro Segmentation** – Look at **key states in great depth** and design and activate the **ideal assortment and marketing mix** in each state/cluster
- **Start small, scale fast** – Start with maximizing hair oils in **one state** – re-apply key learnings to **build a repeatable model** across other states
- Continued **focus on Cost excellence** – deliver **sustained profitability** along with **accelerated growth** by keeping a tight leash on Employee Costs, Overheads and RM/PM
- Undertake a **Multi-year Transformational Program** focused on building an organization geared to **succeed in the long-term**

In summary …

- Bajaj Consumer Care is **back on its growth trajectory** in FY 19
- We have been **investing to be future-ready** in the last 3 years
- Hair oils is a **large, deeply penetrated, thriving** category
- Bajaj will accelerate growth by **focusing its energies on hair oils** - become #1 or a strong #2 across states
- Our ambition is to **double our market share and quadruple our profits** over the next 5-6 years

Focus for next 5 years..



THANK YOU