

Marico | BUY

Sales momentum sustained, EBITDA growth to improve in 2H

Marico's 2QFY26 earnings print inline with pre-quarter update. Domestic revenue growth of 35% (UVG of 7%) was best in class among the Staples peers. Volume growth was driven by new franchises (Foods & Premium Personal Care portfolio) and VAHO, while value growth was boosted by steep pricing growth in Parachute/Saffola edible oils. Margin compression was predominantly driven by copra inflation led impact on Parachute profitability. Going ahead revenue momentum is likely to remain healthy (25% growth for FY26E, implies 20%+ growth in 2H), gross margins to improve QoQ benefiting from copra moderation (15% from peak) resulting in double digit EBITDA growth for 2H (vs. mid-single digit in 1H). Marico has navigated inflation cycle well by demonstrating strong pricing power in core. Moreover it also has other margin levers (margin expansion in Foods/D2C & recovery in VAHO) which have helped to cushion some impact in FY26. With scale & increased focus on profitability in this portfolio along with normalisation of Parachute margins, Marico's overall margins could be higher (vs. historical margins) over next 2-3 years. Marico remains our preferred pick in the space. Maintain BUY with revised TP of INR 850 (48x Dec'27E EPS).

- **Revenue inline, operating performance tad better vs estimates:** Marico's 2QFY26 consol. revenue grew by c.31% YoY to INR 34.8bn driven by domestic sales growth of 35%. This was led by volume growth of 7% (inline) and price hikes in core portfolio in response to sharp inflation in key RM prices. International sales grew 19% (in INR terms). GM compressed 814bps to 42.6% (135bps below estimate), on a high base, due to sharp inflation in Copra prices. Staff cost, A&P and other expense grew 2.3%, 19% and 10.4% (4%-8% below our estimates), respectively. Resultant EBITDA grew c.7% to INR 5.6bn (3% above our estimate) with margins down 350bps YoY to 16.1%. This growth was offset by higher depreciation and lower other income led to flat PAT growth to INR 4.2bn. Adjusted PAT (one-offs in base quarter) grew by 8% YoY. Management expects a 25% consolidated revenue growth for FY26E and double digit EBITDA growth for 2HFY26.
- **Pricing led sales growth in Core portfolio; VAHO surprises positively while Foods growth was below expectation:** 1) **Parachute** volumes declined 3% due to ml-age reduction and non-supply to institutional business. Post normalizing for ml-age reductions instead of raising prices, the portfolio's volume remained flattish. Resultant sales growth was 59%. 2) **Saffola Edible Oils** volume remains flattish due to elevated pricing environment. The brand sales grew 19% YoY led solely by pricing growth. 3) **VAHO** saw second consecutive quarter of double digit sales growth (+16%) despite impact of GST transition. This was supported by mid and premium segments of the portfolio. 4) **Newer businesses'** performance – Foods grew 12% and crossed ARR of INR 1,100 Cr driven by continued market share gain by Saffola Oats; Premium Personal Care sustained strong growth momentum led by Digital-first portfolio (reached INR 1,000 Cr ARR). 5) **International business** saw strong growth of 20% in CC terms (19% in INR terms) – MENA region delivered 27% CC growth driven by Gulf region and Egypt. Bangladesh grew +22% CC, while Vietnam & South Africa grew 6% CC and 1% CC respectively. NCD and Exports delivered strong growth of 53%.



Mehul Desai

mehul.desai@jmfl.com | Tel: (91 22) 66303065

Gaurav Jogani

gaurav.jogani@jmfl.com | Tel: (91 22) 66303085

Pooja Kubadia

pooja.kubadia@jmfl.com | Tel: (91 22) 66303074

Rajat Gupta

rajat.gupta@jmfl.com | Tel: (91 22) 66303077

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	850
Upside/(Downside)	15.1%
Previous Price Target	825
Change	3.0%

Key Data – MRCO IN

Current Market Price	INR739
Market cap (bn)	INR958.8/US\$10.8
Free Float	40%
Shares in issue (mn)	1,290.0
Diluted share (mn)	1,290.0
3-mon avg daily val (mn)	INR1,292.8/US\$14.6
52-week range	761/578
Sensex/Nifty	84,563/25,910
INR/US\$	88.7

Price Performance

%	1M	6M	12M
Absolute	4.3	2.2	24.7
Relative*	1.2	-1.7	14.4

* To the BSE Sensex

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.

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	95,730	1,07,330	1,33,661	1,39,140	1,53,738
Sales Growth (%)	-1.2	12.1	24.5	4.1	10.5
EBITDA	20,260	21,390	23,050	27,221	30,758
EBITDA Margin (%)	21.0	19.7	17.1	19.4	19.8
Adjusted Net Profit	14,810	16,290	17,535	20,750	23,403
Diluted EPS (INR)	11.5	12.6	13.6	16.1	18.1
Diluted EPS Growth (%)	13.7	10.0	7.6	18.3	12.8
ROIC (%)	51.9	58.1	74.2	88.0	96.2
ROE (%)	38.8	41.7	43.0	48.2	51.9
P/E (x)	64.4	58.5	54.4	45.9	40.7
P/B (x)	24.9	24.0	22.8	21.5	20.8
EV/EBITDA (x)	46.8	43.9	40.6	34.3	30.4
Dividend Yield (%)	1.3	1.4	1.6	1.9	2.3

Source: Company data, JM Financial. Note: Valuations as of 14/Nov/2025

Concall Highlights

■ Operating Environment

- Demand remained steady in July and August, but was disrupted in September due to GST rate changes.
- 30% of the India business benefited from GST rationalisation, passing on the benefit to consumers via price cuts or increased grammage.
- Disruptions were mainly driven by de-stocking in the trade channels, impacting volumes by around 2% in Q2 FY26.

■ Parachute

- Volume decline is on account of reduction in ml-age and non-supply to institutional business (which are low margin in nature)
- Management expects Parachute volumes to revert to growth as pricing and input costs stabilise over next few quarters.
- Copra prices are down 15% from the peak. Management expects prices to remain range bound in near term and start coming down from March.
- Another key focus area is to reduce the gap between market share in Urban (60% market share) and rural (45-46% market share) for Parachute.

■ VAHO

- Project SETU has driven range selling and has been instrumental in accelerating VAHO growth.
- Franchise continues to gain market share and management is confident of maintaining double digit growth going ahead too.
- Ex-Shanti Amla, volume growth in premium portfolio is in double digit.
- VAHO margins are higher than company level margins

■ Foods

- Portfolio achieved INR 11bn ARR. True Elements and Plix maintained momentum, Honey and Soya chunks are scaling up well.
- Revenue growth of 12% is lower vs. historical trends owing to – a) change of accounting with respect to Plix portfolio sales done on Flipkart where certain expenses are now netted off from topline b) base has Mayo, Peanut butter and Munchies, c) Increased focus on profitability/mix on foods portfolio of Plix (which will continue for next two quarters).
- Some of the scaled up businesses in Foods should get to company level EBITDA in next 3-4 years.

■ Digital first brand

- Management expects to improve Plix margins to mid-high single digits and highlighted that more work needs to be done on Just Herbs and True Elements. Overall, management maintained guidance of double digit operating margin for digital first brands by FY27E.
- Company is on track with its aspiration of reaching 2.5x of FY24 ARR in FY27.

■ Guidance:

- Aim to improve India volume growth and maintain double digit CC growth in International business in H2.
- Gross margins have bottomed out. With moderation in copra prices from peak, management expects double digit EBITDA growth in H2FY26
- Overall for FY26, management remains optimistic about achieving consol. sales growth of 25% led by pricing.
- Historically in any deflationary cycle after a copra inflationary phase, Marico has been able to expand margins by c.200-250bps and if deflationary cycle plays out then management expects at least c.200 bps EBITDA margin expansion in FY27E.
- Company is targeting revenue of INR 20,000 Cr by 2030.

Exhibit 1. 2QFY26 consolidated snapshot: Revenue performance inline, while operating performance tad better

INR mn	CONSOLIDATED					PARENT		
	2QFY26	2QFY25	YoY growth	2QFY26E	% Var	2QFY26	2QFY25	YoY growth
Net Sales	34,820	26,640	30.7%	34,660	0.5%	24,260	18,600	30.4%
Gross Profit	14,850	13,530	9.8%	15,251	-2.6%	8,370	8,280	1.1%
Gross Profit Margin %	42.6%	50.8%	-814 bps	44.0%	-135 bps	34.5%	44.5%	-1001 bps
Staff Cost	2,180	2,130	2.3%	2,305	-5.4%	1,330	1,320	0.8%
Ad & Sales Promotion	3,450	2,900	19.0%	3,743	-7.8%	1,230	1,170	5.1%
Other Expenses	3,620	3,280	10.4%	3,767	-3.9%	2,250	2,340	-3.8%
EBITDA	5,600	5,220	7.3%	5,435	3.0%	3,560	3,450	3.2%
EBITDA margin %	16.1%	19.6%	-351 bps	15.7%	40 bps	14.7%	18.5%	-387 bps
Depreciation	470	410	14.6%	450	4.4%	320	280	14.3%
EBIT	5,130	4,810	6.7%	4,985	2.9%	3,240	3,170	2.2%
Interest Expense	120	110	9.1%	120	0.0%	60	70	-14.3%
Financial Other Income	490	820	-40.2%	867	-43.5%	1,730	3,020	-42.7%
PBT	5,500	5,520	-0.4%	5,732	-4.0%	4,910	6,120	-19.8%
Taxes	1,180	1,190	-0.8%	1,261	-6.4%	920	830	10.8%
Minority Interest	120	100	20.0%	50	140.0%	NA	NA	NA
Reported Net Profit	4,200	4,230	-0.7%	4,421	-5.0%	3,990	5,290	-24.6%
Adjusted Net Profit	4,200	3,880	8.2%	4,421	-5.0%	3,990	5,290	-24.6%

Source: Company, JM Financial

Exhibit 2. Quarterly financial performance - consolidated basis

INR mn	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Domestic Consumer volume growth	3.0%	4.0%	5.0%	3.0%	3.0%	2.0%	3.0%	4.0%	5.0%	6.0%	7.0%	9.0%	7.0%
Sales	24,960	24,700	22,400	24,770	24,760	24,220	22,780	26,430	26,640	27,940	27,300	32,590	34,820
YoY	3.2%	2.6%	3.7%	-3.2%	-0.8%	-1.9%	1.7%	6.7%	7.6%	15.4%	19.8%	23.3%	30.7%
Gross Profit	10,890	11,100	10,620	12,380	12,500	12,420	11,750	13,810	13,530	13,830	13,260	15,290	14,850
Staff cost	1,660	1,600	1,710	1,810	1,870	1,890	1,860	2,030	2,130	2,070	2,080	2,200	2,180
A&P spends	2,130	2,200	2,100	2,120	2,680	2,460	2,260	2,400	2,900	2,930	3,050	2,990	3,450
Other expenses	2,770	2,740	2,880	2,710	2,980	2,940	3,210	3,120	3,280	3,500	3,550	3,550	3,620
EBITDA	4,330	4,560	3,930	5,740	4,970	5,130	4,420	6,260	5,220	5,330	4,580	6,550	5,600
YoY	2.4%	5.8%	13.6%	8.7%	14.8%	12.5%	12.5%	9.1%	5.0%	3.9%	3.6%	4.6%	7.3%
Depreciation	370	390	430	360	390	420	410	410	410	440	520	450	470
Interest	150	140	170	170	200	190	170	170	110	130	120	100	120
Other income	190	400	680	320	380	430	150	370	820	420	470	560	490
PBT	4,000	4,430	4,010	5,530	4,760	4,950	3,990	6,050	5,520	5,180	4,410	6,560	5,500
YoY	-1.2%	8.8%	24.5%	10.8%	19.0%	11.7%	-0.5%	9.4%	16.0%	4.6%	10.5%	8.4%	-0.4%
Pre-tax Exceptional Income/ (Exp)	-	-	-	140	-	-	-	-	-	-	-	-	-
Tax	930	1,100	960	1,310	1,160	1,090	790	1,310	1,190	1,120	960	1,430	1,180
PAT after exceptional item	3,070	3,330	3,050	4,360	3,600	3,860	3,200	4,740	4,330	4,060	3,450	5,130	4,320
Share of profit of associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority Interest	60	50	30	90	70	30	20	100	100	70	20	90	120
PAT	3,010	3,280	3,020	4,270	3,530	3,830	3,180	4,640	4,230	3,990	3,430	5,040	4,200
YoY	-2.6%	5.8%	20.3%	15.1%	17.3%	16.8%	5.3%	8.7%	19.8%	4.2%	7.9%	8.6%	-0.7%
% to sales	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Gross margin	43.6%	44.9%	47.4%	50.0%	50.5%	51.3%	51.6%	52.3%	50.8%	49.5%	48.6%	46.9%	42.6%
Staff cost	6.7%	6.5%	7.6%	7.3%	7.6%	7.8%	8.2%	7.7%	8.0%	7.4%	7.6%	6.8%	6.3%
Other expenses	11.1%	11.1%	12.9%	10.9%	12.0%	12.1%	14.1%	11.8%	12.3%	12.5%	13.0%	10.9%	10.4%
EBITDA margin	17.3%	18.5%	17.5%	23.2%	20.1%	21.2%	19.4%	23.7%	19.6%	19.1%	16.8%	20.1%	16.1%

Source: Company, JM Financial

Exhibit 3. Quarterly financial performance - standalone basis

INR mn	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Sales	19,090	18,910	17,020	18,410	17,910	17,330	16,370	18,860	18,600	19,650	18,700	22,810	24,260
YoY	-0.4%	1.9%	0.9%	-6.8%	-6.2%	-8.4%	-3.8%	2.4%	3.9%	13.4%	14.2%	20.9%	30.4%
Gross Profit	7,300	7,680	7,180	8,320	8,090	7,990	7,570	8,760	8,280	8,400	7,680	8,930	8,370
Staff cost	1,000	980	1,080	1,140	1,150	1,130	1,210	1,270	1,320	1,220	1,240	1,360	1,330
A&P spends	1,120	1,280	1,130	1,190	1,390	1,130	1,140	1,060	1,170	1,130	980	840	1,230
Other expenses	2,100	2,020	2,180	1,960	2,130	2,090	2,250	2,150	2,340	2,410	2,340	2,240	2,250
EBITDA	3,080	3,400	2,790	4,030	3,420	3,640	2,970	4,280	3,450	3,640	3,120	4,490	3,560
YoY	4.1%	13.7%	13.0%	5.5%	11.0%	7.1%	6.5%	6.2%	0.9%	0.0%	5.1%	4.9%	3.2%
Depreciation	250	280	310	250	260	290	270	280	280	290	380	300	320
Interest	100	90	90	70	100	80	70	50	70	60	50	50	60
Other income	1,310	350	300	370	350	350	280	180	3,020	1,220	1,490	4,740	1,730
PBT	4,040	3,380	2,690	4,080	3,410	3,620	2,910	4,130	6,120	4,510	4,180	8,880	4,910
YoY	2.8%	-0.3%	-21.1%	-15.2%	-15.6%	7.1%	8.2%	1.2%	79.5%	24.6%	43.6%	115.0%	-19.8%
Pre tax Exceptional Income/ (Exp)	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax	700	840	650	1,010	830	780	620	1,020	830	750	930	1,110	920
PAT	3,340	2,540	2,040	3,070	2,580	2,840	2,290	3,110	5,290	3,760	3,250	7,770	3,990
YoY	1.5%	-8.6%	-30.4%	-20.7%	-22.8%	11.8%	12.3%	1.3%	105.0%	32.4%	41.9%	149.8%	-24.6%
% to sales	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Gross margin	38.2%	40.6%	42.2%	45.2%	45.2%	46.1%	46.2%	46.4%	44.5%	42.7%	41.1%	39.1%	34.5%
Staff cost	5.2%	5.2%	6.3%	6.2%	6.4%	6.5%	7.4%	6.7%	7.1%	6.2%	6.6%	6.0%	5.5%
Other expenses	11.0%	10.7%	12.8%	10.6%	11.9%	12.1%	13.7%	11.4%	12.6%	12.3%	12.5%	9.8%	9.3%
EBITDA margin	16.1%	18.0%	16.4%	21.9%	19.1%	21.0%	18.1%	22.7%	18.5%	18.5%	16.7%	19.7%	14.7%

Source: Company, JM Financial

Exhibit 4. Quarterly segmental overview

INR mn	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Revenue - Consumer Products													
Domestic	18,960	18,510	16,830	18,270	18,320	17,930	16,800	19,620	19,790	21,010	20,680	24,950	26,670
YoY	1.4%	1.9%	1.8%	-4.9%	-3.4%	-3.1%	-0.2%	7.4%	8.0%	17.2%	23.1%	27.2%	34.8%
International	6,000	6,190	5,570	6,500	6,440	6,290	5,980	6,810	6,850	6,930	6,620	7,640	8,150
YoY	9.3%	4.9%	9.9%	2.0%	7.3%	1.6%	7.4%	4.8%	6.4%	10.2%	10.7%	12.2%	19.0%
Total	24,960	24,700	22,400	24,770	24,760	24,220	22,780	26,430	26,640	27,940	27,300	32,590	34,820
YoY	3.2%	2.6%	3.7%	-3.2%	-0.8%	-1.9%	1.7%	6.7%	7.6%	15.4%	19.8%	23.3%	30.7%
EBIT - Consumer Products													
Domestic	3,290	3,440	3,020	4,280	3,760	3,800	3,390	4,440	3,920	3,920	3,220	4,690	3,980
Margin %	17.4%	18.6%	17.9%	23.4%	20.5%	21.2%	20.2%	22.6%	19.8%	18.7%	15.6%	18.8%	15%
International	1,270	1,340	1,180	1,810	1,500	1,560	1,470	1,970	1,750	1,800	1,590	2,130	1,950
Margin %	21.2%	21.6%	21.2%	27.8%	23.3%	24.8%	24.6%	28.9%	25.5%	26.0%	24.0%	27.9%	24%
Total	4,560	4,780	4,200	6,090	5,260	5,360	4,860	6,410	5,670	5,720	4,810	6,820	5,930
Margin %	18.3%	19.4%	18.8%	24.6%	21.2%	22.1%	21.3%	24.3%	21.3%	20.5%	17.6%	20.9%	17%
YoY	4.6%	7.9%	15.7%	9.9%	15.4%	12.1%	15.7%	5.3%	7.8%	6.7%	-1.0%	6.4%	4.6%

Source: Company, JM Financial

Exhibit 5. Volume-Value growth trends

	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Domestic Consumer Volume Growth	3%	4%	5%	3%	3%	2%	3%	4%	5%	6%	7%	9%	7%
Parachute Volume growth - Rigid Packs	-3%	2%	9%	-2%	1%	3%	2%	2%	4%	3%	-1%	-1%	-3%
Saffola Value Growth	1%	6%	-11%	-22%	-22%	-26%	-16%	-1%	2%	24%	26%	28%	19%
Value Added Hair Oil Value Growth	2%	-3%	13%	0%	1%	3%	-7%	-5%	-8%	-2%	1%	13%	16%
International Revenue CC Growth	11%	8%	16%	9%	13%	6%	10%	10%	13%	16%	16%	19%	20%

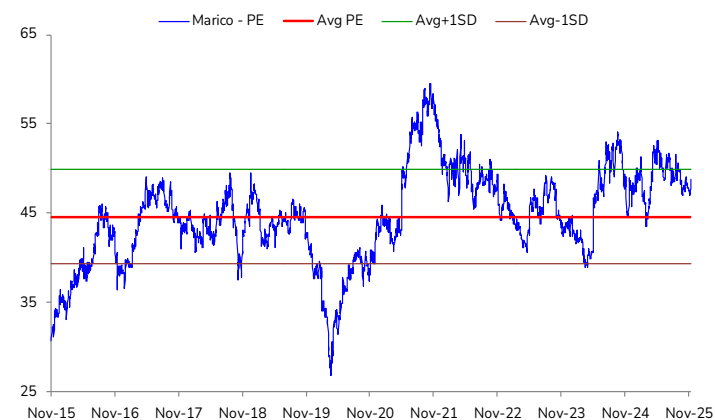
Source: Company, JM Financial

Exhibit 6. Marico's 5yr avg PE Band



Source: Bloomberg, Company, JM Financial

Exhibit 7. Marico's 10yr avg PE Band



Source: Bloomberg, Company, JM Financial

Exhibit 8. Revision in estimates

INR mn	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	133,661	139,140	153,738	133,350	143,735	158,740	0.2%	-3.2%	-3.2%
EBITDA	23,050	27,221	30,758	23,189	27,107	30,525	-0.6%	0.4%	0.8%
PAT	17,535	20,750	23,403	17,723	20,739	23,287	-1.1%	0.1%	0.5%
EPS	13.6	16.1	18.1	13.7	16.1	18.1	-1.1%	0.1%	0.5%

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	95,730	1,07,330	1,33,661	1,39,140	1,53,738
Sales Growth	-1.2%	12.1%	24.5%	4.1%	10.5%
Other Operating Income	800	980	1,220	1,270	1,404
Total Revenue	96,530	1,08,310	1,34,881	1,40,410	1,55,141
Cost of Goods Sold/Op. Exp	47,480	53,880	74,776	74,936	82,470
Personnel Cost	7,430	8,310	8,822	9,141	10,024
Other Expenses	21,360	24,730	28,233	29,112	31,890
EBITDA	20,260	21,390	23,050	27,221	30,758
EBITDA Margin	21.0%	19.7%	17.1%	19.4%	19.8%
EBITDA Growth	11.9%	5.6%	7.8%	18.1%	13.0%
Depn. & Amort.	1,580	1,780	1,944	2,131	2,331
EBIT	18,680	19,610	21,106	25,090	28,427
Other Income	1,420	2,080	2,223	2,418	2,531
Finance Cost	730	530	448	432	420
PBT before Excep. & Forex	19,370	21,160	22,881	27,076	30,537
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	19,370	21,160	22,881	27,076	30,537
Taxes	4,350	4,580	5,034	5,957	6,718
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	210	290	312	369	417
Reported Net Profit	14,810	16,290	17,535	20,750	23,403
Adjusted Net Profit	14,810	16,290	17,535	20,750	23,403
Net Margin	15.3%	15.0%	13.0%	14.8%	15.1%
Diluted Share Cap. (mn)	1,290.0	1,290.0	1,290.0	1,290.0	1,290.0
Diluted EPS (INR)	11.5	12.6	13.6	16.1	18.1
Diluted EPS Growth	13.7%	10.0%	7.6%	18.3%	12.8%
Total Dividend + Tax	12,290	13,545	15,457	18,291	21,799
Dividend Per Share (INR)	9.5	10.5	12.0	14.2	16.9

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	19,370	21,160	22,881	27,076	30,537
Depn. & Amort.	1,580	1,780	1,944	2,131	2,331
Net Interest Exp. / Inc. (-)	-690	-1,550	-1,775	-1,986	-2,111
Inc (-) / Dec in WCap.	-2,260	-2,930	1,389	-1,049	-161
Others	-350	10	0	0	0
Taxes Paid	-3,780	-4,840	-4,770	-5,740	-6,539
Operating Cash Flow	13,870	13,630	19,669	20,433	24,057
Capex	-1,350	-1,220	-2,406	-2,491	-2,737
Free Cash Flow	12,520	12,410	17,263	17,942	21,321
Inc (-) / Dec in Investments	2,450	-5,690	-3,180	-3,816	-4,579
Others	660	700	2,223	2,418	2,531
Investing Cash Flow	1,760	-6,210	-3,363	-3,889	-4,785
Inc / Dec (-) in Capital	340	460	0	0	0
Dividend + Tax thereon	-12,290	-4,530	-15,457	-18,291	-21,799
Inc / Dec (-) in Loans	-910	-50	-379	-341	-307
Others	-2,560	-2,370	-476	-461	-450
Financing Cash Flow	-15,420	-6,490	-16,311	-19,093	-22,557
Inc / Dec (-) in Cash	210	930	-6	-2,549	-3,284
Opening Cash Balance	9,220	6,840	7,770	7,764	5,216
Closing Cash Balance	9,430	7,770	7,764	5,216	1,931

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	38,320	39,750	41,828	44,287	45,890
Share Capital	1,290	1,290	1,290	1,290	1,290
Reserves & Surplus	37,030	38,460	40,538	42,997	44,600
Preference Share Capital	0	0	0	0	0
Minority Interest	3,370	2,910	3,222	3,592	4,008
Total Loans	3,830	3,790	3,411	3,070	2,763
Def. Tax Liab. / Assets (-)	2,110	1,910	1,910	1,910	1,910
Total - Equity & Liab.	47,630	48,360	50,371	52,859	54,571
Net Fixed Assets	27,680	27,980	28,557	29,037	29,569
Gross Fixed Assets	23,250	22,900	25,306	27,796	30,533
Intangible Assets	8,630	8,570	8,570	8,570	8,570
Less: Depn. & Amort.	6,730	6,190	8,134	10,265	12,596
Capital WIP	2,530	2,700	2,815	2,936	3,063
Investments	6,020	15,900	19,080	22,896	27,475
Current Assets	39,830	38,930	46,323	45,355	46,282
Inventories	13,360	12,350	15,380	16,010	17,690
Sundry Debtors	10,690	12,710	15,828	16,477	18,206
Cash & Bank Balances	9,430	7,770	7,764	5,216	1,931
Loans & Advances	2,120	1,480	1,738	1,809	1,999
Other Current Assets	4,230	4,620	5,614	5,844	6,457
Current Liab. & Prov.	25,900	34,450	43,589	44,430	48,755
Current Liabilities	24,010	32,120	40,911	41,478	45,486
Provisions & Others	1,890	2,330	2,678	2,952	3,270
Net Current Assets	13,930	4,480	2,734	925	-2,473
Total - Assets	47,630	48,360	50,371	52,859	54,571

Source: Company, JM Financial

Dupont Analysis

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	15.3%	15.0%	13.0%	14.8%	15.1%
Asset Turnover (x)	2.1	2.3	2.7	2.7	2.9
Leverage Factor (x)	1.2	1.2	1.2	1.2	1.2
RoE	38.8%	41.7%	43.0%	48.2%	51.9%

Key Ratios

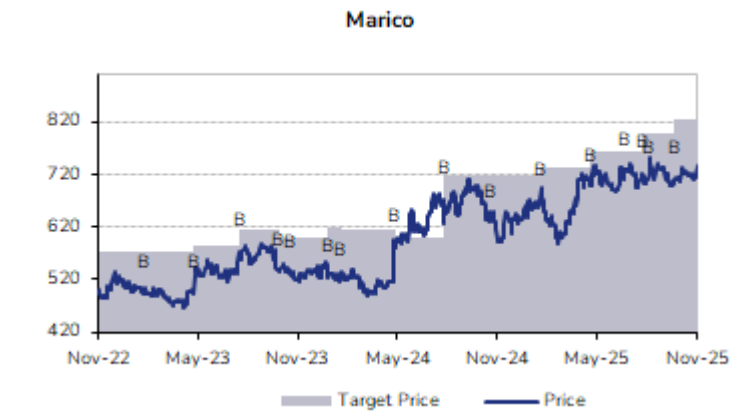
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	29.7	30.8	32.4	34.3	35.6
ROIC	51.9%	58.1%	74.2%	88.0%	96.2%
ROE	38.8%	41.7%	43.0%	48.2%	51.9%
Net Debt/Equity (x)	-0.2	-0.4	-0.5	-0.5	-0.5
P/E (x)	64.4	58.5	54.4	45.9	40.7
P/B (x)	24.9	24.0	22.8	21.5	20.8
EV/EBITDA (x)	46.8	43.9	40.6	34.3	30.4
EV/Sales (x)	9.8	8.7	6.9	6.7	6.0
Debtor days	40	43	43	43	43
Inventory days	51	42	42	42	42
Creditor days	108	128	128	128	128

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
6-May-22	Buy	560	
6-Aug-22	Buy	565	0.9
7-Oct-22	Buy	565	0.0
5-Nov-22	Buy	575	1.8
3-Feb-23	Buy	575	0.0
5-May-23	Buy	585	1.7
28-Jul-23	Buy	615	5.1
9-Oct-23	Buy	600	-2.4
30-Oct-23	Buy	600	0.0
8-Jan-24	Buy	620	3.3
29-Jan-24	Buy	615	-0.8
7-May-24	Buy	600	-2.4
5-Aug-24	Buy	720	20.0
29-Oct-24	Buy	720	0.0
31-Jan-25	Buy	735	2.1
3-May-25	Buy	765	4.1
4-Jul-25	Buy	765	0.0
4-Aug-25	Buy	800	4.6
17-Aug-25	Buy	800	0.0
4-Oct-25	Buy	825	3.1

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfirancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com

Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

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New 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.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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