Q3FY26 Result Update

## Retail Equity Research

GEOJIT
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# Dabur India Limited

**BUY**

Sector: FMCG

25th February, 2026

| Key Changes | Target | | Rating | | Earnings | |
|---|---|---|---|---|---|---|
| Stock Type | Bloomberg Code | Sensex | NSE Code | BSE Code | Time Frame | |
| Large Cap | DABUR:IN | 83,739 | DABUR | 500096 | 12 Months | |

| | |
|---|---|
| **Target** | **Rs. 598** |
| **CMP** | **Rs. 518** |
| **Return** | **+15%** |

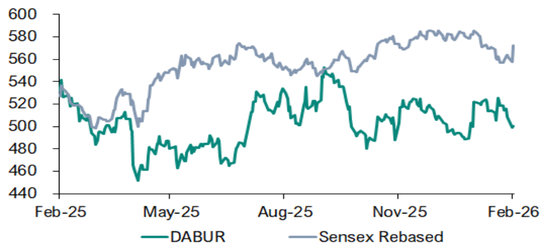
**Data as of: 24-Feb-2026, 18:00 hrs**

| Company Data | |
|---|---|
| Market Cap (Rs.cr) | 92,507 |
| 52 Week High — Low (Rs.) | 577 - 420 |
| Enterprise Value (Rs. cr) | 89,786 |
| Outstanding Shares (cr) | 177.4 |
| Free Float (%) | 33.1 |
| Dividend Yield (%) | 1.5 |
| 6m average volume (cr) | 0.3 |
| Beta | 0.9 |
| Face value (Rs. ) | 1.0 |

| Shareholding (%) | Q1FY26 | Q2FY26 | Q3FY26 |
|---|---|---|---|
| Promoters | 66.2 | 66.2 | 66.2 |
| FII's | 11.9 | 10.9 | 10.1 |
| MFs/Institutions | 16.2 | 17.4 | 18.4 |
| Public | 4.8 | 4.5 | 4.5 |
| Others | 0.9 | 1.0 | 0.8 |
| Total | 100.0 | 100.0 | 100.0 |
| Promoter Pledge | Nil | Nil | Nil |

| Price Performance | 3 Month | 6 Month | 1 Year |
|---|---|---|---|
| Absolute Return | -0.6% | -6.3% | -6.4% |
| Absolute Sensex | -0.3% | 3.9% | 8.5% |
| Relative Return | -0.3% | -10.2% | -14.8% |

*over or under performance to benchmark index




| Y.E March (Rs.cr) | FY26E | FY27E | FY28E |
|---|---|---|---|
| Sales | 13,296 | 14,372 | 15,638 |
| *Growth (%)* | *5.8* | *8.1* | *8.8* |
| EBITDA | 2,486 | 2,724 | 3,031 |
| *EBITDA Margin (%)* | *18.7* | *19.0* | *19.4* |
| PAT Adjusted | 1,917 | 2,133 | 2,412 |
| *Growth (%)* | *8.4* | *11.3* | *13.1* |
| Adjusted EPS | 10.8 | 12.0 | 13.6 |
| *Growth (%)* | *8.4* | *11.3* | *13.1* |
| P/E | 46.3 | 41.6 | 36.8 |
| P/B | 8.4 | 8.7 | 8.9 |
| EV/EBITDA | 36.1 | 33.0 | 29.7 |
| *ROE (%)* | *18.2* | *20.9* | *24.1* |
| D/E | 0.1 | 0.1 | 0.1 |

## Volume-led revenue growth

**Dabur India Ltd is a leading FMCG company in India and a global leader in ayurveda, with a portfolio of over 250 herbal and ayurvedic products. The company makes health supplements, digestives, shampoos, hair oils, skin and oral care, foods and other over-the-counter products.**

- The consolidated revenue from operations rose 6.1% YoY to Rs. 3,559cr in Q3FY26, led by increase in sales volume of its Consumer Care business.
- Consumer Care revenue rose 7.5% YoY to Rs. 3,064cr, accounting for 86.1% of the total revenue in Q3FY26.
- Home and Personal Care (HPC) revenue grew 10.6% YoY to Rs. 1,228cr, driven by growth in hair oil (+19.1% YoY), and oral care (+10.0% YoY).
- International business revenue grew 11.1% YoY to Rs. 941cr, with Turkey, the Middle East and North Africa, the United States, and Bangladesh as the main markets.
- EBITDA rose 7.7% YoY to Rs. 734cr and margins expanded 30bps to 20.6% on strategic price hikes and disciplined cost management.
- Profit after tax increased 7.3% YoY to Rs. 554cr despite challenges due to the goods and services tax (GST) transition, elevated inflation and one-time labour law provision.

## Outlook and valuation

Dabur's Q3FY26 financial performance demonstrated stable operating momentum, driven by improving demand across categories. Growth was led by HPC, which benefited from premiumisation, strong performance of hair care and oral care, and continued market share gains. In the healthcare business, health supplements, honey and wellness products also posted sustained traction. The management has noted a gradual recovery in consumption, supported by resilience in rural markets, narrowing urban-rural demand gap and normalisation of trade inventory post GST changes. The company's continued focus on brand investments, innovation and distribution expansion is expected to continue to drive growth. Therefore, **we reiterate our BUY rating on the stock, with a rolled forward target price of Rs. 598, based on 44x FY28E adjusted EPS.**

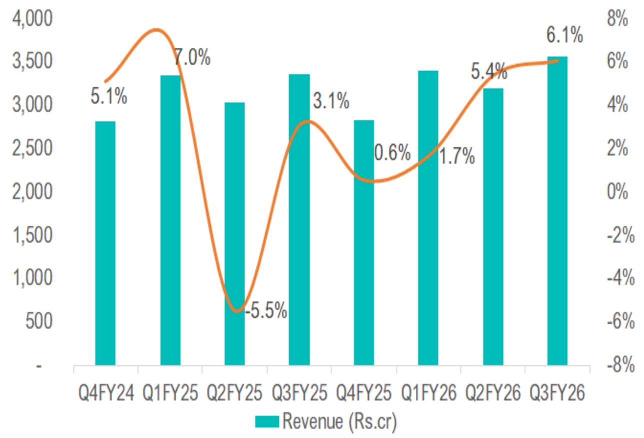
## Quarterly Financials Consolidated

| Rs.cr | Q3FY26 | Q3FY25 | YoY (%) | Q2FY26 | QoQ (%) | 9MFY26 | 9MFY25 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Sales | 3,559 | 3,355 | *6.1* | 3,191 | *11.5* | 10,155 | 9,733 | *4.3* |
| EBITDA | 734 | 682 | *7.7* | 588 | *24.8* | 1,990 | 1,889 | *5.3* |
| *Margin (%)* | *20.6* | *20.3* | *30bps* | *18.4* | *220bps* | *19.6* | *19.4* | *20bps* |
| EBIT | 617 | 573 | *7.6* | 473 | *30.5* | 1,643 | 1,561 | *5.3* |
| PBT | 711 | 658 | *8.1* | 573 | *24.1* | 1,947 | 1,846 | *5.5* |
| Rep. PAT | 554 | 516 | *7.3* | 445 | *24.5* | 1,507 | 1,428 | *5.5* |
| Adj PAT | 575 | 522 | *10.1* | 453 | *27.1* | 1,541 | 1,448 | *6.5* |
| Adj. EPS (Rs) | 3.2 | 2.9 | *10.0* | 2.6 | *27.1* | 8.7 | 8.2 | *6.4* |

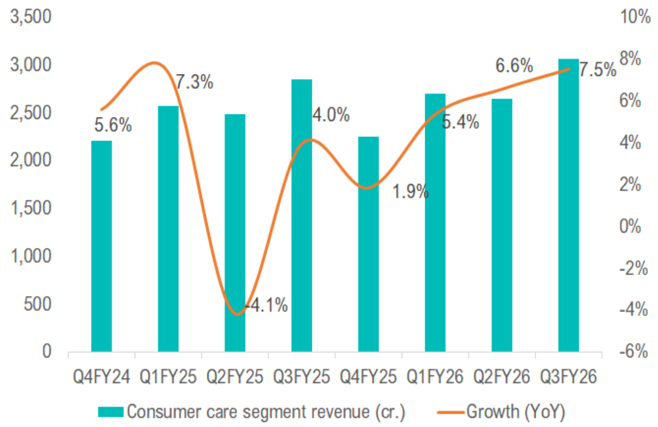
## Key concall highlights

- The management expects Q4FY26 margins to improve YoY, driven by premiumisation and lower inflation compared with Q4FY25.
- The company aims to improve operating margins in FY27 as well, targeting a return to 20% margin. To achieve this, it plans to reinvest a significant 20-25% of the gross margin upside into advertising.
- The out-of-home channel exceeded expectations during the winter season and is expected to maintain its momentum. The company aims to achieve double-digit growth in its juice business for FY27, driven by an expanded product portfolio and enhanced channel performance
- The management highlighted that it expects to increase prices by 2% in Q4FY26, which was not possible because of the reduction on GST on products in September. This will be carried forward into FY27.
- Also, urban demand exhibited early signs of improvement and is anticipated to strengthen, driven by that could enhance affordability across categories.
- The management expects Q4FY26 revenue growth to be in the high single digits on the back of improving demand. For FY27, it anticipates volume-led growth, supported by softer commodity prices and some pricing power, rather than value-driven growth.

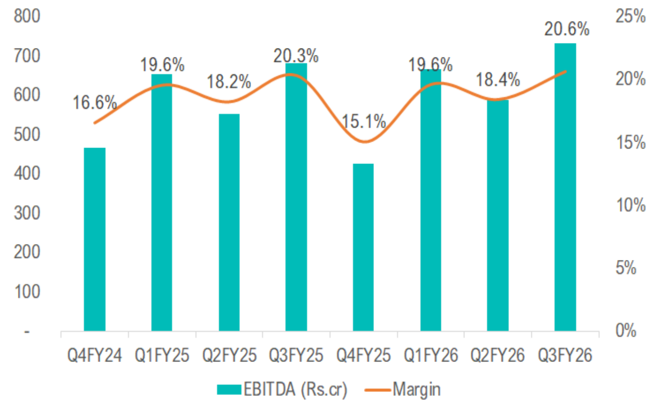
## Revenue



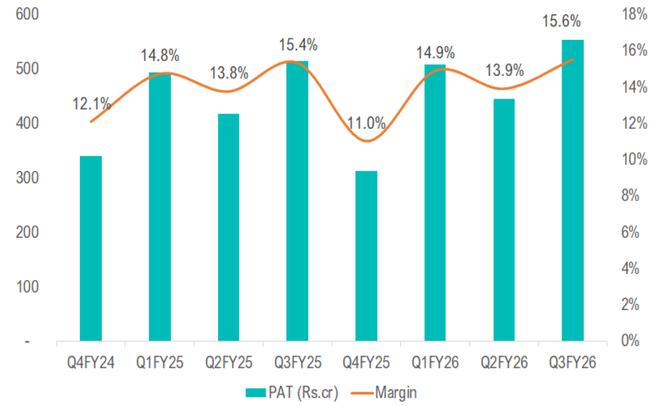

## Consumer Care revenue




## EBITDA




## PAT




## Change in Estimates

| | Old estimates | | New estimates | | | Change (%) | |
|---|---|---|---|---|---|---|---|
| **Year / Rs cr** | **FY26E** | **FY27E** | **FY26E** | **FY27E** | **FY28E** | **FY26E** | **FY27E** |
| Revenue | 13,680 | 14,761 | 13,296 | 14,372 | 15,638 | *-2.8* | *-2.6* |
| EBITDA | 2,610 | 2,922 | 2,486 | 2,724 | 3,031 | *-4.8* | *-6.8* |
| *Margins (%)* | *19.1* | *19.8* | *18.7* | *19.0* | *19.4* | *-40bps* | *-80bps* |
| Adj. PAT | 1,976 | 2,222 | 1,917 | 2,133 | 2,412 | *-3.0* | *-4.0* |
| EPS | 11.2 | 12.5 | 10.8 | 12.0 | 13.6 | *-3.1* | *-4.1* |

## Consolidated Financials

### Profit & Loss

| Y.E March (Rs. Cr) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Sales** | **12,404** | **12,563** | **13,296** | **14,372** | **15,638** |
| *% change* | *7.6* | *1.3* | *5.8* | *8.1* | *8.8* |
| **EBITDA** | **2,400** | **2,316** | **2,486** | **2,724** | **3,031** |
| *% change* | *10.9* | *-3.5* | *7.3* | *9.6* | *11.3* |
| Depreciation | 399 | 446 | 464 | 480 | 487 |
| **EBIT** | **2,001** | **1,871** | **2,022** | **2,245** | **2,544** |
| Interest | 124 | 164 | 167 | 172 | 177 |
| Other Income | 482 | 551 | 661 | 727 | 799 |
| **PBT** | **2,359** | **2,258** | **2,516** | **2,800** | **3,167** |
| *% change* | *6.3* | *-4.3* | *11.4* | *11.3* | *13.1* |
| Tax | 547 | 517 | 629 | 700 | 792 |
| *Tax Rate (%)* | *23.2* | *22.9* | *25.0* | *25.0* | *25.0* |
| **Reported PAT** | **1,811** | **1,740** | **1,887** | **2,100** | **2,375** |
| **PAT att. to common shareholders** | **1,843** | **1,768** | **1,917** | **2,133** | **2,412** |
| Adj.* | - | - | - | - | - |
| **Adj. PAT** | **1,843** | **1,768** | **1,917** | **2,133** | **2,412** |
| *% change* | *7.9* | *-4.1* | *8.4* | *11.3* | *13.1* |
| No. of shares (cr) | 177.2 | 177.2 | 177.4 | 177.4 | 177.4 |
| **Adj EPS (Rs.)** | **10.4** | **10.0** | **10.8** | **12.0** | **13.6** |
| *% change* | *7.9* | *-4.1* | *8.4* | *11.3* | *13.1* |
| DPS (Rs.) | 2.8 | 5.3 | 7.0 | 7.5 | 8.4 |

### Balance Sheet

| Y.E March (Rs. Cr) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Cash | 666 | 578 | 661 | 451 | 426 |
| Accts. Receivable | 899 | 889 | 1,263 | 1,337 | 1,407 |
| Inventories | 1,947 | 2,300 | 2,334 | 2,401 | 2,503 |
| Other Cur. Assets | 2,168 | 2,766 | 4,035 | 4,120 | 4,207 |
| Investments | 5,312 | 5,424 | 4,025 | 4,075 | 4,125 |
| Gross Fixed Assets | 4,729 | 5,233 | 5,698 | 6,108 | 6,522 |
| Net Fixed Assets | 2,600 | 2,787 | 2,780 | 2,700 | 2,618 |
| CWIP | 171 | 179 | 188 | 197 | 207 |
| Intangible Assets | 1,232 | 1,149 | 1,127 | 1,112 | 1,119 |
| Def. Tax -Net | 11 | 3 | 3 | 3 | 3 |
| Other Assets | 119 | 158 | 164 | 169 | 175 |
| **Total Assets** | **15,123** | **16,232** | **16,580** | **16,566** | **16,790** |
| Current Liabilities | 3,308 | 3,892 | 4,105 | 4,424 | 4,833 |
| Provisions | 68 | 71 | 79 | 90 | 104 |
| Debt Funds | 1,334 | 914 | 1,302 | 1,331 | 1,360 |
| Other Liabilities | 109 | 144 | 173 | 182 | 191 |
| Equity Capital | 177 | 177 | 177 | 177 | 177 |
| Res. & Surplus | 9,689 | 10,623 | 10,364 | 10,014 | 9,815 |
| Shareholder Funds | 9,866 | 10,801 | 10,541 | 10,191 | 9,992 |
| Minority Interest | 437 | 410 | 380 | 347 | 310 |
| **Total Liabilities** | **15,123** | **16,232** | **16,580** | **16,566** | **16,790** |
| BVPS | 56 | 61 | 59 | 57 | 56 |

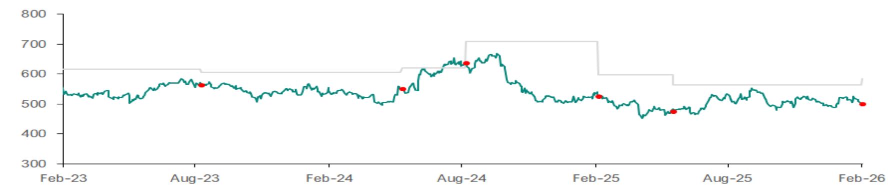
### Cashflow

| Y.E March (Rs. Cr) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Net inc. + Depn. | 2,242 | 2,213 | 2,381 | 2,612 | 2,899 |
| Non-cash adj. | -467 | -293 | 403 | 92 | 91 |
| Other adjustments | - | - | - | - | - |
| Changes in W.C | 238 | 66 | -280 | 120 | 159 |
| **C.F. Operation** | **2,013** | **1,987** | **2,503** | **2,825** | **3,149** |
| Capital exp. | -561 | -539 | -465 | -410 | -414 |
| Change in inv. | -798 | -309 | -1,350 | -1,600 | -1,600 |
| Other invest.CF | 387 | 399 | 419 | 440 | 484 |
| **C.F - Investment** | **-972** | **-449** | **-1,396** | **-1,569** | **-1,530** |
| Issue of equity | - | - | - | - | - |
| Issue/repay debt | -89 | -266 | 388 | 29 | 29 |
| Dividends paid | -966 | -975 | -1,246 | -1,322 | -1,496 |
| Other finance.CF | -107 | -165 | -167 | -172 | -177 |
| **C.F - Finance** | **-1,161** | **-1,405** | **-1,024** | **-1,465** | **-1,643** |
| Chg. in cash | -119 | 132 | 83 | -210 | -25 |
| **Closing Cash** | **666** | **578** | **661** | **451** | **426** |

### Ratio

| Y.E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Profitab. & Return** | | | | | |
| EBITDA margin (%) | 19.4 | 18.4 | 18.7 | 19.0 | 19.4 |
| EBIT margin (%) | 16.1 | 14.9 | 15.2 | 15.6 | 16.3 |
| Net profit mgn.(%) | 14.9 | 14.1 | 14.4 | 14.8 | 15.4 |
| ROE (%) | 18.7 | 16.4 | 18.2 | 20.9 | 24.1 |
| ROCE (%) | 17.2 | 15.4 | 16.5 | 18.9 | 21.8 |
| **W.C & Liquidity** | | | | | |
| Receivables (days) | 26.4 | 25.8 | 34.7 | 33.9 | 32.9 |
| Inventory (days) | 110.2 | 128.5 | 116.8 | 113.2 | 109.5 |
| Payables (days) | 137.1 | 157.8 | 147.8 | 151.5 | 155.1 |
| Current ratio (x) | 1.4 | 1.5 | 1.7 | 1.6 | 1.5 |
| Quick ratio (x) | 0.8 | 0.8 | 1.1 | 1.0 | 0.9 |
| **Turnover &Leverage** | | | | | |
| Gross asset T.O (x) | 2.8 | 2.5 | 2.4 | 2.4 | 2.5 |
| Total asset T.O (x) | 0.9 | 0.8 | 0.8 | 0.9 | 0.9 |
| Int. covge. ratio (x) | 16.1 | 11.4 | 12.1 | 13.1 | 14.4 |
| Adj. debt/equity (x) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| **Valuation** | | | | | |
| EV/Sales (x) | 7.6 | 7.2 | 6.8 | 6.3 | 5.8 |
| EV/EBITDA (x) | 39.1 | 39.1 | 36.1 | 33.0 | 29.7 |
| P/E (x) | 50.3 | 50.8 | 46.3 | 41.6 | 36.8 |
| P/BV (x) | 9.4 | 8.3 | 8.4 | 8.7 | 8.9 |

## Recommendation Summary - (Last 3 years)




| Dates | Rating | Target |
|---|---|---|
| 11-May-22 | BUY | 560 |
| 03-Nov-22 | BUY | 616 |
| 11-Aug-23 | HOLD | 605 |
| 13-May-24 | BUY | 620 |
| 08-Aug-24 | BUY | 709 |
| 06-Feb-25 | BUY | 597 |
| 20-May-25 | BUY | 563 |
| 25-Feb-26 | BUY | 598 |

## Investment Rating Criteria

| Ratings | Large caps | Midcaps | Small Caps |
|---|---|---|---|
| Buy | Upside is above 10% | Upside is above 15% | Upside is above 20% |
| Accumulate | - | Upside is between 10%-15% | Upside is between 10%-20% |
| Hold | Upside is between 0% - 10% | Upside is between 0%-10% | Upside is between 0%-10% |
| Reduce/sell | Downside is more than 0% | Downside is more than 0% | Downside is more than 0% |
| Not rated/Neutral | | | |

**Definition:**

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

**Symbols definition:** Upgrade No Change Downgrade

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