

Dabur India (DABIND)

Healthy volume growth across segments...

- Dabur reported 6.2% YoY growth in consolidated net sales of ₹ 2,032.9 crore (I-direct estimate: ₹ 2,073.6 crore; on comparable basis, consolidated net sales grew by 11.1%). The company reported a domestic revenue growth of 10% led by 7.7% volume growth during the quarter. International business reported growth of 16.8% in constant currency terms.
- The consumer care segments grew by 8.2% YoY; however foods segment witnessed de-growth of 1.5% YoY. The strong consumer care growth was led by oral care growth of 11%, shampoos category growth of 31% and healthcare segment growth of 11.2%.
- Raw material and other overheads were lower by 167 bps and 40 bps YoY as percentage to sales resulting in 206 bps improvement in operating margins to 23.9%. Led by strong growth in operating profit, PAT witnessed a growth of 19.0% to ₹ 397.2 crore (I-direct estimate: ₹ 371.4 crore). We remain positive on the revenue growth prospects of the company considering revival in rural demand on the back of normal monsoon this year and expected aggressive push by government to improve rural income levels.

Healthy growth in major categories on low base

Q4FY18 witnessed ~7.7% volume growth led by strong growth in oral care, hair care, health supplements mainly on account of recovery in rural markets after the trade disruption in H1FY17 and a low base in the corresponding quarter impacted by demonetisation. However, foods segment de-grew by ~1.5% mainly due to higher competitive intensity in juices segment. The company has launched 'Koolerz' in fruit drinks under foods categories. We believe strong rural demand on the back of expected good monsoon and governments thrust on increasing rural income would aid volume growth in FY19E & FY20E. We believe new launches across categories like Real Mocktails and GlycoDab tablets will further strengthen leadership position. Additionally, the Hair oil category witnessed a volume growth of 8.8% due to a strong double digit growth of coconut oils. We expect 8-9% sustainable volume growth in FY18-20E which would drive the 13% CAGR revenue growth. We believe increasing commodity prices would keep the operating margins under check and we expect contraction of 30 bps EBITDA margins in FY19E.

Strong brand recall in ayurvedic space & innovation to support growth

Dabur has a strong portfolio of brands (Dabur Chyawanprash, Real, Hajmola, Vatika, Amla, Fem, Honey, Meswak, Dabur Red) with focus largely on ayurvedic & healthcare offerings. With a wave of demand for the ayurvedic & natural products, the company has gained significant market share in ayurvedic brands mainly in toothpaste, shampoos and hair oil categories. Led by Dabur's strong brand recall in ayurvedic space coupled with new launches focusing on healthcare, we estimate domestic revenue growth at 11% CAGR in FY18-20E.

Strong volume recovery along with splendid margins; maintain Buy

Dabur was positively impacted due to input tax credit in promotional expenses, which led to a strong margin expansion. On the back of recovery in international business witnessed in Q4FY18 and continued growth momentum in domestic business, we expect strong volumes in FY19E. Thus, we expect DIL to generate revenue and earnings growth at 13.2% and 15.5% CAGR, respectively, in FY18-20E. Hence, we maintain our **Buy** recommendation with a revised target price of ₹ 415/share.

Rating matrix	
Rating	Buy
Target	₹ 415
Target Period	12 months
Potential Upside	12%

What's changed?	
Target	Changed from ₹ 390 to ₹ 415
EPS FY19E	Changed from ₹ 8.5 to ₹ 8.8
EPS FY20E	Changed from ₹ 9.7 to ₹ 10.3
Rating	Unchanged

Quarterly performance					
	Q4FY18	Q4FY17	YoY (%)	Q3FY18	QoQ (%)
Sales	2032.9	1914.7	6.2	1966.4	3.4
EBITDA	485.2	417.6	16.2	403.5	20.3
EBITDA (%)	23.9	21.8	206 bps	20.5	335 bps
PAT	397.2	333.1	19.2	332.9	19.3

Key financials				
₹ Crore	FY17	FY18	FY19E	FY20E
Net Sales	7,701.4	7,748.3	8,772.5	9,930.8
EBITDA	1,509.0	1,617.4	1,810.9	2,083.1
Net Profit	1,277.0	1,357.7	1,549.5	1,809.3
EPS (₹)	7.2	7.7	8.8	10.3

*From FY16 onwards, financials are reported as per Ind AS

Valuation summary				
	FY17E	FY18E	FY19E	FY20E
P/E	48.8	46.8	41.7	36.4
Target P/E	53.7	51.5	45.9	40.1
Div. Yield	0.6	1.0	1.4	1.8
Mcap/Sales	8.1	7.7	6.9	6.2
RoNW (%)	26.4	24.0	24.2	25.4
RoCE (%)	28.0	26.2	26.9	28.7

*From FY16 onwards, financials are reported as per Ind AS

Stock data	
Particular	Amount
Market Capitalization (₹ Crore)	65,166.2
Total Debt (FY18) (₹ Crore)	833.1
Cash and Investments (FY18) (₹ Crore)	1,019.5
EV (₹ Crore)	64,979.8
52 week H/L	382 / 259
Equity capital	₹ 175.9 Crore
Face value	₹ 1

Price performance				
	1M	3M	6M	12M
Dabur	13.1	3.1	15.0	29.0
Marico	2.1	5.9	6.2	5.7
GCPL	2.2	5.5	20.4	28.2
HUL	13.0	7.8	22.1	61.5

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Variance analysis

	Q4FY18	Q4FY18E	Q4FY17	YoY (%)	Q3FY18	QoQ (%)	Comments
Net Sales	2,032.9	2,073.6	1,914.7	6.2	1,966.4	3.4	Net sales witnessed comparable growth of 11.1% mainly led by domestic comparable sales growth of 10% backed by 7.7% volume growth
Raw Material Expenses	1,002.4	987.5	976.2	2.7	952.4	5.3	Gross margins improved 167 bps
Employee Expenses	180.7	205.8	173.1	4.4	204.8	-11.8	
SG&A Expenses	125.6	181.0	123.0	2.1	185.3	-32.2	
Other operating Expenses	239.0	257.5	224.9	6.3	220.5	8.4	
EBITDA	485.2	441.8	417.6	16.2	403.5	20.3	
EBITDA Margin (%)	23.9	21.3	21.8	206 bps	20.5	335 bps	Operating margins improved 206 bps mainly backed by gross margin improvement and lower other expenditure on the back of input tax credit benefits
Depreciation	42.6	39.0	39.5	7.8	40.5	5.3	
Interest	13.2	12.7	11.7	13.2	13.2	0.2	
Other Income	73.2	96.2	65.0	12.6	66.3	10.4	
PBT	502.6	486.3	431.4	16.5	416.2	20.8	
Tax Outgo	105.2	114.9	97.7	7.7	83.3	26.3	
PAT	397.2	371.4	333.1	19.2	332.9	19.3	Net profit witnessed growth of 19.5% on the back of higher operating profit
Key Metrics YoY growth (%)							
Volume Growth	7.7		2.4		13.0		
Standalone sales growth	10.0		0.1		12.9		
Subsidiary's sales growth	16.0		-16.8		5.0		

Source: Company, ICICIDirect Research

Change in estimates

(₹ Crore)	FY19E			FY20E			Comments
	Old	New	% Change	Old	New	% change	
Sales	9065.8	8772.5	-3.2	10,091.9	9930.8	-1.6	
EBITDA	1680.6	1810.9	7.8	1891.4	2083.1	10.1	
EBITDA Margin (%)	18.5	20.6	211 bps	18.7	21.0	228 bps	With the sharp improvement in Q4 margins and GST benefits related to advertisement spend, we are revising our FY19 & FY20 estimates
PAT	1495.3	1549.5	3.6	1711.0	1809.3	5.7	
EPS (₹)	8.9	8.8	-1.2	9.7	10.3	5.8	

Source: Company, ICICI Direct Research

Assumptions

	Current				Earlier			
	FY16	FY17	FY18	FY19E	FY20E	FY19E	FY20E	
Std. Sales (₹ crore)	5,422.6	5,369.8	5,609.1	6,197.5	6,943.7	6,197.5	6,878.0	We have slightly changed our revenue estimates
Volume Growth (%)	NA	NA	NA	NA	NA	NA	NA	
Subs. Sales (₹ crore)	2,446.2	2,331.6	2,139.3	2,575.1	2,987.1	2,575.1	2,884.1	
RM exp. To sales %	48.9	49.9	49.6	49.9	49.5	50.8	49.9	
Adex to sales %	9.8	8.4	7.8	8.0	8.0	8.7	8.8	
Interest Cost (₹ crore)	48.5	54.0	53.1	42.8	38.5	42.9	42.9	

Source: Company, ICICI Direct Research

Conference call highlights

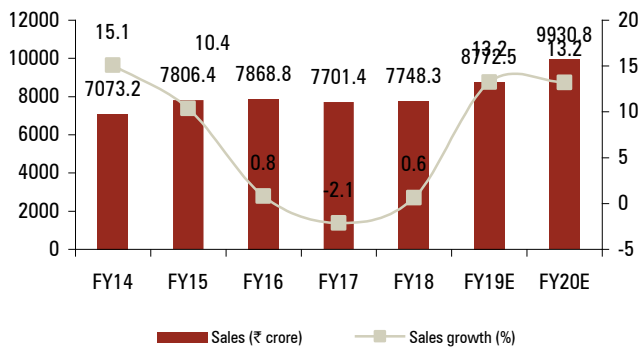
- Dabur India reported a consolidated sales growth of 6.2% (comparable growth of 11.1%). Domestic sales growth has been to the tune of 10% on a comparable basis led by 7.7% volume growth. International business reported a 16.8% growth in constant currency terms.
- The company expects to achieve 8-10% volume growth for FY19 provided all categories continue to perform well along with revival in rural growth.
- Oral care continued the growth momentum growing at 11% mainly due to the shift in demand in favour of natural products. Toothpaste grew by 13.7%, whereas toothpowder declined by 3.9% in the quarter.
- Hair oil witnessed a growth of 8.8% on the back of strong double digit growth in coconut oil whereas shampoos grew by 31.3% driven by restaging of Vatika shampoo and improving bottle saliency. Hair care category contributes 23% to the revenues.
- Homecare category posted muted growth mainly on account of weaker season and low institutional sales for Odomos whereas skin care segment witnessed a growth of 8.5% led by growth in Gulabari and facial kits.
- Health supplement witnessed a growth of 14% on the back of double digit growth in Chyawanprash and 23.7% growth in Honey. Digestive segment witnessed a growth of 7.2% on the back of strong performance of Hajmola tablets. OTC category grew by 7.8% led by good growth in Honitus, Ashokarishta and Dashmularishta Asavs. Ethicals grew by 10.3% on account of strong growth of the classical portfolio
- Foods division de-grew by 1.5% in Q4FY18, impacted by stiff competition from other players in the segment.
- International business posted a 16% growth in constant currency terms during Q4FY18. GCC markets witnessed a strong turn around with constant currency growth of 50.7% led by Saudi Arabia which grew by 81.9%. Egypt posted strong growth of 38% in constant currency. SAARC markets performed well led by strong growth in Nepal and Pakistan. Shutdown in Algeria & Yemen led to loss of sales in North African region. US business of Namaste reported muted performance due to category issues. However, the Sub Saharan region posted strong growth of 23% on constant currency basis.
- Operating margins improved by 206 bps mainly on the back of 167 bps gross margins and slight lower employee expenses and advertisement & publicity expenses to sales. We believe the company got some benefit of input tax credits during the quarter.
- The company has launched Fem De-Tan Bleach Oxy Pro Clear Facial Kit, Odonil Zipper, Vatika Shampoo with Satt Poshan, Vatika Enriched Coconut Hair Oil & Anmol Jasmine Hair Oil. Similarly it has also launched Odomos Fabric Roll-On, Real Mocktail – Pina Colada & Virgin Mary, GlycoDob tablet, Odonil Nature air freshener, Real Koolerz & Dabur Shilajit Double Gold.
- The company is re-balancing A&P strategy by spending more in advertisement and less towards consumer promotions as advertisement gives input tax credits and reduces overall spend.
- The company expects to maintain its gross and operating margins for FY19.
- For FY19, Dabur intends to incur a capex of ₹ 250-300 cr.

Exhibit 1: Category wise revenue growth in percentage (YoY)

	Q4FY15	FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18
Hair Care	7.4	10.3	12.7	9.4	2.0	8.2	NA	NA	-20.0	-4.0	-11.0	2.3*	16.7*	8.8*
Oral Care	11.6	9.8	17.5	18.7	10.5	18.3	11.6	NA	-5.0	9.0	1.5	22.8	23.0	11.0
Health Supp.	13.0	13.9	1.2	9.0	-7.1	NA	NA	NA	-11.0	5.0	-7.0	3.0	19.5	14.0
Digestives	11.0	11.5	1.7	1.6	-2.4	6.5	NA	NA	-10.0	-5.0	4.0	11.7	19.3	7.2
Skin Care	16.6	8.3	5.2	2.2	9.5	NA	NA	7.0	-11.0	0.0	4.0	15.8	14.5	8.5
Home Care	12.1	13.2	12.0	12.4	8.4	19.3	2.0	20.0	-5.0	-6.5	6.2	10.1	36.0	N.A.
Foods	19.6	20.2	15.5	2.4	-23.7	11.7	4.3	15.2	52.0	10.0	-8.3	11.7	0.0	-1.5
OTC & Ethicals	7.7	7.3	16.7	10.8	7.5	7.1	NA	11.3	-11.0	-4.0	-6.6	5.5	8.7	N.A.

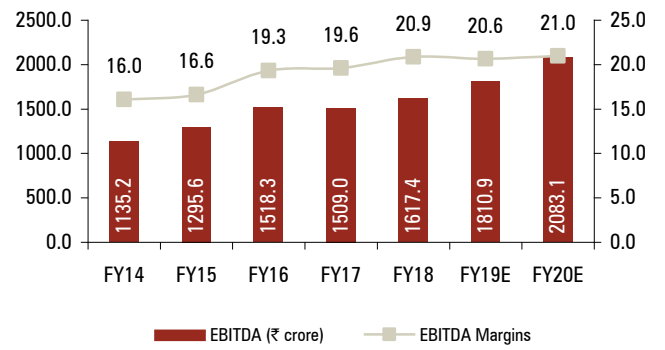
Source: Company, ICICI Direct Research ** Hair oil (Shampoo increased by 31.3%)

Exhibit 2: Revenue growth to improve in FY19-20E



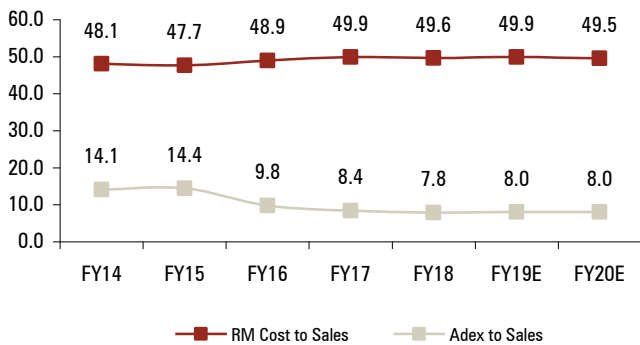
Source: Company, ICICI Direct Research

Exhibit 3: EBITDA margin to remain range bound



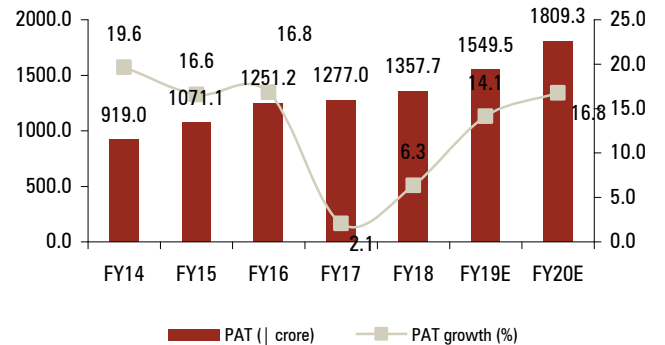
Source: Company, ICICI Direct Research

Exhibit 4: Raw material and advertisement cost trend over years



Source: Company, ICICI Direct Research

Exhibit 5: PAT growth to recover in FY19E led by strong revenue growth



Source: Company, ICICI Direct Research

Outlook & valuation

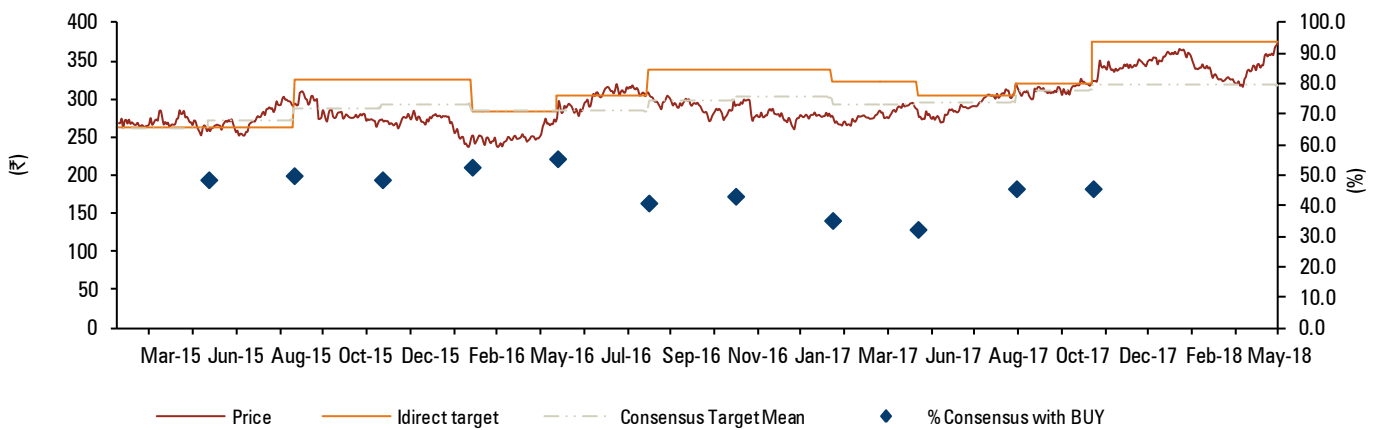
Dabur was positively impacted due to input tax credit in promotional expenses, which led to a strong margin expansion. Also, strong direct distribution network of 1 million outlets led to volume expansion. On the back of recovery in international business witnessed in Q4FY18, we expect further swift recovery in FY19E. Thus, we expect DIL to generate revenue and earnings growth at 13.2% and 15.5% CAGR, respectively, in FY18-20E. Hence, we maintain our **Buy** recommendation with a revised target price of ₹ 415/share.

Exhibit 6: Valuations

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY17	7701.4	-2.1	7.2	1.9	51.2	43.5	26.4	28.0
FY18E	7748.3	0.6	7.7	6.3	48.1	40.6	23.8	26.2
FY19E	8772.5	13.2	8.8	14.1	42.2	36.2	24.8	27.7
FY20E	9930.8	13.2	10.3	16.8	10.3	31.4	26.1	29.7

Source: Company, ICICI Direct Research

Recommendation history vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Key events

Date	Event
Nov-08	Acquisition of the company's largest skin care brand 'Fem' from Fem Care Pharma marking its entry in the high growth skin care segment
Jul-09	Rise in stock price following the increase in FMCG Index led by attractiveness of defensives in the economic downturn
Apr-10	Consistent 18-20% revenue growth with improvement in margins to ~20% tapping the revival in consumption demand
Jul-10	Enters Turkey through acquisition of Hobi Kozmetik for ₹ 324 crore. Acquisition is in line with the company's strategy of strengthening its presence in Middle East & North Africa
Sep-10	Dabur issues bonus in the ratio of 1:1
Jan-11	Acquires US based personal care firm Namaste Laboratories LLC for ₹ 451 crore. Acquisition marked Dabur's entry into US\$1.5 billion hair care markets of US, Europe and Africa
Mar-11	Launches 'Project Double' to double its direct reach in villages and to tap the growing aspirational demand of rural consumers
May-12	Stock performance remains lacklustre due to falling domestic revenues, declining margins and no significant innovations
May-13	In a grim economic scenario, ability to grow in double digits (volume) along with improvement in margins and market share gains across categories made it the top preferred stock in the FMCG pack
Mar-14	Launches 'Project CORE' to increase its distribution footprint in the chemist channel
Jun-15	Launches 'Project LEAD' to enable better focus on healthcare (OTC & ethicals) & other domestic FMCG business

Source: Company, ICICI Direct Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Chowdhry Associates	31-Dec-17	12.37	217.9	0.0
2	VIC Enterprises Pvt. Ltd.	31-Dec-17	12.36	217.7	0.0
3	Burman (Amit)	31-Dec-17	11.48	202.2	202.2
4	Puran Associates Pvt. Ltd.	31-Dec-17	10.74	189.2	0.0
5	Ratna Commercial Enterprises Pvt. Ltd.	23-Mar-18	8.92	157.2	0.2
6	Milky Investment & Trading Co.,	31-Dec-17	6.03	106.1	0.0
7	Life Insurance Corporation of India	31-Dec-17	4.25	74.9	0.0
8	Burmans Finvest Pvt. Ltd.	31-Dec-17	3.01	53.0	0.0
9	M B Finmart Pvt. Ltd.	31-Dec-17	1.51	26.5	0.0
10	Windy Investments Pvt. Ltd.	31-Dec-17	1.50	26.5	0.0

Source: Reuters, ICICI Direct Research

Shareholding Pattern

(in %)	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Promoter	68.0	68.1	68.1	68.1	68.1
FII	20.3	18.0	17.7	17.7	17.2
DII	5.8	8.2	8.8	7.7	8.1
Others	5.9	5.8	5.5	6.5	6.7

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Burman (Amit)	1107.98m	202.24m	Edmond de Rothschild Asset Management (France) S.A.	-5.6m	-1.2m
ICICI Prudential Asset Management Co. Ltd.	44.76m	8.88m	Harding Loevner LP	-5.93m	-1.08m
Norges Bank Investment Management (NBIM)	6.56m	1.2m	Caisse de Depot et Placement du Quebec	-5.61m	-1.02m
Mirae Asset Global Investments (India) Pvt. Ltd.	4.4m	0.87m	Columbia Threadneedle Investments (US)	-4.36m	-0.85m
Carnegie Fonder AB	3.02m	0.6m	Reliance Nippon Life Asset Management Limited	-3.53m	-0.7m

Source: Reuters, ICICI Direct Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Net Sales	7,701.4	7,748.3	8,772.5	9,930.8	
Growth (%)	-2.1	0.6	13.2	13.2	
Rbe Material Expenses	3,843.2	3,846.4	4,373.7	4,918.1	
Employee Expenses	789.6	792.8	894.8	1,012.9	
Marketing Expenses	646.1	606.7	701.8	794.5	
Administrative Expenses	600.8	0.0	657.9	744.8	
Other expenses	312.7	885.0	333.4	377.4	
Total Operating Expenditure	6,192.5	6,130.9	6,961.6	7,847.6	
EBITDA	1,509.0	1,617.4	1,810.9	2,083.1	
Growth (%)	-0.6	7.2	12.0	15.0	
Depreciation	142.9	162.2	167.7	172.1	
Interest	54.0	53.1	42.8	38.5	
Other Income	298.4	305.2	351.0	403.6	
PBT	1,610.4	1,692.9	1,936.8	2,261.6	
Others	0.0	14.5	14.5	14.5	
Total Tax	330.3	335.4	387.4	452.3	
PAT	1,277.0	1,357.7	1,549.5	1,809.3	
Growth (%)	2.1	6.3	14.1	16.8	
Adjusted EPS (₹)	7.3	7.7	8.8	10.3	

Source: Company, ICICI Direct Research *From FY16 onwards, financials are reported as per Ind AS

Cash flow statement		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Profit before Tax	1,610.4	1,692.9	1,936.8	2,261.6	
Add: Depreciation	142.9	162.2	167.7	172.1	
(Inc)/dec in Current Assets	121.3	-322.0	-207.4	-434.6	
Inc/(dec) in CL and Provisions	-34.1	211.9	-136.3	210.1	
Others	-603.7	-279.5	-344.5	-413.8	
CF from operating activities	1,236.8	1,465.4	1,416.3	1,795.4	
(Inc)/dec in Investments	-511.1	-577.4	-220.0	-220.0	
(Inc)/dec in Fixed Assets	-485.8	-231.3	-170.0	-170.0	
Others	190.0	0.0	0.0	0.0	
CF from investing activities	-806.9	-808.7	-390.0	-390.0	
Issue/(Buy back) of Equity	14.9	0.0	0.0	0.0	
Inc/(dec) in loan funds	168.2	-107.1	-200.0	-200.0	
Dividend paid & dividend tax	-396.3	-616.5	-880.8	-1,145.0	
Others	-125.7	-53.1	-42.8	-38.5	
CF from financing activities	-339.0	-776.7	-1,123.6	-1,383.5	
Net Cash flow	80.9	-120.0	-97.3	21.9	
Opening Cash	34.9	115.8	-4.2	-101.5	
Miscellaneous adjustments	189.0	189.0	189.0	189.0	
Closing Cash	304.8	184.7	87.5	109.4	

Source: Company, ICICI Direct Research

Balance sheet		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Liabilities					
Equity Capital	176.2	176.2	176.2	176.2	
Reserve and Surplus	4,671.2	5,530.4	6,081.1	6,745.4	
Total Shareholders funds	4,847.4	5,706.5	6,257.3	6,921.6	
Long Term Loans	474.9	368.6	268.6	168.6	
Long Term Provisions	108.0	109.1	109.1	109.1	
Minority Interest / Others	78.2	83.1	83.1	83.1	
Total Liabilities	5,508.5	6,267.3	6,718.1	7,282.4	
Assets					
Gross Block	2,842.7	3,074.6	3,224.6	3,374.6	
Less: Acc Depreciation	884.3	1,046.5	1,214.2	1,386.3	
Net Block	1,958.4	2,028.1	2,010.4	1,988.3	
Capital WIP	42.1	41.5	61.5	81.5	
Non- Current Investments	2,499.4	3,091.8	3,291.8	3,491.8	
LT loans & advances	12.4	13.1	113.1	213.1	
Other Non-current Assets	102.3	87.3	107.3	127.3	
Current Assets					
Inventory	1,106.7	1,256.2	1,242.8	1,434.4	
Debtors	650.4	706.1	852.9	1,020.7	
Cash & Bank	304.8	306.1	87.5	109.4	
ST Loans & Advances	34.1	34.9	38.9	44.0	
Other Current Assets	1,020.4	1,136.6	1,206.6	1,276.6	
Current Liabilities					
Creditors	1,302.7	1,410.3	1,194.0	1,324.1	
ST Borrowings	440.3	464.5	484.5	504.5	
Other CL	479.5	559.6	619.6	679.6	
Net Current Assets	893.9	1,005.3	1,130.4	1,376.8	
Total Assets	5,508.5	6,267.2	6,714.6	7,278.9	

Source: Company, ICICI Direct Research

Key ratios		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Per share data (₹)					
Adjusted EPS	7.3	7.7	8.8	10.3	
Cash EPS	8.1	8.6	9.7	11.2	
BV	27.5	32.4	35.5	39.3	
DPS	2.3	3.5	5.0	6.5	
Cash Per Share	1.7	1.7	0.5	0.6	
Operating Ratios (%)					
PBITDA Margin	19.6	20.9	20.6	21.0	
PBT / Total Operating income	17.0	18.1	18.2	18.9	
PAT Margin	16.6	17.5	17.7	18.2	
Inventory days	52	50	51	52	
Debtor days	30	35	35	37	
Creditor days	61	55	49	48	
Return Ratios (%)					
RoE	26.4	23.8	24.8	26.1	
RoCE	28.0	26.2	27.7	29.7	
RoIC	24.9	23.2	24.1	26.4	
Valuation Ratios (x)					
P/E	51.2	48.1	42.2	36.1	
EV / EBITDA	43.5	40.6	36.2	31.4	
EV / Net Sales	8.5	8.5	7.5	6.6	
Market Cap / Sales	8.5	8.4	7.4	6.6	
Price to Book Value	13.5	11.5	10.4	9.4	
Solvency Ratios					
Debt/EBITDA	0.6	0.5	0.4	0.3	
Debt / Equity	0.2	0.1	0.1	0.1	
Current Ratio	1.6	1.6	1.8	1.9	
Quick Ratio	1.0	1.0	1.2	1.2	

Source: Company, ICICI Direct Research

ICICI Direct coverage universe (FMCG)

Sector / Company	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			Price/Sales (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)			FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E
Colgate (COLPAL)	1,128	1,120	Hold	29,918	21.2	22.9	24.1	53.1	49.4	46.4	6.7	6.8	6.1	64.1	64.0	62.6	45.3	46.1	45.1
Dabur India (DABIND)	371	415	Buy	65,166	7.2	7.7	8.8	51.2	48.1	42.2	8.5	8.4	7.4	28.0	26.2	27.7	26.4	23.8	24.8
GSK CH (GLACON)	6,096	6,740	Buy	25,111	156.1	166.7	192.8	39.0	36.6	35.0	5.7	5.7	5.1	30.8	29.6	30.7	21.0	20.2	21.3
Hindustan Unilever (HINLEV)	1,471	1,360	Hold	295,704	20.8	23.9	27.2	70.8	61.5	50.0	8.7	8.9	7.6	74.9	88.2	104.3	66.6	75.1	87.6
ITC Limited (ITC)	287	320	Buy	330,409	8.4	8.7	9.9	34.2	32.9	32.5	8.3	8.4	7.4	32.9	29.9	34.3	22.5	21.0	23.8
Jyothy Lab (JYOLAB)	366	420	Buy	6,788	11.1	7.5	9.3	32.9	48.8	45.0	4.0	4.1	3.6	28.1	25.5	28.6	30.9	20.6	24.1
Marico (MARLIM)	317	362	Buy	40,674	6.3	6.5	7.8	50.4	48.4	46.2	6.9	6.3	5.3	44.6	41.5	44.5	34.9	32.8	35.5
Nestle (NESIND)	9,212	8,600	Buy	74,880	103.9	127.1	154.9	88.7	72.5	55.5	8.0	7.4	6.3	34.9	37.3	44.7	36.2	36.8	41.7
Prabhat Dairy (PRADAI)	179	215	Buy	1,797	4.8	5.7	8.6	38.3	32.5	21.5	1.3	1.1	1.0	8.0	9.1	12.5	5.1	6.1	9.4
VST Industries (VSTIND)	3,081	3,900	Buy	4,815	98.1	117.8	139.1	31.4	26.2	28.0	5.2	5.1	4.5	42.0	46.9	47.5	28.1	31.3	33.4
Varun Beverage (VARBEV)	667	840	Buy	11,942	11.7	15.4	22.3	55.8	42.6	29.4	3.0	2.4	2.2	12.8	14.9	18.9	10.5	12.7	16.8

Source: Company, ICICI Direct Research

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