

## Healthy topline to sustain in 2H; earnings to see improvement

Consumer Goods ▶ Result Update ▶ November 15, 2025

CMP (Rs): 739 | TP (Rs): 850

We retain **BUY** on Marico, with Sep-26E TP of Rs850, on 50x P/E, as we maintain that the company would continue clocking better volumes backed by execution. In Q2, its core portfolio saw weak volume owing to healthy pricing, while new businesses continued to aid the company in attaining 7% volume growth. Given the sharp inflation in copra prices, gross margin contracted by 810bps YoY (to 42.6%), though the positive operating leverage helped containing EBITDA margin contraction at 350bps (to 16.1%). Copra prices, after correcting 15% from the Jul-peak, have been stable. We expect prices to be steady, with limited seasonal arrivals (next flush expected from Mar-26). Factoring this in, we lift our revenue and cut our margin expectations for FY26.

### Healthy pricing in Parachute helped the >30% growth in Q2

Marico has reported 31% consol revenue growth. Domestic business (77% of consol revenue) saw 35% growth, with 7% volume growth. In Parachute, the company saw 59% growth with 62% price growth. The VAHO portfolio saw 16% growth, with double-digit volume growth (with higher salience of the premium portfolio). Saffola edible oil saw 19% price-driven growth. The Foods portfolio saw 12% growth – growth is likely to be slow in Q3, affected by focus on profitability driving strategic actions and expected to revive from Q4. Overall, Foods saw an ARR of over Rs11bn. Premium personal care saw an annual revenue run-rate expanding from Rs3bn to Rs3.25bn. The digital first portfolio has crossed annual revenue run-rate of Rs10bn vs Rs8.5bn in Q1FY26 and Rs5.25bn in Q2FY25. International revenue saw 19% growth, with constant currency growth at 22% for Bangladesh and 27% for MENA. The company has largely maintained its growth aspirations and sees healthy growth in 2HFY26.

### Inflationary copra hurt margin delivery; adj PAT growth at 8% in Q2

With Parachute contributing ~29% to consol revenue (MRCO saw 113% YoY copra price inflation, per the **Coconut Development Board**), the company reported 815bps YoY consol gross margin contraction. Given the healthy price-driven topline growth, we expect positive operating leverage to aid in containing EBITDA margin contraction at 350bps YoY to 16.1%. Ahead, we see moderate improvement in margin from a slight easing in copra prices. Post-season, we now see copra prices remaining elevated and easing from Mar-26E. This will help Marico's competitive position, where it can sustain healthy topline growth and gradually build margins, keeping competition at bay. As the new initiatives improve profitability, we believe the overall margin would see a positive shift.

### Focus on execution – 2H outlook better; maintain BUY

We continue to see thrust on execution (refer to **AR FY25 analysis**), where Marico is looking to protect and accelerate structural growth despite headwinds. We like Marico, given its attentiveness to align the business with evolving consumer needs. Additionally, focus on profitable growth is likely to help reduce dependence on profit.

|                       |        |
|-----------------------|--------|
| Target Price – 12M    | Sep-26 |
| Change in TP (%)      | -      |
| Current Reco.         | BUY    |
| Previous Reco.        | BUY    |
| Upside/(Downside) (%) | 15.0   |

| Stock Data              | MRCO IN   |
|-------------------------|-----------|
| 52-week High (Rs)       | 761       |
| 52-week Low (Rs)        | 578       |
| Shares outstanding (mn) | 1,297.9   |
| Market-cap (Rs bn)      | 959       |
| Market-cap (USD mn)     | 10,804    |
| Net-debt, FY26E (Rs mn) | (8,301.8) |
| ADTV-3M (mn shares)     | 2         |
| ADTV-3M (Rs mn)         | 1,292.8   |
| ADTV-3M (USD mn)        | 14.6      |
| Free float (%)          | 40.8      |
| Nifty-50                | 25,910.1  |
| INR/USD                 | 88.7      |

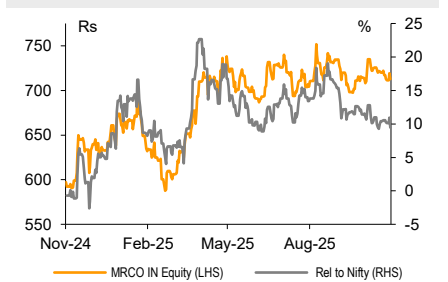
### Shareholding, Sep-25

|               |           |
|---------------|-----------|
| Promoters (%) | 58.9      |
| FPIs/MFs (%)  | 24.2/12.0 |

### Price Performance

| (%)           | 1M  | 3M    | 12M  |
|---------------|-----|-------|------|
| Absolute      | 4.3 | 4.0   | 24.7 |
| Rel. to Nifty | 1.2 | (1.2) | 13.3 |

### 1-Year share price trend (Rs)



### Marico: Financial Snapshot (Consolidated)

| Y/E March (Rs mn)   | FY24   | FY25    | FY26E   | FY27E   | FY28E   |
|---------------------|--------|---------|---------|---------|---------|
| Revenue             | 96,530 | 108,310 | 135,874 | 138,156 | 151,423 |
| EBITDA              | 20,260 | 21,390  | 23,309  | 28,266  | 31,728  |
| Adj. PAT            | 14,810 | 16,290  | 17,753  | 21,249  | 23,588  |
| Adj. EPS (Rs)       | 11.5   | 12.6    | 13.8    | 16.5    | 18.3    |
| EBITDA margin (%)   | 21.0   | 19.7    | 17.2    | 20.5    | 21.0    |
| EBITDA growth (%)   | 11.9   | 5.6     | 9.0     | 21.3    | 12.3    |
| Adj. EPS growth (%) | 13.7   | 10.0    | 9.0     | 19.7    | 11.0    |
| RoE (%)             | 38.8   | 41.7    | 43.1    | 47.7    | 48.5    |
| RoIC (%)            | 55.5   | 51.2    | 52.8    | 61.5    | 67.3    |
| P/E (x)             | 64.3   | 58.5    | 53.7    | 44.8    | 40.4    |
| EV/EBITDA (x)       | 46.7   | 44.2    | 40.6    | 33.5    | 29.8    |
| P/B (x)             | 24.9   | 24.0    | 22.3    | 20.5    | 18.8    |
| FCFF yield (%)      | 1.3    | 1.3     | 1.6     | 2.1     | 2.2     |

Source: Company, Emkay Research

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## Management commentary

- Demand trends were steady through Jul–Aug, with Sep seeing GST-related disruption; early-October also faced transition impact, leading to a modest quarterly drag.
- LUP contribution is stable, with marginal shifts in Parachute and Shanti Amla, driven by inflation-led ml-age recalibration and category dynamics.
- Project Setu continues to strengthen distribution, expanding coverage, reducing wholesale dependence, and driving high-velocity growth in Parachute, Nihar, and Shanti Amla.
- Setu also enables a richer 'range-selling' in VAHO, boosts rural–urban execution gaps in Parachute, and sharpens focus on chemist and food outlets where the company was historically under-indexed.
- Distribution productivity is improving through automation, tighter indirect coverage, range rationalization, and calibrated reallocation of spends from BTL to ATL.
- Q-commerce doubled YoY and remains a meaningful incremental contributor, especially for premium formats and younger brands.
- Parachute saw robust revenue traction despite flattish volumes, helped by supply rationalization in institutional channels and further consolidation of market leadership.
- Copra softening from prior peaks provides comfort on margin outlook, enabling the management to stay confident of double-digit operating profit growth ahead.
- Saffola is poised to accelerate as price volatility subsides, with cold-pressed variants seeing encouraging traction across modern trade and digital channels.
- VAHO delivered strong double-digit volumes with share gains across premium and non-Shanti Amla formats, aided by consistent brand-building and a clear premiumization strategy.
- VAHO continues to outgrow the company's average margin profile, with growth in the teens being achievable, as category investment from industry leaders begins to yield results.
- Foods crossed a strong scale milestone with clarity in strategy: fewer, bigger, and relevant plays anchored around Saffola, True Elements, and Plix.
- Near-term growth in Foods reflects integration-led resets, Flipkart accounting adjustments, and portfolio rationalization, with a sharper mix and profitability focus expected over the next two quarters.
- Plix is undergoing profitability expansion, with strong traction in nutraceutical hero SKUs and a measured approach in personal care; international response in the Middle East and US remains promising.
- True Elements continues to lead in emerging categories like overnight oats and protein-led breakfast, leveraging its right-to-win in clean-label, functional nutrition.
- Digital-first brands surpassed meaningful scale with robust growth in Beardo and Plix, while True Elements, Just Herbs, and others sharpen their pathways toward breakeven.
- Premium personal care remains an investment vector, with the company prioritizing sustainable category creation in high-potential naturals and ingredient-led formats.
- The management maintains confidence on stronger 2H revenue traction, supported by stabilizing raw materials, improved channel flow, and normalized in-home consumption.
- Long-term strategy remains anchored around premiumization, category expansion, and margin rebuild, supported by operating discipline and continued A&P investments.
- Copra is expected to remain range-bound in the near term, with potential easing around the flush season, supporting sequential margin progression.
- Honey sees healthy demand in organized trade with improving GT capability, whereas Soya remains a targeted GT play with disciplined growth and focus on profitable participation.

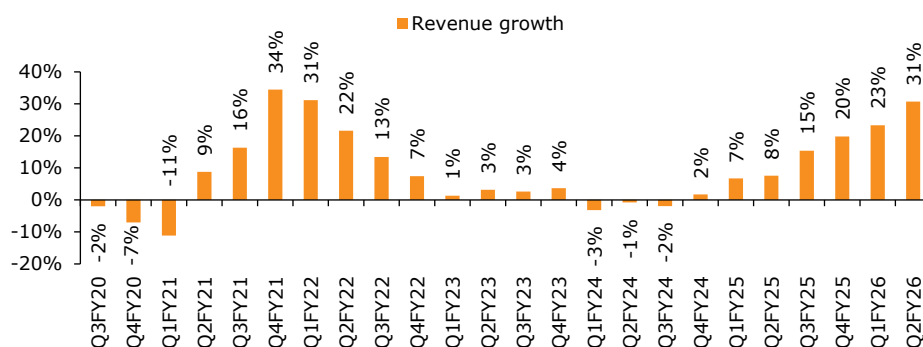
## Q2FY26 performance

Exhibit 1: Quarterly performance

| (Rs mn)             | 2QFY26        | 2QFY25        | YoY (%)        | 1QFY26        | QoQ (%)        | Emkay Est     | Var.(%)       | H1FY26        | H1FY25        | YoY (%)        |
|---------------------|---------------|---------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|----------------|
| <b>Total income</b> | <b>34,820</b> | <b>26,640</b> | <b>30.7</b>    | <b>32,590</b> | <b>6.8</b>     | <b>32,680</b> | <b>6.5</b>    | <b>67,410</b> | <b>53,070</b> | <b>27.0</b>    |
| Cost of goods       | 19,970        | 13,110        | 52.3           | 17,300        | 15.4           | 17,609        | 13.4          | 37,270        | 25,730        | 44.9           |
| Employee expenses   | 2,180         | 2,130         | 2.3            | 2,200         | (0.9)          | 2,343         | (7.0)         | 4,380         | 4,160         | 5.3            |
| A&P spends          | 3,450         | 2,900         | 19.0           | 2,990         | 15.4           | 3,595         | (4.0)         | 6,440         | 5,300         | 21.5           |
| Other expenses      | 3,620         | 3,280         | 10.4           | 3,550         | 2.0            | 3,700         | (2.2)         | 7,170         | 6,400         | 12.0           |
| <b>EBITDA</b>       | <b>5,600</b>  | <b>5,220</b>  | <b>7.3</b>     | <b>6,550</b>  | <b>(14.5)</b>  | <b>5,433</b>  | <b>3.1</b>    | <b>12,150</b> | <b>11,480</b> | <b>5.8</b>     |
| <b>EBITDAM (%)</b>  | <b>16.1</b>   | <b>19.6</b>   | <b>-350bps</b> | <b>20.1</b>   | <b>-400bps</b> | <b>16.6</b>   | <b>-50bps</b> | <b>18.0</b>   | <b>21.6</b>   | <b>-360bps</b> |
| Depreciation        | 470           | 410           | 14.6           | 450           | 4.4            | 470           | 0.0           | 920           | 820           | 12.2           |
| <b>EBIT</b>         | <b>5,130</b>  | <b>4,810</b>  | <b>6.7</b>     | <b>6,100</b>  | <b>(15.9)</b>  | <b>4,963</b>  | <b>3.4</b>    | <b>11,230</b> | <b>10,660</b> | <b>5.3</b>     |
| <b>EBITM (%)</b>    | <b>14.7</b>   | <b>18.1</b>   | <b>-330bps</b> | <b>18.7</b>   | <b>-400bps</b> | <b>15.2</b>   | <b>-50bps</b> | <b>16.7</b>   | <b>20.1</b>   | <b>-340bps</b> |
| Interest cost       | 120           | 110           | 9.1            | 100           | 20.0           | 100           | 20.0          | 220           | 280           | (21.4)         |
| Other income        | 490           | 400           | 22.5           | 560           | (12.5)         | 550           | (10.9)        | 1,050         | 770           | 36.4           |
| <b>PBT</b>          | <b>5,500</b>  | <b>5,100</b>  | <b>7.8</b>     | <b>6,560</b>  | <b>(16.2)</b>  | <b>5,413</b>  | <b>1.6</b>    | <b>12,060</b> | <b>11,150</b> | <b>8.2</b>     |
| Tax                 | 1,180         | 1,121         | 5.3            | 1,430         | (17.5)         | 1,191         | (0.9)         | 2,610         | 2,431         | 7.4            |
| Tax rate (%)        | 21.5          | 22.0          | (2.4)          | 21.8          | (1.6)          | 22.0          | -50bps        | 21.6          | 21.8          | (0.7)          |
| <b>Adj Profit</b>   | <b>4,200</b>  | <b>3,879</b>  | <b>8.3</b>     | <b>5,040</b>  | <b>(16.7)</b>  | <b>4,122</b>  | <b>1.9</b>    | <b>9,160</b>  | <b>8,509</b>  | <b>7.6</b>     |
| <b>NPM (%)</b>      | <b>12.1</b>   | <b>14.6</b>   | <b>-250bps</b> | <b>15.5</b>   | <b>-340bps</b> | <b>12.6</b>   | <b>-60bps</b> | <b>13.6</b>   | <b>16.0</b>   | <b>-240bps</b> |
| EPS (Rs)            | 3.3           | 3.0           | 8.3            | 3.9           | -16.7          | 3.2           | 1.9           | 7.2           | 6.6           | 8.4            |

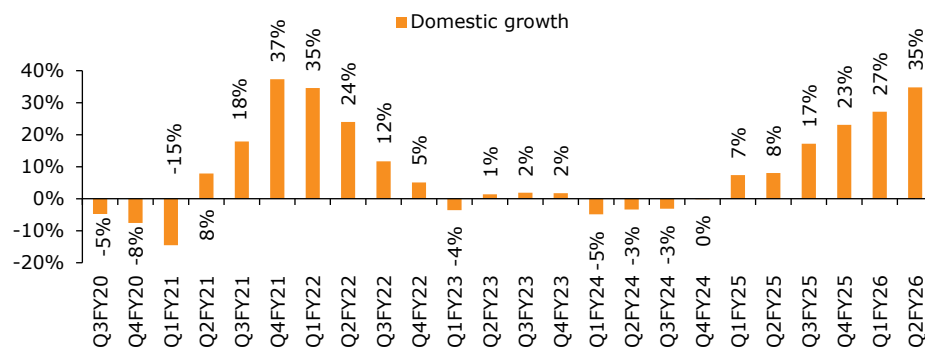
Source: Company, Emkay Research

Exhibit 2: Consolidated revenue growth

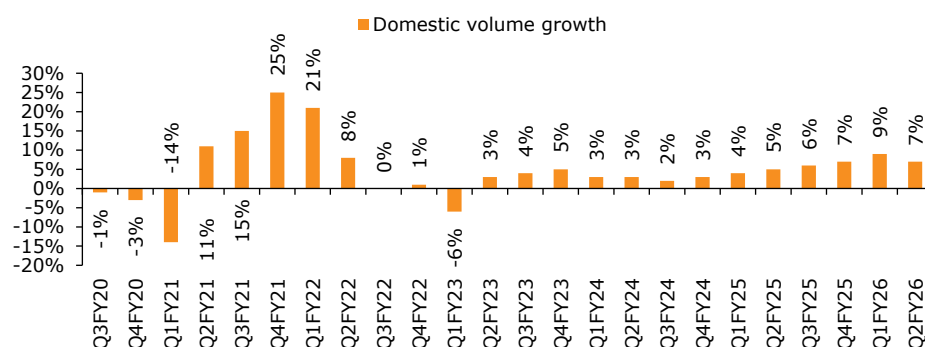


Source: Company, Emkay Research

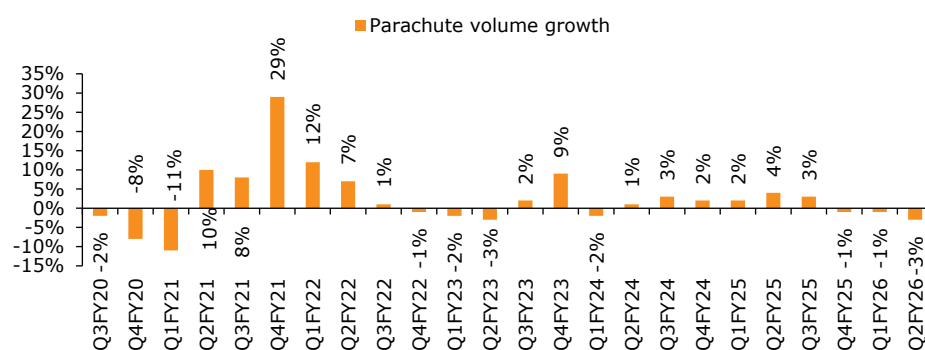
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**Exhibit 3: Domestic revenue growth**

Source: Company, Emkay Research

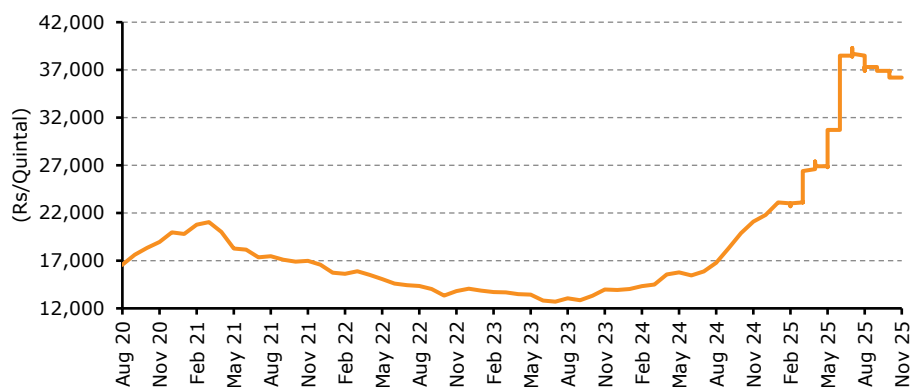
**Exhibit 4: Domestic volume growth**

Source: Company, Emkay Research

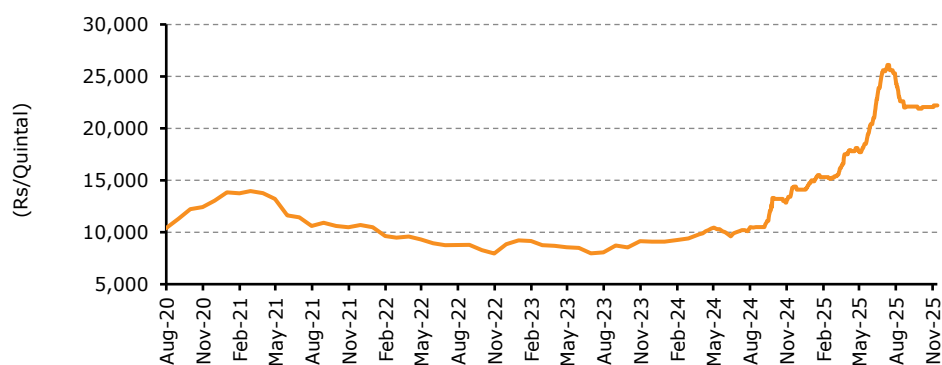
**Exhibit 5: India – Parachute (rigid) volume growth**

Source: Company, Emkay Research

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**Exhibit 6: Coconut oil prices – Kochi**

Source: Coconut Development Board, Emkay Research

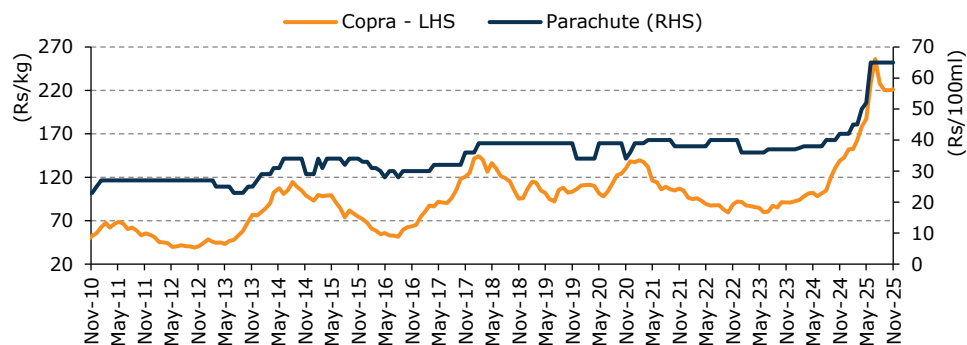
**Exhibit 7: Milling copra prices – Kochi**

Source: Coconut Development Board, Emkay Research

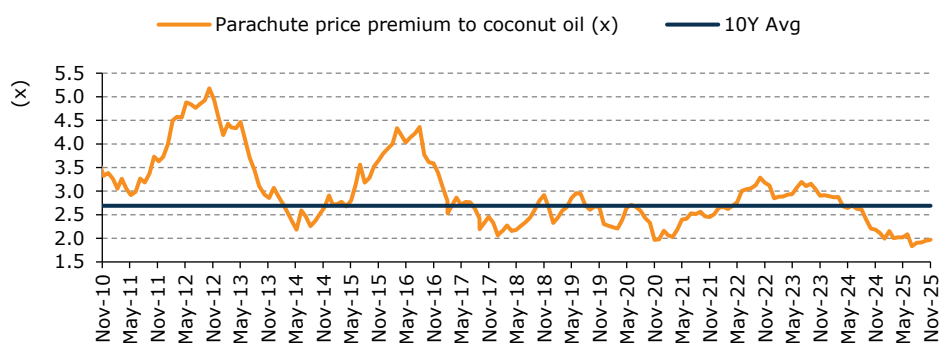
**Exhibit 8: Copra prices have eased 13% from the peak to Rs222/kg**

Source: Coconut Development Board, Emkay Research

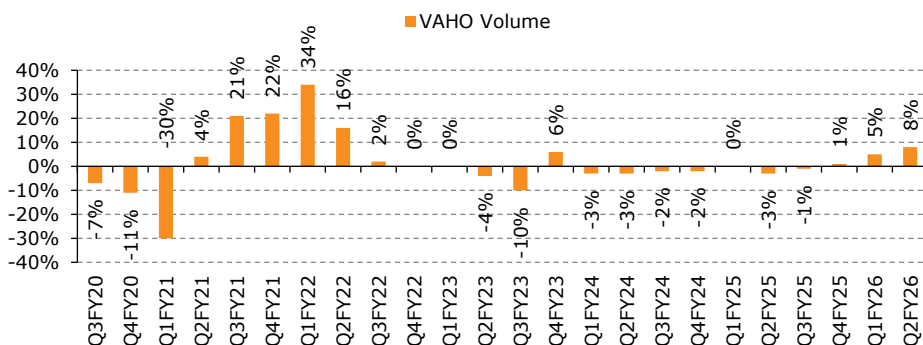
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**Exhibit 9: Monthly copra price and Parachute coconut oil pricing (100ml SKU)**

Source: Coconut Development Board, Emkay Research

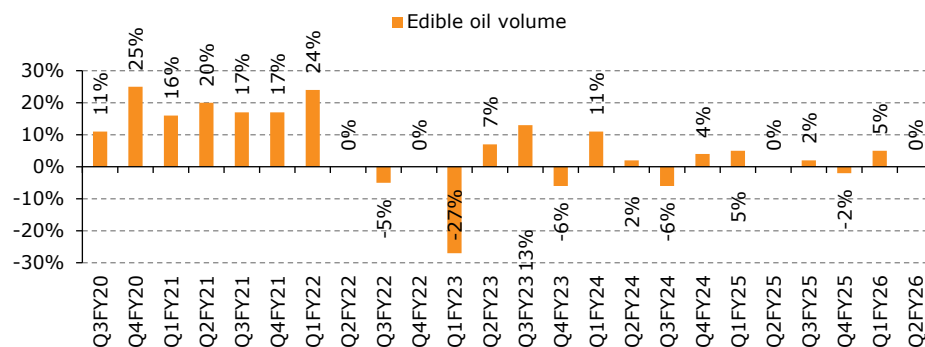
**Exhibit 10: Parachute price premium to coconut oil near the all-time lows**

Source: Coconut Development Board, Emkay Research

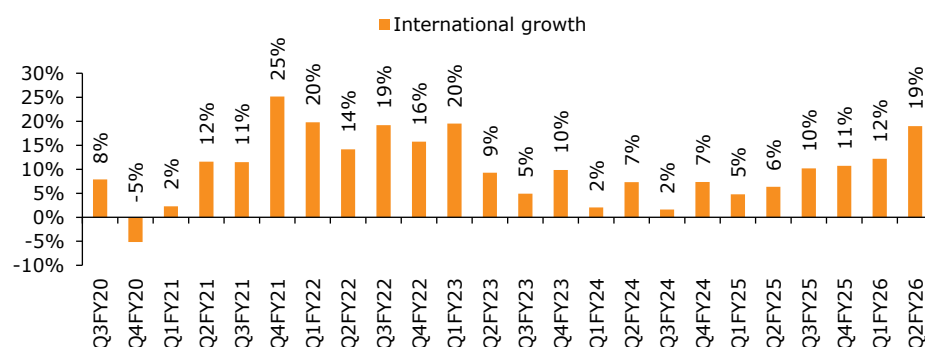
**Exhibit 11: India - Value-added hair oil volume growth**

Source: Company, Emkay Research

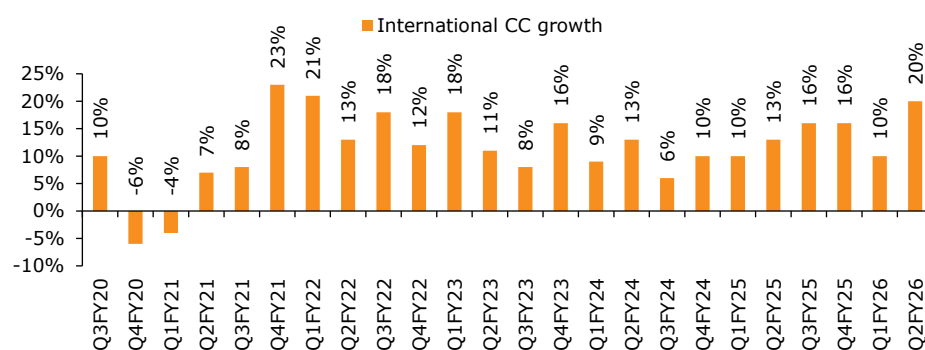
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**Exhibit 12: India – Edible oil volume growth**

Source: Company, Emkay Research

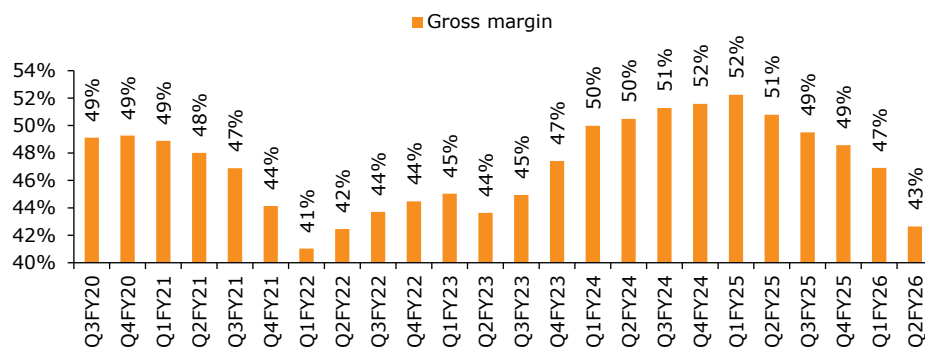
**Exhibit 13: International revenue growth**

Source: Company, Emkay Research

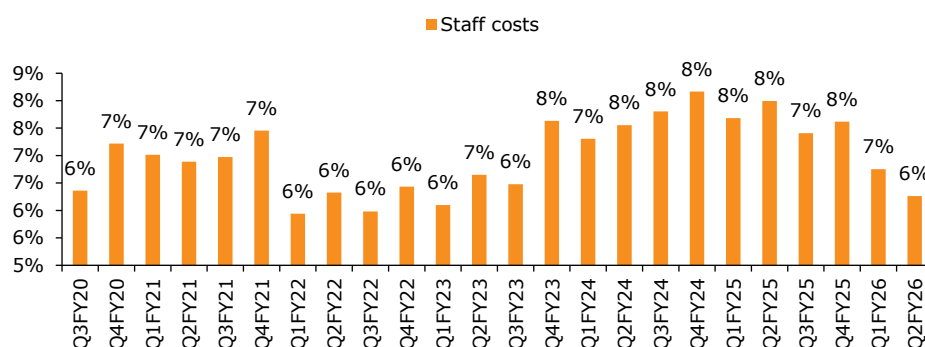
**Exhibit 14: International constant currency revenue growth**

Source: Company, Emkay Research

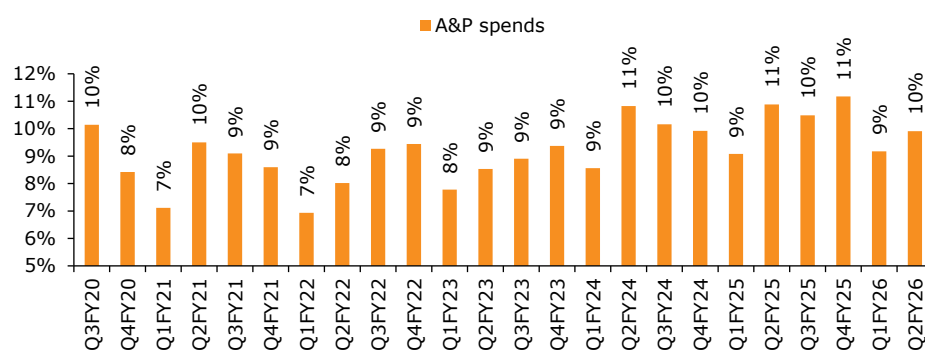
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**Exhibit 15: Consolidated gross margin**

Source: Company, Emkay Research

**Exhibit 16: Consolidated staff costs as a % of sales**

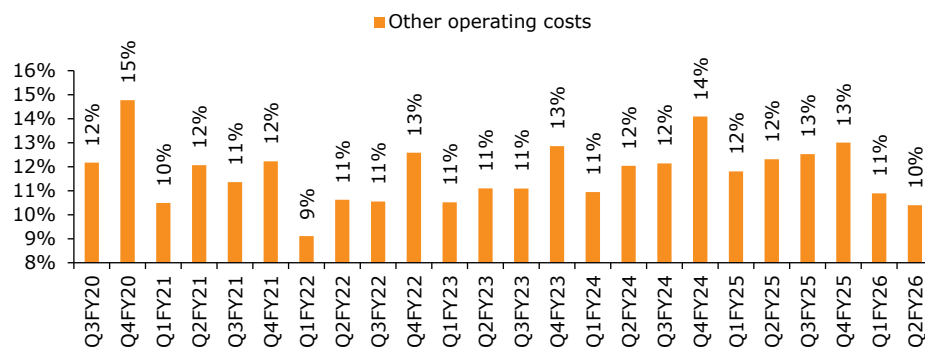
Source: Company, Emkay Research

**Exhibit 17: Consolidated advertisement spends as a % of sales**

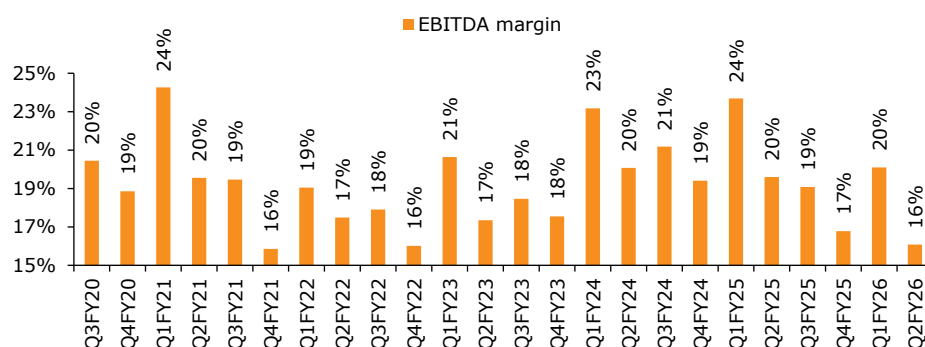
Source: Company, Emkay Research

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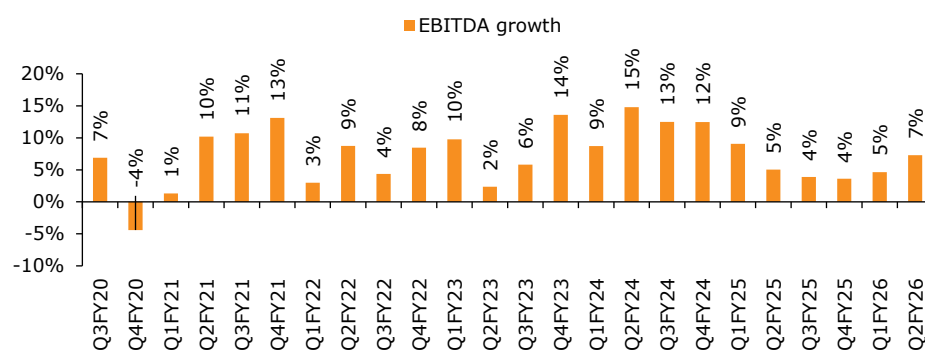


**Exhibit 18: Consolidated other operating expenses as a % of sales**

Source: Company, Emkay Research

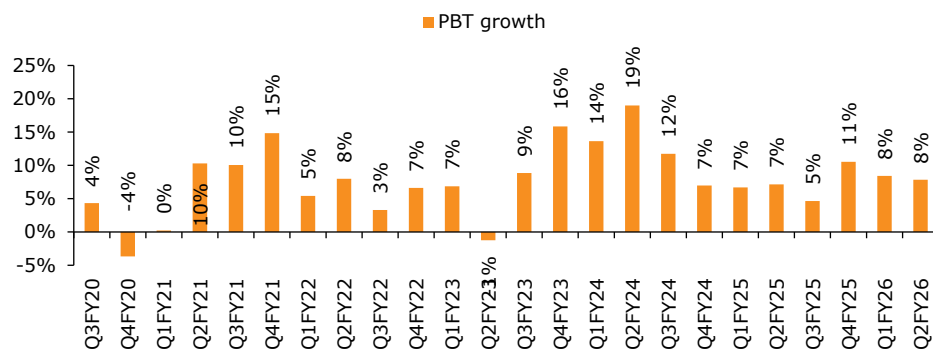
**Exhibit 19: Consolidated EBITDA margin**

Source: Company, Emkay Research

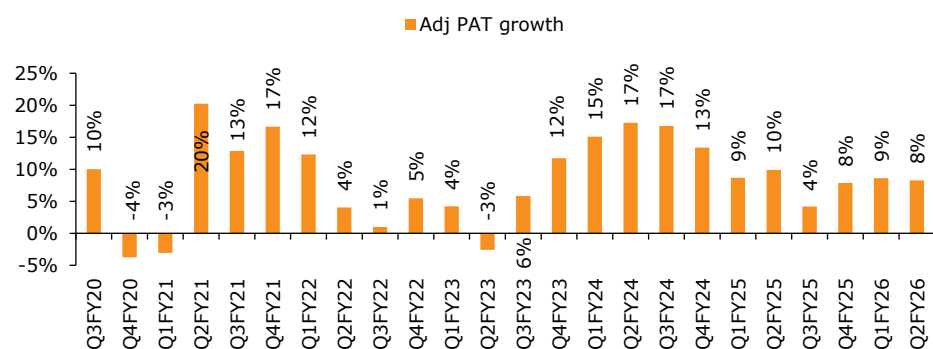
**Exhibit 20: Consolidated EBITDA growth**

Source: Company, Emkay Research

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**Exhibit 21: Consolidated profit before tax (PBT) growth**

Source: Company, Emkay Research

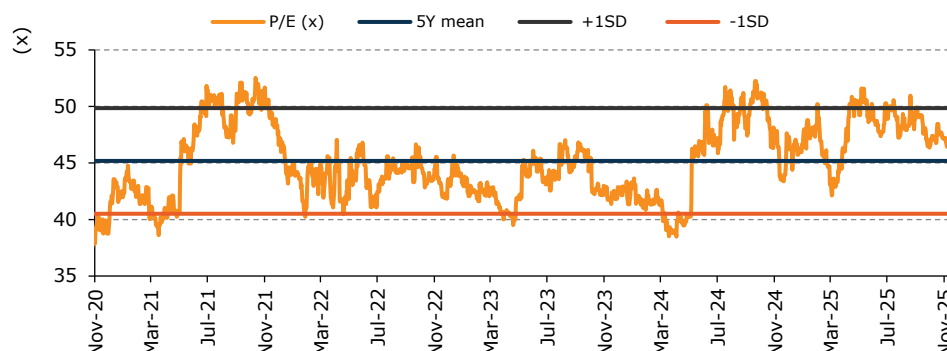
**Exhibit 22: Consolidated adjusted PAT growth**

Source: Company, Emkay Research

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## Valuation to factor in enhanced execution

Exhibit 23: One year forward P/E (on consensus)



Source: Bloomberg, Emkay Research

Exhibit 24: Key assumptions

|                                | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|--------------------------------|------|------|------|------|------|-------|-------|-------|
| <b>Profit and loss account</b> |      |      |      |      |      |       |       |       |
| Sales growth                   | 10%  | 18%  | 3%   | -1%  | 12%  | 25%   | 2%    | 10%   |
| EBITDA growth                  | 8%   | 6%   | 7%   | 12%  | 6%   | 9%    | 21%   | 12%   |
| Earnings growth                | 10%  | 6%   | 6%   | 14%  | 10%  | 9%    | 20%   | 11%   |
| Gross margin                   | 47%  | 43%  | 45%  | 51%  | 50%  | 45%   | 49%   | 49%   |
| A&P spends as a % of sales     | 9%   | 8%   | 9%   | 10%  | 10%  | 10%   | 10%   | 10%   |
| EBITDA margin                  | 20%  | 18%  | 19%  | 21%  | 20%  | 17%   | 20%   | 21%   |
| Adj EPS (Rs)                   | 9.0  | 9.6  | 10.1 | 11.5 | 12.6 | 13.8  | 16.5  | 18.3  |
| DPS (Rs)                       | 7.5  | 9.3  | 4.5  | 9.5  | 10.5 | 11.5  | 13.5  | 15.0  |
| <b>Balance sheet</b>           |      |      |      |      |      |       |       |       |
| Avg ROCE                       | 42%  | 43%  | 42%  | 44%  | 46%  | 48%   | 54%   | 56%   |
| Avg RoE                        | 37%  | 37%  | 36%  | 39%  | 42%  | 43%   | 48%   | 49%   |
| Inventory days (no of)         | 51   | 54   | 46   | 51   | 42   | 42    | 42    | 42    |
| Receivable days (no of)        | 18   | 25   | 38   | 40   | 43   | 43    | 43    | 44    |
| Payable days (no of)           | 51   | 52   | 54   | 60   | 46   | 50    | 50    | 50    |

Source: Bloomberg, Emkay Research

Exhibit 25: Changes to our estimates

| (Rs mn)       | New estimates |         |         | Old estimates |         |         | Changes to our estimates |       |       |
|---------------|---------------|---------|---------|---------------|---------|---------|--------------------------|-------|-------|
|               | FY26E         | FY27E   | FY28E   | FY26E         | FY27E   | FY28E   | FY26E                    | FY27E | FY28E |
| Revenue       | 135,874       | 138,156 | 151,423 | 129,960       | 135,538 | 148,962 | 5%                       | 2%    | 2%    |
| - growth      | 25.6%         | 1.6%    | 9.6%    | 20.0%         | 4.3%    | 9.9%    |                          |       |       |
| EBITDA        | 23,309        | 28,266  | 31,728  | 23,413        | 28,457  | 31,597  | 0%                       | -1%   | 0%    |
| - growth      | 9.0%          | 21.3%   | 12.3%   | 9.5%          | 21.5%   | 11.0%   |                          |       |       |
| EBITDA margin | 17.2%         | 20.5%   | 21.0%   | 18.0%         | 21.0%   | 21.2%   |                          |       |       |
| Adj PAT       | 17,753        | 21,249  | 23,588  | 17,873        | 21,396  | 23,488  | -1%                      | -1%   | 0%    |
| - growth      | 9.0%          | 19.7%   | 11.0%   | 9.7%          | 19.7%   | 9.8%    |                          |       |       |
| EPS (Rs)      | 13.76         | 16.47   | 18.28   | 13.86         | 16.59   | 18.21   | -1%                      | -1%   | 0%    |

Source: Company, Emkay Research

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**Exhibit 26: Emkay estimates vs consensus**

| (Rs mn)       | Emkay estimates |         |         | Consensus |         |         | Emkay estimate vs consensus |       |       |
|---------------|-----------------|---------|---------|-----------|---------|---------|-----------------------------|-------|-------|
|               | FY26E           | FY27E   | FY28E   | FY26      | FY27    | FY28    | FY26E                       | FY27E | FY28E |
| Revenue       | 135,874         | 138,156 | 151,423 | 129,960   | 135,538 | 148,962 | 5%                          | 2%    | 2%    |
| - Growth      | 25.6%           | 1.6%    | 9.6%    | 20.0%     | 4.3%    | 9.9%    |                             |       |       |
| EBITDA        | 23,309          | 28,266  | 31,728  | 23,413    | 28,457  | 31,597  | 0%                          | -1%   | 0%    |
| - Growth      | 9.0%            | 21.3%   | 12.3%   | 9.5%      | 21.5%   | 11.0%   |                             |       |       |
| EBITDA margin | 17.2%           | 20.5%   | 21.0%   | 18.0%     | 21.0%   | 21.2%   |                             |       |       |
| Adj PAT       | 17,753          | 21,249  | 23,588  | 17,873    | 21,396  | 23,488  | -1%                         | -1%   | 0%    |
| - Growth      | 9.0%            | 19.7%   | 11.0%   | 9.7%      | 19.7%   | 9.8%    |                             |       |       |
| EPS (Rs)      | 13.76           | 16.47   | 18.28   | 13.86     | 16.59   | 18.21   | -1%                         | -1%   | 0%    |

Source: Bloomberg, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Marico: Consolidated Financials and Valuations

| Profit & Loss               |        |         |         |         |         |
|-----------------------------|--------|---------|---------|---------|---------|
| Y/E March (Rs mn)           | FY24   | FY25    | FY26E   | FY27E   | FY28E   |
| Revenue                     | 96,530 | 108,310 | 135,874 | 138,156 | 151,423 |
| Revenue growth (%)          | (1.1)  | 12.2    | 25.4    | 1.7     | 9.6     |
| EBITDA                      | 20,260 | 21,390  | 23,309  | 28,266  | 31,728  |
| EBITDA growth (%)           | 11.9   | 5.6     | 9.0     | 21.3    | 12.3    |
| Depreciation & Amortization | 1,580  | 1,780   | 1,850   | 2,050   | 2,200   |
| EBIT                        | 18,680 | 19,610  | 21,459  | 26,216  | 29,528  |
| EBIT growth (%)             | 12.9   | 5.0     | 9.4     | 22.2    | 12.6    |
| Other operating income      | 800    | 980     | 1,049   | 1,122   | 1,201   |
| Other income                | 1,420  | 2,080   | 2,200   | 2,300   | 2,500   |
| Financial expense           | 730    | 530     | 450     | 400     | 400     |
| PBT                         | 19,370 | 21,160  | 23,209  | 28,116  | 31,628  |
| Extraordinary items         | 0      | 0       | 0       | 0       | 0       |
| Taxes                       | 4,350  | 4,580   | 5,106   | 6,467   | 7,591   |
| Minority interest           | (210)  | (290)   | (350)   | (400)   | (450)   |
| Income from JV/Associates   | -      | -       | -       | -       | -       |
| Reported PAT                | 14,810 | 16,290  | 17,753  | 21,249  | 23,588  |
| PAT growth (%)              | 13.7   | 10.0    | 9.0     | 19.7    | 11.0    |
| Adjusted PAT                | 14,810 | 16,290  | 17,753  | 21,249  | 23,588  |
| Diluted EPS (Rs)            | 11.5   | 12.6    | 13.8    | 16.5    | 18.3    |
| Diluted EPS growth (%)      | 13.7   | 10.0    | 9.0     | 19.7    | 11.0    |
| DPS (Rs)                    | 9.5    | 3.5     | 11.5    | 13.5    | 15.0    |
| Dividend payout (%)         | 83.0   | 27.8    | 83.6    | 82.0    | 82.0    |
| EBITDA margin (%)           | 21.0   | 19.7    | 17.2    | 20.5    | 21.0    |
| EBIT margin (%)             | 19.4   | 18.1    | 15.8    | 19.0    | 19.5    |
| Effective tax rate (%)      | 22.5   | 21.6    | 22.0    | 23.0    | 24.0    |
| NOPLAT (pre-IndAS)          | 14,485 | 15,365  | 16,738  | 20,186  | 22,442  |
| Shares outstanding (mn)     | 1,290  | 1,290   | 1,290   | 1,290   | 1,290   |

Source: Company, Emkay Research

| Balance Sheet               |         |         |         |          |          |
|-----------------------------|---------|---------|---------|----------|----------|
| Y/E March (Rs mn)           | FY24    | FY25    | FY26E   | FY27E    | FY28E    |
| Share capital               | 1,290   | 1,290   | 1,290   | 1,290    | 1,290    |
| Reserves & Surplus          | 37,030  | 38,460  | 41,378  | 45,212   | 49,449   |
| Net worth                   | 38,320  | 39,750  | 42,668  | 46,502   | 50,739   |
| Minority interests          | 3,370   | 2,910   | 3,260   | 3,660    | 4,110    |
| Non-current liab. & prov.   | 2,790   | 2,480   | 2,604   | 2,734    | 2,871    |
| Total debt                  | 5,290   | 13,630  | 14,312  | 15,027   | 15,778   |
| Total liabilities & equity  | 49,770  | 58,770  | 62,843  | 67,923   | 73,499   |
| Net tangible fixed assets   | -       | -       | -       | -        | -        |
| Net intangible assets       | -       | -       | -       | -        | -        |
| Net ROU assets              | 2,090   | 2,300   | 2,415   | 2,536    | 2,663    |
| Capital WIP                 | 440     | 400     | 500     | 500      | 500      |
| Goodwill                    | 8,630   | 8,570   | 9,695   | 9,695    | 9,695    |
| Investments [JV/Associates] | 3,430   | 2,150   | 2,650   | 3,150    | 3,650    |
| Cash & equivalents          | 12,020  | 21,520  | 22,613  | 26,941   | 30,696   |
| Current assets (ex-cash)    | 28,730  | 29,940  | 36,518  | 37,285   | 41,033   |
| Current Liab. & Prov.       | 24,440  | 24,610  | 29,769  | 30,449   | 32,902   |
| NWC (ex-cash)               | 4,290   | 5,330   | 6,749   | 6,836    | 8,131    |
| Total assets                | 49,770  | 58,770  | 62,843  | 67,923   | 73,499   |
| Net debt                    | (6,730) | (7,890) | (8,302) | (11,914) | (14,918) |
| Capital employed            | 49,770  | 58,770  | 62,843  | 67,923   | 73,499   |
| Invested capital            | 29,440  | 30,610  | 32,786  | 32,823   | 33,918   |
| BVPS (Rs)                   | 29.7    | 30.8    | 33.1    | 36.0     | 39.3     |
| Net Debt/Equity (x)         | (0.2)   | (0.2)   | (0.2)   | (0.3)    | (0.3)    |
| Net Debt/EBITDA (x)         | (0.3)   | (0.4)   | (0.4)   | (0.4)    | (0.5)    |
| Interest coverage (x)       | 27.5    | 40.9    | 52.6    | 71.3     | 80.1     |
| RoCE (%)                    | 44.5    | 42.0    | 40.6    | 45.5     | 47.2     |

Source: Company, Emkay Research

| Cash flows                   |          |         |          |          |          |
|------------------------------|----------|---------|----------|----------|----------|
| Y/E March (Rs mn)            | FY24     | FY25    | FY26E    | FY27E    | FY28E    |
| PBT (ex-other income)        | 17,950   | 19,080  | 21,009   | 25,816   | 29,128   |
| Others (non-cash items)      | (110)    | (580)   | (510)    | (510)    | (109)    |
| Taxes paid                   | (3,510)  | (3,690) | (3,780)  | (4,840)  | (5,106)  |
| Change in NWC                | (1,220)  | (1,350) | (1,295)  | 43       | (1,158)  |
| Operating cash flow          | 14,360   | 14,420  | 17,425   | 22,343   | 23,255   |
| Capital expenditure          | (2,380)  | (1,870) | (2,706)  | (2,000)  | (2,000)  |
| Acquisition of business      | 1,750    | 1,280   | (500)    | (500)    | (500)    |
| Interest & dividend income   | -        | -       | -        | -        | -        |
| Investing cash flow          | 1,760    | (6,210) | (2,006)  | (1,200)  | (1,000)  |
| Equity raised/(repaid)       | 340      | 0       | 0        | 0        | 0        |
| Debt raised/(repaid)         | (910)    | (50)    | (40)     | 0        | 250      |
| Payment of lease liabilities | (340)    | (210)   | (115)    | (121)    | (127)    |
| Interest paid                | (540)    | (510)   | (450)    | (400)    | (400)    |
| Dividend paid (incl tax)     | (12,290) | (4,530) | (14,835) | (17,415) | (19,350) |
| Others                       | (1,680)  | (1,190) | 115      | 121      | 127      |
| Financing cash flow          | (15,420) | (6,490) | (15,325) | (17,815) | (19,500) |
| Net chg in Cash              | 700      | 1,720   | 93       | 3,328    | 2,755    |
| OCF                          | 14,360   | 14,420  | 17,425   | 22,343   | 23,255   |
| Adj. OCF (w/o NWC chg.)      | 15,580   | 15,770  | 18,720   | 22,300   | 24,413   |
| FCFF                         | 11,980   | 12,550  | 14,718   | 20,343   | 21,255   |
| FCFE                         | 11,250   | 12,020  | 14,268   | 19,943   | 20,855   |
| OCF/EBITDA (%)               | 70.9     | 67.4    | 74.8     | 79.0     | 73.3     |
| FCFE/PAT (%)                 | 76.0     | 73.8    | 80.4     | 93.9     | 88.4     |
| FCFF/NOPLAT (%)              | 82.7     | 81.7    | 87.9     | 100.8    | 94.7     |

Source: Company, Emkay Research

| Valuations and key Ratios |      |      |       |       |       |
|---------------------------|------|------|-------|-------|-------|
| Y/E March                 | FY24 | FY25 | FY26E | FY27E | FY28E |
| P/E (x)                   | 64.3 | 58.5 | 53.7  | 44.8  | 40.4  |
| EV/CE(x)                  | 20.1 | 16.8 | 15.7  | 14.5  | 13.4  |
| P/B (x)                   | 24.9 | 24.0 | 22.3  | 20.5  | 18.8  |
| EV/Sales (x)              | 9.9  | 8.8  | 7.0   | 6.9   | 6.3   |
| EV/EBITDA (x)             | 46.7 | 44.2 | 40.6  | 33.5  | 29.8  |
| EV/EBIT(x)                | 50.7 | 48.3 | 44.1  | 36.1  | 32.0  |
| EV/IC (x)                 | 32.1 | 30.9 | 28.9  | 28.8  | 27.9  |
| FCFF yield (%)            | 1.3  | 1.3  | 1.6   | 2.1   | 2.2   |
| FCFE yield (%)            | 1.2  | 1.3  | 1.5   | 2.1   | 2.2   |
| Dividend yield (%)        | 1.3  | 0.5  | 1.6   | 1.8   | 2.0   |
| DuPont-RoE split          |      |      |       |       |       |
| Net profit margin (%)     | 15.3 | 15.0 | 13.1  | 15.4  | 15.6  |
| Total asset turnover (x)  | 2.1  | 2.1  | 2.3   | 2.2   | 2.2   |
| Assets/Equity (x)         | 1.2  | 1.3  | 1.4   | 1.4   | 1.4   |
| RoE (%)                   | 38.8 | 41.7 | 43.1  | 47.7  | 48.5  |
| DuPont-RoIC               |      |      |       |       |       |
| NOPLAT margin (%)         | 15.0 | 14.2 | 12.3  | 14.6  | 14.8  |
| IC turnover (x)           | 3.7  | 3.6  | 4.3   | 4.2   | 4.5   |
| RoIC (%)                  | 55.5 | 51.2 | 52.8  | 61.5  | 67.3  |
| Operating metrics         |      |      |       |       |       |
| Core NWC days             | 16.2 | 18.0 | 18.1  | 18.1  | 19.6  |
| Total NWC days            | 16.2 | 18.0 | 18.1  | 18.1  | 19.6  |
| Fixed asset turnover      | 3.3  | 3.2  | 3.8   | 3.6   | 3.8   |
| Opex-to-revenue (%)       | 29.8 | 30.5 | 27.5  | 28.3  | 28.0  |

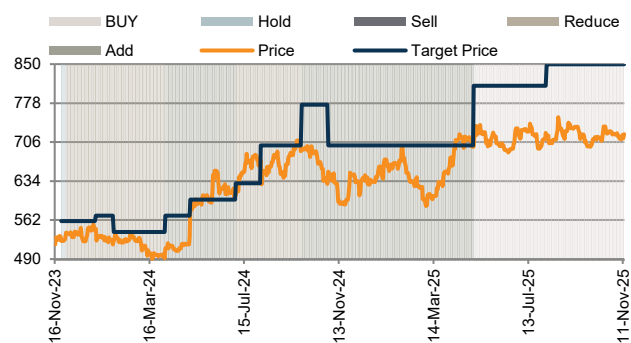
Source: Company, Emkay Research

## RECOMMENDATION HISTORY - DETAILS

| Date      | Closing Price (Rs) | TP (Rs) | Rating | Analyst     |
|-----------|--------------------|---------|--------|-------------|
| 02-Oct-25 | 702                | 850     | Buy    | Nitin Gupta |
| 17-Sep-25 | 712                | 850     | Buy    | Nitin Gupta |
| 08-Sep-25 | 731                | 850     | Buy    | Nitin Gupta |
| 19-Aug-25 | 728                | 850     | Buy    | Nitin Gupta |
| 17-Aug-25 | 711                | 850     | Buy    | Nitin Gupta |
| 05-Aug-25 | 716                | 850     | Buy    | Nitin Gupta |
| 03-Aug-25 | 711                | 810     | Buy    | Nitin Gupta |
| 17-Jul-25 | 733                | 810     | Buy    | Nitin Gupta |
| 05-Jul-25 | 729                | 810     | Buy    | Nitin Gupta |
| 30-Jun-25 | 722                | 810     | Buy    | Nitin Gupta |
| 24-Jun-25 | 704                | 810     | Buy    | Nitin Gupta |
| 04-May-25 | 698                | 810     | Buy    | Nitin Gupta |
| 24-Apr-25 | 713                | 700     | Add    | Nitin Gupta |
| 03-Apr-25 | 661                | 700     | Add    | Nitin Gupta |
| 17-Mar-25 | 608                | 700     | Add    | Nitin Gupta |
| 26-Feb-25 | 622                | 700     | Add    | Nitin Gupta |
| 18-Feb-25 | 626                | 700     | Add    | Nitin Gupta |
| 02-Feb-25 | 694                | 700     | Add    | Nitin Gupta |
| 31-Jan-25 | 671                | 700     | Add    | Nitin Gupta |
| 03-Jan-25 | 661                | 700     | Add    | Nitin Gupta |

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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|---------------|---|
| <b>BUY</b>    | >15% upside                                   |
| <b>ADD</b>    | 5-15% upside                                  |
| <b>REDUCE</b> | 5% upside to 15% downside                     |
| <b>SELL</b>   | >15% downside                                 |

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