

## Dabur India (DABUR) - ADD

### Result Update

Current Market Price (CMP)

**Rs.545**

Target Price

**Rs. 600**

### Rationale:

- Dabur's 4.2%/5.6% volume/value growth in India business was below estimate.
- We expect earnings to grow by 14.5% in FY25E & grow by 12.4% in FY26E.
- Stock is currently trading at valuation of 41.3x P/E FY26E EPS.
- We value DABUR using Discounted Cash Flow (DCF) methodology.
- Retain ADD, primarily due to reasonable valuations (46X/41X FY2025/26E P/E).

### Q4FY24 Earnings Update:

#### **Positives:**

- Growth was led by oral care (22%), digestives (16%) and home care (7.5%).
- Gross Margins (GM) expanded 280/flat bps yoy/qoq to 48.6% (KIE: 47.8%).
- International business grew 16.4% yoy in constant currency (c/c) terms.
- Dabur noted some improvement in rural (grew ahead of urban).

#### **Negatives:**

- We factor in some weakness in Dabur's core segments.
- EBITDA margin (operating) stood at 16.6% (KIE: 18.9%).

[Click here](#)

For detailed report dated 3<sup>rd</sup> May 2024. Note: CMP & valuation may differ due to difference in dates.



This is a synopsis of the Research report issued by Kotak Securities Limited. This is not a comprehensive report and before taking any investment decision we request you to refer the detailed report including disclaimers by clicking here: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months / Disclaimer: <http://bit.ly/2n5AxIE>