

# Investor Presentation

## Q2 – FY 2020

Date: 11/10/2019

# FLOW

- MARKET CONTEXT
- PROJECT VISTAAR
- INDUSTRY OVERVIEW
- FINANCIAL INFORMATION

# Q2– MARKET CONTEXT

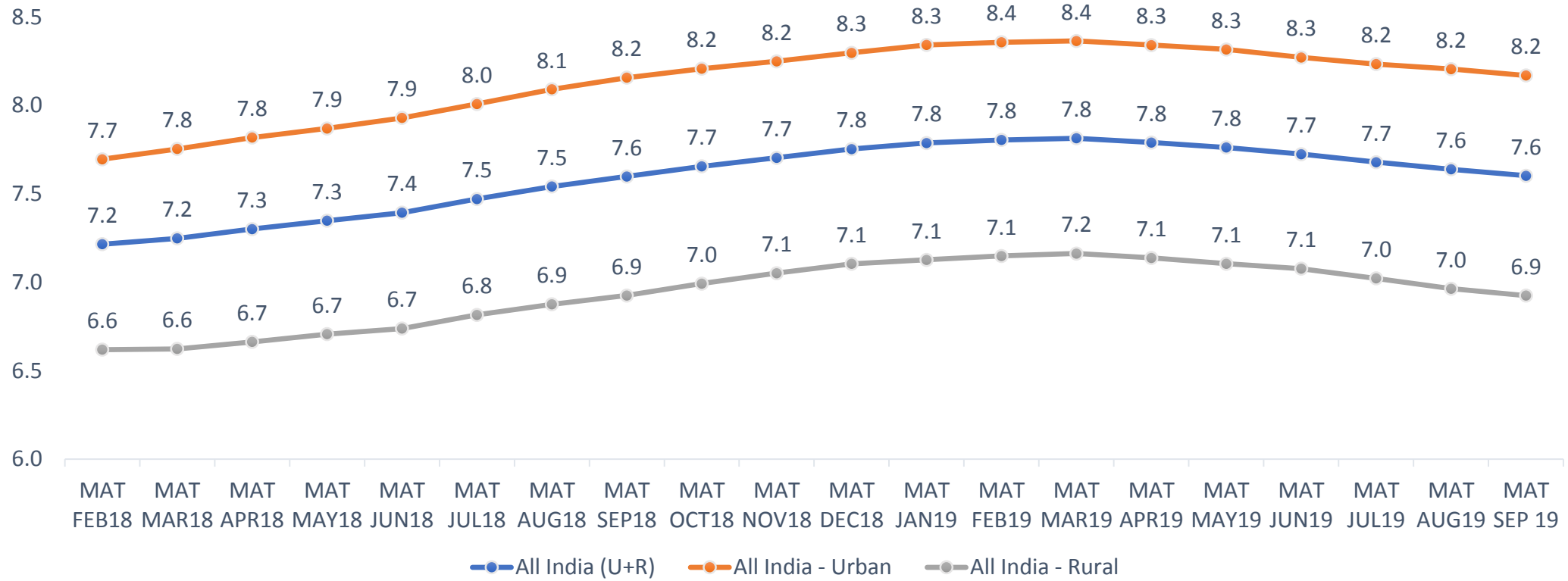
## HAIROILS

- Hair Oils category grew by 5.9% in volume in MAT Sep 19, whereas value growth has been 11.6%.
- Hair Oil Category growth has slowed down in FY 19/20 , YTD Volume Growth Rate is 2.4% vs MAT Growth rate of 5.9%.
- Volume MS% of Bajaj Almond Drops is steady at 7.6% in MAT Sep 19 vs MAT Sep 18
- Value MS% of Bajaj Almond Drops dropped to 9.5% in MAT Sep 19 vs 9.6% in MAT Sep 18
- Strong Penetration increase in ADHO at 22% (MAT Jun 19) vs 18% (MAT Jun 18) with a 21% increase in Households

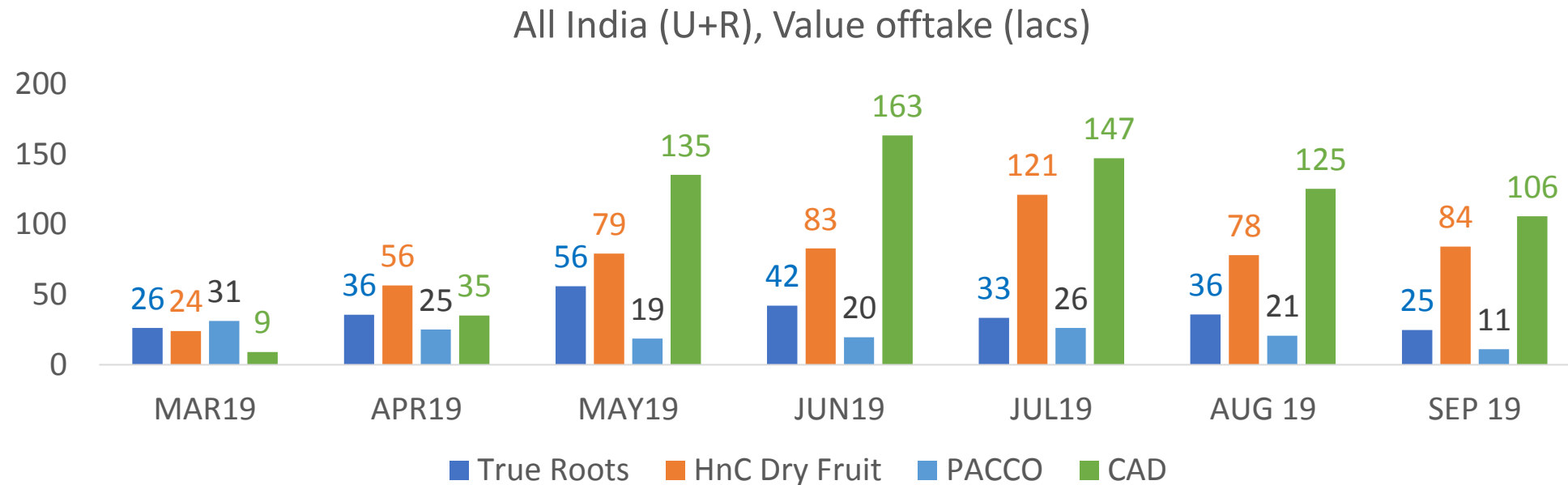
## NOMARKS

- Antimarks category declined by 1.0% in volume and grew by 6.0% in value in MAT Sep 19
- No Marks MAT Sep 19 MS Value % is stable at 8.3%

# Stable ADHO MAT Vol Share in Urban India; Slight decline in Rural India



# Bajaj Cool Almond Drops - Early results are positive



- Bajaj Cool Almond Drops has the highest offtake amongst new launches in Hair oil ( 7 months since launch )
- Market Share of 1.0 % in cooling oils

# GROWTH PILLARS INTO ACTION

## WINNING IN MARKET – QUALITY & QUANTITY

### Enhancing Quantity and Quality of Distribution

- *Improving Quality and quantity of coverage through effective use of SFA*
- *Bajaj Almond Drops now available in over 40 lakh outlets*
- *Lowering of WS contribution from 60% to 33% over the last 2.5 years*

Outlet no. in Lakhs	16-17	17-18	18-19	Q1 FY20	Q2 FY20
Nielsen Coverage	37.5	39.0	39.8	40.12	40.15
Direct Coverage	1.4	2.8	5.05	5.11	5.15
% of direct coverage	4%	8%	12.5%	12.7%	12.8%

Source: Nielsen Retail Audit Report, Sept 2019

# Snapshot of Sales across Channels

## General Trade:

- Growth has been sluggish across channels
- Rural demand witnessing substantial sequential slowdown
- Wholesale holding volumes with higher inputs
- Urban Retail off takes have seen sharp decline
- Discretionary spends witnessing sharp drop across channels

## Alternate Channel:

- Modern Trade continued its strong growth at 19% for Q2
- Channels like E Commerce and Pharma grew by 97% and 42% respectively
- Nomarks brand showed a growth of 30%
- Started business in CSD from the month of August after a gap of 4 months

## International Business:

- Recorded 95% growth in Dubai region in Q2 of current year
- Business is growing rapidly with growth in H1 of current year at 110.32%

# Project Vistaar– Test Market for Increasing Share



# Q3 Plan: Continued emphasis on advertising, digital media and on-ground activation



**Launch of new ad  
copy featuring local  
celebrity**



**Consistent focus on  
high SOV**



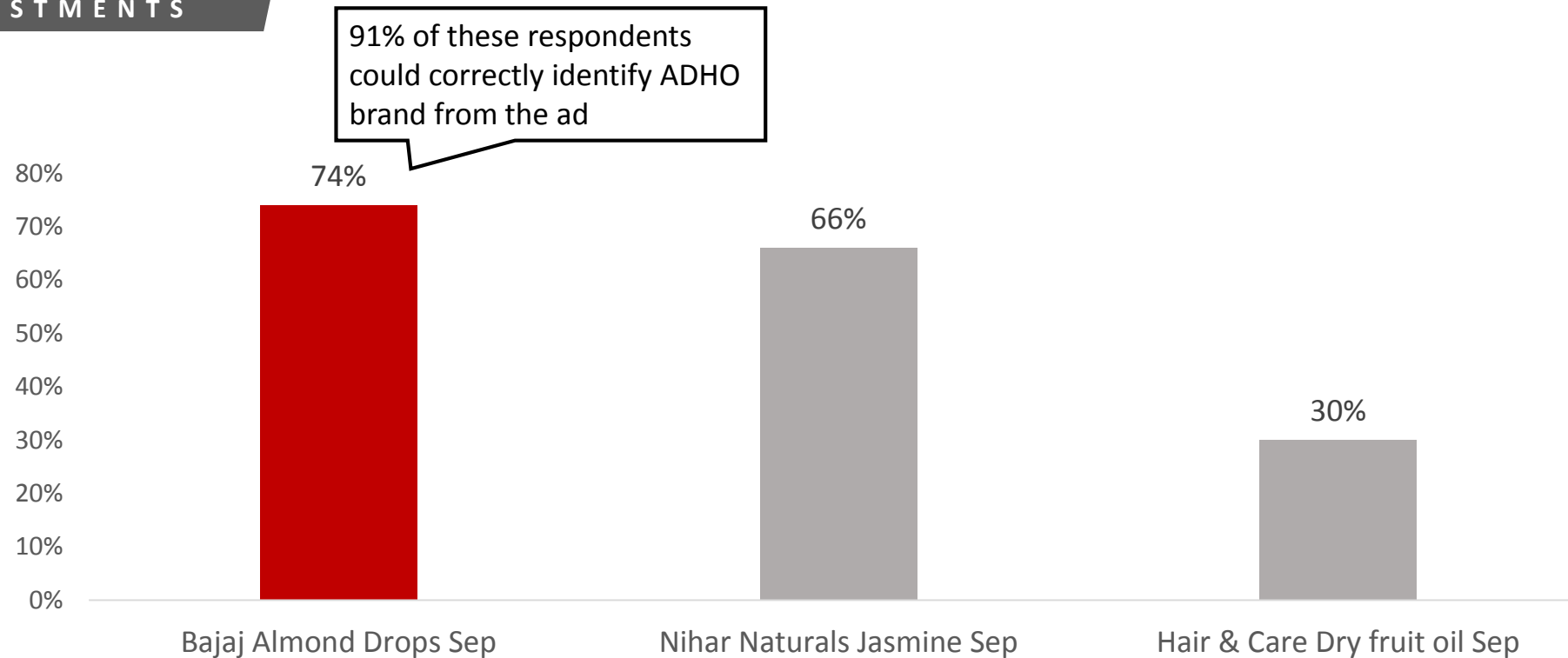
**Increased focus on  
digital media**



**Rural focused on-  
ground activation**

# ADHO ad awareness is significantly higher than competition

ATL INVESTMENTS



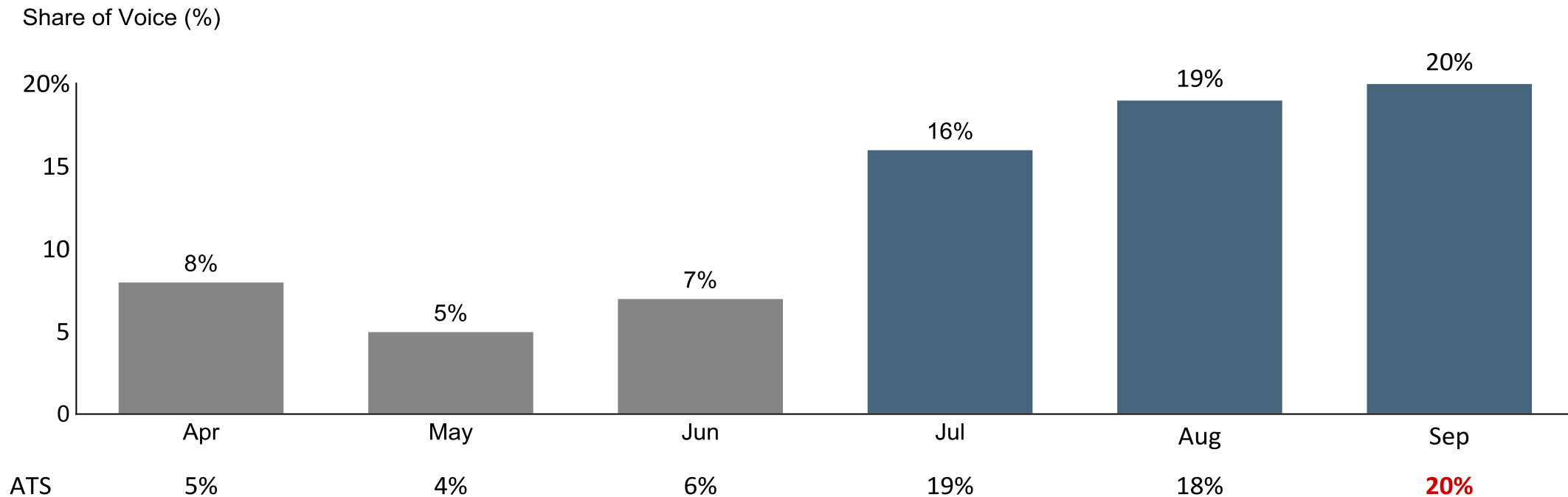
**bajaj** CONSUMER CARE

## New 5s ad clip to increase awareness of ADHO 50 ml



- Highlights Price point Of Rs. 35
- “Nourishment for Month” in Just Rs. 35”

# Significantly increased ATL spend since July with consistent and high Share of Voice



# Project Vistaar: Primary and secondary sales have gone up in Q2 vs. LY

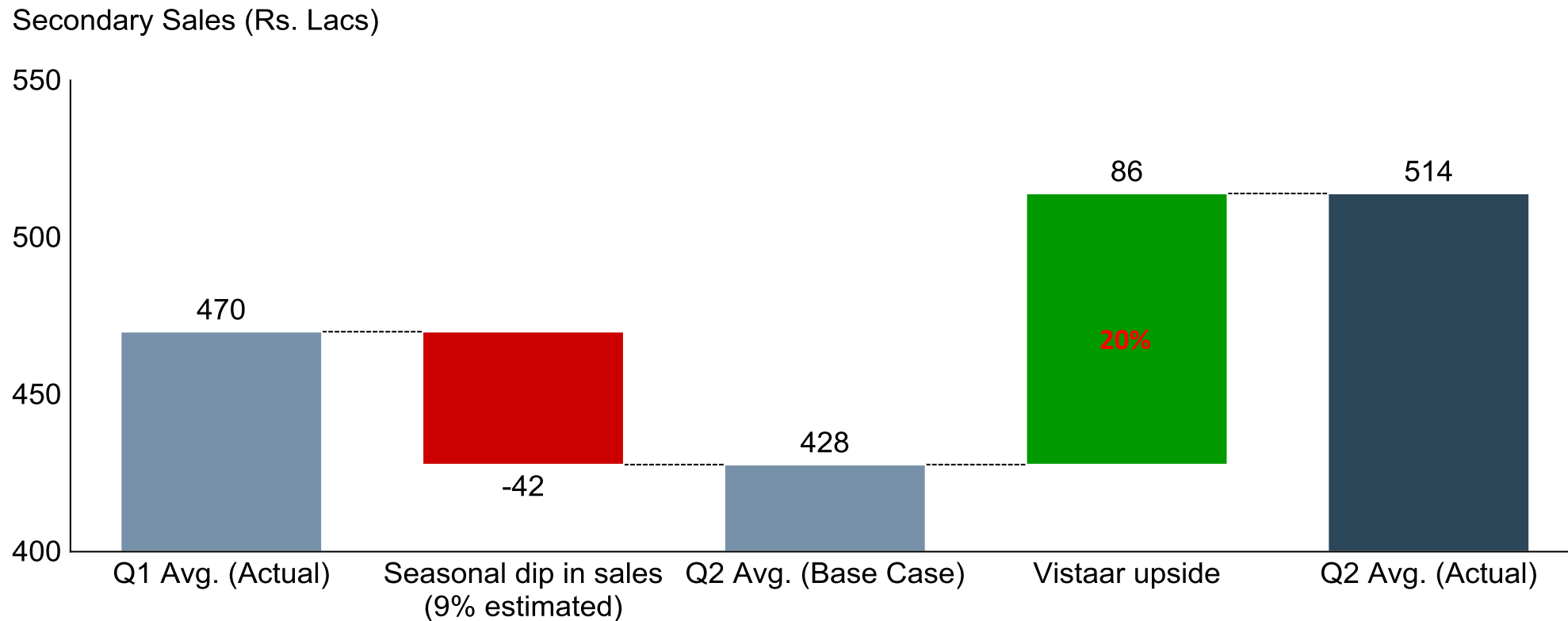
Overall ADHO	Q2 FY19	Q2 FY20	Growth vs. YA
Primary sales (Rs. Lacs)	1,333	1,524	14%
Secondary sales (Rs. Lacs)	1,292	1,543	19%

Overall ADHO	July			August			September		
	Jul'18	Jul'19	Growth	Aug'18	Aug'19	Growth	Sep'18	Sep'19	Growth
Primary sales (Rs. Lacs)	418	496	19%	436	503	15%	479	525	10%
Secondary sales (Rs. Lacs)	415	497	20%	423	516	22%	454	530	17%



Note: Distribution numbers are only for focus SKUs

# Vistaar Upside: Natural dip in sales in Q2 vs. Q1 has been offset by Vistaar initiatives



# Winning with IT Initiatives & Automation

## H1 initiatives:

### Business Intelligence Tool -

Senior sales team of BCCL have been given a BI tool to see the dashboards on the go. This will help sales leadership team in following areas:

- Data driven decision making
- Sales KPI monitoring on regular basis
- Single view of Primary and Secondary sales
- Improve upon team's productivity



### HAPPAY – Travel expense automation tool

Travel expense tool implemented for entire organization. This will help in following areas:

- Paperless claim
- Speedy reimbursement
- Better visibility of travel cost



# Winning with IT Initiatives & Automation

## Planned H2 initiatives:

### SAP HANA and SAP Success Factor –

Organisation has tied up with IBM as implementation partner for SAP HANA 1809 implementation. The advantages SAP will bring:

- Real time data visibility
- Increase efficiency
- Single source of truth
- Help in decision making
- Innovation capabilities
- Reduce data duplication



### AI tool for front end sales –

Doing pilot for Artificial intelligence tool for sales. This will have following advantages:

- Things to do today for front end team based on past data
- Chat with bot for sales data analysis
- Predictive sales trends for senior leadership





# ORGANISATION STRUCTURE



**Kushagra Nayan Bajaj**  
Chairman



**Sumit Malhotra**  
Managing Director

He has been appointed as Managing Director of the company with effect from August 08, 2011. He holds a bachelors degree in pharmacy from IIT - Benaras Hindu University, Varanasi and a PGDBM from IIM - Ahmedabad. He has over 31 years of experience in the FMCG sector.



**Ankit Chudiwala**  
Head - Internal Audit

Joined BCCL in Feb 2017. He is a qualified Chartered Accountant (ICAI), Company Secretary (ICSI) and L.L.B (Government Law College, Mumbai), with 15 years of core experience in Internal Audit, Risk Management, Financial Controlling and Managerial Finance.



**Apoorv Nayan Bajaj**  
Executive President



**Dipankar Ghosh**  
Assistant Vice President - Human Resources

Joined BCCL on Aug 2018. He is Fullbright Fellow and holds a MBA from Jadavpur University and has 20+ years of experience in organizations like Diageo & Tata Motors.



**Devendra Jain**  
Head - Supply Chain and Procurement

Joined BCCL on Nov 2015. He is a Civil Engineer & MBA and has 15 years of experience in organizations like GSK, Johnson & Johnson. & Dabur



**Rajat Ghosh**  
Head - Sales

Joined BCCL on April 2016. He is a PGDBM from IMT, Ghaziabad and has 21 years of experience in organizations like Dabur and Britannia



**Makarand Karnataki**  
Head - Legal

Joined BCCL in Sep 2017. Makarand is Commerce and Law Graduate from Mumbai University and also a member of Institute of Company Secretaries of India. He has 20 years of experience and worked with organizations like Colgate-Palmolive (India) Ltd. & Godrej Agrovet Ltd.



**Abhishek Prasad**  
Head - Marketing

Joined BCCL on May 2018. He holds a MBA from FMS, Delhi and has 20 years of experience in organizations like Reckitt Benkiser, Kraft Heinz & Pidilite.



**Dilip Kumar Maloo**  
Chief Financial Officer

Joined BCCL on April 1991. He is a qualified CA & CS professional and has more than 30 years of experience across Finance, Accounts, Taxation & Secretarial



**Rohit Saraogi**  
Assistant Vice President - Finance

Joined BCCL on Mar 2019. He is a commerce graduate from St. Xavier's, Kolkata and a qualified CA & CS Professional and has 17 years of experience in organizations like Diageo India & Marico.



**Dharmesh Sanghavi**  
Head - IT

Joined BCCL on Sep 2012. He is a computer Engineer and a diploma in Business Management from ICFAI University, Dehradun and has 14 years of experience in organizations like Yash Birla Group & The Loot India (P) Ltd



**Naresh Gehlaud**  
Head - Operations

Joined BCCL on May 2018. He is an Electrical Engineer and a MBA in Marketing and has 23+ years of experience in organizations like Emami & Marico.



**Dr. Suman Majumder**  
Head - R&D

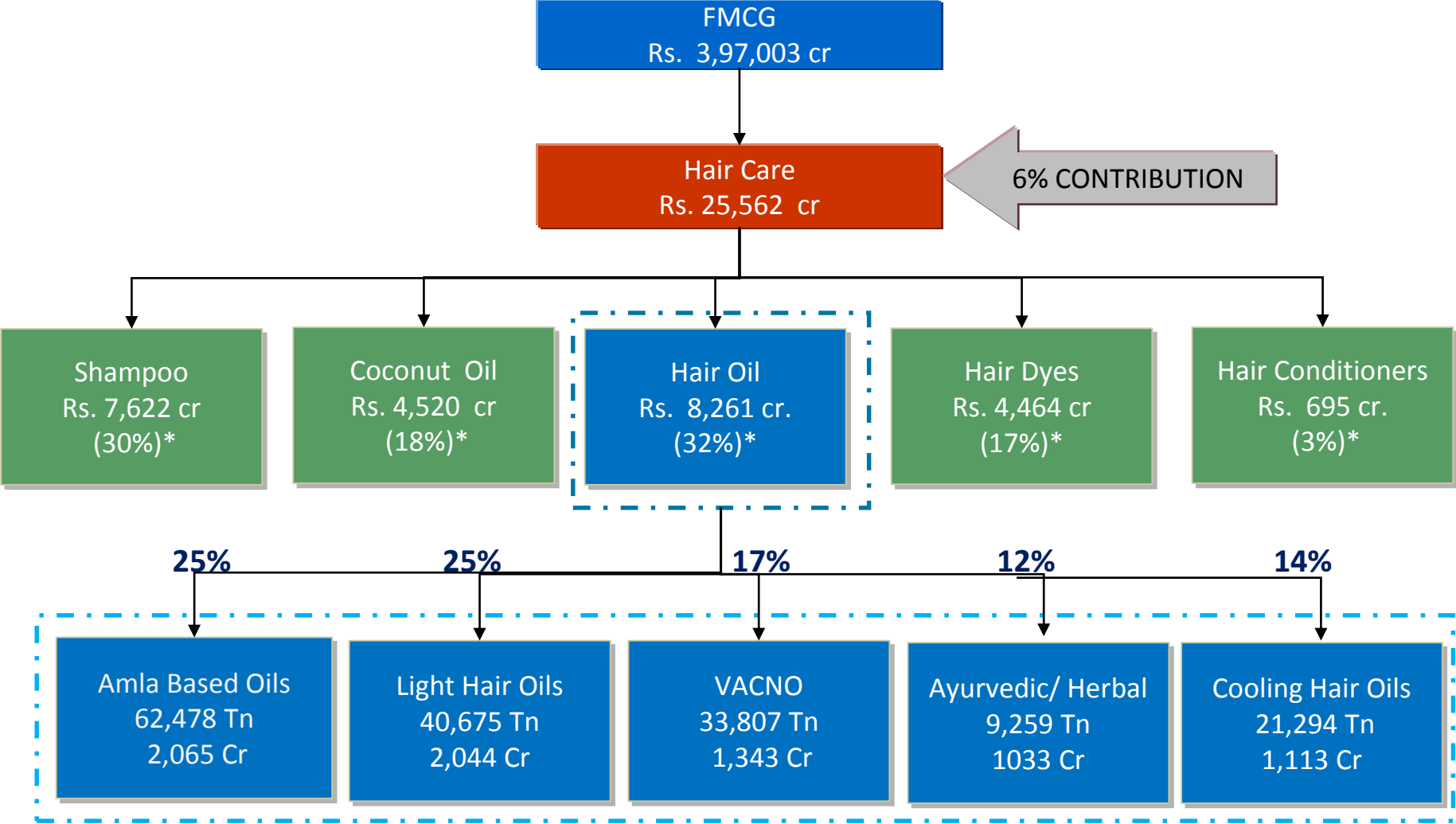
Joined BCCL on May 2019. He holds a Ph.D. in Organic Chemistry from Center of Advanced Studies, Kolkata and has over 15 years of rich experience in various R&D role in organizations like Avery Dennison India, L'oreal and Unilever.

# Winning with People

- BCCL was conferred Maharashtra State's "Best Employer Award" from World HRD Congress.
- BCCL won "Best Employee Engagement Practices" award during India Human Capital Summit & Awards 2019.
- An engaging Employee Townhall was organized on 9<sup>th</sup> August. Fireside Chat with MD, LeaderSpeak series, EmployeeSpeak series and half-yearly Rewards & Recognition celebration were key highlights of the event.
- In our pursuit of process enhancement, Rewards & Recognition framework was optimized to differentiate, recognize and reward outstanding performers. Three new R&R programs - My Child My Pride Super Achiever Award, MD's Circle of Excellence and Long Service Awards were introduced.
- Learning and Development:
  - Established a comprehensive learning & development framework at organizational level
  - Launched "Daksh", a capability enhancement initiative for the front line Sales team
- Engagement:
  - 'Great Place To Work' 2019 Survey results were cascaded to entire organization
  - "Celebration" and "Developing" were identified as core Engagement tenet

# INDUSTRY OVERVIEW

# Industry Size and Structure



All India (U+R) MAT DEC 2018

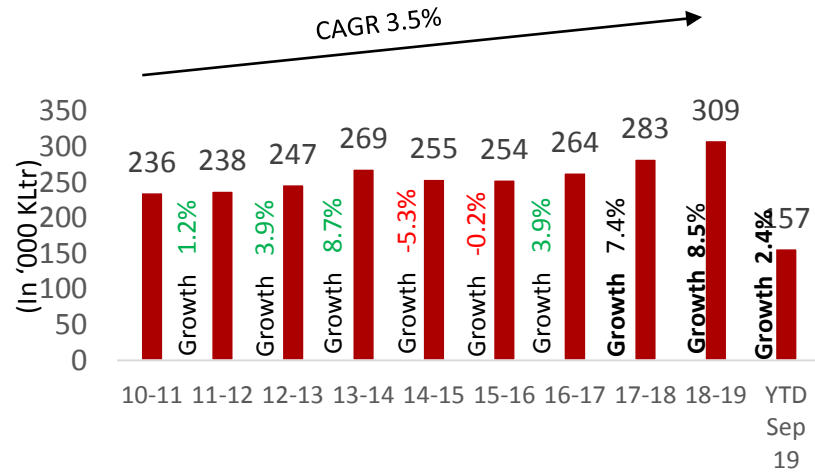
\*Others (5% vol contribution)  
6,040 Tn  
664 Cr



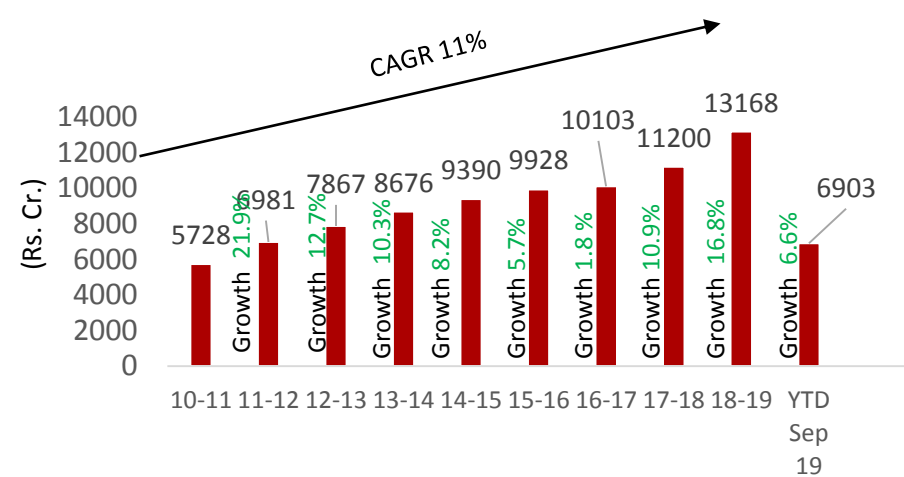
\* Indicates Value Contribution to Hair Care

# Hair Oil Market in India

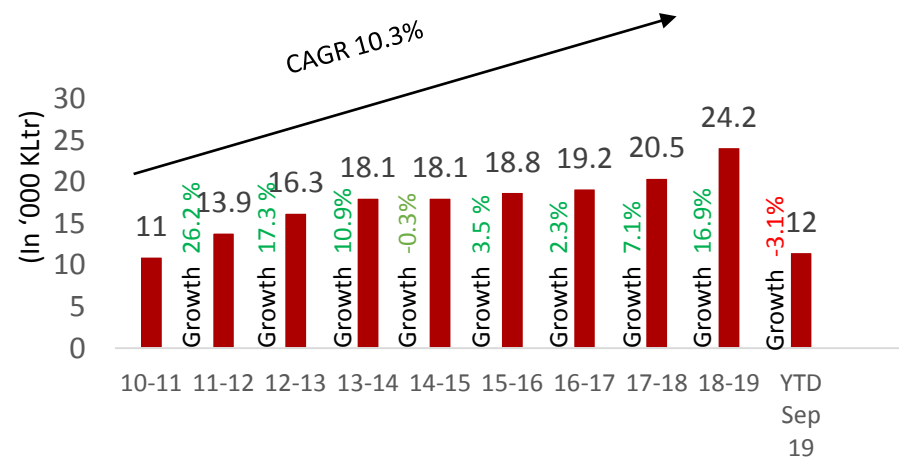
Overall Hair Oil Market – Volume



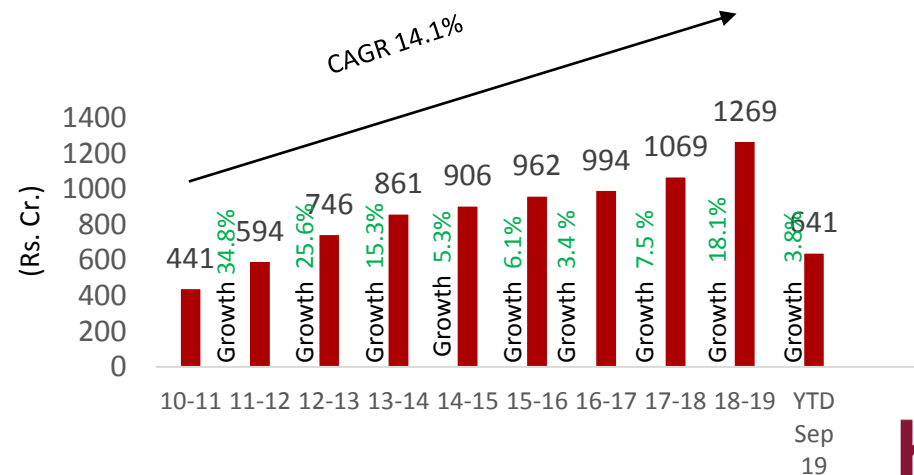
Overall Oil Market – Value



Almond Drops Hair Oil – Volume



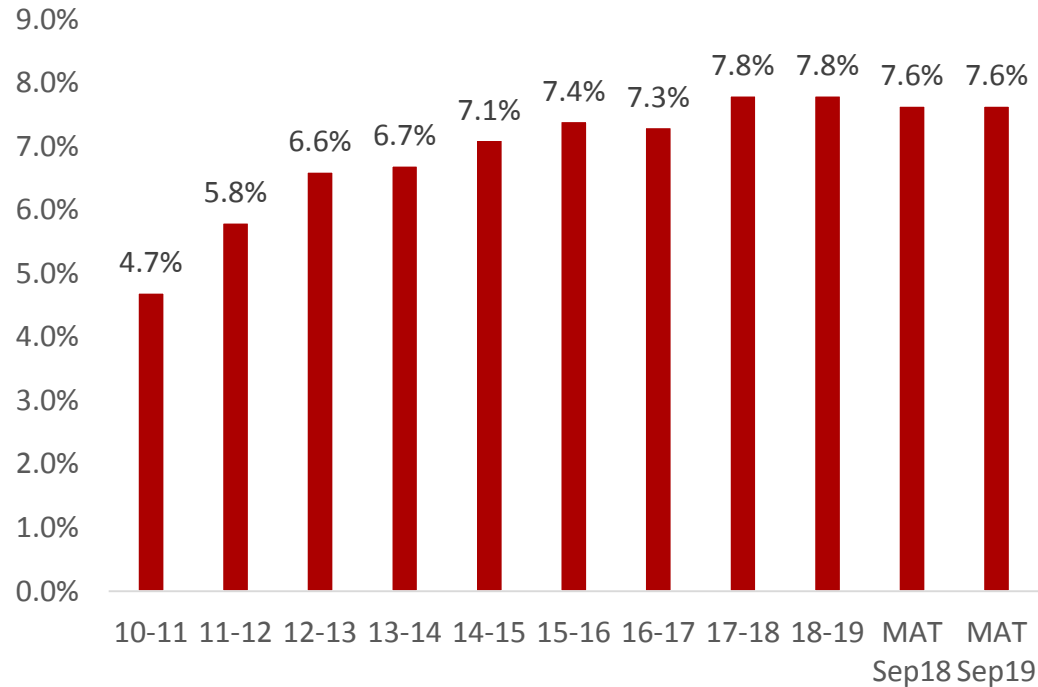
Almond Drops Hair Oil – Value



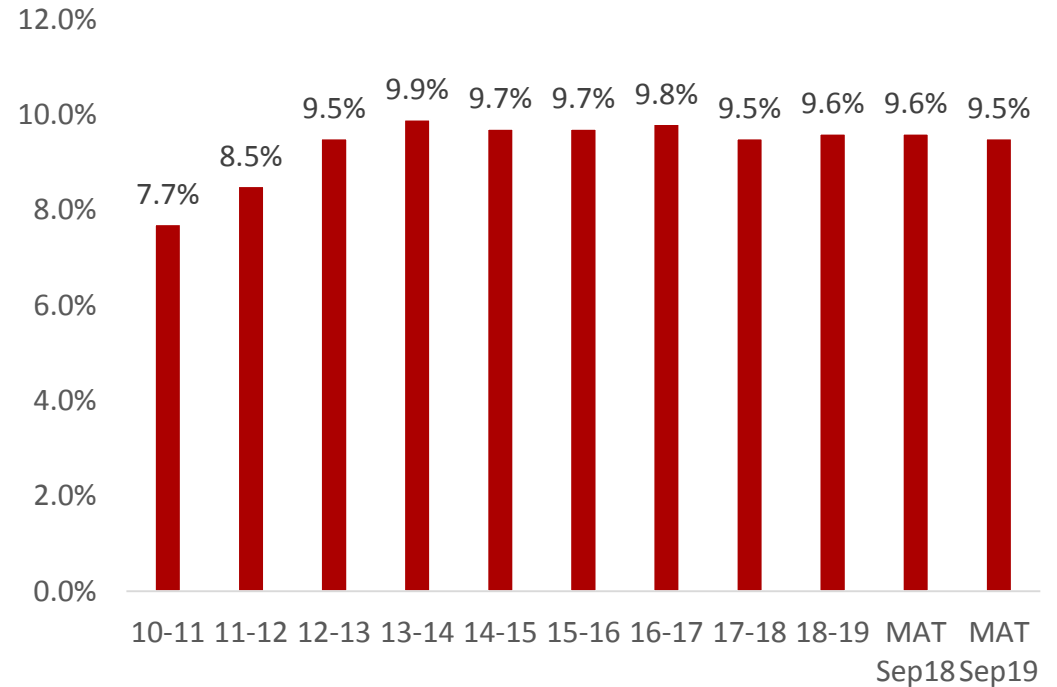
Hair Oils category shows lower Vol & Val growth at a YTD Sep 19 level than previous years.

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

Volume MS



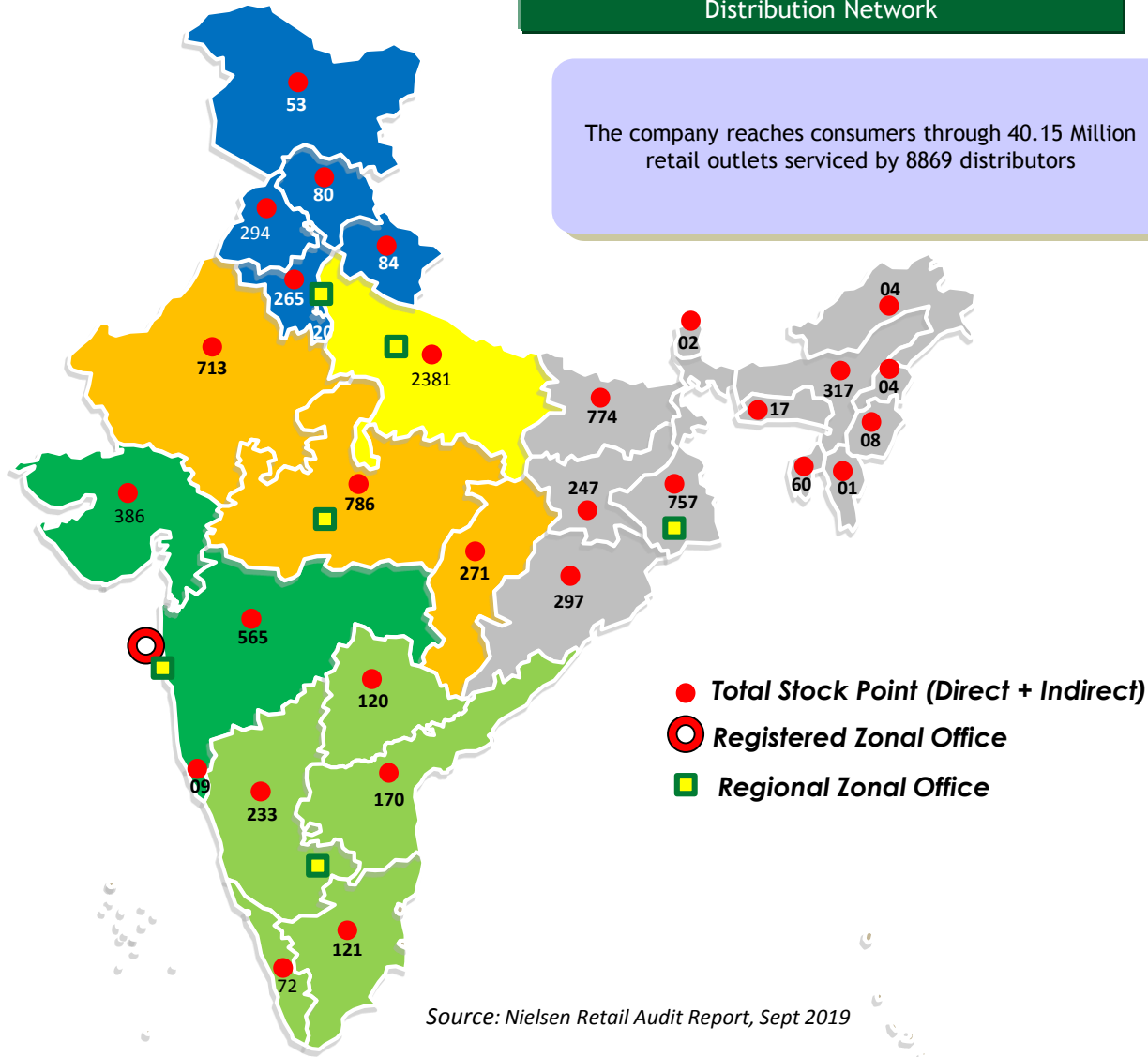
Value MS



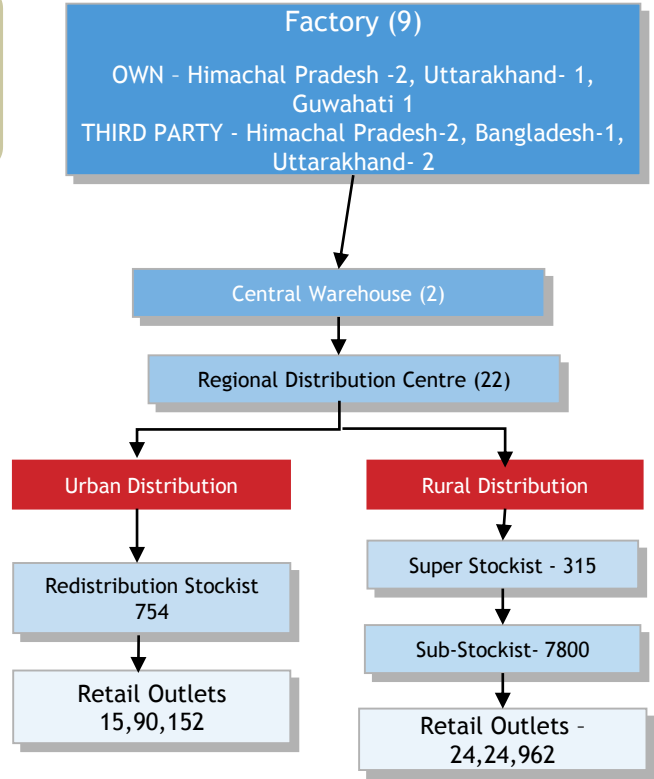
**At MAT level, ADHO market share is steady**

# Strong Distribution Network

## Distribution Network



## Distribution Structure





# Financials

# Sales Growth Q2 FY20

Sales Vertical	Saliency% Q2 FY20	Growth Q2 FY20	Saliency% Q2 FY20	Growth Q2 FY20
	(Value)		(Volume)	
General Trade	84.43%	0.78%	85.02%	-2.20%
Modern Trade	9.79%	19.11%	8.21%	14.04%
<b>Total Domestic excluding CSD</b>	<b>94.22%</b>	<b>2.41%</b>	<b>93.23%</b>	<b>-0.96%</b>
Canteen Stores Department	3.04%	20.97%	3.41%	20.79%
<b>Total Domestic</b>	<b>97.26%</b>	<b>2.91%</b>	<b>96.64%</b>	<b>-0.32%</b>
International Business	2.74%	-5.60%	3.36%	2.95%
<b>Total For the Company</b>	<b>100.00%</b>	<b>2.65%</b>	<b>100.00%</b>	<b>Nil</b>

- Sales growth driven by Modern Trade & CSD
- Total growth for the company is 2.65% over Q2FY19

# Sales Growth HY1 FY20

Sales Vertical	Saliencence%	Growth	Saliencence%	Growth
	HY1 FY20	HY1 FY20	HY1 FY20	HY1 FY20
	(Value)		(Volume)	
General Trade	87.07%	3.54%	87.59%	0.31%
Modern Trade	8.64%	19.81%	7.32%	13.63%
<b>Total Domestic excluding CSD</b>	<b>95.71%</b>	<b>4.83%</b>	<b>94.91%</b>	<b>1.22%</b>
Canteen Stores Department	1.45%	-29.18%	1.64%	-31.29%
<b>Total Domestic</b>	<b>97.16%</b>	<b>4.08%</b>	<b>96.55%</b>	<b>0.41%</b>
International Business	2.84%	91.92%	3.45%	110.32%
<b>Total For the Company</b>	<b>100.00%</b>	<b>5.46%</b>	<b>100.00%</b>	<b>2.26%</b>

- Sales growth driven by Modern Trade and IB business
- IB business growth was on the back of soft base last year.
- CSD was a set back as orders were not released due to name change from Bajaj Corp to Bajaj Consumer in Q1FY20.
- Total growth for the company is 5.46% over HY1FY19

# Financial Information (Standalone)

## Summary Income statement

Particulars (Rs. In Crore)	Q2FY20	Q2FY19	HY1 FY20	HY1 FY19
Sales (Net)	211.19	205.74	443.66	420.70
Other Operating Income	5.90	6.99	13.68	13.43
EBITDA	63.61	61.93	135.51	132.43
EBITDA Margin	30.12%	30.10%	30.54%	31.48%
Profit Before Tax(PBT)	65.73	65.83	140.51	134.37
Net Profit after Tax	57.29	51.65	115.95	105.42
Net Profit Margin	27.13%	25.11%	26.14%	25.06%

## Summary Balance Sheet

Particulars (Rs. In Crore)	As on 30.09.2019	As on 31.03.2019
Shareholders Equity	601.34	485.12
Net Fixed Assets	53.15	55.40
Investments (including Bank FDs, Bank CDs and Government Securities & Bonds)	523.68	400.62
Net Current Assets	24.51	29.10

# Profit & Loss Quarter ended Sept. 30,2019 (Standalone)

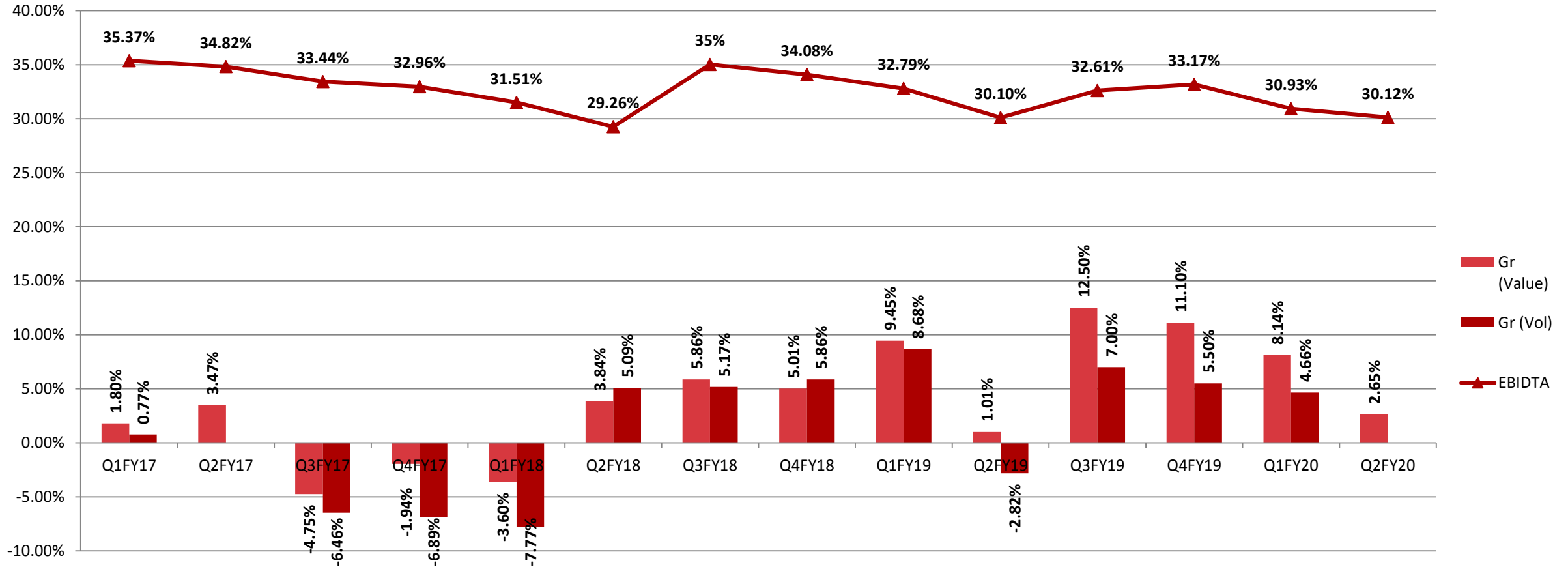
Rs. in Cr.

Particulars	Q2FY20	Q2FY19	YoY%	HY1 FY20	HY1 FY19	YoY%
<b>Net Sales</b>	<b>211.19</b>	<b>205.74</b>	<b>2.65%</b>	<b>443.65</b>	<b>420.70</b>	<b>5.46%</b>
Other Operating Income	5.90	6.99		13.68	13.44	
<b>Total Operating Income</b>	<b>217.09</b>	<b>212.73</b>	<b>2.05%</b>	<b>457.33</b>	<b>434.14</b>	
Material Cost	71.41	69.49		148.90	143.43	
% of Sales	33.81%	33.78%		33.56%	34.09%	
Employees Cost	20.28	24.05		41.67	46.13	
% of Sales	9.60%	11.69%		9.39%	10.97%	
Advertisement & Sales Prom.	37.30	33.13		76.36	64.32	
% of Sales	17.66%	16.10%		17.21%	15.29%	
Other Expenses	24.49	24.13		54.89	47.84	
% of Sales	11.60%	11.73%		12.37%	11.37%	
<b>EBITDA</b>	<b>63.61</b>	<b>61.93</b>	<b>2.71%</b>	<b>135.51</b>	<b>132.42</b>	<b>2.33%</b>
% of Sales	30.12%	30.10%		30.54%	31.47%	
Other Income	6.54	7.12		12.51	8.29	
Finance Cost	1.70	0.22		2.07	0.48	
Depreciation	1.30	1.64		2.60	3.14	
Corporate Social Responsibility	1.42	1.36		2.84	2.72	
<b>Profit Before Tax(PBT)</b>	<b>65.73</b>	<b>65.83</b>	<b>-0.15%</b>	<b>140.51</b>	<b>134.36</b>	<b>4.57%</b>
Tax Expenses	8.44	14.18		24.56	28.95	
<b>Profit After Tax(PAT)</b>	<b>57.29</b>	<b>51.65</b>	<b>10.93%</b>	<b>115.95</b>	<b>105.41</b>	<b>9.99%</b>
% of Sales	27.13%	25.11%		26.14%	25.06%	
Other Comprehensive Income (net of tax)	-0.10	-0.07		-0.10	-0.07	
<b>Total Comprehensive Income (net of tax)</b>	<b>57.19</b>	<b>51.58</b>	<b>10.88%</b>	<b>115.85</b>	<b>105.34</b>	<b>9.98%</b>
<b>Basic &amp; Diluted EPS (Rs.)</b>	<b>3.88</b>	<b>3.50</b>		<b>7.86</b>	<b>7.15</b>	

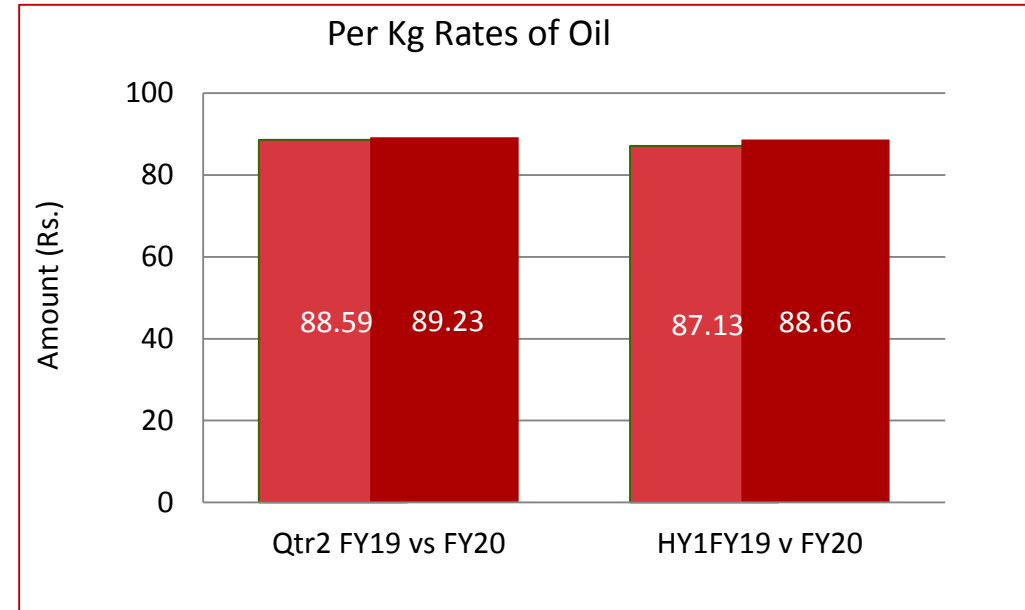
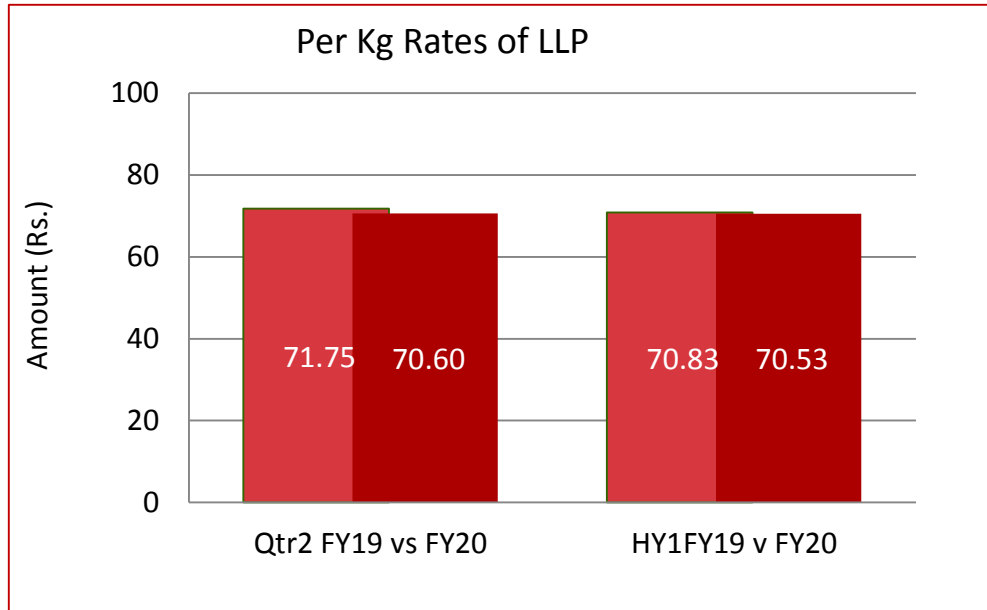
✓ With the change in corporate income tax rates, effective tax rate of the Company has reduced to 17.5% from 21.5% resulting into **increase in PAT by Rs. 5.73 Cr.** for HY1FY20 (Rs.3.05 Cr for Q1FY20 & Rs. 2.68 Cr for Q2FY20)

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# Performance over the last 14 quarters



# Change in Prices of Key Ingredients



- ✓ The landed cost of LLP for the quarter decreased by 1.6% over corresponding Qtr.
- ✓ The landed cost of RMO for the quarter increased by 0.7% over corresponding Qtr.

# Dividend Payout History

Year	No. of Shares (in Lacs)	Face Value	Dividend Payout (Rs in Lacs)	% to Capital	Dividend per share(Rs.)
2018-19	1,475	1	20,650.00	1400%	14.00
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 & updates

Contact:

Mr. Kushal Maheshwari

[kushal@bajajconsumer.com](mailto:kushal@bajajconsumer.com)

**Thank you**