



Dabur India Limited

Investor Communication

Quarter and Half Year ended 30th September 2017

Contents

1. Q2 FY18 – Overview

2. Category Highlights

3. Business Initiatives

4. Recent Launches

5. International Business – Overview

6. Interim Dividend

7. Profit and Loss Statements

GST implemented w.e.f. 1st July 2017

**Disruption occurred in Q1 FY18,
some stabilization happened in
trade in Q2**

**Wholesale & CSD channel remained
challenged with low offtakes**

**Procedural issues of GST
compliance weighing heavily on
SME/MSME sector**

**Underlying consumer demand
improving**



Q2 FY18 – Overview



1

Consolidated revenue reported decline of 1.1%, underlying constant currency growth adjusted for GST was 8%

2

Underlying growth in India Business revenues was ~10% backed by strong volume growth of 7.2%

3

International Business reported growth of 3.9% on constant currency basis in spite of continuing geopolitical headwinds

4

Operating margins remained steady, Operating profit grew by 11.2% in India Business

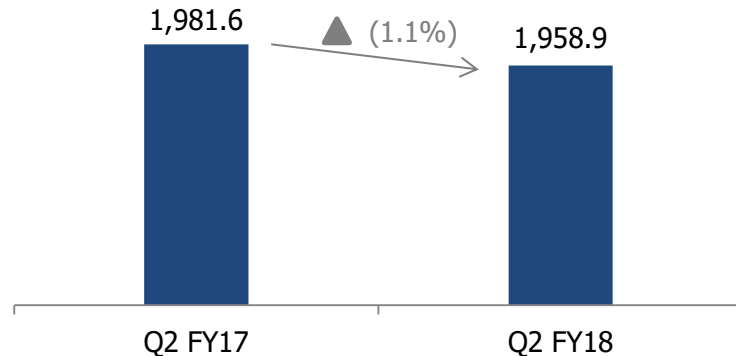
5

Interim dividend declared : 125% on face value or INR 1.25 per share

Q2 FY18 – Consolidated Financials

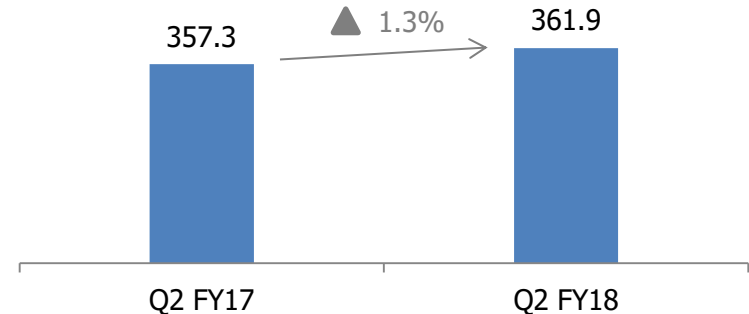


Revenue



- **Although Consolidated revenue declined by 1.1% on reported basis, underlying constant currency growth adjusted for GST was 8%**
- **Domestic business revenue grew by ~10% led by volume growth of 7.2%**
- **International Business grew by 3.9% on constant currency basis** on the back of strong growth in Egypt, Nigeria and Turkey
- Currency **devaluation in overseas markets resulted in significant loss in translation**

Profit After Tax

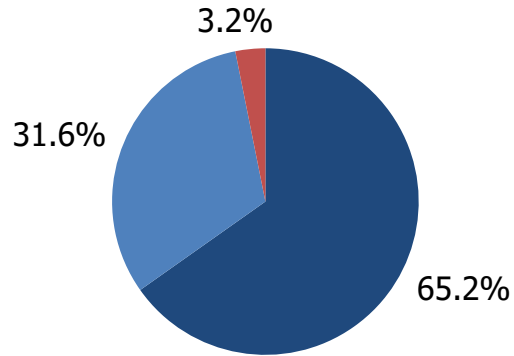


- **Consolidated Profit After Tax (PAT) grew by 1.3%. One time transition impact of INR 10 crore impacted PAT growth**
- **Other expenditure came down from 12.1% of sales to 10.8% of sales** on the back of cost synergies
- **Operating margin at 21.4%** in Q2 FY18 vs 20.6% in Q2 FY17 although not comparable due to GST
- Although not comparable, **PAT margin increased from 18.0% to 18.5%**

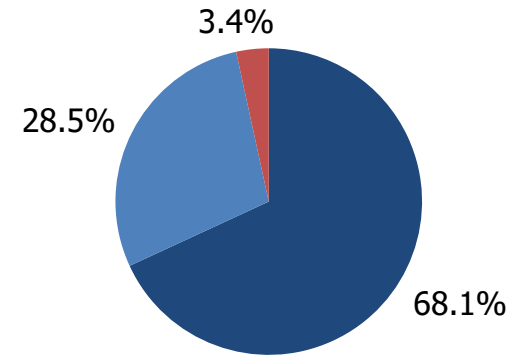
Q2 FY18 – Business Overview



Q2 FY17



Q2 FY18



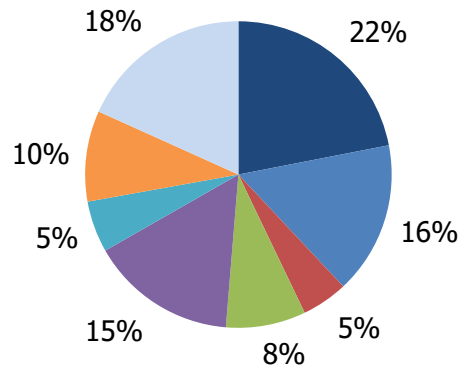
■ Domestic ■ International ■ Others

- > Contribution of Domestic FMCG increased to 68.1% from 65.2% last year
- > International Business contributed 28.5% as compared to 31.6% last year

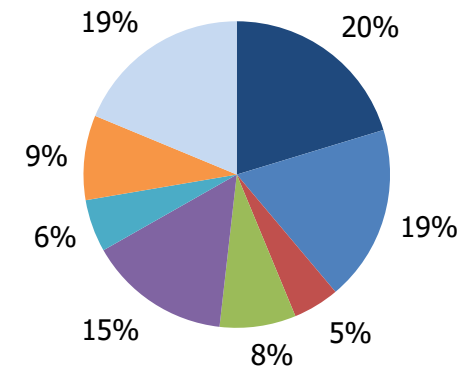
Domestic FMCG – Category-wise Sales



Q2 FY17



Q2 FY18



■ Hair Care ■ Oral Care ■ Skin Care ■ Home Care ■ Health Supplements ■ Digestives ■ OTC & Ethicals ■ Foods

- > Share of Hair Care category fell from 22% to 20%
- > Oral Care category increased share from 16% to 19%
- > Food increased from 18% in Q2 FY17 to 19% in Q2 FY18

1. Q2 FY18 – Overview

2. Category Highlights

3. Business Initiatives

4. Recent Launches

5. International Business – Overview

6. Interim Dividend

7. Profit and Loss Statements

Home and Personal Care (HPC) – Q2 FY18



- **Oral care** category posted **growth of 22.8%** driven by increased awareness, strengthening foothold in MT and successful e-commerce campaign
 - **Toothpaste** category recorded **growth of 26.4%** and gained market share
 - › All India launch of **Red Gel** completed in Aug'17; witnessing good traction
 - **Toothpowder** category posted **growth of 4.7%**
- **Hair oil** category grew by **2.3%**
 - Perfumed hair oils reported growth of 5% driven by Almond Hair Oil and Amla Hair Oil Group
 - › Amla Hair Oil Group (excluding CSD) grew by 9%
 - Vatika Hair Oil restaged with new proposition of **Satt Poshan**
- **Shampoos & Post Wash category declined by 14.9%** primarily on account re-launch of the brand in September '17
- **Homecare category posted growth of 10.1%** led by strong performance of Odomos and Odonil
 - Odonoil Zipper Air Fresheners launched in General Trade
- **Skin care recorded growth of 15.8%** driven by strong growth in Gulabari



Dabur Red Franchise



Relaunched Vatika Hair Oil with new proposition of "Satt Poshan"



Odonil Zipper launched in General Trade

Health Care (HC) – Q2 FY18



- **Health Supplements grew by 3.0%**
- **Dabur Honey grew by 8.6%, reversing the declining trend of previous quarters**
- **Digestives posted growth of 11.7%** led by good performance of Hajmola tablets
- **OTC category grew by 5.5%** led by strong growth in Pudín Hara and Lal Tail
- **Ethicals contracted by 2.5%** on account of disruption caused by GST and on account of higher contribution of wholesale channel in the category



Pudín Hara new TVC



Lal Tail new TVC



Dashmularishta

Note: Growth figures refer to Like-to-like growth (adjusted for GST)

- Foods category witnessed strong growth of 11.7%
- Beverages grew by 13.3% driven by marketing initiatives and festival season sales
- Market share of Real went up by 176 bps touching 55.1% in Q2 FY18
- Activ Coconut Water performed well recording good sales
- New communication launched to increase frequency of consumption by kids in school
- Entered fruit drinks category in Q4 FY17 – Gained 1.5% MS in the 6 months since launch
 - Real Coolers as the umbrella brand for drinks category
- Continued focus on innovation and penetration led growth



New communication to drive frequency of consumption



Diwali gift packs



Real Koolerz Range

1. Q2 FY18 – Overview
2. Category Highlights
- 3. Business Initiatives**
4. Recent Launches
5. International Business – Overview
6. Interim Dividend
7. Profit and Loss Statements

Creating disruption in Coco & Coco light category through Anmol



Dabur Anmol GOLD

शुद्धता का वादा, बचत भी ज़्यादा।

डाबर अनमोल गोल्ड है पैराशूट नारियल तेल से किफ़ायती*

100 ml for ₹30 Only

Dabur Anmol GOLD Pure Coconut Oil

DABUR CARES: CALL OR WRITE
11, 1st Fl, 1st Cross, New Market, Mumbai
E-mail: daburcare@dabur.com
#DaburCares
TOLL FREE 1800-103-1644

*Based on MRP of the pack in July 2017
Anmol Coconut Oil 100 ml Bottle Rs. 30 | Parachute Coconut Oil 100 ml Bottle Rs. 32

Taking the Market leader Head on

Dabur

Beautiful, shiny hair at an attractive price.

Dabur Anmol Jasmine is more than 35% cheaper than Parachute Advanced Jasmine.*

100ml at ₹25/-
200ml at ₹50/-

	100ml	200ml
Anmol Coconut Hair Oil Jasmine	₹ 25	₹ 50
*Parachute Advanced Jasmine	₹ 42 (90ml)	₹ 82
Your Savings	₹ 17	₹ 32

DABUR CARES: CALL OR WRITE
11, 1st Fl, 1st Cross, New Market, Mumbai
E-mail: daburcare@dabur.com
#DaburCares
TOLL FREE 1800-103-1644

*Based on MRP of the packs as on 12th September, 2017 in markets in Maharashtra and Gujarat.

INFM 1219

Taking Ayurveda to Guinness World Records Book



- Dabur India successfully held the **first-ever Guinness World Record attempt for the largest simultaneous Nasya Panchkarma Treatment session**
- Involved **over 1,000 participants**, this World Record feat was jointly **attempted by Dabur India Ltd, NASYA Organisation and National Institute of Ayurveda (NIA)** at the recently held Rashtriya Ayurveda Yuva Mahotsava in Jaipur
- One of the latest in the series of **initiatives being undertaken by Dabur India Ltd to popularise Ayurveda among younger generation**



Expanding global footprint through tie-up with Amazon



amazon



Dabur tied-up with Amazon to take its products global

- Under this collaboration, **Amazon will help Dabur take around 30 products** from its popular range such as Vatika hair oil, Meswak toothpaste, Red toothpaste, Chyawanprash etc to consumers in the USA
- Along with the existing wide range, **Dabur will also offer an exclusive range of products specially created for Amazon's global customers**
- The collaboration is through **Amazon Global Selling Program** which facilitates easy, simple and convenient access for all Indian sellers - including entrepreneurs, SMEs, manufacturers as well as large brands – to sell their products to consumers across the globe

Consumer/ Marketing Initiatives



Pudin Hara new TVC



Lal Tail new TVC



Capturing eyeballs with festivals



Chitrakoot 'Somvati Amavasya Mela'



6K patients reached on World Heart day



'Dabur Gold Medal' for University toppers



Ayurved Parv



Fizz sampling in select trains

1. Q2 FY18 – Overview
2. Category Highlights
3. Business Initiatives
- 4. Recent Launches**
5. International Business – Overview
6. Interim Dividend
7. Profit and Loss Statements

Recent Launches



Vatika Shampoo with Satt Poshan (power of Seven Natural ingredients)

(Dabur Vatika Health Shampoo – for smooth, shiny & nourished hair, Dabur Vatika Anti Dandruff Shampoo – for dandruff control & Dabur Vatika Black Shine Shampoo – for shiny, smooth, nourished hair)



Vatika Enriched Coconut Hair Oil packed with the power of seven Ayurvedic herbs
(Clinically proven to reduce 50% hair fall in 4 weeks)



Anmol Jasmine Hair Oil



Odonil Zipper

1. Q2 FY18 – Overview

2. Category Highlights

3. Business Initiatives

4. Recent Launches

5. International Business – Overview

6. Interim Dividend

7. Profit and Loss Statements

1

GCC

- **GCC Economies have been struggling due to persistently low oil prices.** Saudi Arabia experienced negative growth in the first 2 quarters of this year mainly due to shrinking government expenditure.
- **Barring UAE, all the GCC Economies have shown high fiscal deficits combined with high Debt to GDP Ratio.** UAE, due to its diversification in Tourism and Services has sustained decent levels of GDP Growth
- **With Oil Prices showing a slight increase, these economies might reap some benefits in the short-term.**

2



- IMF , in its report stated that the **country is gathering strength after its economic reform program;** believes that **Egypt has the opportunity to transition to a high growth trajectory**
- **EGP** – After introducing reforms last year including currency float, fuel subsidy cut, dollars are available through official route. Currency is expected to be in range of 17.5 to 19

3



- IMF praised Turkish economy in its latest report. The **economy grew by 5.1%, better than expected.** The analysts expect the economy to do still better in H2 2017
- **TRY** - TRY has stabilized after Turkish economy recovered from setbacks in 2016. Currently, it is **moving in accordance with events happening in EUR & USD**

4

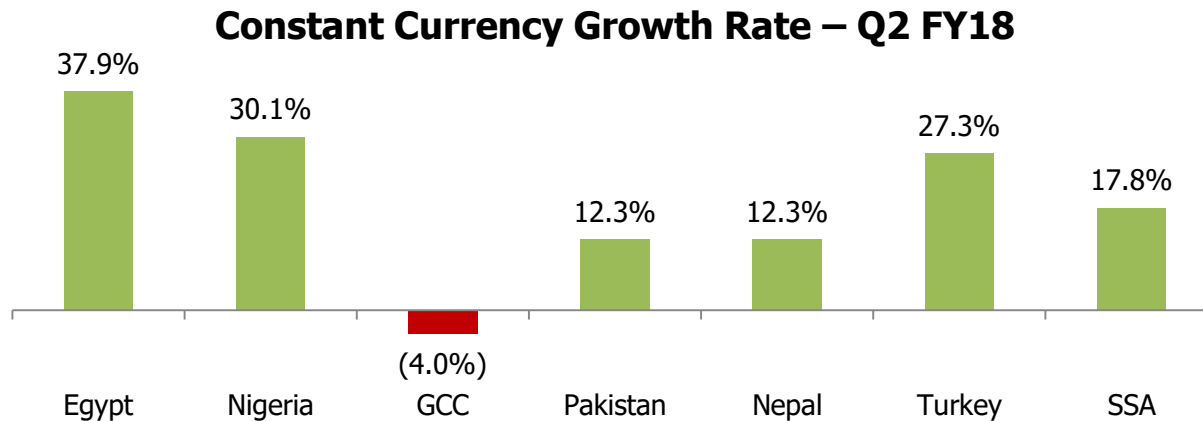


- **Ruling party's leadership contest in December will determine the political future** in the country. Already, the country has suffered due to political turmoil
- **ZAR** – **Expected to depreciate** due to continuing political uncertainty coupled with increased black ownership of local mines of South Africa.

International Business – Q2 FY18



- **International Business posted 3.9% growth in constant currency terms during Q2 FY18**
- Severe currency devaluation in Egyptian Pound, Naira and Turkish Lira led to significant translation loss of INR 97 crore, amounting to ~5% of consolidated sales
- **Egypt** posted strong growth of 38% in constant currency
- **Hobi grew at 27%** in constant currency
- **Sub Saharan Africa** posted 18% growth led by localization and distribution expansion initiatives in Nigeria, South Africa and East Africa.
- GCC markets remained under pressure – Shutdown in Algeria due to import quota embargo led to further pressure on sales



1. Q2 FY18 – Overview
2. Category Highlights
3. Business Initiatives
4. Recent Launches
5. International Business – Overview
- 6. Interim Dividend**
7. Profit and Loss Statements

Interim Dividend



	H1 FY18
Dividend per share (INR)	1.25
Dividend %	125%
Total dividend (INR cr)*	265.02

** Includes dividend tax*

1. Q2 FY18 – Overview
2. Category Highlights
3. Business Initiatives
4. Recent Launches
5. International Business – Overview
6. Interim Dividend

7. Profit and Loss Statements

Consolidated Profit & Loss – Q2 FY18 (1 of 2)



All figures are in INR crores, unless otherwise stated

	Q2 FY18	Q2 FY17	Y-o-Y (%)	H1 FY18	H1 FY17	Y-o-Y (%)
Revenue from operations	1,958.9	1,981.6	(1.1%)	3,749.0	3,933.8	(4.7%)
Other Income	84.3	89.2	(5.5%)	165.6	150.3	10.2%
Total Income	2,043.2	2,070.9	(1.3%)	3,914.6	4,084.1	(4.2%)
Material Cost	977.1	967.4	1.0%	1,891.7	1,928.8	(1.9%)
<i>% of Revenue</i>	<i>49.9%</i>	<i>48.8%</i>		<i>50.5%</i>	<i>49.0%</i>	
Employee expense	203.7	215.8	(5.6%)	407.2	427.3	(4.7%)
<i>% of Revenue</i>	<i>10.4%</i>	<i>10.9%</i>		<i>10.9%</i>	<i>10.9%</i>	
Advertisement and publicity	145.7	149.4	(2.5%)	295.7	345.9	(14.5%)
<i>% of Revenue</i>	<i>7.4%</i>	<i>7.5%</i>		<i>7.9%</i>	<i>8.8%</i>	
Other Expenses	212.5	240.3	(11.6%)	425.6	474.3	(10.3%)
<i>% of Revenue</i>	<i>10.8%</i>	<i>12.1%</i>		<i>11.4%</i>	<i>12.1%</i>	
Operating Profit	419.9	408.7	2.8%	728.8	757.5	(3.8%)
<i>% of Revenue</i>	<i>21.4%</i>	<i>20.6%</i>		<i>19.4%</i>	<i>19.3%</i>	
EBITDA	504.2	497.9	1.3%	894.4	907.7	(1.5%)
<i>% of Revenue</i>	<i>25.7%</i>	<i>25.1%</i>		<i>23.9%</i>	<i>23.1%</i>	
Finance Costs	13.3	16.6	(19.8%)	26.6	28.4	(6.4%)
Depreciation & Amortization	40.1	35.7	12.2%	79.1	70.1	13.0%
Profit before exceptional items, tax and share of profit/(loss) from joint venture	450.8	445.6	1.2%	788.6	809.3	(2.5%)
<i>% of Revenue</i>	<i>23.0%</i>	<i>22.5%</i>		<i>21.0%</i>	<i>20.6%</i>	
Exceptional item(s)	0.0	0.0	n.a.	14.5	0.0	n.a.

Consolidated Profit & Loss – Q2 FY18 (1 of 2)



All figures are in INR crores, unless otherwise stated

	Q2 FY18	Q2 FY17	Y-o-Y (%)	H1 FY18	H1 FY17	Y-o-Y (%)
Tax Expenses						
Current Tax	84.4	82.4	2.5%	140.0	148.0	(5.4%)
Deferred Tax	3.5	4.9	(28.7%)	6.8	9.4	(27.7%)
Net profit after tax but before share of profit/(loss) from joint venture	362.9	358.2	1.3%	627.3	651.8	(3.8%)
<i>% of Revenue</i>	<i>18.5%</i>	<i>18.1%</i>		<i>16.7%</i>	<i>16.6%</i>	
Share of profit / (loss) of joint venture	(0.2)	0.1	(313.4%)	0.3	0.2	64.8%
Net profit after minority	361.9	357.3	1.3%	626.1	650.1	(3.7%)
<i>% of Revenue</i>	<i>18.5%</i>	<i>18.0%</i>		<i>16.7%</i>	<i>16.5%</i>	

Standalone Profit & Loss – Q2 FY18 (1 of 2)



All figures are in INR crores, unless otherwise stated

	Q2 FY18	Q2 FY17	Y-o-Y (%)	H1 FY18	H1 FY17	Y-o-Y (%)
Revenue from operations	1,416.4	1,351.6	4.8%	2,650.1	2,651.1	(0.0%)
Other Income	76.2	84.2	(9.4%)	151.8	138.9	9.3%
Total Income	1,492.6	1,435.7	4.0%	2,801.9	2,790.0	0.4%
Material Cost	737.8	700.3	5.4%	1,411.3	1,390.9	1.5%
<i>% of Revenue</i>	<i>52.1%</i>	<i>51.8%</i>		<i>53.3%</i>	<i>52.5%</i>	
Employee expense	117.3	117.6	(0.3%)	236.5	230.7	2.5%
<i>% of Revenue</i>	<i>8.3%</i>	<i>8.7%</i>		<i>8.9%</i>	<i>8.7%</i>	
Advertisement and publicity	114.7	105.3	8.9%	233.4	228.9	2.0%
<i>% of Revenue</i>	<i>8.1%</i>	<i>7.8%</i>		<i>8.8%</i>	<i>8.6%</i>	
Other Expenses	127.8	141.6	(9.8%)	260.5	290.7	(10.4%)
<i>% of Revenue</i>	<i>9.0%</i>	<i>10.5%</i>		<i>9.8%</i>	<i>11.0%</i>	
Operating Profit	318.8	286.8	11.2%	508.4	509.8	(0.3%)
<i>% of Revenue</i>	<i>22.5%</i>	<i>21.2%</i>		<i>19.2%</i>	<i>19.2%</i>	
EBITDA	395.0	371.0	6.5%	660.2	648.7	1.8%
<i>% of Revenue</i>	<i>27.9%</i>	<i>27.4%</i>		<i>24.9%</i>	<i>24.5%</i>	
Finance Costs	5.0	5.0	0.7%	10.8	7.4	46.1%
Depreciation & Amortization	25.5	18.7	36.6%	50.0	36.1	38.7%
Profit before exceptional items, tax and share of profit/(loss) from joint venture	364.5	347.3	4.9%	599.4	605.3	(1.0%)
<i>% of Revenue</i>	<i>25.7%</i>	<i>25.7%</i>		<i>22.6%</i>	<i>22.8%</i>	
Exceptional item(s)	0.0	0.0	n.a.	14.5	0.0	n.a.

Standalone Profit & Loss – Q2 FY18 (2 of 2)



All figures are in INR crores, unless otherwise stated

	Q2 FY18	Q2 FY17	Y-o-Y (%)	H1 FY18	H1 FY17	Y-o-Y (%)
Tax Expenses						
Current Tax	78.1	74.1	5.4%	125.9	129.2	(2.5%)
Deferred Tax	3.0	4.5	(33.3%)	6.0	9.0	(33.3%)
Net profit for the period/year	283.4	268.7	5.5%	453.0	467.1	(3.0%)
<i>% of Revenue</i>	<i>20.0%</i>	<i>19.9%</i>		<i>17.1%</i>	<i>17.6%</i>	

Consolidated Balance Sheet (1 of 2)



All figures are in INR crores, unless otherwise stated

Particulars		As at 30/09/2017 (Unaudited)	As at 31/03/2017 (Audited)
A	Assets		
1	Non-current assets		
	(a) Property, plant and equipment	1,508	1,479
	(b) Capital work-in-progress	55	42
	(c) Investment property	55	55
	(d) Goodwill	411	411
	(e) Other Intangible assets	12	14
	(f) Biological assets other than bearer plants	0	-
	(g) Financial assets		
	(i) Investments	2,486	2,499
	(ii) Others	13	12
	(g) Other non-current assets	98	102
	Total Non-current assets	4,638	4,615
2	Current assets		
	(a) Inventories	1,000	1,107
	(b) Financial assets		
	(i) Investments	1,041	741
	(ii) Trade receivables	767	650
	(iii) Cash and cash equivalents	123	163
	(iv) Bank Balances other than (iii) above	147	142
	(v) Others	56	34
	(c) Other current assets	330	280
	(d) Assets held for sale	2	-
	Total current assets	3,467	3,116
	Total Assets	8,105	7,731

Consolidated Balance Sheet (2 of 2)



All figures are in INR crores, unless otherwise stated

Particulars		As at 30/09/2017 (Unaudited)	As at 31/03/2017 (Audited)
B	Equity and Liabilities		
1	Equity		
	(a) Equity share capital	176	176
	(b) Other Equity	5,100	4,671
	Equity attributable to shareholders of the Company	5,276	4,847
	Non Controlling Interest	25	25
	Total equity	5,301	4,872
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	474	471
	(ii) Other financial liabilities	1	4
	(b) Provisions	56	53
	(c) Deferred tax liabilities (Net)	114	108
	Total Non-current liabilities	645	636
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	507	440
	(ii) Trade payables	1,218	1,303
	(iii) Other financial liabilities	96	174
	(b) Other current liabilities	189	175
	(c) Provisions	106	92
	(d) Current tax Liabilities (Net)	42	38
	Total Current liabilities	2,158	2,223
	Total Equity and Liabilities	8,105	7,731

Standalone Balance Sheet (1 of 2)



All figures are in INR crores, unless otherwise stated

Particulars		As at 30/09/2017 (Unaudited)	As at 31/03/2017 (Audited)
A	Assets		
1	Non-current assets		
	(a) Property, plant and equipment	962	929
	(b) Capital work-in-progress	31	28
	(c) Investment property	51	51
	(d) Other Intangible assets	10	13
	(e) Biological assets other than bearer plants	0	-
	(f) Financial assets		
	(i) Investments	2,155	2,319
	(ii) Others	11	10
	(g) Other non-current assets	78	81
	Total Non-current assets	3,299	3,431
2	Current assets		
	(a) Inventories	569	599
	(b) Financial assets		
	(i) Investments	1,006	735
	(ii) Trade receivables	418	333
	(iii) Cash and cash equivalents	8	17
	(iv) Bank Balances other than (iii) above	10	9
	(v) Others	5	3
	(c) Other current assets	71	87
	Total current assets	2,086	1,784
	Total Assets	5,385	5,216

Standalone Balance Sheet (2 of 2)



All figures are in INR crores, unless otherwise stated

Particulars		As at 30/09/2017 (Unaudited)	As at 31/03/2017 (Audited)
B	Equity and Liabilities		
1	Equity		
	(a) Equity share capital	176	176
	(b) Other Equity	3,737	3,482
	Total equity	3,913	3,658
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	202	201
	(ii) Other financial liabilities	1	4
	(b) Provisions	50	48
	(c) Deferred tax liabilities (Net)	104	98
	Total Non-current liabilities	356	351
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	95	83
	(ii) Trade payables	815	907
	(iii) Other financial liabilities	61	76
	(b) Other current liabilities	69	77
	(c) Provisions	64	54
	(d) Current tax Liabilities (Net)	13	10
	Total Current liabilities	1,116	1,207
	Total Equity and Liabilities	5,385	5,216

Thank You