INVasset Knowledge Bank

Dabur

17th October, 2024

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India's Best Performing and Most Customer Centric PMS

Dabur India

Dabur India Ltd. is a prominent player in the Fast-Moving Consumer Goods (FMCG) sector, renowned for its legacy of Ayurvedic expertise and consumer-centric innovations. Founded in 1884, Dabur has evolved over the years into a global brand with a vast portfolio of health, personal care, and food products. The company offers a range of natural, herbal, and Ayurvedic products that are trusted by millions of households across India and in over 120 countries worldwide.

With a robust market capitalization and consistent growth in revenue, Dabur continues to demonstrate strong financial performance. The company's operations are supported by 13 state-of-the-art manufacturing plants in India and eight facilities overseas, including locations in Bangladesh, Egypt, and Turkey. Its well-established distribution network covers 7.9 million retail outlets, reaching even the remotest corners of India, enabling the company to maintain a strong market presence.

Dabur's product portfolio includes iconic brands such as Dabur Chyawanprash, Dabur Honey, Vatika, Real juices, and Odomos, catering to various categories like healthcare, home care, personal care, and foods and beverages. The company's commitment to sustainability and innovation has enabled it to launch new products regularly, expanding into segments like mosquito repellents, specialized toothpaste, and value-added teas.

Internationally, Dabur has achieved significant revenue growth, with around 23% of its total sales coming from markets across the Middle East, Africa, the USA, and Europe. The company's international business has shown impressive growth, driven by high demand in regions like Egypt, Turkey, and Sub-Saharan Africa.

Dabur India Ltd. remains a trusted household name and a leading force in the FMCG sector.

Investment Rationale

Here are the four key investment rationales for Dabur India Ltd., concisely presented:

1. Market Leadership and Brand Loyalty
Dabur's trusted brands, particularly in Ayurvedic and natural products, have strong consumer loyalty and leadership across key categories like health supplements and personal care.

2. Extensive Distribution and Rural Reach
With one of the largest distribution networks, Dabur effectively reaches both urban and rural areas, capitalizing on growing rural consumption and ensuring product accessibility nationwide.

3. Financial Resilience and Strong Cash Position
Steady revenue growth, robust margins, low debt, and strong cash reserves provide Dabur with financial stability and flexibility to invest in growth and weather economic downturns.

4. Global Growth Potential
Dabur's substantial international footprint and expanding presence in markets like the Middle East and Africa position it well to capture global demand for natural products.

Stock Data	
CMP	Rs 571.25
52 Week High/Low	Rs 672 / 489.2
Face Value	₹ 1.00
Market Cap (In Crs)	92704 Cr
NSE	DABUR
BSE	500096
Bloomberg	DABUR IB
Sector	FMCG

Shareholding Pattern (in %)		
Metrics	Mar 2024	June 2024
Promoter	66.26%	66.25%
FII	15.82%	14.99%
DII	12.46%	13.45%
Public	5.40%	5.26%

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	1.32 %	12.4 %	26.94 %
Dabur	13.6 %	15.2 %	26.0 %

Key Ratios	
Debt Equity Ratio	0.14
Interest Service Coverage Ratio	23.2
Current Ratio	1.45
Net Profit Margin	14.60%
ROIC	37.80%
Return on Net Worth	18.60%

Company History and Milestones

- **1884 - Founding**
Dabur was founded by Dr. S.K. Burman in Kolkata, India, with a mission to provide affordable Ayurvedic healthcare solutions.

- **1919 - Incorporation**
The company formally registered as Dabur India Ltd., marking its transition from a small pharmacy to an organized business.

- **1930s - Expansion into Personal Care**
Dabur expanded its product range beyond healthcare, introducing Ayurvedic personal care products like Dabur Amla Hair Oil, which became a household name.

- **1940s-1950s - Manufacturing Facilities and Research**
Dabur set up its first manufacturing plant and established a research laboratory to enhance its Ayurvedic formulations and expand production capabilities.

- **1970s - Diversification into Foods**
The company ventured into the foods category with the launch of Dabur Chyawanprash, leveraging its Ayurvedic heritage to enter the health food market.

- **1980s - Venturing Overseas**
Dabur began exporting products, establishing its presence in the Middle East, Africa, and South Asia, signaling the start of its international expansion.

- **1994 - Public Listing**
Dabur India Ltd. went public, listing on the Bombay Stock Exchange (BSE), which provided the capital to fuel its expansion and modernization efforts.

- **2000s - Acquisitions and New Markets**
Dabur acquired Balsara's Hygiene and Home Care portfolio, entering new segments. It also acquired the brands Fem and Vatika, strengthening its personal care offerings.

- **2010 - Acquisition of Hobi Kozmetik and Namaste Laboratories**
Dabur acquired Hobi Kozmetik in Turkey and Namaste Laboratories in the USA, significantly expanding its global footprint in personal care.

- **2015 - Strengthening Rural Focus**
Dabur enhanced its rural distribution network, targeting underpenetrated rural markets, which became a major driver of its growth strategy.

- **2020 - Digital Transformation and E-commerce Focus**
In response to changing consumer habits, Dabur launched digital-first brands and expanded its presence on e-commerce platforms, adapting to the digital retail landscape.

- **2022 - Acquisition of Badshah Masala**
Dabur acquired the iconic Indian spice brand Badshah Masala, entering the spices segment and expanding its food portfolio.

- **2023 - Continued International Growth**
Dabur strengthened its global presence, with international markets contributing significantly to its revenue, particularly in emerging markets like Egypt and Turkey.

Future Outlook

Dabur India Ltd. is well-positioned for sustainable growth, driven by its strong brand portfolio, extensive distribution network, and commitment to innovation. The company plans to further leverage its Ayurvedic heritage to meet the increasing consumer demand for natural and health-focused products.

Dabur's strategic expansion into rural markets, along with a growing international presence, particularly in emerging markets, offers significant growth potential.

With ongoing investments in digital transformation and e-commerce, Dabur is adapting to changing consumer behaviors, enhancing accessibility, and expanding its market reach. Additionally, its acquisition strategy, such as the recent entry into the spices segment with Badshah Masala, highlights its commitment to diversifying its product offerings. Moving forward, Dabur aims to strengthen its global footprint while maintaining a focus on sustainability and leveraging its expertise in Ayurveda to capture new market opportunities.

Business Verticals



Power Brands in India (Healthcare)

- Dabur Chyawanprash
- Dabur Honey
- Dabur Honitus
- Dabur Pudin Hara
- Dabur Lal Tail



Power Brands in India (Personal Care)

- Dabur Amla
- Dabur Red Paste



Power Brands in India (Food & Beverages)

- Real



Overseas Power Brands (Personal Care)

- Vatika
- Dabur Amla



Other Key Overseas Brands

- Dabur Herb'l (Oral Care)
- DermoViva (Skin Care)
- Hobby (Personal Care)
- ORS (Hair Care)

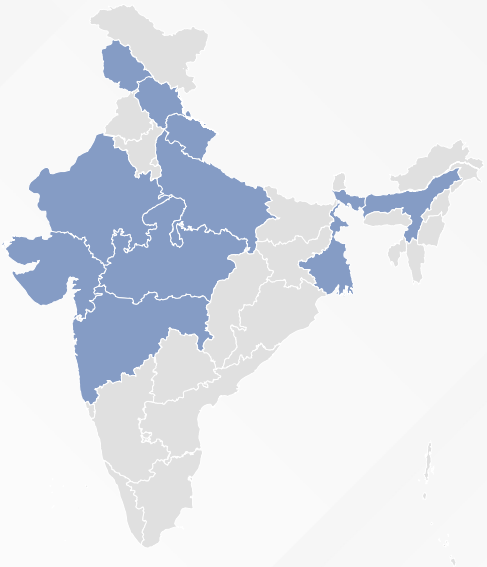
Revenue Slabs

100 – 250 Crs	• Dabur Herb'l Toothpaste , Babool Toothpaste ,Meswak Toothpaste , Odomos , Dabur Lal Tail , Dabur Lal Dant Manjan , Dabur Gulabari , Dabur Anmol Coconut Oil
250 – 500 Crs	• Dabur Glucose , Dabur Sarson Amla Hair Oil , Hobby , Dabur Hajmola
500 -1000 Crs	• Odonil , Dabur Chyawanprash , ORS , Dabur Honey
> 1000 Crs	• Real ,Dabur Red Toothpaste , Dabur Vatika , Dabur Amla

Geographical Presence

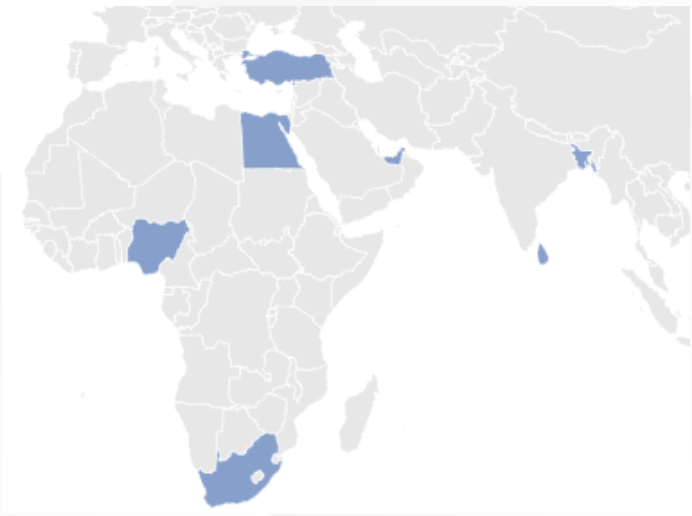
Domestic

State	No. Of Units
Rajasthan	2
Himachal Pradesh	1
Madhya Pradesh	3
Jammu & Kashmir	1
West Bengal	1
Maharashtra	1
Uttarakhand	1
Uttar Pradesh	1
Assam	1
Gujarat	1



International

Manufacturing Locations Outside India
Bangladesh
Egypt
Nepal
Nigeria
South Africa
Sri Lanka
Turkey
UAE



Global Economy

- The global economy showed more resilience than expected in 2023-24 despite the after-effects of the prolonged Russia-Ukraine conflict, though the growth outlook remained weak.

- Despite the cost-of-living crisis in several countries, sharp currency devaluations, and a spike in commodity prices driven largely by attacks on container ships in the Red Sea, the global economy grew by 3.1% in 2023.

- With deflation and steady growth, IMF stated that the likelihood of a hard landing has receded, and risks to global growth are broadly balanced.

- While faster deflation could lead to further easing of financial conditions on the one hand, new commodity price spikes from geopolitical shocks like the Red Sea conflict and resultant supply chain disruptions could prolong tight monetary conditions.

- In its World Economic Outlook released in January 2024, the IMF stated that the world's economy would match 2023's growth of 3.1% in 2024 and rise to 3.2% in 2025.

- Global headline inflation is expected to fall to 5.8% in 2024 and 4.4% in 2025

Indian FMCG Sector

- Despite softening inflation and a general improvement in consumer sentiments, the domestic Fast-Moving Consumer Goods (FMCG) sector witnessed sluggish demand during the year, mainly led by a rural slowdown.

- As per Kantar, the household consumption trends suggested a reduction in bulk purchases by consumers to manage expenses, allowing for some discretionary spending which saw a pickup.

- Low wage growth in the rural economy led to down trading and weak consumption trends in FMCG categories. That said, demand is expected to progressively improve in 2024, helped by a good harvest and the expectation of an above-normal monsoon.

- While rural demand continued to lag behind urban markets for most of the year, the gap between the two narrowed progressively.

- As per Nielsen, rural growth in sales of FMCG products in villages outpaced that in cities for the first time since Covid in December 2023, an early indication of demand recovery in the hinterland.

- Rural markets grew 7.6% by volume in the quarter ending on 31st March 2024 according to Nielsen IQ data, while urban markets, in comparison, grew by 5.7% in the same period.

Dabur India Limited Business Overview

Dabur India Limited continued to expand its penetration of Indian households with its nature-based solutions and consumer-centric innovations. Today, 8 out of every 10 Indian households is a Dabur household, using one or more Dabur products. The year also saw Dabur brands ride on the strength of the company's strategic playbook to grow ahead in the category and grow its market share in over 90% of its portfolio.

The year 2024 marks the 140th year of Dabur's formation. Built on a legacy of quality and experience, the brand Dabur evokes feelings of Trust and Health in the minds of our consumers, across generations. Dabur continued to see strong consumer engagement with those of its brands that have been marrying ancient ayurvedic knowledge with modern-day science to develop high-quality products that help fulfill the promise of being 'Dedicated to the Health and Well-Being of every Household.'

Today, Dabur has one of the largest and deepest distribution networks in the industry, covering over 7.9 million retail outlets and reaching 120,000 villages with a wide range of world-class Ayurvedic and nature-based products across diverse categories such as Health Care, Home & Personal Care, and Food & Beverages.

The company has a strong manufacturing footprint with plants at 14 locations in India, which includes the Badshah Masala manufacturing unit in Umbergaon, Gujarat. The year saw Dabur announce an investment of ₹135 crore for setting up a new manufacturing facility in South India. This unit would manufacture a range of Dabur's Ayurvedic Healthcare, Personal Care, and Home Care products like Dabur Honey, Dabur Red Paste, and Odonil air fresheners. In addition, Dabur has manufacturing facilities in 8 overseas locations.

During the year 2023-24, Dabur recorded a growth of 7.6% in Consolidated Revenue from Operations, reaching ₹12,404 crore. Consolidated Operating Profit for the year marked an increase of 11%, and the Operating Margin improved by 60 bps to touch 19.4%. Profit after Tax grew by 8% to ₹1,842.7 crore.

During the year, Dabur rolled out several new products and variants targeting the emerging and ever-changing needs of consumers and in line with its strategy to expand the total addressable market. These launches marked Dabur's entry into several large and growing categories like mosquito repellent liquid vaporisers, cooling hair oils, gel toothpaste, and value-added tea, to name a few. New products accounted for 3.4% of total sales during the year. Dabur's digital-first brands have also been gaining popularity with turnover crossing ₹100 crore during the fiscal.

The year also saw Odonil, Dabur's air freshener brand, join the ₹500 crore turnover club. With this, Dabur now has 16 brands in the range of ₹100 crore to ₹500 crore in size, 3 brands that are between ₹500 crore and ₹1,000 crore in size, and another 4 brands that have turnovers higher than ₹1,000 crore. In all, Dabur has a total of 23 billion-rupee brands in its portfolio.

Strategic Business Units

Today, Dabur's FMCG portfolio includes eight Power Brands in India: Dabur Chyawanprash, Dabur Honey, Dabur Honitus, Dabur Pudin Hara, and Dabur Lal Tail in the Healthcare space; Dabur Amla and Dabur Red Paste in the Personal care category; and Réal in the Food & Beverages category. In addition, Vatika is our international power brand.

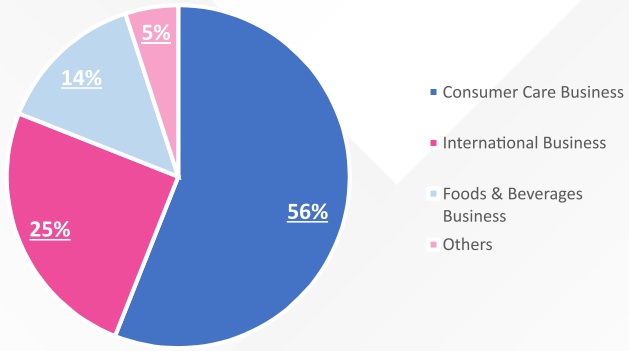
Dabur's business structure is divided into Three Strategic Business Units (SBUs):

• Consumer Care Business, which includes Health Care (HC) and Home & Personal Care (HPC) businesses, accounts for 55.8% of Consolidated Sales.

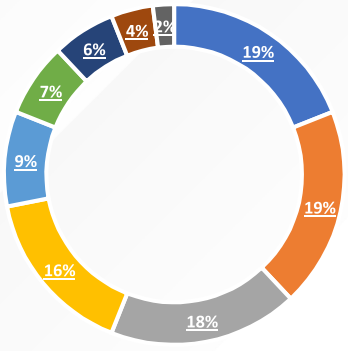
• Food & Beverages (F&B) Business: This segment includes fruit-based beverages, a range of food products, and the recently acquired Badshah Masala portfolio. It accounts for 16.2% of consolidated sales.

• International Business: This segment includes a mix of Dabur's organic overseas business as well as the acquired entities of Hobi Group and Namaste Laboratories LLC, accounting for 24.8% of consolidated sales.

Percentage of Consolidated Revenue



Percentage of FMCG Revenue (from INDIA)



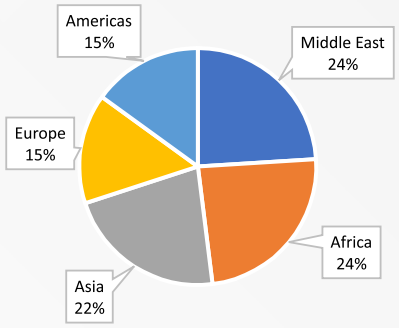
International Business

Dabur has, over the years, transformed into a multinational enterprise with a global footprint covering over 120 countries across the globe. Dabur today has a manufacturing presence across eight countries.

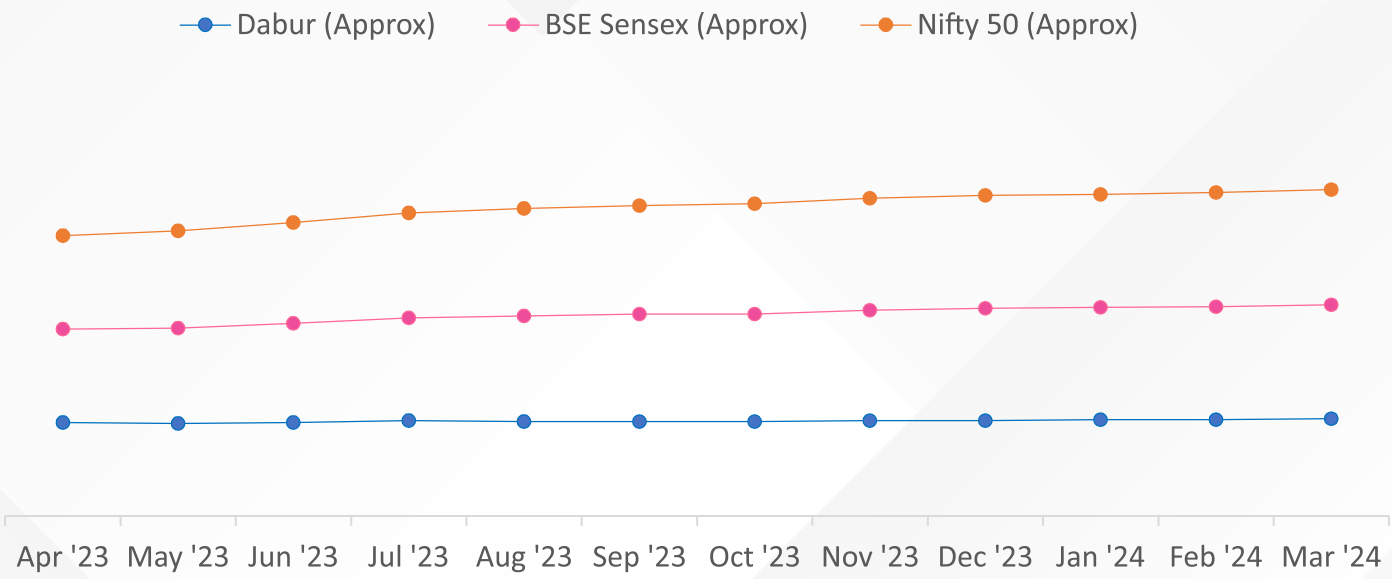
The International Business, which contributed 24.8% to Dabur's Consolidated Revenues in 2023-24, covers operations across the Middle East, Africa, South Asia, USA, and Europe.

International Business registered constant currency growth of 16.4% during the year. The region-wise split of Dabur's International Business Revenue is presented in the pie chart.

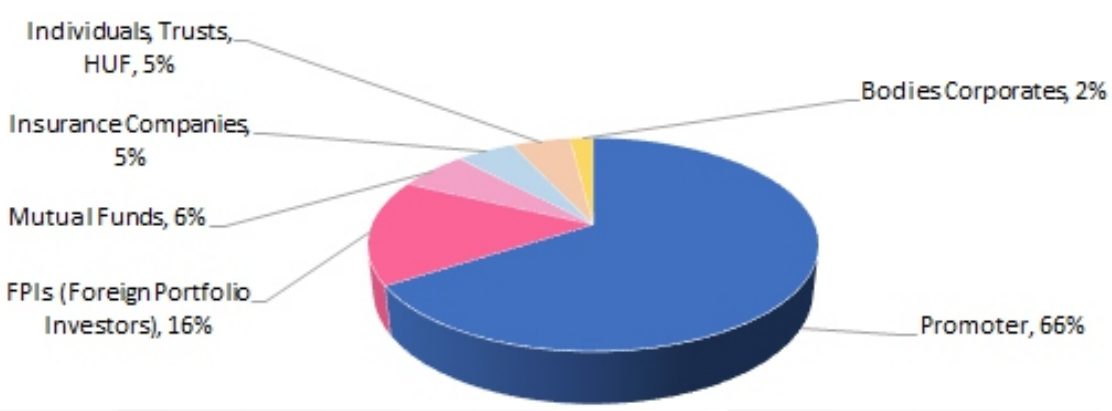
Percentage of International Business Revenue



Share Holding and Relative Price Movements



Share Holding % as in March ' 24



Key Drivers and Challenges

Here is a comprehensive look at the key drivers and challenges for Dabur India Ltd., which illustrate both the strengths that propel the company forward and the potential obstacles it faces in maintaining and expanding its market position:

Key Drivers

- **Growing Global Demand for Natural and Ayurvedic Products**

  The global shift towards health and wellness, particularly the preference for natural and Ayurvedic products, aligns perfectly with Dabur's core strengths. Consumers are increasingly looking for holistic solutions, which has driven the demand for products made from natural ingredients. Dabur's heritage in Ayurveda and deep product expertise enable it to cater effectively to this demand, making its offerings highly relevant and desirable in both domestic and international markets.

- **Expansive Distribution Network with Strong Rural Reach**

  Dabur's extensive distribution network is a major competitive advantage, covering both urban centers and rural regions across India. The company's rural reach is particularly significant, allowing it to tap into the growing purchasing power of rural consumers. This wide network, with over 7.9 million retail outlets and presence in 120,000 villages, ensures that Dabur's products are accessible to a broad consumer base, supporting consistent revenue generation and market penetration.

- **Diverse and Well-Established Product Portfolio**

  Dabur's portfolio spans multiple categories, including healthcare, personal care, home care, and foods and beverages. This diversified approach reduces reliance on any single category and allows the company to capitalize on trends across different sectors. For example, Dabur's strong presence in health supplements supports its positioning in wellness, while its range of personal and home care products caters to daily essentials. This diversification enables Dabur to respond to shifts in consumer preferences and maintain stability even during economic downturns.

- **Expanding International Presence**

  Dabur's strategic focus on international markets has led to a substantial presence in over 120 countries, contributing around 23% of its revenue. The company's ability to adapt its product offerings to regional preferences has driven success in key markets like the Middle East, Africa, and South Asia. As Dabur continues to expand globally, particularly in emerging markets, it gains access to new consumer bases and diversifies its revenue streams. This international growth is supported by a mix of organic expansion and strategic acquisitions, such as the purchases of Hobi Kozmetik in Turkey and Namaste Laboratories in the USA.

- **Financial Resilience and Strategic Acquisitions**

  Dabur's consistent financial performance, with robust cash flows and low debt levels, provides it with the flexibility to pursue growth opportunities. The company has a history of strategic acquisitions that have expanded its product range and geographical reach, as seen with its acquisitions of Badshah Masala and Fem. This approach not only enhances its portfolio but also helps Dabur enter new segments and markets, fueling both top-line and bottom-line growth.

- **Digital Transformation and E-commerce Growth**

  Dabur has embraced digital transformation by launching digital-first brands and increasing its presence on e-commerce platforms. This strategy is in response to changing consumer behaviors, as more shoppers turn to online channels. Dabur's investment in digital capabilities positions it well to capture growth from online sales and connect with younger, tech-savvy consumers. The company's focus on digital marketing also helps it build brand engagement and reach new customer segments effectively.

Challenges

- **Intense Competition in the FMCG Sector**

  Dabur faces strong competition from both multinational FMCG giants and domestic players, which have been investing heavily in similar product categories, particularly in natural and health-focused products. Competitors are increasingly emphasizing Ayurveda and natural ingredients, which intensifies the need for Dabur to continuously innovate and differentiate its offerings to maintain market share.

- **Vulnerability to Raw Material Price Fluctuations**

  As a major player in the natural and Ayurvedic products segment, Dabur relies heavily on agricultural and herbal raw materials. Fluctuations in the prices of key ingredients, driven by factors such as climatic changes, supply chain disruptions, or regulatory challenges, can impact production costs. While Dabur has a strong procurement strategy, such volatility in raw material prices can put pressure on profit margins.

- **Regulatory and Compliance Risks**

  Operating in both domestic and international markets, Dabur must navigate a complex landscape of regulatory and compliance requirements. This includes adhering to health and safety regulations, particularly for its Ayurvedic products, which may face scrutiny in certain markets. Additionally, international operations are subject to varied regulations, tariffs, and import-export policies, which could pose compliance challenges and affect business continuity.

- **Economic Slowdown and Consumer Spending Patterns**

  As an FMCG company, Dabur's growth is closely linked to consumer spending. Economic downturns, inflation, or adverse economic conditions can lead to reduced consumer spending, particularly on discretionary products. While Dabur's diversified portfolio helps mitigate this risk, prolonged economic challenges could impact sales, especially in premium product categories.

- **Rural Demand Volatility**

  Although rural markets are a key growth driver for Dabur, they can also be volatile, especially due to factors like monsoon dependency, agricultural income fluctuations, and local economic conditions. Any adverse impact on rural incomes can affect consumer spending in these areas, which may, in turn, impact Dabur's rural sales growth.

- **Challenges in International Markets**

  While Dabur's international expansion provides diversification, it also exposes the company to risks such as currency fluctuations, geopolitical tensions, and cultural differences that can affect product acceptance. Additionally, in markets where Dabur is less established, it may face stiff competition from local players, which can make it challenging to achieve rapid market penetration and profitability.

In conclusion, while Dabur is well-equipped with several growth drivers, including its strong brand, diverse portfolio, and expansive distribution network, the company must continue to innovate and adapt to navigate the competitive FMCG landscape.

Addressing these challenges and leveraging its strengths will be crucial for Dabur to sustain its growth trajectory and continue expanding both domestically and internationally.

Comprehensive Investment Rationale

Let's delve deeper into each of the top four investment rationales for Dabur India Ltd., exploring how these factors strengthen its market position and enhance its growth potential.

1.Market Leadership and Brand Loyalty

- **Heritage and Trust:** Dabur has built a legacy over more than a century, rooted in Ayurvedic and natural products. This long-standing reputation gives Dabur a significant edge in consumer trust, particularly in categories associated with health and wellness.

- **Diverse Product Range:** The company's portfolio covers essential consumer categories such as health supplements, personal care, and home care. Key brands like Dabur Chyawanprash, Dabur Honey, and Vatika have become household names in India, and are widely recognized for quality and efficacy.

- **Consumer Loyalty:** Dabur's products resonate with a broad demographic, appealing to both health-conscious consumers and those looking for traditional remedies. The company's ability to maintain brand loyalty across generations is a testament to its consistent quality and alignment with consumer preferences, particularly those seeking natural and Ayurvedic solutions.

- **Category Leadership:** Dabur leads in several product categories, such as health supplements and natural personal care, where it holds substantial market shares. This leadership ensures a steady stream of revenues and reinforces its brand authority in the FMCG space.

2. Extensive Distribution and Rural Reach

- **Comprehensive Network:** Dabur's distribution network is one of the largest in India, covering 7.9 million retail outlets across urban and rural markets. This extensive network enables the company to maintain a strong market presence and ensure product availability even in remote areas.

- **Rural Focus:** With nearly two-thirds of India's population residing in rural areas, Dabur's targeted rural expansion has been a strategic advantage. The company's reach into 120,000 villages allows it to tap into a growing consumer base that is experiencing rising incomes and an increasing appetite for branded goods.

- **Tailored Rural Strategies:** Dabur has implemented specific initiatives to deepen its penetration in rural areas, such as smaller pack sizes and affordable pricing, making its products accessible to lower-income consumers. The rural market has become a significant growth driver for Dabur, particularly as rural consumers are increasingly purchasing health and personal care products.

- **Urban Presence:** While the rural reach is vast, Dabur has a robust urban presence as well, with strong distribution in metropolitan and tier-1 cities. This dual focus allows Dabur to capture demand across various consumer segments, providing it with a well-diversified revenue base.

3. Financial Resilience and Strong Cash Position

- **Consistent Revenue Growth:** Dabur's financial performance is marked by steady revenue growth, driven by its diversified product portfolio and market reach. The company has demonstrated resilience, withstanding economic downturns and market volatility due to its broad consumer base and essential product categories.

- **Robust Margins:** The company maintains healthy profit margins due to its efficient cost structure, economies of scale, and prudent cost management practices. Dabur's margins are bolstered by its strong brand equity, which allows for premium pricing in certain categories, and its focus on cost-effective sourcing and manufacturing.

- **Low Debt Levels:** Dabur operates with minimal debt, which reduces financial risk and interest expenses. Its strong cash position provides it with the flexibility to invest in growth initiatives, such as new product launches, digital transformation, and international expansion, without compromising financial stability.

- **Strong Cash Flows:** Dabur's business generates consistent cash flows, which are essential for funding operational needs, pursuing strategic acquisitions, and maintaining shareholder returns through dividends. The company's solid cash reserves also provide a cushion during economic uncertainties, enabling it to navigate challenges and capitalize on market opportunities.

4. Global Growth Potential

- **Expanding International Footprint:** Dabur has successfully established a significant presence in over 120 countries, with a stronghold in regions like the Middle East, Africa, South Asia, and parts of North America. This international expansion not only diversifies its revenue streams but also reduces its dependence on the Indian market.

- **Tailored Product Offerings:** Dabur adapts its product offerings to meet regional preferences and regulatory requirements. For instance, the Vatika and ORS brands cater to specific hair care needs in the Middle East and African markets. This localization strategy enhances product acceptance and brand loyalty in diverse markets.

- **Strategic Acquisitions and Partnerships:** Dabur has bolstered its international presence through strategic acquisitions, such as Hobi Kozmetik in Turkey and Namaste Laboratories in the USA. These acquisitions have enabled Dabur to enter new categories and markets, providing a platform for future growth and expansion.

- **Capitalizing on Ayurvedic Appeal:** As global consumers increasingly seek natural and holistic products, Dabur's Ayurvedic and herbal offerings hold strong appeal. By leveraging its expertise in Ayurveda, Dabur is well-positioned to capture the growing global demand for wellness products, especially in emerging markets where health awareness is rising.

- **Future Growth Opportunities:** Dabur's continued focus on emerging markets in Africa, the Middle East, and Southeast Asia provides significant growth potential. These regions have favorable demographics, with rising disposable incomes and expanding middle classes, creating a fertile environment for Dabur's product offerings.

- Dabur India Ltd. stands as a compelling investment opportunity in the FMCG sector, bolstered by a rich heritage, a robust brand portfolio, and a commitment to innovation rooted in Ayurvedic principles. As one of India's most trusted and established companies, Dabur has successfully blended tradition with modernity, allowing it to remain relevant across generations. Its reputation for quality, coupled with a focus on natural and health-oriented products, resonates strongly with contemporary consumers who are increasingly mindful of wellness and holistic health.

- The company's extensive distribution network—one of the largest in the country—enables Dabur to reach a diverse consumer base, including underserved rural areas with rising purchasing power. This broad market access, complemented by tailored strategies for both rural and urban consumers, ensures steady and diversified revenue streams. Additionally, Dabur's strategic focus on expanding its rural presence allows it to capitalize on the economic growth of rural India, further cementing its position as a market leader.

- Financially, Dabur exhibits remarkable resilience and stability. Its consistent revenue growth, strong profit margins, and prudent financial management have allowed it to maintain low debt levels and accumulate substantial cash reserves. This financial health not only minimizes risks but also provides Dabur with the flexibility to invest in growth opportunities, weather economic downturns, and deliver value to shareholders through dividends and capital appreciation. The company's ability to generate robust cash flows supports ongoing investments in innovation, new product launches, and digital transformation, which are essential to maintaining its competitive edge in a dynamic market environment.

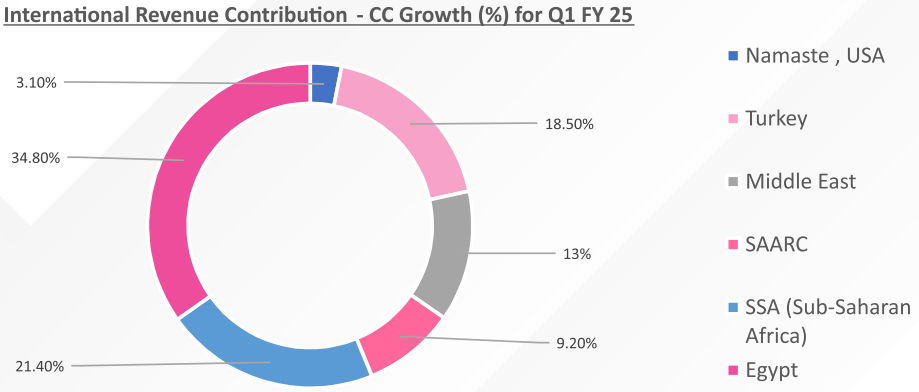
- On the global front, Dabur's significant and expanding international footprint is a testament to its strategic foresight. The company's presence in over 120 countries, particularly in high-growth regions like the Middle East, Africa, and Southeast Asia, provides a diversified revenue base and reduces its dependence on the Indian market.

- In conclusion, Dabur India Ltd. embodies a balanced blend of stability and growth potential. Its strong foundation, bolstered by a heritage of trust and quality, positions it uniquely in the FMCG sector. As the company continues to build on its legacy, adapt to consumer trends, and expand internationally, Dabur remains an attractive investment option for those seeking exposure to a reliable and growth-oriented FMCG company. Its commitment to sustainability, digital transformation, and innovation ensures that Dabur will not only retain its leadership position but also pave the way for continued success in the years to come. For investors, Dabur represents a promising opportunity to participate in a well-managed, future-ready enterprise that is poised to capitalize on the evolving landscape of consumer preferences and global market dynamics.

Q1 (FY 24 – 25)

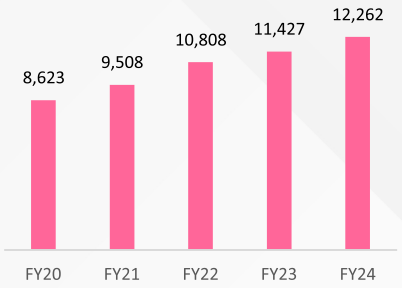
Q1 FY25 Category Breakdown			
Category	Contribution (%)	Revenue (INR Cr)	Growth YoY (%)
Home & Personal Care	49.60%	₹1,175 Cr	8.10%
Health Care	26.20%	₹620 Cr	7%
Foods & Beverages	24.20%	₹572 Cr	4%

In ₹ crores	Q1 FY25	Q1 FY24
Revenue from Operations	3,349.10	3,130.50
Material Cost	1,748.70	1,671.70
Employee Expense	322.9	297.2
Advertisement and Publicity	235.9	204.3
Other Expenses	386.6	352.4
Operating Profit	655	604.7
% of Revenue	19.60%	19.30%
EBITDA (incl. Other Income)	784.4	714.5
% of Revenue	23.40%	22.80%
Net Profit (after minority)	500.1	463.9
% of Revenue	14.90%	14.80%

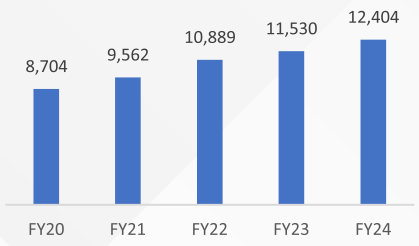


Company Performance

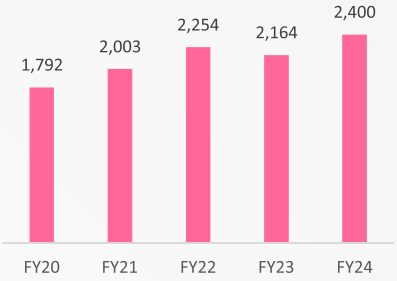
Net Sales



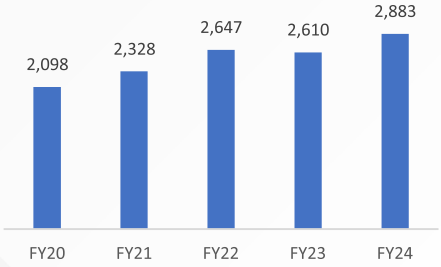
Revenue from Operations



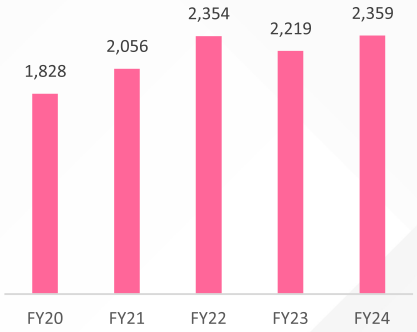
Operating Profit



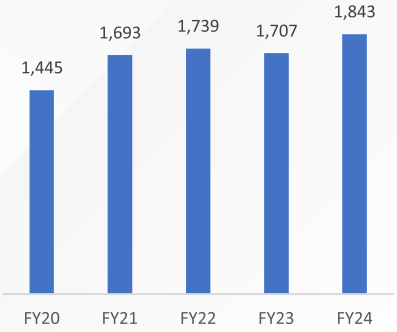
EBITDA



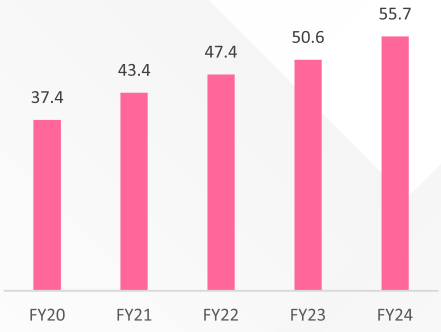
Profit Before Tax



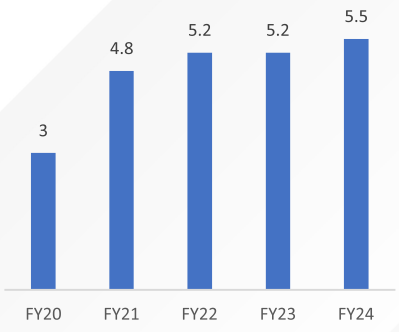
Profit After Tax



BVPS



DPS



EPS

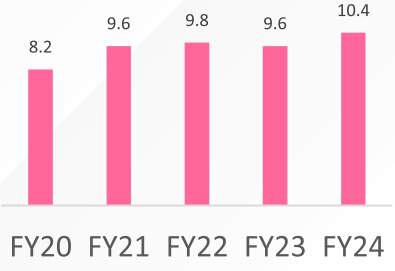


Figure in crores

Strengths

- **Strong Brand Equity:** Trusted and well-known brands, especially in Ayurvedic and natural products, foster strong consumer loyalty.
- **Diverse Product Portfolio:** Extensive range across healthcare, personal care, home care, and foods, reducing reliance on any single category.
- **Robust Distribution Network:** Wide reach in both urban and rural India, covering millions of retail outlets and thousands of villages.
- **Financial Stability:** Consistent revenue growth, low debt, and solid cash reserves provide resilience and flexibility.
- **International Presence:** Strong foothold in over 120 countries, diversifying revenue sources and reducing dependence on the domestic market.

S

Weaknesses

W

- **High Dependence on Ayurveda:** Limited appeal to consumers who prefer synthetic alternatives.
- **Limited Premium Offerings:** Focus on mass and value segments restricts access to higher-margin premium markets.
- **Raw Material Price Sensitivity:** Relies on agricultural inputs, making it vulnerable to cost fluctuations.
- **Acquisition Integration Challenges:** Difficulty aligning new brands with Dabur's core, risking operational inefficiencies.
- **Dependence on Indian Market:** Despite global reach, a large revenue share still comes from India, exposing it to local market risks.

Opportunities

O

- **Rising Demand for Natural Products:** Growing global health awareness aligns well with Dabur's Ayurvedic offerings.
- **Rural Market Growth:** Increasing rural incomes present a chance to expand in underpenetrated areas.
- **Digital Transformation:** E-commerce and digital-first brands can boost engagement with younger, tech-savvy consumers.
- **International Expansion:** Potential to grow in emerging markets like Africa and Southeast Asia.
- Product Diversification: Expanding into new categories, like spices, opens up additional revenue streams.

T

Threats

- **Intense Competition:** Faces stiff rivalry from both multinational FMCG giants and local players.
- **Raw Material Supply Risks:** Price volatility and supply disruptions can affect profitability.
- **Regulatory Challenges:** Must navigate complex regulations in diverse markets, impacting compliance costs.
- **Economic Slowdowns:** Reduced consumer spending during downturns can impact sales, especially for discretionary items.
- **Geopolitical Risks in International Markets:** Exposure to foreign markets brings risks of currency fluctuations and political instability.

Peer Comparison

Name	Dabur India	Emami	Godrej Consumer
CMP Rs.	572.65	739.1	1338.1
Sales Rs.Cr.	12622.65	3658.5	13978.78
PAT 12M Rs.Cr.	1849.05	739.77	1754.46
EPS 12M Rs.	10.6	16.92	-4.19
Mar Cap Rs.Cr.	92,704.37	32301.01	136744.52
EV Rs.Cr.	102128.1	32193.58	139419.78
P/E	54.86	43.68	77.94
CMP / BV	10.32	13.24	10.89
EV / EBITDA	34.6	31.57	42.22
Debt / Eq	0.14	0.04	0.26
Asset Turnover	0.86	1.12	0.79
Leverage	1.46	1.3	1.42
Inventory T/O	2.48	3.63	4.61
ROCE %	22.28	31.72	19.02
ROA 12M %	12.59	22.37	-41.26
ROE %	19.22	29.95	-56.02
Earnings Yield %	2.45	2.58	2.2
Div Yld %	0.94	1.09	1.11
Export %	0	17.24	0
3mth return %	-4.33	2.8	-1.85
6mth return %	14.24	66.69	11.43
QoQ Profits %	44.88	2.62	123.81
QoQ Sales %	18.99	1.66	-1.6

Figure in crores

Financial Snapshot

Particulars	FY24	FY23	FY22	FY21	FY20
Revenue from operations	12,404	11,530	10,889	9,562	8,704
Operating Profit	2,400	2,164	2,254	2,003	1,792
Operating Margins (%)	19.40%	18.80%	20.70%	20.90%	20.60%
EBITDA	2,882.60	2,609.50	?2,647.0	?2,327.9	?2,097.6
Working Capital	13.2	21.7	18.1	14.1	29.7
Profit before tax (PBT)	2,359	2,219	2,269	2,056	1,728
Profit after Tax (PAT)	1,843	1,707	1,739	1,693	1,445
Net Fixed Assets (incl. Goodwill)	4,047	3,754	2,475	2,411	2,399
Current Assets, Loans & Advances	4,273	5,699	4,339	4,798	4,885
Current Liabilities & Provisions	3,674	3,999	3,386	2,998	2,521
Share Capital	177	177	177	177	177
Reserves & Surplus	9,689	8,796	8,205	7,487	6,430
Shareholders Funds	9,866	8,973	8,381	7,664	6,607
Earnings Per Share	10.4	9.6	9.8	9.6	8.2
Dividend Per Share	5.5	5.2	5.2	4.8	3
Book Value per Share (BVPS)	55.7	50.6	47.4	43.4	37.4
Net Profit Margin	14.60%	14.70%	16.00%	17.70%	18.40%
ROIC	37.80%	35.30%	58.20%	58.70%	43.50%
Return on Net Worth	18.60%	18%	20.80%	22.10%	21.80%
Debt	1,145	1,174	?1,030	?509	?335
Cash and Cash Equivalents	7,592	6,591	?6,780	?5,477	?4,137
Net Cash	6,447	5,581	?5,750	?4,968	?3,802
No of Shares (In Crs)	177.2	177.2	176.8	176.7	176.7
Share Price (unadjusted)	523	545	537	541	450
Market Cap	92,704	96,543	94,854	95,529	79,562

Figure in crores

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