

CMP: ₹ 598

Target: ₹ 745 (25%)

Target Period: 12 months

BUY

November 3, 2021

## On a roll...

**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 dominant market share in health supplement, OTC & ethical products, hair oils & juices. Moreover, it is continuously gaining market share in the oral care category.

- The company has total distribution reach of 6.9 million retail out with direct reach of 1.3 million outlets. It would increase direct distribution to 1.5 million outlets in the next two years
- Dabur also derives ~48% of its sales through rural regions with a presence in 83,000 villages, which would increase to 90,000 villages in next one year

**Q2FY22 Results:** Dabur reported healthy results with 10% volume growth

- Sales were up 12% YoY with strong growth across segments
- EBITDA was at ₹ 620.7 crore, up 9% YoY, with margins at 22%
- Consequent PAT was at ₹ 505.3 crore (up 4.6% YoY)

**What should investors do?** Dabur's share price has given 100% return in the last five years (from ₹ 298 in November 2016 to ₹ 598 in November 2021).

- We maintain our estimates with expected strong growth propelled through new product, rural distribution & Ayurveda, naturals consumption tailwind
- We continue to maintain our BUY rating on the stock

**Target Price and Valuation:** We value the stock at ₹ 745 on ascribing 55x FY24 earnings multiple.

**Key triggers for future price performance:**

- Significant shift in consumption towards healthier, natural & Ayurveda based products would be driving growth for the company
- Aggressively foraying into many big categories (edible oil, carbonated drink, household insecticides, fruit drinks) and new products launches
- Increasing the distribution of many urban products in hinterland reach of 83,000 villages) with lower price points & different variants ('honey Tasties')

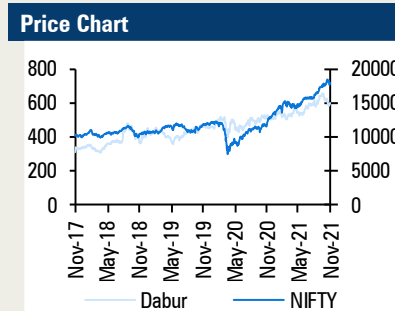
**Alternate Stock Idea:** We also like Varun Beverages in our FMCG coverage.

- With normalisation of mobility, full-fledged summer season after acquisition of south & west territories is likely to drive robust volume growth
- Value the business at 23x CY23 EV / EBITDA. BUY with TP of ₹ 1020



Particulars	
Particular (₹ crore)	Amount
Market Capitalization	105,725.6
Total Debt (FY21)	726.3
Cash and Investments (FY21)	5,477.4
EV	100,974.5
52 week H/L (₹)	659 / 483
Equity capital	176.6
Face value (₹)	1.0

Shareholding pattern				
(in %)	Dec-20	Mar-21	Jun-21	Sep-21
Promote	67.9	67.4	67.4	67.4
FII	18.5	19.8	20.6	21.4
DII	5.9	5.3	4.7	3.4
Others	7.7	7.5	7.3	7.8



- Recent event & key risks**
- It launched Dabur Vita (MFD category) & Odomos liquid vaporisers in Q2
  - Key Risk:** (i) Failure is multiples new initiatives could shake distributor's confidence (ii) Slowdown in economic activity can impact rural consumption

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## Key Financial Summary

Key Financials	5 Year CAGR						
	FY20	FY21	(FY16-21)	FY22E	FY23E	FY24E	CAGR (FY21-24E)
Net Sales	8703.6	9561.7	4.0	11049.8	12164.6	13530.8	12.3
EBITDA	1792.4	2002.7	5.7	2251.2	2590.6	2922.6	13.4
EBITDA Margin %	20.6	20.9		20.4	21.3	21.6	
Net Profit	1447.9	1694.9	6.3	1861.5	2137.0	2387.3	12.1
EPS (₹)	8.2	9.6	6.2	10.5	12.1	13.5	12.1
P/E	73.0	62.4		56.8	49.5	44.3	
RoNW %	21.9	22.1		22.2	23.3	23.3	
RoCE (%)	26.1	24.5		25.7	27.3	27.9	

Source: Company, ICICI Direct Research

## Key takeaways of recent quarter

### Q2FY22 Results: Robust growth propelled by new products...

- Dabur India reported 12% revenue growth to ₹ 2817.6 crore led by 10% volume growth in the domestic business. India FMCG revenue grew 11.9% while international business witnessed growth of 13.8%
- Health supplement business witnessed 13.6% sales decline on a very high base (70% growth). On a two year CAGR basis, the segment grew 21.3%. Digestives and OTC & ethnical products grew 22.7% & 1.9%, respectively. On a two year CAGR basis, these categories witnessed growth of 12.1% & 19.4%, respectively
- Chyawanprash penetration was 4% at a pre-Covid levels, which doubled after the pandemic. Despite a dip in sales on a high base, the company continued to gain market share (up 520 bps). The increased competition is better for the company given it creates more awareness about the category. Similarly, increasing competition in honey is increasing the size of the market. DIL gained 430 bps market share across channels.
- Oral care business saw growth of 13.3% on a high base. On a two year CAGR basis, the growth is 18.6%. Toothpaste category saw 15.2% growth driven by robust momentum in Dabur red paste (20% growth). Meswak reported double digit growth. Toothpaste market share improved by 40 bps
- Within oral care, herbal, naturals category is growing 1.3x of non-herbal toothpaste category & DIL is growing 1.3x of herbal, Ayurveda category. The company has 50 bps lower market share compared to the second player (HUL). It is a matter of time before the company would have second largest market share in oral care
- Hair oils category has seen growth of 27.9%. However, on a two year CAGR basis, the sales growth is 9.5%. Both perfumed & coconut oil portfolio saw double digit growth. The company gained market share by 80 bps
- In hair oil, the company is not taking price increases very aggressively. The category has declined by 2% and is still not out of the woods. Anmol (coconut oil) brand has grown by 23% and would be contributing ₹ 160-200 crore to sales. The category is witnessing high inflation but the company is trying to absorb this inflation
- Shampoo brands have seen strong 20.5% growth in Q2 & on a two year CAGR basis, the growth is 19.1%. Herbal saliency for shampoos is merely 10% compared to 32% in oral care. The company holds small market share of 6.7% in the category and the scope for herbal category growth is huge. Newly launched Vatika Ayurvedic and Vatika Neem Shampoo showed good consumer acceptance
- Skin & salon segment saw de-growth of 11.9% given sanitisers, which saw very high growth last years, has seen considerable decline in current year. Homecare segment saw 25.3% growth in Q2. On a two year CAGR basis, the brands are growing at a slow 6.1%
- Beverages (Real juices) witnessed a strong recovery with 45% sales growth. Fruit drinks category has reached ₹ 100 crore The growth is largely coming from increase in mobility. The category has seen growth of 37%. Foods (Homemade) category continue to witness strong growth of 13.9%. The Homemade brand is likely to grow to ₹ 200 crore sales next year
- International business grew 22% in constant currency with very strong growth in all regions. MENA, Egypt, Namaste (US) and Saarc saw revenue growth of 28.2%, 26.4%, 27.4%, 28% respectively. SSA (Sub-Saharan Africa and Turkey business grew by 34.7% and 7.5%, respectively. It continues to launch high number of new products during the year

- In new product launches, DIL has entered the MFD category with the launch of Dabur Vita. Further, it has forayed into household insecticide category with the launch of ‘Odomos Liquid Vaporisers’. These products have been launched in MT and e-commerce channel as of now
- It has also launched various other products like ‘Dabur Honey Throat relief, Hajmola LimCola, Vatika Neem face wash, Dabur Aloe Vera nourishing gel among others. Overall new products are contributing 4.6% of sales (considering FY21 & FY22 launched products). The company intends to maintain new products contributing 4-5% to the sales in future as well
- Despite very high inflation, the company only saw 204 bps contraction in gross margins (most of other FMCG companies saw very high inflation). With 105 bps saving in employee spends & 86 savings in marketing spends, the company was able to restrict the margin contraction to 60 bps to 22%. Operating profit grew 9% to ₹ 620.7 crore. Led by strong growth in operating profit and high other income, net profit saw growth of 4.6% to ₹ 505.3 crore
- Commodity inflation is only picking up in Q3 as well. In foods, the company have been able to mitigate inflation through price increase, cost rationalisation. In healthcare, DIL has taken price increase to more than cover up inflation in the category
- Wholesales remains an important channel for the company. Still ~30% of the sales comes from the channel. Direct reach for the company has gone up from 1.2 million outlets to 1.3 outlets in the last one year and would go up to 1.4 million outlets sooner
- The company has achieved its target to expand its village reach to 83000 villages. This would be further enhanced to 90000 villages. It generates 47-48% of its sales through rural regions compared to 45% in pre-Covid level
- Marketing spends are 7.2% of sales but ~4% promotional spends do not reflect in numbers. Overall A&P spends are closer to 12% of sales. Some of the new launches are under the existing strong brands, which may not require significant ad-spends behind those brands

**Exhibit 1: Peer Comparison**

Sector / Company	CMP			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)	566	685	Buy	73541	19.6	5.2	6.9	18.3	20.2	20.6	56.0	49.9	45.7	38.7	41.2	42.7	43.0	47.3	49.2
Hindustan Unilever (HINLEV)	2417	2750	Hold	582416	12.9	9.1	8.4	25.6	26.2	26.3	63.0	55.9	51.0	19.5	21.5	23.0	25.0	27.6	29.5
Varun Beverage (VARBEV)	917	1020	Buy	36780	31.3	10.4	10.0	19.5	20.3	20.0	53.0	41.8	37.5	17.2	18.9	19.0	19.6	23.4	26.3
Dabur India (DABIND)	598	745	Buy	105726	15.6	10.1	11.2	20.4	21.3	21.6	56.8	49.5	44.3	22.2	23.3	23.3	25.7	27.3	27.9

Source: Company, ICICI Direct Research

Dabur has been one of the beneficiaries of a shift in consumption trends towards health & wellness. The entire Ayurveda & naturals product categories have witnessed very strong growth in the last two years with newer consumers adopting these new consumption trends. The company has also launched very high numbers of products and SKUs during the period to drive penetration. We believe DIL’s ambition to enter high growing categories would drive growth in future. The company is also one of the few companies less impacted by high commodity inflation mainly due to higher proportions of herbs in the raw materials. We continue to like the company’s strategy of driving growth through new products, expansion of rural distribution & leveraging the tailwinds of immunity, naturals & Ayurveda products. We maintain our BUY recommendation on the stock with a target price of ₹ 745 / share (earlier ₹ 740).

Exhibit 2: Variance Analysis

	Q2FY22	Q2FY22E	Q2FY21	YoY (%)	Q1FY21	QoQ (%)	Comments
Net Sales	2,817.6	2,823.3	2,516.0	12.0	2,611.5	7.9	Net sales witnessed a growth of 12% led by 11.9% growth in India FMCG business & 13.8% growth in International business
Raw Material Expenses	1,441.5	1,455.7	1,235.9	16.6	1,355.4	6.4	Gross margins contracted by 204 bps on account of high commodity inflation specifically in crude based packaging costs
Employee Expenses	269.7	265.4	267.3	0.9	258.2	4.4	Employee spends was down by 105 bps (% to sales)
SG&A Expenses	202.2	217.4	202.2	0.0	188.4	7.3	The company was able to save 86 bps (% to sales) on marketing spends in order to safeguard operating margins
Other operating Expenses	283.5	254.1	241.3	17.5	257.6	10.1	
EBITDA	620.7	630.8	569.4	9.0	552.0	12.4	
EBITDA Margin (%)	22.0	22.3	22.6	-60 bps	21.1	89 bps	DIL was able to restrict the operating margins contraction by 60 bps despite very high commodity inflation
Depreciation	63.3	60.0	59.6	6.2	61.3	3.3	
Interest	8.3	17.2	7.5	10.4	7.5	10.3	
Other Income	112.4	85.4	87.6	28.4	84.8	32.5	High other income accounts for ₹16.8 crore from recovery from DHFL investment
Exceptional items	0.0	0.0	0.0	N.A.	0.0	N.A.	
PBT	661.6	638.9	589.9	12.1	568.1	16.5	
Tax Outgo	155.8	129.7	106.7	46.0	129.7	20.1	
PAT	505.3	509.3	482.9	4.6	438.4	15.3	Net profit grew by 4.6% with increasing tax provisioning in India business
<b>Key Metrics YoY growth (%)</b>							
Domestic Volume Growth	10.0		16.5		34.4		Strong volume growth on 10% on high base India business sales growth was aided by strong recovery in beverages (real) & sustained growth across categories
Standalone sales growth			17.9				
	11.5				33.0		
Subsidiary's sales growth	13.4		2.6		28.5		

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

(₹ Crore)	FY22E			FY23E			FY24E			Comments
	Old	New	% change	Old	New	% change	Old	New	% change	
Sales	10,858.8	11,049.8	1.8	11,951.6	12,164.6	1.8	13,291.6	13,530.8	1.8	We marginally increase our revenue estimates for considering strong growth momentum
EBITDA	2187.1	2251.2	2.9	2,553.1	2,590.6	1.5	2,879.8	2,922.6	1.5	
EBITDA Margin (%)	20.1	20.4	23 bps	21.4	21.3	-7 bps	21.7	21.6	-7 bps	We increase our margins estimates upwards slightly given the company has been able to manage cost inflation well
PAT	1809.2	1861.5	2.9	2,106.7	2,137.0	1.4	2,353.0	2,387.3	1.5	
EPS (₹)	10.2	10.5	2.9	11.9	12.1	1.4	13.3	13.5	1.5	

Source: ICICI Direct Research

Exhibit 4: Assumptions

	Current						Earlier			Comments
	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	
Std. Sales (₹ crore)	6,273.2	6,309.8	7,184.7	8,341.9	9,185.9	10,224.5	8,245.9	9,077.4	10,101.3	Slight change in our estimates
Subs. Sales (₹ crore)	2,259.9	2,393.8	2,376.9	2,707.9	2,978.7	3,306.4	2,612.9	2,874.2	3,190.3	
RM exp. To sales %	50.5	50.1	50.1	51.6	50.4	50.5	51.6	50.3	50.4	
Adex to sales %	7.1	8.0	8.2	8.5	8.7	9.0	8.5	8.7	9.0	
Interest Cost (₹ crore)	59.6	49.5	30.8	68.6	68.6	68.6	68.6	68.6	68.6	

Source: ICICI Direct Research

## Key Metrics

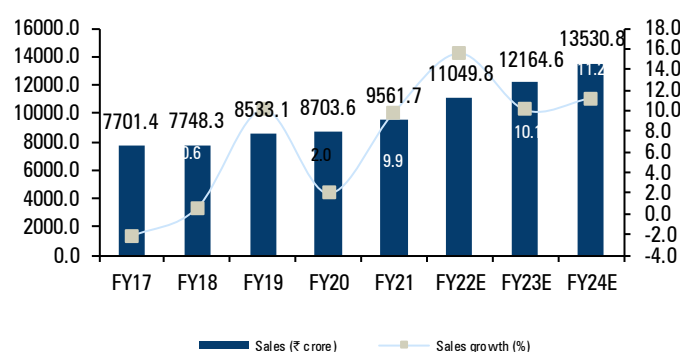
Exhibit 5: Category wise revenue growth in percentage (YoY)

	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22
Hair Care	11.1*	24*	3*	12.1*	2.6*	0.4*	-20.2	-22.9	-2.4	13.7	24.6	38.4	27.9
Oral Care	3.9	10.0	8.2	11.4	4.4	8.5	-15.8	1.4	24.2	28.0	42.1	21.1	13.3
Health Supp.	12.3	13.8	10.2	19.6	14.4	12.2	-9.5	52.6	70.8	34.7	17.7	24.5	-13.6
Digestives	10.8	22.5	11.9	18.2	10.2	15.9	-9.5	-11.5	2.5	-0.3	20.0	16.2	22.7
Skin Care	11.9	19.3	11.2	12.1	1.0	-0.3	-24.2	-12.5	38.1	9.1	37.9	-5.4	-11.9
Home Care	10.9	8.9	16.2	10.9	7.0	2.5	-20.6	-30.5	-10.2	-1.0	24.3	30.6	25.3
Foods	2.3	11.1	-6.5	1.5	-5.0	-1.7	-18.4	-34.4	-3.8	4.7	36.1	51.7	45.0
OTC	10.0	17.7	16.6	13.1	4.2	5.5	-20.6	34.4	56.1	34.1	34.0	52.3	1.9
Ethicals	6.1	17.4	9.7	15.9	7.2	2.7	-20.6	10.7	26.4	23.2	39.1	50.8	1.9

Source: Company, ICICI Direct Research

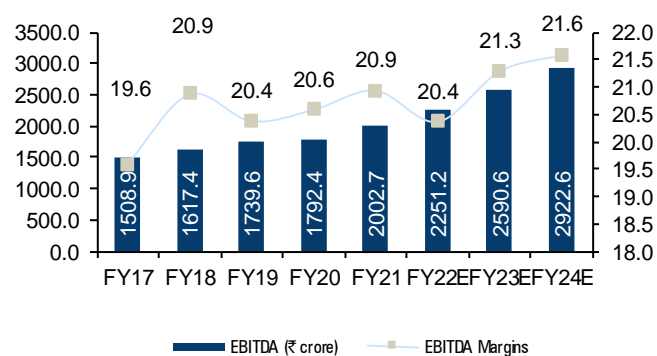
\* Hair care included Shampoo

Exhibit 6: Strong revenue growth momentum to continue



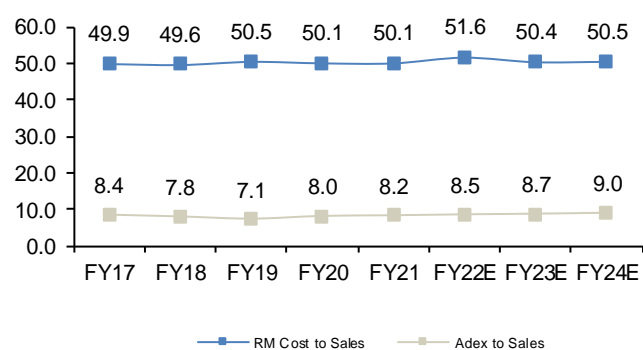
Source: ICICI Direct Research, Company

Exhibit 7: EBITDA margin to remain stable



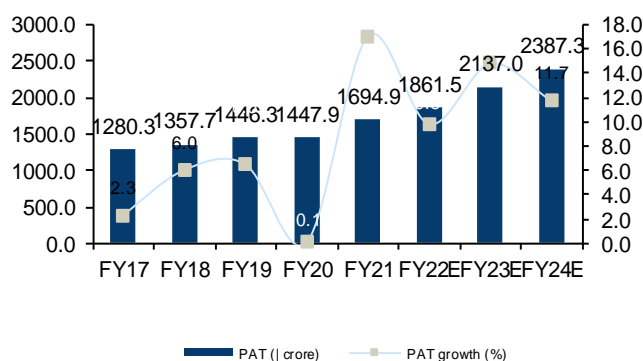
Source: ICICI Direct Research, Company

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	62.4	52.4	22.1	24.5
FY22E	11049.8	15.6	10.5	9.8	56.8	46.7	22.2	25.7
FY23E	12164.6	10.1	12.1	14.8	49.5	40.6	23.3	27.3
FY24E	13530.8	11.2	13.5	11.7	44.3	35.9	23.3	27.9

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 11: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
<b>Net Sales</b>	<b>9,561.7</b>	<b>11,049.8</b>	<b>12,164.6</b>	<b>13,530.8</b>
Growth (%)	9.9	15.6	10.1	11.2
Raw Material Expenses	4,789.0	5,704.6	6,131.5	6,834.3
Employee Expenses	1,033.5	1,093.9	1,240.8	1,380.1
Marketing Expenses	784.4	939.2	1,058.3	1,094.8
Administrative Expenses	0.0	740.3	790.7	906.6
Other expenses	952.2	320.4	352.8	392.4
Total Operating Expenditure	7,559.0	8,798.5	9,574.0	10,608.2
<b>EBITDA</b>	<b>2,002.7</b>	<b>2,251.2</b>	<b>2,590.6</b>	<b>2,922.6</b>
Growth (%)	11.7	12.4	15.1	12.8
Depreciation	240.1	240.2	242.3	246.4
Interest	30.8	68.6	68.6	68.6
Other Income	325.3	341.6	358.6	376.6
PBT	2,057.0	2,284.0	2,638.3	2,984.1
Others	0.0	0.0	0.0	0.0
Total Tax	361.1	422.5	501.3	596.8
<b>PAT</b>	<b>1,694.9</b>	<b>1,861.5</b>	<b>2,137.0</b>	<b>2,387.3</b>
Growth (%)	17.1	9.8	14.8	11.7
Adjusted EPS (₹)	9.6	10.5	12.1	13.5

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
Profit before Tax	2,056.0	2,284.0	2,638.3	2,984.1
Add: Depreciation	240.1	240.2	242.3	246.4
(Inc)/dec in Current Assets	-26.7	-775.0	-644.0	-705.7
Inc/(dec) in CL and Provisions	415.0	37.1	268.9	311.5
Others	-569.8	-353.9	-432.6	-528.2
<b>CF from operating activities</b>	<b>2,114.7</b>	<b>1,432.3</b>	<b>2,072.9</b>	<b>2,308.1</b>
(Inc)/dec in Investments	-1,099.5	-350.0	-350.0	-350.0
(Inc)/dec in Fixed Assets	-306.3	-270.0	-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>-620.0</b>	<b>-620.0</b>	<b>-620.0</b>
Issue/(Buy back) of Equity	36.9	0.0	0.0	0.0
Inc/(dec) in loan funds	-631.0	-150.0	-100.0	-100.0
Dividend paid & dividend tax	0.0	-1,148.6	-1,325.3	-1,325.3
Others	0.0	-68.6	-68.6	-68.6
<b>CF from financing activities</b>	<b>-613.4</b>	<b>-1,367.2</b>	<b>-1,494.0</b>	<b>-1,494.0</b>
Net Cash flow	95.5	-555.0	-41.1	194.1
Opening Cash	91.8	241.2	-313.7	-354.8
Miscellaneous adjustments	1,141.8	1,087.8	1,087.8	1,087.8
<b>Closing Cash</b>	<b>1,329.0</b>	<b>774.1</b>	<b>733.0</b>	<b>927.1</b>

Source: Company, ICICI Direct Research

Exhibit 13: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22E	FY23E	FY24E
<b>Liabilities</b>				
Equity Capital	176.7	176.7	176.7	176.7
Reserve and Surplus	7,486.8	8,199.6	9,011.3	10,073.3
Total Shareholders funds	7,663.5	8,376.3	9,188.0	10,250.0
Long Term Loans	483.3	383.3	333.3	283.3
Long Term Provisions	15.3	15.3	15.3	15.3
Minority Interest / Others	100.0	100.0	100.0	100.0
<b>Total Liabilities</b>	<b>8,262.0</b>	<b>8,874.9</b>	<b>9,636.6</b>	<b>10,648.5</b>
<b>Assets</b>				
Gross Block	3,926.9	4,176.9	4,426.9	4,676.9
Less: Acc Depreciation	1,684.0	1,924.1	2,166.4	2,412.8
Net Block	2,242.9	2,252.7	2,260.5	2,264.1
Capital WIP	158.6	178.6	198.6	218.6
Non- Current Investments	3,402.4	3,702.4	4,002.4	4,302.4
LT loans & advances	22.5	72.5	122.5	172.5
Other Non-current Assets	244.9	294.9	344.9	394.9
<b>Current Assets</b>				
Inventory	1,734.3	1,657.5	1,824.7	2,029.6
Debtors	561.6	1,043.6	1,148.9	1,277.9
Cash & Bank	1329.0	774.1	733.0	927.1
ST Loans & Advances	14.5	14.3	15.7	17.5
Other Current Assets	1,136.6	1,506.6	1,876.6	2,246.6
<b>Current Liabilities</b>				
Creditors	1,915.3	1,872.3	2,061.2	2,292.7
ST Borrowings	243.0	263.0	283.0	303.0
Other CL	426.8	486.8	546.8	606.8
Net Current Assets	2,190.9	2,373.9	2,707.9	3,296.3
Miscellaneous Expenditure	0.0	0.0	0.0	0.0
<b>Total Assets</b>	<b>8,262.1</b>	<b>8,874.9</b>	<b>9,636.6</b>	<b>10,648.6</b>

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios				
(Year-end March)	FY21	FY22E	FY23E	FY24E
<b>Per share data (₹)</b>				
Adjusted EPS	9.6	10.5	12.1	13.5
Cash EPS	11.0	11.9	13.5	14.9
BV	43.4	47.4	52.0	58.0
DPS	4.8	6.5	7.5	7.5
Cash Per Share	7.5	4.4	4.1	5.2
<b>Operating Ratios (%)</b>				
PBITDA Margin	20.9	20.4	21.3	21.6
PBT / Total Operating income	18.1	17.6	18.7	19.3
PAT Margin	17.7	16.8	17.6	17.6
Inventory days	54	54	54	54
Debtor days	34	34	34	34
Creditor days	61	61	61	61
<b>Return Ratios (%)</b>				
RoE	22.1	22.2	23.3	23.3
RoCE	24.5	25.7	27.3	27.9
RoIC	26.1	25.7	27.6	29.0
<b>Valuation Ratios (x)</b>				
P/E	62.4	56.8	49.5	44.3
EV / EBITDA	52.4	46.7	40.6	35.9
EV / Net Sales	11.0	9.5	8.6	7.7
Market Cap / Sales	11.1	9.6	8.7	7.8
Price to Book Value	13.8	12.6	11.5	10.3
<b>Solvency Ratios</b>				
Debt/EBITDA	0.4	0.3	0.2	0.2
Debt / Equity	0.1	0.1	0.1	0.1
Current Ratio	1.5	1.8	1.9	1.9
Quick Ratio	0.7	1.1	1.2	1.2

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
Colgate (COLPAL)	1,527	1,800	Buy	42,088	38.3	41.1	45.3	39.9	37.1	33.7	8.1	7.5	6.8	110.5	113.2	116.5	84.8	87.0	89.5
Dabur India (DABIND)	598	745	Buy	105,726	10.5	12.1	13.5	56.8	49.5	44.3	9.6	8.7	7.8	25.7	27.3	27.9	22.2	23.3	23.3
Hindustan Unilever (HINLEV)	2,417	2,750	Hold	582,416	39.3	44.3	48.6	61.4	54.5	49.8	11.4	10.5	9.6	25.0	27.6	29.5	19.5	21.5	23.0
ITC Limited (ITC)	226	260	Hold	293,108	12.0	13.7	15.3	18.7	16.4	14.7	5.5	5.0	4.5	31.4	34.1	36.0	24.2	26.2	27.6
Jyothy Lab (JYOLAB)	158	180	Hold	6,248	5.7	6.5	7.1	27.6	24.3	22.1	3.0	2.8	2.6	25.2	27.0	28.5	21.0	22.6	23.9
Marico (MARLIM)	566	685	Buy	73,541	10.2	11.4	12.5	55.6	49.6	45.4	7.6	7.3	6.8	43.0	47.3	49.2	38.7	41.2	42.7
Nestle (NESIND)	18,774	20,450	Hold	183,217	249.9	279.6	314.2	75.1	67.2	59.7	12.4	11.3	10.3	54.9	56.4	57.5	87.8	86.3	83.1
Tata Consumer Products (TAT)	834	910	Buy	72,703	11.8	14.1	16.2	70.9	59.2	51.4	5.8	5.3	4.8	8.9	9.9	10.8	7.2	8.3	9.2
VST Industries (VSTIND)	3,289	3,700	Hold	5,334	223.1	245.8	277.0	14.7	13.4	11.9	4.6	4.2	3.9	44.2	47.7	55.1	32.8	35.7	41.2
Varun Beverage (VARBEV)	917	1,020	Buy	36,780	16.0	20.3	22.7	57.2	45.1	40.5	4.3	3.9	3.6	19.6	23.4	26.3	17.2	18.9	19.0
Zydus Wellness (ZYDWEL)	1,999	2,800	Buy	13,449	56.2	67.8	77.6	35.6	29.5	25.8	6.4	5.8	5.3	7.3	8.6	9.7	7.5	9.0	10.0

Source: Bloomberg, ICICI Direct Research



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Reduce: -15% to -5%;

Sell: <-15%



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