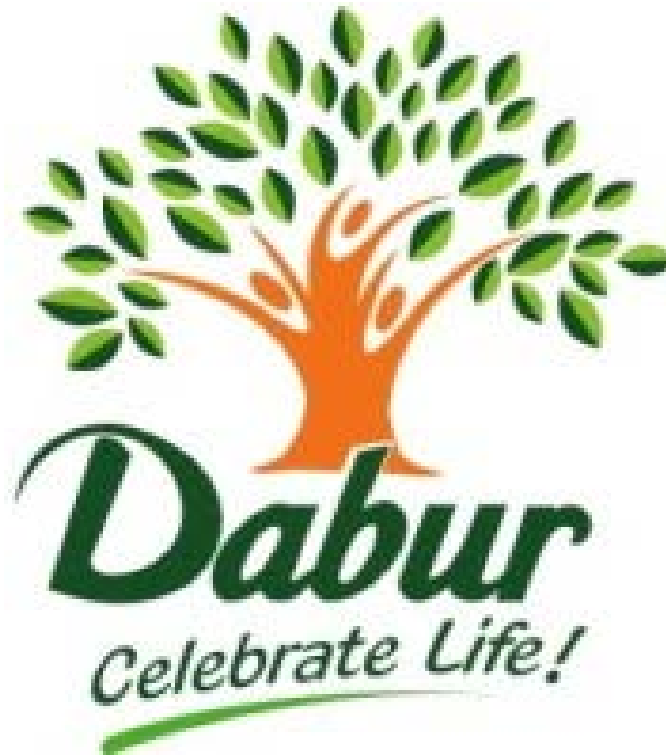


# Dabur India Limited

## Investor Communication

Quarter and Half Year ended September 30, 2014



*November 3, 2014*

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# Performance Overview : Q2 FY2014-15

## Consolidated Sales

- Grew by 10.4% to 1924.1crs
- **Growth on Constant Currency basis is 11.8%**

## Consolidated EBITDA

- Increased to Rs.389.7crs growing by 10.8%

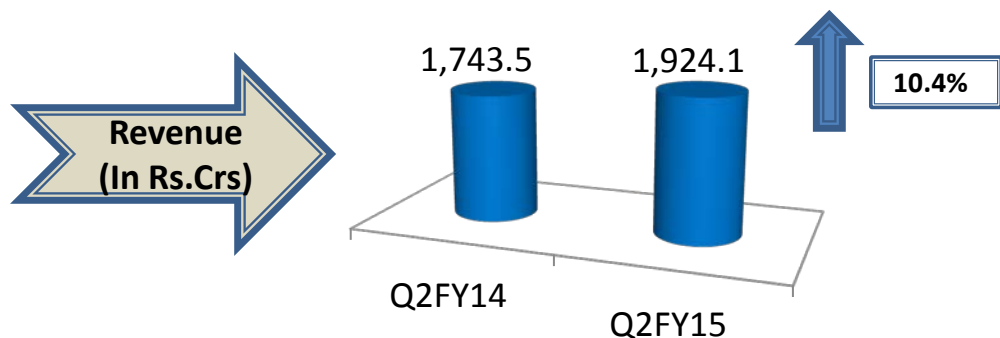
## EBITDA Margins

- Stable at 20.3% in Q2FY15 v/s 20.2% in Q2FY14

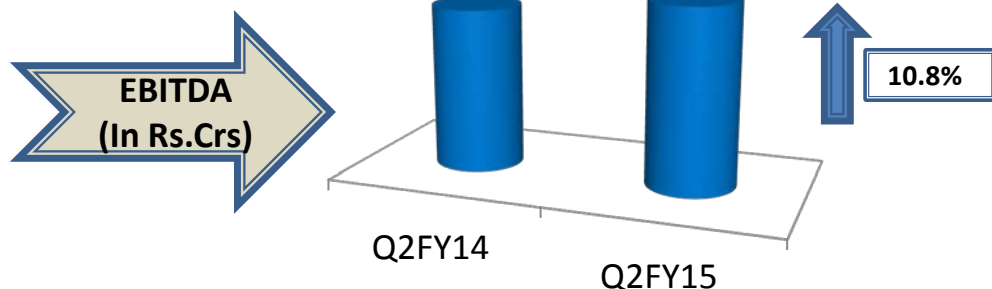
## Consolidated PAT

- Reported an increase of 15.1% to Rs. 287.5 crs

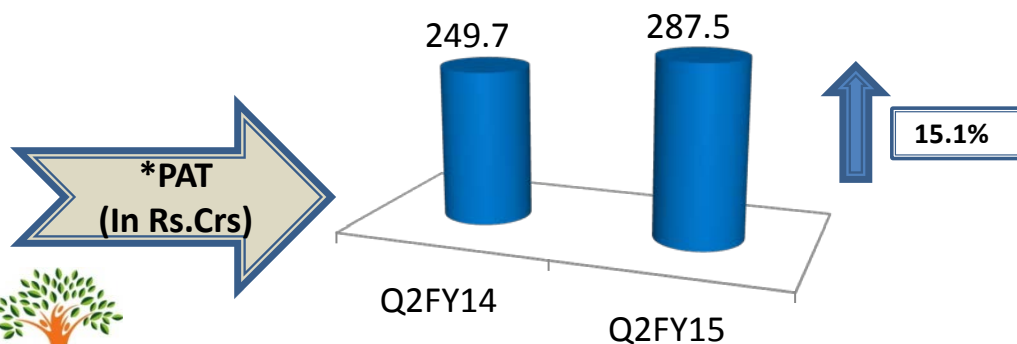
# Financial Performance: Q2 FY15



- Consolidated sales grew by 10.4% with constant currency growth of 11.8%
- Domestic FMCG Business reported growth of 13.8% driven by volume growth of 8.7%

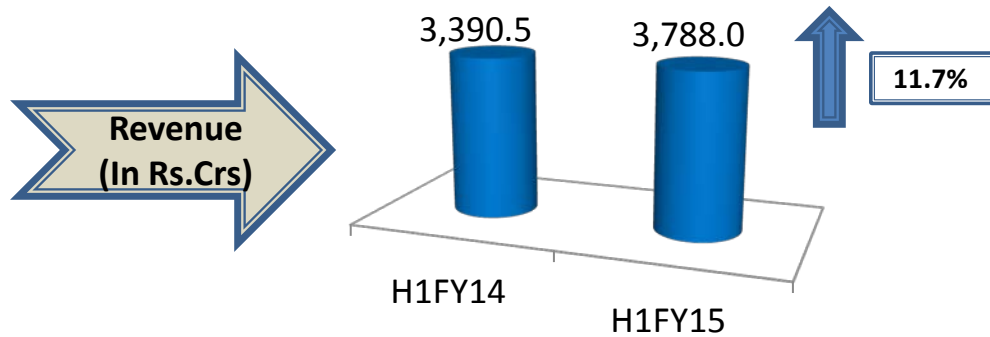


- EBITDA margin was stable at 20.3% v/s 20.2% in Q2FY14
- Material Costs were higher at 47% of sales in Q2FY15 vs 46.3% in Q2FY14
- Adpro expenses were stable at 13.2% of sales

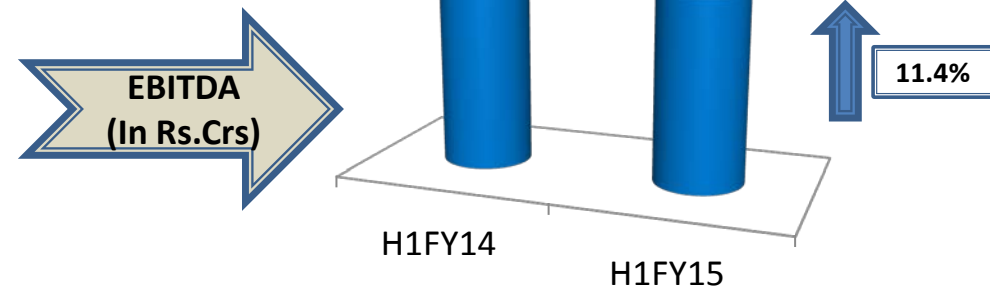


- PAT grew by 15.1% with PAT margins increasing by 62bps.
- Lower finance cost and lower effective tax rate added to growth in PAT

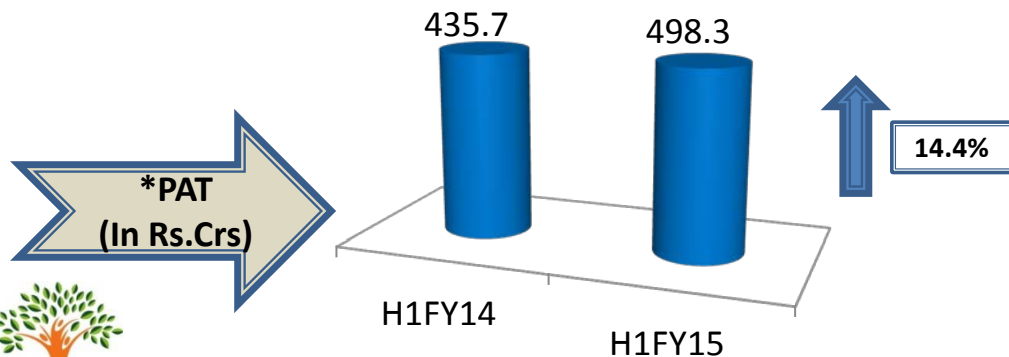
# Financial Performance: H1 FY15



- Consolidated sales grew by 11.7% with constant currency growth of 11.6%
- Domestic FMCG Business reported growth of 13.2% driven by volume growth of 8.6%



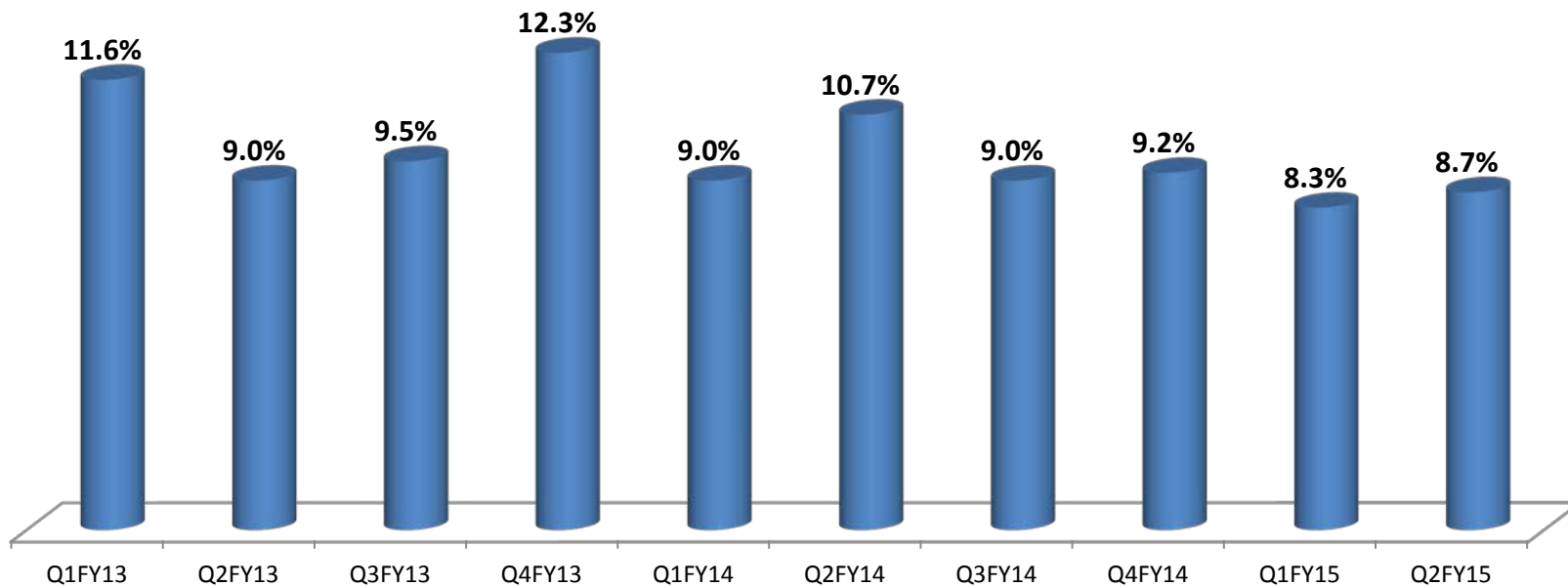
- EBITDA margin was stable at 16.3% v/s 16.4% in H1FY14, inspite of higher material costs



- PAT grew by 14.4% in H1FY15
- PAT margins increased from 12.9% in H1FY14 to 13.2% in H1FY15

# Steady Volume Growth

## Dabur Domestic FMCG Volume Growth %

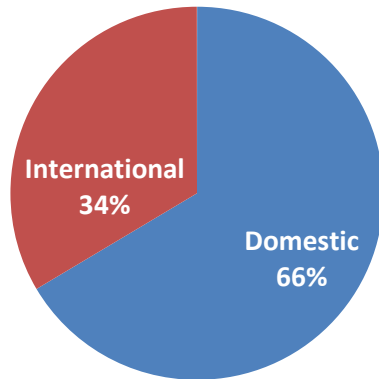


*Robust Volume growth trend in Dabur' sales over last 10 quarters...*

# Business Overview – Q2 FY15

## Sales Contribution\*

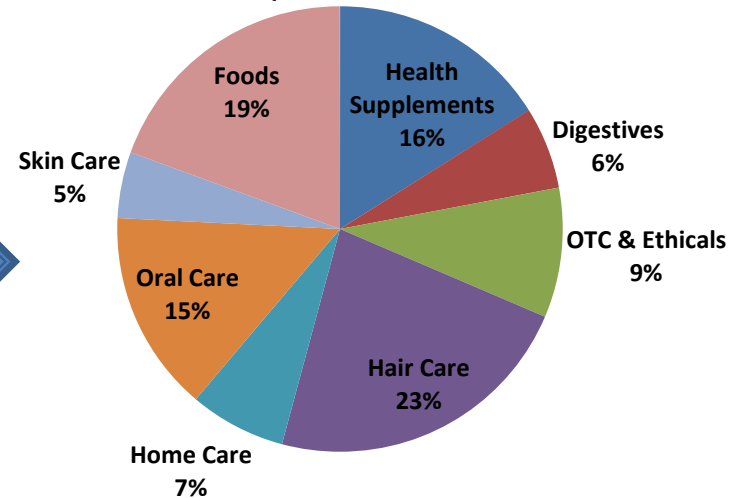
Q2FY15



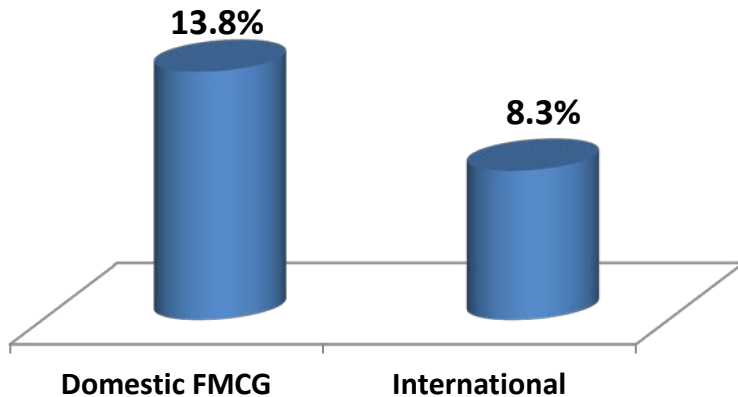
## Domestic Business-Category Breakup



Q2 FY15



## Domestic and International Sales Growth Rates

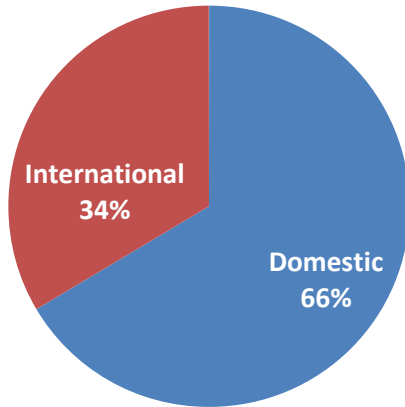


- International Business contributed to 34% of consolidated sales
- Domestic FMCG business reported growth of 13.8%
- International Business grew by 8.3% in Constant Currency terms

# Business Overview – H1 FY15

## Sales Contribution\*

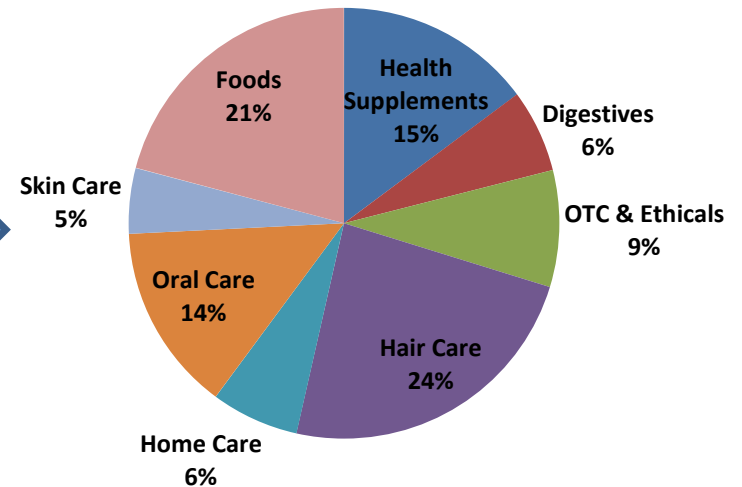
H1FY15



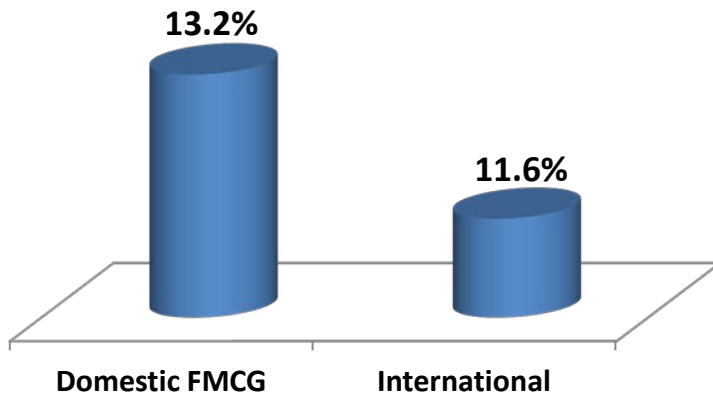
## Domestic Business-Category Breakup



H1 FY15



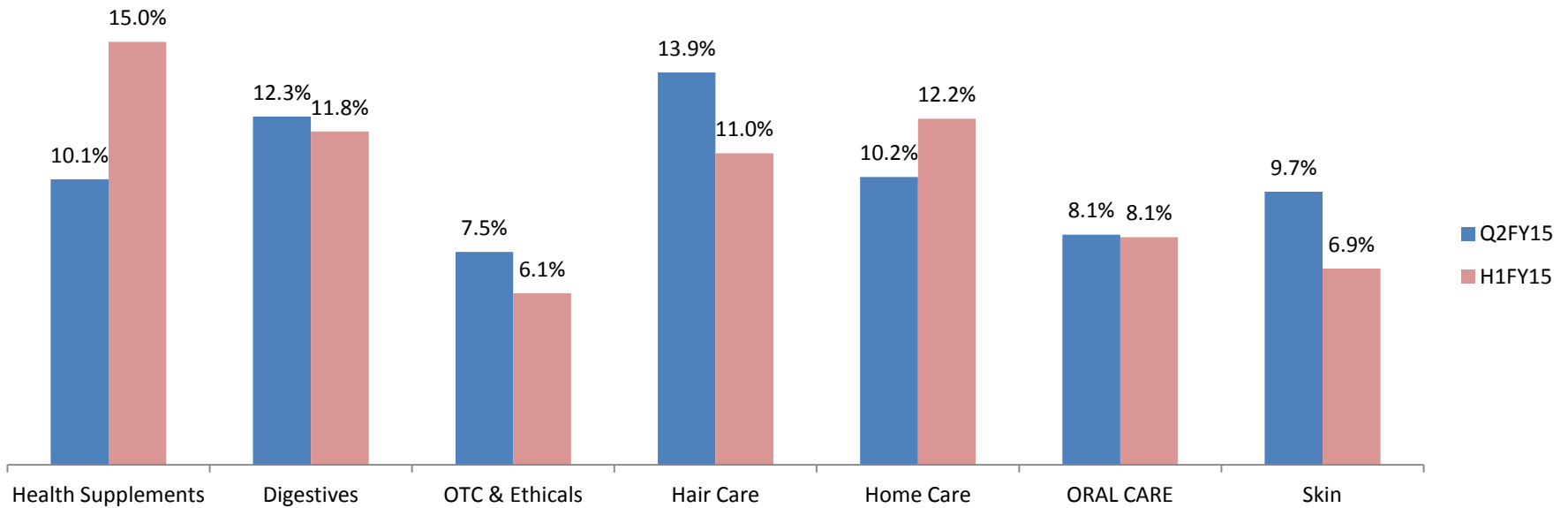
## Domestic and International Sales Growth Rates



- International Business contributed to 34% of consolidated sales
- Domestic FMCG business reported growth of 13.2%
- International Business grew by 11.6% in Constant Currency terms

# Consumer Care Business

Consumer Care Category Growth Rates (%)



- Personal care segments reported improvement in growth rates over previous quarters
- Most Categories grew strongly ahead of market growth driven by sustained Adpro investments

# Health Supplements & Digestives

## Health Supplements



\* Growth 10.1%



- Reported moderate growth in Q2FY15 on account of extended summers
- Focus on Variant Extensions
- Ratnaprash to be launched nationally

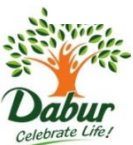


- Glucose Reported double digit growth in Q2FY15 driven by strong volume led momentum



Honey

- Good performance with mid teens growth
- Weight Management proposition working well for the brand



\*Growth refers to Q2FY15

## Digestives



\* Growth 12.3%



**HAJMOLA**



- New variants - Hajmola Chuzkara & Amrud have elicited a good response
- Consumer Activation & aggressive Digital marketing resulted in reaching 30 million new consumers

# OTC & Ethicals

OTC & Ethicals

\*

Growth 7.5 %



- Ethicals reported strong mid teens growth driven by on the ground activities, digital initiatives and doctor connect



- Lal Tail had subdued performance during the Quarter. New campaign was launched which received good response and 1.5 lac views on Youtube



- Honitus Franchise did reasonably well this quarter - positioning Honitus as “Non drowsy cough and cold expert”

## OTC Strategy

- Building Advocacy through Consumer Activations and infomercials
- Uplift imagery to appeal to consumers
- Focus on media to push consumer demand

***OTC category was sluggish due to late onset of monsoons.***

# Building Equity in Ayurveda

Co-organiser  
WORLD  
AYURVEDA  
FOUNDATION  
*An Initiative of Vigyan Bhawan*

Organiser  
DEPARTMENT OF AYUSH  
MINISTRY OF HEALTH & FAMILY WELFARE  
GOVERNMENT OF INDIA

Co-organiser  
Government of  
National Capital Territory of Delhi

th  
6th World  
Ayurveda  
Congress &  
Arogya Expo

Prime Sponsor  
Dabur

Focal Theme : 'Ayurveda and Health Challenges'  
7 - 9 November 2014, Pragati Maidan, New Delhi, India

Institutional Patrons  
Central Board of Secondary Education  
All India Institute of Medical Sciences

Partner  
pharmexcil

Co-sponsor  
Baidyanath  
Dhāthri  
Ayurveda Products & Products

2<sup>nd</sup> Announcement

Dabur is the Prime sponsor for the worlds biggest Ayurveda event to be held in Delhi in November'14

# Hair Care



- Hair Oils reported good growth with both coconut & perfumed Hair Oils performing well
- Amla Hair Oil relaunched with a new flip top pack endorsed by two celebrities, Priyanka Chopra and Sonakshi Sinha



- Shampoo portfolio performed well with double digit growth which was largely volume led

# HomeCare



- Recorded good growth this Quarter



- Posted high teens growth in Q2FY15
- Joining Prime Minister Narendra Modi's call for his '**Swachh Bharat Mission**', a cleanliness drive took place across public conveniences of Sulabh International using Sanifresh



- Sales were impacted to some extent by delayed monsoons
- Odomos Wrist band and Patches, launched in Q2FY15 have been co-branded with Chhota Bheem and are doing well

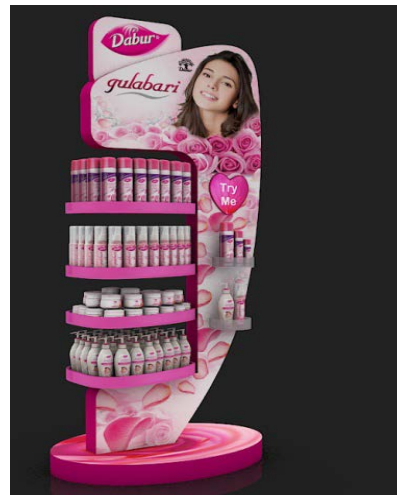
# Skin Care



- Fem Bleaches reported double digit growth in Q2FY15
- Sustained investment in Advertising & Promotion – Fem Star Contest drew good response from consumers



- Focus on more contemporary offerings & drive relevance of the product by strengthening Rose association with beauty



# Oral Care

Oral Care

Growth 8.1%

Toothpaste grew by 11.5% in Q2FY15



- Continued on a robust growth trajectory and recorded strong double digit growth
- Growth was largely volume led with gains in market share



- Brand continued to be under pressure with LUPs reporting muted growth
- Focus on Improving Imagery parameters to drive brand Equity



- Reported strong double digit growth in Q2FY15
- Expand in existing geographies with an Urban focus

# Foods

Foods

Growth 29%



- Real Fruit Juices performed exceedingly well across channels & regions and registered strong double digit growth
- The “Cheer a child” campaign of Real Greetings helped strengthen the “Dil Se Dua” positioning



Aim to collect as many number of missed calls and Likes on facebook/twitter as possible; and Real donated equivalent number of juice packs to underprivileged children of PRAYAS – an NGO

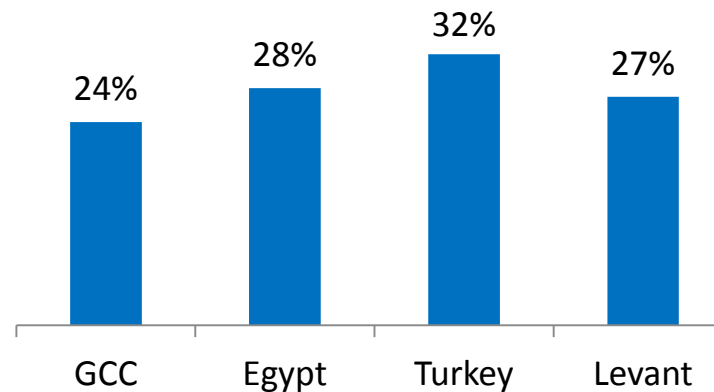
Dabur  
HOMMADE

- Continued to perform well and posted robust double digit growth

# International Business

- International Business registered growth of 8.3% in Q2FY15 on constant currency basis
- Organic International Business grew by 17.5% in constant currency driven by good growth in GCC, Egypt and Turkey markets
- Namaste business was under pressure due to category slowdown in the US and high base in non US markets
- Focus continues on aggressive NPDs in MENA region
- Manufacturing unit in Tunisia unit commenced commercial production

**Key Growth Markets – Q2 FY15 (%)**



Note: Above growths are in constant currency terms

# Dabur International- Brand Architecture

## Hair care



Amla hair oils  
Amla hair cream  
Amla snake oil  
Amla Shampoo  
Amla conditioners  
Amla Leave-On Oils



Vatika enriched hair oils  
Vatika hair cream  
Vatika shampoo  
Vatika conditioners  
Vatika hamam zaith and mayonnaise  
Vatika Hair Gel



Styling gels  
Styling spray  
Styling mousse  
Cream gel  
Shampoo



Hair relaxers  
Hair sheen spray  
Hair mayonnaise  
Hair food  
Hair fertilizer  
Hair serums



Toothpaste



Hair removing cream  
Hair removing wax strips  
Wax  
Fairness bleach

Soap, hand wash  
Skin serums, cream, lotion  
Pet jelly, talc



Liquid soap  
Hand sanitizer  
Men's grooming  
Baby wipes

# Continued Focus on Innovations

India



Amla Hair Oil- Innovative packaging  
( Flip top pack)



Odomos Wrist Band & Patches

Intl.



Hobby Trendz  
Hair Gel



Hajmola Hing variant



Vatika Genghir  
Hair Oil



Vatika Enriched  
Sarson Hair Oil

# Leveraging Digital Media



- Community of Chatpata content on Facebook and Twitter



- Honey Recipes on Youtube



- Yahoo Page Takeover- Amla Hair Oil

Fem Promotion using Facebook- Upload your picture and wishes and come live on TV



# Interim Dividend

| Interim Dividend         | H1FY15 |
|--------------------------|--------|
| Dividend Per share (Rs.) | 1.25   |
| Dividend%                | 125%   |
| Total dividend(Rs.crs)*  | 256.8  |

\*Note: Includes dividend tax

# Consolidated P&L

| DIL (Consolidated) P&L - in Rs. crores                    | Q2FY15         | Q2FY14         | YoY (%)      | H1FY15         | H1FY14         | YoY (%)      |
|-----------------------------------------------------------|----------------|----------------|--------------|----------------|----------------|--------------|
| <b>Net Sales</b>                                          | <b>1,924.1</b> | <b>1,743.5</b> | <b>10.4%</b> | <b>3,788.0</b> | <b>3,390.5</b> | <b>11.7%</b> |
| Other Operating Income                                    | 5.5            | 5.4            | 1.6%         | 10.4           | 10.8           | -3.5%        |
| Material Cost                                             | 903.4          | 807.2          | 11.9%        | 1826.0         | 1614.5         | 13.1%        |
| % of Sales                                                | 47.0%          | 46.3%          |              | 48.2%          | 47.6%          |              |
| Employee Expense                                          | 182.5          | 158.8          | 14.9%        | 339.4          | 296.8          | 14.4%        |
| % of Sales                                                | 9.5%           | 9.1%           |              | 9.0%           | 8.8%           |              |
| Advertising & Publicity                                   | 253.3          | 227.4          | 11.4%        | 539.6          | 481.7          | 12.0%        |
| % of Sales                                                | 13.2%          | 13.0%          |              | 14.2%          | 14.2%          |              |
| Other Expenses                                            | 239.5          | 226.2          | 5.9%         | 474.5          | 441.4          | 7.5%         |
| % of Sales                                                | 12.4%          | 13.0%          |              | 12.5%          | 13.0%          |              |
| Other Non Operating Income                                | 38.9           | 22.6           | 72.1%        | 74.8           | 55.7           | 34.3%        |
| <b>EBITDA</b>                                             | <b>389.7</b>   | <b>351.8</b>   | <b>10.8%</b> | <b>693.7</b>   | <b>622.6</b>   | <b>11.4%</b> |
| % of Sales                                                | 20.3%          | 20.2%          |              | 18.3%          | 18.4%          |              |
| Finance Costs                                             | 10.2           | 20.0           | -49.0%       | 20.3           | 33.3           | -39.0%       |
| Depreciation & Amortization                               | 29.2           | 23.6           | 23.8%        | 55.9           | 45.6           | 22.6%        |
| <b>Profit Before Tax (PBT)</b>                            | <b>350.3</b>   | <b>308.3</b>   | <b>13.6%</b> | <b>617.5</b>   | <b>543.7</b>   | <b>13.6%</b> |
| Exceptional Item                                          | 0.0            | 0.0            |              | 0.0            | 0.0            |              |
| Tax Expenses                                              | 61.6           | 57.9           | 6.4%         | 117.6          | 106.3          | 10.6%        |
| Provision for Taxation for Earlier years                  |                |                |              |                |                |              |
| <b>PAT(Before extraordinary item)</b>                     | <b>288.8</b>   | <b>250.4</b>   | <b>15.3%</b> | <b>499.9</b>   | <b>437.4</b>   | <b>14.3%</b> |
| % of Sales                                                | 15.0%          | 14.4%          |              | 13.2%          | 12.9%          |              |
| Extraordinary Item                                        | 0.0            | -0.1           | -100.0%      | 0.0            | -0.1           |              |
| <b>PAT(After extraordinary Items)</b>                     | <b>288.8</b>   | <b>250.3</b>   | <b>15.4%</b> | <b>499.9</b>   | <b>437.4</b>   | <b>14.3%</b> |
| Minority Interest - Profit/(Loss)                         | 1.3            | 0.6            |              | 1.6            | 1.6            |              |
| <b>PAT (After Extra ordinary item &amp; Minority Int)</b> | <b>287.5</b>   | <b>249.7</b>   | <b>15.1%</b> | <b>498.3</b>   | <b>435.7</b>   | <b>14.4%</b> |
| % of Sales                                                | 14.9%          | 14.3%          |              | 13.2%          | 12.9%          |              |

# Statement of Assets & Liabilities- Consol

| Particulars                                | As at 30/09/2014<br>(Audited) | As at 31/03/2014<br>(Audited) |
|--------------------------------------------|-------------------------------|-------------------------------|
| <b>A EQUITY AND LIABILITIES</b>            |                               |                               |
| <b>1 Shareholders' funds</b>               |                               |                               |
| (a) Share capital                          | 175.64                        | 174.38                        |
| (b) Reserves and surplus                   | 2797.34                       | 2481.58                       |
| <b>Sub-total - Shareholders' funds</b>     | 2972.98                       | 2655.96                       |
| <b>2. Minority interest</b>                | 17.48                         | 15.91                         |
| <b>3. Non-current liabilities</b>          |                               |                               |
| (a) Long-term borrowings                   | 300.02                        | 260.40                        |
| (b) Deferred tax liabilities (net)         | 54.55                         | 44.83                         |
| (c) Long-term provisions                   | 45.11                         | 40.89                         |
| <b>Sub-total - Non-current liabilities</b> | 399.68                        | 346.12                        |
| <b>4. Current liabilities</b>              |                               |                               |
| (a) Short-term borrowings                  | 330.80                        | 447.74                        |
| (b) Trade payables                         | 1013.73                       | 1096.53                       |
| (c) Other current liabilities              | 510.20                        | 479.42                        |
| (d) Short-term provisions                  | 88.01                         | 270.10                        |
| <b>Sub-total - Current liabilities</b>     | 1942.74                       | 2293.79                       |
| <b>TOTAL - EQUITY AND LIABILITIES</b>      | 5332.88                       | 5311.78                       |
| <b>B ASSETS</b>                            |                               |                               |
| <b>1. Non-current assets</b>               |                               |                               |
| (a) Fixed assets                           | 1235.08                       | 1167.21                       |
| (b) Goodwill on consolidation              | 621.40                        | 621.40                        |
| (c) Non-current investments                | 619.16                        | 512.72                        |
| (d) Long-term loans and advances           | 19.71                         | 24.54                         |
| (e) Other non-current assets               | 18.15                         | 18.07                         |
| <b>Sub-total - Non-current assets</b>      | 2513.50                       | 2343.94                       |
| <b>2 Current assets</b>                    |                               |                               |
| (a) Current investments                    | 368.49                        | 563.75                        |
| (b) Inventories                            | 1081.74                       | 972.29                        |
| (c) Trade receivables                      | 694.26                        | 675.30                        |
| (d) Cash and cash equivalents              | 354.45                        | 519.38                        |
| (e) Short-term loans and advances          | 170.88                        | 132.01                        |
| (f) Other current assets                   | 149.56                        | 105.11                        |
| <b>Sub-total - Current assets</b>          | 2819.38                       | 2967.84                       |
| <b>TOTAL - ASSETS</b>                      | 5332.88                       | 5311.78                       |

***Thank You***