

Result Preview



Asian Paints
Britannia Industries
Colgate-Palmolive India
Dabur India
Emami
Godrej Consumer Products
Hindustan Unilever
Indigo Paints
ITC
Jyothy Laboratories
Marico
Nestle India
Page Industries
Pidilite Industries
P&G Hygiene and Healthcare
Tata Consumer Products
United Breweries
United Spirits
Varun Beverages

On the course of volume pickup

MOFSL coverage universe to clock 5.6%/6.2% YoY growth in revenue/EBITDA

Demand trends were steady in 4QFY24, and companies have been focusing on boosting their core portfolios through various initiatives, including distribution expansion, product relaunches, step-up in marketing budgets, etc. Urban markets continued to see improvement, and rural markets have also started witnessing recovery (Dabur's rural growth was better than urban growth). FY24 was an interim phase when price cuts/consumer offer impacted revenue growth, while volume recovery lagged (around 12-15 months). We believe volume growth has bottomed out and expect a better print in FY25 (**our recent [sector thematic](#)**). We are seeing select price hikes (HPC categories); hence, we believe that revenue growth could be slightly higher than volume growth for select companies. Our FMCG universe is likely to post low to mid-single digit volume growth in 4QFY24. Paints and adhesive companies are expected to report high single-digit volume growth. The cigarette segment is seeing a moderation in demand and is expected to deliver flat volume growth. Overhead expenses related to distribution and marketing are expected to remain elevated. Still, with gross margin benefits, we expect EBITDA to grow at a higher rate than revenue. The 19 companies under our coverage are expected to deliver revenue growth of ~5.6%, EBITDA growth of ~6.2%, and PAT growth of 7.4% in 4QFY24.

Commodity prices stable; gold keeps shining

As we mentioned in our [commodity note](#) in Mar'24, in the **non-agricultural basket**, crude oil prices went up by 2.0% YoY but dropped by 1.8% QoQ in 4QFY24. However, the price has been range-bound for the last 30 days at around USD85/bbl. VAM prices have rebounded to USD1,013/t currently, up 15.1% since Jan'24 compared to the 3QFY24 average of USD 888/t. Despite this increase, VAM prices are still down by 7.7% YoY. Domestic gold prices increased by 10.5% YoY and 3.7% QoQ in 4Q, and they are currently trading at INR65,446 per 10gm, attributed to high US interest rates and inflation concerns. Titanium dioxide (TiO₂) prices declined by 13.1% YoY and 2.8% QoQ; now at INR340/kg.

- **In the agricultural basket**, maize prices went up by 3.9% YoY and 4.6% QoQ. Coffee prices rose 15.3% YoY (2.5% QoQ) due to unusual rainfall, labor shortages, and higher demand. Tea prices fell sharply by 10.2% YoY and 21.1% QoQ due to low export demand and slow rural consumption. Wheat prices rose 2.6% YoY, aided by government support to farmers, but dropped 2.4% QoQ. Barley prices fell 25.1% YoY and 3.9% QoQ to INR2,032/quintal. Sugar prices increased by 10.8% YoY but decreased by 3.6% QoQ; now at INR3,800/quintal. Mentha oil prices dropped 18.7% YoY but remained steady QoQ. Malaysian palm oil prices increased by 7.9% QoQ but slightly decreased by 1.2% YoY. Palm fatty acid prices rose 2.7% YoY; now at USD816/MT.
- **Overall commodity cost basket:** The commodity cost basket fell 1.8% YoY but remained flat QoQ. There was an increase of 2.4% YoY/1.7% QoQ in the agricultural basket. The decrease in prices of tea, wheat, barley and sugar was offset by a rise in prices of coffee and maize. Conversely, the non-agricultural commodity basket declined 6.2% YoY and increased 2.4% QoQ, offsetting the rise in agri commodity prices.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

4QFY24 – Key earnings outliers and underperformers

- Outliers: GCPL, Marico, Nestle
- Underperformer: HUL, Britannia

Outlook and recommendation

We continue to believe that discretionary categories/companies have better growth potential, driven by factors such as market penetration, deeper distribution reach, GDP multiplier, higher wallet share, etc. However, we do see growth normalization (settling of pent-up demand). We also believe that amid intensifying competition, it will be difficult for many discretionary companies to sustain high margins.

Discretionary companies are also facing the risk of earnings cuts, along with a valuation check. However, we anticipate volume growth for staples companies to bottom out, with limited risk of earnings cuts. Given the comfort level in valuation and earnings, we believe that select staple companies offer a better risk-reward compared to several discretionary companies over the next 12-18 months. We recommend increasing portfolio weights for staples companies. We prefer HUL, GCPL, and Dabur in the staples category. In the discretionary category, we continue to favor the jewelry space and prefer Titan.

Top picks

- **HUL:** We expect that the volume growth has bottomed out and anticipate a gradual volume recovery in FY25. HUL wide product basket and presence across price segments should help the company achieve a steady growth recovery. There is scope for a turnaround in part of BPC and F&R; we will monitor the execution in these segments under the new CEO. The valuation at 45x FY26E EPS is reasonable given its last five-year average P/E of 65x on oneyear forward earning.
- **GCPL:** GCPL is consistently working to expand the total addressable market for its India business through product innovations to drive frequency. Besides, there has been a consistent effort to address the gaps in profitability and growth in its international business. We see margin headroom from the RCCL and Indonesia businesses. The stock valuation is expensive, but earnings are expected to outperform peers.
- **DABUR:** Recovery in rural markets should support Dabur's portfolio, as it is heavily skewed toward rural areas. In the domestic business, we expect healthcare, oral care, and food business to grow faster than others. The distribution drive will further contribute to rural growth. EBITDA margin has remained in the range of 19-20% for the past several years. The margin is expected to improve in the coming years due to a better mix of products (such as higher healthcare offerings) and increased pricing in high market-share brands. The stock currently trades at a P/E of <40x FY26E EPS.

Exhibit 1: Summary of 4QFY24 earnings estimates

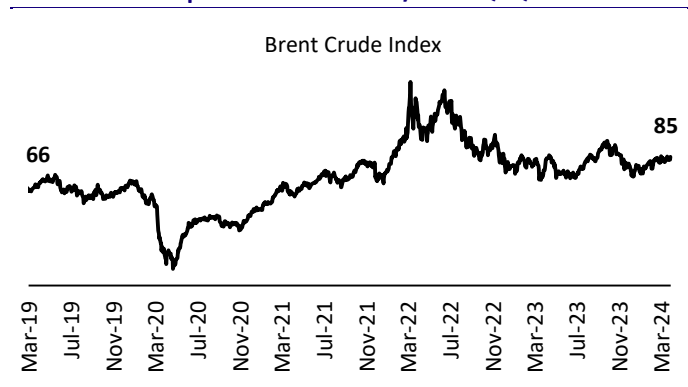
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Asian Paints	2871	Neutral	90,993	3.6	0.0	19,840	6.4	-3.5	13,971	8.9	-5.3
Britannia	4891	Neutral	41,316	2.7	-2.9	8,071	0.8	-1.7	5,648	2.0	0.9
Colgate	2714	Neutral	15,002	11.1	7.5	5,149	13.9	9.9	3,669	15.5	11.1
Dabur	529	Buy	28,453	6.3	-12.6	4,478	9.3	-32.9	3,246	0.5	-37.9
Emami	440	Buy	8,663	3.6	-13.1	2,055	2.9	-34.7	2,060	39.5	-27.1
Godrej Consumer	1227	Buy	33,838	5.7	-7.5	7,706	15.9	-14.8	5,340	13.6	-8.9
Hind. Unilever	2287	Buy	1,53,639	1.0	-1.3	35,420	-0.9	-3.4	25,076	-1.3	-1.3
Indigo Paints	1317	Buy	3,990	22.6	12.8	888	23.8	42.7	574	17.9	52.8
ITC	427	Buy	1,84,221	4.5	2.2	66,246	0.0	1.9	51,216	0.0	2.2
Jyothy Labs	444	Neutral	6,837	10.8	0.9	1,170	28.2	-1.3	851	43.6	-6.4
Marico	496	Buy	22,749	1.6	-6.1	4,478	13.9	-12.7	3,739	23.8	-2.4
Nestle	2586	Neutral	52,425	8.5	14.0	12,789	13.8	13.3	8,694	15.8	11.4
P&G Hygiene	16599	Neutral	9,361	6.0	-17.4	2,011	34.7	-35.1	1,454	35.3	-36.5
Page Industries	34729	Neutral	10,645	9.8	-13.4	1,933	43.9	-15.8	1,262	61.1	-17.1
Pidilite Inds.	3049	Neutral	28,211	4.9	-9.9	6,626	44.3	-10.8	4,467	55.5	-12.5
Tata Consumer	1087	Buy	39,564	9.3	4.0	6,088	19.0	6.4	3,864	41.3	11.2
United Breweries	1786	Sell	19,721	11.8	8.2	1,763	229.8	21.1	1,051	980.3	23.9
United Spirits	1158	Neutral	25,911	3.9	-13.3	3,628	7.3	-26.2	2,412	13.6	-30.7
Varun Beverages	1397	Buy	42,280	8.6	58.5	8,847	10.9	111.5	4,794	11.7	263.8
Consumer			8,07,523	5.6	2.0	1,93,174	6.2	-1.1	1,41,151	7.4	-5.7

Exhibit 2: Expect most of the companies to post low single-digit volume growth in 4QFY24

Quarter ending (gr. %)	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24E
Asian Paints (Dom. Deco.)	48.0	106.0	34.0	10.0	8.0	37.0	10.0	0.0	16.0	10.0	6.0	12.0	9.0
Britannia (Biscuits)	8.0	1.0	5.0	6.0	4.0	(2.0)	4.0	2.0	3.0	0.0	0.0	3.0	3.5
Colgate (Toothpaste)	16.0	8.0	4.0	1.0	(4.0)	(1.0)	0.0	-2.0	0.0	5.0	-1.0	-1.0	4.0
Dabur	25.4	34.4	10.0	2.0	2.0	5.0	2.0	-3.0	1.0	3.0	3.0	4.0	3.0
Emami	39.0	38.0	6.2	0.0	0.0	9.6	-1	-3.9	2.0	3.0	2.0	-0.9	2.0
Hindustan Unilever	31.0	9.0	4.0	2.0	0.0	6.0	4.0	5.0	4.0	3.0	2.0	2.0	3.0
ITC (Cigarettes)	7.0	31.0	9.0	12.5	9.0	26.0	21.0	15.0	12.0	8.0	4.0	-1.0	0.0
Marico (Dom.)	25.0	21.0	8.0	0.0	1.0	(6.0)	3.0	4.0	5.0	3.0	3.0	2.0	3.0

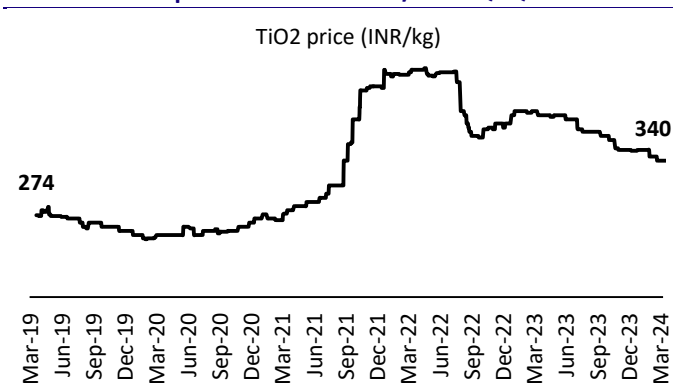
Source: Company, MOFSL

Exhibit 1: Crude prices rose 2.0% YoY/ 1.8% QoQ in Mar'24



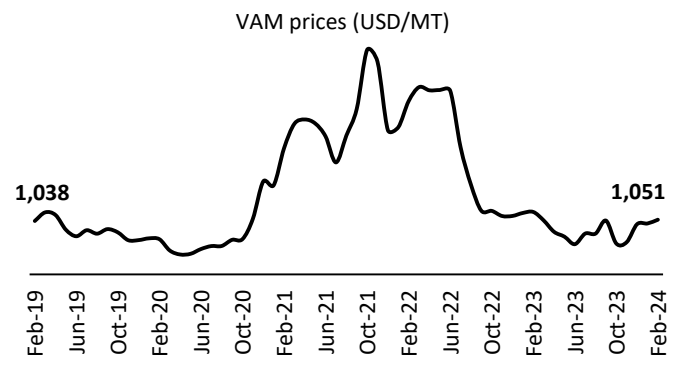
Source: Bloomberg, MOFSL

Exhibit 2: TiO2 prices fell 13.1% YoY/2.8% QoQ in Mar'24



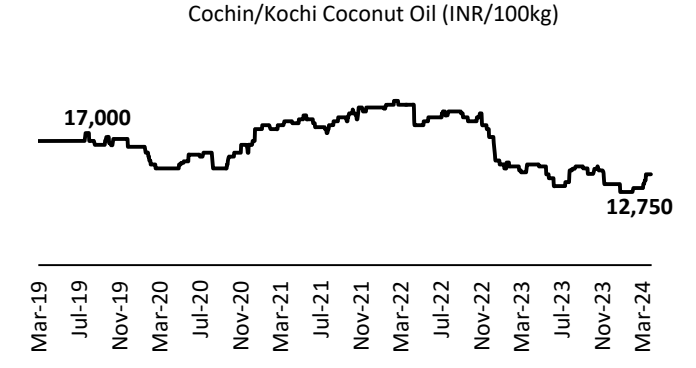
Source: Bloomberg, MOFSL

Exhibit 3: VAM prices down 7.7% YoY/up 15.1% QoQ in Mar'24



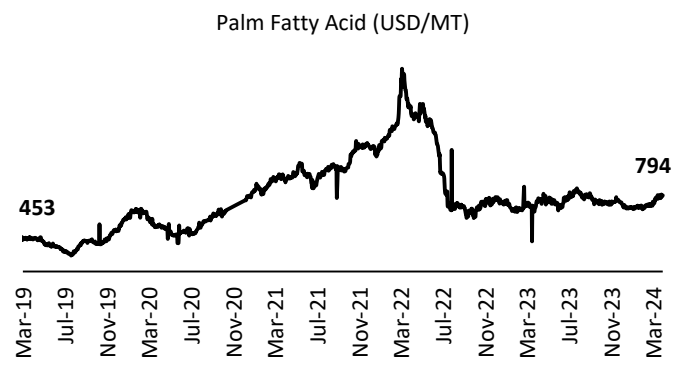
Source: Bloomberg, MOFSL

Exhibit 4: Copra prices fell 19.6% YoY/9.7% QoQ in Mar'24



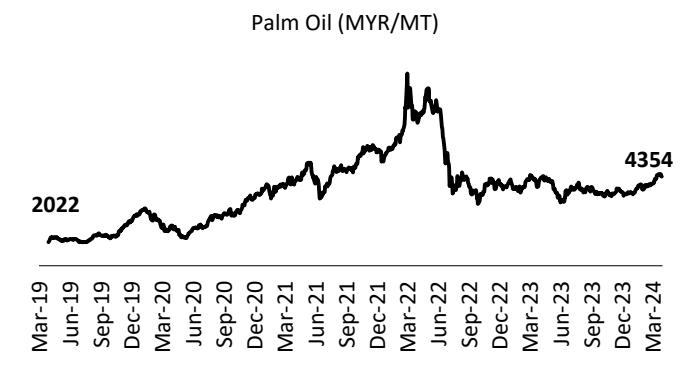
Source: Company, MOFSL

Exhibit 5: PFAD prices rose 2.7% YoY/and flat on QoQ in Mar'24



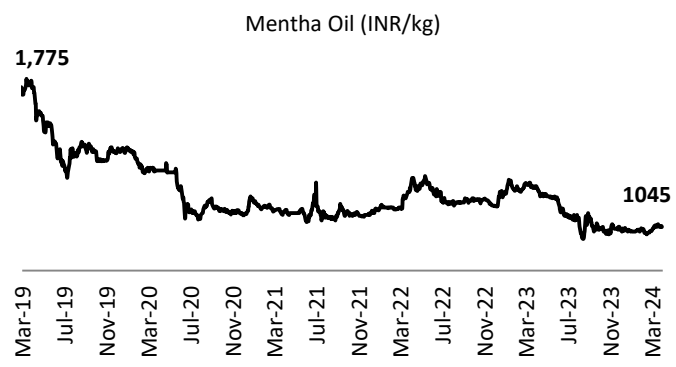
Source: Bloomberg, MOFSL

Exhibit 6: Malaysian palm oil prices flat on YoY/ rose 7.9% QoQ in Mar'24



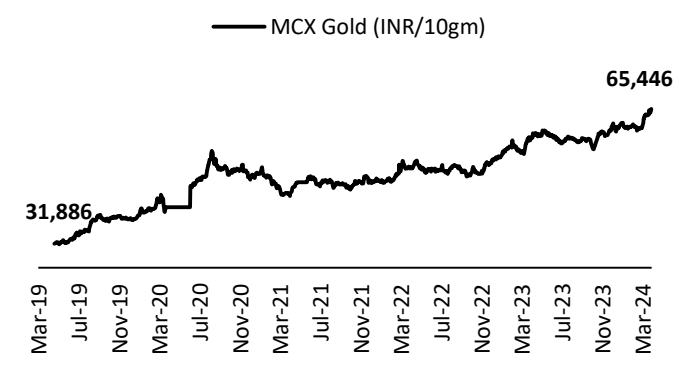
Source: Bloomberg, MOFSL

Exhibit 7: Mentha oil prices fell 18.7% YoY/flat on QoQ in Mar'24



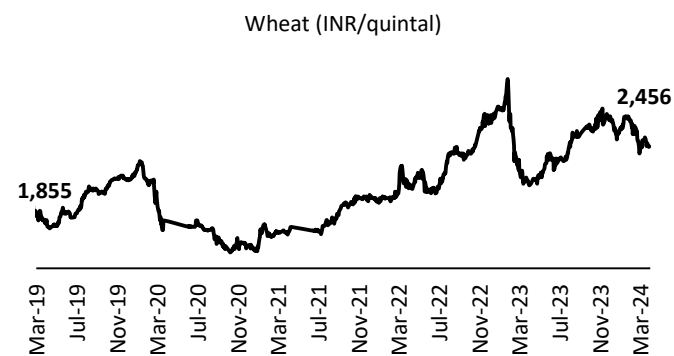
Source: Bloomberg, MOFSL

Exhibit 8: Gold prices rose 10.5% YoY/ 3.7% QoQ in Mar'24



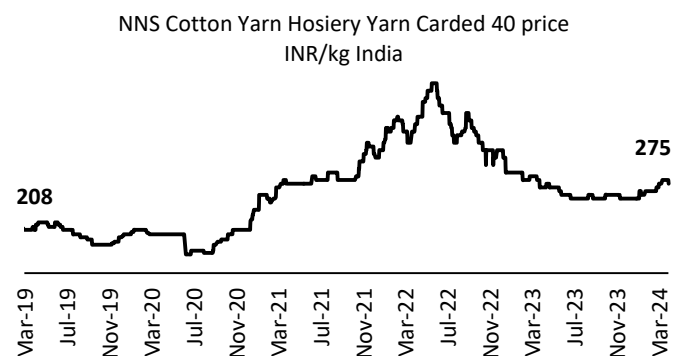
Source: Bloomberg, MOFSL

Exhibit 9: Wheat prices rose 2.6%YoY and fell 2.4% QoQ in Mar'24



Source: Bloomberg, MOFSL

Exhibit 10: Yarn prices down 6.0% YoY/rose 4.0% QoQ in Mar'24

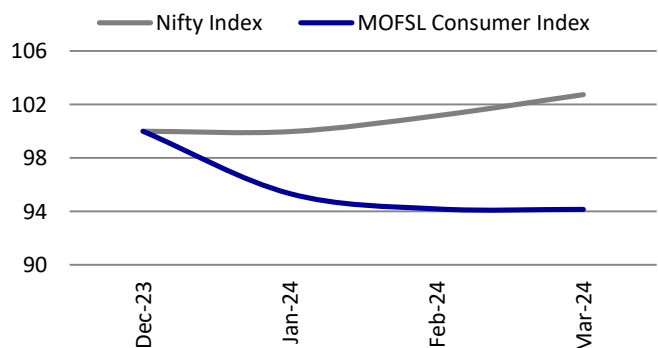


Source: Bloomberg, MOFSL

Exhibit 11: Comparative valuation

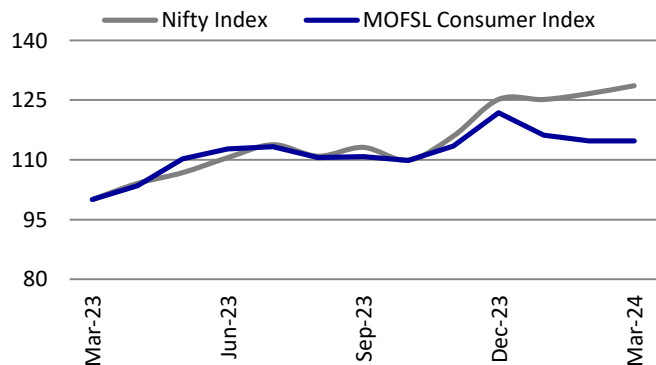
Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Consumer			47.1	43.5	39.3	12.2	11.2	10.4	25.8	25.7	26.5			
Asian Paints	2,871	Neutral	59.2	59.3	64.3	48.1	48.4	44.7	15.7	14.5	13.1	34.1	31.3	30.8
Britannia	4,891	Neutral	89.9	101.6	113.4	54.7	48.1	43.1	30.2	26.0	21.9	58.1	58.0	55.2
Colgate	2,714	Neutral	48.9	51.5	56.1	55.4	52.7	48.4	38.0	33.2	28.3	72.8	67.3	63.1
Dabur	529	Buy	10.5	12.2	13.5	50.0	43.3	39.3	9.5	8.8	8.2	19.8	21.2	21.5
Emami	440	Buy	18.7	20.5	21.0	22.9	21.5	20.9	7.2	6.6	6.0	33.6	32.4	29.9
Godrej Consumer	1,227	Buy	20.2	22.6	26.5	62.0	54.3	46.4	8.5	7.6	6.9	14.3	14.6	15.5
Hind. Unilever	2,287	Buy	43.8	48.0	52.7	51.8	47.6	43.4	10.4	10.3	10.0	20.3	21.9	23.4
Indigo Paints	1,317	Buy	31.9	35.9	40.1	39.4	36.7	32.8	6.7	6.1	5.3	18.1	17.7	17.3
ITC	427	Buy	16.4	17.2	18.5	26.1	24.8	23.1	7.6	7.5	7.3	29.4	30.4	31.9
Jyothy Labs	444	Neutral	10.0	11.0	12.1	44.0	40.5	36.6	9.3	8.6	7.8	22.4	22.2	22.3
Marico	496	Buy	11.5	12.5	13.7	43.0	39.7	36.1	16.3	15.8	15.2	38.5	40.3	42.8
Nestle	2,586	Neutral	40.5	35.8	40.9	64.7	72.2	63.3	86.7	74.5	65.0	145.3	110.3	109.8
P&G Hygiene	16,599	Neutral	241.7	271.3	310.0	69.9	61.2	53.5	53.5	44.9	38.4	79.7	79.2	77.4
Page Industries	34,729	Neutral	526.5	636.0	737.9	65.4	54.6	47.1	23.9	20.5	17.4	36.5	37.5	37.0
Pidilite Inds.	3,049	Neutral	37.2	42.6	49.6	81.0	71.5	61.5	18.5	16.4	14.4	24.4	24.5	25.0
Tata Consumer	1,087	Buy	14.7	18.4	20.5	74.4	58.9	53.0	5.9	4.5	4.2	8.3	9.1	8.8
United Breweries	1,786	Sell	16.4	26.2	32.3	106	68	55.3	10.9	10.3	9.4	10.6	15.8	17.8
United Spirits	1,158	Neutral	16.0	18.3	20.4	71	63	56.7	11.6	9.9	8.5	16.3	15.7	14.9
Varun Beverages	1,397	Buy	15.8	20.2	26.3	88.4	69.1	53.2	26.2	19.6	14.7	34.2	32.5	31.6

Exhibit 12: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 13: One-year relative performance (%)



Source: MOFSL, Company

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe. Highlighted columns indicate the quarter/financial year under review.

Asian Paints Neutral

CMP: INR2,871 | TP: INR3,150 (-10%)

EPS CHANGE (%): FY25 | FY26: -3.2 | -4.4

- We expect 9% YoY volume growth in 4QFY24.
- We expect gross margin to expand 100bp YoY/flat on QoQ.
- TiO2 to decline 13.3% YoY/3.0% QoQ in 4QFY24.
- Despite implementing price cuts in 4Q, volume has not recovered. We believe that demand remained subdued throughout the quarter.

Quarterly Performance (Consol.)										(INR m)
Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Est. Dom. Deco. Vol. growth (%)	37.0	10.0	0.0	16.0	10.0	6.0	12.0	9.0	14.0	9.3
Net Sales	86,069	84,576	86,367	87,873	91,823	84,786	91,031	90,993	3,44,886	3,58,633
Change (%)	54.1	19.2	1.3	11.3	6.7	0.2	5.4	3.6	18.5	4.0
Gross Profit	32,450	30,219	33,310	37,341	39,419	36,771	39,695	39,620	1,33,321	1,55,505
Gross Margin (%)	37.7	35.7	38.6	42.5	42.9	43.4	43.6	43.5	38.7	43.4
EBITDA	15,560	12,277	16,114	18,648	21,213	17,162	20,561	19,840	62,598	78,776
Margin (%)	18.1	14.5	18.7	21.2	23.1	20.2	22.6	21.8	18.2	22.0
Change (%)	70.3	35.7	4.5	29.2	36.3	39.8	27.6	6.4	30.3	25.8
Interest	288	354	414	389	458	509	544	545	1,445	2,056
Depreciation	2,081	2,157	2,141	2,202	1,983	2,087	2,204	2,226	8,580	8,499
Other Income	990	955	866	1,055	1,971	1,652	1,386	1,458	3,865	6,467
PBT	14,181	10,721	14,426	17,112	20,743	16,218	19,199	18,528	56,438	74,688
Tax	3,706	2,903	3,811	4,514	5,301	4,186	4,926	4,632	14,935	19,045
Effective Tax Rate (%)	26.1	27.1	26.4	26.4	25.6	25.8	25.7	25.0	26.5	25.5
Adjusted PAT	10,602	8,038	10,971	12,831	15,749	12,324	14,752	13,971	42,442	56,795
Change (%)	84.6	32.8	6.4	29.6	48.5	53.3	34.5	8.9	32.6	33.8

E: MOFSL Estimates

Britannia Industries Neutral

CMP: INR4,891 | TP: INR 5,200 (6%)

EPS CHANGE (%): FY25 | FY26: 0.5 | 0.3

- We expect ~4% volume growth (pack growth) in 4Q.
- We expect gross margin and EBITDA margin decline of 90bp and 40bp YoY.
- The upward surge seen in raw material prices in anticipation of low supply.
- Look out for pack growth; likely to implement grammage addition to remain competitive.

Consol. Quarterly Performance										
Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Base business volume growth (%)	-2.0	5.0	3.0	3.0	0.0	0.0	3.0	3.5	2.3	1.6
Net Sales	37,010	43,797	41,968	40,232	40,107	44,329	42,563	41,316	1,63,006	1,68,315
YoY change (%)	8.7	21.4	17.4	13.3	8.4	1.2	1.4	2.7	15.3	3.3
Gross Profit	13,648	17,051	18,321	18,073	16,820	19,011	18,673	18,208	67,093	72,712
Margins (%)	36.9	38.9	43.7	44.9	41.9	42.9	43.9	44.1	41.2	43.2
EBITDA	5,007	7,118	8,176	8,009	6,889	8,724	8,211	8,071	28,309	31,894
Margins (%)	13.5	16.3	19.5	19.9	17.2	19.7	19.3	19.5	17.4	18.9
YoY growth (%)	-9.6	27.5	51.5	45.7	37.6	22.6	0.4	0.8	28.6	12.7
Depreciation	510	517	580	653	708	717	781	794	2,259	2,999
Interest	420	541	381	349	531	534	311	320	1,691	1,695
Other Income	555	532	508	564	539	524	506	591	2,159	2,159
PBT	4,633	6,592	7,722	7,571	6,190	7,997	7,625	7,548	26,518	29,359
Tax	1,274	1,686	2,169	2,035	1,665	2,121	2,026	1,900	7,165	7,712
Rate (%)	27.5	25.6	28.1	26.9	26.9	26.5	26.6	25.2	27.0	26.3
Adjusted PAT	3,359	4,906	5,553	5,536	4,525	5,875	5,599	5,648	19,353	21,647
YoY change (%)	-13.2	28.6	49.7	46.5	34.7	19.8	0.8	2.0	27.6	11.9

Colgate**Neutral****CMP: INR2,714 | TP: INR2,500 (-8%)****EPS CHANGE (%): FY25 | FY26: 1.7 | 2.3**

- We expect 4.5% volume growth in 4Q.
- We expect gross margin improvements of 370bp YoY.
- We expect EBITDA margin to improve YoY by 90bp.
- Key monitorables: Volume growth, RM costs, A&P spending, and performance of new launch category.

Quarterly Performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volume Gr %	-4.0	-2.5	-2.5	-4.5	3.0	-1.0	-1.0	4.0	-3.4	1.3
Net Sales (inclgd. OOI)	11,968	13,875	12,913	13,506	13,237	14,711	13,957	15,002	52,262	56,901
YoY change (%)	-2.9	8.1	10.7	-0.1	10.6	6.0	8.1	11.1	3.8	8.9
COGS	4,031	5,029	4,407	4,475	4,179	4,594	3,883	4,415	17,942	17,111
Gross Profit	7,938	8,846	8,506	9,031	9,058	10,117	10,073	10,586	34,320	39,790
Gross margin (%)	66.3	63.8	65.9	66.9	68.4	68.8	72.2	70.6	65.7	69.9
Other operating Expenses	4,681	4,766	4,891	4,512	4,877	5,295	5,389	5,437	18,850	20,955
% to sales	39.1	34.3	37.9	33.4	36.8	36.0	38.6	36.2	36.1	36.8
EBITDA	3,257	4,080	3,615	4,519	4,181	4,821	4,684	5,149	15,470	18,836
Margins (%)	27.2	29.4	28.0	33.5	31.6	32.8	33.6	34.3	29.6	33.1
YoY growth (%)	-12.1	-3.3	1.8	12.8	28.4	18.2	29.6	13.9	-0.1	21.8
Depreciation	442	439	437	431	438	443	414	474	1,748	1,768
Interest	13	13	13	11	11	11	15	14	49	50
Financial other Income	115	113	104	204	150	210	179	162	536	701
PBT	2,918	3,741	3,269	4,281	3,883	4,578	4,434	4,823	14,209	17,718
Tax	727	961	837	1,100	951	1,178	1,133	1,154	3,724	4,411
Rate (%)	24.9	25.7	25.6	25.7	24.5	25.7	25.6	23.9	26.2	24.9
Adj PAT	2,167	2,780	2,432	3,175	2,883	3,401	3,301	3,669	10,584	13,307
YoY change (%)	-12.8	-11.6	4.3	18.0	33.1	22.3	35.7	15.5	-0.7	25.7

E: MOFSL Estimates

Dabur**Buy****CMP: INR529 | TP: INR650 (+23%)****EPS CHANGE (%): FY25 | FY26: -4.6 | -8.0**

- We expect 3% YoY volume growth in 4QFY24
- Growth outlook on Juices portfolio, food and international business.
- We expect gross margin to improve 270bp YoY in 4QFY24.
- Watch out for commentaries on Rural business recovery.

Consol. Quarterly Performance**(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Domestic FMCG vol. growth (%)	5.0	1.0	-3.0	1.0	3.0	3.0	4.0	3.0	2.0	3.3
Net sales	28,224	29,865	30,512	26,778	31,305	32,038	32,551	28,453	1,15,379	1,24,346
YoY change (%)	8.1	6.0	3.5	6.4	10.9	7.3	6.7	6.3	5.9	7.8
Gross profit	12,943	13,551	13,930	12,268	14,588	15,482	15,823	13,795	52,692	59,686
Margin (%)	45.9	45.4	45.7	45.8	46.6	48.3	48.6	48.5	45.7	48.0
EBITDA	5,437	6,007	6,179	4,098	6,047	6,609	6,678	4,478	21,721	23,812
Margins (%)	19.3	20.1	20.3	15.3	19.3	20.6	20.5	15.7	18.8	19.2
YoY growth (%)	-1.5	-3.2	-2.7	-9.6	11.2	10.0	8.1	9.3	-3.9	9.6
Depreciation	676	705	709	1,020	856	873	859	850	3,110	3,438
Interest	122	151	189	321	243	281	365	311	782	1,200
Other income	1,006	1,233	1,008	1,207	1,098	1,164	1,274	1,464	4,454	5,000
PBT	5,645	6,385	6,289	3,964	6,046	6,618	6,728	4,782	22,283	24,174
Tax	1,231	1,473	1,435	1,035	1,368	1,443	1,550	1,098	5,174	5,458
Rate (%)	21.8	23.1	22.8	26.1	22.6	21.8	23.0	23.0	23.2	22.6
Adjusted PAT	4,403	4,904	4,846	3,230	4,721	5,233	5,225	3,246	17,168	18,538
YoY change (%)	0.7	-2.8	-5.1	-9.8	7.2	6.7	7.8	0.5	-6.4	8.0
Reported PAT	4,403	4,904	4,846	3,008	4,639	5,151	5,142	3,166	17,184	18,538

E: MOFSL Estimates

Emami**Buy****CMP: INR440 | TP: INR550 (+25%)****EPS CHANGE (%): FY25 | FY26: -1.5 | -2.0**

- We expect 2% YoY volume growth in 4QFY24
- Watch out for commentaries on the outlook of pain management and healthcare products
- We expect gross margin to improve 230bp YoY and EBITDA margin to remain flat YoY.
- Growth outlook on D2C brands like The Man Company and Brillare and performance of MT and e-commerce channels.

Consol. Quarterly performance**(INR m)**

Y/E MARCH	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Domestic volume growth (%)	9.6	-1.0	-3.9	2.0	3.0	2.0	-0.9	2.0	2.1	1.5
Net Sales	7,733	8,138	9,827	8,360	8,257	8,649	9,963	8,663	34,057	35,531
YoY change (%)	17.0	3.4	1.1	8.8	6.8	6.3	1.4	3.6	6.8	4.3
Gross Profit	4,872	5,422	6,472	5,278	5,401	6,061	6,851	5,671	22,044	23,984
Gross margin (%)	63.0	66.6	65.9	63.1	65.4	70.1	68.8	65.5	64.7	67.5
EBITDA	1,733	1,954	2,942	1,998	1,900	2,337	3,149	2,055	8,627	9,441
Margins (%)	22.4	24.0	29.9	23.9	23.0	27.0	31.6	23.7	25.3	26.6
YoY change	2.1	-29.5	-13.9	21.9	9.6	19.6	7.0	2.9	-9.4	9.4
Depreciation	881	479	472	640	460	461	458	452	2,473	1,831
Interest	25	18	18	14	21	23	27	29	74	100
Other Income	63	420	69	138	83	111	167	168	689	529
PBT	891	1,877	2,521	1,482	1,502	1,964	2,831	1,743	6,770	8,040
Tax	120	54	185	63	129	158	155	117	421	559
Rate (%)	13.5	2.9	7.3	4.2	8.6	8.1	5.5	6.7	6.2	6.9
Adj. PAT	1,032	1,749	2,547	1,477	1,413	1,967	2,828	2,060	6,805	8,267
YoY change (%)	-18.5	-22.9	-5.3	32.7	36.9	12.5	11.0	39.5	-7.3	21.5

E: MOFSL Estimates

Godrej Consumer**Buy****CMP: INR1,227 | TP: INR1,500 (+22%)****EPS CHANGE (%): FY25 | FY26: -0.3 | 0.1**

- We expect mid-single digit sales growth YoY in 4QFY24.
- We expect 310bp YoY improvement in gross margins.
- Management's strategic roadmap for the RNF molecule for other HI products.
- Commentaries on restructuring of the international businesses are key monitorables

Quarterly Performance (Consolidated)**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales (including OOI)	31,250	33,919	35,989	32,002	34,489	36,020	36,596	33,838	1,33,160	1,42,907
YoY change (%)	8.0	7.2	9.0	9.8	10.4	6.2	1.7	5.7	8.5	7.3
Gross Profit	14,558	16,238	18,408	16,928	18,534	19,771	20,454	18,954	66,132	77,713
Margin (%)	46.6	47.9	51.1	52.9	53.7	54.9	55.9	56.0	49.7	54.4
EBITDA	5,326	5,742	7,675	6,648	6,818	7,234	9,048	7,706	24,305	30,806
Margins (%)	17.0	16.9	21.3	20.8	19.8	20.1	24.7	22.8	18.3	21.6
YoY growth (%)	-12.8	-15.4	9.8	32.3	28.0	26.0	17.9	15.9	1.5	26.7
Depreciation	571	533	573	686	763	609	539	593	2,363	2,503
Interest	351	483	399	525	740	773	666	621	1,757	2,800
Other Income	275	399	432	579	691	659	701	628	1,684	2,679
PBT	4,562	4,804	6,725	5,777	5,617	6,319	7,904	7,120	21,868	28,182
Tax	1,093	989	1,188	1,034	1,611	1,866	2,024	1,780	4,303	7,280
Rate (%)	23.9	20.6	17.7	17.9	28.7	29.5	25.6	25.0	19.7	25.8
Adj PAT	3,465	3,766	5,528	4,702	3,732	4,415	5,862	5,340	17,566	20,901
YoY change (%)	-16.5	-21.5	10.7	22.9	7.7	17.2	6.0	13.6	-2.0	19.0
Reported PAT	3,451	3,589	5,467	4,521	3,188	4,328	5,811	5,340	17,025	18,667

E: MOFSL Estimate

Hindustan Unilever**Buy**

CMP: INR2,287 | TP: INR2,900 (+27%)

EPS CHANGE (%): FY25 | FY26: -2.0 | -1.7

- We expect 3% YoY domestic volume growth in 4QFY24
- We expect gross margin to expand 150bp YoY due to lower RM costs
- The increase in royalty rates and the termination of the distribution agreement for OTC and oral care products of GSK will impact EBITDA.
- Outlook on competition from local/regional players and rural vs. urban demand.

Quarterly performance (Consolidated)

(INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Domestic volume growth (%)	6.0	4.0	5.0	4.0	3.0	2.0	2.0	3.0	5.0	2.5
Net sales	1,46,240	1,51,440	1,55,970	1,52,150	1,54,960	1,56,230	1,55,670	1,53,639	6,05,800	6,20,499
YoY change (%)	22.7	19.0	19.1	13.0	6.0	3.2	-0.2	1.0	15.5	2.4
COGS	76,640	81,970	81,080	77,470	76,790	73,450	74,790	75,912	3,17,160	3,00,942
Gross Profit	69,600	69,470	74,890	74,680	78,170	82,780	80,880	77,727	2,88,640	3,19,557
Margin %	47.6	45.9	48.0	49.1	50.4	53.0	52.0	50.6	47.6	51.5
Operating Exp	35,580	34,680	37,950	38,940	41,520	44,810	44,220	42,307	1,47,150	1,72,857
% to sales	24.3	22.9	24.3	25.6	26.8	28.7	28.4	27.5	24.3	27.9
EBITDA	34,020	34,790	36,940	35,740	36,650	37,970	36,660	35,420	1,41,490	1,46,700
YoY change (%)	19.5	11.1	12.7	10.1	7.7	9.1	-0.8	-0.9	10.0	3.7
Margins (%)	23.3	23.0	23.7	23.5	23.7	24.3	23.5	23.1	23.4	23.6
Depreciation	2,810	2,720	2,930	2,910	2,860	2,970	3,130	3,092	11,370	12,052
Interest	280	280	290	290	500	880	910	920	1,140	3,210
Other income	1,330	1,090	1,100	1,600	1,830	1,830	2,140	2,136	5,120	7,936
PBT	32,260	32,880	34,820	34,140	35,120	35,950	34,760	33,543	1,34,100	1,39,373
Tax	8,230	5,890	8,980	8,910	9,180	9,310	9,370	8,467	32,010	36,327
Rate (%)	25.5	17.9	25.8	26.1	26.1	25.9	27.0	25.2	23.9	26.1
PAT bei	23,899	26,888	25,918	25,414	25,812	26,597	25,410	25,076	1,02,119	1,02,946
YoY change (%)	21.8	22.9	13.1	11.3	8.0	-1.1	-2.0	-1.3	15.4	0.8
Reported Profit	23,810	26,650	24,740	26,010	25,540	26,560	25,090	25,076	1,01,220	1,02,316

E: MOFSL Estimates

Indigo Paints**Buy**

CMP: INR1,317 | TP: INR1,600 (+21%)

EPS CHANGE (%): FY25 | FY26: -9.4 | -15.6

- We expect ~23% YoY sales growth, supported by company initiatives.
- We estimate gross margin improve 220bp and EBITDA margin to flat on YoY.
- Watch out for commentaries on demand trends of the waterproofing business and expansion to larger cities.
- Expect strong competition and pressure on profits in the near future, as new competitors enter the market.

Consol. Quarterly Performance

(INR m)

Y/E March	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	2,240	2,426	2,813	3,255	2,884	2,790	3,538	3,990	10,733	13,202
Change (%)	43.6	23.7	6.0	12.9	28.8	15.0	25.8	22.6	18.5	23.0
Raw Material/PM	1,228	1,414	1,580	1,731	1,519	1,519	1,833	2,033	5,952	6,905
Gross Profit	1,012	1,012	1,233	1,524	1,365	1,271	1,705	1,956	4,781	6,297
Gross Margin (%)	45.2	41.7	43.8	46.8	47.3	45.6	48.2	49.0	44.5	47.7
EBITDA	353	338	406	717	491	421	622	888	1,815	2,423
Margin (%)	15.7	13.9	14.4	22.0	17.0	15.1	17.6	22.3	16.9	18.4
Change (%)	74.9	44.5	4.9	33.4	39.2	24.8	53.5	23.8	33.5	33.5
Interest	4	3	3	4	5	6	6	5	14	21
Depreciation	84	85	87	87	101	113	146	146	343	506
Other Income	5	32	38	28	38	32	31	30	101	131
PBT	269	282	353	654	423	335	501	768	1,558	2,027
Tax	70	74	91	168	108	81	125	194	402	509
Effective Tax Rate (%)	26.0	26.4	25.7	25.6	25.6	24.3	25.0	25.3	25.8	25.1
Adjusted PAT	199	208	263	487	310	253	376	574	1,156	1,518
Change (%)	71.5	53.2	8.1	40.7	55.9	22.1	43.0	17.9	37.5	31.3

E: MOFSL Estimates

ITC

Buy

CMP: INR427 | TP: INR500 (+17%)

EPS CHANGE (%): FY25 | FY26: -0.0 | 0.2

- We expect flat YoY volume growth in Cigarettes business
- Margins in the FMCG business are expected to decrease due to the PLI benefit in the base quarter.
- We expect gross margin to decline 160bp YoY and EBITDA margin to fall 160bp YoY.
- Outlook on the agri and paper & packaging businesses a key monitorable.

Consol. Quarterly Performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Est. cigarette vol. gr. (%)	26	20	15	12	8	5	-1	0	18.1	3.0
Net Sales	1,84,895	1,71,080	1,77,045	1,76,349	1,71,645	1,77,745	1,80,194	1,84,221	7,09,369	7,15,791
YoY change (%)	39.6	24.4	3.5	6.5	-7.2	3.9	1.8	4.5	16.9	0.9
Gross Profit	99,379	1,03,198	1,08,090	1,08,643	1,06,148	1,07,058	1,09,775	1,10,532	4,19,311	4,25,896
Margin (%)	53.7	60.3	61.1	61.6	61.8	60.2	60.9	60.0	59.1	59.5
Total Exp	1,24,123	1,08,489	1,09,998	1,10,109	1,04,944	1,13,202	1,15,156	1,17,975	4,52,719	4,53,319
EBITDA	60,771	62,591	67,047	66,240	66,701	64,542	65,038	66,246	2,56,649	2,62,472
Growth (%)	36.8	24.7	19.8	18.3	9.8	3.1	-3.0	0.0	24.2	2.3
Margins (%)	32.9	36.6	37.9	37.6	38.9	36.3	36.1	36.0	36.2	36.7
Depreciation	4,381	4,624	4,471	4,614	4,425	4,530	4,595	4,622	18,090	18,171
Interest	93	126	92	122	99	99	136	106	432	440
Other Income	3,207	4,547	5,954	6,097	7,223	6,649	6,568	6,861	19,805	27,301
PBT	59,505	62,388	68,438	67,601	69,400	66,562	66,876	68,380	2,57,932	2,71,162
Tax	14,882	15,685	17,737	16,080	17,599	17,003	12,816	17,163	64,384	64,581
Rate (%)	25.0	25.1	25.9	23.8	25.4	25.5	19.2	25.1	25.0	23.8
Adj PAT	43,898	46,198	50,067	51,198	51,049	48,981	50,116	51,216	1,91,369	2,06,581
YoY change (%)	34.0	24.4	23.4	22.0	16.3	6.0	0.1	0.0	25.6	7.9

Jyothy Labs.

Neutral

CMP: INR444 | TP: INR475 (7%)

EPS CHANGE (%): FY25 | FY26: -1.6 | -2.7

- We expect consolidated net sales to grow 10.8% YoY
- We forecast gross margin expansion of ~350bp YoY, led by a decline in RM on YoY.
- Expansion in personal care category and performance of Health and Wellness (HI) segment.
- Commentaries on new SKUs and expanding distribution networks into new geographic areas.

Consol. Quarterly Performance

(INR m)

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	5,972	6,592	6,127	6,170	6,871	7,323	6,775	6,837	24,860	27,807
YoY change (%)	14.4	14.0	15.9	13.0	15.1	11.1	10.6	10.8	13.2	11.9
Gross Profit	2,380	2,670	2,640	2,821	3,289	3,604	3,371	3,361	10,511	13,625
Margins (%)	39.9	40.5	43.1	45.7	47.9	49.2	49.8	49.2	42.3	49.0
EBITDA	599	804	844	913	1,174	1,354	1,186	1,170	3,159	4,885
EBITDA growth %	-7.9	19.9	39.4	59.4	96.2	68.3	40.6	28.2	26.4	54.6
Margins (%)	10.0	12.2	13.8	14.8	17.1	18.5	17.5	17.1	12.7	17.6
Depreciation	130	130	122	119	120	123	128	134	501	505
Interest	33	35	32	31	11	12	12	10	131	45
Other Income	44	53	153	57	79	132	106	117	395	435
PBT	479	693	842	819	1,123	1,351	1,152	1,143	2,922	4,770
Tax	90	109	169	227	250	311	243	292	595	1,097
Rate (%)	18.8	15.8	20.0	27.7	22.3	23.0	21.1	25.6	19.9	23.0
Adjusted PAT	389	584	674	593	873	1,040	909	851	2,327	3,673
YoY change (%)	-2.9	38.5	90.4	78.0	124.1	78.2	34.9	43.6	54.2	57.8

E: MOFSL Estimates

Marico**Buy****CMP: INR496 | TP: INR625 (+26%)****EPS CHANGE (%): FY25 | FY26: -2.2 | -3.0**

- Expect 2% YoY domestic volumes growth in 4QFY24.
- We expect a 410bp YoY expansion in gross margin and 210bp YoY in EBITDA.
- Rural slowdown could affect the domestic performance.
- Outlook on food business and digital-first brands is a key monitorable.

Quarterly Performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Domestic volume growth (%)	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	2.7	1.8	2.7
Net Sales	25,580	24,960	24,700	22,400	24,770	24,760	24,220	22,749	97,640	96,499
YoY Change (%)	1.3	3.2	2.6	3.7	-3.2	-0.8	-1.9	1.6	2.4	-1.2
COGS	14,060	14,070	13,600	11,780	12,390	12,260	11,800	11,027	53,510	47,477
Gross Profit	11,520	10,890	11,100	10,620	12,380	12,500	12,420	11,721	44,130	49,021
Gross margin (%)	45.0	43.6	44.9	47.4	50.0	50.5	51.3	51.5	45.2	50.8
Other Expenditure	6,240	6,560	6,540	6,690	6,640	7,530	7,290	7,244	26,030	28,704
% to Sales	24.4	26.3	26.5	29.9	26.8	30.4	30.1	31.8	26.7	29.7
EBITDA	5,280	4,330	4,560	3,930	5,740	4,970	5,130	4,478	18,100	20,318
Margins (%)	20.6	17.3	18.5	17.5	23.2	20.1	21.2	19.7	18.5	21.1
YoY Change (%)	9.8	2.4	5.8	13.6	8.7	14.8	12.5	13.9	7.7	12.3
Depreciation	360	370	390	430	360	390	420	422	1,550	1,592
Interest	100	150	140	170	170	200	190	190	560	750
Other Income	170	190	400	680	460	380	430	464	1,440	1,734
PBT	4,990	4,000	4,430	4,010	5,670	4,760	4,950	4,329	17,430	19,709
Tax	1,220	930	1,100	960	1,310	1,160	1,090	1,072	4,210	4,632
Rate (%)	24.4	23.3	24.8	23.9	23.1	24.4	22.0	24.8	24.2	23.5
Adjusted PAT	3,710	3,010	3,280	3,020	4,270	3,530	3,830	3,739	13,020	14,898
YoY Change (%)	4.2	-2.6	5.8	20.3	15.1	17.3	16.8	23.8	1.6	14.4

E: MOFSL Estimates

Nestlé India**Neutral****CMP: INR2,586 | TP: INR2,400 (-7%)****EPS CHANGE (%): FY25 | FY26: -2.2 | -0.1**

- We expect sales growth of 8.5% YoY and the growth momentum will continue.
- We expect gross margin expansion of 300bp YoY and EBITDA margin expansion of 110bp.
- We expect a higher contribution from out-of-home consumption
- Watch out for commentaries on demand and material costs

Quarterly performance**(INR m)**

Y/E December	CY22				CY23E					CY22	FY24E*
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	5QE		
Net Sales	39,926	40,457	46,018	42,568	48,305	46,585	50,368	46,004	52,425	1,68,970	2,43,688
YoY Change (%)	10.6	16.4	18.5	13.6	21.0	15.1	9.5	8.1	8.5	14.6	44.2
COGS	17,850	18,656	21,777	19,215	22,315	21,050	21,916	19,046	22,652	77,499	1,06,979
Gross Profit	22,076	21,801	24,241	23,353	25,990	25,535	28,452	26,959	29,773	91,471	1,36,709
Margin (%)	55.3	53.9	52.7	54.9	53.8	54.8	56.5	58.6	56.8	54.1	56.1
Operating Exp	12,694	13,239	13,985	13,407	14,748	14,872	15,984	15,670	16,984	53,325	78,258
EBITDA	9,382	8,562	10,256	9,946	11,242	10,663	12,468	11,289	12,789	38,146	58,451
Margins (%)	23.5	21.2	22.3	23.4	23.3	22.9	24.8	24.5	24.4	22.6	24.0
YoY Growth (%)	0.5	0.9	6.5	14.5	19.8	24.5	21.6	13.5	13.8	6.1	53.2
Depreciation	1,045	1,017	982	987	1,017	1,074	1,112	1,087	1,116	4,030	5,405
Interest	356	370	372	448	370	328	314	230	247	1,546	1,488
Other income	214	194	306	296	337	240	333	303	310	1,010	1,523
PBT	8,195	7,369	9,209	8,806	10,192	9,501	11,375	10,275	11,737	33,580	53,081
Tax	2,115	1,850	2,379	2,310	2,538	2,410	3,139	2,309	2,895	8,655	13,292
Rate (%)	25.8	25.1	25.8	26.2	24.9	25.4	27.6	22.5	24.7	25.8	25.0
Adjusted PAT	5,969	5,399	6,674	6,319	7,511	7,017	8,055	7,808	8,694	24,362	39,085
YoY Change (%)	-0.9	2.9	7.3	10.9	25.8	30.0	20.7	23.5	15.8	4.5	60.4

E: MOFSL Estimates y *Note: FY24 is 15-month period as the company changed its accounting year-end from December to March

Page Industries**Neutral****CMP: INR34,729 | TP: INR36,500 (5%)****EPS CHANGE (%): FY25|FY26: 0.0|1.8**

- Expect 9.8% YoY increase in revenue on the back of seasonality and base effect.
- Watch out for athleisure demand momentum.

- We expect gross margin and EBITDA margin increase of 150bp/430bp YoY in 4QFY24.
- Watch out for commentaries on recovery in rural demand and in kids and women athleisure

Quarterly performance**(INR m)**

Y/E March	FY23				FY24				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	13,413	12,282	12,000	9,691	12,324	11,251	12,288	10,645	47,165	46,508
YoY change (%)	167.4	13.3	0.9	-12.8	-8.1	-8.4	2.4	9.8	21.4	-1.4
Gross Profit	7,311	6,999	6,408	5,488	6,562	6,262	6,522	6,187	26,207	25,533
Gross margin (%)	54.5	57.0	53.4	56.6	53.2	55.7	53.1	58.1	55.6	54.9
Other Expenditure	4,333	4,621	4,480	4,145	4,143	3,927	4,226	4,253	17,579	16,549
% to sales	32.3	37.6	37.3	42.8	33.6	34.9	34.4	40.0	37.3	35.6
EBITDA	2,978	2,379	1,928	1,343	2,419	2,335	2,297	1,933	8,628	8,984
Margins (%)	22.2	19.4	16.1	13.9	19.6	20.8	18.7	18.2	18.3	19.3
YoY change	770.7	1.9	-23.1	-49.7	-18.8	-1.8	19.1	43.9	9.8	4.1
Depreciation	180	188	200	213	210	246	226	226	781	909
Interest	85	92	100	136	127	112	105	106	413	450
Other Income	33	27	16	71	19	17	55	72	147	163
PBT	2,746	2,125	1,645	1,065	2,100	1,994	2,021	1,673	7,581	7,788
Tax	675	504	407	282	517	491	497	411	1,869	1,916
Rate (%)	24.6	23.7	24.8	26.5	24.6	24.6	24.6	24.6	24.6	24.6
PAT	2,070	1,621	1,237	784	1,584	1,503	1,524	1,262	5,713	5,872
YoY change (%)	1,790.9	1.0	-29.1	-58.9	-23.5	-7.3	23.1	61.1	6.5	2.8

E: MOFSL Estimates

P&G Hygiene**Neutral****CMP: INR16,599 | TP: INR17,000 (2%)****EPS CHANGE (%): FY24|25: 0.0|0.0**

- Sales to grow 6% YoY in 3QFY24 (June year-end).
- Cost structure will be affected by the high price of commodity with no sign of reduction.

- We expect gross margin and EBITDA margin increase of 250bp/460bp YoY in 3QFY24 (June year-end).
- A&P spending and demand outlook are key monitorables.

Standalone - Quarterly Earnings**(INR m)**

Y/E June	FY23				FY24				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	10,428	11,374	8,831	8,491	11,384	11,334	9,361	9,295	39,123	41,373
YoY Change (%)	-1.5	4.1	-0.9	12.1	9.2	-0.3	6.0	9.5	3.0	5.8
Gross profit	6,116	6,513	4,992	4,893	6,932	6,825	5,523	5,668	22,549	24,948
Margin (%)	58.6	57.3	56.5	57.6	60.9	60.2	59.0	61.0	57.6	60.3
EBITDA	2,140	2,905	1,493	2,114	2,849	3,097	2,011	2,717	8,686	10,674
Growth	-29.0	-2.0	-9.5	215.1	33.1	6.6	34.7	28.5	4.7	22.9
Margins (%)	20.5	25.5	16.9	24.9	25.0	27.3	21.5	29.2	22.2	25.8
Depreciation	140	144	146	154	143	143	165	157	584	607
Interest	10	39	36	30	19	26	36	39	114	120
Other Income	67	93	144	101	158	156	150	132	406	595
PBT	2,058	2,815	1,456	2,031	2,845	3,085	1,960	2,653	8,395	10,543
Tax	514	737	380	553	738	796	506	649	2,184	2,688
Rate (%)	25.0	26.2	18.7	27.2	25.9	25.8	25.8	24.5	24.4	25.5
Reported PAT	1,544	2,075	1,650	1,478	2,107	2,289	1,454	2,004	6,781	7,854
Adj PAT	1,544	2,079	1,075	1,478	2,107	2,289	1,454	2,004	6,210	7,854
YoY Change (%)	-29.3	-2.0	-4.9	247.2	36.4	10.1	35.3	35.6	6.0	26.5
Margins (%)	14.8	18.3	12.2	17.4	18.5	20.2	15.5	21.6	15.9	19.0

E: MOFSL Estimates

Pidilite Industries**Neutral****CMP: INR3,049 | TP: INR2,800 (-8%)****EPS CHANGE (%): FY25|FY26: -1.8|1.7**

- We expect consolidated revenue to grow 4.9% YoY.
- The surge in real estate is positive for demand.
- We expect gross margin and EBITDA margin to expand YoY (flat QoQ) as VAM prices increased after a sharp fall.
- Outlook on domestic and international demand is a key monitorable.

Consol. Quarterly Performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	31,011	30,112	29,976	26,893	32,751	30,760	31,300	28,211	1,17,991	1,23,023
YoY change (%)	60.1	14.7	5.2	7.3	5.6	2.2	4.4	4.9	18.9	4.3
Gross Profit	12,931	12,342	12,541	12,582	16,054	15,783	16,551	14,881	50,397	63,268
Margin (%)	41.7	41.0	41.8	46.8	49.0	51.3	52.9	52.7	42.7	51.4
EBITDA	5,295	4,999	4,959	4,592	7,070	6,797	7,425	6,626	19,844	27,917
YoY change (%)	52.3	-9.0	-9.7	14.5	33.5	36.0	49.7	44.3	7.4	40.7
Margins (%)	17.1	16.6	16.5	17.1	21.6	22.1	23.7	23.5	16.8	22.7
Depreciation	613	636	686	762	734	752	795	803	2,697	3,084
Interest	90	117	151	118	119	131	128	138	476	516
Other Income	107	110	51	228	234	316	370	328	496	1,248
PBT	4,698	4,355	4,173	3,940	6,451	6,230	6,872	6,014	17,166	25,566
Tax	1,157	1,098	1,052	1,038	1,704	1,631	1,765	1,547	4,344	6,647
Rate (%)	24.6	25.2	25.2	26.3	26.4	26.2	25.7	25.7	25.3	26.0
Adj PAT	3,541	3,347	3,061	2,873	4,746	4,599	5,107	4,467	12,822	18,919
YoY change (%)	64.4	-10.7	-13.9	15.3	34.0	37.4	66.8	55.5	7.3	47.5
Margins (%)	11.4	11.1	10.2	10.7	14.5	15.0	16.3	15.8	10.9	15.4

E: MOFSL Estimates

Tata Consumer Products**Buy****CMP: INR1,087 | TP: INR1,370 (+26%)****EPS CHANGE (%): FY25|FY26: 0|0**

- We expect revenue for the India-branded tea business to grow 7% YoY, led by volume growth of 3% YoY
- EBITDA margin is likely to improve to ~15.4% in 4QFY24 vs. 14.1% in 4QFY23.
- Nourishco is likely to continue its strong performance
- Tea and coffee prices are the key monitorables

Consolidated - Quarterly Earning Model**(INRm)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Sales	33,268	33,631	34,746	36,187	37,412	37,338	38,039	39,564	1,37,832	1,52,353
YoY Change (%)	10.6	10.9	8.3	14.0	12.5	11.0	9.5	9.3	10.9	10.5
Total Expenditure	28,695	29,292	30,209	31,071	31,962	31,967	32,315	33,476	1,19,267	1,29,720
EBITDA	4,573	4,338	4,537	5,117	5,450	5,371	5,724	6,088	18,565	22,633
Margins (%)	13.7	12.9	13.1	14.1	14.6	14.4	15.0	15.4	13.5	14.9
Depreciation	729	731	752	829	820	939	855	870	3,041	3,484
Interest	163	196	237	277	262	276	332	310	872	1,180
Other Income	353	293	489	553	578	898	596	620	1,689	2,692
PBT before EO expense	4,035	3,705	4,038	4,565	4,946	5,054	5,133	5,528	16,341	20,661
Extra-Ord expense	-240	1,112	786	-64	-52	-146	-915	0	1,595	-1,112
PBT	3,795	4,817	4,823	4,501	4,894	4,909	4,217	5,528	17,936	19,548
Tax	1,030	1,267	1,129	1,045	1,309	1,317	1,062	1,492	4,470	5,180
Rate (%)	27.1	26.3	23.4	23.2	26.7	26.8	25.2	27.0	24.9	26.5
Minority Interest	213	615	127	210	211	257	226	0	1,164	694
Profit/Loss of Asso. Cos.	2	345	-50	-560	-209	47	-140	-171	-264	-473
Reported PAT	2,555	3,280	3,518	2,686	3,166	3,382	2,789	3,864	12,038	13,201
Adj PAT	2,734	2,445	2,928	2,734	3,205	3,492	3,475	3,864	10,842	14,035
YoY Change (%)	45.4	-12.7	6.5	18.1	17.2	42.8	18.7	41.3	11.2	29.5
Margins (%)	8.2	7.3	8.4	7.6	8.6	9.4	9.1	9.8	7.9	9.2

United Breweries

Sell
CMP: INR1,786 | TP: INR1,650 (-8%)
EPS CHANGE (%): FY25 | FY26: -2.1 | 5.9

- We expect revenue to grow 11.8% YoY in 4QFY24
- We expect gross margin and EBITDA margin increase of 680bp and 590bp YoY.
- We anticipate gross margin to expand on low barley prices.
- Outlook on state mix and realization growth is a monitorable.

Standalone Quarterly Performance

Y/E March									(INR m)	
	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	24,367	16,796	16,110	17,645	22,732	18,880	18,227	19,721	74,999	79,559
YoY Change (%)	117.9	17.8	1.9	3.4	-6.7	12.4	13.1	11.8	28.5	6.1
Gross Profit	10,784	7,837	6,741	6,812	9,221	8,408	8,018	8,961	32,346	34,608
Margin (%)	44.3	46.7	41.8	38.6	40.6	44.5	44.0	45.4	43.1	43.5
EBITDA	2,651	2,191	766	535	2,228	1,846	1,456	1,763	6,162	7,292
YoY Change (%)	177.8	32.3	-63.4	-79.5	-15.9	-15.8	89.9	229.8	-11.5	18.3
Margins (%)	10.9	13.0	4.8	3.0	9.8	9.8	8.0	8.9	8.2	9.2
Depreciation	575	520	502	507	513	508	518	529	2,106	2,068
Interest	8	10	16	12	17	14	21	28	46	79
Other Income	104	143	130	116	103	122	241	234	494	700
PBT	2,170	1,805	131	132	1,801	1,446	1,158	1,440	4,257	5,845
Tax	554	463	152	35	440	369	310	389	1,210	1,508
Rate (%)	25.5	25.6	40.2	26.3	24.5	25.5	26.7	27.0	28.4	25.8
Adj PAT	1,617	1,342	226	97	1,361	1,076	848.5	1,051	3,295	4,337
YoY Change (%)	424.3	66.4	-80.6	-94.0	-15.8	-19.8	274.9	980.3	-10.0	31.6
Margins (%)	6.6	8.0	1.4	0.6	6.0	5.7	4.7	5.3	4.4	5.5

E: MOFSL Estimates

United Spirits

Neutral
CMP: INR1,158 | TP: INR1,050 (-1%)
EPS CHANGE (%): FY25 | FY26: -4.0 | -4.5

- Expect mid to double-digit volume growth in P&A.
- The demand for the popular category is still lagging.
- Expect gross margin contraction of 220bp YoY and EBITDA margin expansion of 40bp YoY in 4QFY24.
- Commentary on discretionary demand is key monitorable.

Quarterly Performance

Y/E March									(INR m)	
	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volume growth %	17.9	8.3	-25.0	-27.3	-28.6	-27.1	-1.8	0.8	-8.4	-14.2
Total revenues	21,946	29,042	27,811	24,938	21,719	28,647	29,893	25,911	1,03,737	1,06,174
YoY change (%)	35.9	18.7	-3.4	-0.3	-1.0	-1.4	7.5	3.9	10.1	2.3
Gross Profit	8,974	11,449	11,281	11,315	9,474	12,437	12,979	11,189	43,019	46,079
Margin (%)	40.9	39.4	40.6	45.4	43.6	43.4	43.4	43.2	41.5	43.4
Total Exp	19,241	24,618	24,133	21,558	17,868	23,946	24,979	22,283	89,550	89,080
EBITDA	2,705	4,424	3,678	3,380	3,851	4,701	4,914	3,628	14,187	17,094
Margins (%)	12.3	15.2	13.2	13.6	17.7	16.4	16.4	14.0	13.7	16.1
EBITDA growth (%)	61.3	3.9	-24.9	-21.1	42.4	6.3	33.6	7.3	20.5	20.5
Depreciation	741	645	636	684	650	653	628	669	2,706	2,600
Interest	226	210	243	360	193	262	164	153	1,039	500
Other income	256	85	232	169	209	388	461	417	742	1,475
PBT	1,994	3,654	3,031	2,505	3,217	4,174	4,583	3,223	11,184	15,469
Tax	-339	1,947	415	353	814	1,068	1,102	811	2,376	3,867
Rate (%)	-17.0	53.3	13.7	14.1	25.3	25.6	24.0	25.2	21.2	25.0
Adj. PAT	2,218	2,636	2,163	2,124	2,397	3,183	3,481	2,412	8,808	11,602
YoY change (%)	130.1	-3.5	-30.4	-24.2	8.1	20.7	61.0	13.6	-12.5	31.7

E: MOFSL Estimate

Varun Beverages

Buy
CMP: INR1,397 | TP: INR1,600 (+15%)
EPS CHANGE (%): CY24|25: 2|0

- We expect overall sales volume to grow 7% YoY in 1QCY24.
- We expect EBITDA margin to improve to ~20.9% vs. 20.5% in 1QCY23.
- Integration and ramp up of BevCo will be focus area
- Scale-up in international geographies and further capex update are the key monitorables

Consolidated - Quarterly Earning Model

Y/E December	CY23				CY24				CY23	CY24E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Sales	38,930	56,114	38,705	26,677	42,280	73,885	50,040	38,374	1,60,425	2,04,578
YoY Change (%)	37.7	13.3	21.8	20.5	8.6	31.7	29.3	43.8	21.8	27.5
Total Expenditure	30,949	41,004	29,884	22,494	33,433	54,252	38,948	32,733	1,24,331	1,59,366
EBITDA	7,980	15,110	8,821	4,183	8,847	19,633	11,092	5,640	36,095	45,212
Margins (%)	20.5	26.9	22.8	15.7	20.9	26.6	22.2	14.7	22.5	22.1
Depreciation	1,722	1,719	1,708	1,660	1,880	2,250	2,300	2,328	6,809	8,758
Interest	626	694	625	737	800	830	850	855	2,681	3,335
Other Income	101	416	185	91	120	470	350	287	794	1,227
PBT	5,734	13,113	6,673	1,878	6,287	17,023	8,292	2,744	27,398	34,346
Tax	1,348	3,057	1,529	442	1,383	3,745	1,824	604	6,375	7,556
Rate (%)	23.5	23.3	22.9	23.5	22.0	22.0	22.0	22.0	23.3	22.0
MI & Profit/Loss of Asso. Cos.	95	118	130	118	109	134	129	134	461	505
Adj PAT	4,291	9,938	5,015	1,318	4,794	13,145	6,339	2,007	20,561	26,285
YoY Change (%)	68.8	26.2	31.6	76.3	11.7	32.3	26.4	52.3	37.3	27.8
Margins (%)	11.0	17.7	13.0	4.9	11.3	17.8	12.7	5.2	12.8	12.8

Company

Barbeque Nation
 Devyani Intl.
 Jubilant Foodworks
 Restaurant Brands
 Sapphire Foods
 Westlife Foodworld

QSR - Demand environment likely to remain soft

Near-term outlook remains cautious

We continue to see weakness in growth metrics for QSR, leading into sluggish unit economics across brands and formats. Oversupply of store network during the last two years has affected SSSG/ADS. Store addition has also started contributing lower share. Overall growth deceleration is expected to continue. Delivery business is expected to sustain outperformance over dine-in business. Companies have initiated several consumer offers and waived off delivery charges to drive demand. Value segment has been seeing better traffic growth than other segments. Gross margin recovery will remain healthy. However, pressure on SSSG/ADS and seasonally low demand in 4Q will lead to weaker operating margin. We expect slower store addition across brands in FY25. We remain cautious over the near-term earnings pressure. We have BUY ratings on Devyani, Sapphire and RBA.

Outliers: RBA, Jubilant

Underperformers: Devyani, Sapphire, Westlife

Exhibit 14: QSR: Summary of 4QFY24 earnings estimates

Sector	CMP (INR)	Reco	Sales (INR m)			EBIDTA (INR M)			PAT (INR M)		
			Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ	Mar-24	Var % YoY	Var % QoQ
Barbeque Nation	522	Neutral	2,995	6.9	-9.5	536	34.3	-19.2	-16	Loss	PL
Devyani Intl.	155	Buy	8,120	7.5	-3.7	1,414	-6.6	-3.4	35	-94.2	-30.4
Jubilant Foodworks	455	Neutral	13,260	5.9	-2.1	2,761	9.5	-2.4	511	-17.6	-16.1
Restaurant Brands	108	Buy	4,598	26.0	3.2	847	100.5	19.8	64	LP	LP
Sapphire Foods	1,500	Buy	6,352	13.4	-4.6	1,098	11.9	-9.8	66	-42.5	-33.2
Westlife Foodworld	798	Neutral	5,765	3.6	-4.0	867	-5.7	-9.7	91	-54.8	-47.4
QSR			41,090	9.0	-3.1	7,522	11.3	-4.0	752	-37.2	-17.9

Barbeque Nation Hospitality**Neutral**

CMP: INR522 | TP: INR600 (15%)

EPS CHANGE (%): FY25 | FY26: -| -

- Revenue growth is expected to moderate to 6.9% YoY.
- On YoY basis, EBITDA margins to improve by 120bp on operations efficiency.
- Expect to add 11 stores in 4QFY24, while SSSG is expected to remain flat in 4QFY24
- Expect to report net loss of INR16m, impacted by lower demand.

Quarterly Performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
SSSG (%)	182.0	23.4	-1.2	-2.6	-7.7	-10.7	-4.9	0.3	27.5	-5.9
No. of stores	195	205	212	216	212	212	216	227	216	221
Net Sales	3,149	3,105	3,282	2,802	3,239	3,017	3,309	2,995	12,338	12,560
YoY change (%)	208.8	40.6	14.5	11.6	2.9	-2.8	0.8	6.9	43.4	1.8
Gross Profit	2,103	2,051	2,189	1,843	2,073	1,990	2,245	2,007	8,186	8,314
Margin (%)	66.8	66.1	66.7	65.8	64.0	65.9	67.9	67.0	66.3	66.2
EBITDA	705	583	620	399	468	444	663	536	2,306	2,110
EBITDA growth %	N/M	41.1	-5.7	-10.5	-33.6	-23.9	7.0	34.3	72.4	-8.5
Margin (%)	22.4	18.8	18.9	14.2	14.4	14.7	20.0	17.9	18.7	16.8
Depreciation	352	350	382	366	375	443	414	403	1,450	1,635
Interest	175	180	183	180	187	195	190	185	717	757
Other Income	30	16	12	22	40	43	16	31	80	130
PBT	208	69	67	-125	-55	-151	75	-21	219	-152
Tax	48	26	17	-26	-14	-32	27	-5	66	-25
Rate (%)	23.1	38.3	25.7	20.7	26.1	21.3	35.5	25.0	30.1	16.5
Adjusted PAT	160	43	50	-99	-41	-119	48	-16	153	-127
YoY change (%)	N/M	39.2	-66.1	-2,138.8	-125.3	-379.2	-2.4	-84.2	-	-182.9

E: MOFSL Estimates

Devyani International**Buy**

CMP: INR155 | TP: INR195 (26%)

EPS CHANGE (%): FY25 | FY26: -6.8 | -5.1

- Expect KFC/PH store adds of 40/26 for 4QFY24
- Same-store sales expected to decline by 10% for Pizza Hut and 4.5% for KFC.
- Revenue likely to grow 7.5% mainly driven by footprint adds.
- Expect to report net loss of INR35m, impacted by lower demand and margin pressure

Quarterly Performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
KFC - No. of stores	391	423	461	490	510	540	590	630	490	630
PH - No. of stores	436	466	483	506	521	535	565	591	506	591
KFC - SSSG (%)	63.6	13.0	3.0	1.9	-0.9	-3.9	-4.7	-4.5	16.0	-3.5
PH - SSSG (%)	31.5	2.9	-6.1	-3.2	-5.3	-10.4	-12.6	-9.7	4.4	-9.5
Net Sales	7,047	7,474	7,906	7,550	8,466	8,195	8,431	8,120	29,977	33,212
YoY change (%)	99.8	44.8	26.6	27.8	20.1	9.6	6.6	7.5	43.8	10.8
Gross Profit	5,010	5,246	5,482	5,254	5,998	5,802	5,954	5,720	20,991	23,473
Margin (%)	71.1	70.2	69.3	69.6	70.8	70.8	70.6	70.4	70.0	70.7
EBITDA	1,643	1,655	1,739	1,513	1,734	1,588	1,463	1,414	6,551	6,199
EBITDA growth %	167.0	34.2	17.7	5.6	5.6	-4.1	-15.9	-6.6	37.6	-5.4
Margin (%)	23.3	22.1	22.0	20.0	20.5	19.4	17.4	17.4	21.9	18.7
Depreciation	637	660	706	784	796	863	930	916	2,788	3,505
Interest	328	348	378	420	404	417	482	468	1,475	1,771
Other Income	90	45	81	110	68	66	46	55	326	235
PBT	768	692	736	419	603	373	97	85	2,614	1,158
Tax	24	19	-62	-186	146	-168	46	50	-206	74
Rate (%)	3.1	2.8	-8.4	-44.5	24.1	-45.0	47.6	58.6	-7.9	6.4
Adjusted PAT	744	644	776	606	339	506	51	35	2,770	931
Margin (%)	10.6	8.6	9.8	8.0	4.0	6.2	0.6	0.4	9.2	2.8
YoY change (%)	-619.2	51.7	18.7	-26.3	-54.4	-21.4	-93.5	-94.2	61.5	-66.4

E: MOFSL Estimates

Jubilant FoodWorks**Neutral****CMP: INR455 | TP: INR520 (14%)****EPS CHANGE (%): FY25 | FY26: -3.4 | -6.8**

- LFL for 4QFY24 is expected to remain flat.
- We expect gross margin increase of 80bp to 76.1% YoY.

- We expect net additions of 49 Domino's outlets in 4QFY24.
- Revenue growth likely at 5.9% YoY due to store additions and SSS

Quarterly Standalone Perf.**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
No of stores (Dominos)	1,625	1,701	1,760	1,816	1,838	1,888	1,953	1,977	1,816	2,016
LFL growth (%)	28.3	8.4	0.3	-0.6	-1.3	-1.3	-2.9	-0.5	8.9	2.0
Net Sales	12,403	12,868	13,166	12,523	13,097	13,448	13,551	13,260	50,960	53,355
YoY change (%)	41.1	16.9	10.3	8.2	5.6	4.5	2.9	5.9	17.7	4.7
Gross Profit	9,514	9,811	9,937	9,426	9,956	10,275	10,387	10,092	38,688	40,710
Gross margin (%)	76.7	76.2	75.5	75.3	76.0	76.4	76.7	76.1	75.9	76.3
EBITDA	3,045	3,125	2,900	2,522	2,764	2,807	2,827	2,761	11,592	11,159
EBITDA growth %	44.0	9.2	-8.6	-12.9	-9.2	-10.2	-2.5	9.5	4.9	-3.7
Margins (%)	24.6	24.3	22.0	20.1	21.1	20.9	20.9	20.8	22.7	20.9
Depreciation	1,050	1,123	1,298	1,282	1,328	1,379	1,465	1,502	4,753	5,369
Interest	459	485	501	505	513	534	583	589	1,951	2,219
Other Income	106	103	93	195	91	69	40	51	497	250
PBT	1,642	1,619	1,194	930	1,014	963	819	721	5,385	3,822
YoY Change (%)	85.0	-1.0	-34.8	-39.6	-38.2	-40.5	-31.4	-22.5	-8.6	-29.0
Tax	366	428	309	254	262	241	209	209	1,356	962
Rate (%)	22.3	26.4	25.8	27.4	25.8	25.1	25.6	29.0	25.2	25.2
Adjusted PAT	1,217	1,192	885	621	752	721	610	511	3,914	2,860
YoY change (%)	78.6	-2.9	-35.6	-46.7	-38.2	-39.5	-31.2	-17.6	-12.0	-26.9

E: MOFSL Estimates

Restaurants Brand Asia**Buy****CMP: INR108 | TP: INR140 (24%)****EPS CHANGE (%): FY25 | FY26: - | -**

- Expect SSSG to remain flat in 4QFY24 with 19 store adds
- Revenue growth is expected at 20% YoY to INR4.4b

- EBITDA margins to improve YoY to 13.3%.
- Expect net losses to narrow down to INR57m

Quarterly Standalone Performance**(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
SSSG (%)	66.0	27.0	8.6	8.3	3.6	3.5	2.6	0.2	23.1	2.5
No. of stores	328	334	379	391	396	404	441	460	391	460
Net Sales	3,369	3,680	3,698	3,649	4,221	4,535	4,454	4,374	14,397	17,482
YoY change (%)	125.0	50.0	32.1	35.8	25.3	23.2	20.5	19.9	-3.4	21.4
Gross Profit	2,236	2,443	2,454	2,422	2,806	3,031	2,990	2,939	9,555	11,765
Margin (%)	66.4	66.4	66.4	66.4	66.5	66.8	67.1	67.2	66.4	67.3
EBITDA	332	421	479	423	485	634	708	621	1,654	2,448
EBITDA growth %	2,064.8	64.4	45.8	39.8	45.9	50.7	47.9	46.9	109.4	135.3
Margin (%)	9.9	11.4	12.9	11.6	11.5	14.0	15.9	14.2	11.5	14.0
Depreciation	461	426	434	481	507	494	522	530	1,802	2,055
Interest	196	206	220	274	264	273	281	291	896	1,109
Other Income	97	79	63	86	65	40	32	38	325	175
PBT	-227	-133	-112	-246	-222	-93	-64	-162	-718	-541
Tax	0	0	0	0	0	0	0	0	0	0
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted PAT	-227	-133	-112	-246	-222	-93	-64	-162	-718	-541
YoY change (%)	12.4	-12.5	-15.1	NM	-2.6	-29.6	-42.8	-34.1	87.6	-25.1

E: MOFSL Estimates

Sapphire Foods

Buy

CMP: INR1,500 | TP: INR1,650 (10%)

EPS CHANGE (%): FY25 | FY26: 0.3 | 1.3

- KFC is expected to see a decline of 4% in same-store sales, along with 20 store additions.
- Revenue growth expected at 13.4% to INR6.3b
- PH's same-store sales is expected fall 16%; may add 7 new outlets.
- EBITDA margins to remain flat at 17.3% due to higher opex

Quarterly Performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
KFC - No. of stores	281	301	325	341	358	381	406	426	341	426
PH - No. of stores	235	249	274	286	302	311	319	326	286	326
KFC - SSSG (%)	65.0	15.0	3.0	2.0	0.0	0.0	-2.0	-4.0	15	-1.5
PH - SSSG (%)	47.0	23.0	-4.0	-4.0	-9.0	-20.0	-19.0	-16.0	12	-16.0
Net Sales	5,463	5,628	5,961	5,604	6,544	6,426	6,656	6,352	22,656	25,978
YoY change (%)	80.3	35.9	17.5	12.8	19.8	14.2	11.6	13.4	31.6	14.7
Gross Profit	3,707	3,737	3,998	3,807	4,483	4,417	4,583	4,389	15,249	17,872
Margin (%)	67.9	66.4	67.1	67.9	68.5	68.7	68.9	69.1	67.3	68.8
EBITDA	1,104	1,032	1,167	981	1,214	1,151	1,217	1,098	4,284	4,681
EBITDA growth %	223.9	82.2	1.9	-1.7	10.0	11.6	4.3	11.9	40.4	9.3
Margin (%)	20.2	18.3	19.6	17.5	18.6	17.9	18.3	17.3	18.9	18.0
Depreciation	609	628	681	724	727	768	874	852	2,642	3,221
Interest	197	206	217	249	226	245	263	250	869	984
Other Income	59	71	67	114	75	75	60	87	311	298
PBT	356	269	336	123	336	214	140	83	1,084	774
Tax	-25	1	9	9	88	62	42	17	-7	209
Rate (%)	-7.1	0.3	2.6	7.0	26.0	28.9	30.0	20.9	-0.6	27.0
Adjusted PAT	381	269	327	114	249	152	98	66	1,091	565
YoY change (%)	-244.5	-626.1	-35.9	-56.9	-34.8	-43.4	-69.9	-42.5	137.2	-48.2

Westlife Development

Neutral

CMP: INR798 | TP: INR775 (-3%)

EPS CHANGE (%): FY25 | FY26: -0.6 | -0.1

- Same-store sales to decline 6% in 4QFY24
- Expect to add 17 new stores in 4QFY24
- Expect revenue to grow 4% YoY to INR5.8b
- EBITDA margin to decline by 150bp to 15.0% YoY led by weak same-store sales.

Consolidated quarterly performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
SSSG %	97.1	40.2	20.0	14.0	7.0	1.0	(9.0)	(6.0)	36.0	-1.8
No. of McDonald's restaurants	331	337	341	357	361	370	380	397	357	397
Net Sales	5,379	5,724	6,115	5,564	6,145	6,147	6,003	5,765	22,782	24,061
YoY Change (%)	107.6	48.5	28.2	22.3	14.2	7.4	-1.8	3.6	44.5	5.6
Gross profit	3,659	3,968	4,290	4,002	4,337	4,310	4,219	4,073	15,922	16,939
Margin (%)	68.0	69.3	70.2	71.9	70.6	70.1	70.3	70.6	69.9	70.4
Total Expenditure	4,458	4,736	5,012	4,645	5,092	5,151	5,042	4,898	18,851	20,184
EBITDA	921	988	1,103	919	1,053	997	960	867	3,931	3,877
YoY Change (%)	1,705.3	116.1	32.2	26.1	14.3	0.9	-12.9	-5.7	89.8	-1.4
Margins (%)	17.1	17.3	18.0	16.5	17.1	16.2	16.0	15.0	17.3	16.1
Depreciation	358	366	386	411	429	439	455	453	1,649	1,909
Interest	215	226	234	253	260	274	282	279	928	1,095
Other Income	0	54	36	49	52	32	44	35	140	162
PBT	348	450	520	304	416	315	267	170	1,494	1,036
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO expense	348	450	520	304	416	315	267	170	1,494	1,036
Tax	82	104	116	76	118	78	59	6	379	261
Rate (%)	23.5	23.1	22.4	25.1	28.2	24.9	21.9	3.7	25.3	25.2
Adj PAT	236	316	364	201	288	224	172	91	1,116	775
YoY Change (%)	L/P	L/P	74.7	31.2	22.0	-29.2	-52.6	-54.8	L/P	L/P
Margins (%)	4.4	5.5	5.9	3.6	4.7	3.6	2.9	1.6	4.9	3.2

E: MOFSL Estimates

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