Dabur India

Operator: We welcome you to Dabur India Limited conference call pertaining to the results for the quarter ended June 30, 2026.

Management: The Indian consumption environment remained stable during the quarter, despite weather-related disruptions, inflationary headwinds, and geopolitical disturbances. Rural demand continued to demonstrate momentum, outperforming the urban market. War-related disturbances in the Middle East impacted input cost trends and supply chain efficiencies across our businesses, including India. Despite the challenging environment in the quarter, our international business delivered double-digit growth supported by proactive market interventions and agile execution.

Against this backdrop, Dabur delivered a strong start to the year. During Q1 FY27, our consolidated business grew by 10.6% driven by broad-based growth across both India and international businesses. India FMCG business revenue grew by 9.5%, backed by volume growth of 5%. International business grew by 15.5% in INR terms.

Within the domestic business, the healthcare portfolio continued its strong momentum, recording a 12.3% growth. Our hair care business, including hair oils and shampoos, registered strong double-digit growth. The hair oil portfolio grew in high teens year-over-year with both perfumed and coconut oils growing in double digits. We outpaced category growth and gained 102 basis points in market share.

The shampoo portfolio delivered strong double-digit growth during the quarter. During this period, Vatika launched the Bio Infusions range, India's first no-added salt shampoo range, reflecting our commitment to science-backed innovation and evolving consumer preferences. We continue to drive growth through a combination of premiumization, innovation, and expanded participation in high-growth segments across both hair oils and shampoos.

The oral care portfolio delivered near double-digit growth led by strong momentum across the Red franchise, Miswak, and the Dabur Herbal range. Lal Dant Manjan also posted a double-digit growth during the quarter. Consumer preferences for Ayurvedic, herbal, and natural oral care solutions continued to strengthen with the herbal segment outperforming the non-herbal segment by 550 basis points. Supported by a strong portfolio in this category, we outperformed the overall toothpaste market growth and further strengthened our market share position.

The skin care portfolio registered a high single-digit growth driven by the Gulabari franchise and Oxylife. The Oxylife D-tan range continues to gain traction among consumers, reflecting the relevance of our premium skin care offering. The home care portfolio delivered mid single-digit growth led by Odonil and Sanifresh. Odonil, despite shortages in RM availability, posted a high single-digit growth during this quarter aided by strong momentum in aerosols and zippers, translating into a market share gain of around 80 bps. Our recently launched camphor cones and car fresheners have also witnessed encouraging consumer acceptance.

Sanifresh continued its strong momentum, delivering a growth in high teens. In our health care portfolio, health supplements grew in low single digits. Honey performed very well with a high single-digit growth resulting in a gain in market share of 150 bps. Premium variants like Sundarban and organic honey witnessed good growth. The glucose portfolio was marginally impacted during

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the quarter on account of unseasonal rain at the beginning of the quarter and has since shown strong recovery in the second half of the quarter.

In the digestive portfolio, the Pudin Hara franchise registered a double-digit growth. The recently launched Pudin Hara 5-in-1 fizz has also witnessed an encouraging consumer response. Our Hajmola franchise registered a near double-digit growth supported by a packaging refresh across the portfolio. Isabgol registered a strong double-digit growth. Within OTC and ethicials, Honitus registered a strong double-digit growth of 25% driven by targeted media campaigns highlighting safety and efficacy.

Health juices continued a strong trajectory and grew in mid-20s. Our recently launched new-age nutraceutical brand, Science, grew 3x during the quarter. Our food and beverage portfolio registered a high single-digit growth. Despite unseasonal rains in the beginning of this quarter impacting April, our beverage portfolio made a strong comeback in May and June with mid-teens growth. Our premiumization strategy continues to deliver strong results with active juices growing by over 40% and coconut water registering a growth of over 70% during the quarter. We continue to outperform the category, gaining around 600 bps market share in active juices and 344 bps in coconut water. Our foods business continued its strong double-digit growth of around 30%.

The Badshah business registered a volume-led double-digit growth. Coming to the international business, despite the continued impact of wars, we registered strong growth of 15.5% in INR terms. This is on the back of around 9% growth in the MENA region, 22% growth in the UK and European Union, 28% growth in Egypt, 27% growth in Turkey, and 34% growth in Bangladesh.

Coming to profitability now, despite elevated inflation across several input categories and continued cost pressures in most international markets, we delivered a healthy margin performance through a combination of portfolio premiumization, productivity improvement initiatives, and disciplined cost management. As a result, operating margin grew by 11% and PAT increased by 15%, both ahead of the top line, reflecting the strength of our brand portfolio, execution capabilities, and resilient business model. Looking ahead, while geopolitical developments in the Middle East continue to warrant close monitoring, we remain confident of delivering a sequential acceleration in revenue growth. Stable consumption trends, our go-to-market transformation initiative, Saksham, focused investment in premiumization and innovation, and sustained brand building efforts position us well to drive profitable growth in the quarters ahead. With this, I conclude my address and open the floor for any Q&A. Thank you.

Operator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to please use handsets while asking a question. Ladies and gentlemen, we will now wait for a moment while the question queue is assembled. Our first question comes from the line of Abneesh Roy with Nuvama. Please go ahead.

Abneesh Roy – Nuvama: Sure, thank you. I have three questions. My first question is on Badshah. If you could tell us, in the last few years since the acquisition, have you managed to add a good presence in any new states? I understand at the time of acquisition, it was only in two states. So if you could discuss expansion in any other states. Apart from that, are you happy with the

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performance? Ideally, double-digit volume growth for this kind of business would have been a more desired number given it was in just a few states. So if you could tell us what else is needed? It's a good category. A lot of players have come in. Is there a differentiation issue because almost every listed food company has a presence in this? That is my first question.

Management: Our Badshah business continues to trend well on a double-digit growth trajectory backed by double-digit volume growth in the domestic market and also international. Our Badshah business has actually grown by 13.3% backed by roughly 11% volume growth in the domestic business. So we are pretty happy because there is no price increase there in Badshah. Most of the spices are actually deflationary and all this growth is coming on the back of volume. That said, the international business is also growing by more than 40% in Badshah.

We were present in two states: Gujarat and Maharashtra. We have expanded beyond Gujarat and Maharashtra to MP, Rajasthan and now into Delhi NCR. That has significantly picked up and there is good traction that we are seeing. Despite taste being a little disparate in these areas, because of quick commerce and e-commerce, the business has substantially picked up. Now the total contribution of e-commerce and quick commerce, which is helping us take the brand beyond these two states, is almost 6% of the overall turnover and it is growing at triple digits on e-commerce as we are listing in more and more dark stores. So we are pretty happy with the Badshah performance. The margins have also expanded and the growth continues on a double-digit trajectory, which is what we had decided at the time of the acquisition. When we acquired the business, it was roughly 220 crores; now the business is trending at an exit of around 400 crores. So we are pretty happy with the performance.

Abneesh Roy – Nuvama: Sure, thanks. I was of the understanding that there is severe inflation, especially in chili and some other flavors, but maybe that is not too relevant for your SKUs. My second question is essentially on your two problem categories. I wanted to get more insights there. Yes, I do understand the month of April was challenging. Yesterday Varun Beverages also said that in April their growth was flat and then they saw a spectacular recovery in May and June. The same was said for your fruit juice business.

So here the question is, did glucose also see a recovery in May and June, or is there a shift of customer? Obviously, glucose is pure sugar and not exactly great from a health perspective, and there are so many options of energy drinks now that the customer definitely has more options versus 5 years back. So is there a structural worry for glucose, and did you see great recovery in May and June? I think that will answer whether there is a structural issue. And coming back to the juice business again, Campa Cola is very disruptive. Plus, in your packaging, there was the issue of how you can categorized 100% fruit juice. So if you could tell us, is the big issue in the fruit juice growth now behind us? Can the last 2 months' growth be the new normal, or is every month and quarter still a new time period to analyze?

Management: On these two categories, glucose is a business that, like you rightly said, bounced back after April in May and June. We saw mid-teens growth and high-teens growth actually both in glucose and in juices. Season plays a very big factor. As far as glucose is concerned, it is more about rural consumption and therefore sugar is not an issue. It is consumed for its benefits and for instant energy, especially when the summer heat is there. Out-of-home consumption is very high in

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terms of glucose, especially in rural areas of Bihar, West Bengal, Orissa, and the Hindi belt. It continued to do well in May and June with mid double-digit growth, and so is the case in juices.

As I told you, in juices, 100% juices grew by around 45% and our coconut water grew at around 70%. Our fizz portfolio also grew by around 30-35% driven by Hajmola Fizz as a brand and other fizz products. Our lemon also turned profitable in the second half of the quarter when the summer actually started. So I do not think there is any problem in these two categories; it was just the season, and that is why you saw overall food and beverage growth was around 8%. This is pretty healthy despite April not being very good. Ex-glucose, our healthcare also grew by roughly 7%.

Abneesh Roy - Nuvama: Last question, Mohit. Clearly, you have earmarked 500 crores for D2C acquisitions. What will be the time period for using that? Is there a fixed time period, because this depends upon what is available and is up for negotiation? Second, in terms of innovation—disruptive innovation, not just regular brand extensions—could you give us what have been the big innovations which you are quite happy with in the last few quarters? Disruptive innovations where you have also managed some level of scale currently?

Management: Our acquisition strategy is two-pronged. One is to get a foot in the door with new D2C players with a minority stake, work with the promoters, see if the returns are profitable, and once they turn profitable, then transition to a majority stake. That is what we are doing. We are continuously on the lookout for acquisition targets which are not extremely expensive and which make sense and are synergistic to our entire portfolio.

While we have a target set for ourselves, we have a vision period of around 3 years now. In 3 years, we should be acquiring one or two companies which will be sizable. That is the target the management has taken, but it all depends upon the negotiations because most of these D2C companies are in a process. You participate in the bid, but you cannot guarantee the success. So while we have targeted ourselves to commit to the number, it all depends upon the negotiation.

As far as the second part of the question regarding disruptive innovation, I think we are very happy with the innovation we have done in health supplements and the nutraceutical space. We launched a brand called Science. Last year was the first year; towards the fag end of the year, we launched it. We will see an exit of roughly 50 crore of ARR with Science by the end of the year. The brand is doing well month-on-month. We see it as a D2C disruptive healthcare play for us. This is besides innovation we are doing in every respective category. Whether it is hair care, shampoos, home care, skin care, or honey, innovations to extend the lifecycle of the brand and bring in new users are happening. But Science is the one that I can definitely call out as the disruptive one.

Abneesh Roy - Nuvama: Sure, one last follow-up, Mohit. Is Mr. Harjit Bhalla there on the call? If he is there, close to three months in, what is the initial analysis? What are you seeing as strong points? What can be the areas of improvement? What will be the framework and focus areas? If you can highlight, three months is a short time, but you come from an extremely strong pedigree of Unilever, Hershey's, etc. So if you could tell us your initial thoughts?

Management: He is very much here. Harjit, you want to say hello? You can hear it from the horse's mouth. He is right here with us.

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Management: Hi, everyone. Yes, closing in on three months. I am delighted to be part of this iconic organization. At this stage, the focus has been on the completion of induction, a lot of listening, a lot of learning, and connecting with people across the board. My take on the strengths is that this is an iconic brand. The distribution might is a strong move for us. The passion of the people and the love and trust of the consumers are clearly things that have stood us in good stead. I would also say that it has been a good first quarter for my journey here. The results that have been shared are reflecting consistency over the last three quarters. At this stage, this is what I would be happy sharing and I would look forward to coming back and talking in more detail later in the year.

Abneesh Roy – Nuvama: Sure, thanks Mohit. All the best. Thank you.

Management: Thank you, Abneesh.

Operator: Our next question comes from the line of Aditya Soman with CLSA. Please go ahead.

Aditya Soman – CLSA: Hi, good evening and thanks for the opportunity. Two questions here. Can you give us a sense of the volume growth in the hair oil business and how that shakes out given the sharp inflation in prices there? Secondly, going forward as the base gets tougher, what sort of growth do you expect for the rest of FY27? Thanks.

Management: Aditya, the hair oil business has been seeing very good traction for a couple of quarters. All subsegments of hair oil are doing well. Coconut oils, perfumed oils, value-add oils, almond oils, and our standard brand of amla have all shown double-digit growth in value. Partly it is coming out of the GST pricing freeze and inflationary price increases. There is an 8% volume growth backing this growth of around 18% in overall hair oil. So 50% of growth is coming out of volume and 50% is coming out of price, because a price increase was imminent due to LLP prices moving up as they are crude-linked. We had to take up these prices, and levels have gone up.

We are confident of having double-digit growth in hair oils going forward in the next quarter, and subsequent quarters will also follow. Our entire campaign of "oiling before shampoo" is working very well, featuring Deepika Padukone. We are seeing good trial generation, a market share increase of around 107 basis points, and penetration moving up. All parameters in terms of hair oils, whether it is household panel or Nielsen, are trending up well. In the Hindi belt, we are the number two hair oil penetrated brand. Almost every second household in the Hindi belt is now a Dabur hair oil user. That is very big news for us.

On the business projection for the balance of the year, we had targetted double-digit growth in the current year, and we maintain that we will have double-digit growth in revenue. While inflation is impinging on us, we feel our brands have the strength to pass on this inflation in terms of price increases to the consumer. But we are vigilantly watching the Middle East war situation to see that steps are taken to mitigate inflation. We are confident that our margins are better than last year and should be accretive to our top-line growth.

Aditya Soman – CLSA: Very clear, and thanks for the answer. All the best. Just to double-click on the double-digit growth: would this be for both the India business and the consolidated business, or just at a consolidated level?

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Management: I am talking at the consolidated level. For the full year, we expect double-digit growth at the consolidated level. We have a little tailwind on the international business in terms of currency as well. There are dollar-denominated markets in the Middle East which give us a currency upside in India. That is the icing on the cake here.

Aditya Soman – CLSA: Very clear. Thanks for taking the question and all the best.

Management: Thank you.

Operator: Thank you. Ladies and gentlemen, to ask a question, you may please press star and one. Our next question comes from the line of Prakash Kapadia with Kapadia Financial Services. Please go ahead.

Prakash Kapadia – Kapadia Financial Services: Thanks for the opportunity, Mohit. Two questions from my end. You have seen a 15% plus growth for the quarter. Congrats on that. Given what we are reading on monsoons, what is the outlook on the India business? Half of the country in terms of districts is below normal in monsoons and half is positive. What is the outlook as we move forward? Secondly, if I look at our liquid cash and investments, they are 5,500 crores. This has been piling up. Any thoughts on capital allocation, returning it back, or acquisitions?

Management: As far as the monsoon and El Nino are concerned, there was a lot of concern that there would be a deficit in rainfall, impacting farm output and farmer income, leading to tepid rural growth. But what we have seen on the ground in the last fortnight is that a lot of the monsoon deficit has been covered up with the rain we have seen. There is only a 14-15% deficit as far as the rain is concerned, which augurs very well for the kharif growth season. I do not think it is going to impact us much.

What we have seen in the past quarter is that rural continues to be resilient. Rural is outgrowing urban by 170 basis points according to Nielsen for the category and for us as well. For our business, we have a rural growth of around 560 basis points which is ahead of our urban growth, and I am only taking General Trade (GT). If I include modern trade and e-commerce, which are completely urban, rural is still very resilient. Urban is also resilient. There is no caution seen in our numbers or in the market for Dabur's system. While inflation picking up is a concern, the government is offering a lot of sops in terms of MSP. I think we should be able to navigate the season and the full year on the back of good rural and decent urban growth.

Prakash Kapadia – Kapadia Financial Services: So on capital allocation, I see as an investment almost 9,000 crores on the balance sheet, and the current market cap is around 76,500 crores. Any strategic direction for capital allocation because that is a large sum lying on the balance sheet. Can we put it to work? Can we see more payouts?

Management: You are right, Prakash. We have approximately 9,000 crores in cash and our value is around 76,500 crores. There would be three or four capital allocation strategies. First being acquisitions, either of a large-scale company or investments into D2C where we have already allocated 500 crores for Dabur Ventures. Second would be dividends. As you know, we have already enhanced our payout, and 100% of India profits are given out as dividends. Third would be routine extensions. We are coming up with new units in Tamil Nadu where we are investing

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400-500 crores in growth. If a good-sized acquisition is in the pipeline, we would also consider that. We have said we will rest it depending on the shareholders and the thought process, but we have already increased dividend payouts proportionally.

Prakash Kapadia – Kapadia Financial Services: Sure. Because even after that, current cash flows would be sufficient. Perhaps you should consider a board-level decision on capital allocation as that would be helpful for investors.

Management: Yes, we are taking that back. That is why you will see in the last 2 or 3 years we are increasing it. 100% of India profit will go back to shareholders. Whatever remains outside India is there for internal needs.

Prakash Kapadia – Kapadia Financial Services: Sure. And Mohit, if this double-digit volume comes through, you should be in a position to maintain this 14-15% growth at a consolidated level in the coming quarters?

Management: Volume will not be double-digit, Prakash. As I mentioned, top line will be driven more by revenue and price because of the inflation we have to pass on to the consumer. Price growth and value growth are becoming higher compared to volume growth. Volume will be under pressure as inflation is high. While we want profit growth to be accretive to the top-line growth, we have to watch the underlying inflation and the geopolitical situation. It depends upon the war. If the war in the Middle East ends tomorrow, then petroleum prices will come down and food-linked inflation will decrease, making us very confident in delivering double-digit profitable growth in line with the top line. If the war continues, then it is wait and watch.

Prakash Kapadia – Kapadia Financial Services: Understood. Thank you and all the best.

Management: Thank you very much.

Operator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Rahul Sarogi for closing comments.

Management: Thank you, everyone, for joining us today on our earnings call. The webcast recording and transcript will be available on our website. Thank you and have a great evening ahead.

Operator: Thank you. On behalf of Dabur India Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

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