

## Innovation, foray in new categories working well...

**About the stock:** Dabur India (DIL) is one of the biggest FMCG companies with a presence in Ayurveda based products across categories. The company has substantial market share in health supplement, OTC & Ethical products, oral care, hair care, home care & juices.

- The company has a total distribution reach of 6.9 million retail outlets with direct reach of 1.3 million outlets. It plans to increase direct distribution to 1.5 million outlets in next two years. Dabur also derives ~50% of its sales through rural regions with a presence in 90,000 villages

**Q1FY23 Results:** Dabur reported 9.9% India sales growth led by 5% volume uptick.

- Consolidated sales were up 8.1% YoY, led by strong growth in beverages
- EBITDA was at ₹ 543.7 crore, down 1.5 YoY, with margins at 19.3%
- Consequent adjusted PAT was flat at ₹ 441.1 crore

**What should investors do?** Dabur's share price has given 89% return in the last five years (from ₹ 303 in August 2017 to 574 in August 2022).

- We believe Dabur has been increasing its addressable market by foraying into newer categories and leveraging existing brands with extensions
- We continue to maintain our **BUY** rating on the stock

**Target Price and Valuation:** We value the stock at ₹ 700 on ascribing 55x FY24 earnings multiple

**Key triggers for future price performance:**

- Though commodity inflation has impacted consumer sentiments and margins in the near term, DIL could benefit from high growth in agri-economy due to increasing agri exports and, in turn, improving rural growth
- Increasing the addressable market by diversifying in categories like fruit drinks, health foods (under real brand), herbs & baby products under Dabur brand & extending Chyawanprash, Honey into new variants
- Extensive rural distribution expansion, increasing direct distribution reach & e-commerce presence to support newer & under-penetrated category sales

**Alternate Stock Idea:** We also like TCPL in our FMCG coverage.

- Strong innovation & premiumisation strategy in salt, tea, Sampann & Soulful in India market expected to drive sales & margins
- We value stock at ₹ 910 on ascribing 52x FY24 earnings multiple.



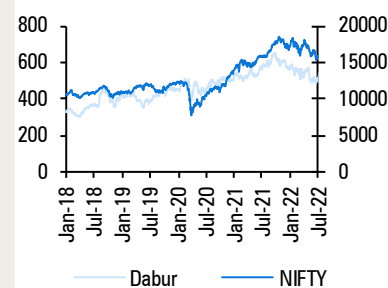
### Particulars

Particular (₹ crore)	Amount
Market Capitalization	1,01,458.0
Total Debt (FY22)	1,030.1
Cash and Investments (FY22)	6,780.3
EV	95,707.8
52 week H/L (₹)	659 / 482
Equity capital	176.6
Face value (₹)	1.0

### Shareholding pattern

(in %)	Sep-21	Dec-21	Mar-22	Jun-22
Promoter	67.4	67.4	67.4	67.2
FII	21.4	21.1	20.4	20.2
DII	3.4	3.6	3.8	4.0
Others	7.8	8.0	8.4	8.5

### Price Chart



### Recent event & key risks

- Real fruit drinks reached ₹ 100 crore sales in FY22. It could reach ₹ 200 crore sales in current year
- Key Risk:** (i) Incessant inflation in crude & related commodity prices (ii) Slower than expected pick-up in rural volumes

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## Key Financial Summary

Key Financials	FY20	FY21	FY22	5 Year CAGR (FY17-22)	FY23E	FY24E	CAGR (FY22-24E)
Net Sales	8703.6	9561.7	10888.7	7.2	12155.0	13520.1	11.4
EBITDA	1792.4	2002.7	2253.8	8.4	2420.1	2814.1	11.7
EBITDA Margin %	20.6	20.9	20.7		19.9	20.8	
Net Profit	1447.9	1694.9	1742.3	6.4	1977.1	2269.5	14.1
EPS (₹)	8.2	9.6	9.9	6.3	11.2	12.8	14.1
P/E	70.1	59.9	58.3		51.3	44.7	
RoNW %	21.9	22.1	20.8		21.9	22.7	
RoCE (%)	26.1	24.5	24.9		25.2	26.7	

Source: Company, ICICI Direct Research

## Key takeaways of recent quarter

### Q1FY23 Results: Splendid growth in beverages; newly forayed fruit drinks poised to reach ₹ 200 crore sales in FY23

- Dabur witnessed revenue growth of 8.1% to ₹ 2822.4 crore led by 51% growth in foods business (mainly consists of beverage brand 'Real'). Consumer care business sales de-grew 1.4%, mainly due to high base of health supplements (Chyawanprash & Honey)
- Hair oils, shampoos, oral care & home care business witnessed growth of 8.1%, 17%, 12.5% & 51.9%, respectively. However, health supplement and OTC & ethical business saw de-growth of 35.5% & 15.4%, respectively, on a high base of last two years. Beverages (Real) & foods business saw growth of 50.7% & 35.7%, respectively
- On a three-year CAGR basis, health supplements and OTC & ethical business witnessed growth of 9% & 13.9%, respectively, whereas hair oils, shampoos, oral care & home care saw growth of 3.6%, 14.4%, 11.3% & 11.3%, respectively. Similarly, on a three-year CAGR, beverages & foods business saw 20.2% & 15.7% growth respectively
- International business grew 8% in constant currency. On a three-year CAGR basis, growth has been 5%. Egypt, Saarc, SSA & Hobby business has grown by 17.5%, 17.3%, 35.4% & 88.3% (Turkey), respectively. However, Namaste (US) & MENA region saw 10.3% & 3% decline in sales, respectively. Currency depreciation in Turkish Lira is a drag
- Despite 35.5% dip in health supplement sales, the company gained market share in Chyawanprash & Honey by 240 bps & 190 bps, respectively. Dabur Glucose saw double digit sales growth. It launched 'Dabur Green Tea Detox Kahwa' during the quarter
- Digestives witnessed double digit growth in both Hajmola & Pudina-Hara on the back of low base quarter impacted by second Covid wave. It launched 'Hajmola Amla Candy' in the tasty digestive space
- In OTC & ethical category, the company launched Dabur Castor Oil, Dabur Shudd Shilajit, Dabur Shodhit Guggulu, Dabur Aampachak Kadha & Dabur Gulkand
- In hair oil segment, the company launched 'Vatika Neelibhriga21' in Premium Ayurveda therapeutic oil market. In home care, Odonil gained market share by 190 bps. It launched Odonil Neem during the quarter
- The strong growth in beverages can be attributed to extreme summer, low base and strong traction in newly launched fruit drinks & milk based beverages. Dabur has taken 3-4% price hikes in the category. The company has gained market share in Real fruit juices by 330 bps
- The company also launched several new variants in beverage category like Real Chocolate frappe & Dabur Kesaria Thandai. Fruit drinks sales is likely to reach ₹ 200 crore in FY23. The company aims to clock ₹ 500 crore sales in the next three years. Though gross margins in the beverage business are relatively low, scale benefits and market size is much larger
- The 12.5% growth in oral care category is driven by 13.7% growth in toothpaste. Strong traction seen in Dabur Red, Meswak & Dabur Herb'l. The company gained market share by 20 bps. DIL has become the No. 2 player in South India. The new launch in 2020 'Dabur Dant Rakshak' has not succeeded and the company has withdrawn that brand. Overall oral care category has declined by 3.5% in Q1
- In oral care, Patanjali Market share has gone down from 13% to 9.7%. However, natural & Ayurveda segment in oral care has become 30% of the category and is continuing to grow faster than overall category growth

- Skin care segment grew 11.4% in Q1. However, it has remained flat on a three-year CAGR basis. Sanitisers sales declined to almost zero from ₹ 100 crore in peak Covid period. This has impacted growth in the category
- New product launches (launched in two to three years) has been contributing 4.4% to sales. Fruit drinks, health juices, Herb'l toothpaste, Ayurveda shampoo have done well among new products. Cold pressed oils have been growing on e-commerce channel
- The company has been able to pass on inflation through price hikes in toothpaste, skin care, home care & foods. However, pricing action is delayed in hair oils due to intense competition. Hence, there is margin compression. The price hikes also depend on competition's pricing action. The company has 15-16% market share in hair oil category
- Shampoos has been growing at a strong pace for the company (three-year CAGR is 14.4%). Natural segment in shampoos is 10% of the category. The company is looking to increase bottles share in the category, which is currently 16-18% compared to 25% for the industry. Sachet margins are 20-25% compared to 55% margins in bottles. Also, price hikes are a problem in sachets. The price point in sachets for the company is ₹ 1-2 and it has not increased any prices in sachets
- With elevated inflation in crude based packaging material and sales decline of health supplement portfolio, gross margins contracted 224 bps. The 100 bps dip in gross margins is due to mix change & rest due to commodity inflation. Overhead spends were also higher by 160 bps due to high fuel prices (diesel). However, the company was able to save 164 bps and 32 bps in advertisement & employee spends, respectively
- Operating profit dipped 1.5% to ₹ 543.7 crore and operating margin contracted 188 bps. Higher other income & lower tax provisioning led to small 1% growth in net profit to ₹ 441.1 crore
- The company would be increasing its village distribution network to 100,000 villages against 90,000 current coverage. In urban regions, direct distribution would be increased to 1.4 million outlets against 1.2 million in FY22. The company would be adding 6,000 chemist stores in FY23. E-commerce sales is contributing 9% to the company's sales

**Exhibit 1: Peer Comparison**

Sector / Company	CMP	TP	M Cap	Sales growth (%)			EBITDA Margins (%)			P/E(x)			RoE (%)			RoCE (%)		
	(₹)	(₹) Rating		(₹ Cr)	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E
Marico (MARLIM)	532	530 Hold	64929	18.2	9.0	7.4	17.7	18.3	18.9	51.7	47.6	43.0	37.5	41.4	47.4	41.2	46.8	52.9
Hindustan Unilever (HINLEV)	2628	2700 Hold	610844	11.3	12.1	7.5	24.8	24.1	24.5	69.3	63.6	58.0	18.1	19.7	21.5	20.2	22.5	24.6
Varun Beverage (VARBEV)	1004	1100 Buy	60171	36.8	39.8	12.8	18.8	20.8	20.5	53.8	45.0	39.7	18.3	26.3	25.3	17.1	28.1	30.8
Dabur India (DABIND)	574	700 Buy	101458	13.9	11.6	11.2	20.7	19.9	20.8	58.3	51.3	44.7	20.8	21.9	22.7	24.9	25.2	26.7

Source: Company, ICICI Direct Research

Dabur has been continuing the strategy of growing through new product launches, innovations & foraying in newer categories. Though growth in health supplement business (Covid tailwind) has tapered down in last few quarters, the jump in beverage category has more than compensated the dip in health supplement sales. Given, the major part of the company's raw material is herbs & agri products, margin impact on Dabur is least among FMCG companies. We believe the company would be able to leverage its brands Dabur, Real & Vatika by foraying in different categories. This would pave the way for growth in longer run and offset the impact of low growth in saturated categories like hair oils. We also believe Dabur has the ability to improve its operating margins going forward given dependency on imported raw material is least among FMCG companies. We remain positive on Dabur India. We maintain our BUY recommendation on the stock with a revised target price of ₹ 700 / share (earlier ₹680)

**Exhibit 2: Variance Analysis**

	Q1FY23	Q1FY23E	Q1FY22	YoY (%)	Q4FY22	QoQ (%)	Comments
Net Sales	2,822.4	2,820.3	2,611.5	8.1	2,517.8	12.1	Net sales grew 8.1% led by strong 50.7% growth in beverage category
Raw Material Expenses	1,528.1	1,524.2	1,355.4	12.7	1,323.3	15.5	Gross margins contracted 224 bps on account of elevated crude related raw material & considerable decline in high margin health supplement portfolio
Employee Expenses	269.9	281.5	258.2	4.5	279.1	-3.3	
SG&A Expenses	157.2	217.2	188.4	-16.5	150.3	4.6	Marketing spends were cut down during the quarter to protect margins
Other operating Expenses	323.6	259.4	257.6	25.6	311.6	3.8	Overhead spends were up mainly on account of higher fuel prices
EBITDA	543.7	538.2	552.0	-1.5	453.6	19.9	
EBITDA Margin (%)	19.3	19.1	21.1	-188 bps	18.0	125 bps	Operating margins were down 188 bps on account of contracted in gross margins & high overhead spends
Depreciation	67.6	65.2	61.3	10.3	65.1	3.9	
Interest	12.2	11.0	7.5	62.0	11.8	3.4	
Other Income	100.6	101.1	84.8	18.5	99.1	1.4	Increase in other income due to increasing liquidity
Exceptional items	0.0	0.0	0.0	N.A.	85.0	N.A.	
PBT	564.5	563.1	568.1	-0.6	390.9	44.4	
Tax Outgo	123.1	132.3	129.7	-5.1	95.4	29.0	
PAT	441.1	430.1	437.7	0.8	295.5	49.2	
Adjusted PAT	441.1	430.1	437.7	0.8	295.5	49.2	Net profit was flat during the quarter
<b>Key Metrics YoY growth (%)</b>							
Domestic Volume Growth	5.0		34.4		2.0		Domestic volume growth was 5% on a high base of 34%
Standalone sales growth	9.9		33.0		7.6		India business sales was contributed by mix of volume & price growth
Subsidiary's sales growth	2.2		28.5		8.2		

Source: Company, ICICI Direct Research

**Exhibit 3: Change in estimates**

(₹ Crore)	FY23E			FY24E			Comments
	Old	New	% change	Old	New	% change	
Sales	11,997.4	12155.0	1.3	13343.1	13520.1	1.3	We marginally tweak our sales estimates upwards
EBITDA	2,456.3	2420.1	-1.5	2785.8	2814.1	1.0	
EBITDA Margin (%)	20.5	19.9	-56 bps	20.9	20.8	-6 bps	We cut our operating margin estimate by 56 bps given Q2 margins would also be impacted by high commodity inflation & significant dip in health supplement products sales
PAT	2,077.3	1977.1	-4.8	2320.1	2269.5	-2.2	We raise our income tax estimate for FY23 & FY24
EPS (₹)	11.7	11.2	-4.8	13.1	12.8	-2.2	

Source: ICICI Direct Research

**Exhibit 4: Assumptions**

	Current					Earlier			Comments
	FY19	FY20	FY21	FY22	FY23E	FY24E	FY23E	FY24E	
Std. Sales (₹ crore)	6,273.2	6,309.8	7,184.7	8,179.5	9,148.7	10,183.2	9,044.8	10,065.8	Small change in our sales estimates
Subs. Sales (₹ crore)	2,259.9	2,393.8	2,376.9	2,709.2	3,006.2	3,336.9	2,952.6	3,277.3	
RM exp. To sales %	50.5	50.1	50.1	51.8	53.3	51.1	51.2	51.0	Increase in our raw material cost estimates due to continued elevated crude
Adex to sales %	7.1	8.0	8.2	7.1	7.6	9.0	8.7	9.0	Cut in ad-spends factoring in Q1 numbers
Interest Cost (₹ crore)	59.6	49.5	30.8	38.6	43.9	43.9	43.9	43.9	

Source: ICICI Direct Research

## Key Metrics

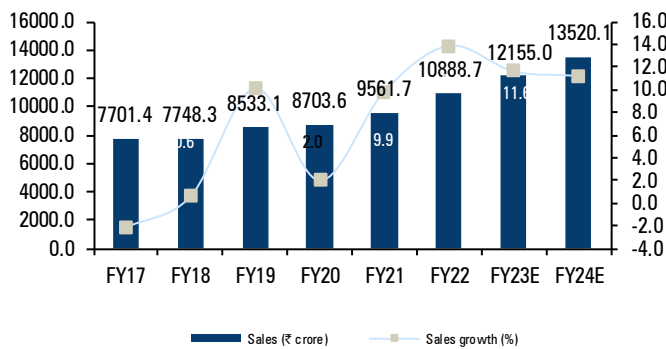
Exhibit 5: Category wise revenue growth in percentage (YoY)

	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Hair Oil	12.1*	2.6*	0.4*	-20.2	-22.9	-2.4	13.7	24.6	38.4	27.9	6.1	2.6	8.1
Oral Care	11.4	4.4	8.5	-15.8	1.4	24.2	28.0	42.1	21.1	13.3	6.7	1.1	12.5
Health Supp.	19.6	14.4	12.2	-9.5	52.6	70.8	34.7	17.7	24.5	-13.6	-8.3	1.3	-35.5
Digestives	18.2	10.2	15.9	-9.5	-11.5	2.5	-0.3	20.0	16.2	22.7	12.2	1.2	30.5
Skin Care	12.1	1.0	-0.3	-24.2	-12.5	38.1	9.1	37.9	-5.4	-11.9	3.2	-10.6	11.4
Home Care	10.9	7.0	2.5	-20.6	-30.5	-10.2	-1.0	24.3	30.6	25.3	18.6	11.0	51.9
Foods & Beverages	1.5	-5.0	-1.7	-18.4	-34.4	-3.8	4.7	36.1	51.7	45.0	37.6	33.5	51.0
OTC	13.1	4.2	5.5	-20.6	34.4	56.1	34.1	34.0	52.3	1.9	3.6	7.5	-15.4
Ethicals	15.9	7.2	2.7	-20.6	10.7	26.4	23.2	39.1	50.8	1.9	3.6	7.5	-15.4

Source: Company, ICICI Direct Research

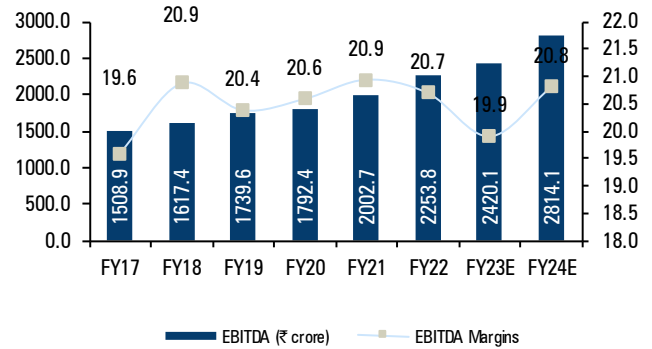
\* Hair care included Shampoo

Exhibit 6: Strong revenue growth momentum to continue



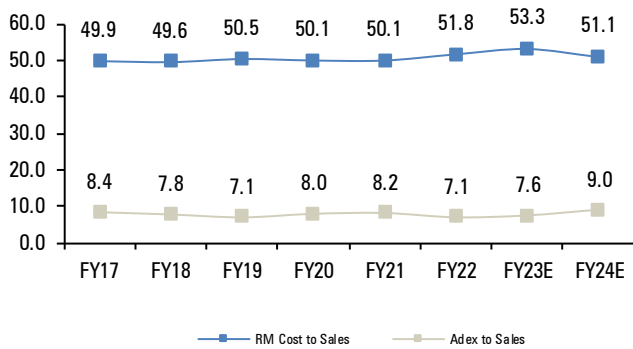
Source: ICICI Direct Research, Company

Exhibit 7: EBITDA margin to remain stable



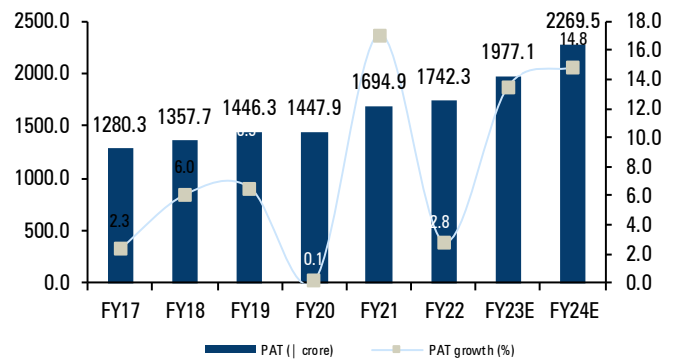
Source: ICICI Direct Research, Company

Exhibit 8: Raw material and ad-ex trend over years



Source: Company, ICICI Direct Research

Exhibit 9: PAT growth trend



Source: Company, ICICI Direct Research

Exhibit 10: Valuation

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY21	9561.7	9.9	9.6	17.1	59.9	50.2	22.1	24.5
FY22	10888.7	13.9	9.9	2.8	58.3	45.2	20.8	24.9
FY23E	12155.0	11.6	11.2	13.5	51.3	42.2	21.9	25.2
FY24E	13520.1	11.2	12.8	14.8	44.7	36.2	22.7	26.7

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 11: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Net Sales</b>	<b>9,561.7</b>	<b>10,888.7</b>	<b>12,155.0</b>	<b>13,520.1</b>
Growth (%)	9.9	13.9	11.6	11.2
Raw Material Expenses	4,789.0	5,639.7	6,477.4	6,908.1
Employee Expenses	1,033.5	1,080.0	1,191.2	1,379.1
Marketing Expenses	784.4	777.9	923.8	1,093.9
Administrative Expenses	0.0	0.0	790.1	905.8
Other expenses	952.2	1,137.3	352.5	419.1
Total Operating Expenditure	7,559.0	8,634.9	9,734.9	10,706.1
<b>EBITDA</b>	<b>2,002.7</b>	<b>2,253.8</b>	<b>2,420.1</b>	<b>2,814.1</b>
Growth (%)	11.7	12.5	7.4	16.3
Depreciation	240.1	252.9	260.7	275.2
Interest	30.8	38.6	43.9	43.9
Other Income	325.3	393.2	412.8	433.5
PBT	2,057.0	2,270.5	2,528.3	2,928.4
Others	0.0	85.0	0.0	0.0
Total Tax	361.1	526.4	551.2	658.9
<b>PAT</b>	<b>1,694.9</b>	<b>1,742.3</b>	<b>1,977.1</b>	<b>2,269.5</b>
Growth (%)	17.1	2.8	13.5	14.8
Adjusted EPS (₹)	9.6	9.9	11.2	12.8

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Profit before Tax	2,056.0	2,268.7	2,528.3	2,928.4
Add: Depreciation	240.1	252.9	260.7	275.2
(Inc)/dec in Current Assets	-26.7	-185.5	-671.6	-695.2
Inc/(dec) in CL and Provisions	415.0	88.7	121.6	311.3
Others	-569.8	-622.5	-507.3	-615.0
<b>CF from operating activities</b>	<b>2,114.7</b>	<b>1,802.3</b>	<b>1,731.7</b>	<b>2,204.8</b>
(Inc)/dec in Investments	-1,099.5	-906.3	-350.0	-350.0
(Inc)/dec in Fixed Assets	-306.3	-369.2	-270.0	-270.0
Others	0.0	0.0	0.0	0.0
<b>CF from investing activities</b>	<b>-1,405.8</b>	<b>-1,275.5</b>	<b>-620.0</b>	<b>-620.0</b>
Issue/(Buy back) of Equity	36.9	540.9	0.0	0.0
Inc/(dec) in loan funds	-631.0	-37.2	-100.0	-100.0
Dividend paid & dividend tax	0.0	-972.3	-1,325.9	-1,325.9
Others	0.0	-21.9	-43.9	-43.9
<b>CF from financing activities</b>	<b>-613.4</b>	<b>-490.5</b>	<b>-1,469.8</b>	<b>-1,469.8</b>
Net Cash flow	95.5	38.4	-358.1	114.9
Opening Cash	91.8	188.8	255.9	-102.2
Miscellaneous adjustments	1,141.8	343.0	314.2	314.2
<b>Closing Cash</b>	<b>1,329.0</b>	<b>570.2</b>	<b>212.0</b>	<b>327.0</b>

Source: Company, ICICI Direct Research

Exhibit 13: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Liabilities</b>				
Equity Capital	176.7	176.8	176.8	176.8
Reserve and Surplus	7,486.8	8,204.5	8,855.7	9,799.3
Total Shareholders funds	7,663.5	8,381.3	9,032.5	9,976.1
Long Term Loans	483.3	389.9	339.9	289.9
Long Term Provisions	15.3	86.5	86.5	86.5
Minority Interest / Others	100.0	104.2	104.2	104.2
<b>Total Liabilities</b>	<b>8,262.0</b>	<b>8,962.0</b>	<b>9,563.2</b>	<b>10,456.8</b>
<b>Assets</b>				
Gross Block	3,926.9	4,244.8	4,494.8	4,744.8
Less: Acc Depreciation	1,684.0	1,936.9	2,197.5	2,472.7
Net Block	2,242.9	2,307.9	2,297.2	2,272.0
Capital WIP	158.6	177.0	197.0	217.0
Non- Current Investments	3,402.4	5,355.6	5,655.6	5,955.6
LT loans & advances	22.5	0.7	50.7	100.7
Other Non-current Assets	244.9	126.6	176.6	226.6
<b>Current Assets</b>				
Inventory	1,734.3	1,911.4	2,133.7	2,373.3
Debtors	561.6	646.2	721.3	802.3
Cash & Bank	1329.0	570.2	212.0	327.0
ST Loans & Advances	14.5	36.2	40.4	45.0
Other Current Assets	1,136.6	1,152.7	1,522.7	1,892.7
<b>Current Liabilities</b>				
Creditors	1,915.3	2,018.0	2,059.6	2,290.9
ST Borrowings	243.0	640.2	660.2	680.2
Other CL	426.8	664.4	724.4	784.4
Net Current Assets	2,190.9	994.0	1,185.9	1,684.7
Miscellaneous Expenditure	0.0	0.3	0.3	0.3
<b>Total Assets</b>	<b>8,262.1</b>	<b>8,962.0</b>	<b>9,563.2</b>	<b>10,456.8</b>

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios				
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Per share data (₹)</b>				
Adjusted EPS	9.6	9.9	11.2	12.8
Cash EPS	11.0	11.3	12.7	14.4
BV	43.4	47.4	51.1	56.4
DPS	4.8	5.2	7.5	7.5
Cash Per Share	7.5	3.2	1.2	1.8
<b>Operating Ratios (%)</b>				
PBITDA Margin	20.9	20.7	19.9	20.8
PBT / Total Operating income	18.1	18.0	17.4	18.5
PAT Margin	17.7	16.0	16.3	16.8
Inventory days	65	63	63	63
Debtor days	21	21	21	21
Creditor days	72	67	61	61
<b>Return Ratios (%)</b>				
RoE	22.1	20.8	21.9	22.7
RoCE	24.5	24.9	25.2	26.7
RoIC	26.1	22.9	22.5	24.7
<b>Valuation Ratios (x)</b>				
P/E	59.9	58.3	51.3	44.7
EV / EBITDA	50.2	45.2	42.2	36.2
EV / Net Sales	10.5	9.3	8.4	7.5
Market Cap / Sales	10.6	9.3	8.3	7.5
Price to Book Value	13.2	12.1	11.2	10.2
<b>Solvency Ratios</b>				
Debt/EBITDA	0.4	0.5	0.4	0.3
Debt / Equity	0.1	0.1	0.1	0.1
Current Ratio	1.5	1.4	1.6	1.7
Quick Ratio	0.7	0.7	0.8	0.9

Source: Company, ICICI Direct Research

Exhibit 15: ICICI Direct coverage universe (FMCG)

	CMP	TP	M Cap	EPS (₹)			P/E (x)			Price/Sales (x)			RoCE (%)			RoE (%)			
	(₹)	(₹) Rating		(₹ Cr)	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Colgate (COLPAL)	1,595	1,690	Hold	42,548	39.6	40.6	44.4	40.2	39.3	35.9	8.4	7.8	7.2	77.8	84.1	91.2	62.2	64.1	69.6
Dabur India (DABIND)	574	700	Buy	1,01,458	9.9	11.2	12.8	58.2	51.3	44.7	9.3	8.3	7.5	24.9	25.2	26.7	20.8	21.9	22.7
Hindustan Unilever (HINLEV)	2,628	2,700	Hold	6,10,844	37.5	40.9	44.8	70.0	64.3	58.6	12.1	10.8	10.1	20.2	22.5	24.6	18.1	19.7	21.5
ITC Limited (ITC)	310	360	Buy	3,78,047	12.4	14.2	16.4	25.0	21.8	18.9	6.4	5.4	5.1	31.4	35.2	38.3	24.5	27.0	29.4
Jyothy Lab (JYOLAB)	173	145	Hold	6,077	4.3	5.6	6.4	40.6	30.9	27.1	2.8	2.5	2.3	18.7	24.2	27.7	16.6	21.2	23.8
Marico (MARLIM)	532	530	Hold	64,929	9.7	10.6	11.7	54.7	50.3	45.4	6.8	6.3	5.8	41.2	46.8	52.9	37.5	41.4	47.4
Nestle (NESIND)	19,850	21,600	Hold	1,84,201	222.4	238.3	294.0	89.2	83.3	67.5	12.6	11.2	10.2	58.7	57.0	64.7	111.3	111.1	118.3
Tata Consumer Products (TAT)	789	910	Buy	67,201	11.0	15.0	17.5	71.6	52.7	45.2	5.4	4.9	4.5	8.4	10.3	11.3	7.0	8.8	9.8
VST Industries (VSTIND)	3,450	3,425	Hold	4,937	207.4	229.3	252.9	16.6	15.0	13.6	4.2	3.8	3.5	39.2	44.6	50.6	30.0	33.4	37.8
Varun Beverage (VARBEV)	1,004	1,100	Buy	60,171	17.2	20.6	23.4	58.3	48.8	43.0	6.8	4.9	4.3	17.1	28.1	30.8	18.3	26.3	25.3
Zydus Wellness (ZYDWEL)	1,612	2,100	Buy	10,254	48.5	57.5	71.0	33.2	28.0	22.7	5.1	4.5	4.1	6.1	7.1	8.4	6.4	7.3	8.7

Source: Bloomberg, ICICI Direct Research



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Reduce: -15% to -5%;

Sell: <-15%



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