

Leveraging brand, reach to grow in new categories

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 a 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 the next two years. Dabur also derives ~50% of its sales through rural regions with a presence in 100,000 villages

Q2FY23 Results: Dabur reported 6.9% India sales growth led entirely by pricing.

- Consolidated sales were up 6.0% YoY, led by strong growth in beverages
- EBITDA was at ₹ 600.7 crore, down 3.2% YoY, with margins at 20.1%
- Consequent adjusted PAT was down 2.9% at ₹ 490.9 crore

What should investors do? Dabur's share price has given 69% return in the last five years (from ₹ 323 in October 2017 to 549 in October 2022).

- Acquisition of Badshah Masala is entry into large ₹ 25,000 crore spices & seasoning category. DIL continues to foray in multiple foods categories to increase the addressable market for long term sustainable growth
- We maintain our **BUY** rating on the stock

Target Price and Valuation: We value the stock at ₹ 700 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 fruit drinks, health foods (under real brand), baby products (under Dabur brand), extending Chyawanprash, Honey into new variants & acquisition of Badshah Masala
- Rural distribution expanded to 1 lakh villages. Increasing direct distribution reach & e-commerce presence to support under-penetrated categories

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 ₹ 950 on ascribing 55x FY24 earnings multiple.



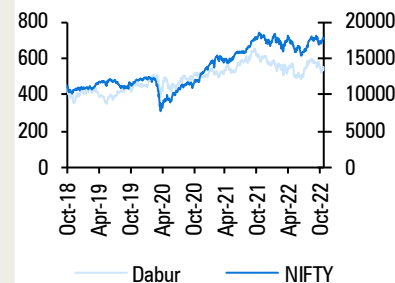
Particulars

Particular (₹ crore)	Amount
Market Capitalization	97,075.6
Total Debt (FY22)	1,030.1
Cash and Investments (FY22)	6,780.3
EV	91,325.4
52 week H/L (₹)	620 / 482
Equity capital	176.6
Face value (₹)	1.0

Shareholding pattern

(in %)	Dec-21	Mar-22	Jun-22	Sep-22
Promoter	67.4	67.4	67.2	67.2
FII	21.1	20.4	20.2	20.2
DII	3.6	3.8	4.0	6.7
Others	8.0	8.4	8.5	5.8

Price Chart



Recent event & key risks

- Acquired 51% stake in Badshah Masala in ₹ 587.5 crore valuing it at 4.5x price to FY23E sales
- Key Risk:** (i) Incessant inflation in crude & related commodities (ii) Slower than expected pick-up in rural demand

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Key Financial Summary

Key Financials	FY20	FY21	FY22	5 Year CAGR		FY23E	FY24E	CAGR (FY22-24E)
				(FY17-22)	(FY22-24E)			
Net Sales	8703.6	9561.7	10888.7	7.2		11876.0	13428.4	11.1
EBITDA	1792.4	2002.7	2253.8	8.4		2349.6	2775.8	11.0
EBITDA Margin %	20.6	20.9	20.7			19.8	20.7	
Net Profit	1447.9	1694.9	1742.3	6.4		1922.0	2239.9	13.4
EPS (₹)	8.2	9.6	9.9	6.3		10.9	12.7	13.4
P/E	67.0	57.3	55.7			50.5	43.4	
RoNW %	21.9	22.1	20.8			21.4	22.6	
RoCE (%)	26.1	24.5	24.9			24.6	26.5	

Source: Company, ICICI Direct Research

Key takeaways of recent quarter

Q2FY23 Results: Strong traction in beverages; targeting ₹ 500 crore sales in Fruits drinks in next three years

- Dabur witnessed revenue growth of 6% to ₹ 2986.5 crore entirely led by pricing growth considering company has taken 6% price hikes in the last one year. On a three-year CAGR basis, sales growth is 10.5%
- The current inflation for the company is close to 10%, which is likely to cool off to 6% in the next quarter. The company has taken additional price hike of 2% in Q2 to maintain pricing growth of 6% in the coming quarter. This is expected to result in a sequential improvement in gross margins but gross margins are expected to remain high on a YoY basis
- Domestic business saw sales growth of 6.9% whereas international business witnessed constant currency sales growth of 12.3%. However, given currency depreciation in some Middle Eastern countries, growth in rupee term was 2.5%. On a three-year CAGR basis, domestic business witnessed growth of 12% and international business saw 6.3% growth
- Foods (Homemade), beverages (Real) continued to witness strong growth of 21.2%, 30.5%, respectively. On a three-year CAGR basis, these categories saw 17.2% & 21.7% sales growth, respectively. The company launched Real peanut butter range during the quarter. The company is looking to grow fruit drinks sales to ₹ 500 crore in the next three years
- Within home & personal care segment, home care, oral care & shampoos category sales grew 20.9%, 9.2% & 9.0%, respectively. Even on a three-year CAGR basis, these categories are growing at 10.8%, 15.4% & 15.7%, respectively. However, hair oil category sales grew 1.8% and skin care de-grew 15% (largely due to sanitisers sales in base quarter). On a three-year CAGR basis, these categories saw muted 6.8% and 1.1% growth
- Skin care category growth is muted as it has not yet reached pre-Covid levels. The price increase in the category is high 8-9% whereas local players have not increased prices. The company is all set to gain market share from local players in Gulabari & Fem through consumer promotions, packaging revamp & new launches
- Within healthcare segment, digestives & OTC ethical sales was flat whereas health supplement (Chyawanprash, Honey, Glucose) saw sales de-growth of 12.6% mainly on account of high base quarter sales (during Covid waves). On three-year CAGR basis health supplements, digestives & OTC ethical witnessed 8.9%, 8% & 12.5% growth, respectively
- The company gained market share in 95% of its product portfolio with 410 bps gains in juices & nectars category, 270 gains in digestives, 120 bps gains in Chyawanprash & 40 bps gains in honey. Moreover, Odomos & Odonil brands in home care segment saw 330 bps & 350 bps market share gains, respectively, in Q2. Hair oil, shampoos & oral care segment saw small 20 bps, 40 bps & 10 bps market share gains, respectively
- The company launched Dabur Vedic Tea, Chyawanprash Gur (jaggery) variant in health supplement category. It also introduced Vatika Neelbhringa21 Oil in premium Ayurveda therapeutic hair oil, Dabur Herb'1 Olive & Dabur Red Bae fresh gel in oral care. DIL also launched Gulabari Moisturising body lotion under Gulabari Brand. The company forayed into the sanitary napkins category under Fem brand, which would be only sold in e-commerce channels as of now. The contribution of new launches is ~4% to sales (new product contribution in e-commerce channel is 11%)
- Gross margins contracted 346 bps given most FMCG companies were holding high cost raw material inventories during the quarter. The 200 bps contraction was due to commodity inflation 100 bps due to product mix change (low health supplement and high juices sales) and ~50 bps due to consumer promotions

- The company cut down advertisement spends by 209 bps to 5.1% to sales mainly to safeguard operating margin contraction. However, it has increased promotions intensity in Q2. Overhead spends were higher by 48 bps & employee spends were flat. Operating profit witnessed a dip of 3.2% to ₹ 600.7 crore with operating margin contraction of 191 bps to 20.1%. Net profit de-grew 2.9% to ₹ 490.9 crore
- The company acquired 51% stake in Badshah Masala Pvt Ltd (BMPL) for a consideration of ₹ 587.5 crore valuing the company at ₹ 1152 crore. BMPL FY22 sales was ₹ 189.1 crore and its estimate FY23 sales of ₹ 256 crore with 22.9% operating (EBITDA) margins. This translates into acquisition multiple of 4.5x to FY23 sales & 19.6x FY23 EBITDA. The company would acquire remaining 49% stake after five years at similar valuation multiples. With this acquisition, Dabur has forayed into ₹ 25,000 spices & seasoning category
- BMPL sales is concentrated in Maharashtra, Gujarat & Telangana with sales contribution from these states accounting for 35%, 40% & 10%, respectively. It holds market share of ~5% in these core markets. The business commands gross margin of ~40%
- Dabur is looking to leverage its rural reach, ecommerce & modern trade channel strength, procurement efficiency & manufacturing automation capability to grow Badshah brand at a CAGR of 20%+ to reach ₹ 700 crore sales in next five years. It is also looking to extend 'Badshah' brand in other food categories
- The company has added 9000 villages in Q2 to increase its reach to 1 lakh villages. However, rural demand is lagging behind urban markets given adverse impact of high inflation of demand conditions. E-commerce channel sales grew 50% and it contributes 9% to sales (vs. ~2% three years back). Modern trade saw double digit growth in Q2 also contributing 10% to the sales
- The company believes high agri growth, MSP hikes, good monsoon & softening inflation to revive rural volumes in medium term. Urban growth would be aided by economic recovery, moderation in inflation & growth of new age channels
- The company is undertaking capex of ₹ 325.8 crore at its Indore plant for the toothpaste & juices category. The capacity utilisation for these categories is anywhere between 80-100% at various plants. DIL would complete the capex by March 2024. It would be funded through internal accruals

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)	519	515 Hold	67645	18.2	2.3	8.5	17.7	19.3	19.6	53.4	50.4	45.5	37.5	38.5	41.2	41.2	43.8	47.0
ITC Limited (ITC)	346	405 Buy	429858	23.1	19.4	6.8	32.0	32.5	35.5	27.9	24.3	20.8	24.5	27.1	29.7	31.4	35.3	38.8
Varun Beverage (VARBEV)	1052	1100 Buy	60171	36.8	39.8	12.8	18.8	20.8	20.5	61.1	51.1	45.0	18.3	26.3	25.3	17.1	28.1	30.8
Hindustan Unilever (HINLEV)	2619	2800 Hold	623766	11.3	14.8	8.5	24.8	24.1	24.5	69.8	61.7	56.3	18.1	20.3	22.0	20.2	22.8	25.1
Dabur India (DABIND)	549	700 Buy	97076	13.9	9.8	13.1	20.7	19.8	20.7	55.7	50.5	43.4	20.8	21.4	22.6	24.9	24.6	26.5

Source: Company, ICICI Direct Research

Dabur witnessed three-year sales CAGR of 10.5% during the quarter with 7.1% CAGR in operating profit. Despite huge commodity inflation in the last one year, the company has seen least impact on operating margins that too specifically in the last two quarters. DIL has been one of the most aggressive in new product launches and foraying in multiple newer category. This, along with the recent acquisition of BMPL, would help it increase the addressable market for future growth. Given some of the categories like hair oils and oral care are saturated categories with high penetration levels, FMCG companies are required to enter newer underpenetrated categories to sustain the growth momentum of the last one decade. We believe Dabur has been concentrating on increasing its addressable market specifically in many foods categories with high share of unorganised market. We remain positive on Dabur from a growth as well as margin expansion perspective. We maintain our BUY recommendation and target price of ₹ 700/ share

Exhibit 2: Variance Analysis

	Q2FY23	Q2FY23E	Q2FY22	YoY (%)	Q1FY23	QoQ (%)	Comments
Net Sales	2,986.5	3,031.0	2,817.6	6.0	2,822.4	5.8	Revenue witnessed growth of 6% led by 6.9% growth in India business and 2.5% growth in international business. Foods (Real, Homemade) business continues to grow at a strong 30%
Raw Material Expenses	1,631.4	1,619.3	1,441.5	13.2	1,528.1	6.8	Gross margin contracted 346 bps on account of sales decline in high margin health supplement business & higher growth in relatively low margin foods business
Employee Expenses	287.6	285.9	269.7	6.6	269.9	6.5	
SG&A Expenses	151.8	197.0	202.2	-24.9	157.2	-3.4	The company cut advertisement spends by 209 bps during the quarter
Other operating Expenses	315.0	312.2	283.5	11.1	323.6	-2.6	
EBITDA	600.7	616.5	620.7	-3.2	543.7	10.5	
EBITDA Margin (%)	20.1	20.3	22.0	-191 bps	19.3	85 bps	Operating margins contracted by 191 bps, mainly on account of lower gross margins
Depreciation	70.5	65.2	63.3	11.3	67.6	4.2	
Interest	15.1	11.0	8.3	82.1	12.2	24.0	
Other Income	123.3	103.2	112.4	9.6	100.6	22.6	
Exceptional items	0.0	0.0	0.0	N.A.	0.0	N.A.	
PBT	638.5	643.6	661.6	-3.5	564.5	13.1	
Tax Outgo	147.3	148.0	155.8	-5.5	123.1	19.7	
PAT	490.9	495.2	505.3	-2.9	441.4	11.2	Net profit dipped 2.9% in Q2
Adjusted PAT	490.9	495.2	505.3	-2.9	441.4	11.2	
Key Metrics YoY growth (%)							
Domestic Volume Growth	1.0		10.0		5.0		Volume growth was muted in Q2 due to high base of health supplement. Moreover, rural demand was also subdued
Standalone sales growth	6.9		11.5		9.9		
Subsidiary's sales growth	3.1		13.4		2.2		International business sales were adversely impacted by currency depreciation

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

(₹ Crore)	FY23E			FY24E			Comments
	Old	New	% change	Old	New	% change	
Sales	12,155.0	11876.0	-2.3	13520.1	13428.4	-0.7	We tweak our estimate factoring in slower volume growth in FY23
EBITDA	2,420.1	2349.6	-2.9	2814.1	2775.8	-1.4	
EBITDA Margin (%)	19.9	19.8	-13 bps	20.8	20.7	-14 bps	Given foods business in growing faster than high margin health supplement business, we slightly cut our margin estimate
PAT	1,977.1	1922.0	-2.8	2269.5	2239.9	-1.3	
EPS (₹)	11.2	10.9	-2.8	12.8	12.7	-1.3	

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	8,977.1	10,210.7	9,148.7	10,183.2		We factor in slower volume growth in FY23
Subs. Sales (₹ crore)	2,259.9	2,393.8	2,376.9	2,709.2	2,898.9	3,217.8	3,006.2	3,336.9		
RM exp. To sales %	50.5	50.1	50.1	51.8	53.4	51.4	53.3	51.1		We slightly cut our gross margin estimate
Adex to sales %	7.1	8.0	8.2	7.1	7.6	9.0	7.6	9.0		
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

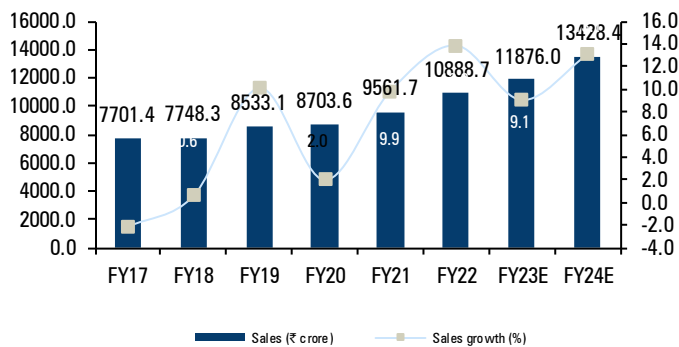
Exhibit 5: Category wise revenue growth in percentage (YoY)

	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Hair Oil	2.6*	0.4*	-20.2	-22.9	-2.4	13.7	24.6	38.4	27.9	6.1	2.6	8.1	1.8
Oral Care	4.4	8.5	-15.8	1.4	24.2	28.0	42.1	21.1	13.3	6.7	1.1	12.5	9.2
Health Supp.	14.4	12.2	-9.5	52.6	70.8	34.7	17.7	24.5	-13.6	-8.3	1.3	-35.5	-12.6
Digestives	10.2	15.9	-9.5	-11.5	2.5	-0.3	20.0	16.2	22.7	12.2	1.2	30.5	0.1
Skin Care	1.0	-0.3	-24.2	-12.5	38.1	9.1	37.9	-5.4	-11.9	3.2	-10.6	11.4	-15.0
Home Care	7.0	2.5	-20.6	-30.5	-10.2	-1.0	24.3	30.6	25.3	18.6	11.0	51.9	20.9
Foods & Beverages	-5.0	-1.7	-18.4	-34.4	-3.8	4.7	36.1	51.7	45.0	37.6	33.5	51.0	30.0
OTC	4.2	5.5	-20.6	34.4	56.1	34.1	34.0	52.3	1.9	3.6	7.5	-15.4	-0.2
Ethicals	7.2	2.7	-20.6	10.7	26.4	23.2	39.1	50.8	1.9	3.6	7.5	-15.4	-0.2

Source: Company, ICICI Direct Research

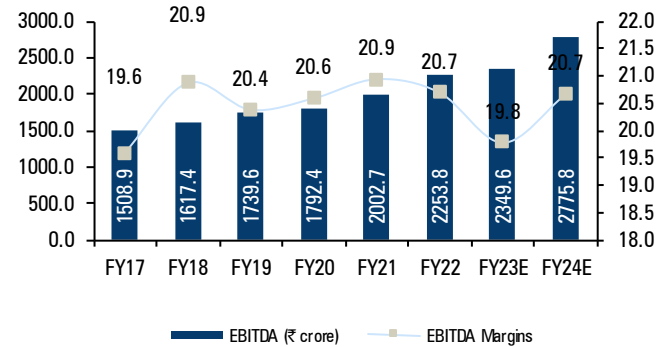
* Hair care included Shampoo

Exhibit 6: Strong revenue growth momentum to continue



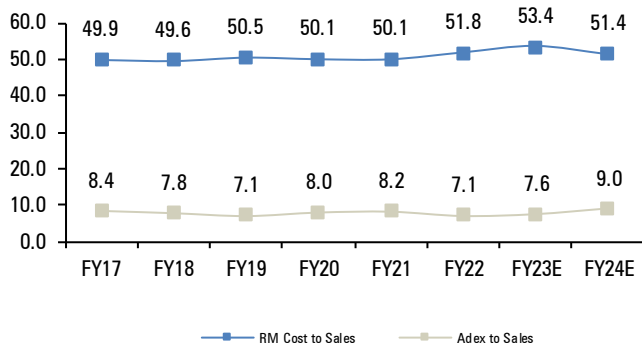
Source: ICICI Direct Research, Company

Exhibit 7: EBITDA margin to remain stable



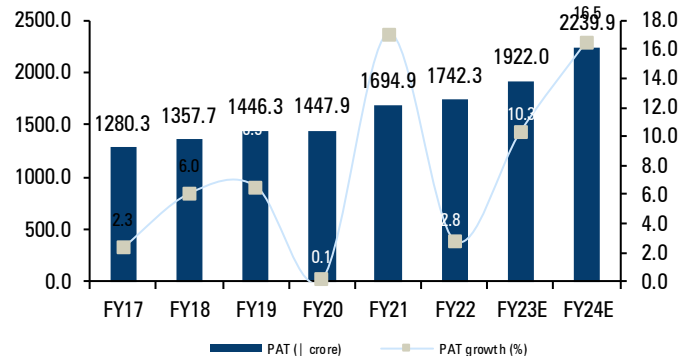
Source: ICICI Direct Research, Company

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	57.3	48.0	22.1	24.5
FY22	10888.7	13.9	9.9	2.8	55.7	43.2	20.8	24.9
FY23E	11876.0	9.1	10.9	10.3	50.5	41.6	21.4	24.6
FY24E	13428.4	13.1	12.7	16.5	43.4	35.1	22.6	26.5

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 11: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Net Sales	9,561.7	10,888.7	11,876.0	13,428.4
Growth (%)	9.9	13.9	9.1	13.1
Raw Material Expenses	4,789.0	5,639.7	6,343.6	6,898.1
Employee Expenses	1,033.5	1,080.0	1,163.8	1,369.7
Marketing Expenses	784.4	777.9	902.6	1,068.8
Administrative Expenses	0.0	0.0	771.9	899.7
Other expenses	952.2	1,137.3	344.4	416.3
Total Operating Expenditure	7,559.0	8,634.9	9,526.4	10,652.6
EBITDA	2,002.7	2,253.8	2,349.6	2,775.8
Growth (%)	11.7	12.5	4.3	18.1
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	2,457.8	2,890.2
Others	0.0	85.0	0.0	0.0
Total Tax	361.1	526.4	535.8	650.3
PAT	1,694.9	1,742.3	1,922.0	2,239.9
Growth (%)	17.1	2.8	10.3	16.5
Adjusted EPS (₹)	9.6	9.9	10.9	12.7

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	2,457.8	2,890.2
Add: Depreciation	240.1	252.9	260.7	275.2
(Inc)/dec in Current Assets	-26.7	-185.5	-605.2	-739.8
Inc/(dec) in CL and Provisions	415.0	88.7	74.4	343.1
Others	-569.8	-622.5	-491.9	-606.4
CF from operating activities	2,114.7	1,802.3	1,695.8	2,162.2
(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
CF from investing activities	-1,405.8	-1,275.5	-620.0	-620.0
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
CF from financing activities	-613.4	-490.5	-1,469.8	-1,469.8
Net Cash flow	95.5	38.4	-394.0	72.4
Opening Cash	91.8	188.8	255.9	-138.1
Miscellaneous adjustments	1,141.8	343.0	314.2	314.2
Closing Cash	1,329.0	570.2	176.2	248.6

Source: Company, ICICI Direct Research

Exhibit 13: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Liabilities				
Equity Capital	176.7	176.8	176.8	176.8
Reserve and Surplus	7,486.8	8,204.5	8,800.6	9,714.6
Total Shareholders funds	7,663.5	8,381.3	8,977.4	9,891.4
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
Total Liabilities	8,262.0	8,962.0	9,508.1	10,372.1
Assets				
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
Current Assets				
Inventory	1,734.3	1,911.4	2,084.7	2,357.2
Debtors	561.6	646.2	704.7	796.9
Cash & Bank	1329.0	570.2	176.2	248.6
ST Loans & Advances	14.5	36.2	39.5	44.7
Other Current Assets	1,136.6	1,152.7	1,522.7	1,892.7
Current Liabilities				
Creditors	1,915.3	2,018.0	2,012.3	2,275.4
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	1,130.8	1,600.0
Miscellaneous Expenditure	0.0	0.3	0.3	0.3
Total Assets	8,262.0	8,962.0	9,508.1	10,372.1

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios				
(Year-end March)	FY21	FY22	FY23E	FY24E
Per share data (₹)				
Adjusted EPS	9.6	9.9	10.9	12.7
Cash EPS	11.0	11.3	12.3	14.2
BV	43.4	47.4	50.8	55.9
DPS	4.8	5.2	7.5	7.5
Cash Per Share	7.5	3.2	1.0	1.4
Operating Ratios (%)				
PBITDA Margin	20.9	20.7	19.8	20.7
PBT / Total Operating income	18.1	18.0	17.2	18.3
PAT Margin	17.7	16.0	16.2	16.7
Inventory days	65	63	63	63
Debtor days	21	21	21	21
Creditor days	72	67	61	61
Return Ratios (%)				
RoE	22.1	20.8	21.4	22.6
RoCE	24.5	24.9	24.6	26.5
RoIC	26.1	22.9	21.8	24.4
Valuation Ratios (x)				
P/E	57.3	55.7	50.5	43.4
EV / EBITDA	48.0	43.2	41.6	35.1
EV / Net Sales	10.1	8.9	8.2	7.3
Market Cap / Sales	10.2	8.9	8.2	7.2
Price to Book Value	12.7	11.6	10.8	9.8
Solvency Ratios				
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	Rating	M Cap	EPS (₹)			P/E (x)			Price/Sales (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)		(₹ Cr)	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Colgate (COLPAL)	1,620	1,610	Hold	43,606	39.6	38.6	42.3	40.9	41.9	38.3	8.6	8.2	7.5	77.8	82.6	92.7	62.2	62.9	70.8
Dabur India (DABIND)	549	700	Buy	97,076	9.9	10.9	12.7	55.7	50.5	43.4	8.9	8.2	7.2	24.9	24.6	26.5	20.8	21.4	22.6
Hindustan Unilever (HINLEV)	2,619	2,800	Hold	6,23,766	37.5	42.4	46.5	69.8	61.7	56.3	12.4	10.8	9.9	20.2	22.8	25.1	18.1	20.3	22.0
ITC Limited (ITC)	346	405	Buy	4,29,858	12.4	14.2	16.7	27.9	24.3	20.8	7.3	6.1	5.7	31.4	35.3	38.8	24.5	27.1	29.7
Jyothy Lab (JYOLAB)	194	145	Hold	6,077	4.3	5.6	6.4	45.6	34.7	30.5	2.8	2.5	2.3	18.7	24.2	27.7	16.6	21.2	23.8
Marico (MARLIM)	519	515	Hold	67,645	9.7	10.3	11.4	53.4	50.4	45.5	7.1	7.0	6.4	41.2	43.8	47.0	37.5	38.5	41.2
Nestle (NESIND)	20,133	22,400	Hold	1,90,912	222.4	255.8	301.1	90.5	78.7	66.9	13.0	11.4	10.3	58.7	57.1	63.0	111.3	103.6	110.3
Patanjali Foods (RUCSOY)	1,443	1,750	Buy	50,721	27.3	30.9	43.5	52.9	46.6	33.2	2.1	1.7	1.5	13.2	15.6	17.3	13.1	11.3	14.2
Tata Consumer Products (TAT)	770	950	Buy	70,169	11.0	13.9	17.1	69.9	55.3	45.0	5.6	5.1	4.6	8.4	9.2	10.8	7.0	8.2	9.7
Varun Beverage (VARBEV)	1,052	1,100	Buy	60,171	17.2	20.6	23.4	61.1	51.1	45.0	6.8	4.9	4.3	17.1	28.1	30.8	18.3	26.3	25.3
VST Industries (VSTIND)	3,600	3,425	Hold	4,937	207.4	229.3	252.9	17.4	15.7	14.2	4.2	3.8	3.5	39.2	44.6	50.6	30.0	33.4	37.8
Zydus Wellness (ZYDWEL)	1,728	2,100	Buy	10,254	48.5	57.5	71.0	35.6	30.0	24.3	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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