

Result Update

Q4 FY26

Dabur India Ltd.

Institutional
Research

Strong HPC-Led Growth Recovery; Margins Remain Resilient

Dabur India Limited reported a resilient performance in Q4FY26, with consolidated revenue rising 7.3% YoY to Rs. 3,038 crores compared to Rs. 2,830 crores in Q4FY25, driven by strong execution in the domestic business and healthy demand across key categories. India FMCG business grew 9.5% during the quarter, supported by underlying volume growth of 6%, while rural demand continued to outperform urban markets. EBITDA for the quarter stood at around Rs. 462 crores, up nearly 8% YoY, with EBITDA margin improving marginally to 15.2% from 15.1% in the corresponding quarter last year. Consolidated PAT came in at Rs. 362 crores, registering a strong 16% YoY growth versus Rs. 313 crores in Q4FY25 with PAT margins improving to 11.9%, up by 87 bps YoY. Segment wise, the Hair Care portfolio delivered robust growth of about 27%, led by a 28% rise in Hair Oils, while Home Care grew over 24%, Digestives increased around 15%, Skin and Salon business rose over 12%, and Toothpaste as well as OTC and Ethicals categories grew around 7% each. The Badshah portfolio also posted 12% growth during the quarter. International business grew 2.5% despite continued geopolitical and inflationary pressures in the Middle East, supported by strong performance in Sub-Saharan Africa, Bangladesh, UK and EU, and Namaste US. Management highlighted that e-commerce, modern trade, and quick commerce channels remained key growth drivers, particularly for the Foods business, which grew 30% during the quarter. The Board of Directors have recommended a final dividend of Rs. 5.50 per equity share of face value Rs. 1 each, translating into a dividend payout of 550% for FY2025-26.

Valuation and Outlook

Dabur India Limited delivered a strong operational recovery in Q4FY26, with broad-based growth across the HPC, healthcare and foods portfolio, supported by improving volume momentum, premiumization initiatives and rising contribution from emerging channels such as quick commerce and e-commerce. Management remains optimistic on demand recovery and has upgraded its FY27 revenue growth outlook towards low double-digit growth, driven by a combination of volume recovery and calibrated price hikes amid rising inflationary pressures. Key growth drivers are expected to remain hair care, home care, healthcare and premium beverages, while quick commerce, modern trade and premium offerings continue to strengthen the company's urban growth profile. Rural demand also remains resilient, aided by GST-led affordability benefits and strong distribution reach. On the margin front, near-term pressures from elevated crude-linked packaging costs, freight inflation and geopolitical disruptions in the Middle East may persist, especially in the international business. However, management remains focused on protecting and gradually improving margins through pricing actions, shrinkflation, premiumization, cost-saving initiatives and better product mix. Sequential margin recovery is expected from Q1FY27 onwards as seasonal mix improves and pricing actions flow through. While the stock continues to trade at premium FMCG valuations supported by strong brand equity, healthy cash generation and category leadership across several segments, sustained execution in volume growth, recovery in beverages and continued traction in premium categories will remain key re-rating triggers going forward.

Key Highlights

Particulars (Rs. Crs.)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Net Sales	3,038	2,830	7.3%	3,559	-14.6%
Gross profit	1,468	1,321	11.1%	1,722	-14.7%
Gross margin (%)	48.3%	46.7%	164 bps	48.4%	-6 bps
EBITDA	462	427	8.2%	734	-37.1%
OPM (%)	15.2%	15.1%	12 bps	20.6%	-543 bps
PAT	362	313	15.8%	554	-34.6%
PAT Margin	11.9%	11.0%	87 bps	15.6%	-364 bps

Source: Company, BP Equities Research

Sector Outlook

Positive

Stock

CMP (Rs.)	470
BSE code	500096
NSE Symbol	DABUR
Bloomberg	DABUR IN
Reuters	DABU.BO

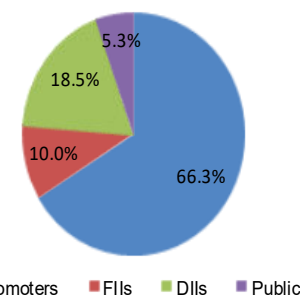
Key Data

Nifty	24,327
52 Week H/L (Rs.)	577/403
O/s Shares (Crs.)	177
Market Cap (Rs. Crs.)	90,210
Face Value (Rs.)	1

Average Volume

3 months	19,90,142
6 months	19,74,575
1 year	24,54,176

Share Holding Pattern (%)



Relative Price Chart



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Key Concall Highlights

India FMCG Business and Growth Outlook

India FMCG business grew 9.5% in Q4FY26, driven by 6% underlying volume growth. Management revised FY27 growth outlook upwards towards low double-digit growth, supported by both pricing and volume recovery.

Price hikes and shrinkflation measures have been initiated to offset rising inflationary pressures.

Hair Care Portfolio (Hair Oils and Shampoos)

Hair care portfolio grew around 27% YoY, led by 28% growth in hair oils and 20% growth in shampoos.

"Hair care portfolio surged 27% YoY led by strong growth in hair oils and shampoos."

Coconut oils and value-added perfumed oils continued to perform strongly, supported by premiumization and market share gains.

Management expects the hair care business to sustain double-digit growth going forward.

Home Care and Skincare Portfolio

Home care business grew around 24%, driven by strong growth in Odonil, Odomos and Sanifresh. Odomos posted exceptional 48% growth during the quarter.

"Home care business grew 24% while skincare portfolio increased 12.5% during the quarter."

Skincare portfolio grew around 12.5%, led by Gulabari and Oxylife, with further category extensions planned.

Oral Care Segment

Toothpaste portfolio grew 7.2%, supported by Dabur Red, Meswak and Dabur Herbal. Herbal toothpaste continued to significantly outperform non-herbal categories.

Management acknowledged that oral care growth remained below expectations but expects a return to double-digit growth in coming quarters.

Healthcare Portfolio

Healthcare portfolio remained healthy excluding glucose, which was impacted by unseasonal rains. Hajmola grew 12.7%, Isabgol grew over 50%, while honey portfolio posted over 20% growth.

"Healthcare portfolio remained strong with Hajmola up 12.7%, Isabgol up 50%+ and honey growing over 20%."

Health juices and Honitus (an Ayurvedic, honey based herbal syrup designed to provide fast relief from acute cough, sore throat, and throat irritation) also delivered strong double digit growth. GST reductions in healthcare categories are supporting affordability and demand growth.

Beverages and Foods Portfolio

Réal Activ juices grew around 26%, while coconut water business doubled YoY. Management expects beverages growth to improve further, subject to favorable summer conditions.

"Réal Activ juices grew 26% while coconut water business doubled YoY."

Culinary business grew around 30%, while Badshah portfolio reported 12% growth.

Quick Commerce and Emerging Channels

Quick commerce remained a key growth driver, contributing around 70-75% of e-commerce business and growing nearly 50% YoY.

"Quick commerce business grew nearly 50% YoY and contributed 70-75% of e-commerce sales."

Foods, beverages and personal care categories saw strong traction through quick commerce platforms.

International Business

International business grew 2.5% despite continued geopolitical challenges in the Middle East. Strong growth was seen in Sub-Saharan Africa, Bangladesh, UK and EU, and Namaste US.

"International business grew 2.5% despite geopolitical and supply chain challenges."

Management highlighted near-term margin pressures due to higher freight and supply chain disruptions.

Margins, Inflation and Pricing Actions

Management highlighted inflationary pressures of nearly 10% across several categories due to rising crude and packaging costs.

The company has undertaken price hikes and shrinkflation measures to protect margins. Sequential margin improvement is expected through pricing, premiumization and cost saving initiatives.

"Inflation-led cost pressures drove price hikes, with gradual margin recovery expected ahead. FY27 outlook remains positive with improving demand and strong HPC growth momentum."

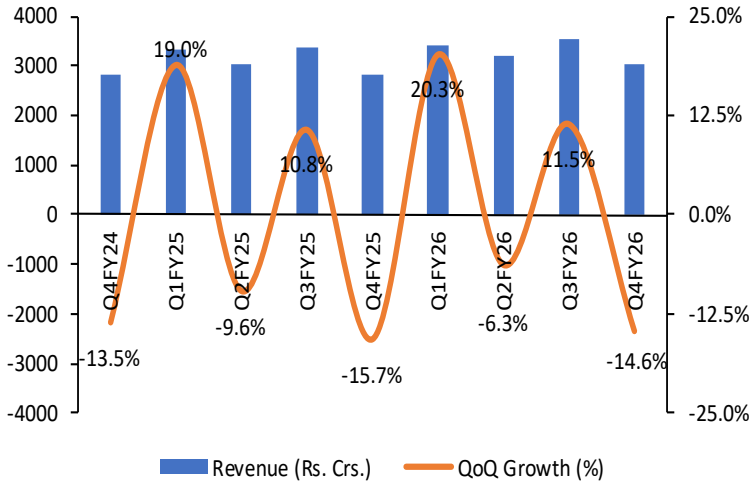
Outlook and Guidance

Management remains optimistic on FY27 growth outlook, expecting sequential recovery across categories supported by premiumization, GST benefits, quick commerce expansion and improving demand trends.

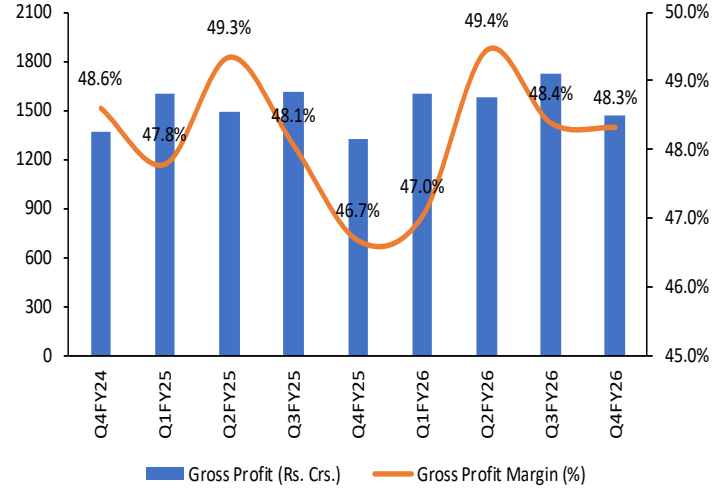
Home Personal Care (HPC) portfolio is expected to sustain double digit growth, while margins are likely to improve gradually despite inflationary pressures.

Quarterly Snapshot

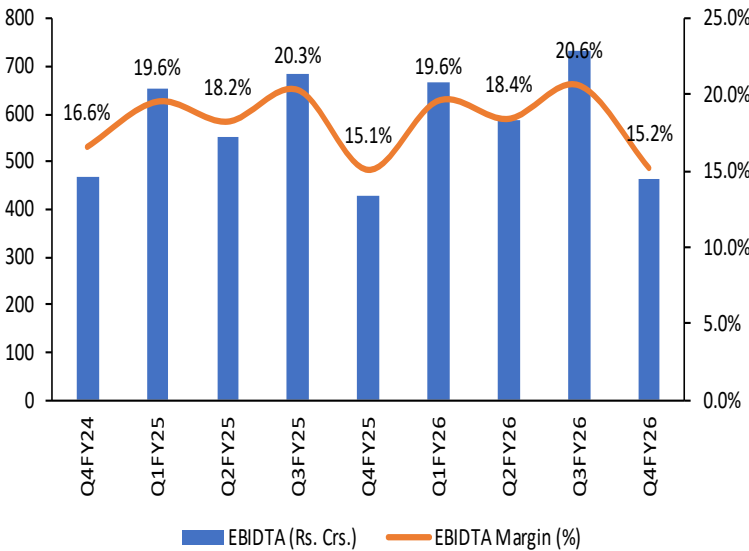
Revenue growth of 7.3% YoY



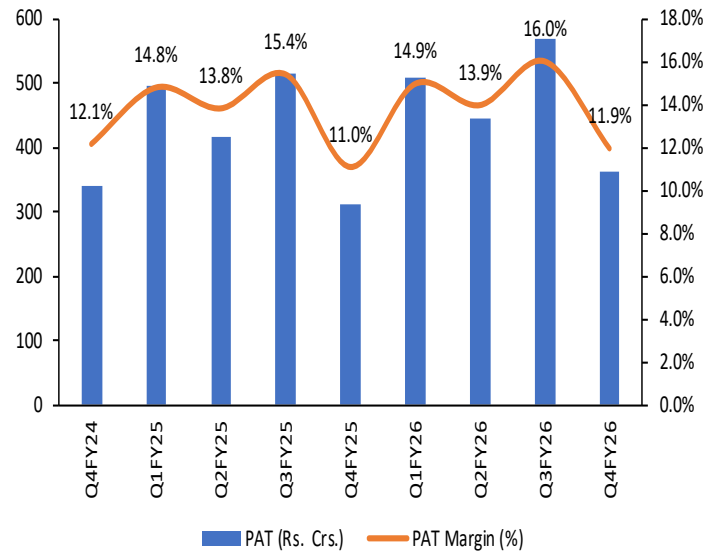
Gross margins declined marginally



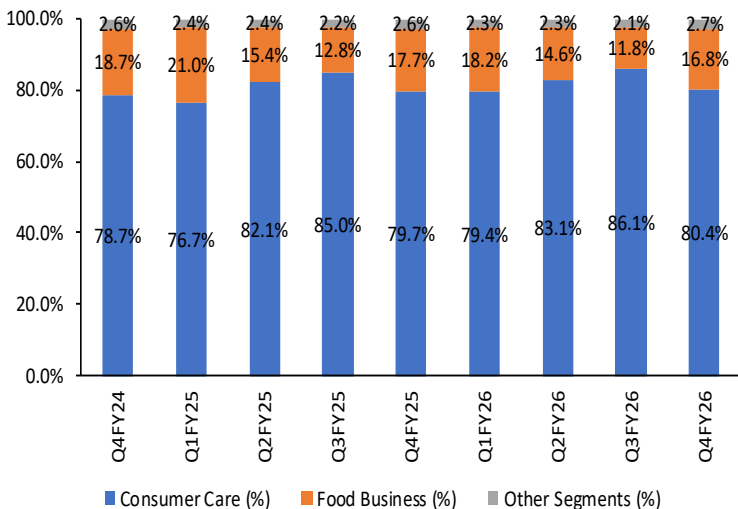
EBIDTA margins declined marginally



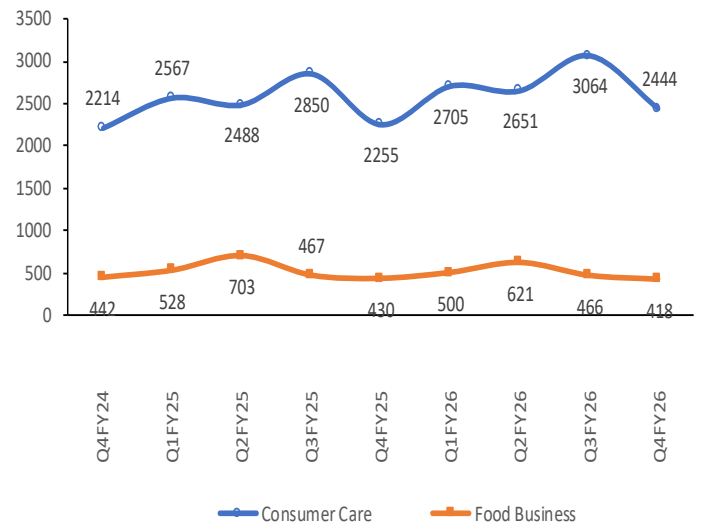
PAT margins witnessed an improvement on YoY basis



Revenue split in each segment



Revenue contribution from top two segments



Source: Company, BP Equities

Key Financials

YE March (Rs. Crs.)	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	12,404	12,650	13,193	14,336	15,536	16,956
Revenue Growth (Y-o-Y)	7.6%	2.0%	4.3%	8.7%	8.4%	9.1%
EBITDA	2,396	2,374	2,452	2,711	2,996	3,553
EBIT Growth (Y-o-Y)	10.9%	(0.9%)	3.3%	10.6%	10.5%	18.6%
Net Profit	1,811	1,802	1,895	2,110	2,343	2,575
Net Profit Growth (Y-o-Y)	6.5%	(0.5%)	5.1%	11.3%	11.1%	9.9%
Diluted EPS	10.2	10.2	10.7	11.9	13.2	14.5
Diluted EPS Growth (Y-o-Y)	6.5%	(0.5%)	5.1%	11.3%	11.1%	9.9%

Profitability Ratios

EBITDA (%)	19.3%	18.8%	18.6%	18.9%	19.3%	21.0%
NPM (%)	14.6%	14.2%	14.4%	14.7%	15.1%	15.2%
ROE (%)	17.6%	16.1%	17.4%	18.1%	18.7%	19.2%
ROCE (%)	17.5%	16.3%	16.6%	17.9%	19.0%	21.5%

Valuation Ratios

P/E (x)	45.9x	46.2x	43.9x	39.4x	35.5x	32.3x
EV/EBITDA	35.1x	35.3x	34.3x	30.9x	27.9x	23.5x
P/BV (x)	8.1x	7.4x	7.6x	7.1x	6.7x	6.2x
Market Cap. / Sales (x)	6.7x	6.6x	6.3x	5.8x	5.4x	4.9x

Source: Company, BP Equities

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