30 October 2025

2QFY26 Results Update | Sector: Consumer

Dabur

Estimate changes	⬇
TP change	⬇
Rating change	⬇

Bloomberg	DABUR IN
Equity Shares (m)	1774
M.Cap.(INRb)/(USDb)	901.1 / 10.2
52-Week Range (INR)	577 / 420
1, 6, 12 Rel. Per (%)	-3/-2/-12
12M Avg Val (INR M)	1362

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	133.1	144.9	156.4
Sales Gr. (%)	5.9	8.9	7.9
EBITDA	25.0	27.7	30.3
EBITDA mrg. (%)	18.8	19.1	19.4
Adj. PAT	19.2	21.6	23.7
Adj. EPS (INR)	10.8	12.2	13.4
EPS Gr. (%)	6.7	12.4	9.7
BV/Sh.(INR)	65.4	67.2	68.7
Ratios			
RoE (%)	17.2	18.4	19.7
RoCE (%)	15.9	16.9	18.1
Payout (%)	87.6	90.2	93.4
Valuation			
P/E (x)	46.1	41.0	37.4
P/BV (x)	7.6	7.4	7.3
EV/EBITDA (x)	32.0	28.6	25.9
Div. Yield (%)	1.9	2.2	2.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	66.2	66.2	66.3
DII	17.4	16.2	13.7
FII	10.9	11.8	15.0
Others	5.5	5.7	5.0

FII Includes depository receipts

CMP: INR508 TP: INR525 (+3%) Downgrade to Neutral

Execution weakness persists; weak commentary for 2HFY26

- Dabur's 2QFY26 performance was largely in line with our estimates. Consolidated revenue grew ~5% YoY. India business revenue grew 6% YoY and domestic volume growth stood at 2%. The GST transition and prolonged monsoon weighed on performance during the quarter. The GST transition and trade pipeline adjustments impacted revenue growth by ~3-4%.
- Home & personal care revenue rose 9%, backed by strong performance in oral care, home care, and skin care. The healthcare portfolio remained muted, posting 1% growth. F&B clocked 2% YoY growth, while the food portfolio reported double-digit growth. Beverages were impacted by heavy rainfall. The international business grew 5.5% YoY in cc terms and 7.7% in INR terms.
- GM expanded 10bp YoY to 49.4% (est. 48.8%), and EBITDA margin rose 20bp YoY to 18.4% (est: 18.3%). EBITDA grew 6% despite a favorable base (-16% in 2QFY25). Management highlighted that there was ~8% inflation during the quarter, which was mitigated by price hikes of ~4% and cost-saving initiatives.
- The company has been witnessing muted sales growth over the past two years, primarily due to weak rural demand and unfavorable seasonal conditions. The performance has become more sluggish since 2QFY25 post channel destocking. Given the GST 2.0 benefits, shift of channel filling in 2HFY26, and expectations of better growth of its winter portfolio (favorable base too), we were expecting a much better 2HFY26 print. However, management commentary remained weak, with expectations of only mid- to high-single-digit revenue growth in 2HFY26, supported by mid-single-digit volume growth. Dabur's consistent weak execution is limiting our confidence in its growth recovery despite macros turning positive. Given the slower-than-expected turnaround, we lower our valuation multiple from 45x to 40x and **downgrade the stock from BUY to Neutral, with a revised TP of INR 525 (40x Sep'27E EPS).**

In-line performance; 2% volume growth

- **Mid-single digit revenue growth:** Dabur's 2QFY26 consolidated sales grew by 5.4% (inline) to INR31.9b (est. INR32.1b). Indian business revenue grew by 5.7% YoY. Indian business volume growth stood at 2%. (est. 6%).
- **HPC business grew 9% YoY:** Oral Care grew in double digits YoY. The toothpaste business grew 14%, backed by Dabur Red and Meswak. Skin care grew in high single digits. Home care and hair care grew in mid-single digits.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com

Research Analyst: Amey Tiwari (Amey.Tiwari@motilaloswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

- **Healthcare portfolio up 1% YoY:** Health supplements grew in mid-single digits, backed by Dabur honey's double-digit growth (high twenties). Digestives grew in low single digits. OTC & Ethicals decline in mid-single digit due to the discontinuation of the Diaper Baby Super pants and temporary disruption in trade due to the GST transition.
- **Foods and beverages grew 2%:** Foods portfolio grew in double digits. The 100% Fruit Juice portfolio under the Real Active brand grew by over 45%, while Real Juices' portfolio was impacted during the quarter on account of heavy rainfalls, floods, and landslides.
- International growth was at 5.5% in CC terms and 7.7% in INR terms.
- **Flat margins:** Gross margin expanded marginally 10bp YoY to 49.4% (est. 48.8%). Employee expenses rose 3%, ad spends increased 4%, and other expenses rose 8% YoY. EBITDA margin expanded 20bp YoY to 18.4% (est. 18.3%).
- In 1HFY26, net sales, EBITDA, and APAT grew 3%, 4% and 4%, respectively.

Highlights from the management commentary

- For the last six consecutive quarters, rural markets have outperformed urban markets.
- GST rate reductions across nearly 66% of the Indian portfolio are likely to boost consumption in the coming quarters by improving affordability and channel confidence. Currently, 86% of the company's portfolio falls under the 5% tax bracket.
- Key inflation drivers during the quarter included higher costs of packaging materials (PET, laminates) and certain agri-linked inputs like sugar and honey, leading to a weighted average inflation of ~8%.
- In international markets, key markets such as the UK, Turkey, Bangladesh, Nigeria, and Dubai witnessed healthy performance, while Nepal saw a temporary slowdown due to political disruptions.

Valuation and view

- We cut our EPS estimates by 2% for FY26 and 3% each for FY27 and FY28.
- The company has been witnessing muted sales growth over the past two years. After delivering only 1.3% growth in FY25, revenue growth improved modestly to 3% in 1HFY26, and management is guiding for mid- to high-single-digit growth in 2HFY26, supported by mid-single-digit volume growth.
- We remain positive on consumption recovery, supported by improving macros and GST reforms; however, Dabur's weak execution is limiting our confidence in the company's near-term revival.
- Given the slower-than-expected turnaround, we lower our valuation multiple from 45x to 40x and **downgrade the stock from BUY to Neutral**, **with a revised TP of INR 525 (40x Sep'27E EPS).**

Quarterly Performance (Consolidated) (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Domestic FMCG vol. growth (%)	**5.2**	**-7.0**	**1.2**	**-5.0**	**-1.0**	**2.0**	**10.5**	**8.0**	**-1.4**	**4.9**	**6.0**	
Net sales	**33,491**	**30,286**	**33,553**	**28,301**	**34,046**	**31,913**	**36,342**	**30,788**	**1,25,631**	**1,33,089**	**32,067**	-0.5%
YoY change (%)	7.0	-5.5	3.1	0.6	1.7	5.4	8.3	8.8	1.3	5.9	5.9	
Gross profit	**16,005**	**14,943**	**16,124**	**13,211**	**16,013**	**15,778**	**17,735**	**14,623**	**60,282**	**64,149**	**15,649**	0.8%
Margin (%)	47.8	49.3	48.1	46.7	47.0	49.4	48.8	47.5	48.0	48.2	48.8	
EBITDA	**6,550**	**5,526**	**6,819**	**4,269**	**6,678**	**5,881**	**7,559**	**4,903**	**23,163**	**25,021**	**5,868**	0.2%
Margins (%)	19.6	18.2	20.3	15.1	19.6	18.4	20.8	15.9	18.4	18.8	18.3	
YoY growth (%)	8.3	-16.4	2.1	-8.6	2.0	6.4	10.9	14.9	-3.5	8.0	6.2	
Depreciation	1,091	1,110	1,086	1,169	1,141	1,154	1,194	1,172	4,456	4,661	1,130	
Interest	327	474	442	393	346	397	375	357	1,635	1,475	375	
Other income	1,294	1,515	1,280	1,412	1,440	1,401	1,400	1,462	5,501	5,703	1,475	
PBT	**6,427**	**5,457**	**6,571**	**4,119**	**6,630**	**5,731**	**7,390**	**4,836**	**22,573**	**24,588**	**5,839**	-1.8%
Tax	1,481	1,284	1,418	992	1,543	1,282	1,810	1,387	5,175	6,023	1,430	
Rate (%)	23.0	23.5	21.6	24.1	23.3	22.4	24.5	28.7	22.9	24.5	24.5	
Adjusted PAT	**5,084**	**4,333**	**5,306**	**3,284**	**5,222**	**4,608**	**5,742**	**3,650**	**18,006**	**19,222**	**4,570**	0.8%
YoY change (%)	7.7	-17.2	1.6	-8.2	2.7	6.4	8.2	11.2	-4.0	6.7	5.5	

E: MOFSL Estimates

Exhibit 1: Category-wise performance

Business Segment	Category	1QFY25	2QFY25*	3QFY25	4QFY25	1QFY26	2QFY26
Healthcare	Health Supplements	7.8	-11.2	-3.4	0.5	3	5
	Digestives	10.7	-7.7	3.9	-2.1	7.7	2
	OTC & Ethical	3.7	-14	0.4	-8.4	2	-5
Home and Personal Care	Oral Care	11.4	-8.7	9.1	-5.2	5	14
	Hair care	3.3	-10.2	2.7	-4.6	2	5
	Home care	8	-4.9	5	0.9	10.1	5
	Skin & Salon	6.1	-14	5.6	8	9.2	8
Foods	Beverages	2.8	-21.6	-10.3	-9.2	-20	-12
	Foods	21.3	10.6	30	14.2	12	14

Sources: Company reports, MOFSL

CONFERENCE CALL

Highlights from the management commentary

Demand and Environment

- Overall demand environment remained mixed, with a softer start to the quarter due to heavy rainfall, floods, and GST-related trade disruptions.
- Rural markets continued to outperform urban, supported by improved farm cash flows, normal monsoon in core states, and deeper distribution reach through Project SETU and last-mile coverage.
- Rural growth outpaced urban markets, driven by higher consumption of mass and mid-tier products and effective localized marketing initiatives.
- Urban markets witnessed steady demand in premium and health-oriented categories but were impacted by short-term disruptions post-GST announcement.
- Management indicated recovery in consumption trends in October with normalization of trade and gradual channel restocking.

GST Impact

- GST rate reductions across nearly 66% of the Indian portfolio are likely to boost consumption in the coming quarters by improving affordability and channel confidence. Currently, 86% of the company's portfolio comes under the 5% tax bracket.

- The company has passed on benefits of GST cuts to consumers through price reductions in key categories such as Oral care, Hair care, Juices, Health Supplements, and Home Care.
- Temporary trade disruptions post the GST rate announcement affected secondary sales and supply chain flow during the quarter.
- Management expects GST rate cuts, especially the reduction from 12% to 5% in juices, to aid demand recovery in 2HFY25.
- However, the transition created short-term trade disruptions and inventory re-pricing effects that temporarily depressed sales in September and carried into early October.
- **Management estimates the one-off GST pipeline impact at ~INR1b (around 3-4% of sales) in 2QFY26.**
- The company took a grammage increase in 27% of its LUPs portfolio.

Inverted duty structure

- Dabur highlighted the issue of an inverted duty structure — where weighted average input tax (~8–8.5%) exceeds output tax (~6.5–7%) — creating a structural cost disadvantage of ~125–150 bps.
- The company is implementing seven identified cost and supply chain measures to partly offset the impact while engaging with authorities for long-term resolution.
- If not addressed systemically, management may consider selective price adjustments or portfolio rationalization to offset the gap.

Cost and Margin

- Dabur delivered stable to improving operating margins during the quarter despite persistent input cost inflation and temporary trade disruptions.
- Gross margin expanded by ~20 bps YoY, supported by a favorable mix shift towards premium and healthcare portfolios and effective cost optimization measures.
- Key inflation drivers during the quarter included higher costs of packaging materials (PET, laminates) and certain agri-linked inputs like sugar and honey, leading to a weighted average inflation of ~8%.
- To mitigate these pressures, the company implemented selective price hikes of 3–4% across key categories, including oral care, hair oils, and home care.
- Management indicated that premiumization, scale leverage, and operational efficiencies (in manufacturing and logistics) provided additional cushion to margins.
- The impact of input cost inflation was largely offset by these calibrated pricing actions and internal productivity initiatives.

International business

- International business grew 7.7% in INR terms and 5.5% in constant currency.
- Key markets such as the UK, Turkey, Bangladesh, Nigeria, and Dubai witnessed healthy performance, while Nepal saw a temporary slowdown due to political disruptions.

- Demand in GCC markets remained stable, and Africa continued to post healthy growth in the health supplements and home care segments.
- Management expects a pickup in international growth in 2HFY25 with increased brand support and new product introductions.

Winter Portfolio

- Winter products contribute significantly to Dabur's seasonal portfolio, led by Chyawanprash, Honitus, and Gulabari.
- The company is optimistic about strong winter demand, aided by normalizing trade post-GST and early festive loading in October.
- Management expects a higher offtake in immunity and skincare categories if the winter season is of normal to higher intensity.

Distribution

- Dabur continues to strengthen its rural distribution reach, with rural stockists and sub-stockist coverage expanding under Project SETU.
- The company now reaches over 1.4m retail outlets, with a focus on increasing direct coverage in semi-urban and rural areas.
- Rural secondary sales and off-take trends remain stronger than urban, aided by localized marketing campaigns and improved supply chain agility.
- Urban distribution efforts are focused on modern trade and e-commerce platforms, where premium SKUs are gaining traction.
- Distributor inventory levels normalized to ~22 days, indicating efficient stock management post-GST transition.

Channels

- E-commerce and modern trade channels continued to deliver robust double-digit growth.
- The contribution of digital channels increased, supported by strong sales in health supplements, personal care, and home care segments.
- General trade witnessed a temporary slowdown due to GST transition but is expected to recover strongly in 2HFY25. GT grew 7% in rural markets and 3% in urban markets.

New Launches

- Several new products were launched across segments:
  - Oral Care: New SKUs under Dabur Red and Meswak to enhance regional relevance.
  - Health Supplements: Honey variants with added health benefits.
  - Home Care: Odonil Natural and new aerosol formats.
  - Food & Beverages: Coconut water variants and new Activ Juices.
- Continuous focus on expanding the product portfolio and launching premium extensions to drive value growth.

M&A Plans and Dabur Ventures

- Dabur Ventures, a INR5b fund, has been established to invest in digital-first and high-growth consumer brands in adjacencies like health, wellness, and personal care.

- The Ventures division will pursue strategic minority or majority stakes in emerging D2C brands with the potential to scale.
- Management remains open to bolt-on acquisitions in both domestic and international markets that complement the core portfolio.

Guidance

- **Management guided for mid-to-high single-digit revenue growth and mid-single-digit volume growth for 2HFY25.**
- Margins are expected to expand sequentially with normalization of input costs and higher operating leverage.
- The company expects rural demand momentum to sustain and urban consumption to recover in H2 as trade stabilizes.

Segmental performance

HPC

The HPC portfolio performed well with 9% YoY growth.

Oral Care

- The toothpaste portfolio recorded robust ~14% year-on-year growth, continuing to outpace the overall category and gain market share.
- Both Dabur Red Toothpaste and Meswak maintained their strong growth trajectory, supported by effective marketing and increasing consumer preference for natural ingredient-based products.
- Non-herbal portfolio grew 5x of the herbal portfolio.

Skin Care

- The ‘Gulabari’ franchise delivered high single-digit growth, led by healthy performance of the flagship Gulabari Rose Water and the Face Freshener range.
- Fem and Oxy brands also performed well during the quarter, benefiting from sustained consumer demand and improved visibility across channels.

Home Care

- Odonil sustained its double-digit growth trajectory, driven by strong momentum in gel and aerosol formats, resulting in continued market share gains in the air freshener category.
- Sanifresh exhibited healthy performance with high single-digit growth, supported by improved penetration and effective brand activations.

Hair Care

- The shampoo category registered high single-digit growth along with market share gains, reflecting recovery in discretionary consumption and successful brand campaigns.
- The hair oils portfolio grew ahead of the overall category and continued to gain market share, aided by strong traction in value-added and Ayurvedic sub-segments.

Healthcare

The overall healthcare portfolio grew 1% YoY.

Health Supplements

- Dabur Honey delivered strong double-digit growth in the high twenties, driven by increased consumer focus on health and wellness and enhanced visibility across modern trade and e-commerce channels.
- Dabur Chyawanprash maintained its leadership position in the category, gaining 234 bps market share, supported by focused media initiatives and consistent brand communication emphasizing immunity benefits.

Digestives

- The Hajmola franchise registered double-digit growth and further strengthened its leadership position, gaining market share in the digestives category on the back of steady consumption trends and effective promotional activities.
- Pudin Hara Fizz continued to receive a positive consumer response, aided by focused advertising campaigns and expanded distribution reach.

OTC & Ethicals

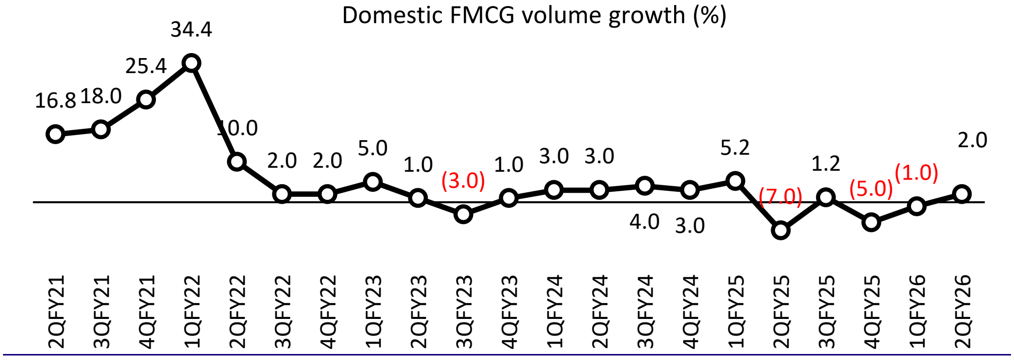
- Honitus recorded strong double-digit growth, driven by seasonal demand and continued consumer trust in the brand's efficacy.
- Health Juices sustained their double-digit growth momentum, supported by rising consumer preference for natural and immunity-boosting beverages.
- The overall segment performance was partially impacted by the discontinuation of Diaper Baby Super Pants and temporary trade disruptions arising from the GST transition.

Food & beverages

- The foods and beverages segment saw 2% YoY growth in 2QFY26.
- The foods portfolio delivered double-digit growth during the quarter, led by strong performance in coconut milk, edible oils, and fats.
- The Activ range, which includes juices and coconut water, maintained its robust double-digit growth momentum, supported by higher penetration and increasing preference for healthier beverage options.
- The Real Juices portfolio, however, was impacted by heavy rainfall, floods, and landslides in key markets, which disrupted supply chains and affected on-ground consumption.
- The recent GST rate reduction from 12% to 5% on juices is expected to boost affordability and improve consumption trends in the coming quarters.
- Despite temporary headwinds in 2Q, the company outperformed the overall category, gaining 115 bp market share in the nectars category and a significant 1074 bp in the 100% juices segment, reaffirming its strong brand equity and market leadership.

Key exhibits

Exhibit 2: Domestic FMCG business volumes rose 2% YoY in 2QFY26



Sources: Company reports, MOFSL

Exhibit 3: Consolidated reported net sales rose 5.4% YoY to INR31.9b

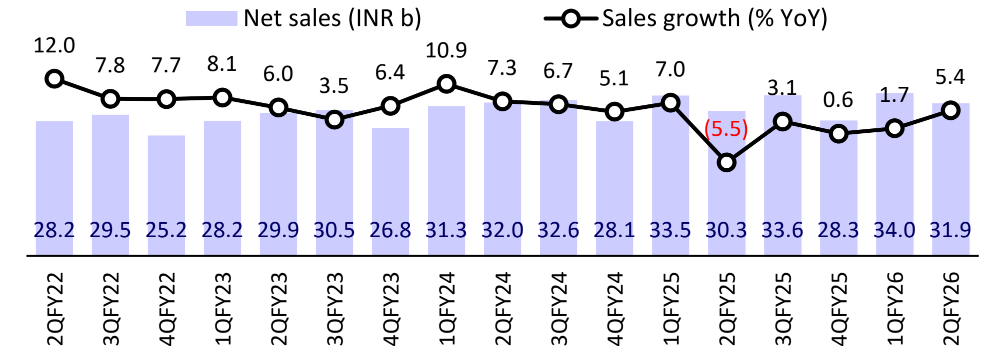


Exhibit 4: Con. GP margin expanded 10bp YoY to 49.4%

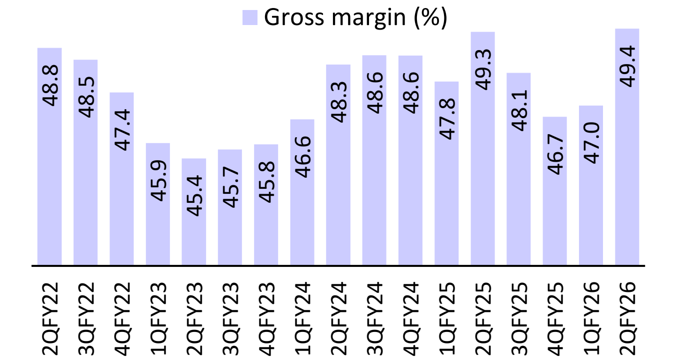


Exhibit 5: EBITDA margin expanded 20bp YoY to 18.4%

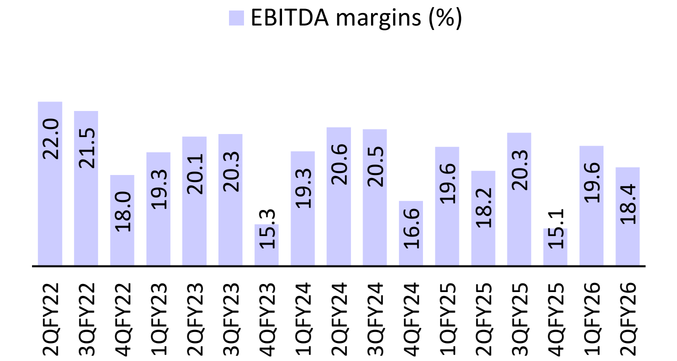


Exhibit 6: Ad spends declined 20bp YoY to 7.3% and staff cost down 30bp YoY to 10.9%, while other expenses rose 30bp YoY to 12.8%

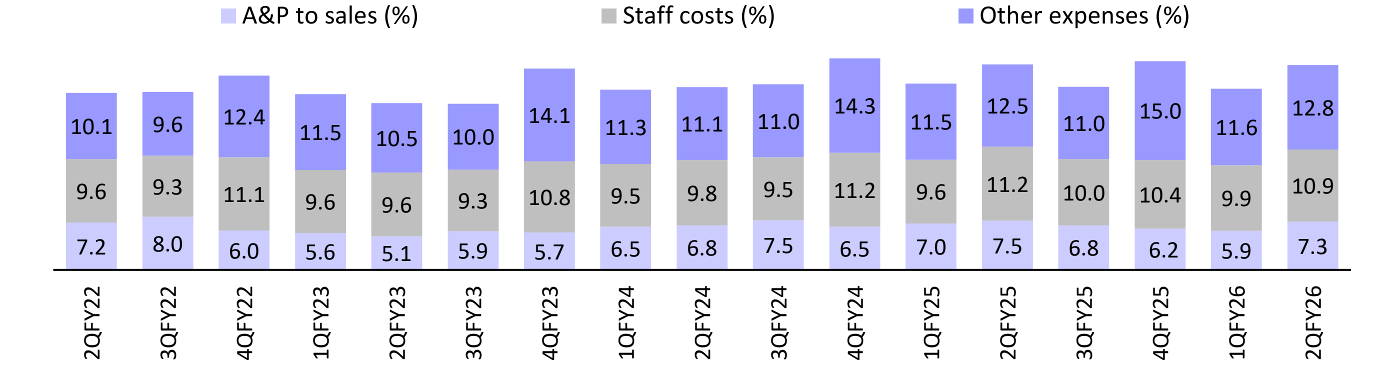
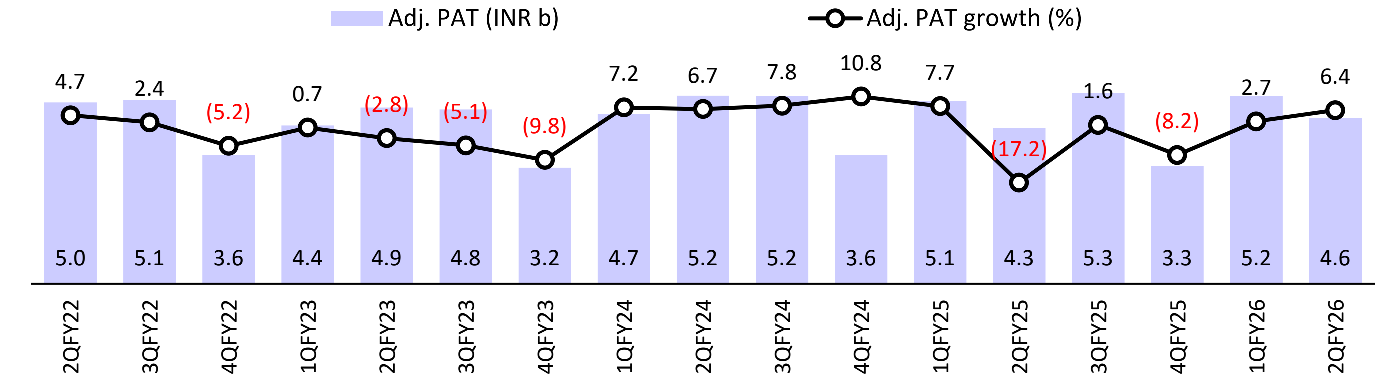


Exhibit 7: Consolidated adjusted PAT rose ~6% YoY to INR4.6b



Sources: Company reports, MOFSL

Valuation and view

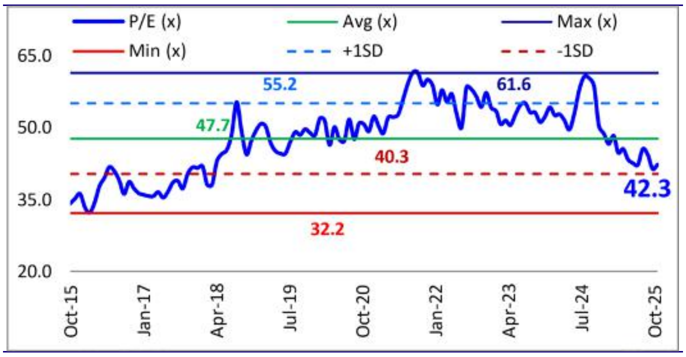
- We cut our EPS estimates by 2% for FY26 and 3% each for FY27 and FY28.
- The company has been witnessing muted sales growth over the past two years. After delivering only 1.3% growth in FY25, revenue growth improved modestly to 3% in 1HFY26, and management is guiding for mid- to high-single-digit growth in 2HFY26, supported by mid-single-digit volume growth.
- We remain positive on consumption recovery supported by improving macros and GST reforms; however, Dabur's weak execution is limiting our confidence in the company's near-term revival.
- Given the slower-than-expected turnaround, we lower our valuation multiple from 45x to 40x and **downgrade the stock from BUY to Neutral**, **with a revised TP of INR 525 (40x Sep'27E EPS).**

Exhibit 8: We cut our EPS estimates by 2% for FY26 and 3% each for FY27 and FY28

	New			Old			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	133.1	144.9	156.4	134.9	148.3	160.5	-1.3	-2.3	-2.5
EBITDA	25.0	27.7	30.3	25.5	28.8	31.5	-1.9	-3.8	-3.5
Adjusted PAT	19.2	21.6	23.7	19.7	22.4	24.5	-2.5	-3.4	-3.2

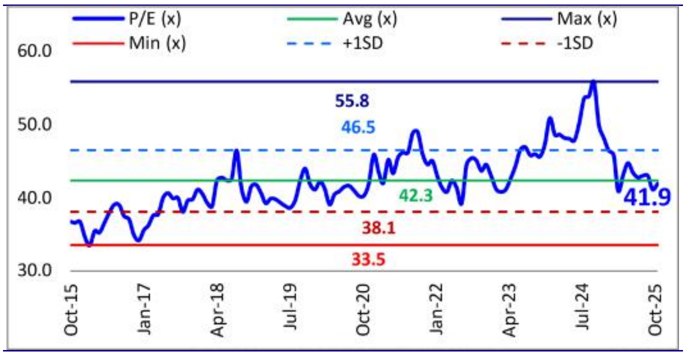
Source: MOFSL

Exhibit 9: DABUR's P/E (x)



Sources: Bloomberg, MOFSL

Exhibit 10: Consumer sector's P/E (x)



Sources: Bloomberg, MOFSL

Financials and valuations

Consol. Income Statement										(INR m)
Y/E March	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Net Sales	**85,150**	**86,846**	**95,683**	**1,08,960**	**1,15,379**	**1,24,040**	**1,25,631**	**1,33,089**	**1,44,927**	**1,56,428**
Change (%)	10.3	2.0	10.2	13.9	5.9	7.5	1.3	5.9	8.9	7.9
Gross Profit	**42,240**	**43,434**	**47,944**	**52,563**	**52,692**	**59,571**	**60,282**	**64,149**	**70,290**	**76,337**
Margin (%)	49.6	50.0	50.1	48.2	45.7	48.0	48.0	48.2	48.5	48.8
Other Expenditure	24,845	25,510	27,700	29,952	30,971	35,568	37,119	39,128	42,609	45,990
EBITDA	**17,395**	**17,924**	**20,243**	**22,611**	**21,721**	**24,002**	**23,163**	**25,021**	**27,681**	**30,347**
Change (%)	7.5	3.0	12.9	11.7	-3.9	10.5	-3.5	8.0	10.6	9.6
Margin (%)	20.4	20.6	21.2	20.8	18.8	19.4	18.4	18.8	19.1	19.4
Depreciation	1,769	2,205	2,401	2,529	3,110	3,992	4,456	4,661	4,673	4,885
Int. and Fin. Charges	596	495	308	386	782	1,242	1,635	1,475	1,200	1,200
Other Income - Recurring	2,962	3,053	3,253	3,932	4,454	4,824	5,501	5,703	6,082	6,365
Profit before Taxes	**17,992**	**18,277**	**20,787**	**23,628**	**22,283**	**23,593**	**22,573**	**24,588**	**27,890**	**30,627**
Change (%)	5.4	1.6	13.7	13.7	-5.7	5.9	-4.3	8.9	13.4	9.8
Margin (%)	21.1	21.0	21.7	21.7	19.3	19.0	18.0	18.5	19.2	19.6
Tax	4,070	4,654	3,630	4,422	4,816	5,395	4,991	5,954	6,901	7,471
Deferred Tax	-1,284	-1,857	-20	842	357	79	184	69	70	184
Tax Rate (%)	15.5	15.3	17.4	22.3	23.2	23.2	22.9	24.5	25.0	25.0
Profit after Taxes	**15,206**	**15,480**	**17,176**	**18,364**	**17,110**	**18,118**	**17,399**	**18,565**	**20,919**	**22,971**
Change (%)	10.8	1.8	11.0	6.9	-6.8	5.9	-4.0	6.7	12.7	9.8
Margin (%)	17.9	17.8	18.0	16.9	14.8	14.6	13.8	13.9	14.4	14.7
Minority Interest	30	25	17	31	-58	-314	-272	-330	-370	-416
Adjusted PAT	**15,176**	**15,454**	**17,160**	**18,333**	**17,168**	**18,757**	**18,006**	**19,222**	**21,614**	**23,712**
Exceptional Items	-753	-1,000	0	-850	16	-5	0	0	0	0
Reported PAT	**14,423**	**14,454**	**17,160**	**17,483**	**17,184**	**18,427**	**17,676**	**18,892**	**21,284**	**23,382**

Balance Sheet										(INR m)
Y/E March	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Share Capital	1,766	1,767	1,767	1,768	1,772	1,772	1,772	1,772	1,772	1,772
Reserves	54,551	64,290	74,868	82,045	87,961	96,891	1,06,235	1,14,162	1,17,353	1,19,938
Net Worth	**56,317**	**66,057**	**76,635**	**83,813**	**89,733**	**98,663**	**1,08,007**	**1,15,935**	**1,19,125**	**1,21,710**
Minority Interest	314	365	367	406	4,682	4,368	4,096	4,426	4,796	5,212
Loans	5,288	4,718	4,847	10,072	11,434	11,581	7,301	7,101	6,901	6,701
Capital Employed	**61,919**	**71,140**	**81,849**	**94,291**	**1,05,848**	**1,14,612**	**1,19,404**	**1,27,462**	**1,30,822**	**1,33,623**
Gross Block	28,028	32,935	35,238	39,265	53,541	59,488	65,673	61,039	60,689	63,489
Less: Accum. Depn.	-11,698	-13,768	-16,169	-18,698	-21,807	-25,799	-30,255	-34,917	-39,590	-44,475
Net Fixed Assets	**16,330**	**19,167**	**19,069**	**20,568**	**31,734**	**33,689**	**35,417**	**26,122**	**21,099**	**19,013**
Capital WIP	638	1,466	1,473	1,675	1,751	2,091	1,690	1,690	1,690	1,690
Goodwill	3,361	3,360	3,360	2,512	4,053	4,051	4,051	3,551	3,051	2,551
Investments	**33,588**	**28,003**	**41,484**	**62,102**	**62,574**	**69,254**	**75,114**	**77,614**	**80,114**	**82,614**
Curr. Assets, L&A	**30,451**	**41,325**	**42,199**	**35,983**	**37,854**	**42,079**	**46,026**	**56,237**	**65,751**	**71,693**
Inventory	13,005	13,796	17,343	19,114	20,242	19,470	23,001	21,928	23,626	25,232
Account Receivables	8,336	8,139	5,616	6,462	8,488	8,987	8,885	9,412	10,250	11,063
Cash and Bank Balance	3,282	8,114	12,710	5,387	4,703	6,664	5,780	15,872	22,132	24,876
Others	5,828	11,277	6,531	5,021	4,422	6,958	8,360	9,024	9,744	10,522
Curr. Liab. and Prov.	**22,216**	**22,226**	**26,484**	**27,732**	**31,229**	**35,525**	**41,476**	**36,334**	**39,464**	**42,521**
Current Liabilities	19,812	19,475	23,126	23,884	28,446	32,343	38,157	32,812	35,730	38,566
Provisions	2,404	2,751	3,357	3,847	2,784	3,182	3,320	3,523	3,734	3,955
Net Current Assets	**8,235**	**19,099**	**15,716**	**8,251**	**6,625**	**6,554**	**4,550**	**19,903**	**26,287**	**29,173**
Deferred Tax Liability	-231	46	747	-816	-889	-1,027	-1,417	-1,417	-1,417	-1,417
Application of Funds	**61,919**	**71,140**	**81,849**	**94,291**	**1,05,848**	**1,14,612**	**1,19,404**	**1,27,462**	**1,30,822**	**1,33,623**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)										
EPS	**8.6**	**8.7**	**9.7**	**10.4**	**9.7**	**10.6**	**10.2**	**10.8**	**12.2**	**13.4**
Cash EPS	9.2	9.4	11.1	11.3	11.5	12.7	12.5	13.3	14.6	15.9
BV/Share	31.9	37.4	43.4	47.4	50.6	55.7	60.9	65.4	67.2	68.7
DPS	4.0	4.5	4.8	4.8	5.2	5.5	8.0	9.5	11.0	12.5
Payout %	46.6	51.5	48.9	45.8	53.7	52.0	78.7	87.6	90.2	93.4
Valuation (x)										
P/E	58.2	57.2	51.5	48.2	51.6	47.2	49.2	46.1	41.0	37.4
Cash P/E	54.5	53.0	45.2	44.2	43.7	39.5	40.0	37.6	34.1	31.3
EV/Sales	10.0	9.8	8.7	7.6	7.2	6.6	6.5	6.0	5.5	5.0
EV/EBITDA	49.0	47.5	41.2	36.6	38.2	34.2	35.1	32.0	28.6	25.9
P/BV	15.7	13.4	11.5	10.5	9.9	9.0	8.2	7.6	7.4	7.3
Dividend Yield (%)	0.8	0.9	1.0	1.0	1.0	1.1	1.6	1.9	2.2	2.5
Return Ratios (%)										
RoE	26.8	25.3	24.1	22.9	19.8	19.9	17.4	17.2	18.4	19.7
RoCE	24.4	23.9	22.8	21.2	17.7	17.3	15.9	15.9	16.9	18.1
RoIC	53.2	45.9	49.4	60.8	46.1	41.9	39.3	44.5	58.3	74.4
Working Capital Ratios										
Debtor (Days)	36	34	21	22	27	26	26	26	26	26
Asset Turnover (x)	1.4	1.2	1.2	1.2	1.1	1.1	1.1	1.0	1.1	1.2
Leverage Ratio										
Debt/Equity (x)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Cash Flow Statement (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(loss) before Tax	17,249	17,276	20,787	22,778	22,187	23,587	22,579	24,588	27,890	30,627
Int./Div. Received	1,765	2,553	2	39	-1,038	-2,201	-566	330	370	416
Depreciation & Amort.	1,769	2,205	2,401	2,529	3,110	3,992	4,456	4,661	4,673	4,885
Interest Paid	-2,002	-2,001	308	386	-2,829	-2,689	-2,447	1,475	1,200	1,200
Direct Taxes Paid	-3,507	-3,089	-3,611	-5,264	-4,945	-4,939	-4,045	-6,023	-6,971	-7,655
(Incr)/Decr in WC	-181	-580	7,979	141	-1,601	2,385	-110	-5,261	-124	-141
CF from Oper.	**15,092**	**16,364**	**27,867**	**20,609**	**14,884**	**20,135**	**19,868**	**19,770**	**27,038**	**29,331**
(Incr)/Decr in FA	-2,344	-4,175	-2,311	-3,381	-4,857	-5,609	-5,695	5,134	850	-2,300
Free Cash Flow	**12,748**	**12,190**	**25,556**	**17,228**	**10,027**	**14,526**	**14,172**	**24,904**	**27,888**	**27,031**
(Pur)/Sale of Invt.	-53,928	-84,788	-13,481	-20,618	-4,950	-7,978	-61,884	-2,500	-2,500	-2,500
Others	60,600	86,031	-878	1,515	4,591	7,025	60,882	-3	-5	-5
CF from Invest.	**4,329**	**-2,931**	**-16,670**	**-22,484**	**-5,216**	**-6,562**	**-6,698**	**2,631**	**-1,655**	**-4,805**
Issue of Shares	5	1	-501	-1,006	4	0	0	0	0	0
(Incr)/Decr in Debt	-2,720	-1,751	129	5,226	488	-472	-2,168	-200	-200	-200
Dividend Paid	-15,970	-6,178	-5,921	-9,281	-9,213	-9,658	-9,748	-10,634	-17,723	-20,381
Others	-515	-673	-308	-386	-1,631	-1,483	-2,138	-1,475	-1,200	-1,200
CF from Fin. Act.	**-19,200**	**-8,601**	**-6,602**	**-5,448**	**-10,352**	**-11,612**	**-14,053**	**-12,309**	**-19,123**	**-21,781**
Incr/Decr of Cash	**221**	**4,832**	**4,596**	**-7,323**	**-684**	**1,961**	**-883**	**10,092**	**6,260**	**2,744**
Add: Opening Bal.	3,061	3,282	8,114	12,710	5,387	4,703	6,664	5,780	15,872	22,132
Closing Balance	**3,282**	**8,114**	**12,710**	**5,387**	**4,703**	**6,664**	**5,780**	**15,872**	**22,132**	**24,876**

E: MOFSL Estimates

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SELL	< - 10%
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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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