

bajaj CONSUMER CARE

INVESTOR PRESENTATION Q4 & FY 2020

MAKING CONSUMERS FEEL AND LOOK GOOD

bajaj GROUP
THINK TOMORROW

Key Indicators – FY 2020

SALES Growth: -7.17% (Y-o-Y)

Gross Margin: 66.63%

ASP to Sales: 20.68%

Market Share (Val) = 10.1%
Household Penetration = 21.1%

EBITDA Margin: 26.44%

PAT Margin: 23.30%

Performance Q4 FY 20 and FY 20

Q4FY20 performance was hugely impacted due to disruption in sales in the month of March 20 led by lockdown to contain the outbreak of COVID 19.

This has greatly impacted overall FY 20 performance to a great extent.

- Sales declined by 29.2% & 7.2% in **Q4FY20** & **FY20** respectively.
 - YTD Feb'20 sales were in line with PY with flattish growth. Sales reduced by Rs 63 Cr in Mar'20 vs Mar 19 due to lockdown.
- EBITDA was at Rs 25.04 Cr in **Q4FY20** & Rs 216.24 Cr in **FY20** down by 68.3% & 23.8% respectively.
- EBITDA margin of 14.8% for **Q4FY20** & 26.4% for **FY20** down by 18.3% & 5.8% respectively.
- Profit after tax was Rs 24.5 Cr in **Q4FY20** & Rs 190.5 Cr in **FY20** down by **59.6%** & **15.7% in FY20** respectively

Key Growth Drivers

- Strengthening ADHO Equity
- Focus on Specific Channels/Geographies
 - MT + Ecommerce
 - Digital platforms For Marketing
 - State Specific Initiatives
- IT & Automation tools
- Developing Manpower
- Agility and Response to COVID



Strengthening ADHO Equity



Building ADHO Equity on Nourishment

“Hair fall isn’t an ordinary problem”

Almond oil with 3X Vitamin E for extra nourishment to reduce hair fall



- Communication emphasis shifted from Lightness to Nourishment
- 360 Campaign on TV + Digital + Onground Visibility

Focus on
Specific
Channels/
Geographies



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Modern Trade Activation



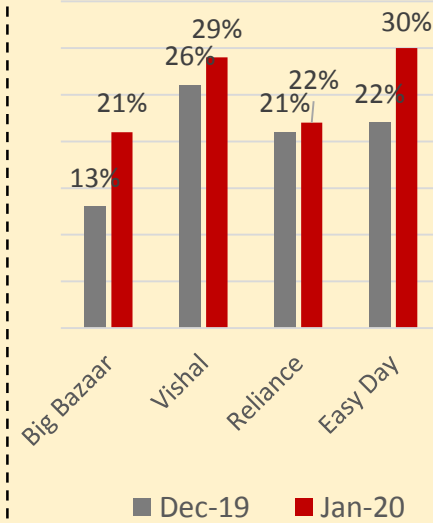
**Audio + Video
communication at
POS**



**Large Unpaid
Visibility assets +
offers**



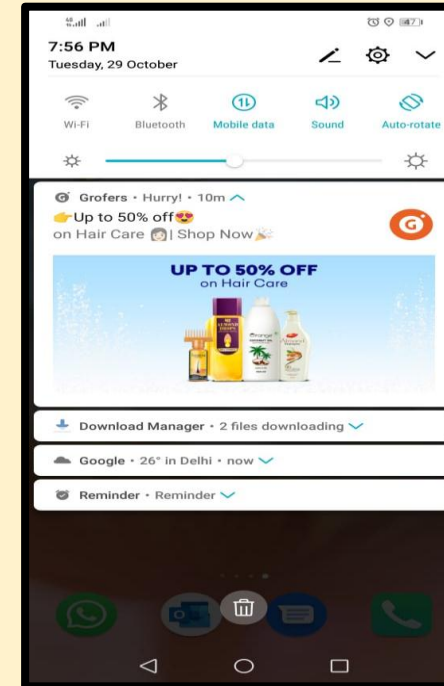
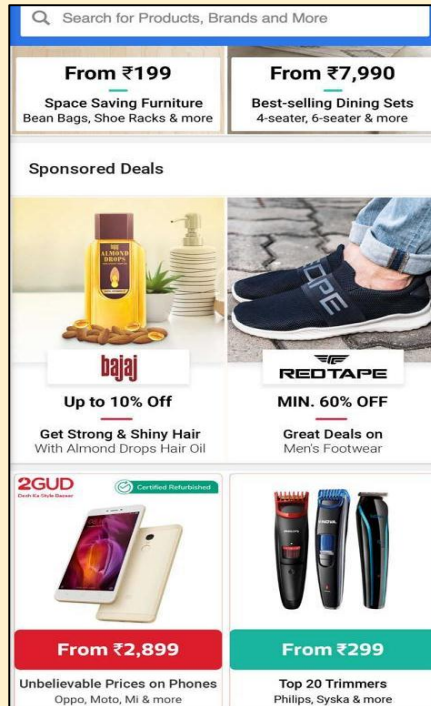
Branded Visibility



**Market Share in
Key Chains**

360 Activation – Visibility + Promotions + Activation has helped increase shares in Key Chains

Driving Growth on Ecommerce



- Targeted Marketing activities on Multiple E Commerce Platforms
- Offtake Increased by up to 4x in large E Com Platforms

Activities were conducted between Dec'19 to Feb'20. Comparison with Avg nos of Q1/ Q2/ Q3 FY20

Consistent Success Stories from Digital

CONTEXTUAL TARGETTING

Target Microsegments with relevant hairfall situations **#Whereisyourhair**

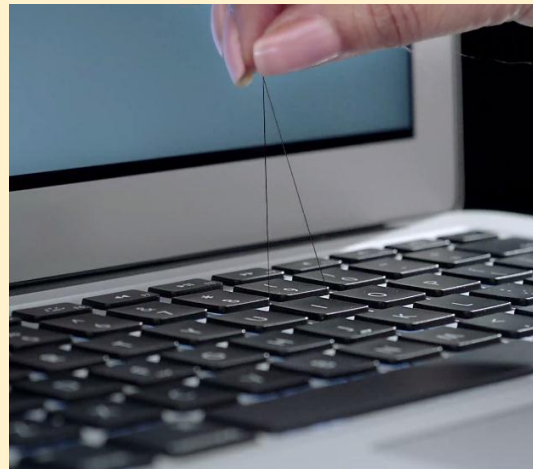
3.8 Mn
reached

Housewife



0.5 Mn
engaged

Working Women



1.5X Industry
benchmark on engagement

INFLUENCER OUTREACH

Influencer Videos on Instagram **#Oilingisgood**

>0.8Mn
consumers
reached



1.7X
Industry Benchmark in terms of Views



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Micromarketing in Key States

➤ Marketing/ Sales Plan made by Clusters within States

➤ Specific Initiatives rolled out for Clusters-

- High Media Pressure + Local Media
- Tailored SKU's
- Increase in Direct Coverage



HIGH MEDIA PRESSURE



COVERAGE EXPANSION



RURAL ACTIVATIONS

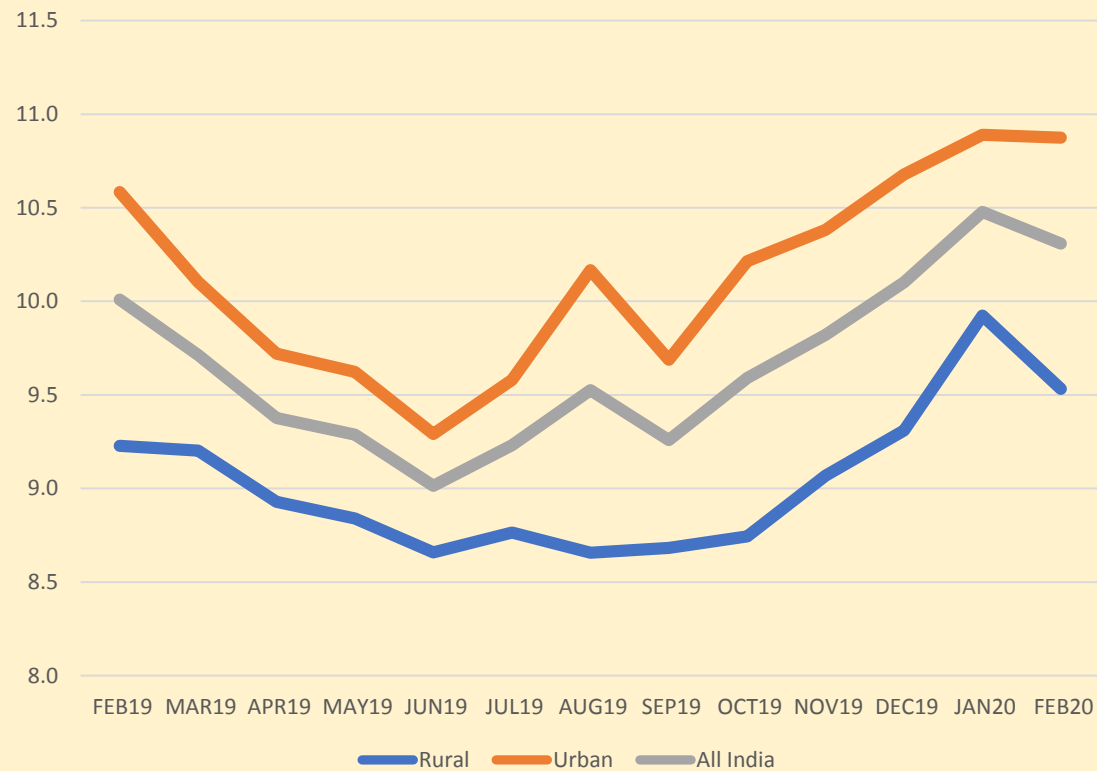


SKU Specific Plans

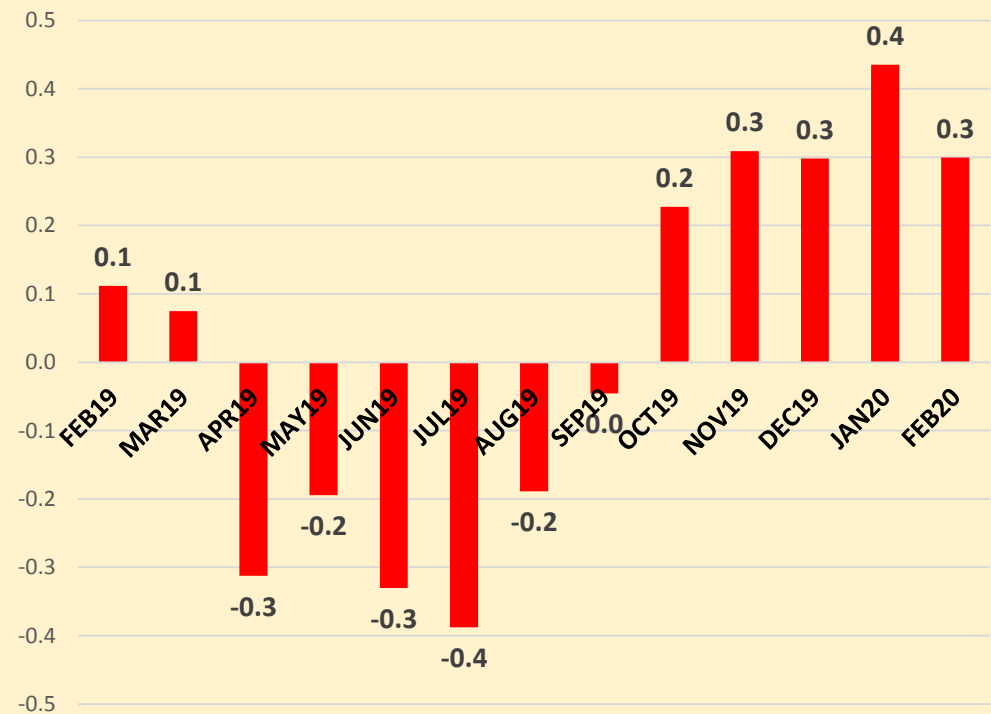
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Positive Results - Bajaj Hair oil Market Share

Value Share %



Change in Market share Vs Same Month LY



IT Initiatives & Automation tools



SAP HANA 1809 Launch

Organization has successfully launched SAP HANA 1809 version on 4th April 2020



SAP S/4 HANA

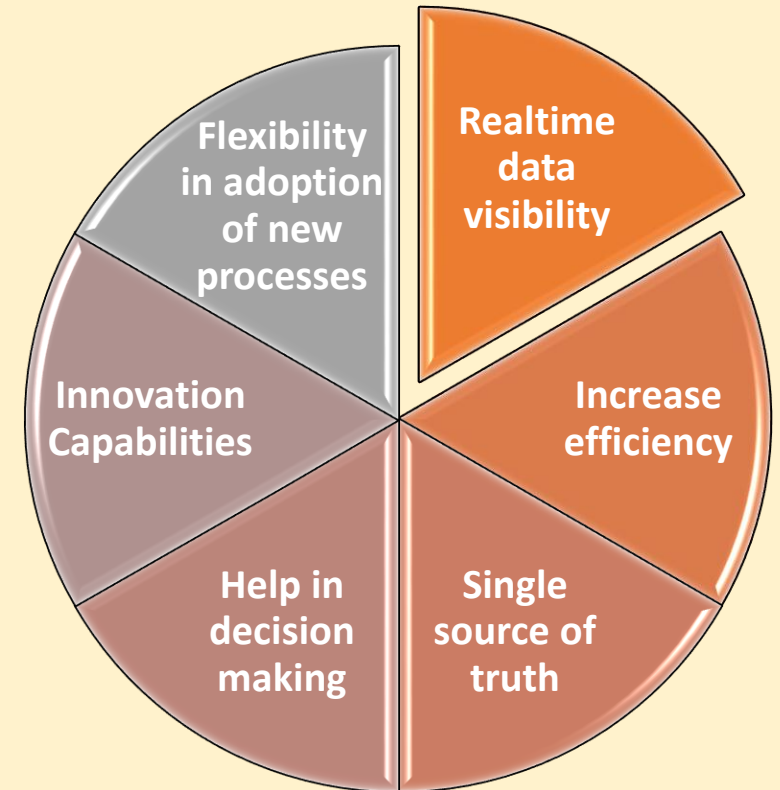
Finance and Costing

Sales and Distribution

Material Management

Production Planning

Quality Management



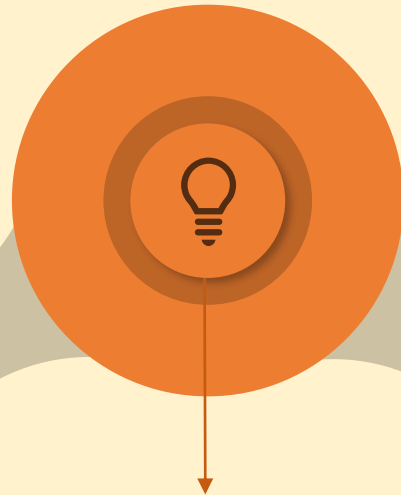
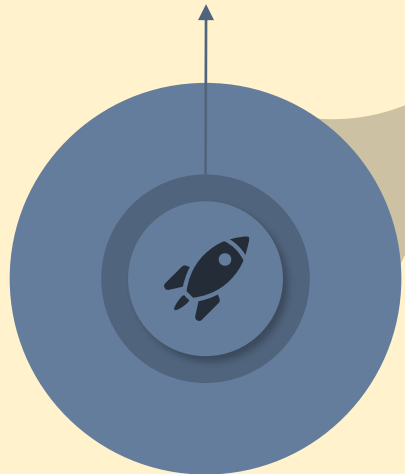
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Success Factors – Go Live

We are live on SAP Success Factors platform with successful implementation of Employee Central, Recruitment, Performance Management and L&D Modules.

Employee Central

- Employee Life-Cycle Processes
- Employee Self Service
- Manager Self Service

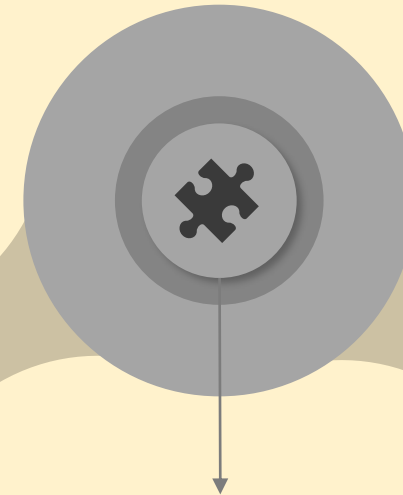
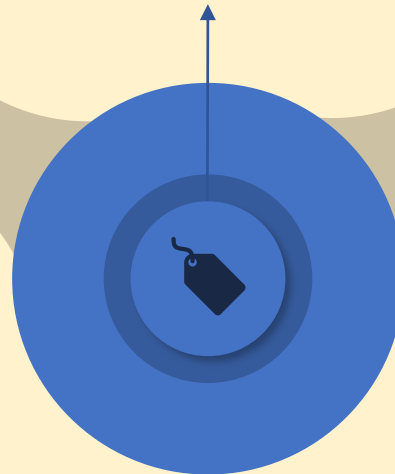


Recruitment

Sourcing to Onboarding

Performance Management

- Goal Setting
- Mid-Year Review
- Stakeholder Feedback
- Year-End Review



L&D

- Learning Plans
- Individual development plans
- Online learning
- Evaluation

Succession & Development

Succession Planning
Career Paths



One of the most reputed HCM solution used by over 100 Mn users globally, across 100 countries

Human Resources – Developing Manpower



Winning with People

Annual Performance Reviews

- Annual Performance Review process for year 2019-20 was initiated in Feb'20 with the launch of Performance Management Module in Success Factors
- Employees/Managers spent quality time discussing achievements and developmental opportunities. Success Factors platform was leveraged to document the performance review feedback

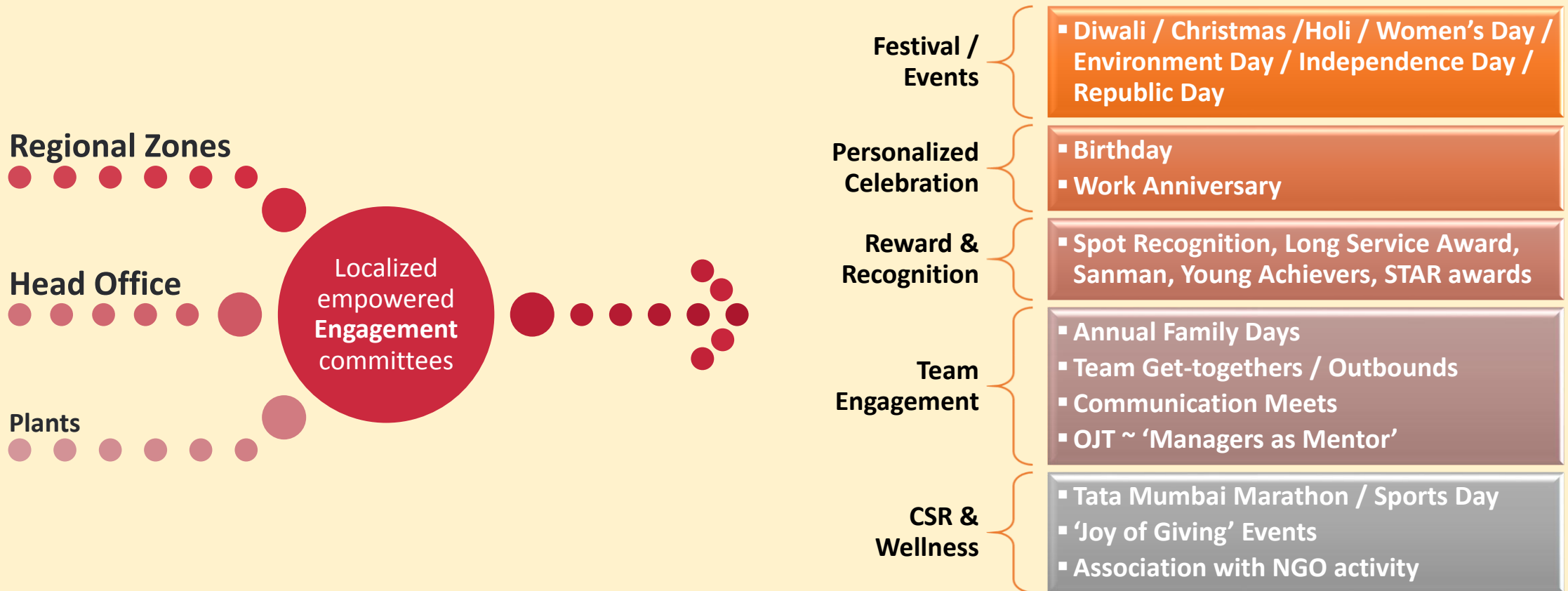
Talent Management

- The rigor and focus continued towards capability development initiatives under “Saksham” umbrella. We achieved 1427 man days of training.
- **Daksh**, a comprehensive developmental intervention for the front-line sales team
- **People Smarts**, a three months structured managerial effectiveness intervention was organized for people managers.
- **TRIZ** (Inventive Problem Solving) for cross functional teams

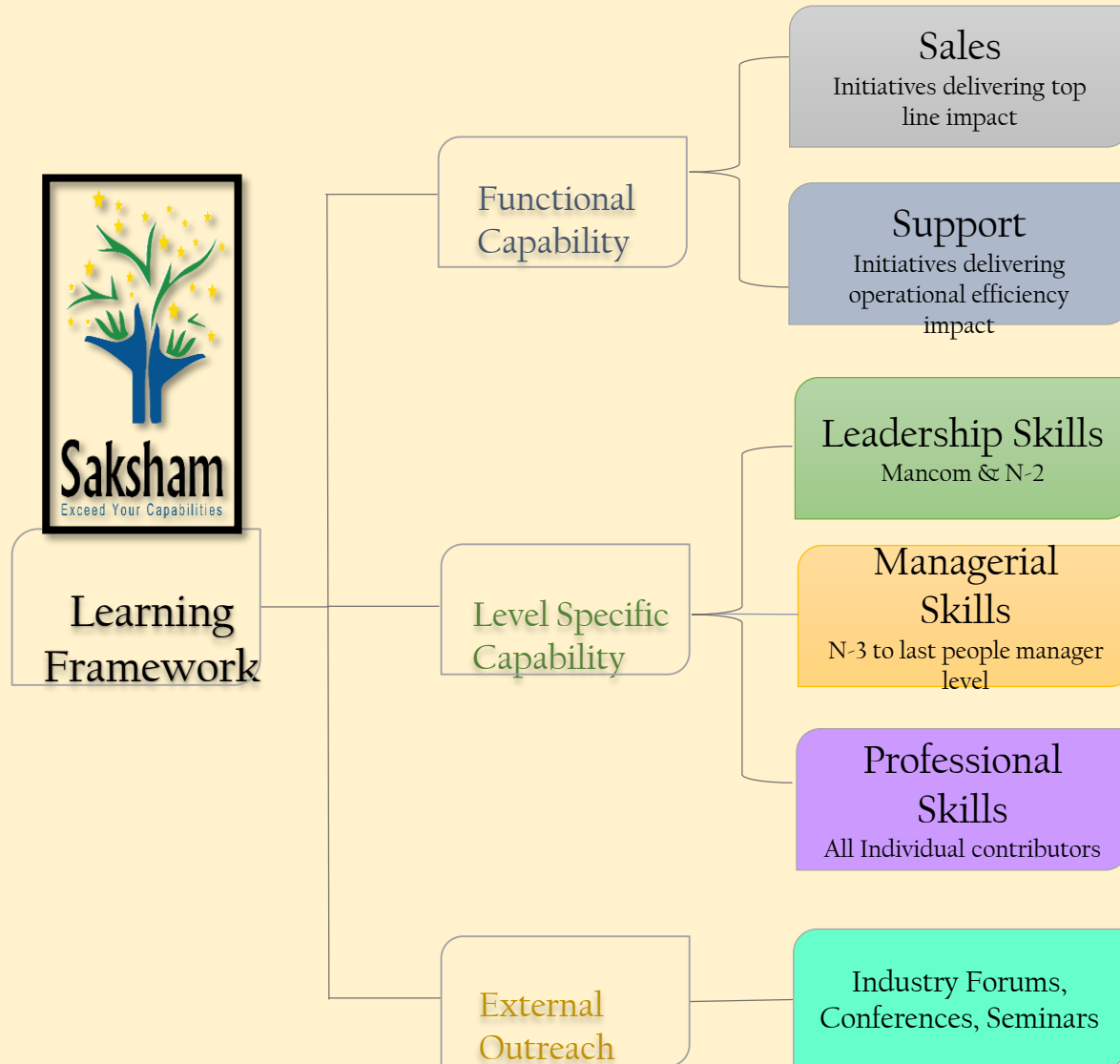
Engagement & Celebration

- BCCL team participated in Tata Mumbai Marathon partnering with CRY (Child Rights & You) to support their philanthropic cause
- Mumbai based employees and their families participated in “Annual Family Day”
- Volunteering Day, Wellness Programs and Sports events continued across locations

Winning with People – Engagement & Celebration



Winning with People – Talent Management



KEY HIGHLIGHTS

- 1427 mandays of training / capability intervention programs in 19-20 under *Saksham* umbrella
- 95% of employees across all functions were provided training interventions
- Specific continual blended learning program for Sales Team – ‘Daksh’ & ‘People Smart’ and cross functional Innovation program like ‘TRIZ’
- Personal Coaching support to identified critical senior resources. Group Coaching support to all frontline Sales Team members
- Assessment Centers conducted for middle management for Sales Team
- 12% employees went through role change / career movement
- Annual Performance Management conducted through Success Factor platform for the first time bringing greater rigor & objectivity in the process

GPTW Certification 2020

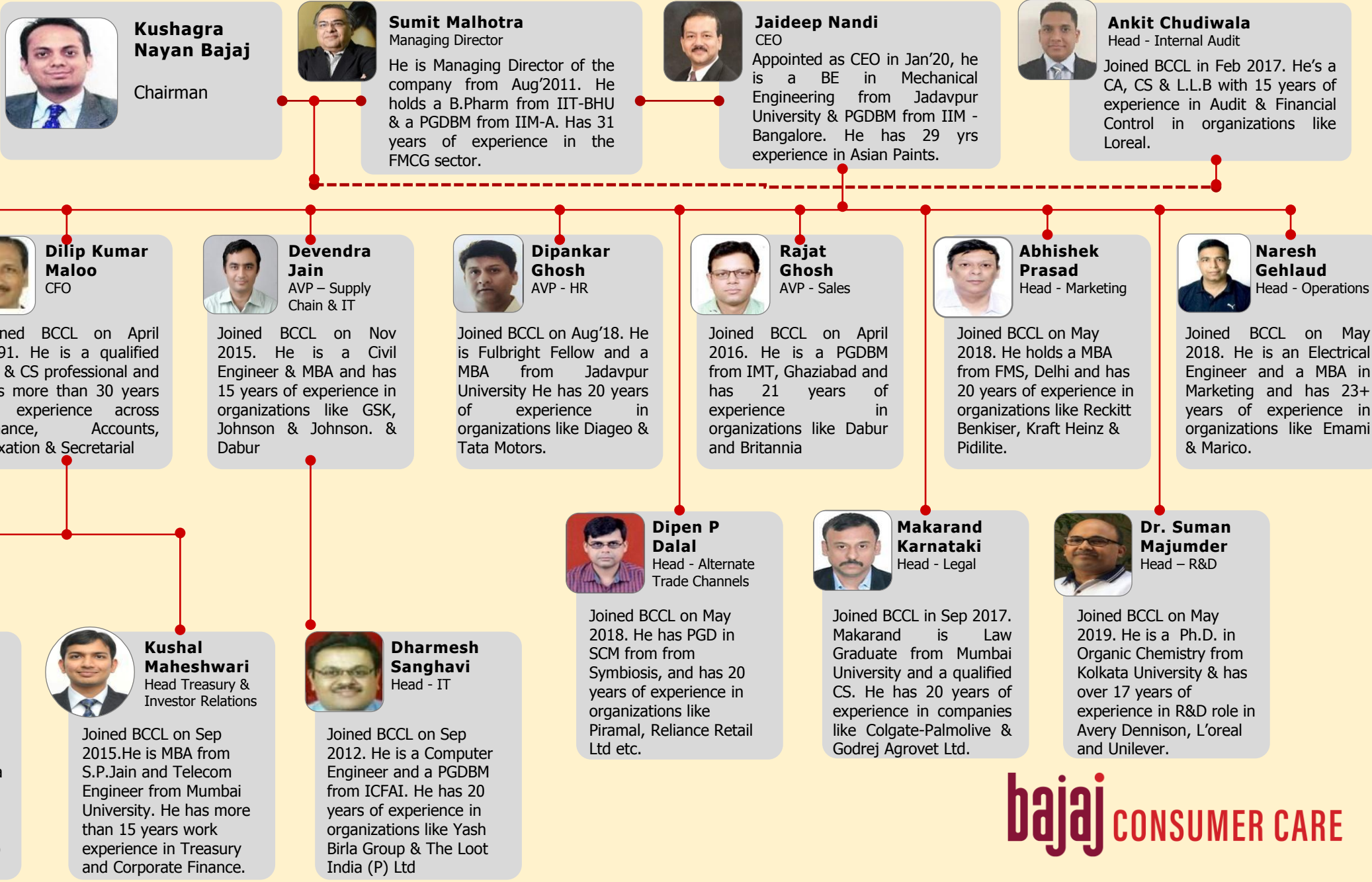


BCCL has been now been certified as a “Great Place to Work” by the Great Place to Work (GPTW) Institute for the second consecutive year with a steadily improving score from previous years. Our score is at par with other FMCG / FMCD companies of India.

The certification is considered the Gold Standard in identifying and recognizing workplace cultures and repeatedly has been established that high trust workplaces consistently deliver higher shareholder returns.

This certification is a testimony to our commitment to our employees in providing an environment of trust, camaraderie and pride. We recognize and acknowledge the thumbs up of our employees in achieving this milestone as we continue to build a high trust organization through multilayered intervention.

Management Team of BCCL



COVID-19 Response



COVID 19 – Impact & Response

- The macroeconomic situation has been challenging throughout 2019-20 with the Hair oil category facing significant headwinds with tepid growth. The impact on industry has worsened since lockdown in March due to COVID 19 pandemic
- From March 23rd till the first fortnight of April operations were severely impacted. All our Factories, Depots, Distributors, Wholesalers and Retailers were closed due to the lockdown
- Our Sales Team were confined indoors but rallied behind the organization by doing massive round of tele-calling to all our channel partners
- This was supplemented by rest of the organization who participated in tele-calling exercise wholeheartedly
- Depot operations were started gradually with last depot reopening by first week of May 20
- Production resumed by 1st week of May at all our manufacturing units with 70% operational efficiency
- We have been aggressive in managing cost across the organization reviewing each cost item and conserving cash on balance sheet

Response to COVID 19 - HR

- Extensive fortnightly communication by Chairman, MD & CEO with each employee through virtual Town Halls
- Personal Communication and thank you note to spouse of each employee by the Chairman
- Firm commitment of Chairman to protect job of each employee and support towards any medical needs in these unprecedented trying times
- Launch of “Aaj Ki Charcha”, a virtual afternoon learning platform for employees on various relevant topics towards building their capability
- Regular weekend engagement program for employees & their family members including health related issues through virtual platforms

Hand Sanitizer Launch during Lockdown



- First line of defense against Covid-19
- Heritage of Bajaj Nomarks
- Ingredients with Strong Consumer Linkage of Efficacy and Goodness
- Better Product Sensorials

Product Features

- Efficacy On germs -- **65% w/w Alcohol Based Formulation (73% by Volume)**
- Goodness of Neem and Aloe Vera:
 - *For Germ Free + soft skin*
- Fresh Lemon Perfume
- 1 step protection –
 - *Quick Drying Formula*
 - *No Need of Water*



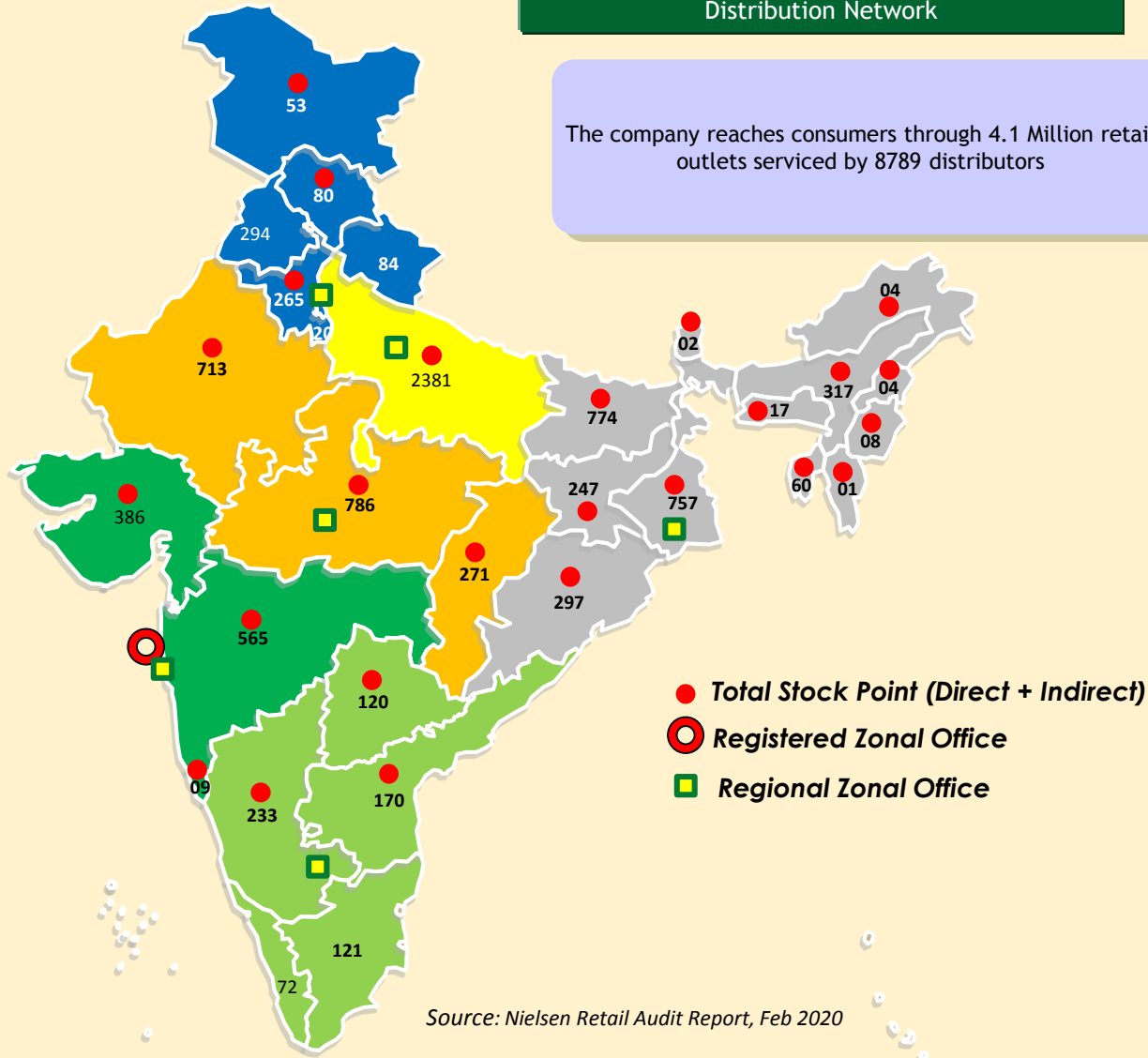
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Key Indicators

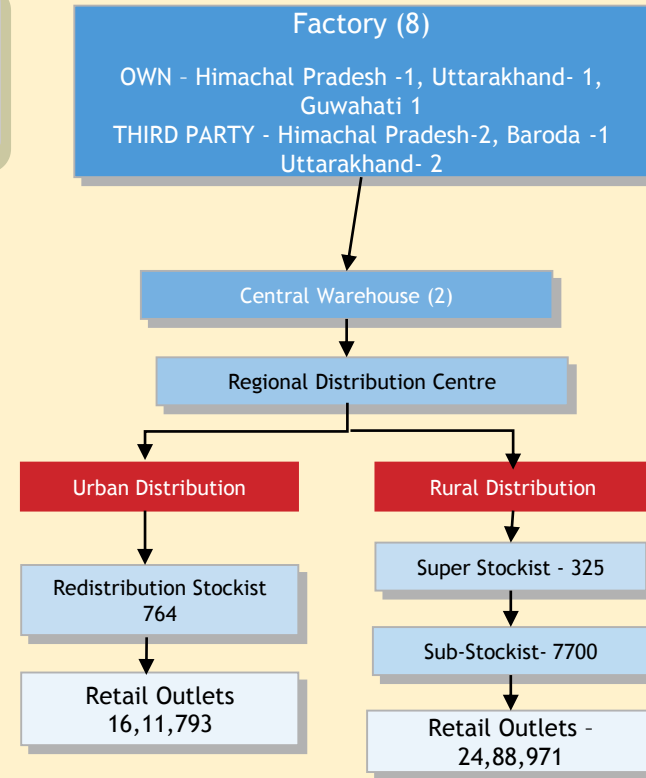


Strong Distribution Network

Distribution Network



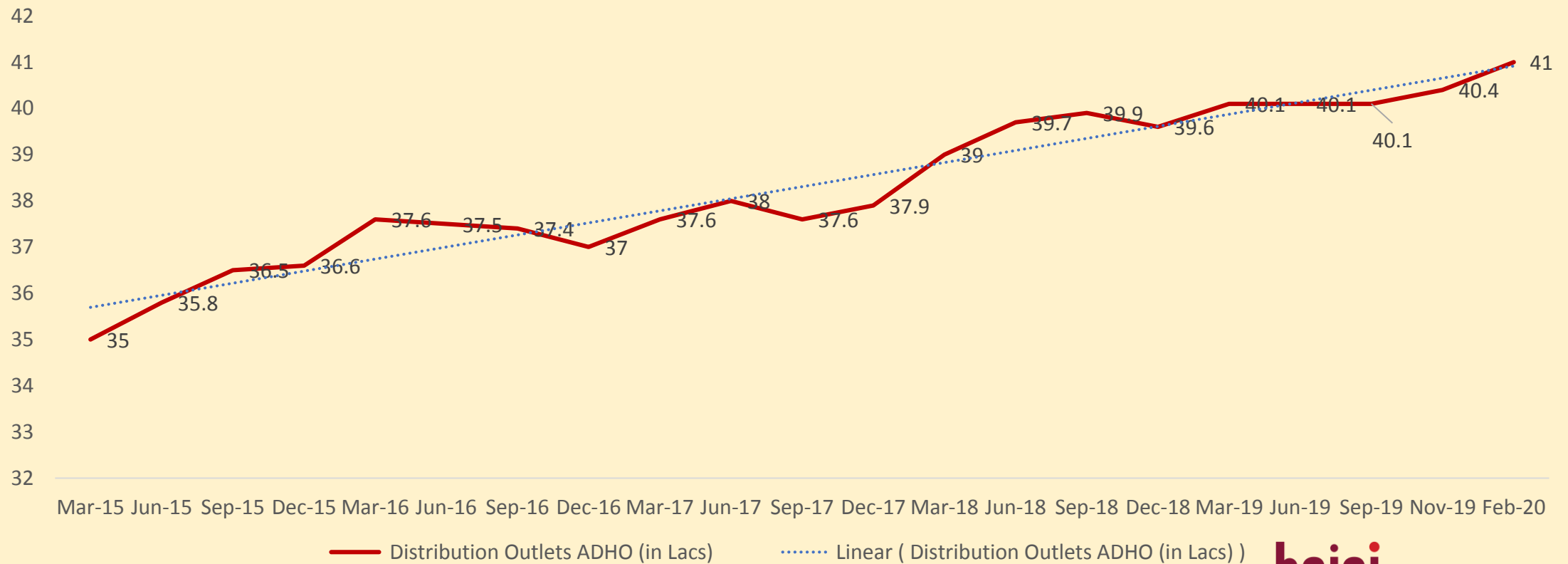
Distribution Structure



Sales & Distribution

✓ Our distribution has reached 41 lakh outlets as per Nielsen data

Distribution Outlets ADHO (in Lacs)



Source: Nielsen Retail Audit Report – Feb 20, All India U+R

Sales Value Breakup by Channel (Q4 FY 20)

Rs. Crs

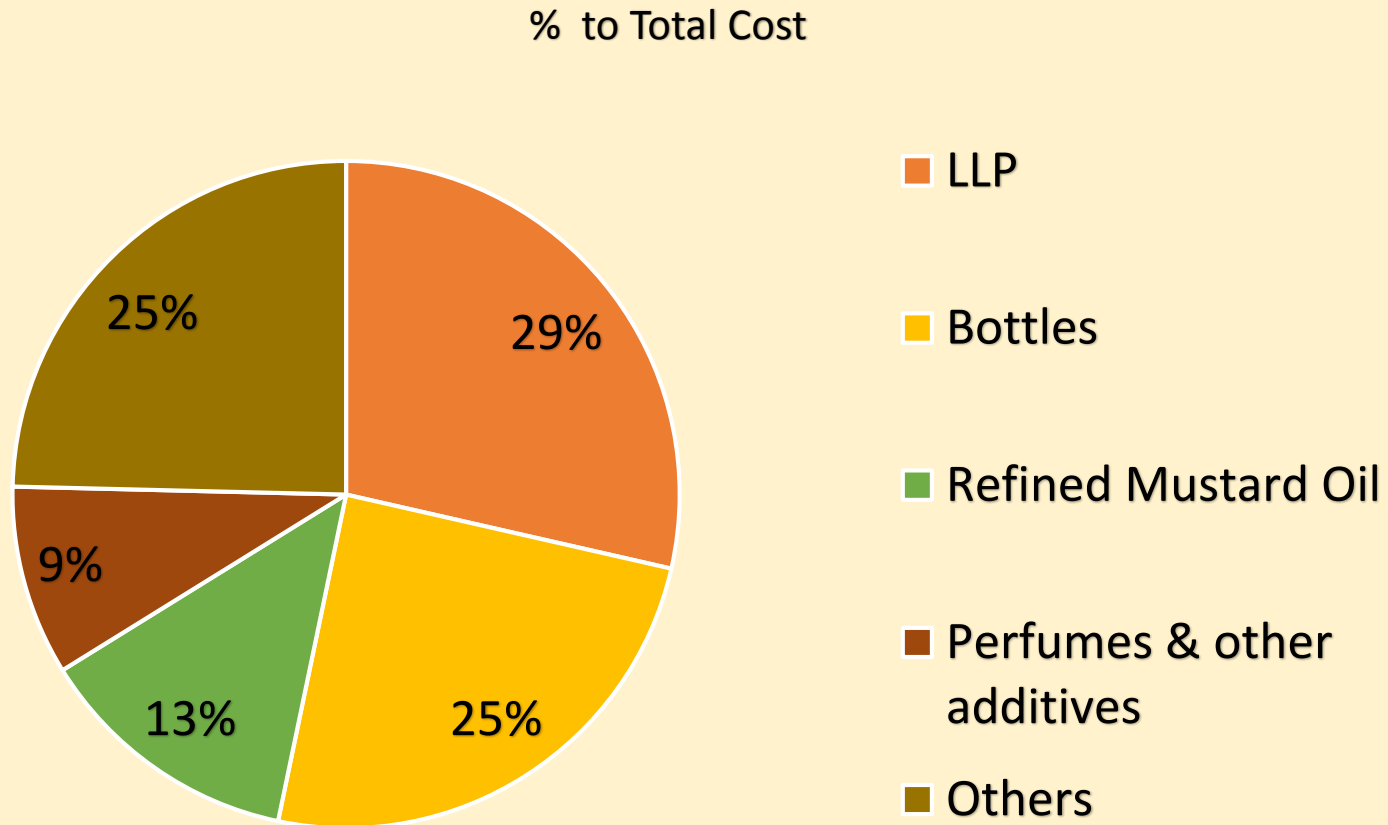
Channel	Q4FY20	Q4FY19	Growth%	Salience%
General Trade	144.35	203.94	(29.22%)	85.60%
Modern Trade	16.13	18.36	(12.17%)	9.56%
Total Domestic excluding CSD	160.48	222.30	(27.81%)	95.16%
Canteen Stores Department	4.92	9.23	(46.63%)	2.92%
Total Domestic	165.40	231.53	(28.56%)	98.08%
International Business	3.23	6.73	(51.99%)	1.92%
Total For the Company	168.63	238.26	(29.23%)	100.00%

Standalone Financials for Q4 FY 2020

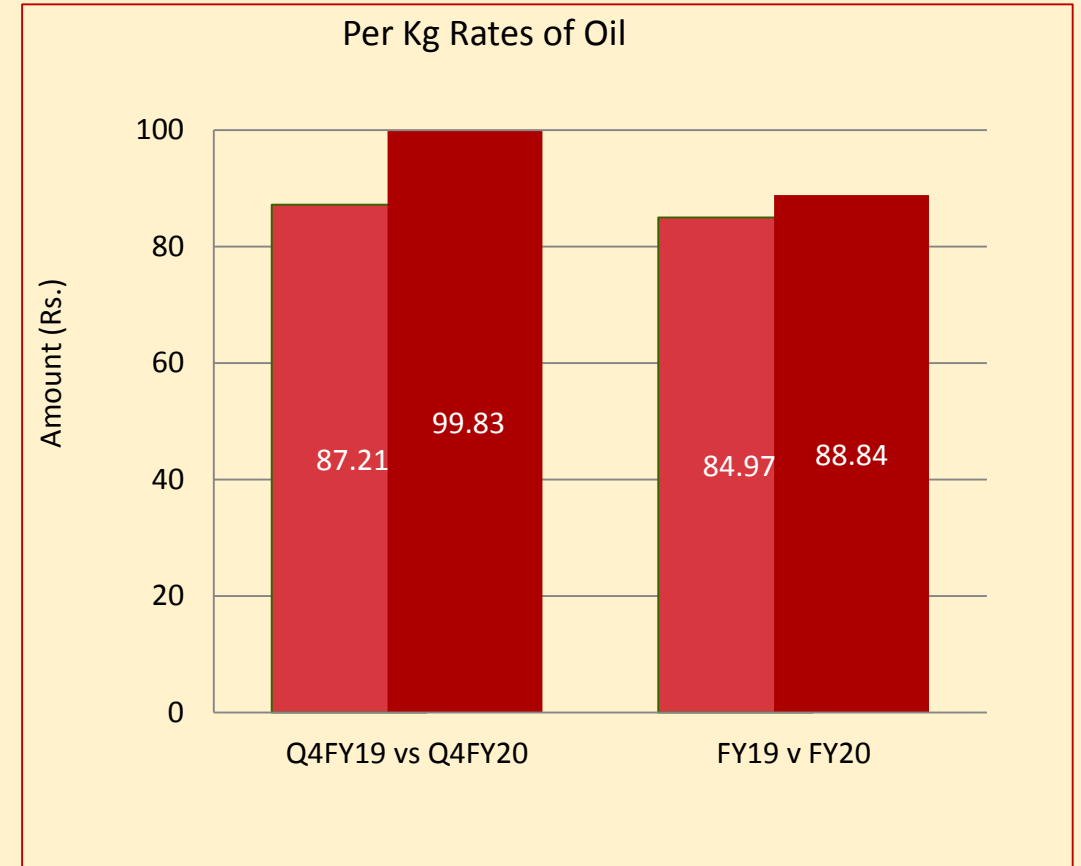
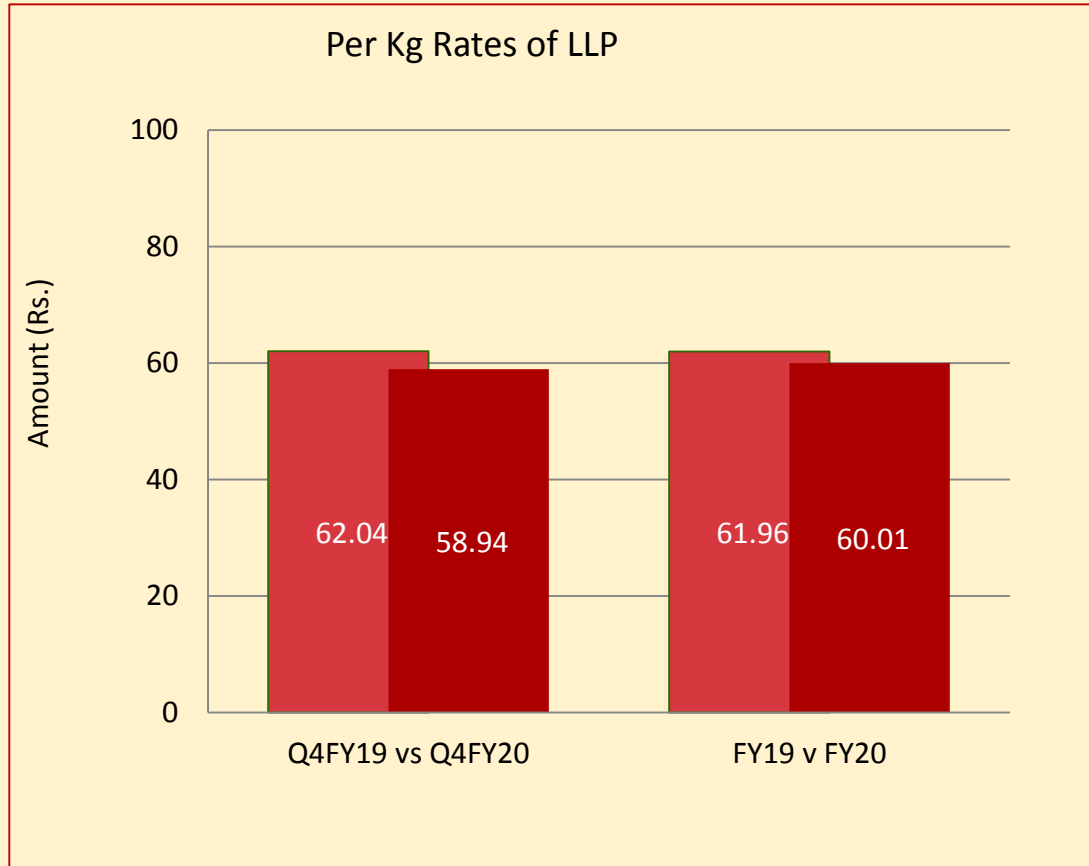
Rs. Crs

Particulars	Q4FY20	Q4FY19	Growth %	FY20	FY19	Growth %
Sales	168.63	238.26	-29.23%	817.75	880.94	-7.17%
Revenue from Operations	175.39	245.66	-28.60%	844.20	909.36	-7.17%
EBITDA	25.04	79.04	-68.32%	216.24	283.85	-23.82%
EBITDA %	14.85%	33.17%		26.44%	32.22%	
Other Income	8.36	1.87		29.89	17.53	
Profit Before Tax	29.69	77.29	-61.58%	230.89	288.26	-19.90%
Tax	5.17	16.67		40.34	62.13	
Profit after Tax	24.52	60.62	-59.55%	190.55	226.13	-15.73%
PAT %	14.54%	25.44%		23.30%	25.67%	

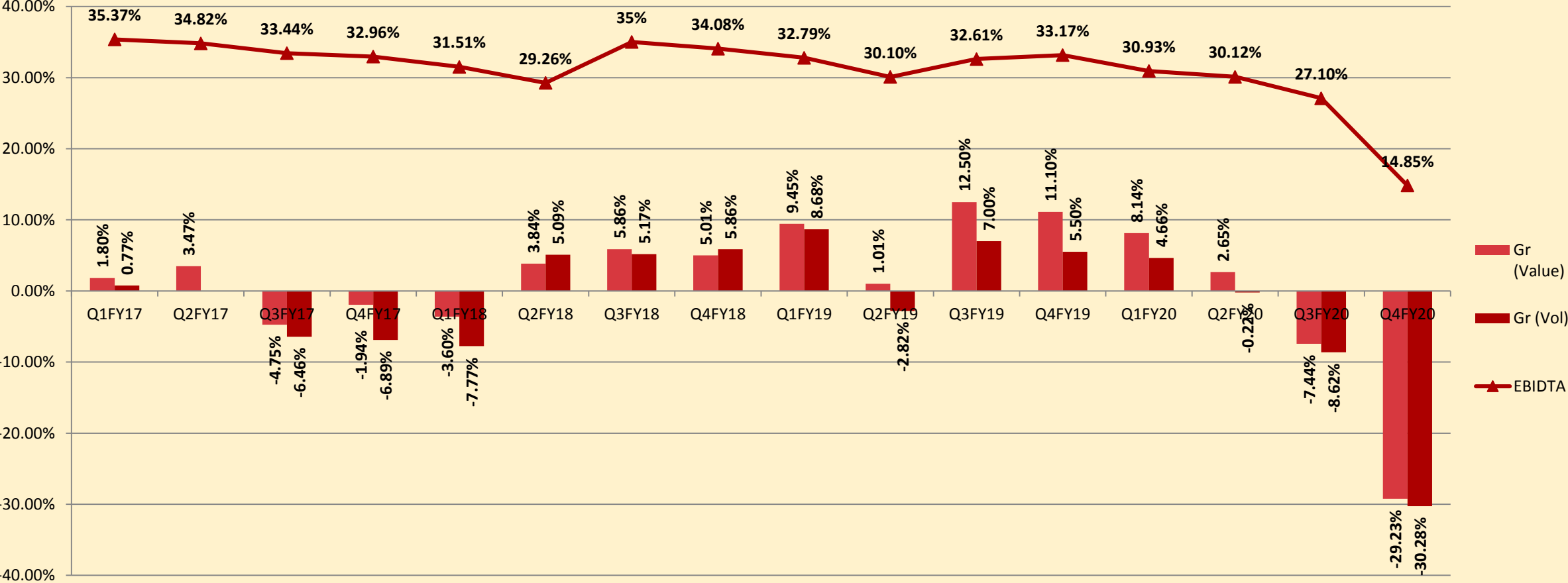
Breakup of Material Costs (for Q4 FY 20)



Change in prices of Key Ingredients



Performance over the last 16 quarters



Dividend Payout History

Year	No. of Shares (in Lacs)	Face Value	Dividend Payout (Rs in Lacs)	% to Capital	Dividend per share(Rs.)
2019-20	1,475.34	1	2,950.68	200%	2.00
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

Thank you

For more information & updates

Contact:

Mr. Kushal Maheshwari

kushal@bajajconsumer.com