

Dabur India (DABUR)

FMCG | 3QFY25 Result Update

BUY

CMP: Rs534 | Target Price (TP): Rs620 | Upside: 16%

January 30, 2025

Results in line, gradual recovery expected

Key Points

- DABUR's 3QFY25 results were largely in line with expectations barring a marginal beat in EBITDA, which was nevertheless flattish YoY
- The management has called out mid-single digit revenue growth in the near term, better than preceding quarters, but also subdued on an absolute basis. While 4Q is a seasonally weak margin quarter, the management expects EBITDA margin in FY26 to recover on the back of pricing, mix improvement, premiumisation and cost saving initiatives
- There is no material change to our EPS forecasts. Maintain Buy with a TP of Rs620, 16% upside to CMP

3QFY25 performance update: Dabur's 3QFY25 consolidated revenues increased by ~3.1% YoY to Rs33.5bn (vs est. Rs33.3bn). EBITDA was up ~2.1% YoY to Rs6.8bn (vs est. Rs6.5bn). Adjusted PAT (APAT) was up ~1.6% YoY to Rs5.2bn (vs est. Rs5bn). Domestic FMCG volume growth in 3QFY25 came in at 1.2% (vs flat growth estimated). International business grew by ~19% in CC terms. Gross margin was down 60bps YoY to 48.1% (down 130bps QoQ; vs est. 48.8%). Higher employee costs (up 40bps YoY), flat other expenses YoY, lower A&P spends (down 80bps YoY) led to EBITDA margin being flat YoY at 20.3% (higher than our estimate of 19.6%). Standalone revenue grew by ~1.4% YoY. EBITDA decreased by ~1.7% YoY and APAT was down ~2.3% YoY. Gross margin was down 120bps YoY at ~45.8% while EBITDA margin stood at 21.3% (down 70bps YoY).

3QFY25 segmental performance: The Home & Personal Care vertical registered a growth of 5.7% YoY. Broad based growth seen across Oral care, Hair care, Homecare and Skincare. The Healthcare vertical de-grew by 1.3% YoY as unfavourable weather conditions impacted the Health Supplements portfolio, even as the Digestives portfolio and OTC & Ethicals portfolio recorded modest growth. Within the Food & Beverages vertical, while the Foods portfolio grew by 30% YoY sustaining its growth momentum, the Beverages portfolio decreased by 10.3% YoY due to muted festive season demand and price driven competitive intensity in the J&N category. Several internal initiatives have been planned to ramp up growth in the Beverages portfolio.

Earnings call highlights: (1) Rural growth outpaced urban by 140bps. 3QFY25 was the fourth consecutive quarter where rural has grown ahead of urban. Urban grew by 0.6% and rural by 2% (2) Premium portfolio growing 2.5x-3x faster than overall India business (3) Oral care - Category doing well, Dabur continued to gain market share. Now the No.2 brand in MT channel pan India. Gap in terms of sensitive, bleeding gum, etc will be filled in the near term. Price increases in oral care on the horizon (4) Dabur took judicious price increases in the portfolio. 3% inflation YTD was mitigated through price increase. Expect 5% inflation going forward (5) Mid-single digit growth likely in 4QFY25 with margins to be maintained (6) Expect margins to improve next fiscal year aided by - pricing, mix improvement, premiumisation and cost saving initiatives (7) Dabur has engaged McKinsey & Co to refine and align strategies for the next 3 years in line with the evolving dynamics. Aim to conclude this strategic exercise by end FY25. Payment currently not linked to any target achievements (8) Dabur expects profitability to be better in the international business on the back of lower legal costs, lower currency depreciation, etc.

Est Change	No change
TP Change	Upward
Rating Change	Maintain

Company Data and Valuation Summary

Reuters:	DABU.BO
Bloomberg:	DABUR IN Equity
Mkt Cap (Rsbn/US\$bn):	918.2 / 10.6
52 Wk H / L (Rs):	672 / 489
ADTV-3M (mn) (Rs/US\$):	1,289.4 / 15.1
Stock performance (%) 1M/6M/1yr:	2.2 / (19.2) / (3.0)
Nifty 50 performance (%) 1M/6M/1yr:	(2.7) / (4.3) / 7.6

Shareholding	1QFY25	2QFY25	3QFY25
Promoters	66.2	66.3	66.3
DII's	13.5	13.6	14.9
FII's	15.0	15.1	13.3
Others	5.3	5.1	5.6
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25E	FY26E	FY27E
Net Sales	1,24,040	1,27,176	1,42,321	1,56,864
Growth YoY%	7.6	2.5	11.9	10.2
Gross margin (%)	48.0	48.3	49.2	49.5
EBITDA	24,002	23,668	27,034	30,279
EBITDA margin (%)	19.4	18.6	19.0	19.3
Adjusted PAT	18,427	17,879	20,456	23,077
Growth YoY%	7.9	(3.0)	14.4	12.8
Adj EPS	10.4	10.1	11.5	13.0
RoCE (%)	17.2	15.7	16.4	17.2
RoE (%)	19.6	17.4	18.2	19.0
RoIC	16.7	15.7	17.0	18.2
P/E (x)	51.3	52.9	46.2	41.0
EV/EBITDA (x)	39.2	39.6	34.6	30.8
P/BV	9.6	8.8	8.1	7.5

Source: Bloomberg, Company, Nirmal Bang Institutional Equities Research

Key Links –

[3QFY25 Investor Presentation](#)

[FY24 Annual Report](#)

Please refer to the disclaimer towards the end of the document

View and valuation: Changes to the model have resulted in a marginal EPS increase of 0-2% range for FY25, FY26 and FY27. While near term outlook remains challenging, structural outlook remains healthy. With ~45-50% of its domestic sales coming from rural areas (highest among all peers, barring Emami), the widest distribution reach apart from HUVR, increase in direct reach in recent years, penetration into additional ~63k villages in the last three years and market leadership in most of its key categories, Dabur is better placed to take advantage of the tailwinds in favour of rural consumption vis-a-vis peers. The company's track record on the top-line has also been better compared to peers. We have not taken numbers of the Sesa Care acquisition into our forecasts either in the P&L or Balance sheet as we await further clarity. We maintain Buy rating as well as the target multiple of 49x (9% discount to 5 year multiple and in line with 10 year average multiple), and value the company on Dec'26E EPS arriving at TP of Rs620, 16% upside to CMP.

Exhibit 1: 3QFY25 consolidated performance

Particulars (Rsmn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	FY24	FY25E	3Q25E	Var
Domestic FMCG vol. growth (%)	3.0	3.0	6.0	4.2	5.2	-8.0	1.2	4.0	4.0	0.4	0.0	-
Net sales	31,305	32,038	32,551	28,146	33,491	30,286	33,553	29,847	1,24,040	1,27,176	33,348	0.6%
YoY change (%)	10.9	7.3	7.0	5.1	7.0	-5.5	3.1	6.0	7.6	2.5	2.5	-
Gross profit	14,588	15,482	15,823	13,679	16,005	14,943	16,124	14,312	59,571	61,384	16,274	-0.9%
Margin (%)	46.6	48.3	48.6	48.6	47.8	49.3	48.1	48.0	48.0	48.3	48.8	-
EBITDA	6,047	6,609	6,678	4,668	6,550	5,526	6,819	4,773	24,002	23,668	6,536	4.3%
Margins (%)	19.3	20.6	20.5	16.6	19.6	18.2	20.3	16.0	19.4	18.6	19.6	0.7
YoY growth (%)	11.2	10.0	9.5	13.9	8.3	-16.4	2.1	2.2	10.9	-1.4	-2.1	-
Depreciation	966	983	969	1,074	1,091	1,110	1,086	1,146	3,992	4,433	1,114	-
Interest	243	281	365	352	327	474	442	444	1,242	1,687	369	-
Other income	1,098	1,164	1,274	1,289	1,294	1,515	1,280	1,331	4,824	5,421	1,337	-
PBT	5,936	6,508	6,618	4,531	6,427	5,457	6,571	4,514	23,593	22,968	6,391	-
Tax	1,368	1,443	1,550	1,114	1,481	1,284	1,418	1,215	5,474	5,398	1,502	-
Rate (%)	23.0	22.2	23.4	24.6	23.0	23.5	21.6	26.9	23.2	23.5	23.5	-
Adjusted PAT	4,639	5,151	5,142	3,495	5,001	4,250	5,224	3,404	18,427	17,879	4,948	5.6%
YoY change (%)	5.4	5.1	8.0	16.2	7.8	-17.5	1.6	-2.6	7.9	-3.0	-3.8	-
Adj. EPS	2.6	2.9	2.9	2.0	2.8	2.4	2.9	1.9	10.4	10.1	2.8	-

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 2: Common-size P&L over the quarters

Particulars (%)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Gross margin	45.5	45.8	46.6	48.3	48.6	48.6	47.8	49.3	48.1
Staff Cost	9.6	10.8	9.5	9.8	9.5	11.2	9.6	11.2	10.0
Advertising Cost	5.9	5.7	6.5	6.8	7.5	6.5	7.0	7.5	6.8
Other expenses	10.0	14.1	11.3	11.1	11.0	14.3	11.5	12.5	11.0
EBITDA	20.0	15.3	19.3	20.6	20.5	16.6	19.6	18.2	20.3
EBIT	17.7	11.5	16.2	17.6	17.5	12.8	16.3	14.6	17.1
PBT after NCI & Share of Assc/JV	20.4	15.1	19.2	20.6	20.6	16.4	19.4	18.3	19.8
Adjusted PAT	15.6	11.2	14.8	16.1	15.8	12.4	14.9	14.0	15.6

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 3: Our estimates vs BBG consensus vs actual

Particulars (Rsmn)	3QFY24	2QFY25	3QFY25	YoY (%)	QoQ (%)	NBIE Estimates	Variation (%)	BBG Consensus	Variation (%)
Net Sales	32,551	30,286	33,553	3.1	10.8	33,348	0.6	33,395	0.5
EBITDA	6,678	5,526	6,819	2.1	23.4	6,536	4.3	6,772	0.7
EBITDA margin (%)	20.5	18.2	20.3	-0.2	2.1	19.6	0.7	20.3	0.0
PAT	5,142	4,250	5,224	1.6	22.9	4,948	5.6	5,091	2.6

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Change in our estimates

Y/E March	Earlier Estimates			New Estimates			Change (%)		
(Rsmn)	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net Sales	1,27,593	1,40,366	1,54,619	1,27,176	1,42,321	1,56,864	-0.3	1.4	1.5
EBITDA	23,462	26,352	29,747	23,668	27,034	30,279	0.9	2.6	1.8
EBITDA margin (%)	18.4	18.8	19.2	18.6	19.0	19.3	0.2	0.2	0.1
Adj PAT	17,843	19,932	22,663	17,879	20,456	23,077	0.2	2.6	1.8

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: Growth in key categories

Particulars	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Hair Care	3.1	-1.4	0.3	9.8	4.0	5.7	(1.1)	5.5	3.7	2.7
Health Supplements	-12.6	0.4	(3.3)	5.5	0.0	0.0	(9.1)	7.8	2.8	(3.4)
Oral Care	9.2	2.6	(3.0)	13.0	4.1	8.1	22.0	11.4	5.3	9.1
Food & Beverages	30.0	6.4	28.6	(0.5)	7.1	6.7	(0.3)	3.8	(20.7)	**30.0
Digestives	0.1	11.2	5.6	14.3	18.1	15.1	16.0	10.7	6.3	3.9
Skin & Salon	-15.0	-5.6	(2.0)	3.5	5.0	4.5	0.6	6.1	0.0	5.6
Home Care	20.9	18.2	10.3	14.5	15.1	6.6	7.5	8.0	9.1	5.0
OTC & Ethicals	-0.2	4.0	(0.4)	*24.3	7.7	*(3.0)	0.6	3.7	0.0	0.4
IBD (CC terms)	12.3	14.0	9.6	20.6	23.6	11.7	12.0	18.4	13.0	18.9

Source: Company, Nirmal Bang Institutional Equities Research

*In 1QFY24 and 3QFY24, 24.3% and (3%) represents growth rate for OTC business, whereas Ethicals grew by 7.3% and 6.9% respectively over the same period.

**In 3QFY25, 30% represents the growth rate for the Foods business, whereas Beverages de-grew by 10.3%

Exhibit 6: Dabur oral care growth comparison vs peers

Particulars (%)	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Dabur	6.7	1.1	12.5	9.2	2.6	-3	13	4.1	8.1	22	11.4	5.3	9.1
Colgate	3.9	1.4	2.6	2.6	0.9	3.8	10.6	6.0	8.1	10.3	13.1	10.1	4.7
Hindustan Unilever Ltd	Soft quarter	Soft quarter	Closeup growing franchise	Steady performance	Steady performance	High single digit	High double-digit	Mid-single digit	Mid-single digit	Double-digit	Mid-single digit	High-single digit	Mid-single digit

Source: Company, Nirmal Bang Institutional Equities Research

Dabur 3QFY25 earnings call and presentation highlights

Performance and outlook

- Challenging operating environment in 3QFY25 marked by unfavourable weather conditions
- Consolidated revenue up 3.1% YoY with 1.2% volume growth in the India business (1.7% value growth)
- Rural growth outpaced urban by 140bps. 3QFY25 was the fourth consecutive quarter where rural has grown ahead of urban. Urban grew by 0.6% and rural by 2%
- Premium portfolio growing 2.5x-3x faster than overall India business. As per syndicated data, FMCG market is growing ~8% with rural at 10% and urban at 5%. Urban has corrected by ~40%

Brands, Segments and Geographies

- **HPC (~48% salience)**
 - Grew by 5.7% YoY
 - Oral care grew by 9.1% YoY and Dabur continued to gain market share. Now the No.2 brand in MT channel pan India
 - Haircare - Hair oils grew by 3.1%, gained market share of 150 basis points (Total market share in hair oils at highest ever of 18%). Shampoo outperformed category growth and gained ~ 20 bps market share
 - Homecare - Odonil grew in double digit in volume terms. The company gained ~101 bps market share in air fresheners. Odomos reported muted performance on account of category slowdown. However, Dabur grew ahead of the category
 - Skincare portfolio registered a growth of 5.6% driven by strong performance in the Gulabari franchise which recorded 9% growth. This was led by robust demand for flagship product Gulabari Rosewater with new formats such as body washes, body lotions, creams contributing > 20% to the Gulabari portfolio
 - Oral care
 - Grew by 9.1% YoY
 - Category doing well, Dabur continued to gain market share. Now the No.2 brand in MT channel pan India
 - Dabur Red toothpaste doing well aided by rural. Rural salience improved from 30% to 32%
 - Gap in terms of sensitive, bleeding gum, etc will be filled in the near term
 - Market leader in 40s in terms of market share
 - Meswak (premium variant) has grown by 16%
 - Some work needs to be done on Babool
 - Taking price increases in oral care not an issue
 - Rural contribution at 45-50%, in line with company salience
- **Healthcare (~38% salience)**
 - The segment declined by 1.3% YoY
 - Healthcare supplements
 - Declined 3.4% YoY due to the impact of unfavourable weather conditions

- Chawanprash improved its market share by 139 bps
- Exit market share in Honey was 54%.
- Glucose was facing some issues
- Honey continues to gain market share
- Chwanprash at Rs 5bn. Post covid trying to come out with modern formats. Total variants of Chawanprash contribute to 20% of Chwanprash portfolio and have high margins. Trying to position Chawanprash as all an season product
- Digestives grew by 3.9% with mid-single digit growth for Hajmola. Extensions and variants of Hajmola now contribute more than 15% to Hajmola franchise
- OTC & Ethicals
 - Ethicals portfolio – Key brands performing well with growth in high single digit. It was supported by doctor advocacy as well. Portfolio at Rs5bn
 - OTC business (Rs~8-9bn)– Key brands doing well - Honitus grew by 12% health juices had 44% growth, baby care new range saw 25% growth (to exit at Rs0.5bn this year. Lal tail saw some challenges in growth
- New initiatives at 2.5% of the healthcare portfolio
- **F&B**
 - Foods business (~2% salience) grew by 30% YoY
 - Beverages business (~12% salience) declined by 10.3% YoY
 - J&N category impacted due to muted festive season demand and price driven competitive intensity
 - Active juices (10% of beverage portfolio) – Dabur has resilience to increase prices
 - Drinks – done well backed by distribution expansion
 - Nectar business – Some pressure in terms of relative price index (RPI). Dabur is reducing price from Rs130 to Rs100 by way of consumer offers and not MRP reduction
 - Juices business impacted as last summer season did not favour the portfolio, festive season was muted and concentration on an urban centric portfolio (urban facing pressure)
 - 40% of the business is Tetra pack (200 ml pack) which has been the most impacted
 - Badshah business grew by 15.5% YoY with double digit volume growth
- **International business (~25% salience)**
 - Grew by 18.9% YoY in CC terms led by Egypt, MENA, USA and Bangladesh
 - Witnessed currency devaluation in Egypt, Nigeria and Bangladesh
 - Expect profitability to better in the international business on the back of lower legal costs, lower currency depreciation, etc

Channel and Distribution

- Rural network has expanded by 15k villages in this financial year and now reaches over 131k villages. This has helped rural to grow ~140bps ahead of the urban market
- E-comm and MT now accounts for > 20% of India business

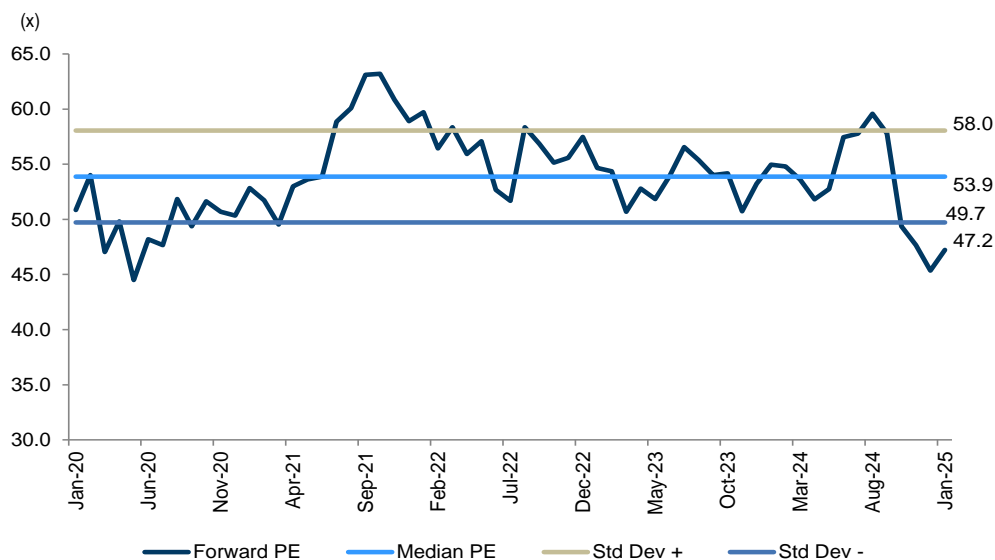
Costs and margins

- Dabur took judicious price increases in the portfolio. 3% inflation YTD was mitigated through the price increase
- Expect 5% inflation going forward
- Not realising pricing benefit due to competitive intensity
- Expect mid-single digit growth in 4QFY25 and sequential improvement
- Expect margins to be maintained in 4QFY25
- Margins likely to improve next fiscal year on the back of pricing , mix improvement, premiumisation and cost saving initiatives
- Calibrated price increases to happen in toothpaste as well as juices

Other points

- Dabur has engaged McKinsey & Co to refine and align strategies for the next 3 years in line with the evolving dynamics. Aims to conclude this strategic exercise by the end of FY25. Payment currently not linked to any target achievements
- Namaste – spent Rs1bn in FY24. Cost has reduced to Rs750mn in FY25

Exhibit 7: One-year forward P/E



Source: Company, Nirmal Bang Institutional Equities Research

Financials (Consolidated)

Exhibit 8: Income statement

Y/E March (Rsmn)	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	1,15,299	1,24,040	1,27,176	1,42,321	1,56,864
Growth YoY%	5.9	7.6	2.5	11.9	10.2
Gross profit	52,612	59,571	61,384	70,049	77,576
Gross margin %	45.6	48.0	48.3	49.2	49.5
Staff costs	11,370	12,396	13,698	14,924	16,266
% of sales	9.9	10.0	10.8	10.5	10.4
Selling and Distribution	10,853	13,017	13,717	16,922	18,772
% of sales	9.4	10.5	10.8	11.9	12.0
Other expenses	8,748	10,156	10,301	11,169	12,259
% of sales	7.6	8.2	8.1	7.8	7.8
EBITDA	21,641	24,002	23,668	27,034	30,279
Growth YoY%	(4.0)	10.9	(1.4)	14.2	12.0
EBITDA margin %	18.8	19.4	18.6	19.0	19.3
Depreciation	3,110	3,992	4,433	4,630	4,778
EBIT	18,532	20,010	19,234	22,404	25,501
Interest	782	1,242	1,687	1,461	1,355
Other income	4,454	4,824	5,421	5,498	5,813
PBT (bei)	22,203	23,593	22,968	26,441	29,958
PBT	22,203	23,593	22,968	26,441	29,958
ETR	23.3	23.2	23.5	23.8	24.0
PAT	17,072	18,427	17,879	20,456	23,077
Adj PAT	17,072	18,427	17,879	20,456	23,077
Growth YoY%	(5.9)	6.4	(3.0)	14.7	13.0

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Balance sheet

Y/E March (Rsmn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	1,772	1,772	1,772	1,772	1,772
Reserves	92,643	1,01,259	1,09,485	1,19,388	1,27,157
Net worth	94,414	1,03,031	1,11,257	1,21,160	1,28,929
Total debt	11,434	13,283	13,283	13,283	13,283
Net debt	810	-10,046	-12,093	-14,581	-16,660
Other non-current liabilities	889	1027	1027	1027	1027
Total Equity & Liabilities	1,06,737	1,17,341	1,25,568	1,35,471	1,43,239
Gross block	51,778	58,097	61,397	63,397	65,397
Depreciation	20,044	23,999	28,432	33,062	37,840
Net block	31,734	34,099	32,966	30,336	27,557
CWIP	1,711	2,091	2,300	2,530	2,783
Intangible and others	40	231	231	231	231
Other non-current assets	4,053	4,051	4,051	4,051	4,051
Investments	62,653	69,327	74,089	86,450	95,129
Trade receivables	8,488	8,987	9,335	10,497	11,569
Inventories	20,242	19,470	20,548	23,038	25,393
Cash & Cash Equivalents	3,259	6,664	7,044	7,699	7,761
Loans and Advances	594	633	760	912	1095
Other current assets	3750	5610	6171	7406	8887
Total current assets	36,332	41,364	43,858	49,552	54,705
Trade payables	21,866	24,217	22,953	28,082	30,952
Other current liabilities	7,920	9,605	8,975	9,597	10,266
Total current liabilities	29,786	33,822	31,928	37,679	41,218
Total assets	1,06,737	1,17,341	1,25,568	1,35,470	1,43,239

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Cash flow

Y/E March (Rsmn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	22,187	23,587	22,968	26,441	29,958
Depreciation	3,110	3,992	4,433	4,630	4,778
Interest	-2,829	-2,689	1,687	1,461	1,355
Other income	-1,038	-828	-5,421	-5,498	-5,813
Change in Working capital	-1,601	1,011	-4,009	713	-1,552
Tax paid	-4,945	-4,939	-5,398	-6,293	-7,190
Operating cash flow	14,884	20,135	14,261	21,454	21,537
Capex	-5,091	-5,639	-3,509	-2,230	-2,253
Free cash flow	9,793	14,496	10,752	19,224	19,284
Other investing activities	-1,883	520	2,042	-3,812	-2,867
Investing cash flow	-6,974	-5,119	-1,467	-6,042	-5,120
Issuance of share capital	4	0	0	0	0
Movement of Debt	127	-888	0	0	0
Dividends paid (-)	-9,213	-9,658	-10,728	-13,297	-15,000
Others	-1,270	-1,067	-1,687	-1,461	-1,355
Financing cash flow	-10,352	-11,612	-12,415	-14,758	-16,355
Net change in cash flow	-2,442	3,404	380	655	62
Opening C&CE	5,701	3,259	6,664	7,043	7,699
Closing C&CE	3,259	6,664	7,043	7,699	7,761

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Key ratios

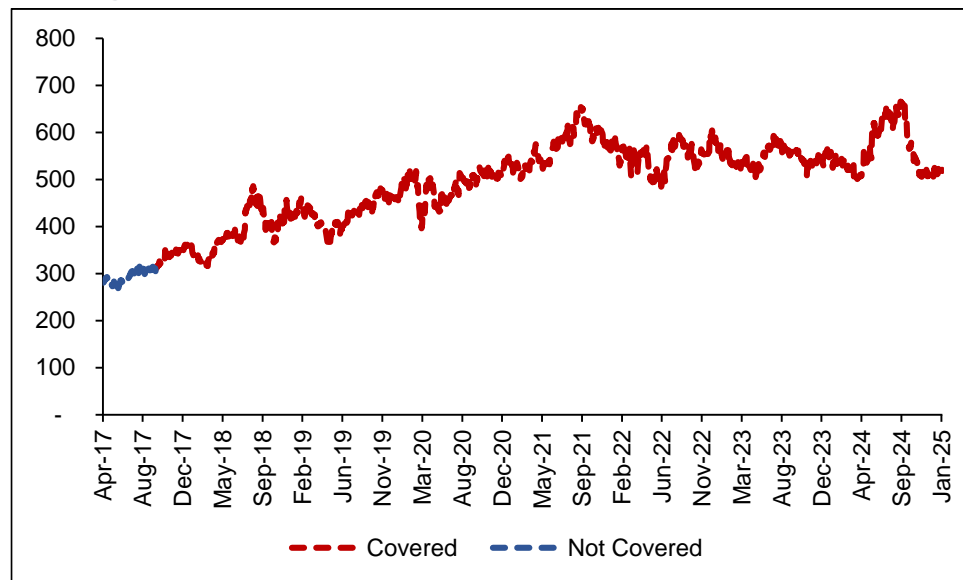
Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Per share (Rs)					
Adj EPS	9.6	10.4	10.1	11.5	13.0
Book value	53.3	58.1	62.8	68.4	72.8
DPS	5.2	5.5	6.1	7.5	8.5
Valuation (x)					
P/Sales	8.2	7.6	7.4	6.6	6.0
EV/EBITDA	43.9	39.2	39.6	34.6	30.8
P/E	55.4	51.3	52.9	46.2	41.0
P/BV	10.5	9.6	8.8	8.1	7.5
Return ratios (%)					
RoCE	17.6	17.2	15.7	16.4	17.2
RoCE (pre-tax)	23.0	22.4	20.5	21.5	22.6
RoE	19.7	19.6	17.4	18.2	19.0
RoIC	16.5	16.7	15.7	17.0	18.2
Profitability ratios (%)					
Gross margin	45.6	48.0	48.3	49.2	49.5
EBITDA margin	18.8	19.4	18.6	19.0	19.3
PAT margin	14.9	15.0	14.1	14.4	14.7
Liquidity ratios (x)					
Current ratio	1.2	1.2	1.4	1.3	1.3
Quick ratio	0.5	0.6	0.7	0.7	0.7
Solvency ratio (x)					
Net Debt to Equity ratio	0.0	-0.1	-0.1	-0.1	-0.1
Turnover ratios					
Fixed asset turnover ratio (x)	3.6	3.6	3.9	4.7	5.7
Debtor days	24	26	26	25	26
Inventory days	62	58	57	56	56
Creditor days	67	68	68	65	69
Net Working capital days	19	16	16	16	13

Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
29 September 2017	Hold	305	305
1 November 2017	Hold	333	318
1 February 2018	Hold	356	344
3 May 2018	Hold	371	372
2 August 2018	Hold	432	420
1 November 2018	Hold	385	420
4 February 2019	Hold	446	480
3 May 2019	Hold	385	430
22 July 2019	Hold	420	435
9 September 2019	Hold	441	440
23 September 2019	Hold	440	440
6 November 2019	Hold	481	470
31 January 2020	Hold	478	490
30 March 2020	Buy	425	520
28 May 2020	Buy	431	500
31 July 2020	Hold	494	515
22 September 2020	Hold	492	540
4 November 2020	Hold	515	555
8 January 2021	Hold	535	580
30 January 2021	Buy	515	600
9 April 2021	Under Review	559	600
9 May 2021	Hold	535	575
4 August 2021	Hold	614	595
23 September 2021	Hold	648	635
3 November 2021	Hold	598	640
4 February 2022	Buy	556	640
21 February 2022	Buy	548	670
6 May 2022	Buy	529	630
5 August 2022	Hold	574	635
14 September 2022	Buy	567	670
27 October 2022	Buy	549	650
3 February 2023	Buy	554	640
22 March 2023	Buy	537	675
5 May 2023	Hold	530	595
3 August 2023	Hold	555	595
16 September 2023	Hold	566	615
3 November 2023	Hold	530	600
31 January 2024	Hold	540	600
3 May 2024	Hold	525	580
6 June 2024	Buy	597	700
10 July 2024	Buy	630	725
2 August 2024	Buy	644	745
9 October 2024	Buy	565	680
30 October 2024	Buy	547	640
9 January 2025	Buy	514	595
30 January 2025	Buy	534	620

Rating chart



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Stock Ratings Absolute Returns

BUY > 15%

HOLD -5% to 14%

SELL < -5%

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