

bajaj CONSUMER CARE

Earnings Presentation

Q4 & Full Year
FY 22



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



Over 64% Market share in Light Hair Oil segment



15 Brands, 100+ SKUs

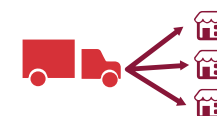


15 new Hair Care products launched in FY22
More under Pipeline

Reach



Exporting to >30 countries



Close to 8,500 Distributors across all states



Product reach to 4.3 million POS or retail outlets across India

Financials



Debt free company



FY22 Revenue INR 866 crore
GM - 57.3 % PAT - 20.2 %



FY22 Net worth INR 8.4 Billion

Company Overview

- Bajaj Consumer Care Ltd. (BCCL) is the second-largest entity in 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 around 65% market share in its category
- The company also manufactures other Hair Care and Skin Care Products under various brands
- The manufacturing plants are located at Himachal Pradesh, Uttarakhand & Guwahati with additional contract manufacturing facility located 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

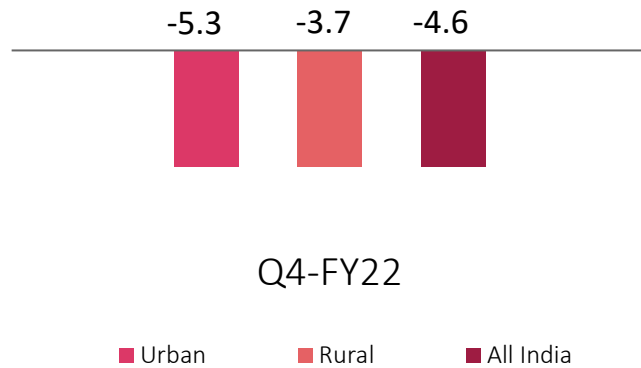


Macro Context



Hair Oil Market Growth Trends

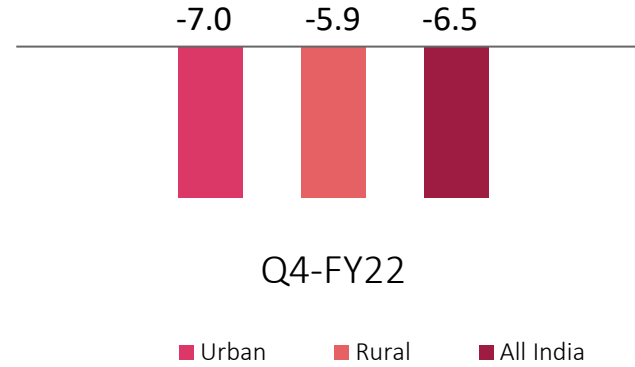
Value Growth %



Q4-FY22

Urban Rural All India

Volume Growth %



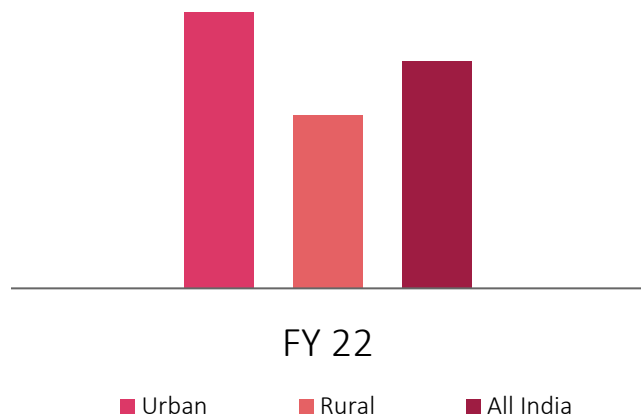
Q4-FY22

Urban Rural All India

Key Highlights

- Hair oil category grew by 4.2% in FY 22, recovering to Pre Covid levels
- Market Growth however was subdued in Q4, with volumes declining vs LY
- Inflationary pressures continue to impact consumer spending

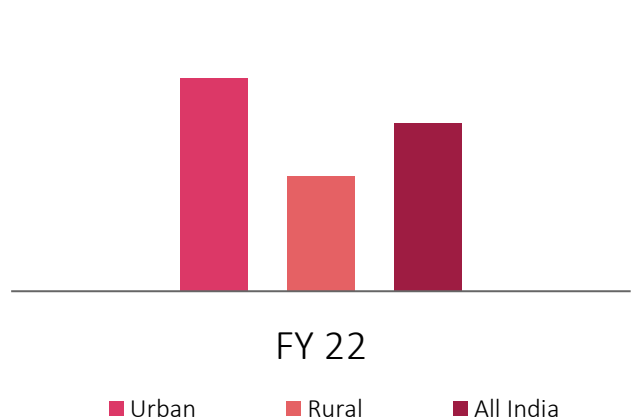
5.1 3.2 4.2



FY 22

Urban Rural All India

2.8 1.5 2.2



FY 22

Urban Rural All India

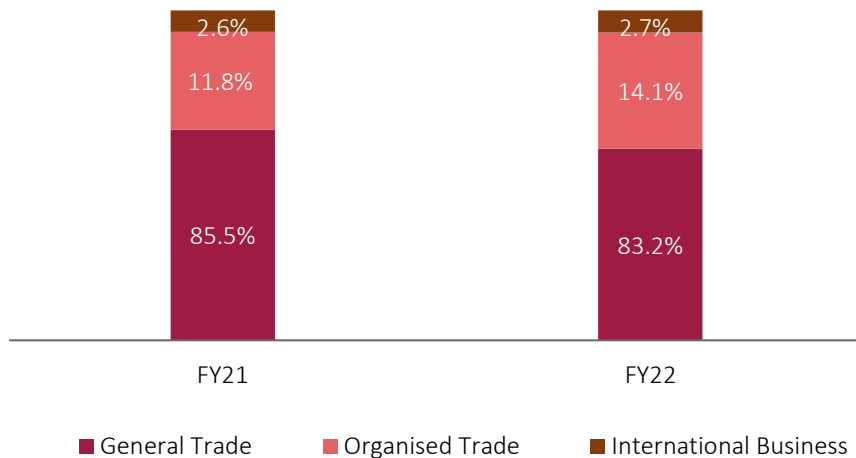
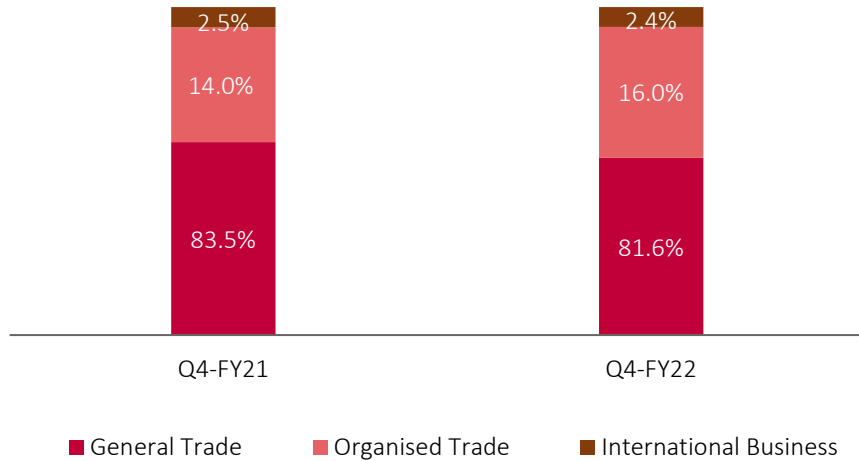
Performance Highlights



| Value Market Share Total Bajaj Hair oils | MAT Mar' 21 | MAT Mar' 22 |
|--|-------------|-------------|
| All India (U+R) | 10.3% | 10.3 % |
| All India –Urban | 10.8% | 10.9 % |
| All India –Rural | 9.7% | 9.7% |

Source: Nielsen Retail Audit Report, March 2022, All India

Channel-wise contribution to Revenue (%)



General Trade

- Clear slow down in demand coupled with downtrading being observed in rural markets especially in key HSM impacting both Wholesale and Sub Stockist
- Retail grew over last year while the decline was mainly in wholesale and rural markets. Rigour in Wholesale to regain distribution to pre-covid levels as well as expansion of the Wholesale loyalty program to Rural markets
- Retail is being further strengthened across top towns with new retail activation program being rolled out

Modern Trade

- January event was not as high as expected due to muted footfalls. Feb & Mar saw very good revival in sales across chains leading to 13% growth for Q4 in MT B2C
- Bajaj Co Coconut oil got listed in major chains like Dmart, Reliance, Star Bazar and many local independent chains

E-Commerce

- E Commerce continues to scale up well with growth of 50% in Q4 and 80% growth on a full year basis over last year
- Strategically exclusive SKUs for the channel continue to drive growth
- New launches contributed to 9% of Ecom B2C sales in Q4
- Digital brands – Natyv Soul and Bajaj 100% Pure scaling up well

International Business

- In Bangladesh, strong momentum continued with field force augmentation
- In MENA, significant changes made in the infrastructure and business practices
- Economic situation in Nepal worsened in Q4 impacting demand

General Trade – New Product Placements



Modern Trade Activations



Distribution – E-Commerce

- Tie-up with all major E-commerce players like Amazon, Flipkart, Grofers, Big Basket, Nykaa, Swiggy, Milk Basket, Purplle, Health & Glow and Deal Share
- Other digital first brands, Natyv Soul and Bajaj 100% Pure (Castor, Jojoba, Kalonji, Coconut & Olive) are listed on all major E-commerce. All are high-margin premium brands



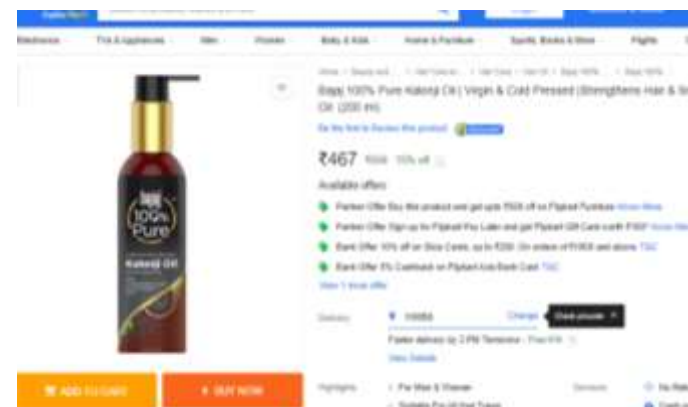
Bajaj Almonds Drop selling on Amazon



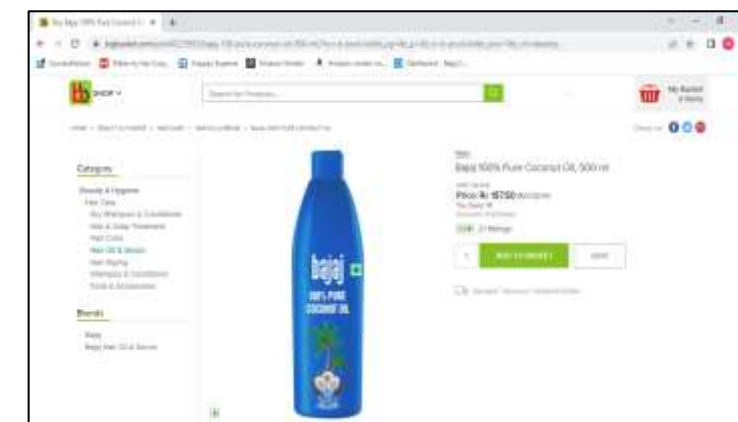
Natyv Soul selling on Nykaa



100% Pure oil selling on Flipkart



100% Coconut oil selling on Big Basket



Marketing



New Thematic: 2x Hairfall Reduction Campaign Launch



New thematic – High on Energy, Glamour & Styling launched in Jan, build to strengthen relevance in Younger, Modern TG

- Launched across leading Hindi channels
- Dialed up nourishment credentials by building 2x Hairfall reduction claim

On Ground Activation

- Urban Retail visibility drive in top retail outlets to build in store communication of the new thematic
- Parasites & End Caps branding in top modern trade outlets to build awareness at Point-of-sale

Social media marketing over Facebook & Instagram

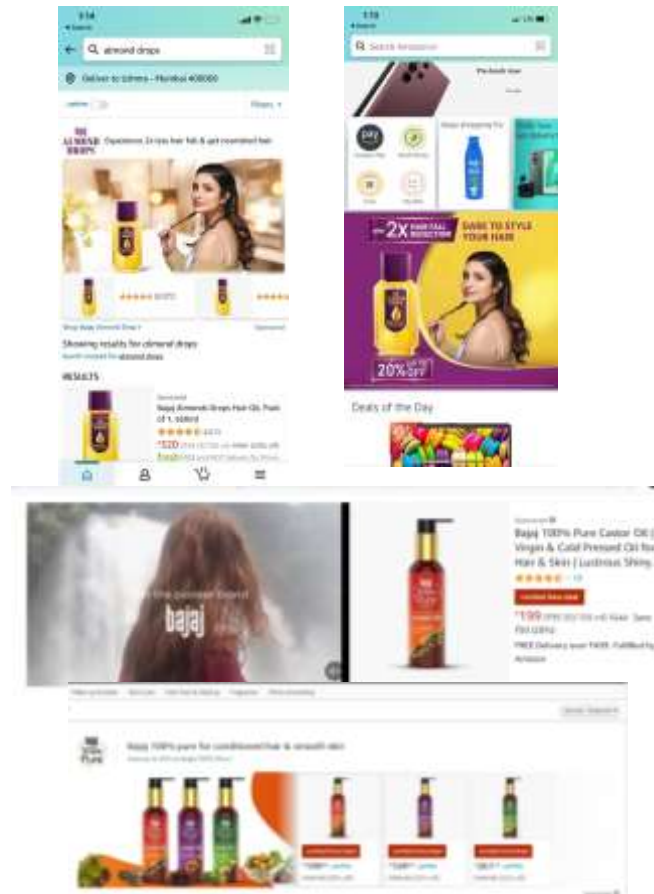


Record 9.3 Mn views on YouTube for our new ADHO TV ad



- 360 degree activation across TV, Digital and On Ground Activation
- 70 Lakh Consumers Reached through Social Posts

Search Marketing on Flipkart, Amazon and Bigbasket



- Digital Marketing spends now accounts for 10-15% of Media
- Spends with presence across Social Platforms

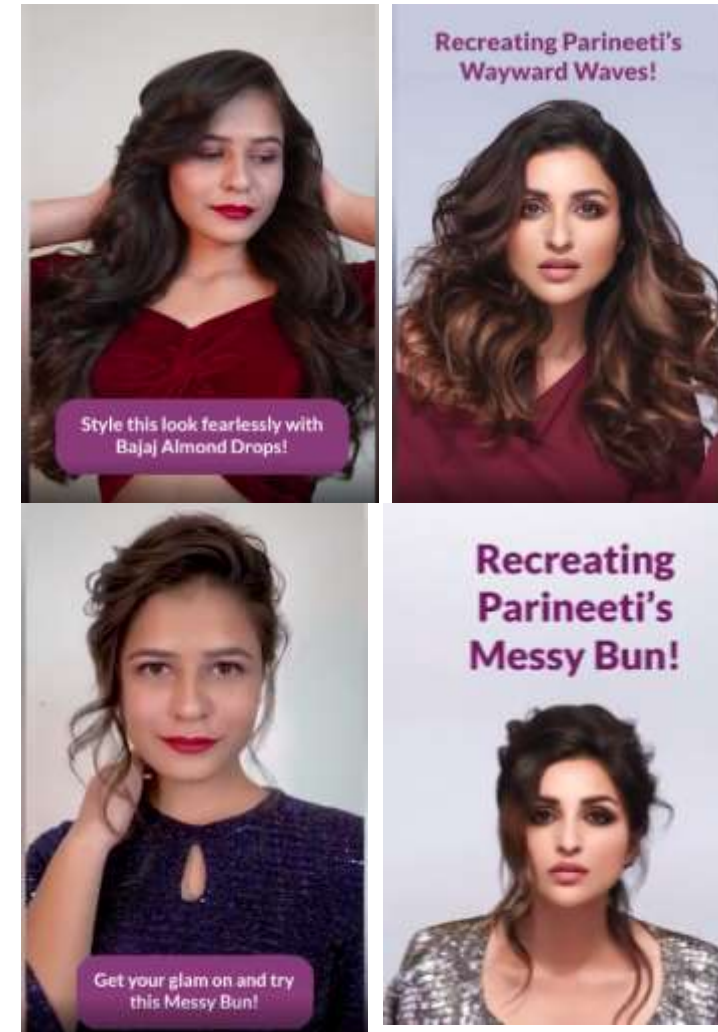
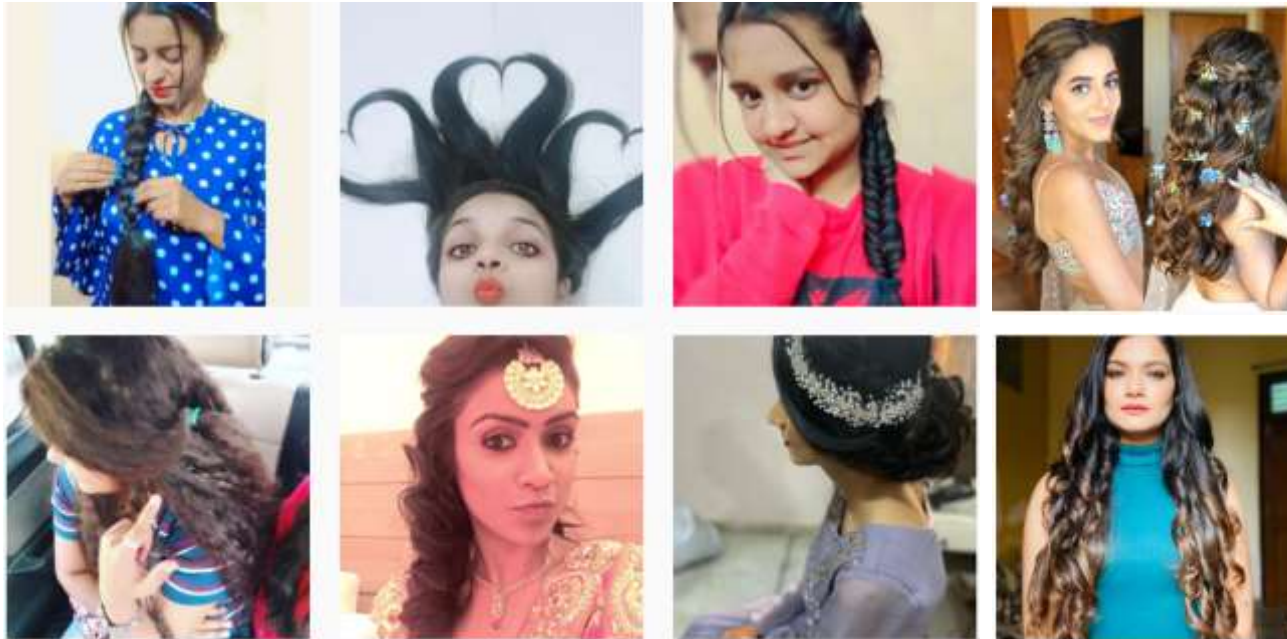
Launch Of Stylebook with different hairstyles on Instagram



- #Stylefearlessly participants got to be a part of Stylebook on Instagram

ADHO “Style Fearlessly” Campaign a SuperHit among Consumers

#Stylefearlessly reached 2.2 Cr consumers with 211 entries in the #Stylefearless challenge with 4% engagement rate



Teaching India How to #stylefearlessly like Parineeti with Hairstyle video Tutorial

New Communication and Claims

- Dial up element of “ Style“ as younger consumers are looking for enhancement along-with nourishment



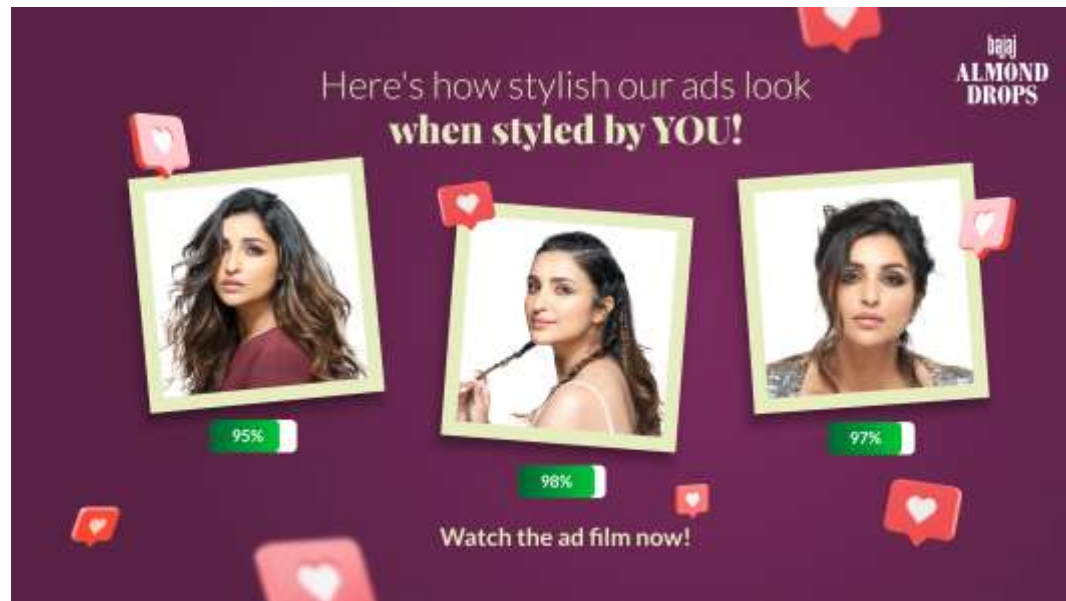
New Campaign of , “Style Fearlessly” that appeals to the youth



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

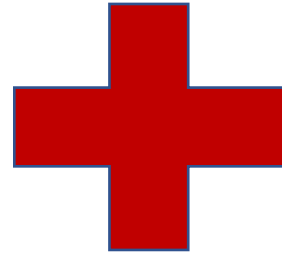


#Stylefearlessly Stylebook

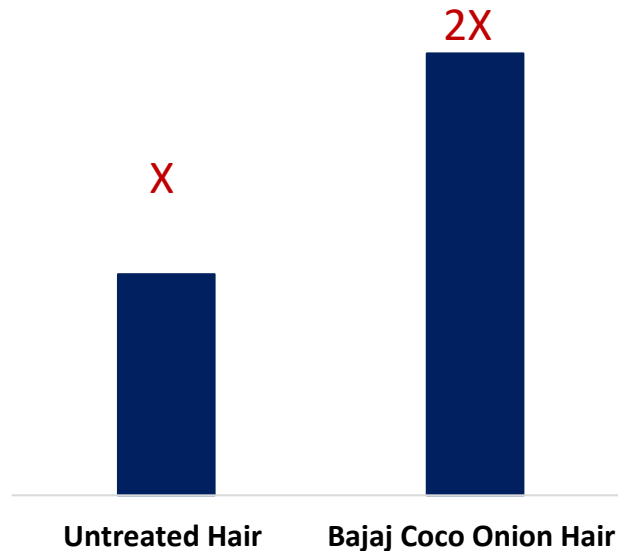
Audience gets a chance to feature along side with Parineeti in #stylefearlessly Style Book on Instagram
Followed by Film and tutorials on **How to Style** the same hairstyle as Parineeti in the film



VACNO Launch : Bajaj Coco Onion for 2X faster Hair Growth



Hair Growth in 4 weeks



- Amongst the newest ingredients preferred by consumers, especially younger consumers
- Time Tested and Trusted ingredient
- Stimulates hair Growth





Bajaj Coco Onion hair oil campaign featuring Ileana D Cruz started from 15th April 2022
Campaign has TV + Digital + In Store visibility Components

Amla Portfolio

- Amla Portfolio in Q4 has continued to ramp up
- Share on Amla Portfolio has hit 3% in Q4, with Sarson Amla at 0.3%
- Focussed brand led initiatives and distribution drives planned in Q1 to continue building up the momentum

Coconut Portfolio

- Both Bajaj Pure Coconut oil and Bajaj Coco Onion hair oil rolled out across India
- Bajaj Pure Coconut oil continues to scale led by gains in GT in West and D Mart in MT



ALMOND DROPS HAS A SEAMLESS FIT ACROSS HAIR + SKIN CARE

- Almond and Vitamin E - Perceived by consumers to be :
 - ❖ Highly beneficial for Hair and Skin
 - ❖ Premium and not just kitchen Ingredients
- ADHO equity of lightness / non sticky is also desirable and transferable to many hair and skin care products

New Products being rolled out starting with under the Almond Drops Umbrella

- Almond + Argan Oil : 3 Way Damage Protection
Priced at ~ 2x Vs ADHO



NATYV *SÓUL*™

HAIR MASQUE

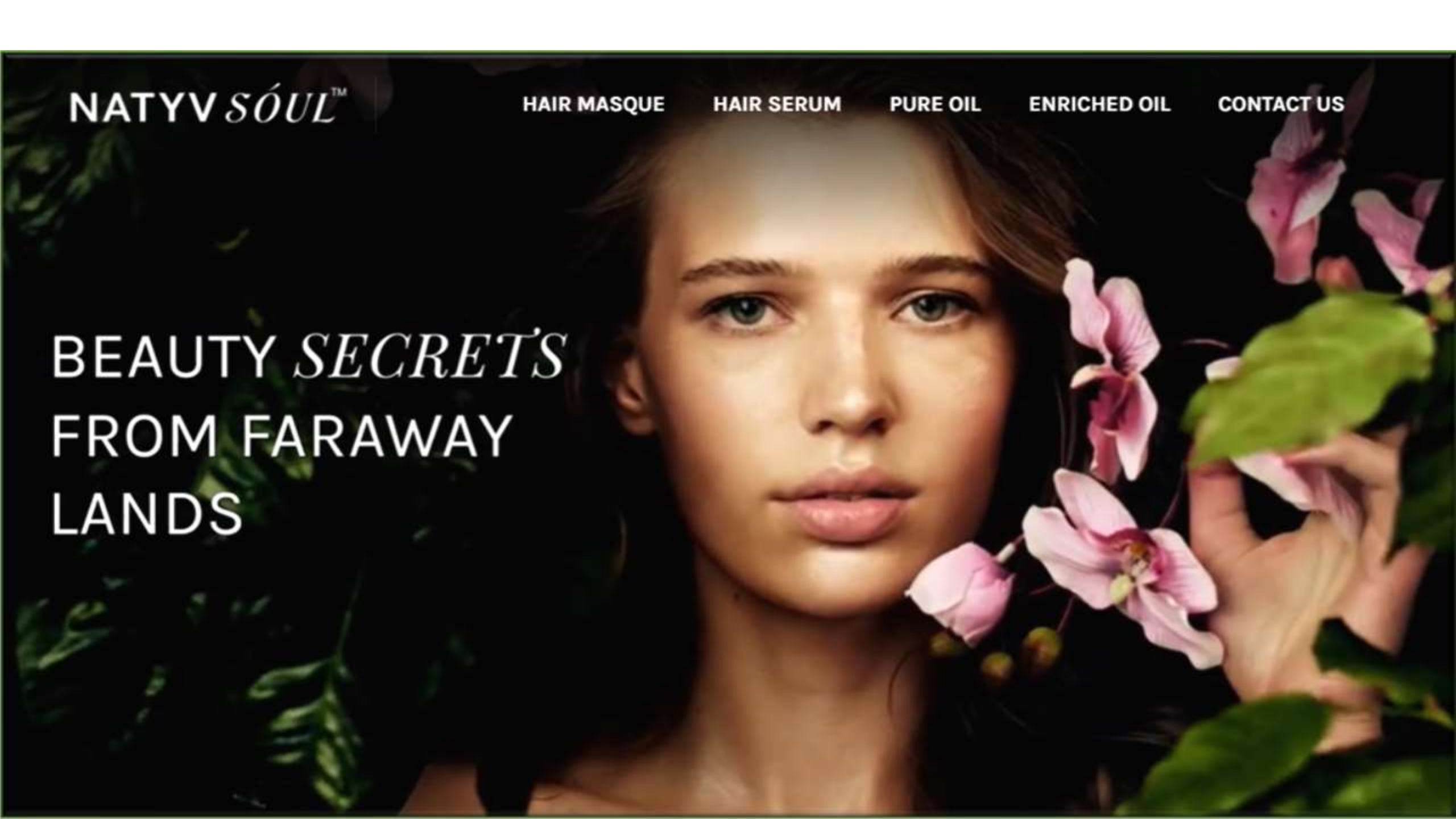
HAIR SERUM

PURE OIL

ENRICHED OIL

CONTACT US

BEAUTY *SECRETS*
FROM FARAWAY
LANDS





Natyv Soul

Natyv Soul is a brand of luxuriant beauty made of rare natural ingredients procured from distant corners of the world

From Ghanaian Cocoa Butter to French Sea Satin™, every ingredient of Natyv Soul is a hidden exotic treasure coming to light

SAFE

Natural ingredients
No harmful chemicals
Dermatologically tested

EXCITING

Wide range of products
Innovations/ first-to-market

RESONANT

Allows experimentation
Diverse and richly varied

EXOTIC

Rare natural ingredients
Sourced from the world over
Exotic origin stories

Natyv Soul : 9 Products Launched, Listed on Amazon , Flipkart and Purplle

Hair Serum : 2 Variants
French Sea Beet + Peruvian Sacha Inchi



Hair Oil: 5 Variants
California Almond, Moroccan Argan,
African Marula, Chilean Rosehip, French Apple Seed



Hair Mask : 2 Variants
African Shea Butter + Brazilian Buriti



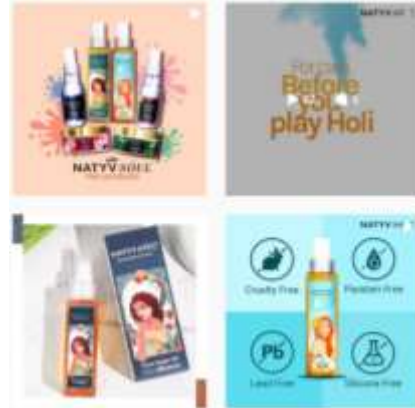
Natyv Soul : Digital Marketing in Q4 & Beyond

Ecommerce



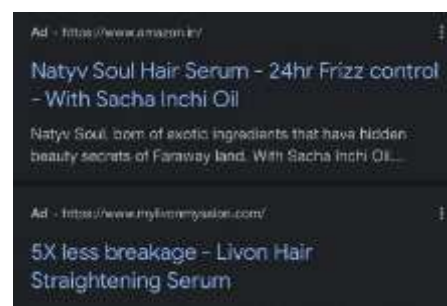
3.7Mn Impressions served with a CTR of 0.28% and conversion of 4.8%

Social Media Posts



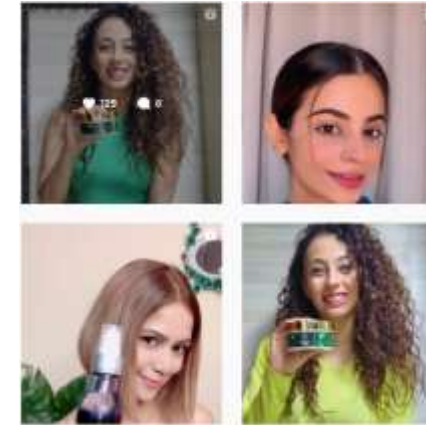
1 Cr reach

Google Search + Display



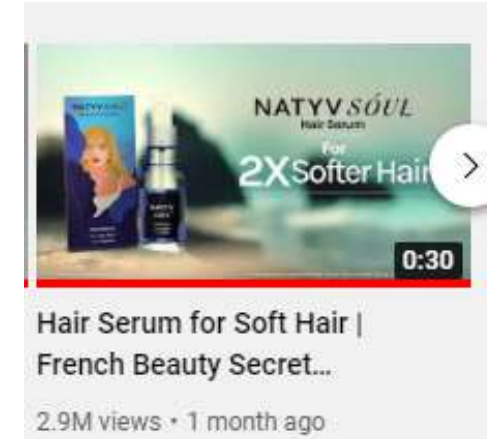
16 Cr Impression served with a CTR of 2%

Influencers



1500 Influencers Post in Q4

YouTube



4.7M views & VTR of 32%

- You Tube Long Format Campaign Started from March
- Clicks to Purchase rate ~ 5% on Amazon (vs 15% For ADHO)
- Click Through Rate on Ecom Platforms has moved upto 0.3% from 0.1%
- Smaller SKU's to be Launched to increase Conversions
- Live on Nykaa from May

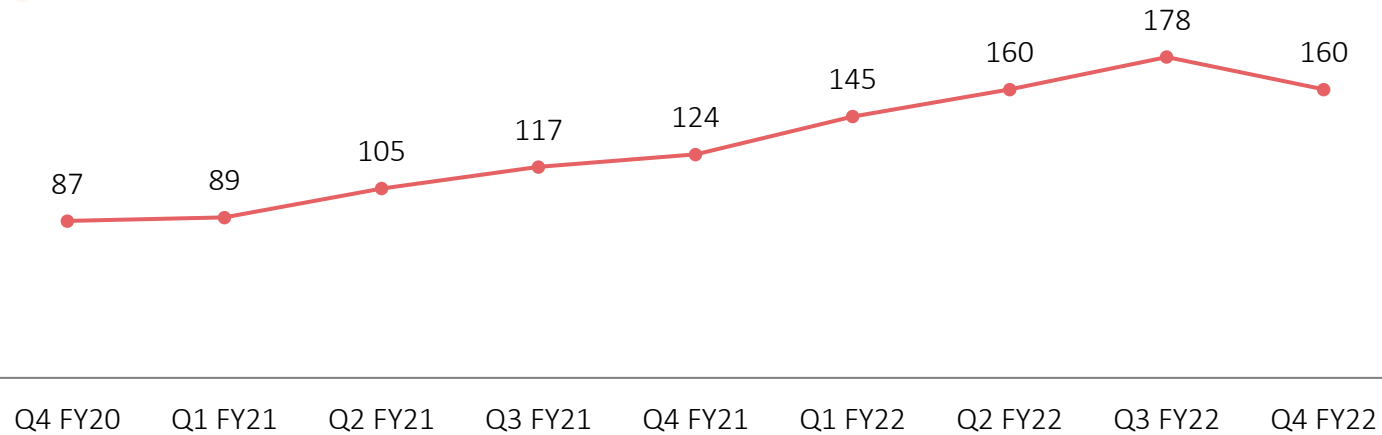


- CTR on Amazon – 0.33% and Click to conversion is 6.34%. Good Traction on Castor which has a conversion of 9.63%
- Social Media Has an Engagement Rate of 5%

Business Operations



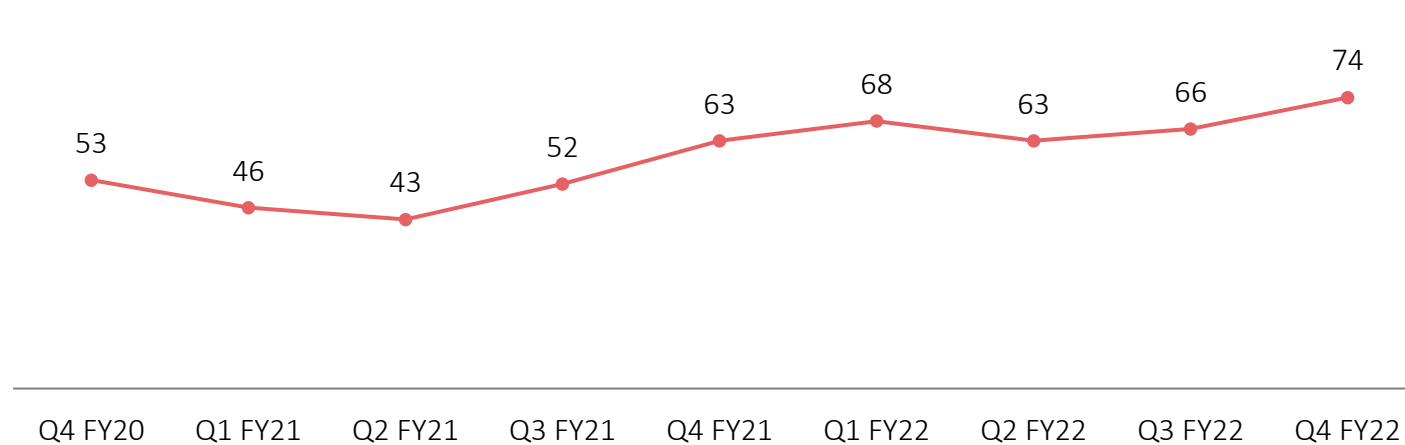
Refined Mustard Oil (RMO) Price (INR / Litre)



Refined Mustard Oil (RMO)

- Prices have corrected downwards in RMO considering the good crop in India
- Due to the issues in supplies of other edible oils, the price correction has been lesser than expected

Light Liquid Paraffin (LLP) Price (INR / Litre)



Light Liquid Paraffin (LLP)

- Prices had started moving up from Feb and have since flared up in March post Ukraine crisis and shutdowns by refiners
- Expected to be on the higher side in the short term till the situation eases out in Ukraine



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)

Recycle- Currently bulk of the material in our packaging is recyclable

Initiatives taken:

We have successfully completed trials of recyclable laminates for commercial production. We are now ready to use it as and when required

Reuse – We would be taking initiatives in using recycled material in our containers

Initiatives taken:

We have taken trial with 40% of regrind PET polymer both in ADHO & AHO bottle, Performance of bottle found OK

Extended producer responsibility - *Collection and disposal of plastic waste*

- We have collected and disposed off 100 % of plastic as per our commitment

Conservation of resources at plants

- 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 27% of our water consumption in H2 FY 22 over last year*

Optimisation of transportation of material

- Reduction in distance travelled per litre of finished product by 10% in FY 22 over last year by optimisation of movement of material

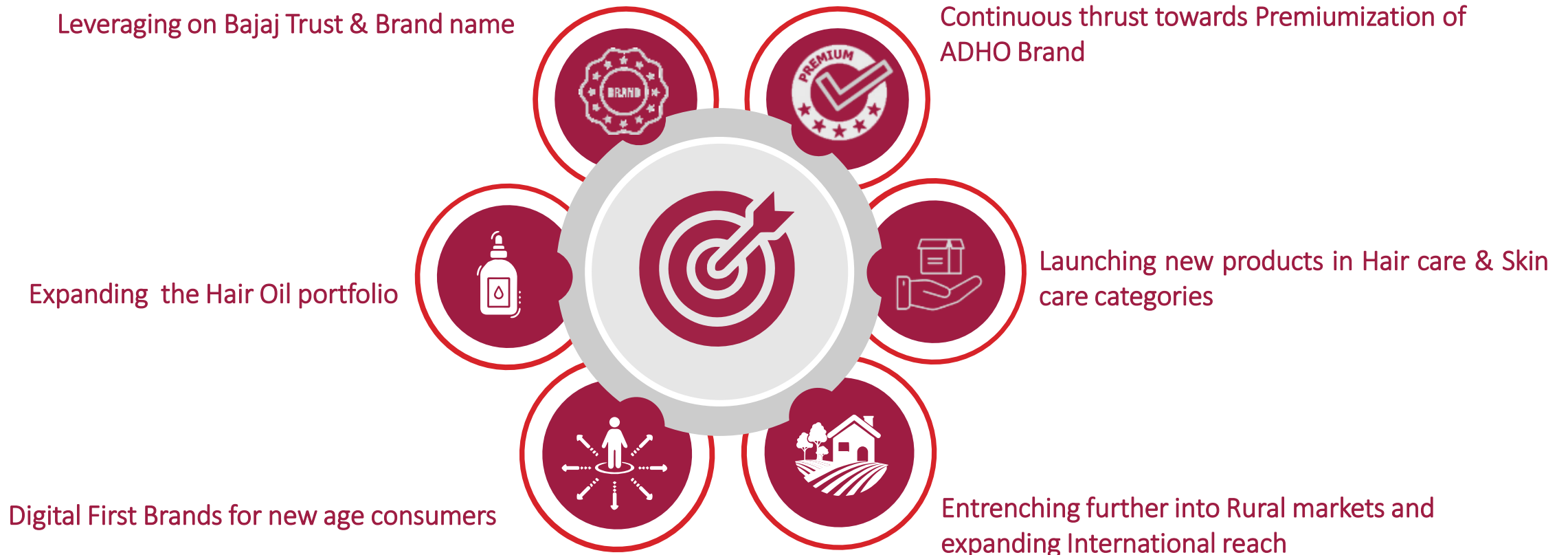


bajaj CONSUMER CARE

We did it again!
Honoured to be certified as a
Great Place To Work
for the
4th time in a row!



- Bajaj Consumer Care Ltd. certified as a Great Place to Work© by the Great Place to Work (GPTW) Institute
- We have now been certified for 4th consecutive year

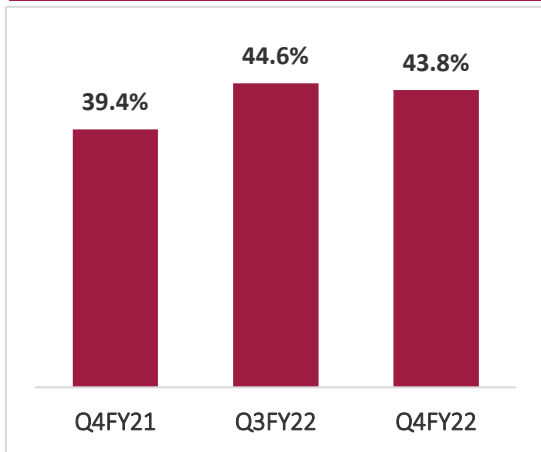


Financial Overview

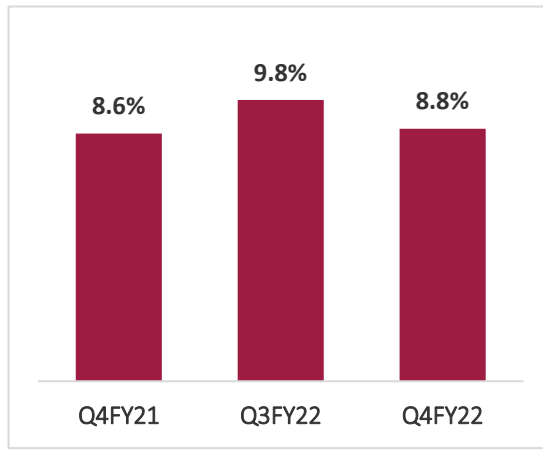


Expenses To Sales Trend – Standalone

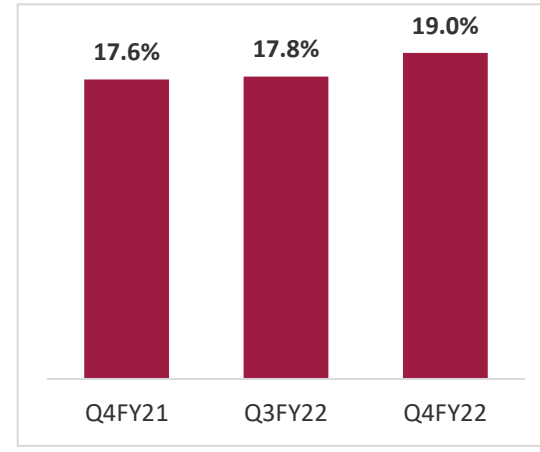
Material cost



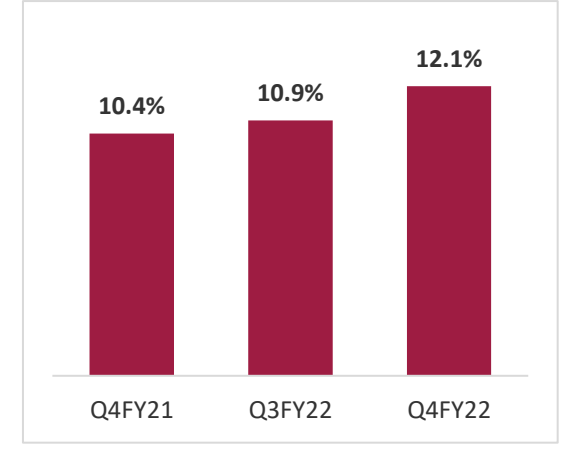
Employee cost



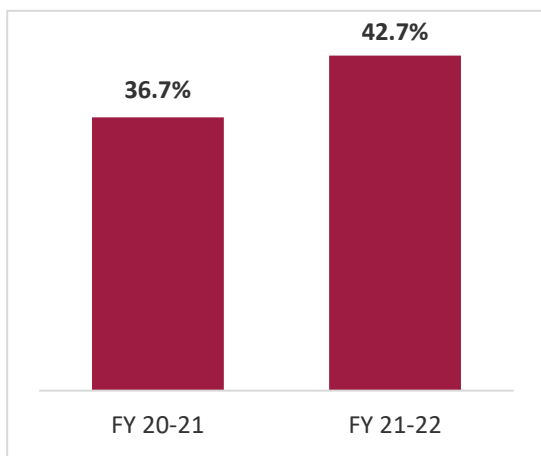
ASP



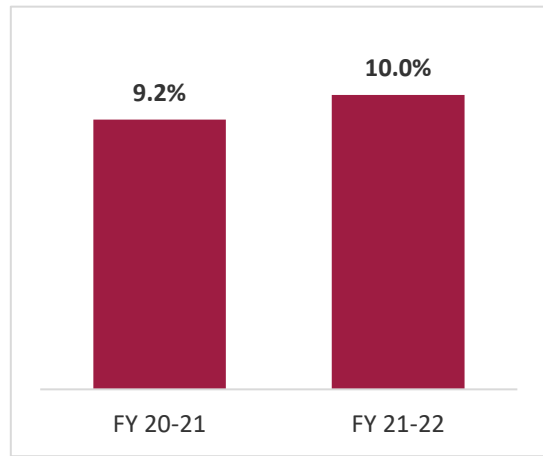
Other Expenses



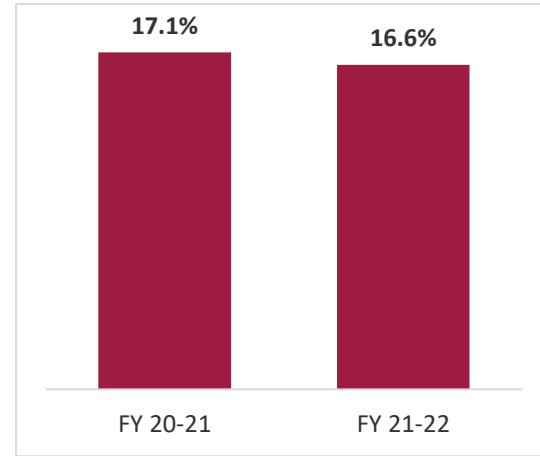
Material cost



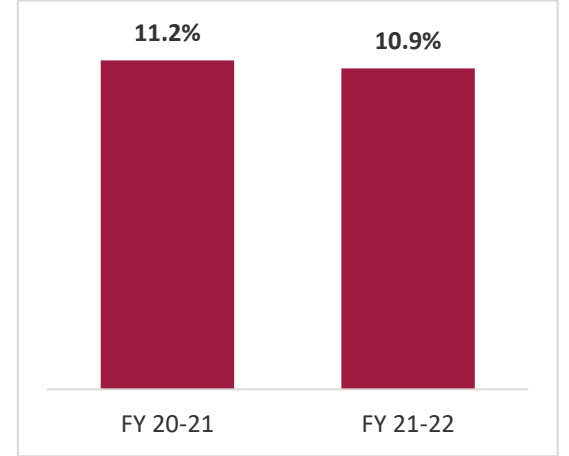
Employee cost



ASP



Other Expenses



Financial Performance – Q4 FY 22 Standalone

| Particulars (In Crore) | Q4-FY21 | Q3-FY22 | Q4-FY22 | Y-o-Y | Q-o-Q |
|--|-------------|-------------|-------------|---------------|--------------|
| Sales (Value) | 241.9 | 225.3 | 216.1 | -10.7% | -4.1% |
| Total Operational Income | 246.0 | 228.6 | 219.3 | -10.8% | -4.0% |
| Gross Contribution | 146.7 | 124.7 | 121.3 | | |
| Total Expenses (excl Material cost) | 88.6 | 86.5 | 86.0 | | |
| EBITDA | 62.1 | 41.6 | 38.6 | -37.9% | -7.1% |
| Other Income | 6.3 | 9.5 | 10.6 | | |
| Depreciation | 1.5 | 1.2 | 1.2 | | |
| Finance Cost | 0.3 | 0.0 | 0.1 | | |
| CSR | 1.3 | 1.3 | 1.3 | | |
| Profit Before Tax | 65.3 | 48.5 | 46.5 | -28.8% | -4.2% |
| Tax | 11.4 | 8.5 | 8.1 | | |
| Profit after Tax for the Period | 53.9 | 40.0 | 38.4 | -28.8% | -4.2% |
| Gross Margin % | 60.6% | 55.4% | 56.2% | | |
| ASP to Sales % | 17.6% | 17.8% | 19.0% | | |
| EBITDA % | 25.7% | 18.4% | 17.9% | | |
| PAT% | 22.3% | 17.8% | 17.8% | | |

Financial Performance – FY 22 Standalone

| Particulars (In Crore) | FY21 | FY22 | Y-o-Y |
|--|--------------|--------------|---------------|
| Sales (Value) | 898.0 | 865.5 | -3.6% |
| Total Operational Income | 914.6 | 878.4 | -4.0% |
| Gross Contribution | 568.5 | 495.7 | |
| Total Expenses (excl Material cost) | 336.3 | 324.8 | |
| EBITDA | 248.8 | 183.8 | -26.1% |
| Other Income | 34.5 | 38.6 | |
| Depreciation | 5.8 | 4.6 | |
| Finance Cost | 1.3 | 1.0 | |
| CSR | 5.3 | 5.3 | |
| Profit Before Tax | 270.9 | 211.5 | -21.9% |
| Tax | 47.3 | 37.0 | |
| Profit after Tax for the Period | 223.6 | 174.5 | -21.9% |
| Gross Margin % | 63.3% | 57.3% | |
| ASP to Sales % | 17.1% | 16.6% | |
| EBITDA % | 27.7% | 21.2% | |
| PAT% | 24.9% | 20.2% | |

Balance-sheet - Standalone

| Particulars (INR Crore) | FY21 | FY22 |
|-------------------------------------|--------------|--------------|
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant & Equipment | 40.8 | 45.2 |
| Capital Work in progress | 7.1 | 1.4 |
| Other Intangible Assets | 2.0 | 1.2 |
| Financial Assets | | |
| (i)Investments | 144.7 | 159.3 |
| (ii)Others | 3.8 | 4.4 |
| Other non-current assets | 0.1 | 0.1 |
| Sub Total Non Current Assets | 198.3 | 211.6 |
| Current Assets | | |
| Inventories | 42.5 | 55.4 |
| Financial Assets | | |
| (i)Investments | 584.6 | 611.6 |
| (ii)Trade Receivables | 26.1 | 20.0 |
| (iii)Cash and Cash Equivalents | 5.6 | 9.5 |
| (iv)Bank Balances other than (iii) | 3.1 | 2.9 |
| (v) Others | 0.2 | 0.9 |
| Current Tax Assets (Net) | 6.3 | 0.0 |
| Other Current Assets | 49.0 | 43.3 |
| Sub Total Current Assets | 717.3 | 743.7 |
| TOTAL ASSETS | 915.6 | 955.3 |

| Particulars (INR Crore) | FY21 | FY22 |
|---|--------------|--------------|
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | 14.8 | 14.8 |
| Other Equity | 766.7 | 824.4 |
| Total Equity | 781.5 | 839.2 |
| Non Current Liabilities | | |
| Provision for Employee Benefit | 1.2 | 3.7 |
| Current Liabilities | | |
| Financial Liabilities | | |
| (i)Borrowings | 5.0 | - |
| (ii) Trade Payable | | |
| (a)Total Dues to micro and small enterprises. | 3.3 | 2.1 |
| (b) Creditors Other Than (a) | 65.4 | 43.2 |
| (iii) Other Financial Liabilities | 42.4 | 54.7 |
| Other Current Liabilities | 13.9 | 10.8 |
| Provisions for employee Benefit | 1.1 | 1.6 |
| Current Tax Liability (Net) | 1.9 | - |
| Sub Total Liabilities | 133.0 | 112.5 |
| TOTAL EQUITY AND LIABILITIES | 915.6 | 955.3 |

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bajaj CONSUMER CARE

Thank You

