Hindustan Unilever

BSE SENSEX	S&P CNX
76,515	23,898

Hindustan Unilever Limited

Stock Info

Bloomberg	HUVR IN
Equity Shares (m)	2350
M.Cap.(INRb)/(USDb)	4638.1 / 49.1
52-Week Range (INR)	2737 / 1950
1, 6, 12 Rel. Per (%)	-3/-10/-23
12M Avg Val (INR M)	4177
Free float (%)	38.0

Financials Snapshot (INR b)

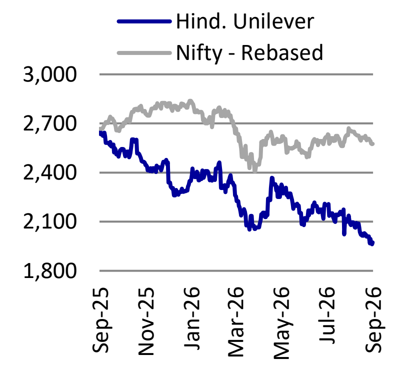
Y/E Mar	2027E	2028E	2029E
Sales	706.2	766.4	831.7
Sales Gr. (%)	9.5	8.5	8.5
EBITDA	164.2	181.5	198.6
Margins (%)	23.3	23.7	23.9
Adj. PAT	114.9	127.8	140.7
Adj. EPS (INR)	48.9	54.4	59.9
EPS Gr. (%)	10.9	11.3	10.0
BV/Sh.(INR)	212.3	219.7	229.5
Ratios			
RoE (%)	23.3	25.2	26.6
RoCE (%)	31.9	34.4	36.3
Payout (%)	90.0	86.4	83.5
Valuations			
P/E (x)	40.4	36.3	33.0
P/BV (x)	9.3	9.0	8.6
EV/EBITDA (x)	28.1	25.2	22.9
Div. Yield (%)	2.2	2.4	2.5

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	61.9	61.9	61.9
DII	17.0	16.4	16.1
FII	9.5	10.1	10.2
Others	11.6	11.6	11.9

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR1,974 TP: INR2,400 (+22%) Buy

Growth aspirations intact; resetting to gather momentum

- At Hindustan Unilever's (HUL) analyst meet, management presented its "Winning in New India" (WINI) strategy, positioning the portfolio to address fast changing consumer preferences (particularly among the youth). HUL clocked a turnover of INR638b in FY26, with 21 brands surpassing the INR10b mark. Over 90% of the turnover originated from categories where it holds the #1 position. More than 85b packs are sold annually and reach 9m+ outlets. One or more HUL brands are used by 9 out of 10 Indian households.
- HUL is gearing up well for growth acceleration, undergoing five reset actions comprising 1) SASSY (scientific, aesthesis, sensorial, said by others, youthful) brand transformation framework, 2) sharper resource allocation behind fewer bigger bets, 3) acceleration of selected growth pockets, 4) a dedicated Quick Commerce organization, and 5) a unified India operating model. While turnover doubled, EBITDA surged 3x and operating cash flow jumped 4x between FY14 and FY24 (including the Ice Cream & GSK acquisitions). However, turnover was broadly flat between FY24 and FY26 (ex-Ice Cream), providing the backdrop for the current reset. Underlying sales growth has improved sequentially over the last few quarters.
- Management highlighted that the growth is increasingly being concentrated in specific consumer and channel pockets. It indicated that small towns are growing at 2x the all-India rate, Quick Commerce is likely to reach an INR2t market by FY28, Vitamins & Dietary Supplements growing at 2.5x the global rate and India having ~500m social media users. HUL is thus managing India as discrete 'growth cells' across big cities, small towns, and Tier 4/rural markets (~70% of India's population), segmented into Power Spenders, Premiumizers, and Democratizers and overlaid with channel-specific behaviors.
- HUL remains focused on competitive, volume-led revenue growth and expects FY27 growth to be better than FY26. The medium-term EBITDA margin range has been indicated at 22-24% vs. the earlier guidance of 22.5-23.5%. HUL expects to generate cumulative "fuel for growth" equivalent to 500bp of sales over the next five years through premiumization, operating leverage, the Future Savings Lab, and AI-led media effectiveness, with the entire quantum being redeployed behind growth. Capex intensity is expected to rise from ~2% of turnover historically to ~3%, with >85% directed towards growth and savings initiatives.
- The renewed strategy is expected to address the growth challenges that have persisted over the past few years. The growth model is being reset towards volume growth and market development. Moreover, continued sequential improvement in sales growth, alongside share gains, offers early validation.
- HUL continues to focus on driving volume-led revenue growth. Despite concerns around rising crude prices and macro volatility, HUL believes it is well positioned to navigate the environment through commodity hedges, accelerated cost-saving initiatives, portfolio transformation strategies, and stronger omnichannel capabilities. Management remains optimistic about delivering better performance in FY27 vs FY26. **We reiterate our BUY rating on the stock with a TP of INR2,400 (based on 40x on Sep'28E EPS).**

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Highlights from the investor meet

Business overview

- HUL clocked a turnover of INR638b in FY26, with 21 brands surpassing the INR10b mark. Over 90% of the turnover originated from categories where it holds the #1 position. More than 85b packs are sold annually and reach 9m+ outlets.
- HUL continues to have one of the strongest consumer franchises in India, with one or more HUL brands used by 9 out of 10 Indian households. This provides a large installed consumer base that can be monetized through higher consumption, premiumization and category expansion.
- HUL has delivered substantial long-term value creation, with turnover doubling, EBITDA surging 3x, and operating cash flow increasing 4x between FY14 and FY24 (including the Ice Cream and GSK businesses).
- Turnover remained broadly flat between FY24 and FY26 (excluding Ice Cream), reflecting a challenging demand environment and providing the backdrop for the company's current strategic reset aimed at driving stronger growth.
- Underlying sales growth has improved sequentially from 3% in 1HFY26 to 5% in 3QFY26, 7% in 4QFY26 and 10% in 1QFY27, while turnover-weighted market share has continued to strengthen (as of MAT Jul'26).
- The company has undertaken five key reset actions over the past year, including the SASSY brand transformation framework, sharper resource allocation behind fewer, bigger bets, acceleration of selected growth pockets, creation of a dedicated Quick Commerce organization, and implementation of a unified India operating model.

Exhibit 1: HUL's five key reset actions over the past year

Source: Company Presentation

Structural shifts & new India opportunity

- India's GDP ranking has improved from 10th in 2014 to 6th in 2026 and is expected to reach the 3rd position by 2030. However, India's FMCG spend per capita remains at only USD63, vs. 7x the level in Thailand, 5x in the Philippines, and 3x in China and Indonesia, highlighting the significant long-term consumption opportunity.

- The number of Indian households is expected to increase from 293m in 2018 to 386m by 2030, while the household income mix is shifting from the sub-USD4,000 annual income bracket towards the USD8,500-40,000 bracket and above.
- HUL identified five structural shifts underpinning the “New India” opportunity, comprising 377m Gen Z consumers, female workforce participation rising from 25% to 43%+, an INR2t annual government budget for rural transformation, the world's second-largest road network and internet penetration increasing from 43% to 70%.
- Growth is increasingly concentrated in specific consumer and channel segments, with small towns growing at 2x the all-India rate, Quick Commerce expected to reach a INR2t market by FY28, Vitamins & Dietary Supplements surging at 2.5x the global rate, and India having ~500m social media users.
- HUL is increasingly managing India as a portfolio of discrete growth cells across big cities, small towns and Tier 4/rural markets. Management stated that ~70% of Indians live in Tier 4/rural markets. It further segmented consumers into Power Spenders, Premiumizers, and Democratizers and overlaid these segments with channel-specific consumer behavior.
- The hair-care opportunity illustrates the significant headroom in rural consumption, with the Rural Value Seeker cell contributing roughly 2x the two-year shampoo market increment of the Urban Affluent cell.
- Rising affluence is expected to create additional consumption occasions in urban markets, with higher smartphone penetration, increasing social-media influence and lifestyle changes driving adoption of products such as hair treatments and styling solutions.
- HUL's growth framework is designed to capture different sources of incremental FMCG demand through higher consumption, premiumization, market making and entry into new spaces, with propositions and execution tailored to individual growth cells.

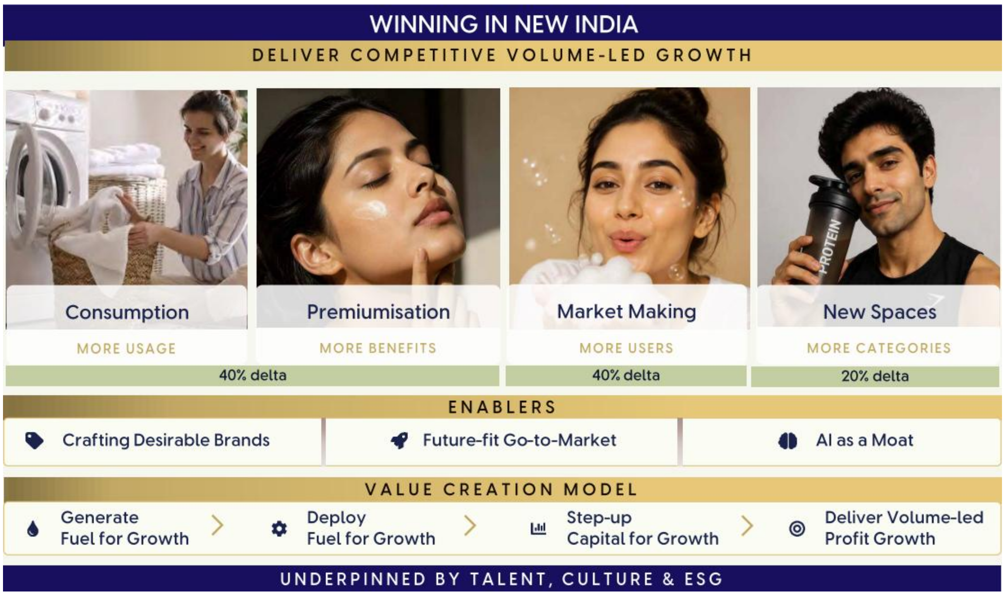
Exhibit 2: HUL’s portfolio makes it uniquely positioned to win across these markets

Source: Company Presentation

Strategy: Winning in New India

- HUL is resetting its growth model towards competitive, volume-led growth, with the objective of combining stronger underlying sales growth with improved market-share momentum rather than relying primarily on pricing.
- The company's four growth levers are structured around driving higher consumption through increased usage, premiumization through enhanced benefits, market making through increasing the user base, and new spaces through entry into additional categories.
- The growth algorithm provides a framework for allocating incremental turnover across the four levers, with consumption and premiumization/market-making growth pools each accounting for 40% of the opportunity, while new spaces account for 20% of incremental turnover contribution.
- HUL has sharpened resource allocation towards fewer and bigger bets, while accelerating selected growth pockets and redesigning the organization around specialized channels and geographies.
- The company has created a dedicated Quick Commerce organization with joint business planning and differentiated execution, reflecting the growing importance of the channel in both urban reach and premiumization.
- HUL intends to selectively enter high-growth spaces where it has a clear right to win, including Masstige Skincare, Vitamins, Minerals & Supplements, Protein, Healthy Snacking, Functional Deodorants, Hydration, and Ready-to-Drink platforms.
- New-space investments will be assessed based on the attractiveness of the growth and profit pool, HUL's right to win and the sustainability of the opportunity rather than through broad-based category expansion.

Exhibit 3: HUL's Winning in New India Strategy (WINI)



Source: Company Presentation

Segmental highlights

Home Care

- Home Care generated INR236.72b of revenue in FY26 at a 19% segment EBIT margin, contributing 37% of HUL's overall business and making it the company's largest segment by revenue.

- The segment has five brands with revenue above INR10b, including Surf excel, Vim, Rin, Wheel, and Comfort, providing HUL with significant scale across both mass and premium household-care categories.
- Rising washing-machine ownership and affluence are creating a structural consumption opportunity, with Power Spenders consuming 1.2x and Premiumizers consuming 1.1x the laundry volumes of Democratizers.
- HUL's laundry portfolio reaches 9 out of 10 households.
- Product superiority is expected to drive higher consumption rather than merely support higher pricing.
- India's laundry market remains heavily concentrated in the mass end, with Tier 3 accounting for 57% of laundry volumes, vs. 23% for Tier 2, and 21% for Tier 1, making mass-market upgradation a significant value pool.
- Laundry volumes are currently split between 63% powders, 32% bars and only 5% liquids, while liquids carry a 2.2x price index versus 1.5x for powders, making liquid migration a key format-upgrade opportunity.
- Wheel is being re-invigorated as the largest brand in Tier 3, with high equity among Tier 3 peers and a superior mix supported by digital-first activation aimed at Bharat Gen Z consumers.
- Surf excel has delivered 3x volume and 4x turnover growth between 2015 and 2025, demonstrating the potential for a strong brand to simultaneously drive penetration, premiumization, and monetization.
- Surf excel Easy Wash is targeting the ~3m ton mass-powder and bar consumer pool, with penetration of the brand increasing 1.3x between 2022 and 2026.
- Surf excel liquid is positioned to capture the format-upgradation opportunity in a category with only 13% quarterly penetration, while liquid penetration among washing-machine owners is 3x higher and brand penetration has surged 3x over the last four years.
- Vim liquid is being used to build the dishwash-liquid category, where quarterly penetration remains at only 7%.
- HUL's market-making playbook combines superior products, a trigger for trial, consumer education and sampling, partnerships and wide distribution, including INR10 and INR15 trial packs, to create new consumption occasions in the underpenetrated categories.

Exhibit 4: Premiumization and format upgrade are growth drivers in Home Care

Source: Company Presentation

Beauty & Wellbeing

- Beauty & Wellbeing generated INR149.9b of revenue in FY26 at a 28% segment EBIT margin, making it HUL's highest-margin segment and contributing 23% of overall revenue.
- The segment has seven brands with revenue above INR10b, and HUL remains the #1 Beauty company in India, providing a strong platform to capture both premiumization and market-making opportunities.
- Affluent consumers consume around 6x more beauty products per capita than the lower-income cohorts, highlighting significant headroom for category development.
- Channel behavior differs significantly by affluence, with affluent consumers split ~50:50 between general trade-only and omni-channel purchasing, compared with an 80:20 split for Democratizers, supporting the development of a dedicated Beauty route to market.
- HUL has materially expanded its premium Beauty portfolio since 2024 through brands and propositions including Paula's Choice, K18, Dermalogica, Nexxus, Minimalist, Liquid I.V., OZiva, and Simple, strengthening its presence across emerging growth pools.
- The portfolio's FY26 growth index was highlighted at 30x for Power Spenders and 3x for Premiumizers, reflecting the company's focus on capturing higher-value consumption among affluent cohorts.
- HUL is using influencer advocacy and social-first communication to build the sun-care category, with influencer engagement scaled significantly as the company seeks to move the category from awareness towards regular usage.
- Minimalist has become the fastest brand in HUL's portfolio to exceed INR9b+ in ARR, with ARR doubling since acquisition, while OZiva has jumped 4x since FY23 and Simple has surged 10x since FY22.

Exhibit 5: The beauty shapers of the two India's now with a portfolio of iconic & new brands

Source: Company Presentation

Personal Care

- Personal Care generated INR95.64b of revenue in FY26 at a 19% segment EBIT margin, contributing 15% of HUL's business and representing one of the company's most significant opportunities for portfolio transformation.
- HUL is restructuring the segment around a benefit ladder that moves consumers from basic hygiene and protection towards beauty, aspiration and ultimately specialized solutions and formats offering higher consumer value.

- Rural Personal Care is growing 1.8x faster than urban markets, supported by shower access and running-water availability, each of which increased 1.5x between 2020 and 2025, while Indian per-capita consumption remains at roughly half the level in Brazil.
- India's mass-soap market exceeds 0.7m tons, creating a large opportunity for premiumization as consumers migrate from mass bars towards higher-value products such as Dove and Pears.
- Premium bars are growing at 2x the mass-bar market, while HUL is outpacing the premium-bar market, indicating scope for both category premiumization and market-share gains.
- Bodywash is the segment's key market-development opportunity, with India benchmarked against ~60% penetration in Vietnam, while the category has grown 4x faster than the bar market over the past three years.
- HUL's bodywash turnover increased 4x between 2021 and 2025, supported by increased media spends, large-scale sampling, skincare-led product benefits and distribution expansion.
- Oral care remains underpenetrated, with Indian toothpaste consumption around 1.7x lower than Indonesia, while freshness and whitening are growing at 1.3x and 2.5x, respectively, over the past three years.
- HUL's oral-care penetration has increased 200bp between 2023 and 2026, with Closeup being relaunched under the SASSY framework to strengthen youth relevance and drive category engagement.
- Functional deodorants represent the next major market-making opportunity for Personal Care, supported by India's hot and humid climate, rising female workforce participation, and low penetration of functional deodorants.

Exhibit 6: Growth drivers for Personal Care

Source: Company Presentation

Foods

- Foods generated INR140.61b of revenue in FY26 at a 20% segment EBIT margin, contributing 22% of HUL's business and making it the company's second-largest segment by revenue.
- HUL has seven brands with revenue above INR10b within Foods and maintains leadership across its key areas of participation, including tea, lifestyle nutrition, ketchup and sauces, coffee, soups and jams.
- Affluent Indians are expected to increase to 150m by 2030, while packaged foods, condiments and coffee are approaching the income thresholds at which consumption historically starts to accelerate.

- HUL is reshaping the Foods portfolio around three beverage pivots – Mass to Premium, Kettle to Cup and Hot to Cold – alongside broader changes in health, convenience, family structures, flavor preferences and consumption occasions.
- Horlicks is being repositioned from a legacy health-food-drink brand into a lifestyle nutrition platform, with renewed emphasis on nutrition science, superfoods, and propositions targeted at younger consumers.
- Horlicks Protein has been launched with fiber as a key differentiator, including a 24g protein powder and 20g ready-to-drink format, allowing HUL to participate directly in the rapidly expanding protein opportunity.
- Kissan is being repositioned from a traditional kids' condiment brand into the "Great Indian Food Brand", expanding the portfolio into regional chutneys and sauces.
- HUL sees significant scope to premiumize beverages as consumers move from loose and mass formats towards packaged, premium and functional products, with China's beverage evolution providing a reference point for the potential development of India's beverage categories.
- Nuclear families now account for 50% of Indian households vs. 37% in 2008, creating an opportunity to move from a household-level "one kettle" consumption model towards individualized premixes and personalized consumption occasions.
- Refrigerator ownership has increased to 211m households from 176m in 2022, providing the infrastructure required to develop cold beverage platforms through products such as Bru cold coffee cans, Boost ready-to-drink milkshakes, and Horlicks Protein bottles.

Exhibit 7: India is changing and so are the foods & beverages trends

Source: Company Presentation

Strategic enablers – Brands, GTM, and AI

- HUL's SASSY framework focuses on Science, Aesthetics, Sensorials, Said by Others and Youthful to make brands more desirable and relevant, supported by 26,000+ hours of consumer research, social listening and AI-enabled forecasting.
- The company is increasingly using social-first demand generation, supported by a 30,000+ creator ecosystem in India, with more than 60% of spends directed towards digital and AI-enabled content studios help reduce creative production costs and cycle time.
- HUL is building a segmented go-to-market ecosystem across Quick Commerce, specialized channels such as open-format stores, chemists and cosmetics, and

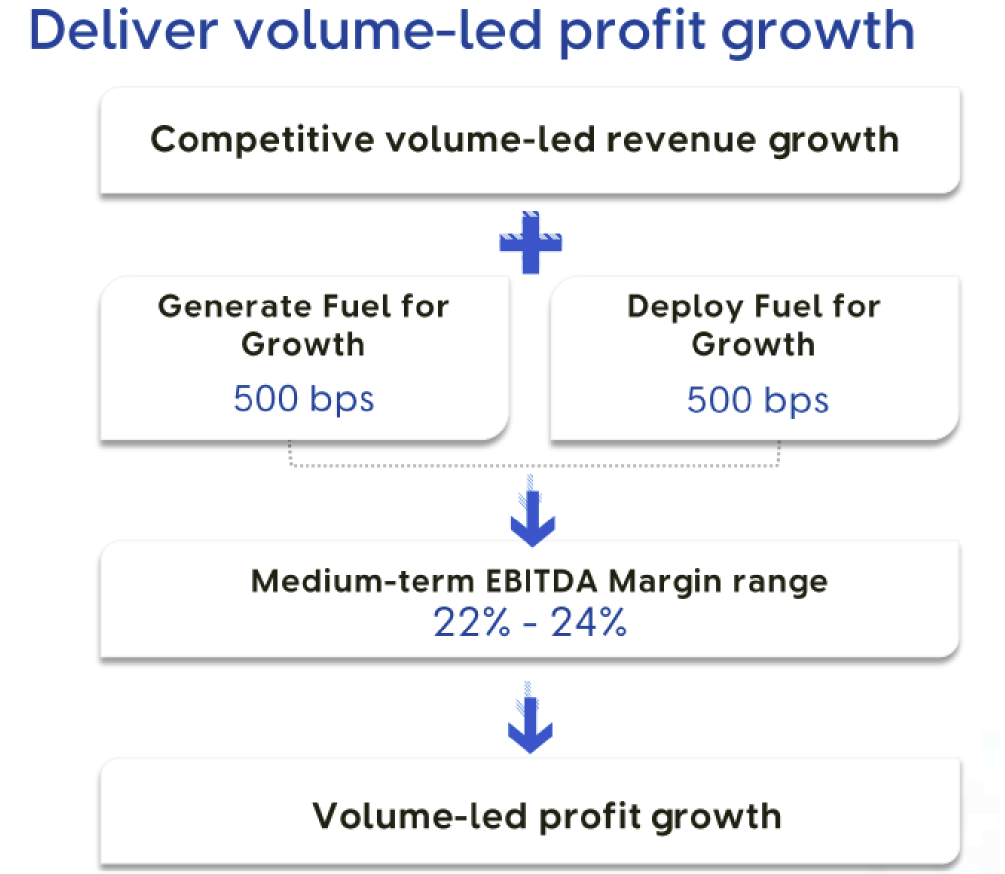
differentiated rural routes to market to better address distinct consumer cohorts.

- The company has created a dedicated cross-functional Quick Commerce organization with joint business planning, targeted availability and performance marketing to improve execution in the rapidly scaling channel.
- AI is being positioned as a competitive moat rather than simply a productivity tool, with applications spanning R&D, content creation, media optimization, integrated supply-chain planning, go-to-market execution, and finance controls.
- HUL's proprietary consumer and business data is expected to provide an advantage in deploying AI across multiple functions, allowing the company to improve speed, effectiveness and decision-making across the value chain.

Guidance

- HUL remains focused on delivering competitive, volume-led revenue growth rather than near-term margin expansion. Management highlighted that FY27 performance is expected to be better than FY26.
- Management has indicated a medium-term EBITDA margin range of 22-24%, providing flexibility to invest behind growth while structurally improving the quality and mix of the portfolio.
- HUL expects to generate 500bp of “fuel for growth” through a combination of premiumization, operating leverage, the Future Savings Lab and AI-led media effectiveness, with the savings intended to fund incremental growth investments. This is expected to be generated cumulatively over the next five years.
- The company expects the gross-margin-accretive portfolio to grow at 1.5x the growth of the rest of the portfolio, while fixed-cost growth is targeted at 0.8x revenue growth, creating scope for mix improvement and operating leverage to fund reinvestment.
- The Future Savings Lab is expected to contribute 100bp of savings above the historical average, with initiatives spanning value-chain transformation, strategic sourcing, formulation science, and the relocation of operations closer to demand centers.
- AI-led productivity is expected to improve media effectiveness by 10%, with AI also being deployed across R&D, content creation, supply-chain planning, GTM, and finance to improve efficiency and speed.
- HUL plans to redeploy the entire 500 bps of internally generated savings towards desirable products and packaging, media and sampling, pricing and pack-price architecture and channel investments, with the objective of accelerating underlying sales growth.
- Capex intensity is expected to increase from ~2% of turnover historically to ~3%, with more than 85% of planned capex directed towards growth and savings initiatives.
- Management's framework implies that near-term EBITDA margin should be viewed within the 22-24% band rather than anchored to the FY26 level of 23.5%, as the company retains flexibility to trade some margin for stronger volume growth and market development.

Exhibit 8: Focused on delivering volume-led profit growth



Source: Company Presentation

Story in charts

Exhibit 9: Volume growth expected in mid-to-high single digits over FY26-29

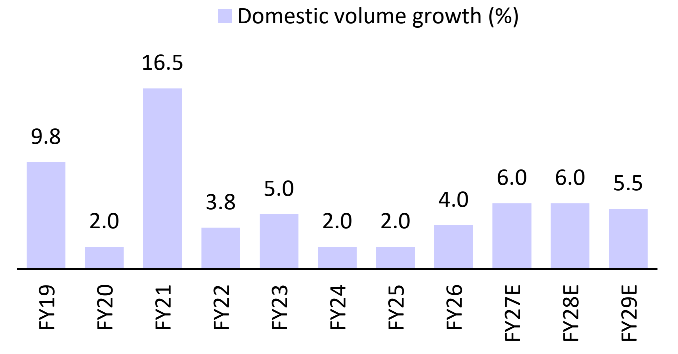


Exhibit 10: Revenue likely to deliver 9% CAGR over FY26-29

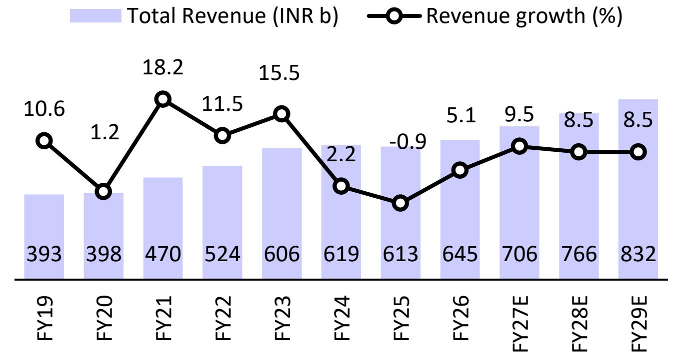


Exhibit 11: Gross margin expected to remain range bound

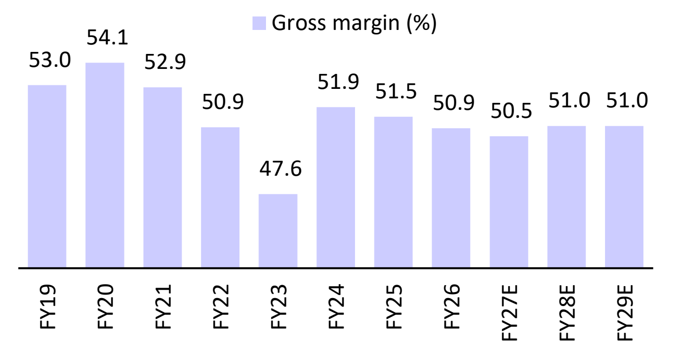


Exhibit 12: EBITDA margin to expand, led by operational efficiencies

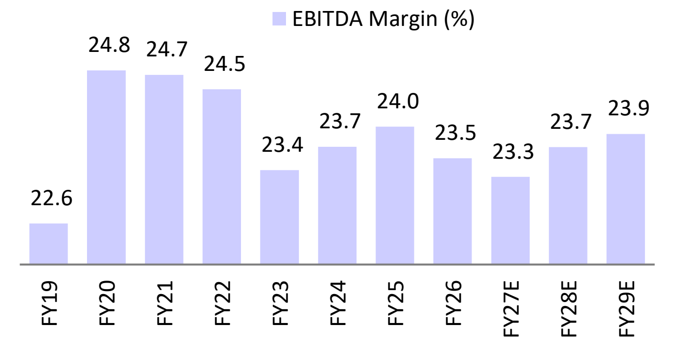


Exhibit 13: Consol. EBITDA expected to deliver 9% CAGR over FY26-28

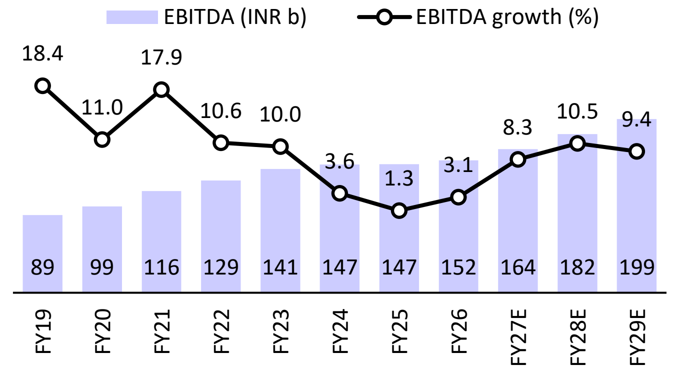


Exhibit 14: Consol. APAT expected to deliver 11% CAGR over FY26-28

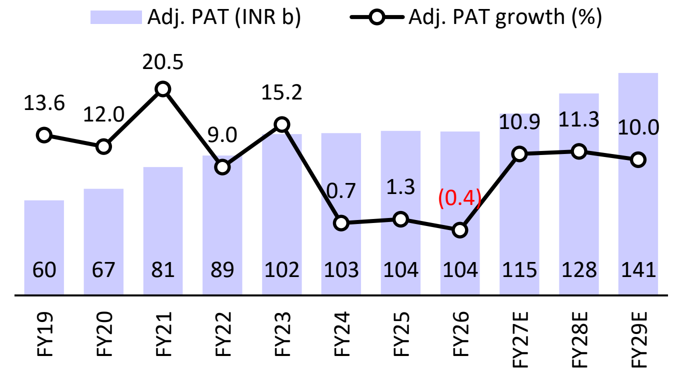


Exhibit 15: HUL's P/E (x)

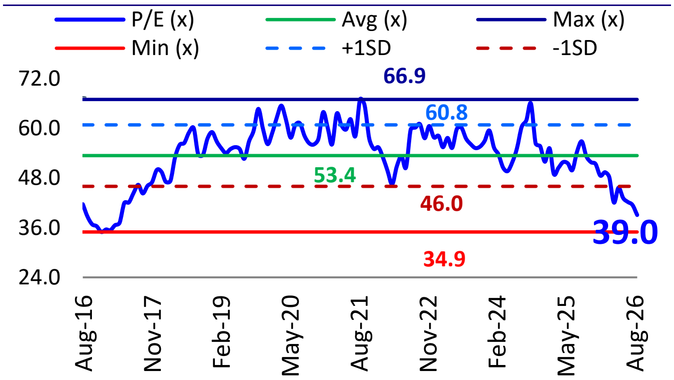
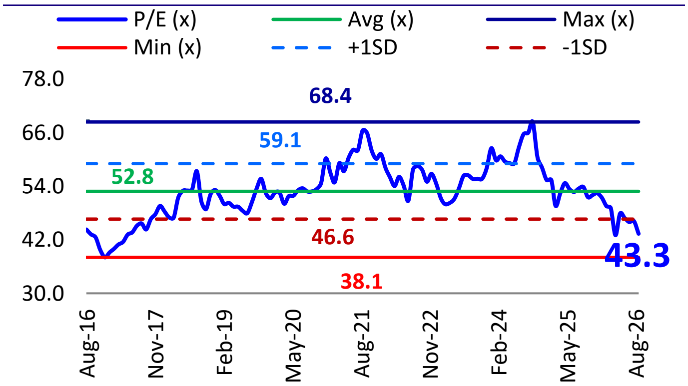


Exhibit 16: Consumer sector P/E (x) (ex-ITC)



Source: Company, MOFSL

Source: Company, MOFSL

Financials and valuations

Income Statement (INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Total Revenue	**470.3**	**524.5**	**605.8**	**619.0**	**613.3**	**644.7**	**706.2**	**766.4**	**831.7**
Change (%)	*18.2*	*11.5*	*15.5*	*2.2*	*2.0*	*5.1*	*9.5*	*8.5*	*8.5*
COGS	221.5	257.4	317.2	297.6	297.7	316.7	349.6	375.5	407.5
Gross Profit	**248.8**	**267.1**	**288.6**	**321.4**	**315.6**	**328.0**	**356.6**	**390.8**	**424.2**
Gross Margin (%)	*52.9*	*50.9*	*47.6*	*51.9*	*51.5*	*50.9*	*50.5*	*51.0*	*51.0*
Operating Exp	132.5	138.5	147.2	174.7	168.5	176.4	192.4	209.3	225.6
EBITDA	**116.3**	**128.6**	**141.5**	**146.6**	**147.1**	**151.7**	**164.2**	**181.5**	**198.6**
Change (%)	*17.9*	*10.6*	*10.0*	*3.6*	*1.3*	*3.1*	*8.3*	*10.5*	*9.4*
Margin (%)	*24.7*	*24.5*	*23.4*	*23.7*	*24.0*	*23.5*	*23.3*	*23.7*	*23.9*
Depreciation	10.7	10.9	11.4	12.2	12.5	13.3	14.4	15.1	15.9
Int. and Fin. Charges	1.2	1.1	1.1	3.3	3.8	4.1	4.3	4.4	4.5
Other Income - Recurring	4.1	2.6	5.1	8.1	10.2	7.5	8.3	9.1	10.0
Profit before Taxes	**108.5**	**119.2**	**134.1**	**139.2**	**140.9**	**141.8**	**153.8**	**171.1**	**188.2**
Change (%)	*15.7*	*9.9*	*12.5*	*3.8*	*1.4*	*0.6*	*8.5*	*11.2*	*10.0*
Margin (%)	*23.4*	*23.1*	*22.5*	*22.8*	*23.3*	*22.2*	*22.0*	*22.6*	*22.9*
Tax	26.1	29.9	32.0	36.4	37.5	31.6	38.7	43.1	47.4
Deferred Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax Rate (%)	*24.0*	*25.1*	*23.9*	*26.2*	*26.6*	*22.3*	*25.2*	*25.2*	*25.2*
Profit after Taxes	**81.2**	**88.5**	**102.0**	**102.7**	**104.0**	**103.6**	**114.9**	**127.8**	**140.7**
Change (%)	*20.5*	*9.0*	*15.2*	*0.7*	*1.4*	*-0.4*	*10.9*	*11.3*	*10.0*
Margin (%)	*17.5*	*17.2*	*17.1*	*16.8*	*17.2*	*16.3*	*16.4*	*16.9*	*17.1*
Reported PAT	**80.0**	**88.9**	**101.2**	**102.8**	**106.6**	**106.3**	**114.9**	**127.8**	**140.7**

Balance Sheet (INR b)

Y/E March	FY21	FY22E	FY23E	FY24E	FY25	FY26	FY27E	FY28E	FY29E
Share Capital	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Reserves	474.4	488.3	500.7	509.8	491.7	485.0	496.5	513.9	537.1
Net Worth	**476.7**	**490.6**	**503.0**	**512.2**	**494.0**	**487.4**	**498.9**	**516.3**	**539.4**
Loans	0.2	0.3	3.2	2.2	2.1	2.7	2.9	3.1	3.3
Capital Employed	**476.9**	**490.9**	**506.2**	**514.4**	**496.1**	**490.1**	**501.8**	**519.3**	**542.7**
Gross Block	578.6	589.8	613.3	636.1	654.5	698.8	716.8	727.8	738.8
Less: Accum. Depn.	-64.2	-75.1	-86.5	-98.6	-111.2	-124.5	-138.9	-154.0	-169.9
Net Fixed Assets incl Goodwill	**514.4**	**514.7**	**526.8**	**537.4**	**543.4**	**574.3**	**577.9**	**573.8**	**568.9**
Capital WIP	7.5	13.1	11.3	10.3	10.1	8.8	7.9	7.1	6.4
Investment in Subsidiaries	0.0	0.0	0.7	0.7	0.6	1.1	0.0	0.0	0.0
Current Investments	27.1	35.2	28.1	45.6	37.5	42.5	47.5	52.5	57.5
Deferred Charges	-59.7	-61.3	-64.1	-65.5	-66.7	-74.6	-74.6	-74.6	-74.6
Curr. Assets, L&A	**138.5**	**142.0**	**163.9**	**191.0**	**207.1**	**170.7**	**201.5**	**242.2**	**291.5**
Inventory	35.8	41.0	42.5	40.2	44.2	47.9	52.1	56.3	61.1
Account Receivables	17.6	22.4	30.8	30.0	38.2	33.8	37.0	40.2	43.6
Cash and Bank Balance	44.7	38.5	46.8	75.6	75.5	32.5	32.9	59.6	93.5
Others	40.4	40.2	43.8	45.2	49.2	56.6	79.5	86.1	93.4
Curr. Liab. and Prov.	**150.8**	**152.9**	**160.5**	**205.1**	**235.9**	**232.7**	**258.4**	**281.6**	**307.0**
Account Payables	88.0	90.7	95.7	104.9	113.2	133.3	146.0	158.4	171.9
Other Liabilities	23.0	22.1	23.6	23.8	52.2	22.2	27.5	29.8	32.3
Provisions	39.7	40.1	41.2	76.4	70.5	77.2	84.9	93.4	102.8
Net Current Assets	**-12.3**	**-10.9**	**3.4**	**-14.1**	**-28.8**	**-62.0**	**-56.9**	**-39.4**	**-15.5**
Application of Funds	**476.9**	**490.9**	**506.2**	**514.4**	**496.1**	**490.1**	**501.8**	**519.3**	**542.7**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)									
EPS	**34.6**	**37.7**	**43.4**	**43.7**	**44.3**	**44.1**	**48.9**	**54.4**	**59.9**
Cash EPS	38.5	41.8	48.2	48.9	49.6	49.8	55.0	60.8	66.6
BV/Share	203.0	208.9	214.1	217.9	210.2	207.4	212.3	219.7	229.5
DPS	31.0	34.0	39.0	42.0	53.0	41.0	44.0	47.0	50.0
Payout %	91.5	91.5	89.8	96.1	119.7	93.0	90.0	86.4	83.5
Valuation (x)									
P/E	57.1	52.4	45.5	45.2	44.6	44.8	40.4	36.3	33.0
Cash P/E	51.3	47.2	40.9	40.4	39.8	39.7	35.9	32.5	29.6
EV/Sales	9.9	8.9	7.7	7.5	7.5	7.2	6.6	6.0	5.5
EV/EBITDA	39.5	35.8	32.5	31.1	31.0	30.4	28.1	25.2	22.9
P/BV	9.7	9.5	9.2	9.1	9.4	9.5	9.3	9.0	8.6
Dividend Yield (%)	1.6	1.7	2.0	2.1	2.7	2.1	2.2	2.4	2.5
Return Ratios (%)									
RoE incl. Goodwill	29.1	18.3	20.5	20.2	20.7	21.1	23.3	25.2	26.6
RoCE incl. Goodwill	39.2	24.8	27.1	27.9	28.6	29.6	31.9	34.4	36.3
Working Capital Ratios									
Debtor (Days)	13.9	15.8	18.9	17.9	23.0	19.3	19.3	19.3	19.3
Leverage Ratio									
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement

(INR b)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
OP/(loss) before Tax	106.1	118.7	133.5	139.3	144.4	138.3	153.8	171.1	188.2
Financial other income	-0.7	-1.5	-4.1	-6.1	-8.4	-0.2	4.3	4.4	4.5
Depreciation	11.3	11.1	11.5	12.2	13.6	14.4	14.4	15.1	15.9
Net Interest Paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct Taxes Paid	-24.1	-27.8	-31.4	-3.8	-22.7	-48.4	-38.7	-43.1	-47.4
(Incr)/Decr in WC	-1.0	-10.0	-9.6	13.1	-7.9	6.9	-10.6	2.7	2.8
CF from Operations	**91.6**	**90.5**	**99.9**	**154.7**	**119.0**	**110.9**	**123.2**	**150.3**	**163.9**
Other Items	-21.9	2.1	15.5	32.0	-44.4	-38.0	5.9	6.5	7.2
(Incr)/Decr in FA	-6.4	-10.8	-10.1	-14.6	-12.6	-13.3	-17.1	-10.2	-10.3
Free Cash Flow	**85.2**	**79.7**	**89.8**	**140.1**	**106.4**	**97.6**	**106.1**	**140.1**	**153.7**
(Pur)/Sale of Investments	23.4	-7.9	-7.4	-43.0	69.0	5.5	-3.9	-5.0	-5.0
CF from Invest.	**-5.0**	**-16.6**	**-2.1**	**-25.5**	**12.0**	**-45.9**	**-15.1**	**-8.7**	**-8.1**
Dividend Paid	-88.1	-75.3	-84.7	-94.2	-124.7	-101.2	-103.4	-110.5	-117.5
Others	-5.0	-4.9	-5.6	-5.3	-6.3	-6.4	-4.3	-4.4	-4.5
CF from Fin. Activity	**-93.1**	**-80.2**	**-89.5**	**-100.3**	**-131.0**	**-108.1**	**-107.7**	**-114.8**	**-122.0**
Incr/Decr of Cash	**-6.4**	**-6.3**	**8.3**	**28.8**	**-0.1**	**-43.1**	**0.4**	**26.7**	**33.9**
Add: Opening Balance	51.1	44.7	38.5	46.8	75.6	75.5	32.5	32.9	59.6
Closing Balance	**44.7**	**38.5**	**46.8**	**75.6**	**75.5**	**32.5**	**32.9**	**59.6**	**93.5**

E: MOFSL Estimates

NOTES

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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