

## Dabur India (DABIND)

### Domestic volume growth spikes to 10-year high

- Dabur reported 16.2% YoY growth in consolidated net sales of ₹ 2,080.7 crore (I-direct estimate: ₹ 2,048.7 crore; on a comparable basis, consolidated net sales grew 19.6%). The company reported domestic revenue growth of 24.7% led by 21% volume growth (I-direct estimate: 10%) during the quarter. International business reported growth of 10.5% in constant currency terms
- The consumer care segment grew 19.4% YoY while the foods segment increased 19.1% YoY. The strong consumer care growth was led by oral care growth of 17.3%, hair oil growth of 18.8%, shampoos category growth of 30.3%, home care growth of 17.4%, skin care growth of 27.1% and healthcare segment growth of 23.4%
- Raw material and other overheads were down 69 bps and 119 bps YoY as percentage to sales resulting in 130 bps improvement in operating margins to 18.6%. Led by strong growth in operating profit, PAT witnessed growth of 24.4% to ₹ 329.9 crore (I-direct estimate: ₹ 357.4 crore)

#### Well diversified product portfolio

Dabur India is well placed in the FMCG space with five flagship brands with distinct brand identities: *Dabur* as master brand for natural healthcare products, *Vatika* for premium personal care, *Hajmola* for digestives, *Réal* for fruit-based drinks and *Fem* for fairness bleaches & skin care. We believe new launches across categories like Hajmola Chat Cola & three variants of *Réal* (*Masala Guava*, *Masala Pomegranate* and *Alphonso Mango*) in Q1FY19 along with launch of *Pudin Hara Antacid*, *Dabur GlycoDab Tablets*, *Dabur Red Gel*, *Dabur Honitus Hot Sip*, etc. will continue to strengthen category wise leadership position of Dabur.

#### Ayurvedic, herbal wave to augment growth

Dabur is the world's largest Ayurvedic & Natural Health care company, with a portfolio of over 250 herbal and ayurvedic products. Its positioning in the 'health & wellness' platform, in addition to its continued focus on ayurvedic & herbal aspects has created a niche for its product offerings. With a wide distribution network covering 6.3 million retail outlets, the company has been able to efficiently leverage ayurveda & herbal product offerings to its advantage, with its Q1FY19 quarter witnessing a 10 year high domestic volume growth of 21%. Led by Dabur's strong brand recall in ayurvedic space coupled with new launches focusing on healthcare, we estimate domestic revenue growth at 12.4% CAGR in FY18-20E.

#### Fading competitive intensity from Patanjali; maintain BUY

The competitive intensity appears to have receded for the company in some categories where Patanjali was a core challenger. Healthcare segment (17% of domestic sales) grew 23.4% in Q1FY19 led by Chyawanprash and Honey (up 24% YoY). In oral care segment (17% of domestic sales), the company continued to improve its market share with 16.8% growth in the toothpaste category. The hair oil category (21% of domestic sales) grew 18.8% YoY backed by market share gains for coconut oils. Sales in shampoos surged 30.3% YoY on the back of marketing initiatives and improving bottle saliency. Thus, with robust growth across categories, we expect Dabur to generate revenue and earnings growth at 14.1% and 16.1% CAGR, respectively, in FY18-20E on the back of sustainable volume growth of 10% in FY18-20E. Hence, we maintain our **BUY** rating on Dabur with a revised target price of ₹ 475.

Rating matrix	
Rating	Buy
Target	₹ 475
Target Period	12 months
Potential Upside	10%

What's changed?	
Target	Changed from ₹ 415 to ₹ 475
EPS FY19E	Changed from ₹ 8.8 to ₹ 8.7
EPS FY20E	Changed from ₹ 10.3 to ₹ 10.4
Rating	Unchanged

Quarterly performance					
	Q1FY19	Q1FY18	YoY (%)	Q4FY18	QoQ (%)
Sales	2080.7	1790.1	16.2	2032.9	2.3
EBITDA	386.1	308.9	25.0	485.2	-20.4
EBITDA (%)	18.6	17.3	130 bps	23.9	-531 bps
PAT	329.9	265.2	24.4	397.4	-17.0

Key financials				
₹ Crore	FY17	FY18	FY19E	FY20E
Net Sales	7,701.4	7,748.3	8,858.0	10,093.4
EBITDA	1,508.9	1,617.4	1,808.6	2,147.8
Net Profit	1,280.3	1,357.7	1,531.0	1,830.9
EPS (₹)	7.3	7.7	8.7	10.4

Valuation summary				
	FY17	FY18	FY19E	FY20E
P/E	59.2	55.8	49.5	41.4
Target P/E	65.4	61.6	54.7	45.7
Div. Yield	0.5	0.8	1.2	1.5
Mcap/Sales	9.8	9.7	8.5	7.5
RoNW (%)	26.4	23.8	24.1	26.0
RoCE (%)	28.0	26.2	26.9	29.5

Stock data	
Particular	Amount
Market Capitalization (₹ Crore)	75,529.5
Total Debt (FY18) (₹ Crore)	833.1
Cash and Investments (FY18) (₹ Crore)	1,019.5
EV (₹ Crore)	75,343.1
52 week H/L	428 / 297
Equity capital	₹ 176.2 Crore
Face value	₹ 1

Price performance				
	1M	3M	6M	12M
Dabur	7.5	13.7	18.6	35.5
Marico	9.6	9.3	17.5	9.0
GCPL	7.7	18.1	25.2	27.4
HUL	5.5	14.8	26.4	50.1

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## Variance analysis

	Q1FY19	Q1FY19E	Q1FY18	YoY (%)	Q4FY18	QoQ (%)	Comments
Net Sales	2,080.7	2,048.7	1,790.1	16.2	2,032.9	2.3	Net sales witnessed comparable growth of 19.6% mainly led by domestic comparable sales growth of 24.7% backed by 21% volume growth
Raw Material Expenses	1,048.6	1,027.8	914.5	14.7	1,002.4	4.6	Gross margins improved 69 bps
Employee Expenses	224.1	205.8	203.5	10.1	180.7	24.0	
SG&A Expenses	199.0	161.4	150.0	32.6	125.6	58.4	On the back of new launches during the quarter, marketing expenses went up 32.6%
Other operating Expenses	222.9	16.1	213.1	4.6	239.0	-6.7	
EBITDA	386.1	422.3	308.9	25.0	485.2	-20.4	
EBITDA Margin (%)	18.6	20.6	17.3	130 bps	23.9	-531 bps	Operating margins improved 130 bps mainly driven by gross margin improvement and lower other expenditure on the back of input tax credit benefits
Depreciation	42.7	41.9	39.1	9.4	42.6	0.3	
Interest	14.9	10.7	13.3	12.0	13.2	12.4	
Other Income	73.7	80.7	81.3	-9.4	73.2	0.6	
PBT	402.1	446.8	323.6	24.2	502.6	-20.0	
Tax Outgo	72.4	89.4	58.9	22.9	105.2	-31.2	
PAT	329.9	357.4	265.2	24.4	397.4	-17.0	Led by strong growth in operating profit, PAT witnessed YoY growth of 24.4%
<b>Key Metrics YoY growth (%)</b>							
Volume Growth	21.0		-4.4		7.7		
Standalone sales growth	19.4		-5.0		10.0		
Subsidiary's sales growth	9.2		-14.5		16.0		

Source: Company, ICICI Direct Research

## Change in estimates

₹ Crore)	FY19E			FY20E			Comments
	Old	New	% Change	Old	New	% change	
Sales	8772.5	8858.0	1.0	9,930.8	10093.4	1.6	We marginally tweak our estimates
EBITDA	1810.9	1808.6	-0.1	2083.1	2147.8	3.1	
EBITDA Margin (%)	20.6	20.4	-23 bps	21.0	21.3	30 bps	
PAT	1549.5	1531.0	-1.2	1809.3	1830.9	1.2	
EPS (₹)	8.8	8.7	-1.2	10.3	10.4	0.9	

Source: Company, ICICI Direct Research

## Assumptions

	FY16	Current			Earlier			
		FY17	FY18	FY19E	FY20E	FY19E	FY20E	
Std. Sales (₹ crore)	5,422.6	5,369.8	5,609.1	6,282.9	7,080.6	6,197.5	6,943.7	We slightly change 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	3,012.8	2,575.1	2,987.1	
RM exp. To sales %	48.9	49.9	49.6	49.7	49.3	49.9	49.5	
Adex to sales %	9.8	8.4	7.8	8.5	8.0	8.0	8.0	
Interest Cost (₹ crore)	48.5	54.0	53.1	47.6	42.8	42.8	38.5	

Source: Company, ICICI Direct Research

## Conference call highlights

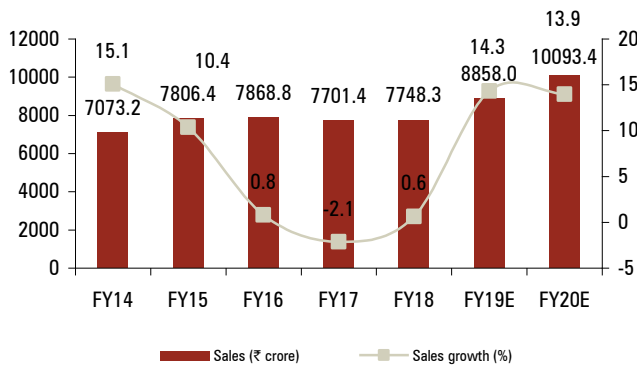
- Dabur India reported consolidated sales growth of 16.2% (comparable growth of 19.6%). Domestic sales growth has been to the tune of 24.7% on a comparable basis led by 21% volume growth. International business reported 10.5% growth in constant currency terms
- The company expects to achieve 8-10% volume growth for FY19 provided all categories continue to perform well along with a revival in rural growth
- Oral care continued the growth momentum growing at 17.3% mainly due to a shift in demand in favour of natural products. Toothpaste grew 16.8% whereas toothpowder increased 21.6% in the quarter
- Hair oil witnessed growth of 18.8% on the back of strong growth in Anmol Coconut Oil (45% growth), Amla Hair Oil, Brahmi Amla Hair Oil and Dabur Almond Hair Oil whereas shampoos grew 30.3% driven by marketing initiatives and improving bottle saliency. Hair care category contributes 23% to revenues
- Homecare category grew 17.4% driven by strong growth in Odonil and Sanifresh. Skincare also witnessed strong growth of 27.1% driven by double digit growth in Gulabari, Fem bleaches, HRC and facial kits
- Health supplements saw growth of 27.5% led by strong double digit growth in Chyawanprash and Honey. Digestive segment witnessed 21.6% growth on the back of strong performance of Hajmola tablets. OTC category grew 13.3% led by good growth in Honitus, Madhuvaani, Lal Tail and Mahabhringraj Hair Oil. Ethicals grew 23.4% led by medico marketing initiatives and on the ground activations
- Foods division surged 26.8% on the back of strong double digit growth in Real and Activ. Culinary business grew 10.2% driven by double digit growth of Hommade Coconut Milk and Nature's Best
- International business posted 10.5% growth in constant currency terms during Q1FY19. Gulf Cooperation Council (GCC) markets continued to perform well with constant currency growth of 17% led by Saudi Arabia, which grew 54%. Egypt posted strong growth of 31% in constant currency. Turkey (Hobby) grew 37% in constant currency terms. Namaste reported low single digit growth of 1%
- Operating margins improved 130 bps mainly on the back of 69 bps in gross margins and 119 bps in other overheads to sales. The 118 bps increase in marketing expenses to sales offset most of the operating margin growth trajectory
- Launched Hajmola Chat Cola and three variants of Real (Masala Guava, Masala Pomegranate, Alphonso Mango) during the quarter
- Marketing spends were up ~33% in Q1FY19 due to new launches. The company envisages marketing spends to be ~30% higher YoY
- The company expects to maintain its gross and operating margins for FY19E
- For FY19E, Dabur intends to incur a capex of ₹ 250-300 crore. The management has guided for slightly higher capex for FY20E on account of plant acquisition in Egypt

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

	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19
Hair Care	12.7	9.4	2.0	8.2	NA	NA	-20.0	-4.0	-11.0	2.3*	16.7*	8.8*	18.8*
Oral Care	17.5	18.7	10.5	18.3	11.6	NA	-5.0	9.0	1.5	22.8	23.0	11.0	17.3
Health Supp.	1.2	9.0	-7.1	NA	NA	NA	-11.0	5.0	-7.0	3.0	19.5	14.0	27.5
Digestives	1.7	1.6	-2.4	6.5	NA	NA	-10.0	-5.0	4.0	11.7	19.3	7.2	21.6
Skin Care	5.2	2.2	9.5	NA	NA	7.0	-11.0	0.0	4.0	15.8	14.5	8.5	27.1
Home Care	12.0	12.4	8.4	19.3	2.0	20.0	-5.0	-6.5	6.2	10.1	36.0	N.A.	17.4
Foods	15.5	2.4	-23.7	11.7	4.3	15.2	52.0	10.0	-8.3	11.7	0.0	-1.5	N.A.
OTC & Ethicals	16.7	10.8	7.5	7.1	NA	11.3	-11.0	-4.0	-6.6	5.5	8.7	N.A.	N.A.

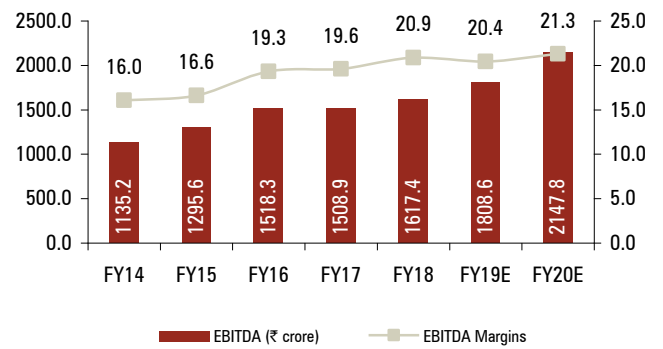
Source: Company, ICICI Direct Research \* Hair oil (Shampoo increased by 30.3%)

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



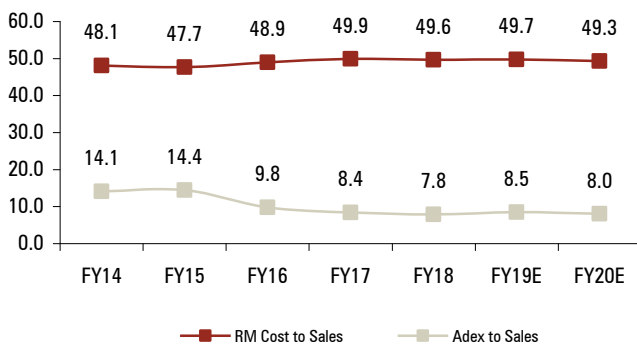
Source: Company, ICICI Direct, Research

**Exhibit 3: EBITDA margin to remain range bound**



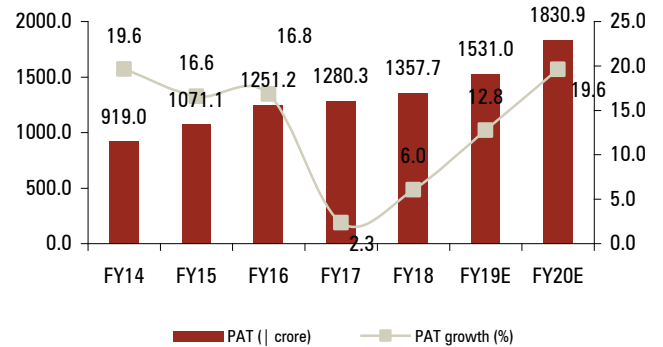
Source: Company, ICICI Direct, Research

**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

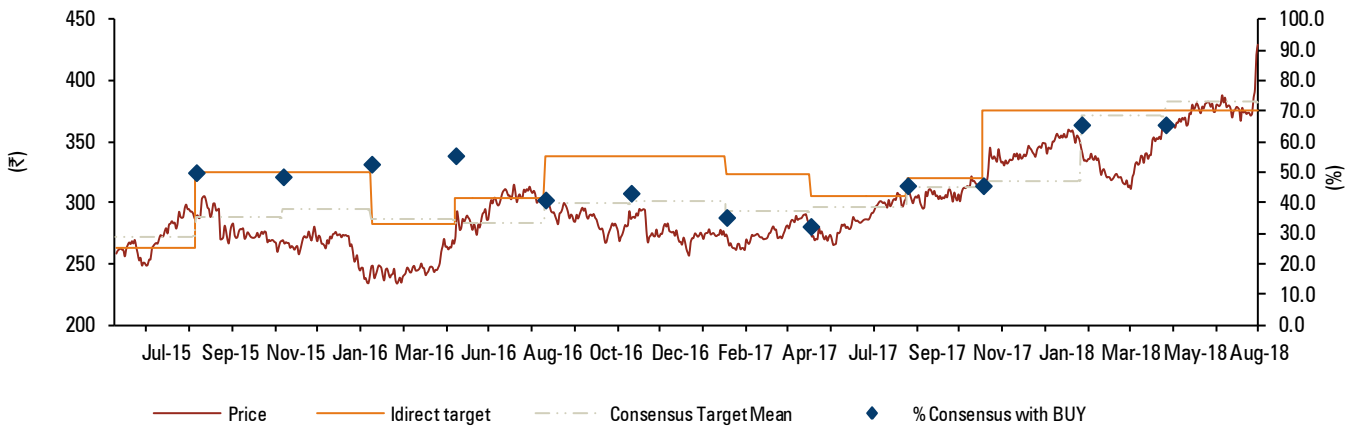
Followed by Q4FY18, Q1FY19 witnessed a recovery in international business on the back of 54% growth in Saudi Arabia, 31% growth in Egypt and 37% growth in Hobby (Turkey). We expect further recovery in FY19E. We believe strong rural demand on the back of an expected good monsoon and government's thrust on increasing rural income would aid volume growth in FY19E and FY20E. This should help generate revenue and earnings growth at 14.1% and 16.1% CAGR, respectively, in FY18-20E. Hence, we maintain our **BUY** recommendation on Dabur with a revised target price of ₹ 475/share.

**Exhibit 6: Valuations**

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY17	7701.4	-2.1	7.3	2.2	59.2	50.4	26.4	28.0
FY18	7748.3	0.6	7.7	6.0	55.8	47.0	23.8	26.2
FY19E	8858.0	14.3	8.7	12.8	49.5	41.9	24.1	26.9
FY20E	10093.4	13.9	10.4	19.6	10.4	35.2	26.0	29.5

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 & ethicalicals) & 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	30-Jun-18	12.34	217.9	0.0
2	VIC Enterprises Pvt. Ltd.	30-Jun-18	12.33	217.7	0.0
3	Gyan Enterprises Pvt. Ltd.	30-Jun-18	11.45	202.2	0.0
4	Puran Associates Pvt. Ltd.	30-Jun-18	10.71	189.2	0.0
5	Ratna Commercial Enterprises Pvt. Ltd.	30-Jun-18	8.90	157.2	0.0
6	Milky Investment & Trading Co.,	30-Jun-18	6.01	106.1	0.0
7	Life Insurance Corporation of India	31-Mar-18	3.28	57.9	-17.0
8	Burmans Finvest Pvt. Ltd.	30-Jun-18	3.00	53.0	0.0
9	Matthews International Capital Management, L.L.C.	30-Sep-17	1.94	34.2	-0.2
10	M B Finmart Pvt. Ltd.	30-Jun-18	1.50	26.5	0.0

Source: Reuters, ICICI Direct Research

### Shareholding Pattern

(in %)	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
Promoter	68.1	68.1	68.1	68.1	67.9
FII	18.0	17.7	17.7	17.2	17.7
DII	8.2	8.8	7.7	8.1	8.0
Others	5.8	5.5	6.5	6.7	6.4

### Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
ICICI Prudential Asset Management Co. Ltd.	43.79m	8.69m	Life Insurance Corporation of India	-85.76m	-17.01m
ARISAIG Partners (Asia) Pte. Ltd.	10.24m	2.03m	First State Investments (Singapore)	-12.22m	-2.23m
Aditya Birla Sun Life AMC Limited	7.63m	1.33m	Genesis Investment Management, LLP	-7.25m	-1.27m
Norges Bank Investment Management (NBIM)	6.56m	1.2m	Caisse de Depot et Placement du Quebec	-5.61m	-1.02m
Narang (P D)	6.72m	1.18m	BlackRock Institutional Trust Company, N.A.	-4.76m	-0.83m

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	8,858.0	10,093.4	
Growth (%)	-2.1	0.6	14.3	13.9	
Rbe Material Expenses	3,843.2	3,846.4	4,400.9	4,978.1	
Employee Expenses	789.6	792.8	903.5	1,029.5	
Marketing Expenses	646.1	606.7	752.9	807.5	
Administrative Expenses	600.8	572.4	664.4	757.0	
Other expenses	312.7	312.6	327.7	373.5	
Total Operating Expenditure	6,192.5	6,130.9	7,049.4	7,945.6	
EBITDA	1,508.9	1,617.4	1,808.6	2,147.8	
Growth (%)	-0.6	7.2	11.8	18.8	
Depreciation	142.9	162.2	167.7	172.1	
Interest	54.0	53.1	47.6	42.8	
Other Income	298.4	305.2	320.4	355.7	
PBT	1,610.4	1,692.9	1,913.7	2,288.6	
Others	0.0	14.5	0.0	0.0	
Total Tax	330.3	335.4	382.7	457.7	
PAT	1,280.3	1,357.7	1,531.0	1,830.9	
Growth (%)	2.1	6.0	12.8	19.6	
Adjusted EPS (₹)	7.3	7.7	8.7	10.4	

Source: Company, ICICI Direct Research

Cash flow statement		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Profit before Tax	1,610.7	1,693.1	1,913.7	2,288.6	
Add: Depreciation	142.9	162.2	167.7	172.1	
(Inc)/dec in Current Assets	121.3	-378.8	-193.3	-449.8	
Inc/(dec) in CL and Provisions	-16.0	85.8	-124.6	220.1	
Others	-613.8	-508.8	-335.2	-414.9	
CF from operating activities	1,245.1	1,053.5	1,428.3	1,816.1	
(Inc)/dec in Investments	-511.1	-583.7	-220.0	-220.0	
(Inc)/dec in Fixed Assets	-485.8	-200.3	-170.0	-170.0	
Others	190.0	243.7	0.0	0.0	
CF from investing activities	-806.9	-540.2	-390.0	-390.0	
Issue/(Buy back) of Equity	14.9	0.0	0.0	0.0	
Inc/(dec) in loan funds	168.2	-54.5	-200.0	-200.0	
Dividend paid & dividend tax	-396.3	-396.3	-880.8	-1,145.0	
Others	-125.7	-123.5	-47.6	-42.8	
CF from financing activities	-339.0	-574.4	-1,128.3	-1,387.8	
Net Cash flow	81.1	-25.6	-90.0	38.3	
Opening Cash	34.9	115.8	89.2	-0.8	
Miscellaneous adjustments	189.1	216.9	216.9	216.9	
Closing Cash	305.0	307.0	216.0	254.3	

Source: Company, ICICI Direct Research

Balance sheet		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
<b>Liabilities</b>					
Equity Capital	176.2	176.2	176.2	176.2	
Reserve and Surplus	4,671.2	5,530.4	6,180.6	6,866.6	
Total Shareholders funds	4,847.4	5,706.5	6,356.8	7,042.7	
Long Term Loans	474.1	368.6	268.6	168.6	
Long Term Provisions	108.0	109.1	109.1	109.1	
Minority Interest / Others	78.2	83.1	83.0	83.0	
Total Liabilities	5,507.7	6,267.3	6,817.4	7,403.4	
<b>Assets</b>					
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	11.9	13.1	113.1	213.1	
Other Non-current Assets	106.0	87.3	107.3	127.3	
<b>Current Assets</b>					
Inventory	1,106.7	1,256.2	1,254.9	1,457.9	
Debtors	650.4	706.1	861.2	1,037.4	
Cash & Bank	304.8	306.1	216.0	254.3	
ST Loans & Advances	3.8	34.9	4.4	5.0	
Other Current Assets	1,048.7	1,136.6	1,206.6	1,276.6	
<b>Current Liabilities</b>					
Creditors	1,310.0	1,410.3	1,205.7	1,345.8	
ST Borrowings	440.3	464.5	484.5	504.5	
Other CL	474.2	559.6	619.6	679.6	
Net Current Assets	889.9	1,005.3	1,233.2	1,501.3	
Total Assets	5,507.7	6,267.2	6,817.4	7,403.4	

Source: Company, ICICI Direct Research

Key ratios					
(Year-end March)	FY17	FY18	FY19E	FY20E	
<b>Per share data (₹)</b>					
Adjusted EPS	7.3	7.7	8.7	10.4	
Cash EPS	8.1	8.6	9.6	11.4	
BV	27.5	32.4	36.1	40.0	
DPS	2.3	3.5	5.0	6.5	
Cash Per Share	1.7	1.7	1.2	1.4	
<b>Operating Ratios (%)</b>					
PBITDA Margin	19.6	20.9	20.4	21.3	
PBT / Total Operating income	17.0	18.1	18.0	19.2	
PAT Margin	16.6	17.5	17.3	18.1	
Inventory days	52	50	51	52	
Debtor days	30	35	35	37	
Creditor days	61	55	49	48	
<b>Return Ratios (%)</b>					
RoE	26.4	23.8	24.1	26.0	
RoCE	28.0	26.2	26.9	29.5	
RoIC	24.9	23.2	24.1	27.3	
<b>Valuation Ratios (x)</b>					
P/E	59.2	55.8	49.5	41.4	
EV / EBITDA	50.4	47.0	41.9	35.2	
EV / Net Sales	9.9	9.8	8.6	7.5	
Market Cap / Sales	9.8	9.7	8.5	7.5	
Price to Book Value	15.6	13.3	11.9	10.8	
<b>Solvency Ratios</b>					
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	1.1	1.1	

Source: Company, ICICI Direct Research

## ICICI Direct coverage universe (FMCG)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			Price/Sales (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E
Colgate (COLPAL)	1,126	1,150	Hold	29,483	24.8	26.8	30.3	45.5	42.0	38.0	6.9	6.6	6.0	62.9	62.9	62.8	44.7	44.6	44.4
Dabur India (DABIND)	430	475	Buy	75,530	7.7	8.7	10.4	55.8	49.5	41.4	9.7	8.5	7.5	26.2	26.9	29.5	23.8	24.1	26.0
GSK CH (GLACON)	6,510	7,000	Buy	24,813	166.5	184.0	201.0	39.1	35.4	34.8	5.7	5.3	4.8	29.8	29.8	30.2	20.1	20.5	20.6
Hindustan Unilever (HINLEV)	1,727	1,800	Hold	363,528	24.2	30.3	36.0	71.2	57.0	50.0	10.5	9.4	8.3	79.9	102.5	119.4	74.7	86.9	99.5
ITC Limited (ITC)	298	365	Buy	364,422	9.2	10.3	11.5	32.3	28.8	31.8	9.1	8.2	7.5	30.9	34.0	36.5	21.3	23.6	25.2
Jyothy Lab (JYOLAB)	224	250	Buy	8,181	8.8	4.9	6.2	25.4	45.3	40.1	4.9	4.4	3.9	35.1	29.7	33.0	23.5	22.2	26.1
Marico (MARLIM)	367	362	Buy	40,254	6.4	7.8	9.0	57.2	47.0	40.4	6.4	5.1	4.7	38.9	44.1	44.5	32.5	35.7	35.7
Nestle (NESIND)	10,690	9,950	Buy	86,643	127.1	164.0	198.4	84.1	65.2	50.2	8.5	7.7	6.7	34.9	46.3	47.6	37.6	43.1	42.7
Prabhat Dairy (PRADAI)	152	220	Buy	1,739	4.8	8.7	11.5	37.0	36.8	20.4	1.1	1.0	0.9	9.6	13.6	16.8	7.0	10.0	12.3
VST Industries (VSTIND)	2,720	4,000	Buy	4,393	117.8	158.4	175.4	23.1	17.2	22.8	4.6	3.6	3.4	46.9	54.4	51.5	31.3	36.3	34.7
Varun Beverage (VARBEV)	746	840	Buy	13,163	11.7	15.5	22.4	61.6	46.4	32.2	3.3	2.6	2.4	12.7	16.0	19.7	12.1	14.6	19.1

Source: Company, ICICI Direct Research



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