



Dabur India

Q3FY11: FIRST CUT

- Dabur India Ltd's (DIL) Q3 results were marginally below our expectations.
- DIL reported consolidated net revenue of Rs 10.8 bn (up 17% YoY), EBITDA of Rs 2.1 bn (up 19% YoY) and adj. PAT of Rs 1.5 bn (up 11% YoY) in Q3FY11.
- Volume growth was at ~10% and inorganic growth (due to Hobi acquisition) was at ~3%. DIL effected avg. price hikes of ~4% during the quarter.
- Growth was led by the homecare, health supplements and foods businesses (all in excess of 20% growth).
- Rising raw material costs caused a 282 bps YoY decline in gross profit margin to 51.6%. However, EBITDA margin is up 41 bps YoY to 19.41% due to control over Ad spends and other overheads.
- 9mFY11 earnings growth was 15%, marginally lower than our full year earnings growth estimate of 17%. We will marginally reduce our earnings estimates.
- We will release a detailed note post the earnings con-call (1st Feb 2011, 4pm IST, Dial in no: + 91 22 3065 0117).

Results update

(Rs mn)	Quarter ended				
	Dec-10	Dec-09	% Chg	Sep-10	% Chg
Net Sales	10,800	9,258	16.6	9,728	11.0
EBITDA	2,095	1,758	19.2	2,028	3.3
Other income	89	65	35.9	167	(47.1)
PBIDT	2,184	1,823	19.8	2,196	(0.5)
Depreciation	233	145	61.1	190	22.8
Interest	54	28	91.1	46	17.0
PBT	1,897	1,651	15.0	1,960	(3.2)
Tax	357	273	30.9	356	0.3
Minority Interest	(4)	(15)	(74.7)	1	-
PAT	1,544	1,393	10.8	1,604	(3.7)
No. of shares (mn)	1,741	1,732	-	1,741	-
EBITDA margin (%)	19.4	19.0	-	20.9	-
PBIDT margin (%)	20.2	19.7	-	22.6	-
EPS - annualized (Rs.)	3.5	3.2	10.3	3.7	(3.7)

Source: Company, ENAM Research

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