

Promising rural tailwind to aid growth

Dabur's Q1FY25 print was in-line with our estimates; Consolidated revenue/EBITDA/PAT grew 7.0%/8.3%/8.2% YoY. Domestic business volumes grew 5.2%, yet International business grew 18.4% (CC). Domestic growth was led by HPC (+8.1%), F&B (+4.0%), Health care (+7.0%). Management said its three fold strategy helped to address changing landscape. Q1 growth was driven by, (1) gradual pickup in rural which outpaced urban growth by 350bp, (2) 3% contribution from NPD, (3) with 20% contribution from emerging channels MT/ecom grew 17%/20% YoY. Gross margin moved up to 47.8% (+119bp) owing to lower inflation and cost saving initiatives. Despite higher employee/other expenses 8.7%/9.7% and ad spends (7.0% of sales) EBITDA margin settled at 19.6% (+24bp). Dabur aims to deliver high single digit volume growth with ~2% price hikes and aspires to recoup +20% EBITDA margin, though savings from lower input costs would be invested back in ad-spends. We tweak our earnings and retain BUY rating with a revised DCF-based TP of Rs735 (implying avg. 43.4x FY27E EPS).

Q1FY25 growth was driven by HPC (+8.1%), though high heatwave cut healthcare/F&B sales
Dabur's Q1FY25 consol. revenues grew by 7.0%. Domestic business volumes grew 5.2%, yet International business grew 18.4% (CC). Domestic growth was led by HPC (+8.1%), F&B (+4.0%), Health care (+7.0%). Management said its three fold strategy helped to address changing landscape. Q1 growth was driven by, (1) gradual pickup in rural which outpaced urban growth by 350bp, (2) 3% contribution from NPD, (3) with 20% contribution from emerging channels MT/ecom grew 17%/20% YoY. *Badshah* spices grew 15% while food segment grew 21.3%. Dabur benefited from gradual uptick in discretionary spending led by improved macros and government's focus on rural infra. Category growth: Foods (+21.3%), *Badshah* spices (+15.0%), Shampoo (+13.7%), Oral Care (+11.4%), Digestives (+10.7%), Home care (+8.0%), Health Supplements (+7.8%), Skin care (+6.1%), OTC & Ethicals (+3.7%), H/Oils (+3.3%) and Beverages (+2.8%). Growth in international business was led by the Egypt (+63.7%), SSA (+21.4%), Turkey (+18.5%), MENA (+13.0%), SAARC (+9.2%) and Namaste (+3.1%).

Softening input prices improved Q1 gross margin; ad-spends inched up to 7.0% of net sales
With softening input costs, despite elevated prices for LLP, herbs/food concentrate Dabur's gross margin moved up to 47.8% (+119bp) owing to cost saving initiatives. Despite higher employee/other expenses +8.7%/+9.7%, and ad spends (+15.4%) EBITDA margin settled at 19.6% (+24bp). Dabur aims to recoup +20.0% EBITDA margin led by premium portfolio and ~2.0% price hike, though savings would be invested back in the ad-spends and promotion.

Namaste facing law suit in US – contribute ~1% to revenues

Management said legal cost of Namaste would come down from Rs1bn to Rs0.8bn in FY25 and case is on the discovery stage (cost is insured which may help to recover 50% amount). Management said there is enough insurance cover available, though Dabur has separated international business and subsidiaries from Namaste.

Valuation and risks

Dabur mitigated the impact of inflationary pressures through disciplined cost control, operational efficiencies and judicious price increases. Dabur expects, with stable monsoon and govt. spending on infra push to lift rural sales momentum helped to grow faster than urban. Further, savings from falling input prices would get reinvested in ad-spend as company intends to support power brands and NPD funnel. Food portfolio (*Badshah* masala) would continue to growth +20%. We have increased earnings for FY25E/FY26E by 2.1%/3.5% and introduced FY27E. We retain BUY with a revised DCF-based TP of Rs735 (43.4x FY26E EPS). Risks are tepid demand along with irrational competition.

Financial and valuation summary

YE Mar (Rs mn)	1QFY25A	1QFY24A	YoY (%)	4QFY24A	QoQ (%)	FY25E	FY26E	FY27E
Revenues	33,491	31,305	7.0	28,146	19.0	1,39,258	1,55,885	1,74,590
EBITDA	6,550	6,047	8.3	4,668	40.3	28,508	33,447	38,203
EBITDA margin (%)	19.6	19.3	24bp	16.6	300bp	20.5	21.5	21.9
Adj. Net profit	4,946	4,568	8.3	3,416	44.8	22,064	25,850	29,933
Adj. EPS (Rs)	2.8	2.6	8.2	1.9	44.7	12.5	14.6	16.9
EPS growth (%)						19.7	17.2	15.8
PE (x)						51.7	44.1	38.1
EV/EBITDA (x)						37.5	31.5	27.1
PBV (x)						10.3	9.1	8.1
RoE (%)						21.1	21.9	22.4
RoCE (%)						18.7	19.8	20.6

Source: Company, Centrum Broking

Result Update

India I Consumer

02 August, 2024

BUY

Price: Rs644

Target Price: Rs735

Forecast return: 14%

Institutional Research

Market Data

Bloomberg:	DABUR IN
52 week H/L:	662/489
Market cap:	Rs1140.5bn
Shares Outstanding:	1772.3mn
Free float:	39.9%
Avg. daily vol. 3mth:	42,35,211

Source: Bloomberg

Changes in the report

Rating:	Unchanged
Target price:	Rs735 from Rs702
EPS:	FY25E: Rs12.5; Up2.1% FY26E: Rs14.6; Up3.5%

Source: Centrum Broking

Shareholding pattern

	Jun-24	Mar-24	Dec-23	Sep-23
Promoter	66.2	66.3	66.2	66.2
FIIIs	15.0	15.8	16.5	18.4
DIIIs	13.6	12.6	11.8	9.9
Public/other	5.2	5.4	5.5	5.5

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q1FY25	Actual Q1FY25	Variance (%)
Revenue	33,558	33,491	(0.2)
EBITDA	6,477	6,550	1.1
EBITDA margin %	19.3	19.6	26bps
Other Income	1,220	1,294	6.1
Interest	252.8	326.6	29.2
Depreciation	1,043.7	1,091.2	4.5
PBT	6,400	6,427	0.4
Tax	(1,568)	(1,481)	(5.5)
Rep. PAT	4,832	4,946	2.4
Adj. PAT	4,832	4,944	2.3

Source: Bloomberg, Centrum Broking



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Consumer

Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY25E New	FY25E Old	% chg	FY26E New	FY26E Old	% chg
Revenue	1,39,258	1,39,356	(0.1)	1,55,885	1,55,007	0.6
EBITDA	28,508	27,829	2.4	33,447	32,407	3.2
EBITDA margin %	20.5	20.0	47bps	21.5	20.9	56bps
Adj. PAT	22,064	21,530	2.5	25,850	24,986	3.5
Diluted EPS (Rs)	12.5	12.2	2.1	14.6	14.1	3.5

Source: Centrum Broking

Dabur India versus NIFTY 50

	1m	6m	1 year
DABUR IN	5.3	16.1	13.1
NIFTY 50	3.6	15.3	26.7

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY25E	FY26E
Volume growth	7.0	6.0
Price/mix growth	3.0	3.0

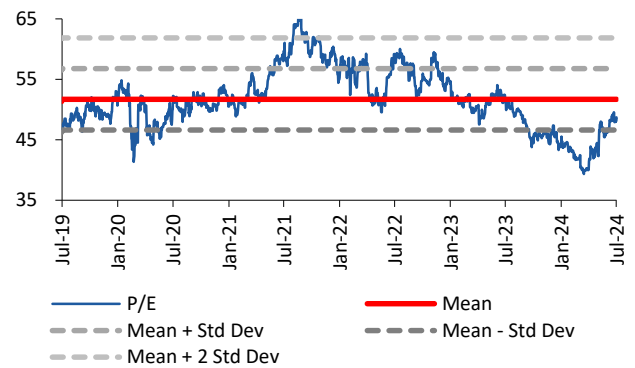
Source: Centrum Broking

Valuations

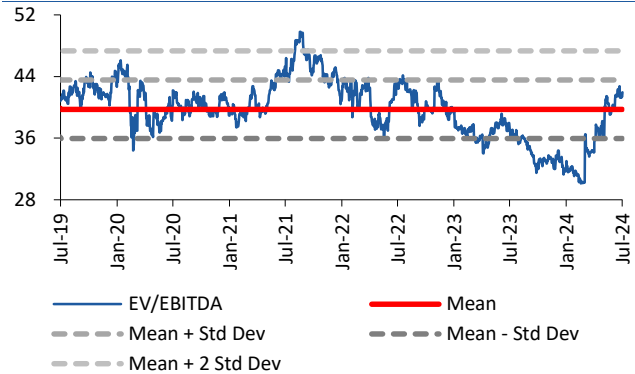
Dabur mitigated the impact of inflationary pressures through disciplined cost control, operational efficiencies and judicious price increases. Dabur expects, with stable monsoon and govt. spending on infra push to lift rural sales momentum helped to grow faster than urban. Further, savings from falling input prices would get reinvested in ad-spend as company intends to support power brands and NPD funnel. Food portfolio (Badshah masala) would continue to growth +20%. We have increased earnings for FY25E/FY26E by 2.1%/3.5% and introduced FY27E. We retain BUY with a revised DCF-based TP of Rs735 (43.4x FY26E EPS). Risks are tepid demand along with irrational competition.

Valuations	Rs/share
DCF-based target price (Rs)	735
WACC (%)	9.2
Terminal growth (%)	6.5

P/E mean and standard deviation



EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer comparison

Company	Mkt Cap (Rs bn)	CAGR (FY24-26E)				P/E (x)			EV/EBITDA (x)			RoE		
		Sales	EBITDA	EPS	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	
HUL	6,479.8	8.8	10.1	11.1	63.7	57.7	51.6	41.4	38.0	33.9	20.2	21.9	23.8	
Britannia	1,312.1	13.8	15.3	19.2	55.8	45.8	39.3	37.7	32.4	28.0	58.4	60.6	57.1	
Dabur	1,140.4	12.1	18.0	18.4	61.9	51.7	44.1	44.6	37.5	31.5	19.6	21.1	21.9	
Colgate	873.3	11.7	12.8	15.3	65.0	55.4	48.9	38.4	34.6	31.0	74.8	79.5	86.5	
Emami	321.3	12.6	18.7	21.3	49.7	42.3	35.8	34.9	28.8	24.2	30.7	34.1	36.4	
Bajaj Consumer	37.3	14.4	22.0	20.6	22.2	17.1	14.9	21.1	14.2	11.7	19.1	22.8	23.3	

Source: Company, Centrum Broking

Exhibit 1: Key concall takeaways and metrics

Centrum Quarterly Monitor	Q4FY24	Q1FY25	Our Comments
Demand environment	Rural growth led by Ayurvedic portfolio, while premiumise portfolio gain traction urban market	Management expect growth would continue on the back of better monsoon along with the support of rural centric budget	Management has given positive outlook for HPC & Healthcare portfolio while F&B would check moderate performance.
Future outlook	Management aiming at mid to high single digit volume growth, yet ~3% price hike in medium term. Dabur is aiming to recoup +20.0% margin.	The company is committed to investing behind its brands, which may impact gross margins, but expects operating margins to grow beyond 19.6%	We believe Dabur will continue to balance value and volume mix with strong recovery in rural markets.
On long-term strategy of power brands	Power brand contribute 75%-80% in FY24, management allude power brands growth will be driven by leveraging infrastructure, innovation and increasing saliency of high value products	The diversified portfolio of the company continued to thrive, achieving market share gains in 95% of the portfolio	We believe Dabur to benefit from strong tailwind from rural recovery. Its growth strategy is drive by (1) enhance market reach and augment penetration, (2) continued focus on innovation funnel, and (3) building capability for fir organization.
Distribution expansion	Dabur expanded reach to 1.22 lakh villages through 22k Yodhas. Direct reach has gone up 1.42mn	Management has added 30k Ayurvedic practitioners, 22k gynaecologist, 12k dermatologists and 400 feet on street to advocate the OTC portfolio	Effort made on direct distribution. and enhanced village coverage is key to Dabur's success as Dabur intends to cover +1.6mn outlets and +110K villages.

Source: Company, Centrum Broking

Conference call highlights

Overall

- Consol. revenues grew 7.0% to Rs33.4bn (CentE. Rs33.6bn) on the back of 5.2% volume growth in India business while rural grew 9%. International growth was strong at 18.4% (CC basis)
- Management observed gradual pickup in the rural areas and expect growth would continue on the back of better monsoon along with the support of rural centric budget with a focus on rural infrastructure, agriculture and employment
- The diversified portfolio of the company continued to thrive, achieving market share gains in 95% of the portfolio
- The company is committed to investing behind its brands, which may impact gross margins, but expects operating margins to grow beyond 19.6%
- The company anticipates a deflationary environment in the second quarter, which should help maintain flat inflation, but expects inflation to return in quarters three and four
- In Badshah, performance has been strong, achieving 16% volume growth and 15% value growth despite previous pricing increases. Badshah's prices have been lowered due to falling commodity prices, improving gross margins for Badshah by 500 basis points. The increased scrutiny from UK regulators has led to delays and a backlog in the supply chain
- The natural segment, which comprises 30% of sales, is outperforming the non-natural segment and showing stronger growth. Dabur Red has gained market share, and management is currently revamping the Dabur Red portfolio. In oral care, volume grew by 8%, complemented by a 3% price increase. Although Dabur has lost market share in UP to Patanjali, management is confident in regaining this share and aims to expand distribution reach from the current 3 million to the total universe of 8 million
- In the urban market, Quick commerce (35% of e-commerce), E-commerce and Modern Trade (Dmart & Reliance contributed 65%) have been performed well and similar net margin offer with GT; In the HPC segment saw muted growth
- On the margin front, management expects marginal improvement on operating level while 100-150bps gross margin expansion would be visible (70% of the expansion would re-invest in A&P, A&P as% on sales stands at 8%)
- Legal cost of Namaste would come down from Rs1bn to 0.8bn in FY25 and case is on the discovery stage (cost is insured where management to get 50% money back)
- Competitive intensity has picked up in hair oil and majorly on coconut hair oil as the 3rd largest player (Bajaj Consumer) has given deep discounting which had impacted No.1 player (Marico) in the market
- The heatwave created a favourable environment for glucose business, which experienced a 30% growth and gained approximately 70 basis points in market share. Additionally, the value-added glucose products have performed well
- On the OTC & Ethical portfolio, management has added 30k Ayurvedic practitioners, 22k gynaecologist, 12k dermatologists and 400 feet on street to advocate the OTC portfolio; growth has been slow in short term while management is confident to get higher growth in the long term
- OTC saw muted performance due to higher base on honitus while Hajmola, Pudinhara (+20%) & baby care (+45%) have performed well; Hajmola portfolio has extended to Hajmola Jeera drinks
- In the Beverage segment, juice grew (+21%), drinks (+19%) and CSD (+1x) while Nectar (70% saliency and 56% market share) has muted growth due to higher price (3.25x higher Vs CSD) and lower consumer preference in summer season, Real Nectar gained 330bps market share gain while Tropicana (200bps) and BNaturals (280bps) have lost market share

Category-wise commentary

Healthcare

- Healthcare which contributes 26.2% to the total domestic business grew 7.0% YoY to Rs6.2bn
- Health Supplements (+7.8%), Digestives (+10.7%), and OTC & Ethicals (+3.7%);
- Dabur Glucose recorded strong growth of 30%+ amidst harsh summer conditions; market share gains of 70 bps
- Digestives grew by 10.7%. The company launched Hajmola Mr Aam & Hajmola Zeera during the quarter
- OTC portfolio was impacted by high base in Q1FY24 (24% growth)
- Health Juices, Dabur baby & Branded Ethicals delivered strong double-digit performance
- Market share gain of 65 bps gain in Baby Massage Oils

Home & Personal care

- HPC which contributes 49.6% to the total domestic business grew 8.1% YoY to Rs11.75bn
- Oral Care (+11.4%), Shampoo (+13.7%), H/Oils (+3.3%), Home care (+8.0%), and Skin care (+6.1%);
- Odomos and Odonil performed well surpassing category growths and achieving market share gains of 500+ bps and 194 bps respectively. Liquid vapourizer scaling up well
- Oral care portfolio achieved double digit growth led by Dabur Red franchise which grew by 12% and posted market share gains
- Gulabari brand registered strong double-digit growth
- Market share increase of 70 bps in bleach creams

Food & beverages

- F&B which contributes 24.2% to the total domestic business grew 4.0% YoY to Rs5.72bn
- F&B: Beverages (+2.8%), Foods (+21.3%) & Badshah (+15.0%)
- Fruit Drinks portfolio grew in high teens
- Market share in J&N category expanded by ~330 bps
- Hommade brand grew by ~ 21% during Q1 FY25
- Badshah spices portfolio recorded 15% growth on the back of focused marketing initiatives and portfolio revitalization

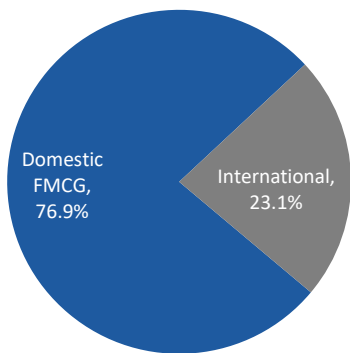
International Business

- International Business which contributes 23% to the total revenue grew 18.4% in CC terms to Rs7.72bn
- During the quarter, the Egypt business was up 63.7%, SSA business up by 21.4%, Turkey business up by 18.5%, MENA up by 13.0%, SAARC up by 9.2% and Namaste business posted a growth of 3.1%

Margin outlook

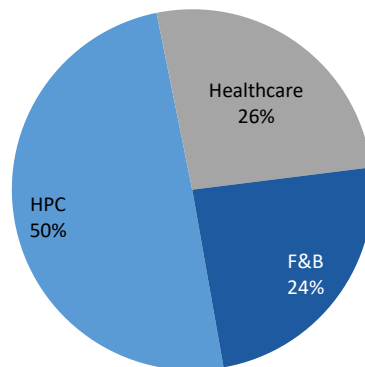
- Gross margins improved 119bp to 47.8% led by lower inflation in key commodity and packaging materials
- EBITDA up by 8.3% resulting in EBITDA margin at 19.6% (+24bp) despite higher other expenses (+9.7%), employee cost (+8.7%) and A&P cost (+15.4%); A&P as a % of sales grew by 50bp to 7.0%
- PAT increased by 8.3% to Rs5.0bn while Interest expenses grew 34.3%

Exhibit 2: Dabur revenue mix – Q1FY25



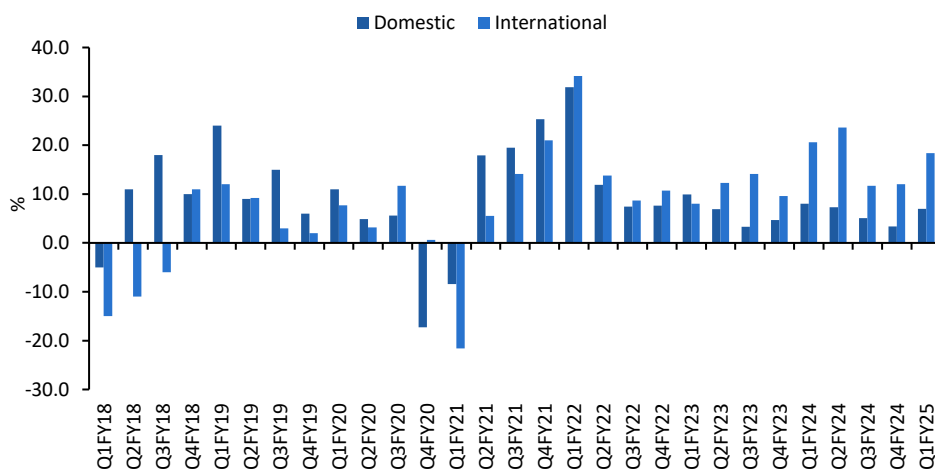
Source: Company, Centrum Broking

Exhibit 3: Domestic revenue mix – Q1FY25



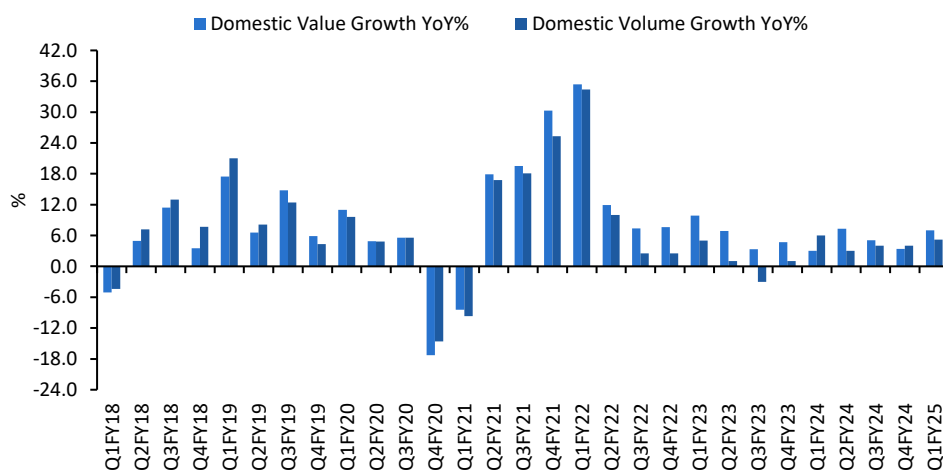
Source: Company, Centrum Broking

Exhibit 4: Domestic and international sales growth



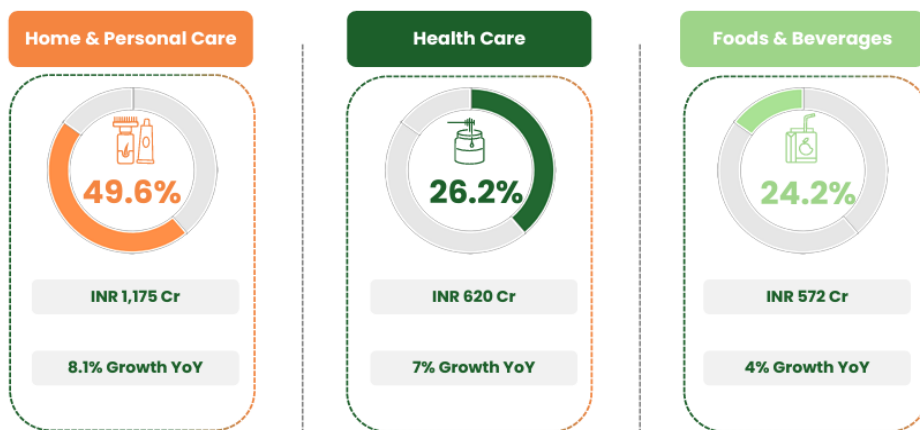
Source: Company, Centrum Broking

Exhibit 5: Domestic FMCG value and volume growth



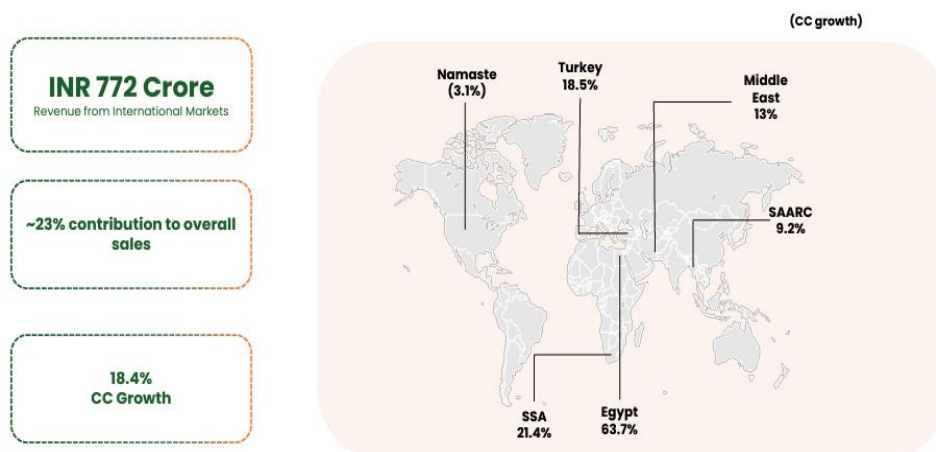
Source: Company, Centrum Broking

Exhibit 6: Vertical wise contribution to Domestic FMCG in Q1



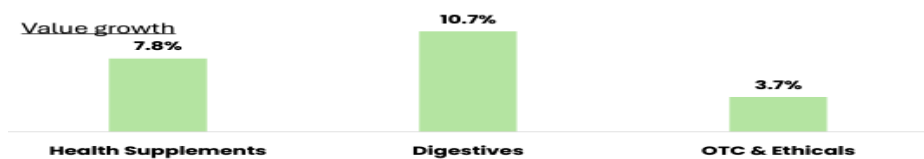
Source: Company

Exhibit 7: International business performance in Q1FY25



Source: Company

Exhibit 8: Healthcare Business



Health Supplements:

- Dabur Glucose recorded strong growth of 30%+ amidst harsh summer conditions; market share gains of 70 bps

Digestives:

- Digestives grew by 10.7%
- This quarter we launched Hajmola Mr Aam & Hajmola Zeera which garnered positive consumer feedback

OTC & Ethicals:

- OTC portfolio was impacted by high base in Q1FY24 (24% growth) (2 Yr. CAGR: 10%)
- Health Juices, Dabur baby & Branded Ethicals delivered strong double-digit performance
- Market share gain of 65 bps gain in Baby Massage Oils

Source: Company

Exhibit 9: HPC Business



Oral Care: Oral care portfolio achieved double digit growth led by Dabur Red franchise which grew by 12% and posted market share gains

Hair Care:

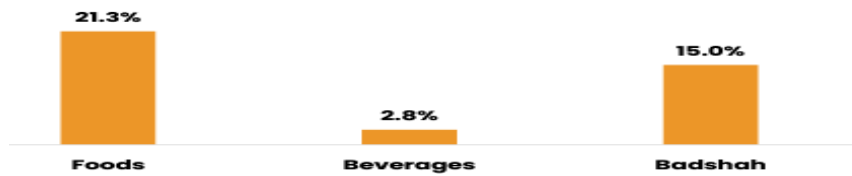
- **Shampoo:** Vatika grew by 12%; gain in market share
- **Hair Oil:**
 - Coconut Oil grew by 20%+
 - Perfumed hair oils outpaced the category growth thereby gaining ~100 bps market share

Home Care: Odomos and Odonil performed well surpassing category growths and achieving market share gains of 500+ bps and 194 bps respectively. Liquid vapourizer scaling up well

Skin Care: Gulabari brand registered strong double-digit growth. Market share increase of 70 bps in bleach creams

Source: Company

Exhibit 10: F&B Business



Beverages:

- Fruit Drinks portfolio grew in high teens
- J&N segment got impacted due to exceptionally harsh summers which led to consumer preference shifting to thirst quenching products
- Market share in J&N category expanded by ~330 bps
- Recently launched fruit juice 'Real Bites' in Can format

Foods:

- Hommade brand grew by ~ 21% during Q1 FY25
- Badshah spices portfolio recorded 15% growth on the back of focused marketing initiatives and portfolio revitalization

Source: Company

Exhibit 11: Quarterly financials

Particulars (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Net Sales	29,865	30,432	26,778	31,305	32,038	32,551	28,146	33,491
Other Operating Income	1	1	0	0	0	0		
Total Income	29,866	30,433	26,778	31,305	32,038	32,551	28,146	33,491
Accretion to Stocks in trade & work in progress	259	1,277	1,455	925	698	796	-533	1,432
Raw Material Consumed	13,166	11,696	14,468	13,454	13,515	12,704	12,196	13,585
Purchase of Stock-in-Trade	2,889	3,609	1,497	2,339	3,740	3,228	2,804	2,470
Employee Expenses	2,876	2,908	2,887	2,972	3,155	3,106	3,162	3,229
Advertising Spends	1,518	1,796	1,516	2,043	2,165	2,445	1,837	2,359
Other Exp.	3,150	3,047	3,766	3,524	3,552	3,593	4,012	3,866
Operating Profit (Core EBITDA)	6,008	6,100	4,098	6,047	6,609	6,678	4,668	6,550
Depreciation	705	709	1,020	966	983	969	1,074	1,091
EBIT	5,304	5,391	3,078	5,081	5,626	5,709	3,595	5,459
Interest	151	189	321	243	281	365	352	327
Other Income	1,233	1,008	1,207	1,098	1,164	1,274	1,289	1,294
Other Excep. Items (restructuring, asset sales etc)	(3)	(8)	(2)	0	0	0		
Profit Before Tax	6,385	6,209	3,964	5,936	6,508	6,618	4,531	6,427
Tax	1,473	1,435	1,035	1,368	1,443	1,550	1,114	1,481
Tax rate (%)	23.1	23.1	26.1	23.0	22.2	23.4	24.6	23.0
Profit After Tax	4,912	4,774	2,930	4,568	5,066	5,068	3,416	4,946
PAT attributable to Consolidated Group	4,909	4,767	2,928	4,566	5,070	5,064	3,412	4,944
Adjusted PAT for the group	4,912	4,774	2,930	4,568	5,066	5,068	3,416	4,946
Growth (%)								
Net Sales	6.0	3.4	6.4	10.9	7.3	7.0	5.1	7.0
EBITDA	(3.2)	(2.8)	(9.6)	11.2	10.0	9.5	13.9	8.3
Adj. PAT	(2.7)	(5.2)	(22.6)	3.5	3.1	6.1	16.6	8.2
Margin (%)								
Gross Margin	45.4	45.5	45.8	46.6	48.3	48.6	48.6%	47.8%
EBITDA	20.1	20.0	15.3	19.3	20.6	20.5	16.6%	19.6%
EBIT	17.8	17.7	11.5	16.2	17.6	17.5	12.8%	16.3%
PAT (reported before minority interest)	16.4	15.7	10.9	14.6	15.8	15.6	12.1%	14.8%
Revenue by segment								
Consumer care	24,109	26,180	20,967	23,914	25,950	27,418	22,140	25,672
Foods	4,991	3,525	5,212	6,688	5,400	4,421	5,277	7,032
Retail	262	316	275	297	299	329	309	296
Others	408	314	234	312	308	291	318	401
Growth YoY %								
Consumer care	1.0	2.9	0.1	12.0	7.6	4.7	5.6	7.4
Foods	34.9	7.1	44.8	9.9	8.2	25.4	1.3	5.1
Retail	43.3	15.0	23.5	15.7	14.1	4.1	12.4	(0.3)
EBIT								
Consumer care	5,643	6,099	3,883	5,581	6,300	6,662	4,503	6,069
Foods	933	495	711	927	806	628	676	983
Retail	-4.5	5	-12	-3	1	6	8	1
Others	43	40	31	36	35	31	19	48
EBIT %								
Consumer care	23.4	23.3	18.5	23.3	24.3	24.3	20.3	23.6
Foods	18.7	14.0	13.6	13.9	14.9	14.2	12.8	14.0
Retail	-1.7	1.5	-4.2	-1.0	0.3	1.9	2.7	0.3
Others	10.6	12.9	13.2	11.6	11.3	10.5	5.8	12.0
Domestic FMCG business by verticals								
HPC	10,420	9,860	8,210	11,070	11,070	10,510	8,920	11,750
Healthcare	6,140	8,580	5,700	5,950	6,480	8,830	5,620	6,200
F&B	4,250	3,190	4,210	5,570	3,930	3,410	4,200	5,720
Sales contribution by verticals								
HPC	50.1	45.6	45.3	49.0	51.5	46.2	47.6	49.6
Healthcare	29.5	39.7	31.5	26.3	30.2	38.8	30.0	26.2
F&B	20.4	14.7	23.2	24.7	18.3	15.0	22.4	24.2

Source: Company, Centrum Broking

P&L					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenues	1,15,299	1,24,040	1,39,258	1,55,885	1,74,590
Operating Expense	82,288	87,642	93,565	1,03,347	1,13,527
Employee cost	11,370	12,396	13,872	15,543	18,097
Others	0	0	3,313	3,548	4,763
EBITDA	21,641	24,002	28,508	33,447	38,203
Depreciation & Amortisation	3,110	3,992	4,320	4,724	4,364
EBIT	18,532	20,010	24,188	28,723	33,838
Interest expenses	782	1,242	1,391	1,540	1,177
Other income	4,454	4,824	5,307	5,731	6,018
PBT	22,203	23,593	28,104	32,914	38,679
Taxes	5,174	5,474	6,380	7,472	8,746
Effective tax rate (%)	23.3	23.2	22.7	22.7	22.6
PAT	17,030	18,118	21,724	25,443	29,933
Minority/Associates	42	309	339	407	0
Recurring PAT	17,072	18,427	22,064	25,850	29,933
Extraordinary items	0	0	0	0	0
Reported PAT	17,072	18,427	22,064	25,850	29,933

Ratios					
YE Mar	FY23A	FY24A	FY25E	FY26E	FY27E
Growth (%)					
Revenue	5.9	7.6	12.3	11.9	12.0
EBITDA	(4.0)	10.9	18.8	17.3	14.2
Adj. EPS	(6.6)	7.9	19.7	17.2	15.8
Margins (%)					
Gross	45.6	48.0	48.2	48.6	50.1
EBITDA	18.8	19.4	20.5	21.5	21.9
EBIT	16.1	16.1	17.4	18.4	19.4
Adjusted PAT	14.8	14.9	15.8	16.6	17.1
Returns (%)					
ROE	19.7	19.6	21.1	21.9	22.4
ROCE	17.4	17.1	18.7	19.8	20.6
ROIC	39.5	36.8	39.8	43.6	53.4
Turnover (days)					
Gross block turnover ratio (x)	2.2	2.1	2.5	2.6	2.8
Debtors	24	26	21	17	17
Inventory	115	112	109	114	115
Creditors	122	130	127	125	128
Net working capital	220	227	251	260	271
Solvency (x)					
Net debt-equity	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)
Interest coverage ratio	27.7	19.3	20.5	21.7	32.5
Net debt/EBITDA	(2.5)	(2.6)	(2.3)	(2.4)	(2.6)
Per share (Rs)					
Adjusted EPS	9.6	10.4	12.5	14.6	16.9
BVPS	50.6	55.7	62.4	70.7	79.9
CEPS	11.4	12.7	14.9	17.3	19.4
DPS	6.3	5.5	5.8	6.3	7.8
Dividend payout (%)	64.9	52.9	46.2	42.8	45.9
Valuation (x)					
P/E	66.8	61.9	51.7	44.1	38.1
P/BV	12.7	11.6	10.3	9.1	8.1
EV/EBITDA	49.9	44.6	37.5	31.5	27.1
Dividend yield (%)	1.0	0.9	0.9	1.0	1.2

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity share capital	1,772	1,772	1,772	1,772	1,772
Reserves & surplus	87,961	96,891	1,08,774	1,23,551	1,39,754
Shareholders fund	89,733	98,663	1,10,546	1,25,323	1,41,526
Minority Interest	4,682	4,368	4,028	3,621	3,621
Total debt	11,738	13,651	13,151	12,651	12,151
Non Current Liabilities	693	739	823	914	1,017
Def tax liab. (net)	910	1,090	1,090	1,090	1,090
Total liabilities	1,07,755	1,18,511	1,29,639	1,43,600	1,59,405
Gross block	52,226	58,831	55,703	59,047	62,689
Less: acc. Depreciation	(20,963)	(24,955)	(29,275)	(33,999)	(38,363)
Net block	31,263	33,876	26,429	25,048	24,326
Capital WIP	1,751	2,091	2,091	2,091	2,091
Net fixed assets	37,067	40,018	32,571	31,191	30,468
Non Current Assets	1,228	1,297	1,418	1,549	1,697
Investments	0	0	0	0	0
Inventories	20,242	19,470	23,731	26,180	28,891
Sundry debtors	8,488	8,987	7,234	7,713	8,208
Cash & Cash Equivalents	66,382	76,445	77,756	93,598	1,11,410
Loans & advances	290	425	477	534	598
Other current assets	2,847	4,585	21,813	22,428	24,952
Trade payables	21,866	24,217	25,808	28,889	32,356
Other current liab.	4,782	6,000	6,736	7,540	8,445
Provisions	2,140	2,499	2,805	3,140	3,517
Net current assets	69,460	77,196	95,662	1,10,883	1,29,741
Total assets	1,07,755	1,18,511	1,29,639	1,43,600	1,59,406

Cashflow					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Profit Before Tax	22,187	23,587	28,104	32,914	38,679
Depreciation & Amortisation	3,110	3,992	4,320	4,724	4,364
Net Interest	(3,611)	3,931	(3,915)	(4,191)	(4,841)
Net Change – WC	(1,601)	1,011	92	754	742
Direct taxes	(4,945)	(4,939)	(6,380)	(7,472)	(8,746)
Net cash from operations	14,884	20,135	22,220	26,729	30,199
Capital expenditure	(4,857)	(5,609)	(14,133)	(3,344)	(3,642)
Acquisitions, net	0	0	0	0	0
Investments	(4,950)	(7,978)	0	0	(1,833)
Others	3,942	3,870	5,302	5,569	6,663
Net cash from investing	(5,865)	(9,717)	(8,831)	2,225	1,187
FCF	9,019	10,417	13,390	28,954	31,386
Issue of share capital	4	0	0	0	0
Increase/(decrease) in debt	488	(472)	(500)	(500)	(500)
Dividend paid	(9,213)	(9,658)	(10,187)	(11,073)	(13,731)
Interest paid	(779)	(1,067)	(1,391)	(1,540)	(1,177)
Others	(852)	(416)	0	0	0
Net cash from financing	(10,352)	(11,612)	(12,078)	(13,113)	(15,408)
Net change in Cash	(1,333)	(1,195)	1,311	15,842	15,978

Source: Company, Centrum Broking

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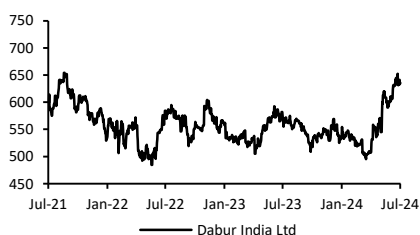
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Dabur India Ltd



Source: Bloomberg

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