

bajaj CONSUMER CARE

EARNINGS PRESENTATION Q3/9M-FY22



Company Snapshot



Legacy



“Bajaj” among India’s most trusted industrial houses



Products in existence since pre Independence



Bajaj Almond Drops, India’s Largest single hair oil brand

Positioning



63% Market share in Light Hair Oil segment



14 Brands, 100+ SKUs



8 new Hair Care products launched in Q3 FY22, more under Pipeline

Reach



Exporting to >30 countries



Close to 8500 Distributors across all states



Product reach - 4.2 Mn POS or retail outlets across India

Financials



Debt-free company



9M FY22 Gross Margin 57.6 %
PAT Margin 21.0 %

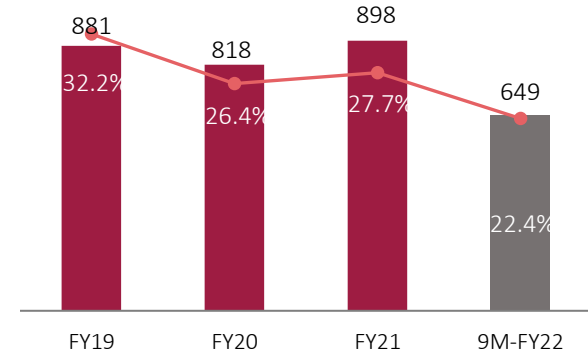


FY21 Net worth
INR 7.8 Bn

Company Overview

- Bajaj Consumer Care Ltd. (BCCL) is part of the Shishir Bajaj Group of companies, with a rich history dating back to 1953 when Late. Kamalnayan Bajaj established Bajaj Sevashram to market and sell hair oils and other beauty products
- Today under the chairmanship of Mr. Kushagra Bajaj, BCCL has grown to become one of India's reputed consumer goods company
- The company is the leading player in Light Hair Oil category with the flagship brand Bajaj Almond Drops Hair Oil commanding more than 60%+ market share in its category
- The company also manufactures Hair Oils, Hair Serum, Hair conditioning mask, Face cream, Face soap, Face scrub and Sanitisers under various brands
- The company is expanding its hair oils portfolio in addition to launching two premium digital first brands across hair and skin care range
- The manufacturing plants are located at Himachal Pradesh, Uttarakhand & Guwahati with additional contract manufacturing facilities across the country
- The company markets and distributes its products in India and exports to over 30 countries, with primary focus in SAARC, Gulf & Middle East, ASEAN and African regions

Sales Revenue (INR Crore) & EBITDA Margins (%)

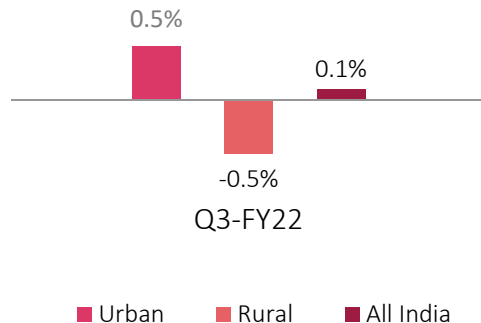


Macro Context

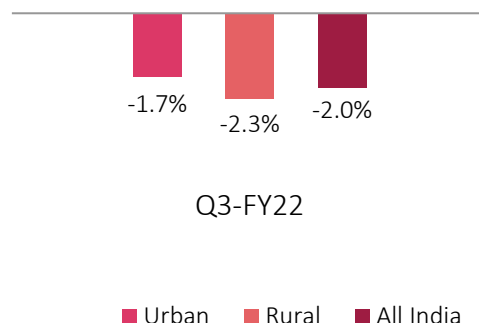


Hair Oil Market Growth Trends

Value Growth %



Volume Growth %



Key Highlights

- Hair Oil Market Growth continued to be subdued in Q3, with volumes declining vs LY
- Sharp decline in rural impacted by inflationary pressure
- Downtrading resulting in inferior product mix in the category

8.3%

5.2%

6.9%

9M-FY22

Urban Rural All India

6.1%

3.9%

5.0%

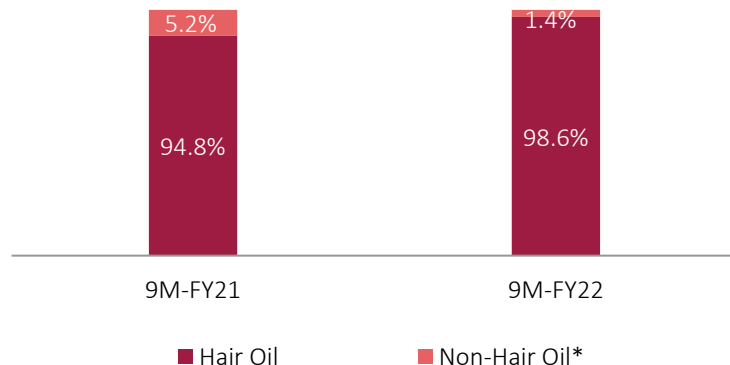
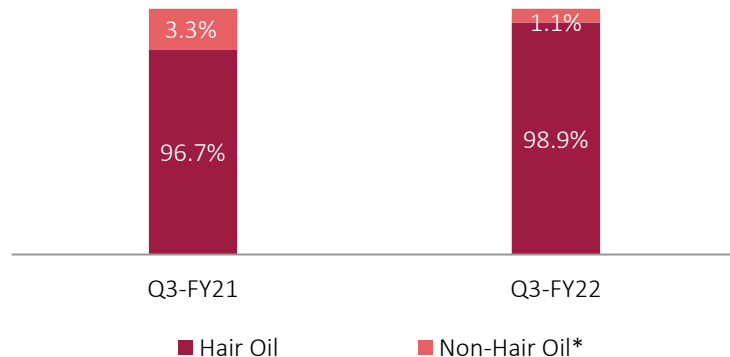
9M-FY22

Urban Rural All India

Performance Highlights



Segmental Sales Saliency

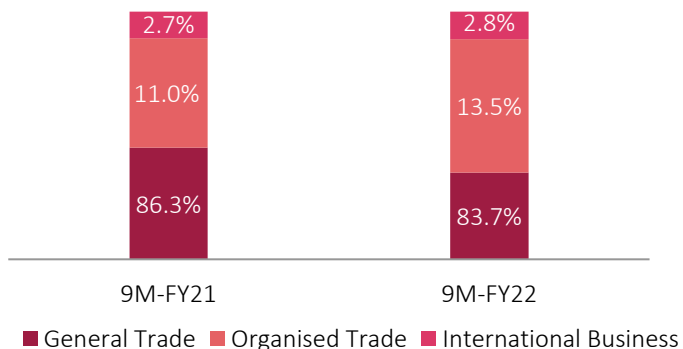
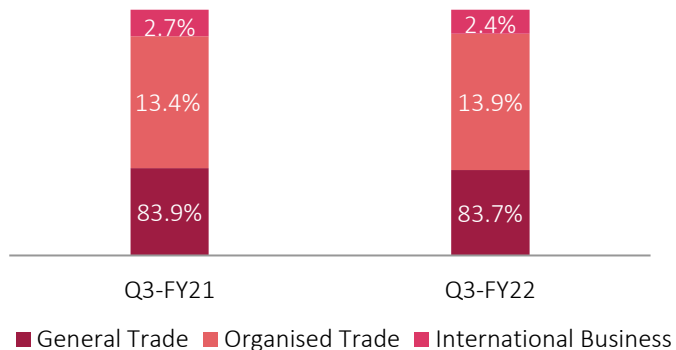


* Includes Sanitisers

Value Market Share Total Bajaj Hair oils	MAT Dec-20	MAT Dec-21
All India (U+R)	10.4%	10.6 %
All India –Urban	10.9%	11.2 %
All India –Rural	9.7%	10.0 %

- Q3 FY22 sales declined by 7.2% on a high base of 18% growth last year with sales of Rs. 225.3 crore
- 2 Year value CAGR at 4.7% in Q3 FY22
- On a sequential quarter basis, Sales value was higher by 6.2% and volume was higher by 9.9% over Q2 FY22
- Amla sales growth was 27% in Q3 FY22 and 40% in 9M

Channel-wise contribution to Revenue (%)



General Trade

- Clear slow down in demand coupled with downtrading being observed in rural, especially in key Hindi Speaking Markets
- Wholesale remains under stress due to impact of rural
- Retail performs the best. Being strengthened across top towns - New retail loyalty program rolled out to increase focus

Modern Trade

- Better offtake and footfalls in Diwali events across most chains
- Growth in B2C chains at 16% for the quarter and 19% for 9M
- Coconut oil launched across MT - seeing good traction in initial placements

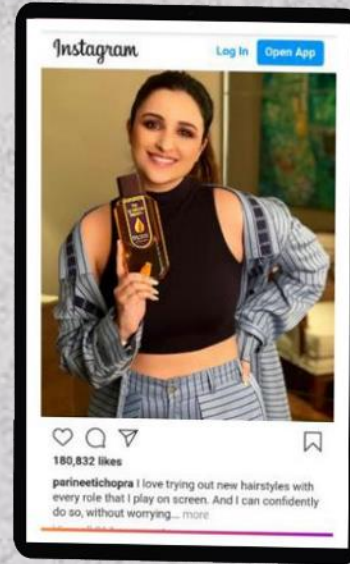
E-Commerce

- Continuous focus on the channel and improvement in digital marketing footprint continues to drive growth
- Growth at 45% for the quarter and 95% for 9M
- Natyv Soul off to a good start - Hair serum now ranked amongst top 50 in the category. Recently listed in Nykaa
- Bajaj 100% Pure listing went live in Dec end

International Business

- Nepal & Bangladesh continue to do well growing at high double digits
- Infrastructure corrections underway in UAE and Saudi

Marketing



Bajaj Almond Drop: Marketing Support in Q3

Media Support Increased Across Mediums:

- TV: SOV up by 4% in high teens
- Digital: Social + Influencers tying with Localized Festive occasions
- Print: Media Support for Diwali in Maharashtra
- E – Commerce: Search / Displays in Amazon + Flipkart

Consumer Offers: Promotional Support on Select SKUs

Print Inserts

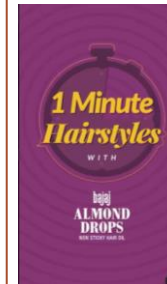


Influencers For Durga Pooja + Diwali + Navratri



76 Influencers reaching out to ~ 49 Lakh Consumers

Social Media Campaigns



50 Lakh Consumers Reached through Social Posts

ADHO “ Style Fearlessly “ Campaign

New Communication and Claims

- Dial up Element of “ Style “ as Younger Consumers are looking for Enhancement Along-with Nourishment



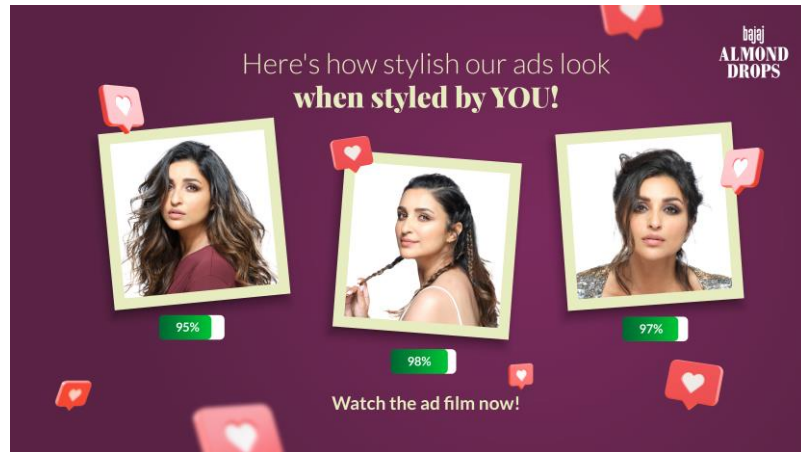
New Campaign of , “Style Fearlessly” that appeals to the youth



New Claim of “ 2X Hairfall Reduction “ to keep strengthening Nourishment Equity

Engagement-driven activity

Audience gets a chance to choose the **hairstyle for Parineeti’s look** .



#Stylefearlessly Stylebook

Audience gets a chance to feature along side with Parineeti in #stylefearlessly Style Book on Instagram Followed by Film and tutorials on **How to Style** the same hairstyle as Parineeti in the film.



Amla Oils Portfolio

- Bajaj Amla Aloe Vera has made steady progress with share in Amla Category at ~3%
- Sarson is a Rs 300 Cr market , ~ 15% of the Amla category. Sells primarily in rural markets of HSM. This variant has a 2-year CAGR of 10%
- Bajaj Sarson Amla Launched in Dec '21 to leverage the Equity of Bajaj and Rural Distribution strength



Sarson Amla : 2 In 1 Benefits



Stronger
Hair



More
SHINE

Sarson Amla : Distinctive Sensorials



Sarson
Fragrance



Dark Brown
Colour Of
Sarson Oil



Non-Sticky
Hair
Oil

Amla Media Support

TV Commercial

- First time supported the brand with TVC
- Played in all Hindi leading channels
- Special Focus on P1 Markets
- Running at both prime & non-prime spot

YouTube Digital Campaign (UP) - Delivered 3.2Mn completed video views and 33,221 clicks

ShareChat Digital Campaign (UP) - Delivered 3.9Mn impressions and ~1.1Mn video views.



100 % Pure Coconut

- Rs 20 SKU launched in December - this SKU contributes to 10% of category sales
- 175 ml wide mouth jar launched for winter months
- Launched across E Com in Nov - December 2021
- Good repeats coming in from West



New Launches: Bajaj 100% Pure Oil



Bajaj 100% pure Castor Oil

- 100% Pure Castor Oil
- Virgin and Cold Pressed. No Additives
- Prevents hair breakage & gives shiny Hair
- Moisturizes Skin
- All three products launched in Dec-2021



Bajaj 100% pure Olive Hair Oil

- 100% Pure Olive Oil
- Virgin and Cold Pressed
- Prevents hair loss due to breakage
- Makes skin supple and smooth



Bajaj 100% pure Jojoba Oil

- 100% Pure Jojoba Oil
- Virgin and Cold Pressed
- Moisturizes and conditions Hair
- Helps makes skin supple and smooth

New Launches: Natyv Soul

Hair Serum with French Sea Beet



2x Frizz Control*

2X Softer Hair*

Hair Serum with Peruvian Sacha Inchi Oil



24 Hours Frizz Control*

24 Hours Long Lasting Conditioning*

Hair Masque with Buriti Oil from Brazil



Damage Repair of chemically treated hair up to 98%**

Up to 10X Better Conditioning*

Hair Masque with West African Shea Butter



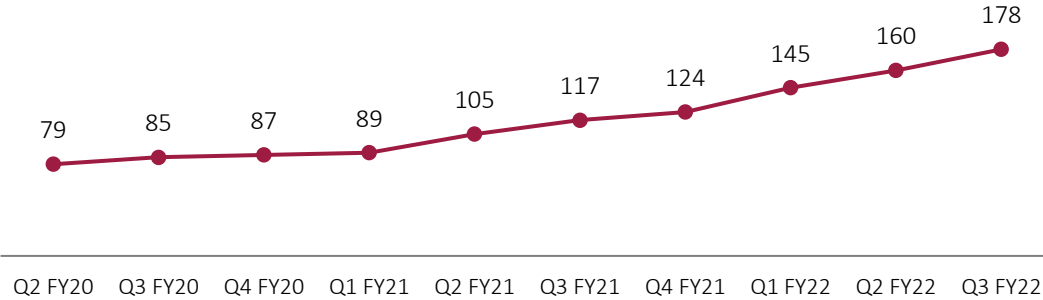
4x Better Conditioning*

Revives Dry, Damaged Hair*

Business Operation



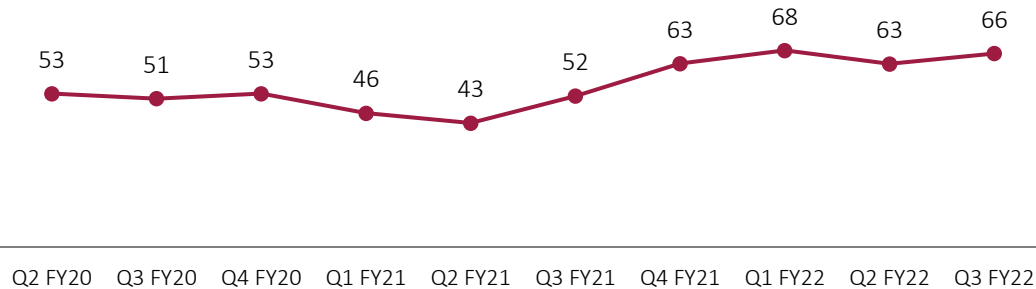
Refined Mustard Oil (INR/Litre)



Refined Mustard Oil (RMO)

- Prices at multi year high due to increase in other edible oils prices as well as limited availability of mustard crop. Price of RMO in Q3 FY22 is **11%** higher over Q2 FY22
- The cost of RMO for the quarter has increased by **54%** in Q3 FY22 and by **47%** in 9M FY22 over same period last year

Light Liquid Paraffin (INR/Litre)



Light Liquid Paraffin (LLP)

- Prices have started moving up in Q3 which is around **6%** higher over Q2
- The cost of LLP for the quarter has increased by **27%** in Q3 FY22 and by **38%** in 9M FY22 over same period last year



- **Reduce** consumption of packaging material to reduce carbon footprint and GHG emissions
 - ✓ **Initiatives taken:** Optimization of specifications resulting in
 - **Glass:** Reduction in consumption of glass bottles by 16%
 - **Paper:** Reduction in consumption of paper by 7%
 - **Laminates:** Reduction in consumption by 14%. (Reduced Poly film thickness & reduced height).
 - Key focus areas being reduction in usage of natural resources like water, reduction of carbon footprint and reduction in wastages
 - We have started work in the area of water conservation by measuring the water consumption sources, installation of controls at critical places. We have reduced 24% of our water consumption in Q3 FY 22 over last year
 - Reduction in distance travelled per litre of finished product by 10% in FY22 over last year by ensuring linkage of each sales location to the most optimum plant

- **Recycle-** Currently bulk of the material in our packaging is recyclable
 - ✓ **Initiatives taken:**
 - We have achieved initial success with recyclable laminates and the project will be implemented by Mar'22
 - We are committed to effectively collect and dispose off 100 % of plastic - Collected and disposed 90% of our yearly commitment so far

- **Reuse** – We would be taking initiatives in using recycled material in our containers
 - ✓ **Initiatives taken:**
 - Initial success with use of 40% regrind PET in our plastic bottles



- **Bajaj Consumer Care Ltd.** received a special recognition for "**Commitment To Being a Great Place to Work**" from 'Great Place to Work Institute'
The honor is given to celebrate the consistency in seeking employee feedback and acting on the same over the years and building a High-Trust, High-Performance Culture™



- **Bajaj Consumer Care Ltd.** won the 'Silver Award' in 'Excellence in Business partnering' category at the 'Economic Times Human Capital Awards' event held in Nov'21 . More than 100 companies participated in this event.
- The award was a recognition to our 'One Bajaj' program where each employee participated during the peak of pandemic in Q1 FY21, connecting and assuring our **5,00,000 channel partners** & binding the entire organization with a common purpose

RECOGNITIONS

Our Guwahati & Paonta plants won **Par Excellence Award** in 46th International Convention on Quality Control Circles – 2021 (ICQCC-2021) (Highest Category Award) in November'21. More than 3000 teams from various sectors of manufacturing/service/ IT sectors participated from across the globe



A photograph of a paved road stretching into the distance towards a bright sun on a hillside. The sun is low on the horizon, creating a strong lens flare effect. The road is flanked by trees on the left and a grassy hillside on the right. The overall scene is bathed in warm, golden light.

Strategic Priorities

- Broad basing of hair oil portfolio to continue with further expansion in Q4
- Premium range of hair and skin care products launch planned under Almond Drops brand from Q4
- Thrust on digital first brands with more product introductions in Natyv Soul & Bajaj 100% Pure with elevated investments in these brands
- Building an **organisation structure** to enable the below imperatives for success
 - **Agility** in product launches
 - Faster **GTM speed**
 - Scale up **digital marketing**

Financial Overview



Quarterly Financial Performance – Q3 FY22 Standalone

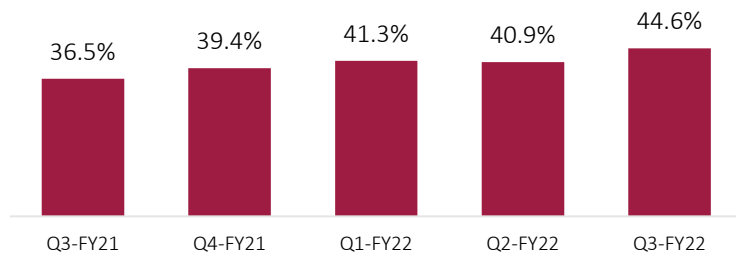
Particulars (In Crore)	Q3 FY21	Q2 FY22	Q3 FY22	Y-o-Y	Q-o-Q
Sales (Value)	242.8	212.2	225.3	-7.2%	6.2%
Total Operational Income	247.3	215.1	228.6	-7.6%	6.2%
Gross Contribution	154.1	125.3	124.7		
Total Expenses (excl. Material cost)	94.1	78.2	86.5		
EBITDA	64.5	50.0	41.6	-35.6%	-16.9%
Other Income	9.2	10.2	9.5		
Depreciation	1.5	1.1	1.2		
Finance Cost	0.3	0.5	0.0		
CSR	1.3	1.3	1.3		
Profit Before Tax	70.6	57.3	48.5	-31.2%	-15.3%
Tax	12.3	10.0	8.5		
Profit after Tax for the Period	58.2	47.3	40.0	-31.2%	-15.3%
Gross Margin %	63.5%	59.1%	55.4%		
ASP to Sales %	19.2%	15.9%	17.8%		
EBITDA %	26.6%	23.6%	18.4%		
PAT%	24.0%	22.3%	17.8%		

YTD Financial Performance – 9M FY22 Standalone

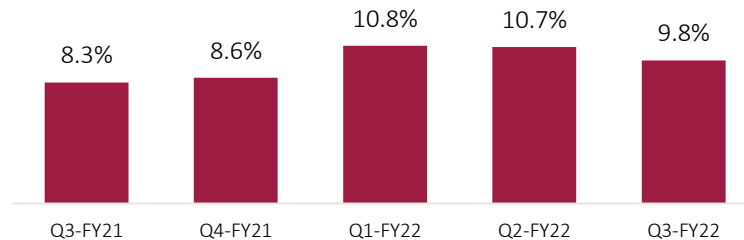
Particulars (In Crore)	9M FY21	9M FY22	Y-o-Y
Sales (Value)	656.0	649.5	-1.0%
Total Operational Income	668.6	659.0	-1.4%
Gross Contribution	421.8	374.4	
Total Expenses (excl Material cost)	247.7	238.7	
EBITDA	186.7	145.2	-22.2%
Other Income	28.2	28.0	
Depreciation	4.3	3.4	
Finance Cost	1.0	0.8	
CSR	4.0	4.0	
Profit Before Tax	205.6	165.0	-19.8%
Tax	35.9	28.8	
Profit after Tax for the Period	169.7	136.2	-19.7%
Gross Margin %	64.3%	57.6%	
ASP to Sales %	17.0%	15.8%	
EBITDA %	28.5%	22.4%	
PAT%	25.9%	21.0%	

Expenses To Sales Trend

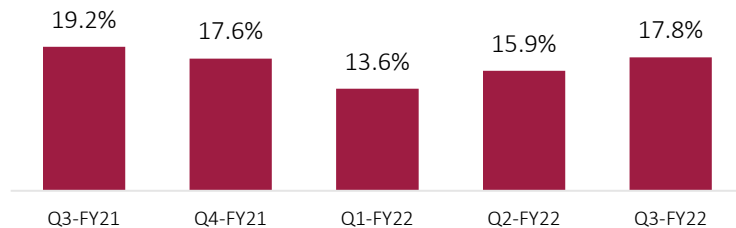
Material cost



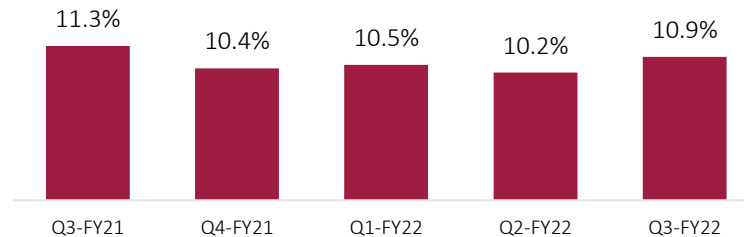
Employee cost



ASP cost



Other expense



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Thank You

