

# Honasa Consumer | BUY

## Strong execution on revenue and profitability

Honasa's 4QFY26 revenue performance was tad better but once again profitability was significantly ahead of expectations – LTL sales growth was 28% YoY. Ex-Reginald LTL sales growth will be ~21-22% YoY (UVG of 30%). Key positives were a) Mamaearth sales growing in mid-teens while young brands sustained momentum growing at 30%+ on a YoY basis and b) scale leverage/marketing efficiencies led to LTL EBITDA margins expanding to ~11%+ (vs. JMFe:9.6%). Management commentary remains positive – expects to sustain double digit growth momentum for Mamaearth led by traction in focused categories led by hero SKUs and distribution expansion. Guidance on revenue (mid-high teen revenue growth) and EBITDA margin (100bps expansion YoY) remains unchanged. Clearly the initiatives around reviving growth in Mamaearth/scaling up younger brands and management's execution capabilities are showing promising results on revenue growth; working capital remains negative too. Faster growth in higher margin Mamaearth brand, scale-up in Young brands provide adequate levers for margin expansion going ahead too. Factoring strong Q4, upbeat outlook and Reginald acquisition, we raise our FY26-28E by 9-12%. Maintain BUY with revised DCF based TP of INR 420 (earlier INR 375).

- Topline continues to outperform with 3<sup>rd</sup> consecutive quarter of 20%+ growth:** Reported Consol. revenue grew 23.2% YoY to INR 6.6bn driven by healthy volume growth. Similar to previous quarters, revenue recognition was lower due to change in settlement terms by flipkart (impact on revenue of INR 250mn as logistics & fulfilment costs are now netted off from revenue); however, there is no corresponding impact on profitability. On LFL basis, revenue growth stood at 28% YoY with UVG of 30% YoY. Ex- Reginald, LTL sales growth was ~21-22% (~2% better than estimate) while EBITDA growth was ~166% YoY to INR 720mn (~17% beat on our estimate). Focus categories (contributing to 80% of total revenue vs. 70%/75% last year/Q3FY26) grew by 35% YoY with strong secondary sales across channels (e-commerce/MT/GT channel saw 20%/30%/30% growth in secondary sales). Management confident about delivering high teens CAGR over the next five years. We are factoring sales CAGR of 17% over FY26-28E led by improving growth in Mamaearth and ~25% sales growth in young brands (including Reginald).
- Mamaearth growth in mid-teens; strong momentum for younger brands sustains:** Flagship brand – Mamaearth's strategic pivot continues to show signs of improvement with brand growing in mid-teens in the quarter with hero products growing 2x faster than the brand. Market share gains were seen in key categories of Face Cleanser and Shampoo. Going ahead management remains optimistic about sustaining double digit growth in Mamaearth over the next five years. Younger brands (The Derma Co., Aqualogica, Bblunt, Dr. Sheth's, Staze and Reginald Men) grew c. 40% YoY (28%+ YoY excluding Reginald Men) for the year. In its first quarter of consolidation, Reginald Men crossed ARR of INR 1,000mn+, with revenue doubling YoY.
- Margin delivery positively surprises yet again:** LTL gross margin improved by c. 70bps YoY to 71.5%. Staff cost grew 49.4% YoY due to ESOP provisioning and higher incentives, while A&P spends grew 17.4% YoY (A&P spends as % to sales were down 160bps YoY). LTL other expenses grew by c. 4% YoY benefiting from better fixed cost absorption with improving scale. Resultant EBITDA increased by 186% YoY to INR 772mn with LTL margins at 11.3% (vs 5.1% in base quarter and 10.4% in 3QFY26). Also, Board recommended its first-ever dividend of INR 3 per share, implying a total cash payout of c. INR 980mn. Going forward, with improving scale/mix management expects 100bps margin expansion per annum over the next five years.

Financial Summary		(INR mn)				
Y/E Mar	FY23A	FY24A	FY26A	FY27E	FY28E	
Net Sales	19,199	20,669	23,919	28,169	32,681	
Sales Growth (%)	28.6	7.7	15.7	17.8	16.0	
EBITDA	1,371	685	2,362	3,148	4,032	
EBITDA Margin (%)	7.1	3.3	9.9	11.2	12.3	
Adjusted Net Profit	1,118	727	2,047	2,483	3,282	
Diluted EPS (INR)	3.4	2.2	6.3	7.6	10.1	
Diluted EPS Growth (%)	295.3	-35.2	181.5	21.3	32.2	
ROIC (%)	26.7	4.4	20.4	20.9	26.8	
ROE (%)	13.1	6.4	15.8	16.8	20.2	
P/E (x)	104.6	161.3	58.7	47.2	35.7	
P/B (x)	10.7	9.9	8.3	7.6	6.9	
EV/EBITDA (x)	79.9	161.9	47.7	35.5	27.4	
Dividend Yield (x)	-	-	0.8	1.1	1.4	

Source: Company data, JM Financial. Note: Valuations as of May 21, 2026



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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	420
Upside/(Downside)	16.3%
Previous Price Target	375
Change	12.0%

### Key Data – HONASA IN EQUITY

Current Market Price	INR361
Market cap (bn)	INR117.3/US\$1.2
Free Float (%)	46.2
Shares in issue (man)	325.4
Diluted share (MN)	325.4
3-mon avg daily val (mn)	INR297.4/US\$3.1
52-week range	INR365/248
Sensex/Nifty	75,183/23,655
INR/US\$	96.2

### Price Performance

%	1M	6M	12M
Absolute	2.5	25.7	33.3
Relative*	7.1	42.5	43.5

\*To the NSE Nifty 50

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

## Q4FY26 conference call highlights

### ■ Operating environment

- The category tailwind in beauty and personal care is shifting toward inside-out beauty — consumers seeking comprehensive solutions for concerns like hair fall and acne etc. Management said this is an emerging space it is watching closely and may participate in over time.

### ■ Mamaearth

- Mamaearth delivered mid-teens growth in the quarter and saw brand health at a multi-quarter high. Value market share across the core categories and SAH has risen steadily, while brand power index has also improved over the last three years.
- Management said the Hero product strategy is working well, with hero products growing 2x faster than the brand. It sees Mamaearth as a double-digit CAGR brand over the next five years, supported by category share gains across focus categories and a much larger distribution runway.
- The brand is currently present in about 200,000 outlets, and management believes it can expand to around 0.5 million outlets over the next three to five years. Online also continued to grow in double digits.

### ■ Younger brands

- The younger brands portfolio continued to be the main growth engine, growing at almost 40%, including the contribution from Reginald Men. Excluding Reginald, the younger brands still grew at 28%+.
- Derma Co continued to perform strongly, with double-digit EBITDA, face cleanser nearly doubling, and hero products now contributing more than 50% of the brand. Management said Derma Co remains the largest actives brand in the country by both Euromonitor and Nielsen references.
- Reginald Men was the first quarter of consolidation and still delivered 100%+ growth, doubling revenue YoY. It crossed INR100 crore ARR, making it the sixth brand in Honasa's portfolio to cross that threshold.
- Management said Reginald has multiple growth levers — distribution expansion, category expansion beyond sunscreen into face wash and serums, and geographic expansion from a South India-heavy base into Maharashtra and other states.

### ■ Distribution and channel expansion

- Management said its GT now much more stable, especially in the top 100 cities / core markets, with direct distributor stock levels optimized at around 20-30 days. This has helped the company scale brands like Derma Co in GT as well.
- The GT channel remains one of the fastest-growing channels, supported by the right manpower, right distribution partners, better outlet coverage, execution tracking at store level, and automated ordering / visibility systems.

### ■ Guidance

- Company is confident of delivering a high teens growth of overall revenue and double-digit revenue CAGR for Mamaearth over the next five years.
- Company emphasized its target of 100bps EBITDA improvement every year over the next five years.
- Company expects the younger brands to continue driving strong growth in FY27, while focus categories will remain major investment priority, taking more than 90% of the investment.

**Other highlights**

- The company had anticipated the crude and war-led inflation shock on some of its packaging and raw material and already executed calibrated price increases in line with competition, while keeping RPI competitive at the premium it wants to maintain. Management said no further price increase is currently expected.
- A&P as a percentage of sales is expected to come down over time, supporting leverage. The company sees three levers for margin expansion: channel spends / performance spends, brand spends, and operating expenses.
- EBITDA margins for both Mamaearth and Derma Co are now double-digit, and management expects them to continue improving alongside growth.
- The company remained negative working capital, and the board approved a INR3 per share dividend, taking the cash payout to about INR98 crore. Management said this reflects strong cash generation even while continuing to invest in inorganic opportunities.
- Management highlighted a strengthening talent bench, including new appointments (Saahil, Dheeraj and Madhur) to support the next phase of scale-up.
- The company said its core philosophy remains to build aspirational, premiumized brands for India's emerging middle class, and it sees this trend as durable for decades

## Exhibit 1: 4QFY26 result snapshot: Margin delivery surprises positively

Consolidated financials (INR mn)	4QFY26	4QFY25	YoY growth	FY26	FY25	YoY growth
Revenue from operations	6,571	5,336	23.2%	23,919	20,669	15.7%
Gross Profit	4,621	3,774	22.5%	16,775	14,540	15.4%
Gross Profit Margin %	70.3%	70.7%	-40 bps	70.1%	70.3%	-21 bps
Staff Cost	714	478	49.4%	2,626	2,004	31.0%
A&P	2,160	1,840	17.4%	7,880	7,440	5.9%
Other Expenses	975	1,186	-17.8%	3,907	4,411	-11.4%
<b>EBITDA</b>	<b>772</b>	<b>270</b>	<b>186.1%</b>	<b>2,362</b>	<b>685</b>	<b>244.6%</b>
EBITDA margin %	11.8%	5.1%	669 bps	9.9%	3.3%	656 bps
Depreciation	108	124	-13.0%	444	450	-1.3%
EBIT	664	146	355.8%	1,918	235	715.0%
Interest Expense	33	32	4.8%	131	126	3.9%
Financial Other Income	189	208	-9.1%	836	787	6.2%
<b>PBT before exceptional</b>	<b>820</b>	<b>322</b>	<b>154.8%</b>	<b>2,622</b>	<b>896</b>	<b>192.6%</b>
PBT post exceptional	820	322	154.8%	2,574	896	187.2%
Taxes	124	72	72.4%	571	169	237.2%
<b>Reported Net Profit</b>	<b>692</b>	<b>250</b>	<b>177.0%</b>	<b>1,999</b>	<b>727</b>	<b>175.1%</b>
<b>Adjusted Net Profit</b>	<b>692</b>	<b>250</b>	<b>177.0%</b>	<b>2,037</b>	<b>727</b>	<b>180.2%</b>

Source: Company, JM Financial

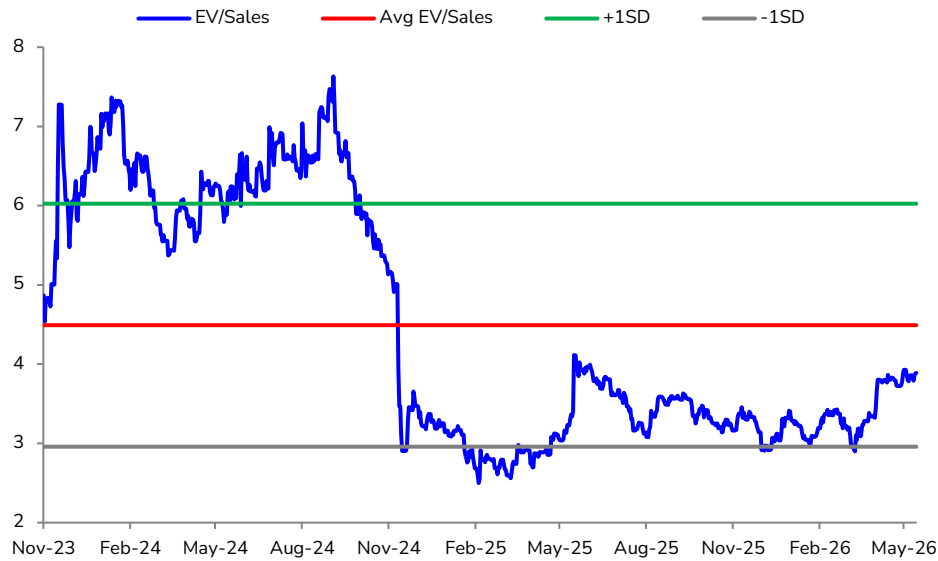
## Exhibit 2: Quarterly financial performance – on consolidated basis

INR mn	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
<b>Volume Growth (%)</b>	<b>27.5%</b>	<b>25.2%</b>	<b>7.1%</b>	<b>1.5%</b>	<b>21.2%</b>	<b>10.5%</b>	<b>16.7%</b>	<b>30.2%</b>	<b>30.0%</b>
Sales	4,711	5,541	4,618	5,175	5,336	5,953	5,381	6,015	6,571
YoY	21%	19%	-7%	6%	13%	7%	17%	16%	23%*
Gross Profit	3,296	3,970	3,176	3,620	3,774	4,238	3,793	4,123	4,621
Staff cost	448	494	515	518	478	604	598	710	714
A&P spends	1,600	2,000	1,830	1,770	1,840	2,060	1,800	1,860	2,160
Other expenses	917	1,015	1,139	1,071	1,186	1,117	918	897	975
<b>EBITDA</b>	<b>331</b>	<b>461</b>	<b>(307)</b>	<b>261</b>	<b>270</b>	<b>458</b>	<b>476</b>	<b>655</b>	<b>772</b>
YoY	NM	57%	-176%	-24%	-19%	-1%	NM	151%	186%
Depreciation	98	94	106	126	124	108	117	110	108
Interest	31	30	31	33	32	33	33	32	33
Other income	190	187	200	192	208	239	201	207	189
<b>PBT</b>	<b>393</b>	<b>524</b>	<b>(244)</b>	<b>294</b>	<b>322</b>	<b>556</b>	<b>527</b>	<b>719</b>	<b>820</b>
YoY	NM	54%	-162%	-15%	-18%	6%	NM	144%	155%
Tax	88	121	(58)	34	72	143	135	169	124
<b>PAT</b>	<b>305</b>	<b>403</b>	<b>(186)</b>	<b>260</b>	<b>250</b>	<b>413</b>	<b>392</b>	<b>502</b>	<b>692</b>
YoY	NM	55%	-163%	0%	-18%	3%	NM	93%	177%
<b>% to sales</b>	<b>4QFY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>3QFY25</b>	<b>4QFY25</b>	<b>1QFY26</b>	<b>2QFY26</b>	<b>3QFY26</b>	<b>4QFY26</b>
Gross margin	70.0%	71.7%	68.8%	70.0%	70.7%	71.2%	70.5%	68.5%	70.3%*
Staff cost	9.5%	8.9%	11.1%	10.0%	8.9%	10.1%	11.1%	11.8%	10.9%
A&P spends	34.0%	36.1%	39.6%	34.2%	34.5%	34.6%	33.5%	30.9%	32.9%
Other expenses	19.5%	18.3%	24.7%	20.7%	22.2%	18.8%	17.1%	14.9%	14.8%
EBITDA margin	7.0%	8.3%	-6.6%	5.0%	5.1%	7.7%	8.9%	10.9%	11.8%*

Source: Company, JM Financial.

\*LFL sales growth: 28%, LFL gross margin: 71.5% and LFL EBITDA margin: 11.3%.

Exhibit 3: Honasa's avg. EV/sales Band



Source: Bloomberg, Company, JM Financial

Exhibit 4: Our 12-month DCF based price target works out to INR 425/share

(INR mn)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	1,098	4,600	9,435	14,927	19,199	20,669	23,919	28,169	32,681	37,282	42,299	47,517	53,251	58,817	64,880	71,486
YoY growth		319.0%	105.1%	58.2%	28.6%	7.7%	15.7%	17.8%	16.0%	14.1%	13.5%	12.3%	12.1%	10.5%	10.3%	10.2%
EBITDA	-78	272	115	228	1,371	685	2,362	3,148	4,032	4,903	5,869	6,895	8,289	9,669	10,978	12,501
EBITDA margin %	-7.1%	5.9%	1.2%	1.5%	7.1%	3.3%	9.9%	11.2%	12.3%	13.2%	13.9%	14.5%	15.6%	16.4%	16.9%	17.5%
EBIT	-85	255	46	-22	1,065	235	1,918	2,629	3,488	4,326	5,280	6,274	7,624	8,953	10,196	11,655
EBIT margin %	-7.7%	5.5%	0.5%	-0.1%	5.5%	1.1%	8.0%	9.3%	10.7%	11.6%	12.5%	13.2%	14.3%	15.2%	15.7%	16.3%
Tax Rate	0.0%	-0.6%	35.6%	-7.0%	24.9%	18.9%	22.2%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
<b>NOPAT</b>	<b>-85</b>	<b>256</b>	<b>29</b>	<b>-24</b>	<b>800</b>	<b>191</b>	<b>1,492</b>	<b>1,972</b>	<b>2,616</b>	<b>3,244</b>	<b>3,960</b>	<b>4,705</b>	<b>5,718</b>	<b>6,715</b>	<b>7,647</b>	<b>8,741</b>
Depreciation	6	17	69	250	306	450	444	519	543	577	589	621	665	716	782	846
Capex	-4	-10	-1,176	-285	-123	-170	-1,187	-225	-245	-280	-317	-356	-399	-588	-649	-715
Net working capital investment	-42	-1	2	-1,187	-331	-2,505	-1,985	-794	-845	-784	-1,215	-921	-882	-737	-693	-703
<b>Free Cash Flow</b>	<b>-125</b>	<b>262</b>	<b>-1,075</b>	<b>-1,246</b>	<b>651</b>	<b>-2,034</b>	<b>-1,236</b>	<b>1,471</b>	<b>2,070</b>	<b>2,758</b>	<b>3,017</b>	<b>4,049</b>	<b>5,102</b>	<b>6,106</b>	<b>7,088</b>	<b>8,170</b>
YoY Growth - %								-219.0%	40.7%	33.3%	9.4%	34.2%	26.0%	19.7%	16.1%	15.3%
Discounting Factor							1.00	1.00	0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43
<b>Present Value of FCF</b>							<b>-1,236</b>	<b>1,471</b>	<b>1,865</b>	<b>2,239</b>	<b>2,206</b>	<b>2,667</b>	<b>3,028</b>	<b>3,264</b>	<b>3,414</b>	<b>3,545</b>
<b>Fade period forecast</b>	<b>FY36E</b>	<b>FY37E</b>	<b>FY38E</b>	<b>FY39E</b>	<b>FY40E</b>	<b>FY41E</b>	<b>FY42E</b>	<b>FY43E</b>	<b>FY44E</b>	<b>FY45E</b>	<b>FY36-45 CAGR</b>					
<b>FCF</b>	<b>9,349</b>	<b>10,622</b>	<b>11,980</b>	<b>13,412</b>	<b>14,905</b>	<b>16,442</b>	<b>18,000</b>	<b>19,558</b>	<b>21,088</b>	<b>22,565</b>	<b>10.3%</b>					
Discounting Factor	0.39	0.35	0.32	0.29	0.26	0.23	0.21	0.19	0.17	0.15						
<b>Present Value of FCF</b>	<b>3,655</b>	<b>3,741</b>	<b>3,801</b>	<b>3,834</b>	<b>3,838</b>	<b>3,814</b>	<b>3,762</b>	<b>3,683</b>	<b>3,577</b>	<b>3,448</b>						
<b>12M Forward Equity Valuation</b>																
PV of Cash Flow - Explicit Period	22,228															
PV of Cash Flow - Fade Period	37,154															
PV of Terminal Value	73,105															
<b>Enterprise Value</b>	<b>1,32,486</b>															
Debt	0															
Cash	4,862															
Net Debt	-4,862															
<b>Equity value</b>	<b>1,37,348</b>															
No of Shares (mn)	325															
<b>Target price (INR per share)</b>	<b>422</b>															

Source: Company, JM Financial

Exhibit 5: Revisions in estimates

INR mn	Revised		Earlier		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Sales	28,169	32,681	27,272	31,204	3.3%	4.7%
EBITDA	3,148	4,032	2,609	3,303	20.7%	22.1%
PAT	2,483	3,282	2,269	2,934	9.4%	11.8%
EPS	7.6	10.1	7.0	9.0	9.3%	11.8%

Source: JM Financial

## Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26A	FY27E	FY28E	
Net Sales	19,199	20,669	23,919	28,169	32,681	
Sales Growth (%)	28.6	7.7	15.7	17.8	16.0	
Other Operating Income	-	-	-	-	-	
<b>Total Revenue</b>	<b>19,199</b>	<b>20,669</b>	<b>23,919</b>	<b>28,169</b>	<b>32,681</b>	
Cost of Goods Sold/Op. Exp	5,807	6,129	7,144	8,395	9,670	
Personnel Cost	1,706	2,004	2,626	3,012	3,411	
Other Expenses	10,315	11,851	11,787	13,614	15,569	
<b>EBITDA</b>	<b>1,371</b>	<b>685</b>	<b>2,362</b>	<b>3,148</b>	<b>4,032</b>	
EBITDA Margin (%)	7.1	3.3	9.9	11.2	12.3	
EBITDA Growth (%)	502.2	-50.0	244.6	33.3	28.1	
Depn. & Amort.	306	450	444	519	543	
EBIT	1,065	235	1,918	2,629	3,488	
Other Income	-	-	-	-	-	
Finance Cost	90	126	131	133	138	
PBT before Excep. & Forex	1,471	896	2,622	3,310	4,376	
Excep. & Forex Inc./Loss(-)	-	-	-	-	-	
PBT	1,471	896	2,622	3,310	4,376	
Taxes	366	169	571	828	1,094	
Extraordinary Inc./Loss(-)	-	-	-48	-	-	
Assoc. Profit/Min. Int.(-)	-12	-	1	-	-	
Reported Net Profit	1,118	727	1,999	2,483	3,282	
<b>Adjusted Net Profit</b>	<b>1,118</b>	<b>727</b>	<b>2,047</b>	<b>2,483</b>	<b>3,282</b>	
Net Margin (%)	5.8	3.5	8.6	8.8	10.0	
Diluted Share Cap. (mn)	324	325	325	325	325	
<b>Diluted EPS (INR)</b>	<b>3.4</b>	<b>2.2</b>	<b>6.3</b>	<b>7.6</b>	<b>10.1</b>	
Diluted EPS Growth (%)	295.3	-35.2	181.5	21.3	32.2	
Total Dividend + Tax	-	-	970	1,241	1,641	
Dividend Per Share (INR)	-	-	3.0	3.8	5.0	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26A	FY27E	FY28E	
Profit before Tax	1,471	896	2,622	3,310	4,376	
Depn. & Amort.	306	450	444	519	543	
Net Interest Exp. / Inc. (-)	-407	-661	-704	-681	-887	
Inc (-) / Dec in WCap.	1,025	-53	-597	-794	-845	
Others	282	340	252	0	-	
Taxes Paid	-324	49	-603	-688	-907	
<b>Operating Cash Flow</b>	<b>2,353</b>	<b>1,022</b>	<b>1,413</b>	<b>1,666</b>	<b>2,280</b>	
Capex	-118	-199	-70	-225	-245	
Free Cash Flow	2,235	823	1,343	1,440	2,034	
Inc (-) / Dec in Investments	-4,482	-1,645	1,421	-	-	
Others	-99	393	-1,521	814	1,026	
<b>Investing Cash Flow</b>	<b>-4,698</b>	<b>-1,451</b>	<b>-171</b>	<b>589</b>	<b>781</b>	
Inc / Dec (-) in Capital	3,633	48	4	21	23	
Dividend + Tax thereon	-	-	-	-1,241	-1,641	
Inc / Dec (-) in Loans	-	-	-	-	-	
Others	-265	-359	-384	-100	-102	
<b>Financing Cash Flow</b>	<b>3,369</b>	<b>-311</b>	<b>-380</b>	<b>-1,320</b>	<b>-1,720</b>	
<b>Inc / Dec (-) in Cash</b>	<b>1,024</b>	<b>-741</b>	<b>863</b>	<b>935</b>	<b>1,340</b>	
Opening Cash Balance	3,833	4,053	1,275	2,137	3,072	
Closing Cash Balance	4,857	3,313	2,137	3,072	4,412	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26A	FY27E	FY28E	
Shareholders Fund	10,953	11,798	14,119	15,381	17,045	
Share Capital	3,242	3,252	3,254	3,254	3,254	
Reserves & Surplus	7,710	8,546	10,865	12,127	13,792	
Preference Share Capital	-	-	-	-	-	
Minority Interest	-	-	-	-	-	
Total Loans	-	-	-	-	-	
Def. Tax Liab. / Assets (-)	-38	-477	-553	-692	-878	
Other non-current liabilities / Lease Liabilities	1,310	1,364	1,353	1,421	1,492	
<b>Total - Equity &amp; Liab.</b>	<b>12,262</b>	<b>13,162</b>	<b>15,472</b>	<b>16,802</b>	<b>18,537</b>	
Net Fixed Assets	1,749	1,812	3,752	3,458	3,160	
Gross Fixed Assets	1,593	1,767	2,955	3,180	3,425	
Intangible Assets	528	528	1,725	1,725	1,725	
Less: Depn. & Amort.	376	483	927	1,446	1,990	
Capital WIP	5	1	-	-	-	
Investments	2,918	3,048	2,724	2,724	2,724	
Current Assets	10,393	11,736	13,200	15,731	18,756	
Inventories	1,228	1,583	1,651	1,929	2,238	
Sundry Debtors	1,594	1,323	1,983	2,238	2,597	
Cash & Bank Balances	4,857	3,313	2,137	3,072	4,412	
Loans & Advances	2,410	5,176	6,665	7,606	8,497	
Other Current Assets	304	341	765	886	1,012	
Current Liab. & Prov.	4,027	4,739	5,453	6,394	7,421	
Current Liabilities	3,841	4,171	4,790	5,560	6,366	
Provisions & Others	186	568	662	834	1,054	
Net Current Assets	6,366	6,997	7,747	9,337	11,336	
Other Non Current Assets/ROU Assets	1,243	1,210	1,136	1,170	1,205	
<b>Total - Assets</b>	<b>12,262</b>	<b>13,162</b>	<b>15,472</b>	<b>16,802</b>	<b>18,537</b>	

Source: Company, JM Financial

Dupont Analysis						
Y/E Mar	FY24A	FY25A	FY26A	FY27E	FY28E	
Net Margin (%)	5.8	3.5	8.6	8.8	10.0	
Asset Turnover (x)	2.0	1.6	1.6	1.7	1.8	
Leverage Factor (x)	1.1	1.1	1.1	1.1	1.1	
RoE (%)	13.1	6.4	15.8	16.8	20.2	

Source: Company, JM Financial

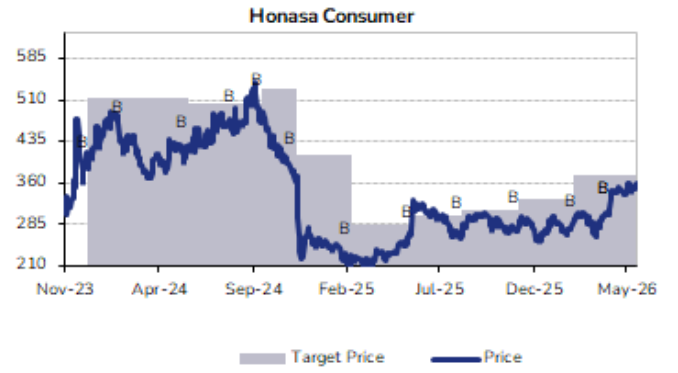
Key Ratios						
Y/E Mar	FY24A	FY25A	FY26A	FY27E	FY28E	
BV/Share (INR)	33.8	36.3	43.4	47.3	52.4	
ROIC (%)	26.7	4.4	20.4	20.9	26.8	
ROE (%)	13.1	6.4	15.8	16.8	20.2	
Net Debt/Equity (x)	-0.7	-0.5	-0.3	-0.4	-0.4	
P/E (x)	104.6	161.3	58.7	47.2	35.7	
P/B (x)	10.7	9.9	8.3	7.6	6.9	
EV/EBITDA (x)	79.9	161.9	47.7	35.5	27.4	
EV/Sales (x)	5.7	5.4	4.7	4.0	3.4	
Debtor days	30	23	30	29	29	
Inventory days	23	28	25	25	25	
Creditor days	79	76	81	81	81	

Source: Company, JM Financial

**Recommendation History Table**

Date	Recommendation	Target Price	% Chg.
9-Apr-26	Buy	375	0.0
7-Apr-26	Buy	375	0.0
12-Feb-26	Buy	375	13.6
13-Nov-25	Buy	330	6.5
12-Aug-25	Buy	310	3.3
23-May-25	Buy	300	5.3
12-Feb-25	Buy	285	-30.5
15-Nov-24	Buy	410	-22.6
23-Sep-24	Buy	530	5.0
9-Aug-24	Buy	505	0.0
24-May-24	Buy	505	-1.9
10-Feb-24	Buy	515	0.0
15-Dec-23	Buy	515	

**Recommendation History Chart**



## APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
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