Dabur India Limited

Investor Communication

Quarter ended June 30, 2014

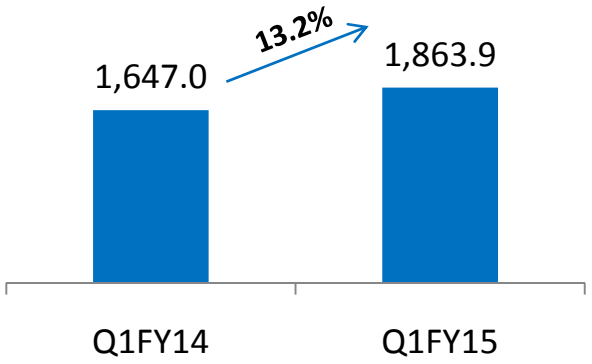
July 28, 2014

Performance Overview : Q1FY2014-15

- **Consolidated Sales grew by 13.2% to Rs. 1,863.9 crores**
- **Consolidated EBITDA increased to Rs. 304 crores growing by 12.3%**
- **EBITDA margins were stable at 16.3% in Q1FY15 v/s 16.4% in Q1FY14**
- **Consolidated PAT reported an increase of 13.3% to Rs. 210.8 crores**

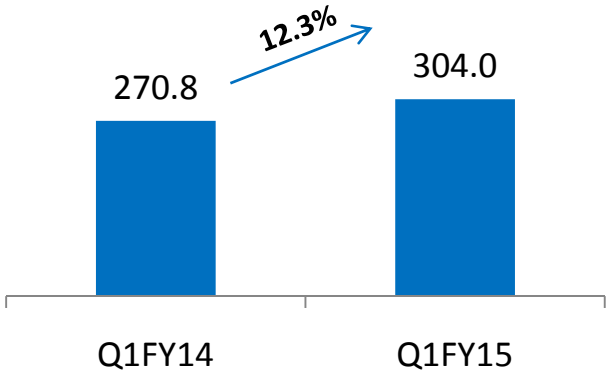
Financial Performance: Q1 FY15

Revenue (in Rs. Cr.)



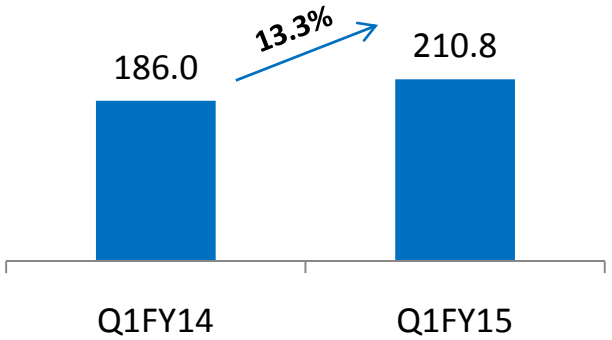
- Consolidated sales grew by 13.2% driven by volume growth of 8.8%

EBITDA (in Rs. Cr.)



- EBITDA margin was stable at 16.3% v/s 16.4% in Q1FY14, inspite of higher material costs

PAT* (in Rs. Cr.)

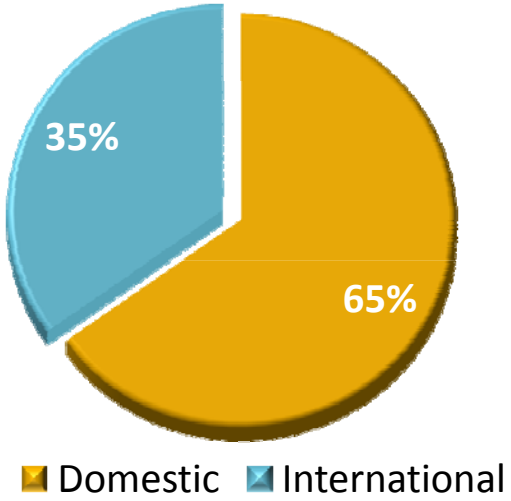


- PAT grew by 13.3% with PAT margins stable at 11.3%

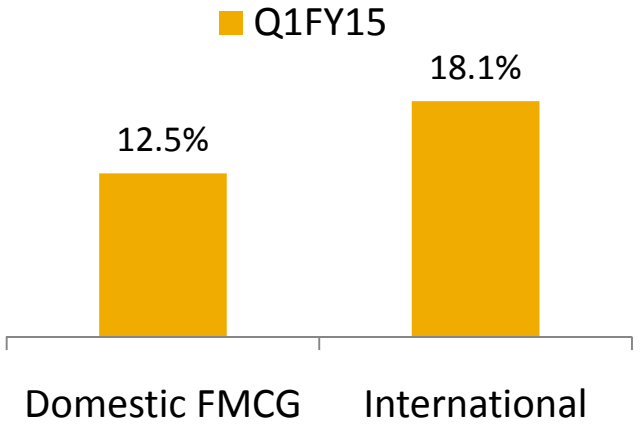
*After minority interest

Business Overview – Q1 FY15

Sales Contribution*



Domestic and International Sales Growth Rates



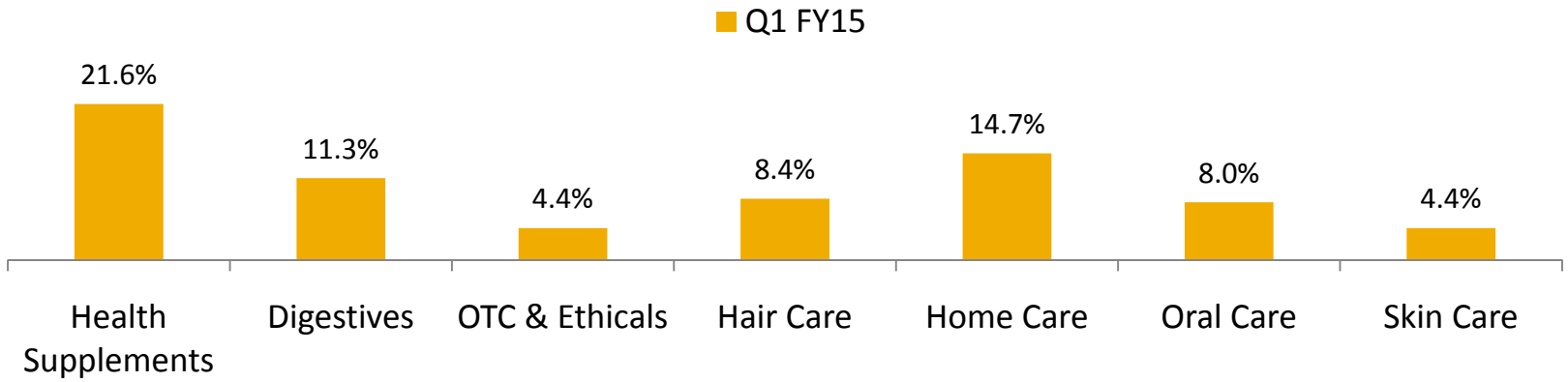
Note: International includes Namaste and Hobi

- International Business contributed to 35% of consolidated sales
- Domestic FMCG business comprising Consumer Care and Foods reported growth of 12.5%
- International Business grew by 18%
- Others consisting mainly of commodity exports witnessed decline due to lower international prices

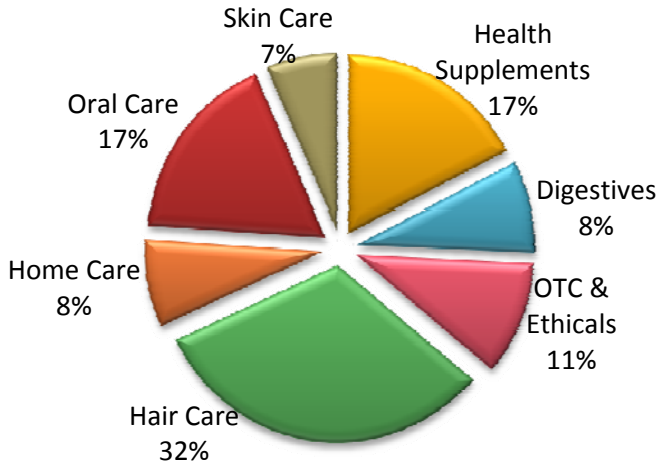
* Excludes Retail

Consumer Care Business

Consumer Care Category Growth Rates (%)



Category Contribution (Q1FY15)



Highlights

- Health Supplements grew at a robust 21.6% in Q1FY15 driven by Glucose and Honey
- Digestives reported growth of 11.3% in Q1FY15
- Home Care posted growth of 14.7% in Q1FY15

Health Supplements

- Health Supplements grew strongly at 21.6% in Q1FY15
- Glucose reported double digit growth in Q1FY15 and registered strong gains in market share
- Honey continued to perform well and grew in double digits
- Dabur Chyawanprash also performed well although its sales are generally low in this quarter

Glucose: Ben 10 pack

Digestives

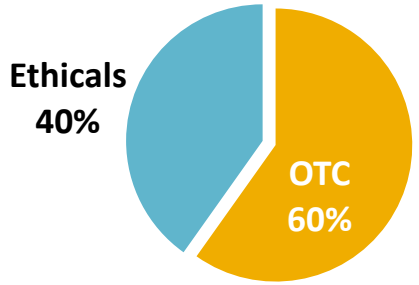
- Digestives category grew by 11.3% in Q1FY15
- Hajmola franchise (candy + tabs) performed well and grew in double digits
- Recently launched Hajmola Chuzkara and Natkhat Amrud variant have elicited positive consumer response

Hajmola: Launch of Chuzkara

OTC & Ethicals

- OTC & Ethicals portfolio grew by 4.4% in Q1FY15 with the Ethicals portfolio performing well
- Recently introduced Hepano, a product for liver protection, elicited positive response and there are plans to further expand the Ethicals and OTC range with introduction of more products

OTC v/s Ethicals Sales Split (Q1FY15)



Ethicals: Recently launched Hepano elicited positive response

Hair Care

- Hair Care portfolio grew by 8.4% in Q1FY15
- Hair Oils grew by 7.1% in spite of deceleration in category growth rates
- Shampoo portfolio continued to perform well growing by 15.3%
- New products along with refurbished marketing mix expected to drive growth going ahead

Vatika Enriched Coconut Oil with Hibiscus continues to elicit positive response

Vatika Shampoo: Print Campaign

Home Care

- Home Care grew by 14.7% in Q1FY15
- The biggest brand - Odonil grew in double digits in Q1FY15 with growth across formats.
- The strategy of getting into newer formats such as Gels and extending Odonil into living spaces is working well for Odonil.
- Sanifresh continued to perform well

Odonil: Digital initiatives

Skin Care

- Skin Care reported growth of 4.4%. Growth was muted due to slowdown in category growth rates
- New digital platform for Gulabari showcasing the 'My Gulabari Recipe Bank' received a good response
- Fem Bleaches reported double digit growth and gain in market share.
- Premium brand Oxy Bleach was under some pressure due to slow down in discretionary spends

Fem: Launch of Low Unit Pack

Fem Miss North India - an on ground initiative

Oral Care

- Oral Care grew by 8% in Q1FY15
- Toothpaste portfolio reported growth of 10.7%
- Our premium offerings - Red Toothpaste and Meswak witnessed strong double digit growth and posted gains in market share.
- The value brand Babool was re-launched during the quarter with a superior formulation including the goodness of Clove.
- The toothpowder brand - Lal Dant Manjan was flattish during the quarter but witnessed increase in market share

Launch of Dabur Babool with Clove Power

Foods

- Foods grew well at 21.6% in Q1FY15
- Real Fruit Juices continued to perform well across regions and channels and reported growth of 24% with gain in market share
- A 500 ml SKU was introduced for the first time in the juices category
- Activ Tender Coconut Water was brought out in tetra pack
- Culinary portfolio grew by 22% during the quarter

Real and Real Activ 500 ml pack launch

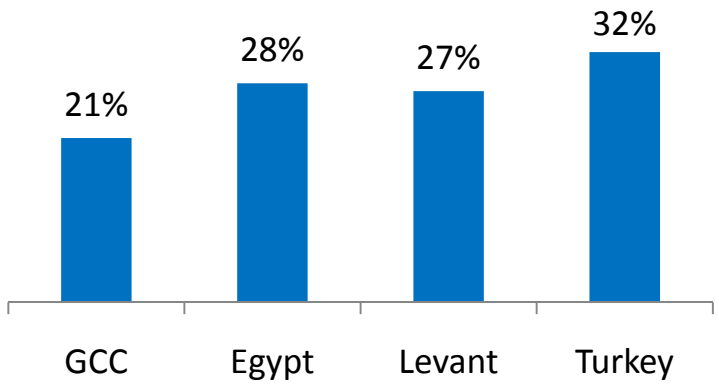
Coconut Water launch in Tetra Pak

International Business

- International Business registered growth of 18% in Q1FY15 with constant currency growth of 12.4% driven by good growth in GCC, Egypt, Turkey and Levant markets

- Namaste's non-US business continued to grow ahead of US business in line with our strategy to expand the share of non-US sales in Namaste's sales

Key Growth Markets – Q1FY15 (%)



Note: Above growths are in constant currency terms

Recent New product Launches

India

Babool with Clove Power

Hajmola Natkhat Amrud

Hajmola Chuzkara

International Business

Vatika Genghir Hair Oil

Vatika Enriched Sarson Hair Oil

Hobby Trendz Hair Gel

Hajmola Hing variant

Consolidated P&L

DIL (Consolidated) P&L - in Rs. Crores	Q1FY15	Q1FY14	YoY (%)	FY14
Net Sales	**1,863.9**	**1,647.0**	**13.2%**	**7,054.1**
Other Operating Income	5.0	5.4	-8.6%	21.2
Material Cost	922.6	807.3	14.3%	3400.0
% of Sales	49.5%	49.0%		48.2%
Employee Expense	156.9	137.9	13.8%	607.7
% of Sales	8.4%	8.4%		8.6%
Advertising & Publicity	286.3	254.2	12.6%	999.7
% of Sales	15.4%	15.4%		14.2%
Other Expenses	235.0	215.2	9.2%	911.5
% of Sales	12.6%	13.1%		12.9%
Other Non Operating Income	35.9	33.1	8.6%	131.5
EBITDA	**304.0**	**270.8**	**12.3%**	**1,287.9**
% of Sales	16.3%	16.4%		18.3%
Finance Costs	10.1	13.3	-24.1%	54.2
Depreciation & Amortization	26.7	22.0	21.4%	97.5
Profit Before Tax (PBT)	**267.1**	**235.5**	**13.5%**	**1136.2**
Exceptional Item	0.0	0.0		0.0
Tax Expenses	56.0	48.4	15.7%	219.1
PAT(Before extraordinary item)	**211.1**	**187.0**	12.9%	**917.2**
% of Sales	11.3%	11.4%		13.0%
Extraordinary Item	0.0	0.0		-0.7
PAT(After extraordinary Items)	211.1	187.0	12.9%	916.4
Minority Interest - Profit/(Loss)	0.3	1.0		2.5
PAT (After Extra ordinary item & Minority Int)	**210.8**	**186.0**	**13.3%**	**913.9**
% of Sales	11.3%	11.3%		13.0%

Thank You