

April 25, 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  <b>Stock Code: 533229</b>	National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor Plot No.C/1, 'G'Block Bandra- Kurla Complex Bandra East Mumbai 400 051 Fax No.2659 8237/8238  <b>Stock Code: BAJAJCORP</b>
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Dear Sir/Madam,

**Sub: Investor Presentation**

Please find enclosed a copy of Investor Presentation for the Quarter ended March 31, 2018.

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. FCS 6188

Encl: as above

**bajaj**  
Corp Ltd.

# INVESTOR PRESENTATION

APRIL - 2018

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## **BCL VISION**

**Harness our heritage of 90 years and combine it with leading edge scientific knowledge to bring innovative high quality products for consumers across the world to help them get more out of life.**



# 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



# Q4 – Market Context



- **Trade**

- WS showing signs of sequential recovery now
- Urban Retail looking positive with no residual impact of GST
- CSD channel is looking slightly better but difficult to predict if it will ever go back to its earlier size

- **Offtakes**

- Strong momentum on ADHO in both rural and urban with higher sequential growths than the market.

- **Costs**

- 40% increase in crude oil prices resulting in impacting 50% spend - LLP, Freight and plastic prices
- Value engineering Initiatives & coverage helped in lowering the COGS impact

# Q4 Highlights

## Strong Competitive Growth Across Categories

### HAIROILS

- Good sequential MS growths over qtrs. in both value & volume terms for ADHO (9.3% / 9.4%/9.8% and 7%/7.2% and 7.6%)
- 120 BPS improvement over Q3, leading to its highest ever shares for ADHO in the LHO segment at 62.2% (Q4 MS Val)
- Bajaj Ayurvedic Brahmi Amla continues its good performance – doubling of offtakes in Q4 over Q3

### NO MARKS

- No Marks Range ends the year with a 28% grth in GT driven by our successful pilot.
- No Marks cream is now at No.3 nationally in the Anti Marks segment
- NM cream UP market share has more than doubled this year and ends at 7.3%

## Bajaj Innovation Center gets Department of Scientific & Industrial Research (DSIR) accreditation from Govt of India

- One of the youngest R&D centers in the country to get this accreditations



# BCL - Key Initiatives in Q4

## Marketing – Innovation / Innovation / Innovation



- **Launch of Bajaj Coco Jasmine Hair oil in Maharashtra**
  - Entry into the value added coconut oil segment
  - Combination of Coconut oil, Jasmine extracts & Vit E reduces hair breakage by 3 times.



- **Bajaj Almond Drops New Campaign on air**
  - Load Mat Lo : To aggressively drive users of heavy Hair Oils to Almond Drops.
  - Full 360 support and use of innovative mediums like the IPL to drive higher salience for the brand



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

# BCL - Key Initiatives in Q4

## Sales - Automation / Direct Distribution

- Urban – Focus on range selling with higher throughput
- Rural - Post doubling reach in the first 9 months, extraction & maximization of each point
- SFA rollout in Rural – Successful rural SFA launch and consolidation in Q4 with visible change in output
- Higher investment in MT continued with a view to drive offtakes harder for ADHO

## HR – Building Greater Transparency and Trust

- To strengthen the manufacturing operations , organization structure were revamped and compliances were audited by PWC.
- Pursuant to the growth philosophy , employee Assessment Centres and 360 degree feedback sessions conducted and results shared.

## Supply Chain – Leveraging pockets of efficiency in inflationary environment

- Post GST, we have started revisiting our Network strategy from manufacturing to distribution and implementation of same to minimise total cost of goods delivered, got some quick wins e.g lower primary freight cost
- Hedging of commodity cost using domestic exchanges like MCX & NCDEX to reduce impact of price volatility
- Statistical tools to improve forecasting efficiency and improve inventory utilisation





# Q4 Results – Consistent Volume Driven Growth

- **Overall Company Value growth of 5%**
  - Led by a strong domestic Value Growth of 6.2% and volume growth of 6.9%
  - Domestic growths led by a 5.4% value growth in GT and 18.1% in MT
  - CSD has started picking up and registered growth of 5.6%
  - IB continues to underperform and is at -33%
- **Comparable tax base value growth of 10.1%**
  - Taking base tax rate to be similar to current
  - Value growth in Domestic business at 11.6% (on comparable Tax basis)
- **EBITDA - 34.08%**
  - EBITDA for the quarter has grown by 8.6% in absolute value terms on account of growth in sales coupled with operational efficiency.
- **PAT - 25.84%**
  - PAT for the quarter has increased by 5.2% on account of increase in sales.



# GOING FORWARD..

## • In the Short Term

- Further improvement in WS Channel pick-up
- Demand to strengthen further especially in rural
- Inflationary impact of 10% for 2018-19 predominantly driven by crude, lower mustard crop and MSP increase.

## • Our Plan

- Keep Driving the upgradation agenda even stronger on Almond Drops and NM
- Price hikes planned to cover a part of the input cost increase.
- Rebuilding of IB by focussing on the 5 key markets
- Continue the momentum doing more launches and relaunches in the coming Qtrs.
- Keep driving momentum in MT channel, Ecom and on enhancing direct distribution in rural
- Drive the value engineering initiatives even harder to limit the COGS impact

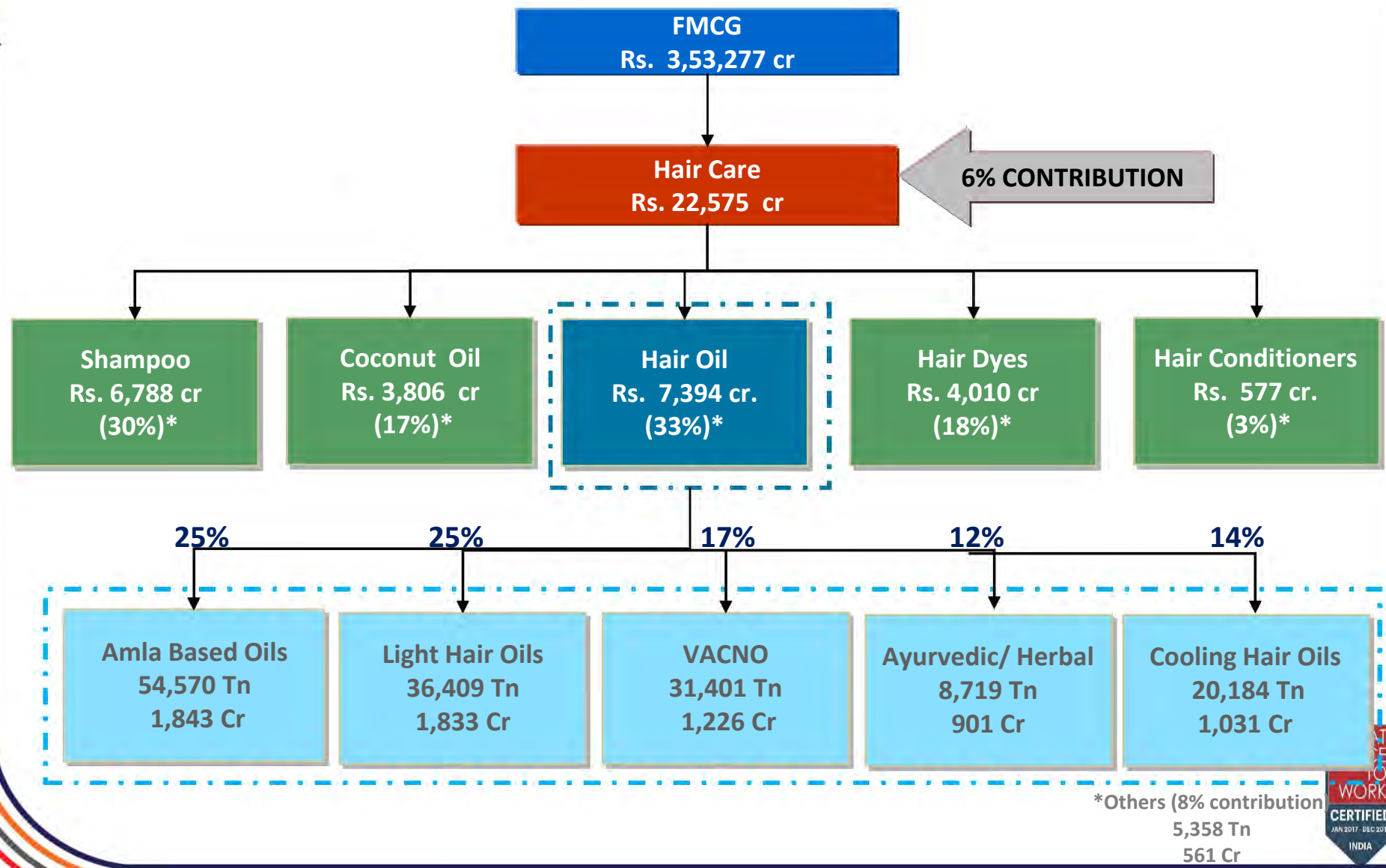
# INDUSTRY OVERVIEW



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# INDUSTRY SIZE AND STRUCTURE

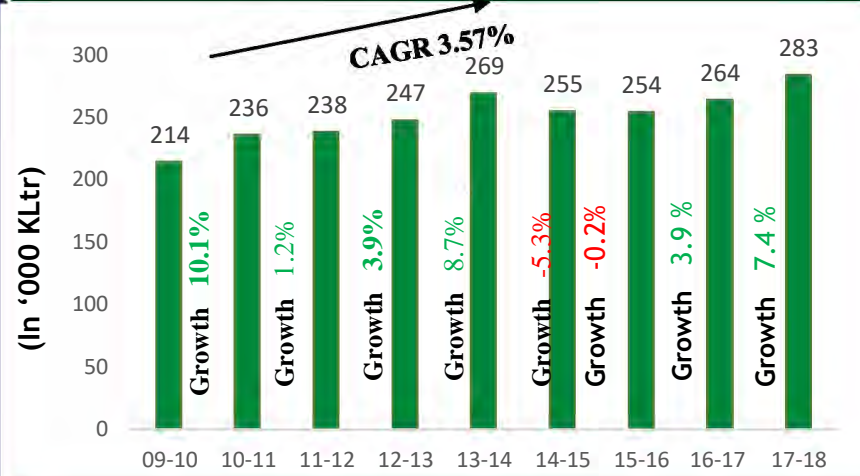


\* Indicates Value Contribution to Hair Care

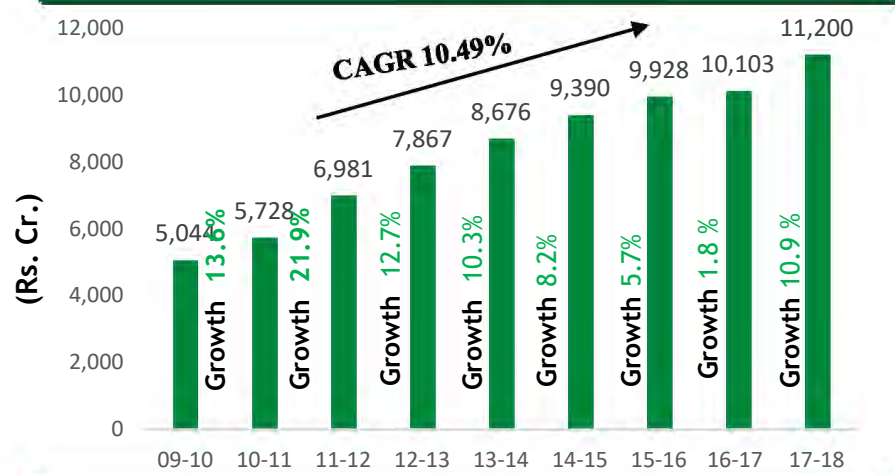


# Hair Oil Market in India

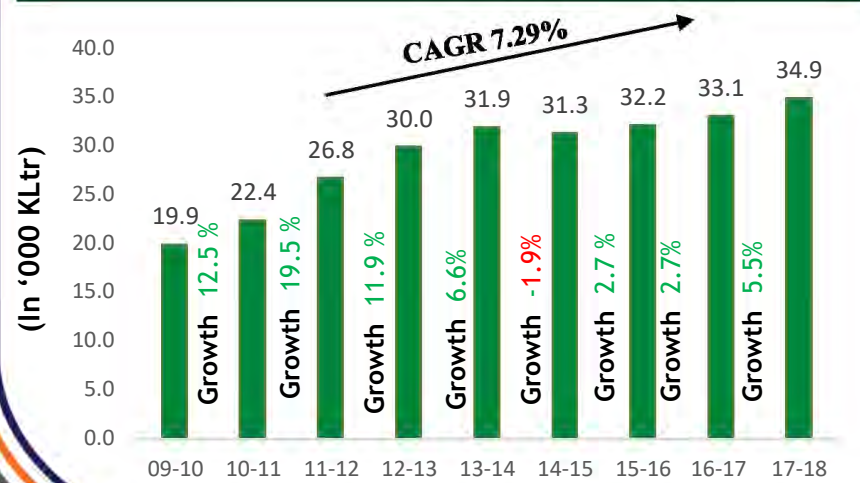
## Overall Hair Oil Market - Volume



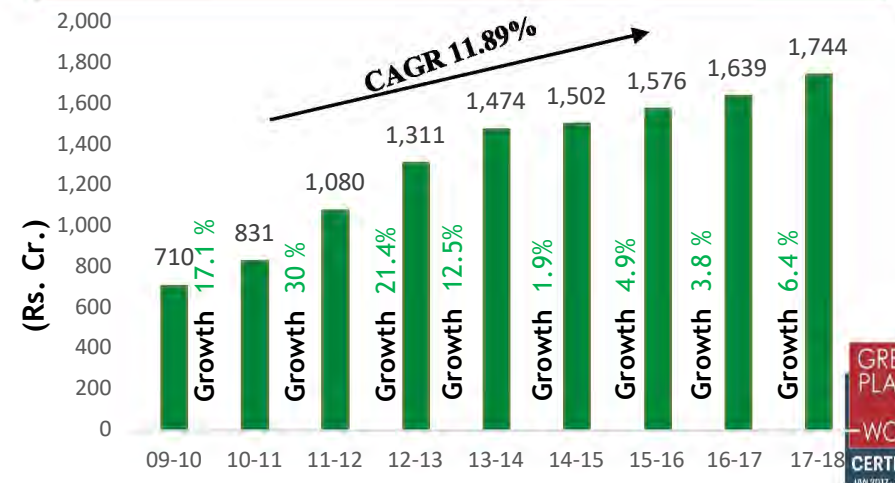
## Overall Oil Market - Value



## Light Hair Oil - Volume



## Light Hair Oil - Value



Source: Nielsen Retail Audit Report, Mar 2018; LHO nos. adjusted from 15-16 for like to like comparison

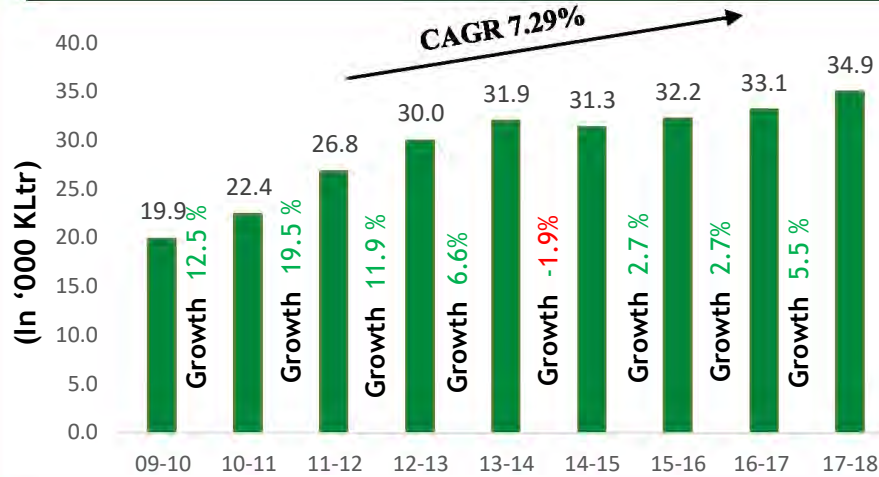
Hair Oils category shows Vol & Val growth as compared to Fy16-17. LHO segment also shows Val & Vol growth.

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

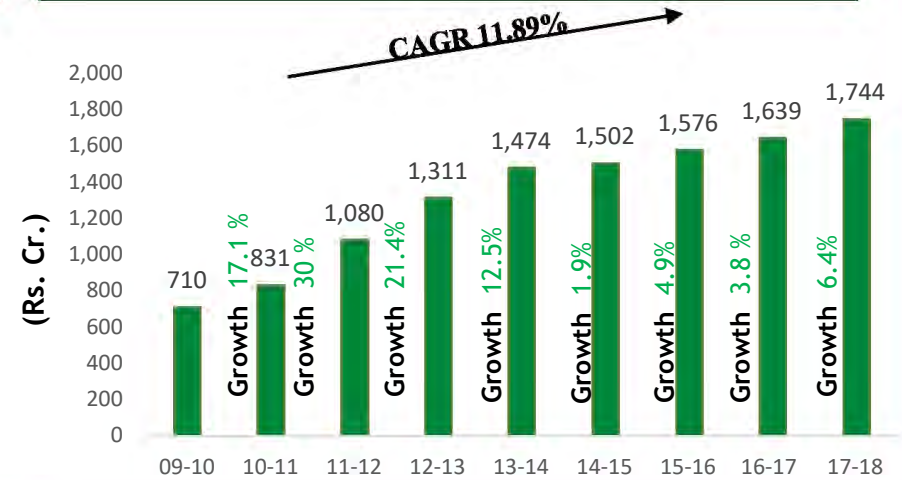


# Light Hair Oil Market in India

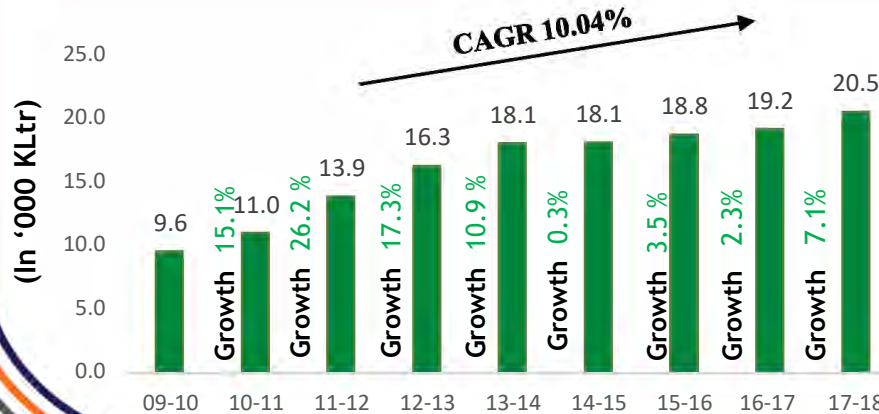
## Light Hair Oil - Volume



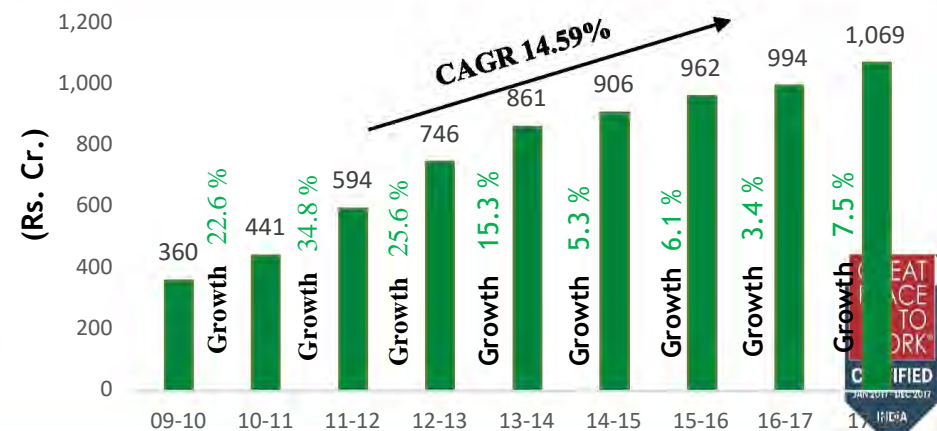
## Light Hair Oil - Value



## Almond Drops Hair Oil Market - Volume



## Almond Drops Hair Oil Market - Value



**Bajaj Almond Drops shows growth in both volume & value as compared to LY.**

Source: Nielsen Retail Audit Report, Mar 2018; LHO nos. adjusted from 15-16 for like to like comparison



# MS Trends Qtrly - THO AI(U+R)

	MS Val				MS Vol			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>ADHO</b>	9.6	9.3	9.4	9.8	7.2	7	7.2	7.6
<b>All Bajaj Brands*</b>	10	9.7	9.9	10.3	7.7	7.6	7.8	8.3

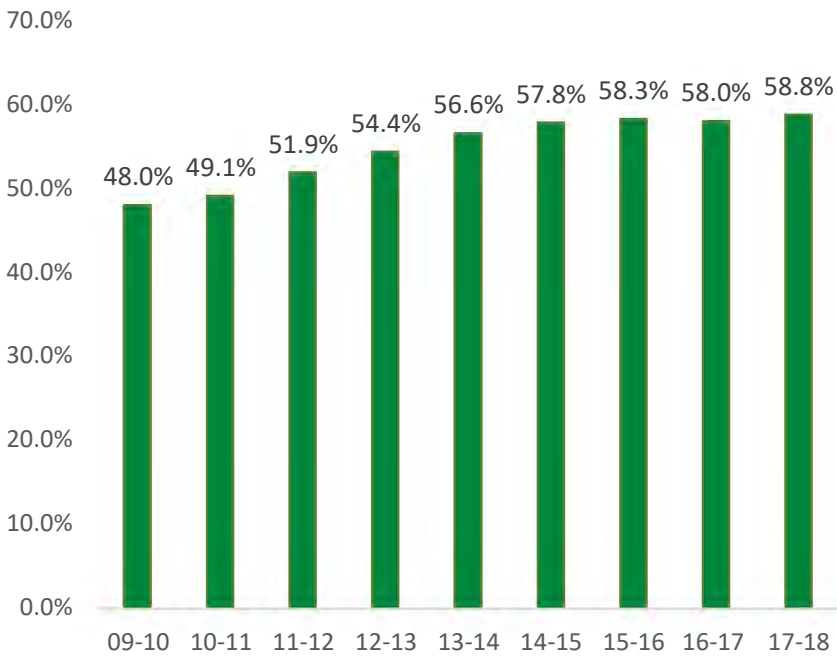
Strong positive trends for ADHO in THO category on both MS Vol & MS Val

Source: Nielsen Retail Audit Report, Mar 2018

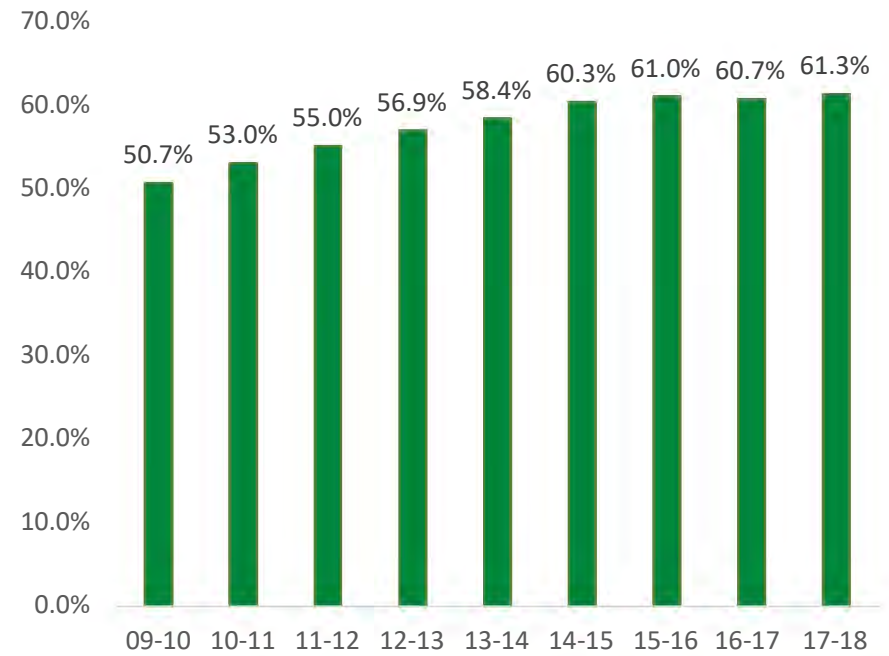


# Market Shares Trend in Light Hair Oil Category (All India - Urban + Rural)

## Volume MS



## Value MS



Highest ever shares for ADHO in LHO category on both MS Vol & MS Val

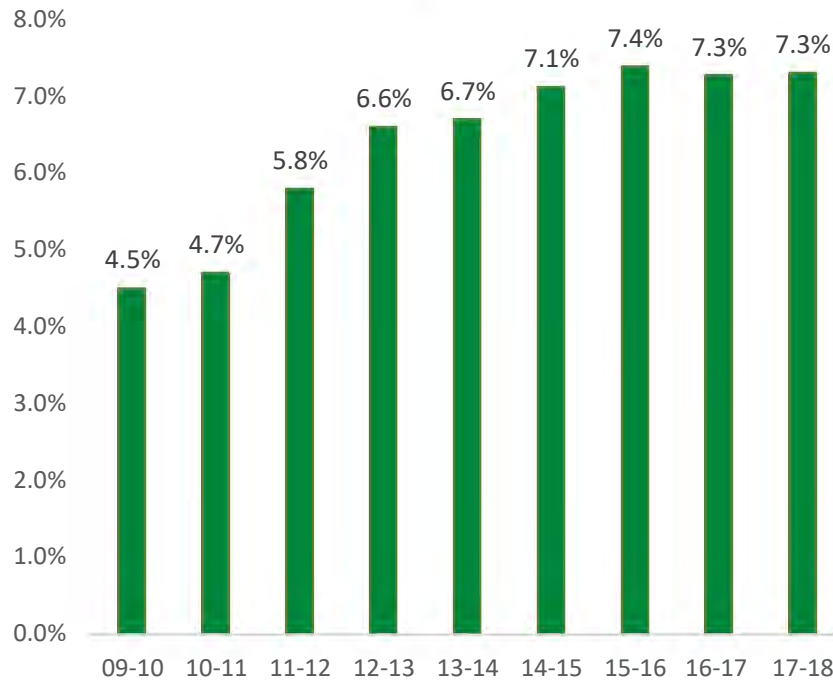
Source: Nielsen Retail Audit Report, Mar 2018



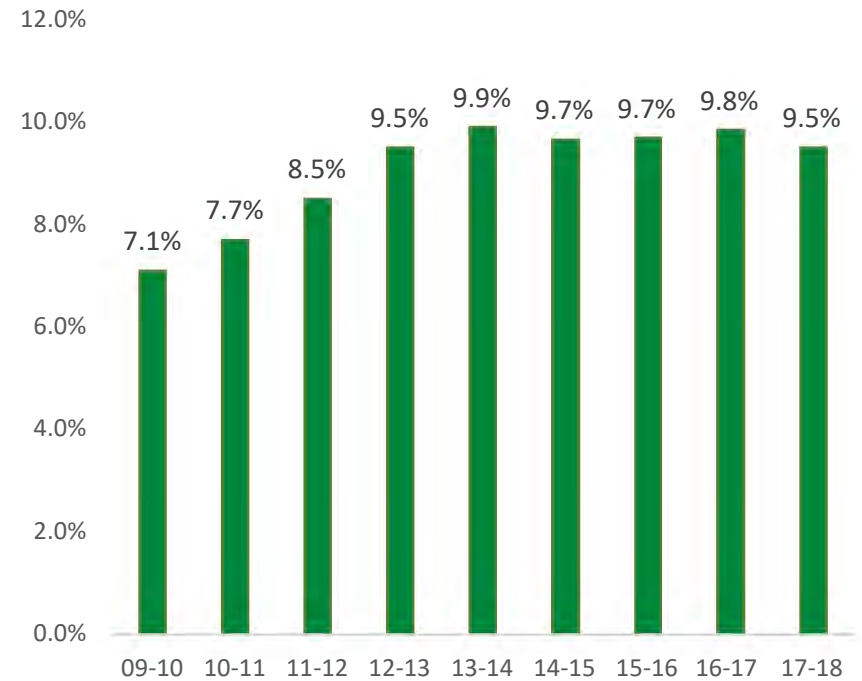


# Market Shares Trends in Total Hair Oil Category (All India - Urban + Rural)

## Volume MS



## Value MS



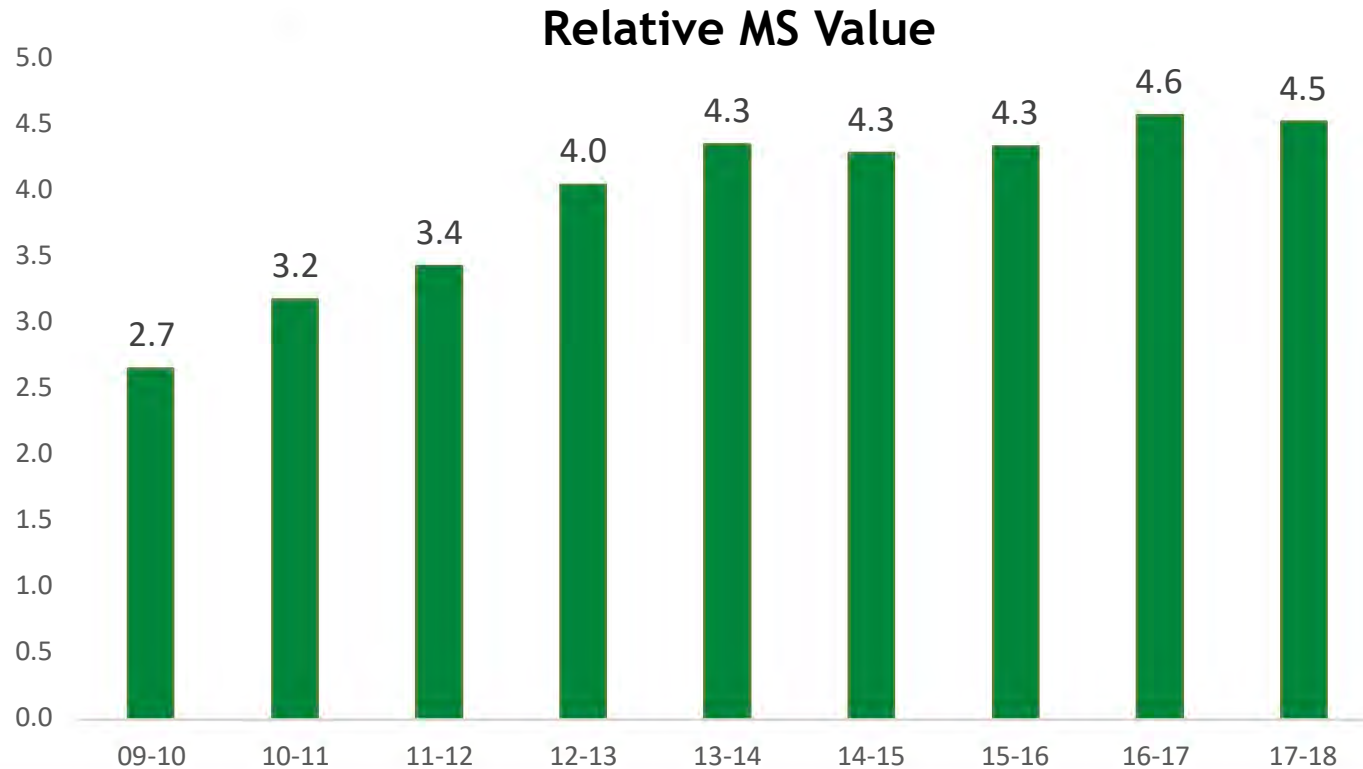
At a full year level ADHO has maintained Vol MS in the THO category & has a slight drop in Val MS

Source: Nielsen Retail Audit Report, Mar 2018



# 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



**Strong Relative market share demonstrates the strength of the brand**

Source: Nielsen Retail Audit Report, Mar 2018; LHO nos. adjusted from 15-16 for like to like comparison



# ADHO - Relative Market Shares - Value

States	Relative Market Share	Rank
Delhi	4.8	1
Rajasthan	1.4	1
Punjab	3.0	1
HP-JK	3.8	1
Haryana	4.8	1
Madhya Pradesh	3.8	1
Chhattisgarh	6.2	1
UP	3.1	1
Uttaranchal	3.9	1
Assam	9.3	1
Bihar	12.0	1
Jharkhand	8.7	1

States	Relative Market Share	Rank
North East	13.8	1
Orissa	7.2	1
WB	3.2	1
Maharashtra	4.7	1
Mumbai	3.2	1
Gujarat	1.9	1
AP	2.1	1
Karnataka	5.5	1
Kerala	1.2	1
TN	1.2	1
All India	4.5	1

Relative Market share is the ratio of Almond Drops market share value to the next largest competitor in LHO segment  
 Rank is the position of ADHO in respective state

Source - Nielsen Retail Audit Report, Mar 18

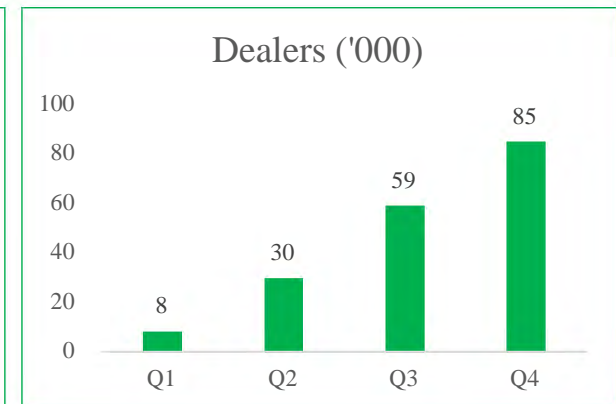
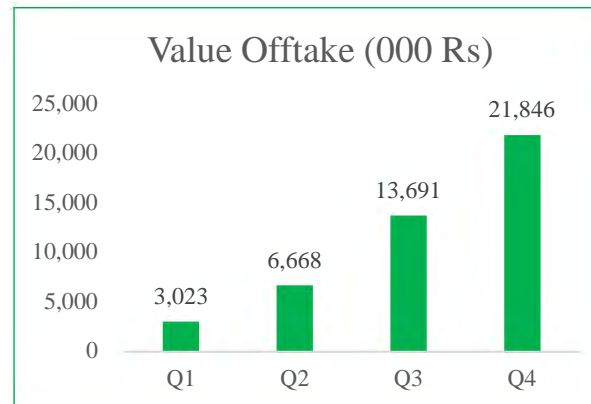


# Bajaj Brahmi Amla Ayurvedic Hair Oil: Growth momentum continues in Q4



## Restaged Bajaj Brahmi Amla Ayurvedic Hair Oil

- Benefits of Ayurvedic Brahmi and Amla extracts to reduce hairfall
- New Premium packaging
- TV Commercial featuring Brand Ambassador- Drashti Dhami



Source: Nielsen Mar'18



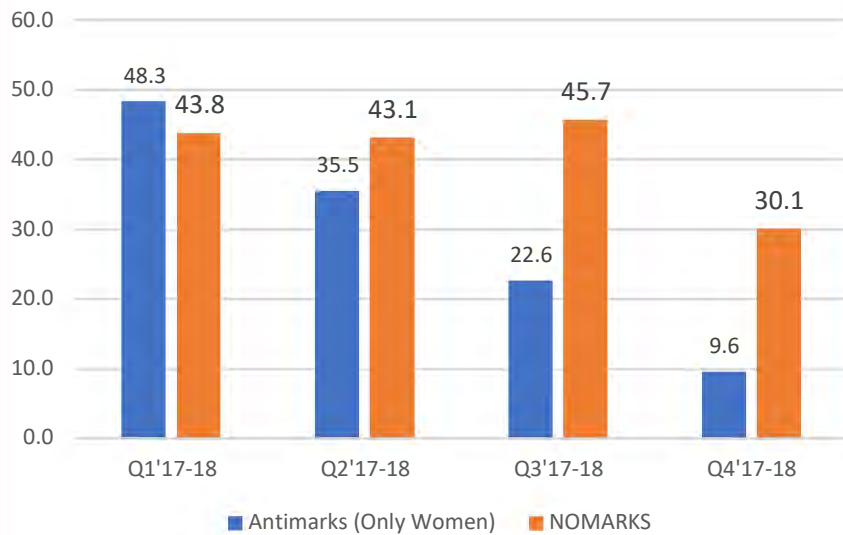
## Bajaj Coco Jasmine Hair Oil : Launch in Q4 17-18



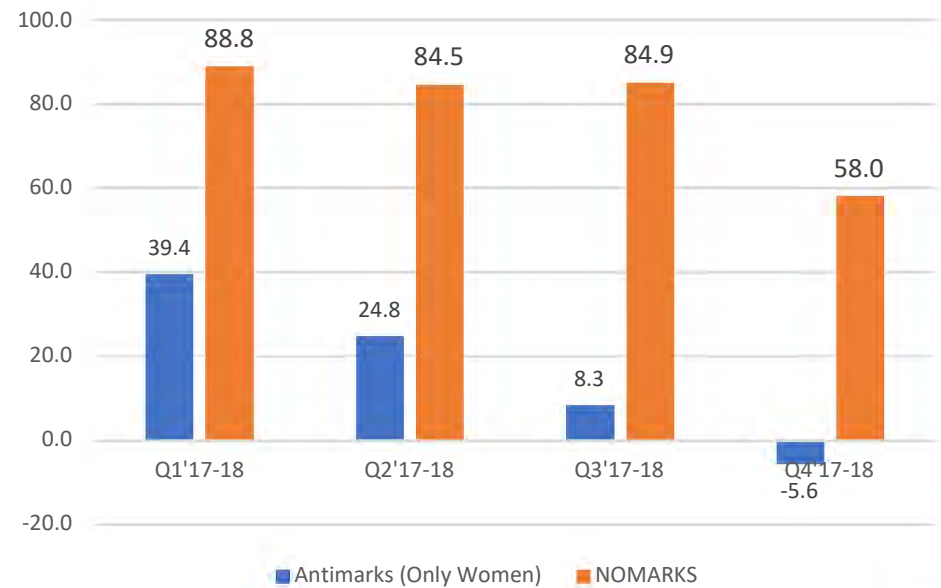
- Launched Bajaj Coco Jasmine Hair Oil in Maharashtra
- Its unique combination of Coconut oil, Jasmine extracts & Vit E reduces hair breakage by 3 times.
- Brand Ambassador - Hruta Durgule (Popular Regional TV celeb in Maharashtra)

# Bajaj Nomarks Cream continues to grow faster than the Antimarks category.

Q-o-Q Gr Val (All India)

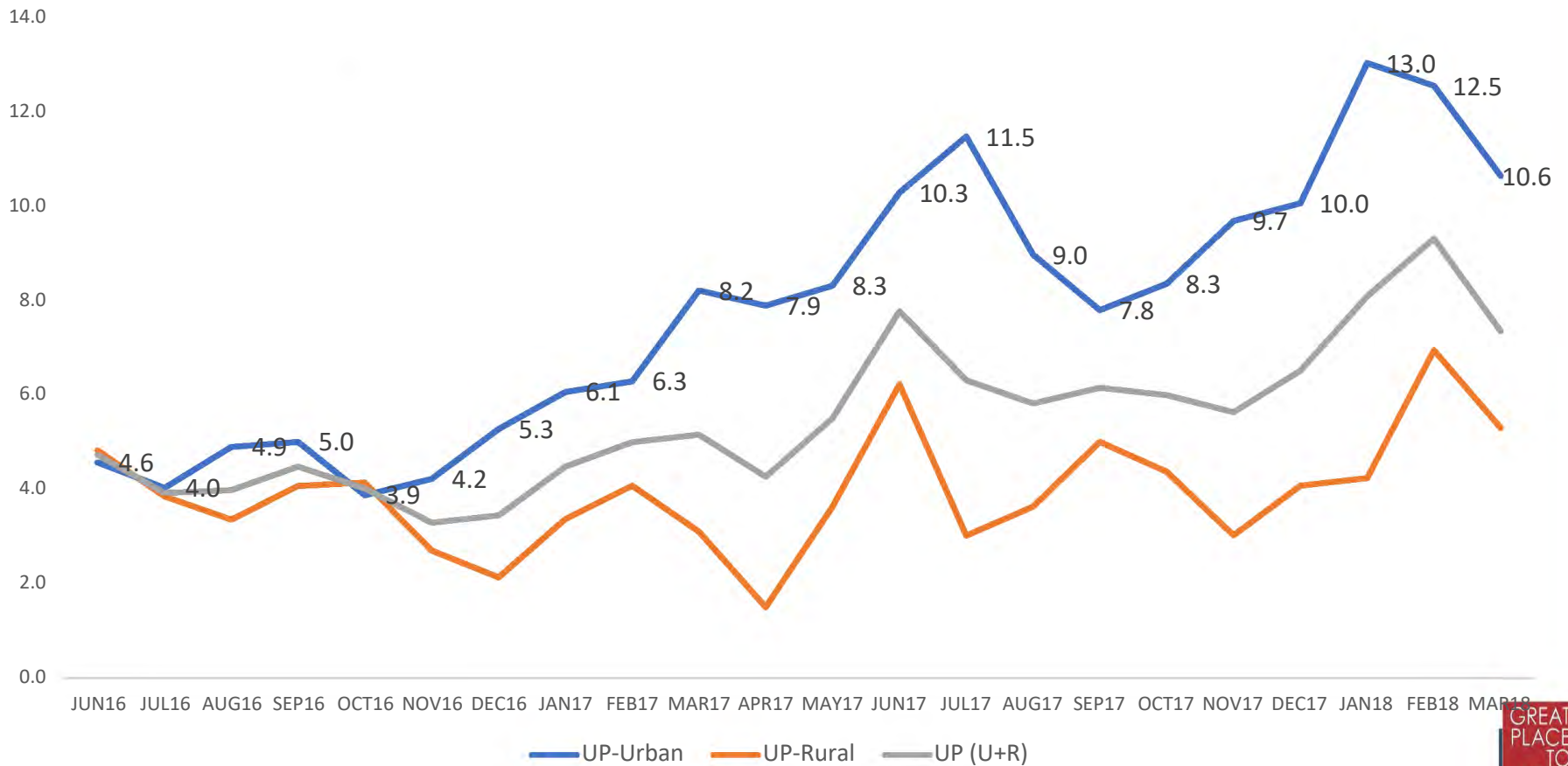


Q-o-Q Gr Val (UP)



# NM Cream continues to show an increase in value MS in UP.

Nomarks MS Val Trend – UP (Anti Marks Women’s Category)



# Distribution



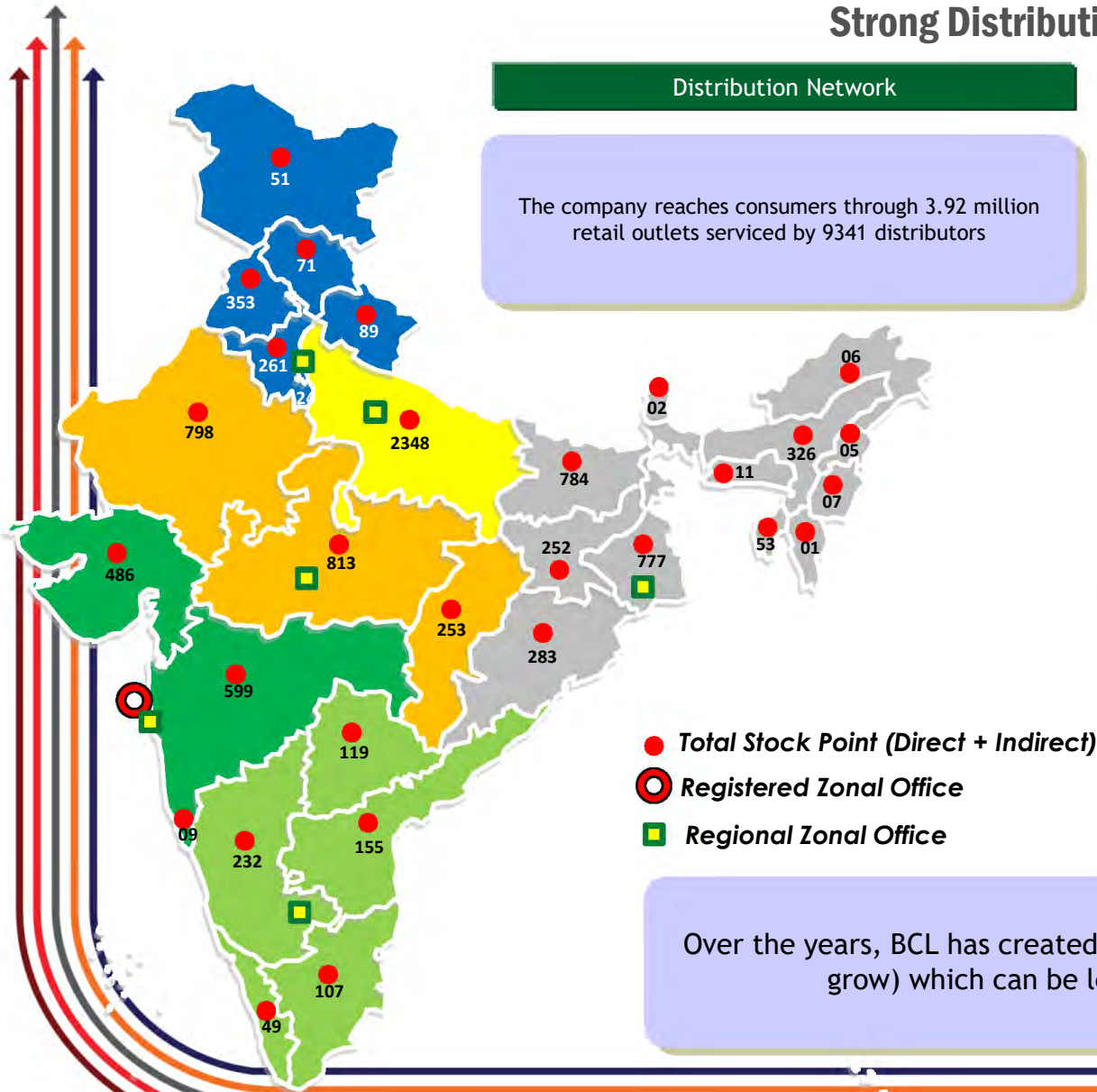
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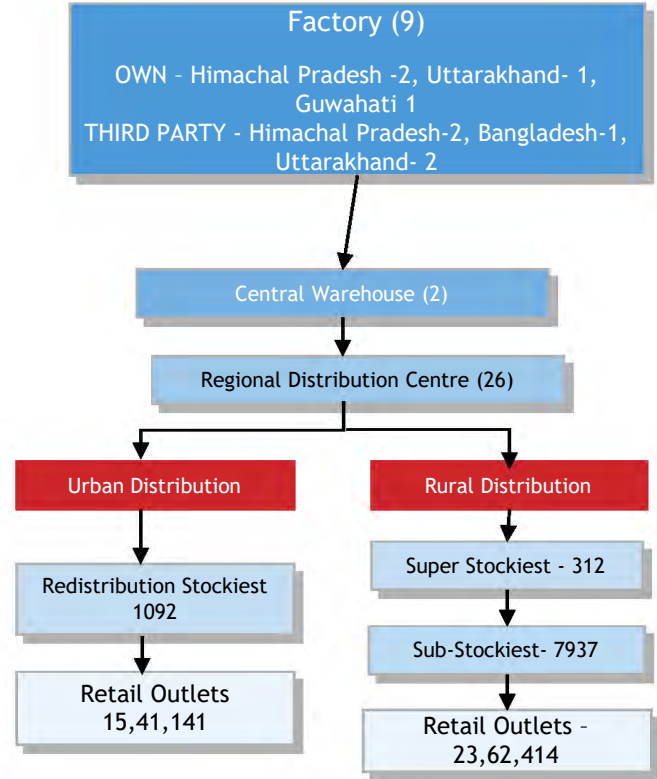


# Strong Distribution Network

## Strong Distribution Network



## Distribution Structure



Over the years, BCL has created a large distribution network (that continues to grow) which can be leveraged to introduce new products

# Sales Force Automation

- SFA program has been launched under the name of Project Saathi last year.
- It was started with the objective of better coverage & control of distribution, better efficiency
- Current all 1200 ISR are in under SFA (As on 31<sup>st</sup> March-2018 )
- Future ISR addition will be with SFA
- Seam less Backend integration of data
- Fastest National Roll out with FMCG space - 6 months (Industry norm 1.5 - 2 years)



# Financials



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# Financial Information

## Summary Income Statement

(Rs. In Crore)

Particulars	Q4FY18	Q4FY17	FY18	FY17
Sales (Net)	214.45	204.21	811.85	790.49
EBITDA	73.08	67.32	263.67	270.00
EBITDA Margin	34.08%	32.97%	32.48%	34.16%
Profit Before Tax & Exceptional Item	70.47	66.87	274.98	299.26
Exceptional Item (Trademark & Intellectual Properties)	-	-	-	18.38
Profit Before Tax(PBT)	70.47	66.87	274.98	280.87
Net Profit after Tax	55.41	52.67	216.27	220.96
Net Profit Margin	25.84%	25.79%	26.64%	27.95%

## Summary Balance Sheet

(Rs. In Crore)

Particulars	As on 31.03.2018	As on 31.03.2017
Shareholders Equity	505.36	501.77
Net Fixed Assets	57.10	53.80
Investments (including Bank FDs, Debt MF and Government Securities & Bonds)	443.74	458.53
Net Current Assets	4.52	- 10.56

# Profit & Loss Q4 and FY2018

Rs. in Crore

Particulars	Q4 FY18	Q4 FY17	YoY%	FY18	FY17	YoY%
<b>Net Sales</b>	<b>214.45</b>	<b>204.21</b>	<b>5.01%</b>	<b>811.85</b>	<b>790.49</b>	<b>2.70%</b>
Other Operating Income	7.15	0.33		19.36	2.05	
Material Cost	72.53	66.96		273.07	267.90	
% of Sales	33.82%	32.79%		33.64%	33.89%	
Employees Cost	19.95	15.22		75.47	59.39	
% of Sales	9.30%	7.45%		9.30%	7.51%	
Advertisement & Sales Prom.	29.04	27.15		118.24	105.40	
% of Sales	13.54%	13.29%		14.56%	13.33%	
Other Expenses	27.00	27.89		100.76	89.85	
% of Sales	12.59%	13.66%		12.41%	11.37%	
<b>EBITDA</b>	<b>73.08</b>	<b>67.32</b>	<b>8.56%</b>	<b>263.67</b>	<b>270.00</b>	<b>-2.34%</b>
% of Sales	34.08%	32.97%		32.48%	34.16%	
Other Income	0.85	2.32		24.35	39.35	
Finance Cost	0.38	0.27		1.16	0.93	
Depreciation	1.83	1.40		6.85	4.76	
Corporate Social Responsibility	1.26	1.10		5.03	4.40	
<b>Profit Before Tax &amp; Exceptional Item</b>	<b>70.46</b>	<b>66.87</b>	<b>5.38%</b>	<b>274.98</b>	<b>299.26</b>	<b>-8.11%</b>
Exceptional Item (Trademark & Intellectual Properties)	-	-		-	18.38	
<b>Profit Before Tax(PBT)</b>	<b>70.46</b>	<b>66.87</b>	<b>5.38%</b>	<b>274.98</b>	<b>280.88</b>	<b>-2.10%</b>
Tax Expenses	15.05	14.20		58.71	59.92	
<b>Profit After Tax(PAT)</b>	<b>55.41</b>	<b>52.67</b>	<b>5.22%</b>	<b>216.27</b>	<b>220.96</b>	<b>-2.12%</b>
% of Sales	25.84%	25.79%		26.64%	27.95%	
Other Comprehensive Income (net of tax)	0.30	-0.85		0.35	-0.85	
<b>Total Comprehensive Income (net of tax)</b>	<b>55.71</b>	<b>51.82</b>	<b>7.52%</b>	<b>216.62</b>	<b>220.11</b>	<b>-1.59%</b>
<b>Basic &amp; Diluted EPS (Rs.)</b>	<b>3.76</b>	<b>3.57</b>		<b>14.66</b>	<b>14.98</b>	

# Sales Value Growth

Sales Vertical	Growth Q4FY 18	Growth FY 18
General Trade	11.07%	7.69%
Modern Trade	23.93%	18.29%
<b>Total Domestic ( Exc. CSD)</b>	<b>11.94%</b>	<b>8.39%</b>
Canteen Stores Department	5.56%	-14.10%
<b>Total Domestic</b>	<b>11.59%</b>	<b>7.23%</b>
International Business	-32.90%	-26.30%
<b>Total for the Company</b>	<b>10.12%</b>	<b>5.81%</b>

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



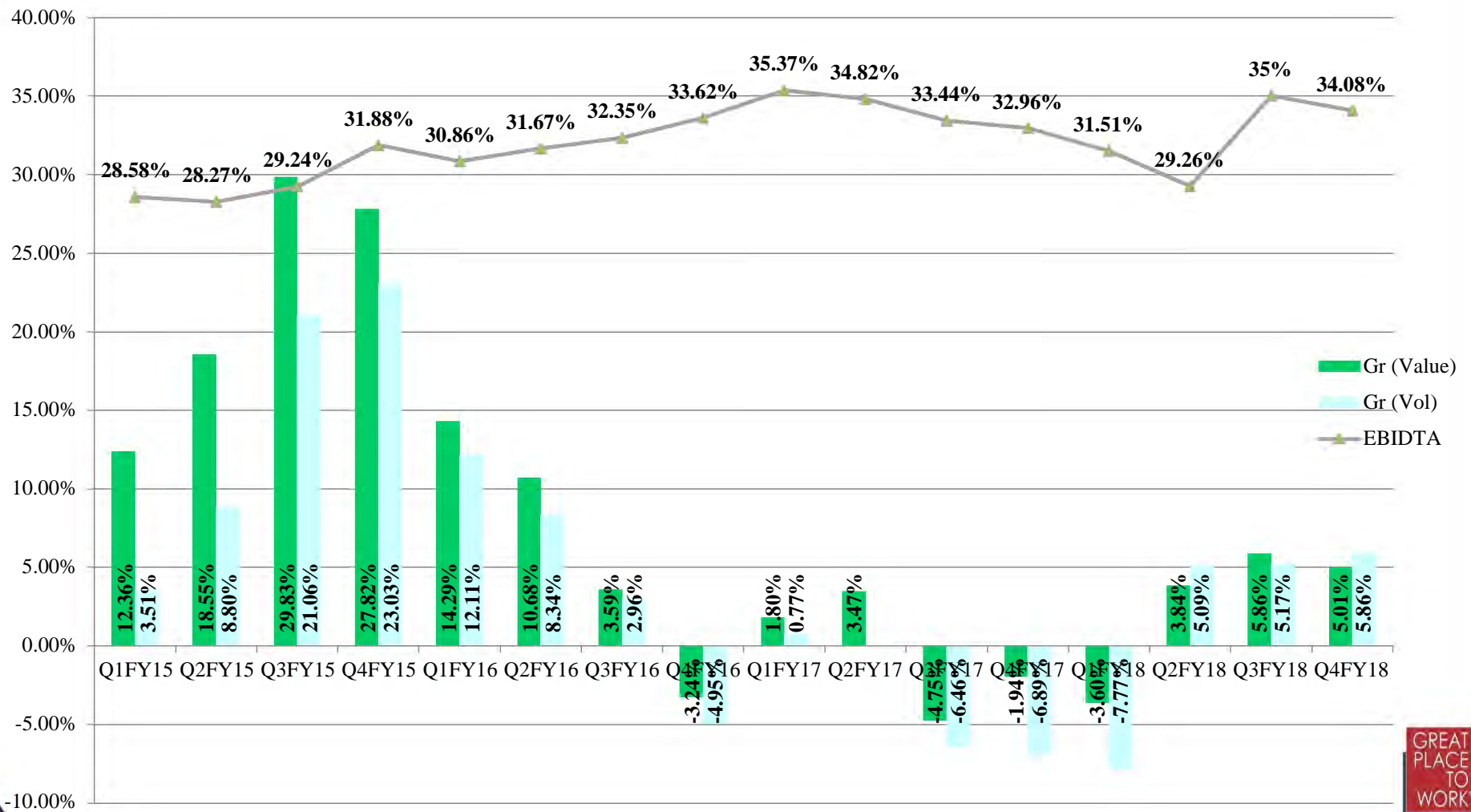
# Statement of Quarter wise Sales (Volume)

## 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	1,371,335	-7.77%
Q2	1,288,939	1,210,568	1,537	2,107	19,688	15,376	25,466	40,865	25,257	27,225	9,307	7,640	1,370,194	1,303,781	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%
Q4	1,341,551	1,254,390	2,860	3,778	16,631	11,982	35,549	42,917	20,706	30,910	11,193	5,445	1,428,490	1,349,422	5.86%
<b>Total</b>	<b>5,056,176</b>	<b>4,921,142</b>	<b>12,116</b>	<b>14,132</b>	<b>66,251</b>	<b>50,920</b>	<b>124,398</b>	<b>155,897</b>	<b>95,325</b>	<b>113,630</b>	<b>31,457</b>	<b>26,052</b>	<b>5,385,723</b>	<b>5,281,773</b>	<b>1.97%</b>

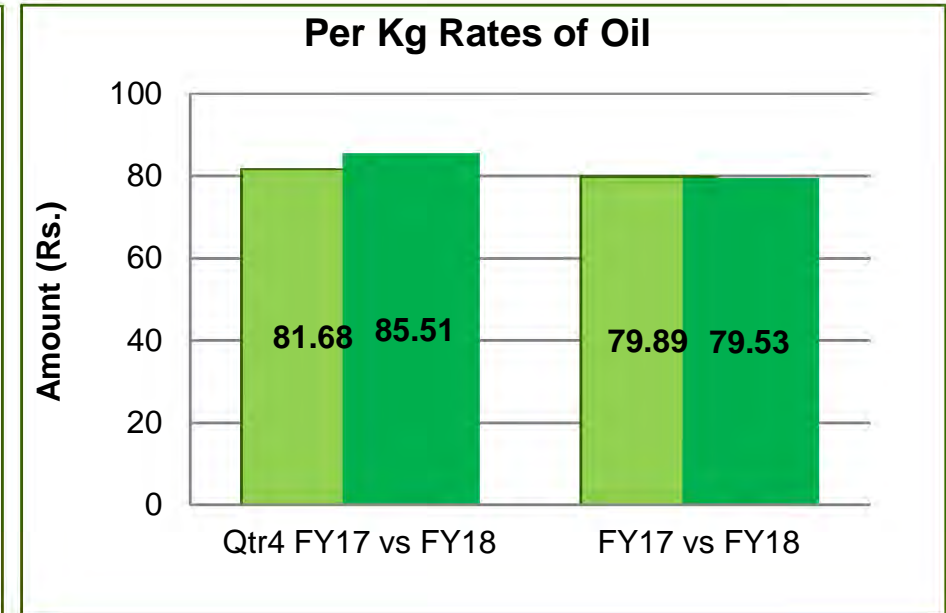
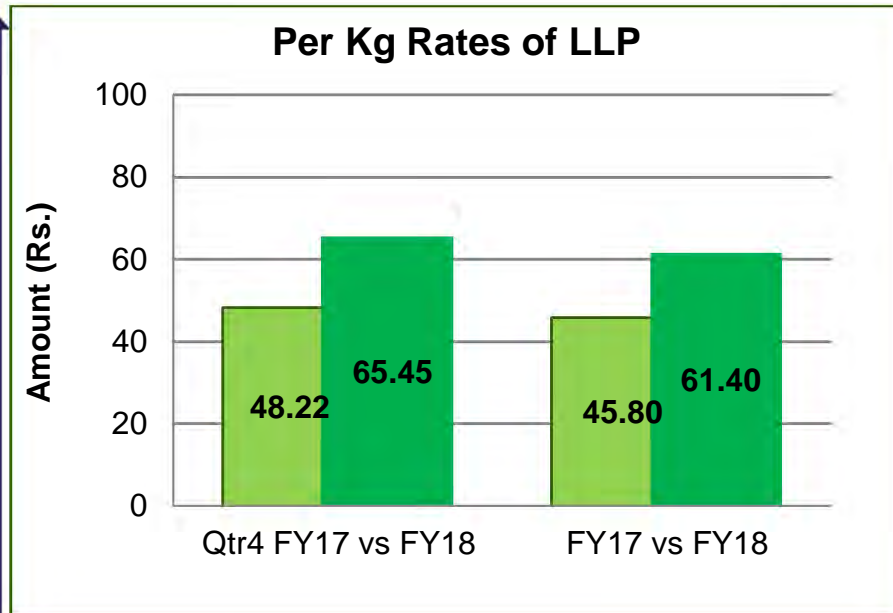


# Consistent Performance over the last 16 successive quarters





# Change in Prices of Key Ingredients



- ✓ During the quarter average landed price of LLP increased to Rs. 65.45/kg (Landed cost net of GST credit for the quarter is Rs. 56.38/Kg) from Rs. 48.22/kg in corresponding quarter of previous year and average price of LLP during the whole year was Rs. 61.40/kg (Landed cost net of GST credit for the year is Rs. 54.84/Kg) against Rs. 45.80/kg in the previous year.
- ✓ During the quarter average price of Refined Oil increased to Rs. 85.51/kg (Landed cost net of GST credit for the quarter is Rs. 81.44/Kg) from Rs. 81.68/kg in corresponding quarter of previous year and average price of Oil during the year was Rs. 79.53/kg (Landed cost net of GST credit for the year is Rs. 76.80/Kg) against Rs. 79.89/ kg in the previous year.


# Fund Position

- **Fund Position:**

- The total Fund available with the company as on 31<sup>st</sup> Mar 2018 is Rs. 319.20 Crores
- This has been invested in Bank Fixed Deposits and top rated Corporate & PSU Bonds
- There is no investment in ANY Inter Corporate Deposit

<i>Particulars</i>	<i>Amount (Rs. in Crores)</i>
<i>Bank FDs</i>	11.78
<i>Bonds</i>	307.42
<i>Total</i>	<b>319.20</b>

# 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

# For More Information

- Please Visit [www.Bajajcorp.com](http://www.Bajajcorp.com)



**THANK YOU**



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