

In-line operating show; margin hit planned to induce growth

Consumer Goods ▶ Result Update ▶ April 25, 2025

CMP (Rs): 2,325 | TP (Rs): 2,400

We maintain ADD on HUL and Mar-26E TP of Rs2,400 (47x P/E), given limited upside potential. Our concern stems from HUL's inability to fully benefit from the improved show in part of the business as well as inconsistent performance in the segments. In Q4, while the BPC segment showed improvement, performance in Home Care and Foods was weak. Revised near-term operating margin guidance of 22-23% signals HUL's aggressive intent to stimulate growth, especially in Beauty & Wellbeing. With better macros and portfolio actions, the mgmt sees improved growth ahead. Factoring in the guidance, we cut earnings by 1-3% over FY26-27E; we also introduce FY28 estimates.

Q4FY25 results in-line; higher other income drives 3% better earnings

Reported revenue grew 2% YoY, with 2% underlying volume growth. The BPC segment fared better with 4% sales growth, while Home care (grew 2%, in-line) and Foods (flat, in line) put up a weak show. Gross margin contracted by 155bps YoY to 50.5%, in-line. EBITDA margin dropped below the 23-24% guidance to 22.8%, down by 30bps YoY. Earnings grew 4%, aided by 24% better non-operating income.

Margin guidance cut to 22-23% for near-term; 'play-to-win' competitive stance

Amid improving macros (from monetary policy changes, tax relief, easing in crude prices, lower inflation, expectation of a better monsoon, and resilient growth in rural areas) and portfolio actions from HUL being in place, the company is looking to double down on growth prospects, with a near-term margin hit strategy. This margin hit will be pronounced in Beauty and Wellbeing, where new age brands offer higher retail margin. The mgmt is looking to drive growth for the revamped brand portfolio. With likely growth as operating leverage kicks in, HUL is looking to recover margin from 2HFY26. In the long run, the mgmt targets resuming modest improvement in its margin trajectory.

Sustained thrust on moats; connecting with new user key

HUL, per its strategy to future-proof moat, is inculcating science and technology in core offerings (like action in Soap, Shampoo, Floor Cleaner), enhancing the supply chain and strengthening traditional trade. Its sales concentration is ~70% with general trade, ~20% with modern trade, 7-8% from e-com (~2% from Quick com) and balance from other institutional channels. The mgmt has called out its direct value-added distribution at 69% (an edge), which is up by 400bps since the last 18 months. HUL has been aligned with traditional trade, supporting trade with credit and looking for better incentivization.

Await growth recovery before turning positive; maintain ADD

Management actions so far have not been productive, given weak macros. As the broad strategy and execution is in place, the company is turning aggressive and looking to revive growth from FY26. Given the wider portfolio and sustained disruption, we await growth recovery before turning positive. We maintain ADD and Mar-26E TP of Rs2,400.

Target Price – 12M	Mar-26
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	3.2

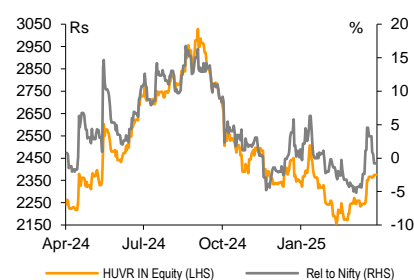
Stock Data	HUVR IN
52-week High (Rs)	3,023
52-week Low (Rs)	2,136
Shares outstanding (mn)	2,349.6
Market-cap (Rs bn)	5,464
Market-cap (USD mn)	64,073
Net-debt, FY26E (Rs mn)	(81,867.1)
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	4,513.7
ADTV-3M (USD mn)	52.9
Free float (%)	38.1
Nifty-50	24,246.7
INR/USD	85.3

Shareholding, Mar-25

Promoters (%)	61.9
FPIs/MFs (%)	10.6/15.5

Price Performance

(%)	1M	3M	12M
Absolute	3.1	(1.8)	3.3
Rel. to Nifty	0.6	(6.5)	(4.6)

1-Year share price trend (Rs)**Hindustan Unilever: Financial Snapshot (Standalone)**

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	604,690	614,690	654,205	696,464	757,141
EBITDA	141,900	142,890	149,625	166,250	184,621
Adj. PAT	99,849	102,200	107,360	119,869	133,889
Adj. EPS (Rs)	42.5	43.5	45.7	51.0	57.0
EBITDA margin (%)	23.5	23.2	22.9	23.9	24.4
EBITDA growth (%)	4.1	0.7	4.7	11.1	11.0
Adj. EPS growth (%)	2.7	2.4	5.0	11.7	11.7
RoE (%)	19.7	20.4	21.9	24.3	27.0
RoIC (%)	21.4	22.8	23.4	25.5	28.7
P/E (x)	54.7	53.5	50.9	45.6	40.8
EV/EBITDA (x)	37.7	37.4	35.7	32.2	29.0
P/B (x)	10.7	11.1	11.1	11.1	11.0
FCFF yield (%)	2.5	2.0	1.3	2.1	2.3

Source: Company, Emkay Research

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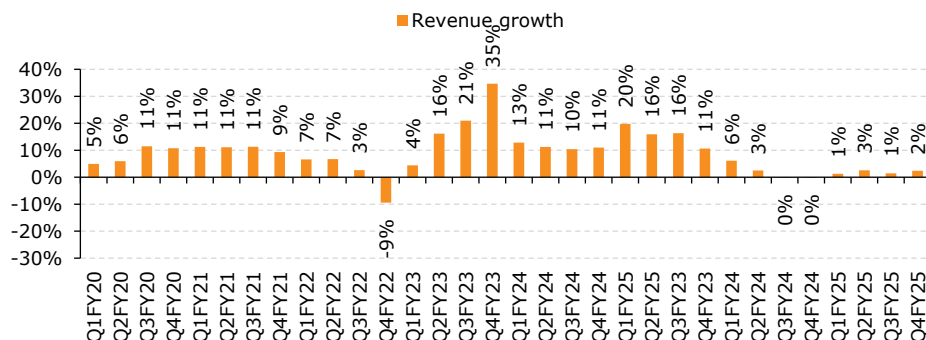
Q4FY25 performance

Exhibit 1: Q4FY25 and FY25 performance

(Rs mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	Emkay Est	Var (%)	FY25	FY24	YoY (%)
Total income	152,140	148,570	2.4	154,080	-1.3	150,846	0.9	614,690	603,140	1.9
Cost of goods	75,340	71,510	5.4	76,010	-0.9	74,567	1.0	301,760	293,270	2.9
Employee expenses	7,890	7,740	1.9	6,840	15.4	7,866	0.3	28,400	27,820	2.1
A&P spends	14,540	15,860	-8.3	14,660	-0.8	14,556	-0.1	60,280	63,800	-5.5
Other expenses	19,710	19,110	3.1	20,870	-5.6	19,037	3.5	81,360	77,900	4.4
EBITDA	34,660	34,350	0.9	35,700	-2.9	34,820	-0.5	142,890	140,350	1.8
EBITDA Margin (%)	22.8	23.1	-34bps	23.2	-39bps	23.1	-30bps	23.2	23.3	0bps
Depreciation	3,130	2,890	8.3	3,080	1.6	3,060	2.3	12,240	10,970	11.6
EBIT	31,530	31,460	0.2	32,620	-3.3	31,760	-0.7	130,650	129,380	1.0
EBITM (%)	20.7	21.2	-45bps	21.2	-45bps	21.1	-30bps	21.3	21.5	-20bps
Interest cost	750	1,020	-26.5	1,050	-28.6	1036	-27.6	3,640	3,020	20.5
Other income	2,990	2,200	35.9	3,120	-4.2	2,410	24.1	11,770	9,730	21.0
PBT	33,770	32,640	3.5	34,690	-2.7	33,134	1.9	138,780	136,090	2.0
Tax	8,800	8,680	1.4	9,290	-5.3	8,828	-0.3	36,580	36,241	0.9
Tax rate(%)	26.1	26.6	-53bps	26.8	-72bps	26.6	-60bps	26.4	26.6	-30bps
Adj. PAT	24,970	23,960	4.2	25,400	-1.7	24,306	2.7	102,200	99,849	2.4
Non-recurring items	40	(100)	-140.0	(4,610)	-100.9	0		(4,240)	(1,291)	228.5
Reported PAT	24,930	24,060	3.6	30,010	-16.9	24,306	2.6	106,440	101,140	5.2
Net margin (%)	16.4	16.2	19bps	19.5	-310bps	16.1	30bps	17.3	16.8	50bps
EPS (Rs)	10.6	10.2	4.2	10.8	-1.7	10.3	2.7	43.5	42.5	2.4

Source: Company, Emkay Research

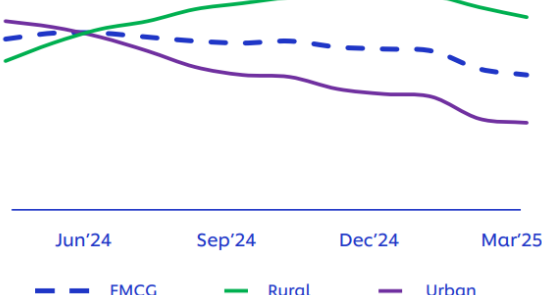
Exhibit 2: Revenue growth trend



Source: Company, Emkay Research

Exhibit 3: Consumption environment weak

FMCG Volume Growth trends (MAT Nielsen)



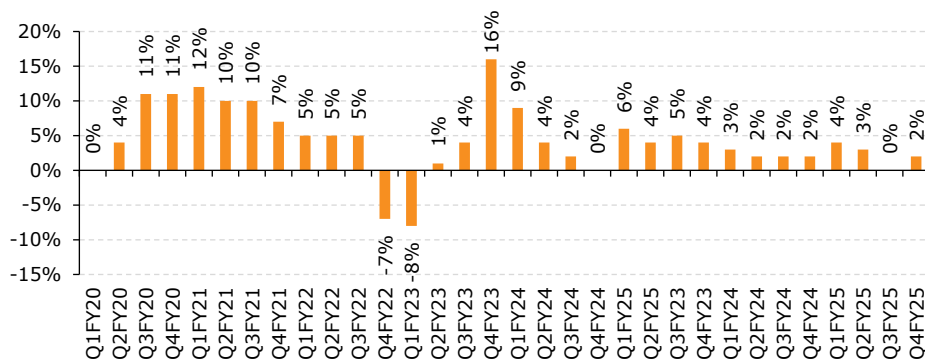
Source: Company, Emkay Research

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Underlying sales growth of 3% with underlying volume growth at 2%

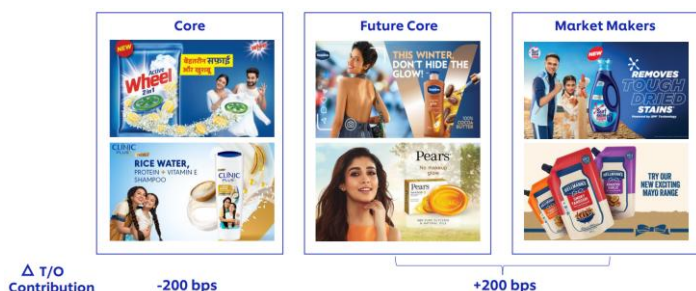
FY25 underlying volume grew 2%, where volume tonnage grew in a mid-single digit

Exhibit 4: Underlying volume growth trends



Source: Company, Emkay Research

Exhibit 5: Shift in business toward future core and market makers



Source: Company, Emkay Research

Exhibit 6: Portfolio transformation in the core continues



Source: Company, Emkay Research

Note: Media spends MQ '25 vs MQ '24

Exhibit 7: Ponds driving growth via its >Rs15bn portfolio in high-growth segments



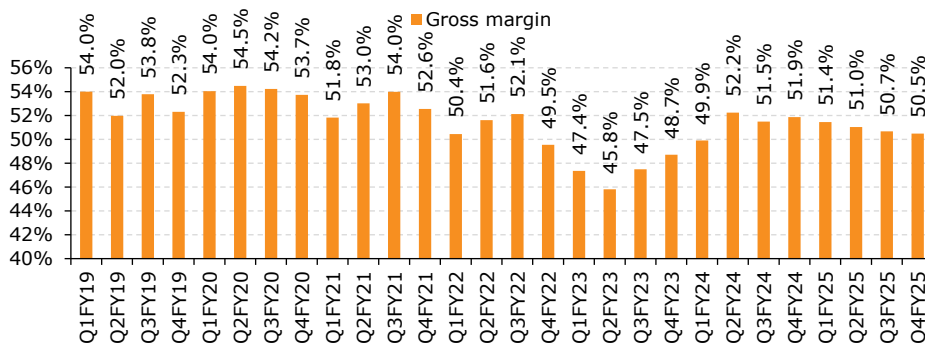
Source: Company, Emkay Research

Exhibit 8: Accelerating its >Rs35bn liquids portfolio in Home Care with strong double-digit growth

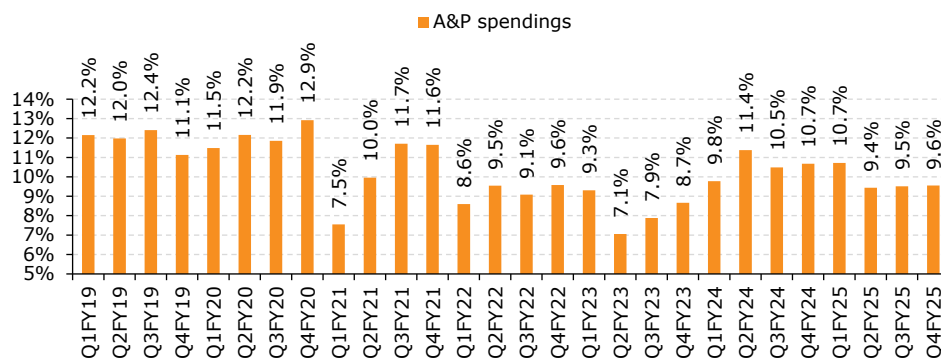


Source: Company, Emkay Research

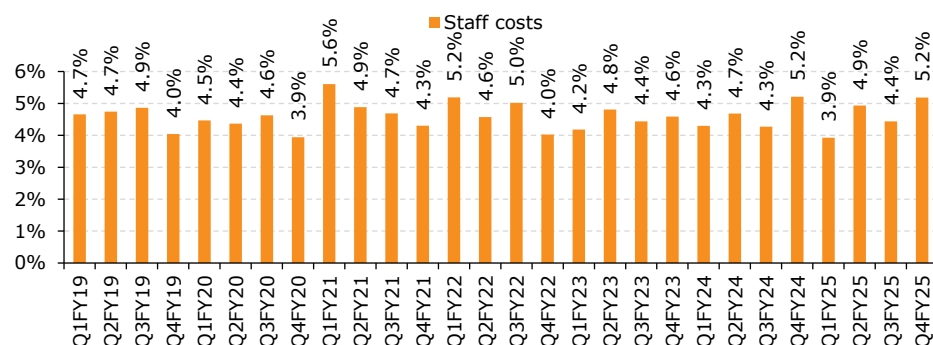
Exhibit 9: Gross margin trend



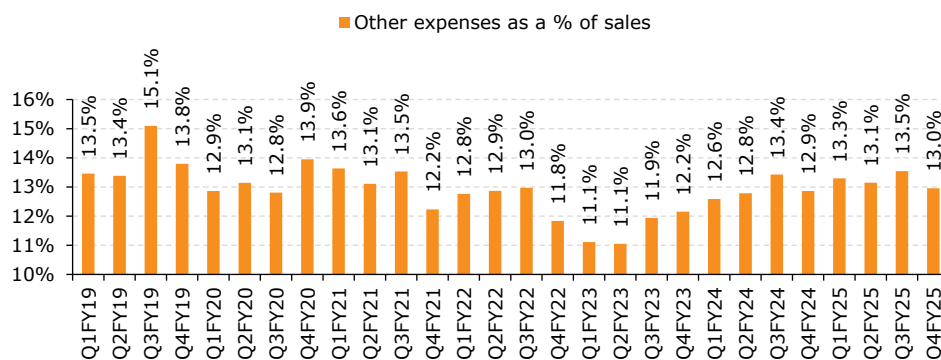
Source: Company, Emkay Research

Exhibit 10: Advertisement and promotion spending trend, as a % of sales

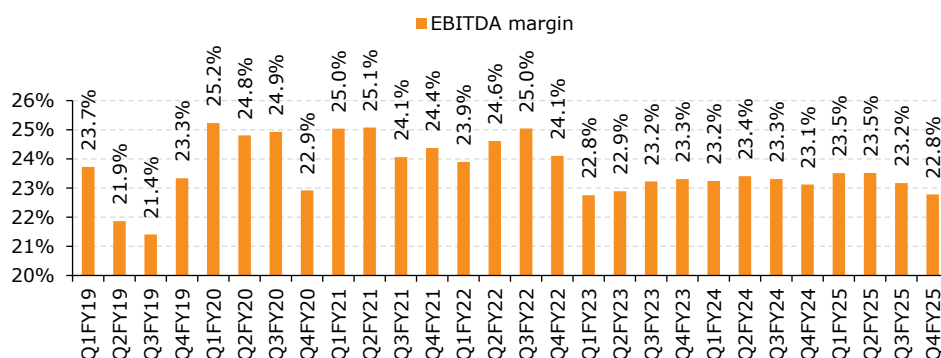
Source: Company, Emkay Research

Exhibit 11: Employee spending trend, as a % of sales

Source: Company, Emkay Research

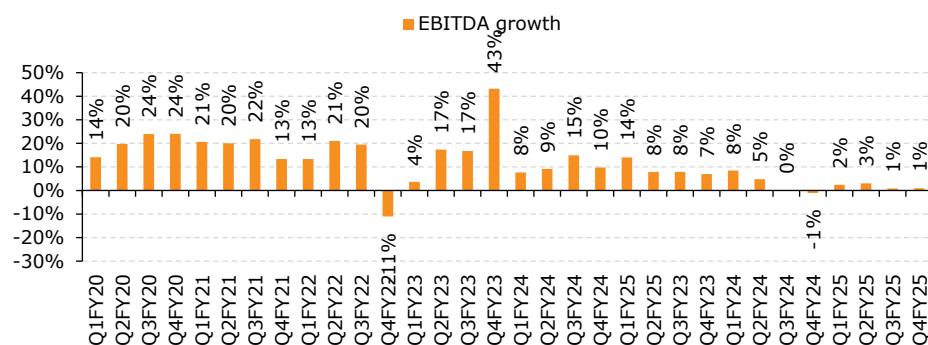
Exhibit 12: Other expenses trend, as a % of sales

Source: Company, Emkay Research

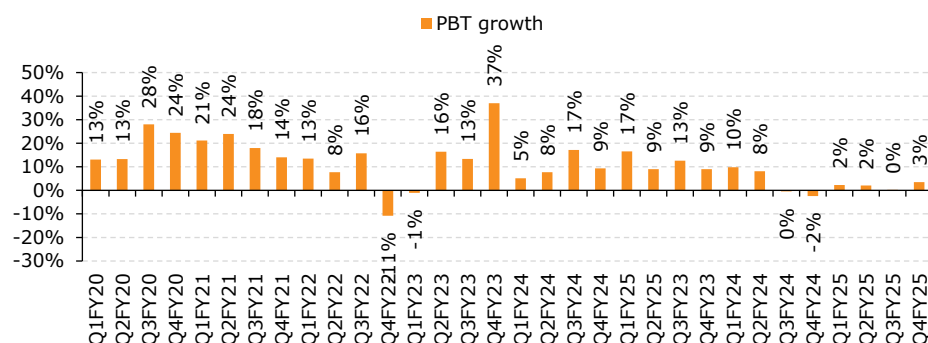
Exhibit 13: EBITDA margin trend

Source: Company, Emkay Research

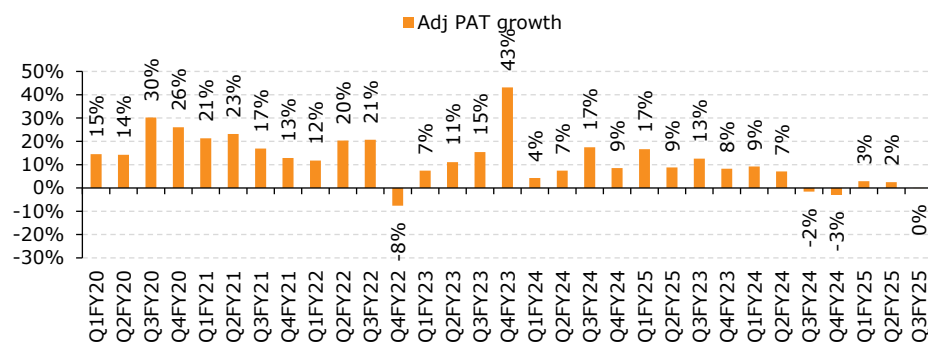
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Exhibit 14: EBITDA growth trend

Source: Company, Emkay Research

Exhibit 15: Profit before tax growth trend

Source: Company, Emkay Research

Exhibit 16: Adjusted profit after tax trend

Source: Company, Emkay Research

Exhibit 17: Near to mid-term guidance**Growth**

- ❖ Expect growth to gradually improve during the year led out of portfolio transformation and improving macro-conditions; H1 FY'26 > H2 FY'25
- ❖ If commodities remain where they are, price growth is expected to be in the low-single digit range
- ❖ Continue to focus on driving volume led competitive growth

Margins

- ❖ Gross margin expected to moderate as we continue to deliver the right price-value proposition
- ❖ Stepping up investments to land portfolio transformation in high-growth demand spaces supported by a strong innovation pipeline
- ❖ Consequently, EBITDA margin to be within a healthy range of 22-23%

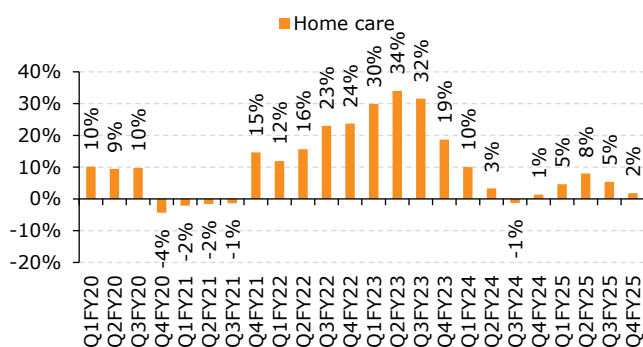
Source: Company, Emkay Research

Segment performance

Home care performance wans

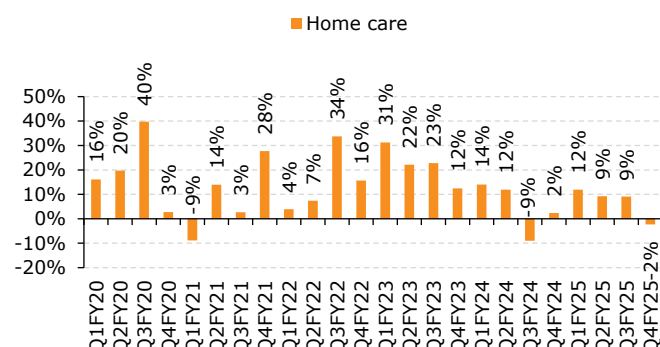
Home Care delivered 3% underlying sales growth, driven by a mid-single digit UVG. The segment witnessed negative price growth on account of pricing actions taken to pass on commodity-lead benefits to consumers. Fabric Wash delivered a mid-single digit volume growth. Household Care volumes grew in a high-single digit. The Liquids portfolio in Fabric Wash and Household Care continued to grow in double-digits.

Exhibit 18: Home Care segment – YoY Growth



Source: Company, Emkay Research

Exhibit 19: Home Care segment – EBIT growth



Source: Company, Emkay Research

Exhibit 20: Home Care segment – Quarterly trend

	Home care segment - Growth	Fabric wash	Household care
Q4FY25	3%	Mid-single digit volume growth	High single-digit volume growth
Q3FY25	5%	High single-digit volume growth	High single-digit volume growth
Q2FY25	8%	High single-digit volume growth	High single-digit volume growth
Q1FY25	4%	High single-digit volume growth	Volumes grew in a mid-single-digit
Q4FY24	1%	Mid-single-digit volume growth	Mid-single-digit volume growth led by Vim
Q3FY24	-1%	Mid-single-digit volume growth	Low single-digit volume growth owing to dish wash
Q2FY24	3%	Premium portfolio outperformance drove a mid-single-digit volume growth	High single-digit volume growth led by dish wash
Q1FY24	10%	Double-digit (DD) value growth with mid-single-digit volume growth	DD volume-led growth
Q4FY23	19%	Strong DD value growth	Strong DD value and volume
Q3FY23	32%	High DD value growth	High DD value growth and high-teens volume growth
Q2FY23	34%	High DD value growth	High DD value growth
Q1FY23	30%	High DD value growth and high single-digit volume growth	High DD value growth
Q4FY22	19%	High DD value growth and mid-single-digit volume growth	High DD value growth
Q3FY22	23%	Strong DD value growth	High teens value growth
Q2FY22	15%	High DD value growth	
Q1FY22	12%	DD value growth	High teens value growth
Q4FY21	15%		Strong DD value growth

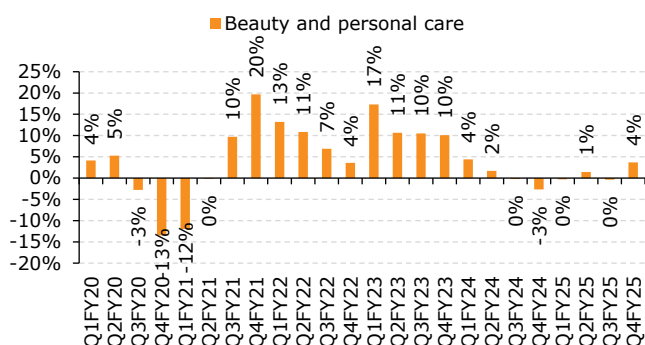
Source: Company, Emkay Research

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Beauty and Personal Care saw an improved show

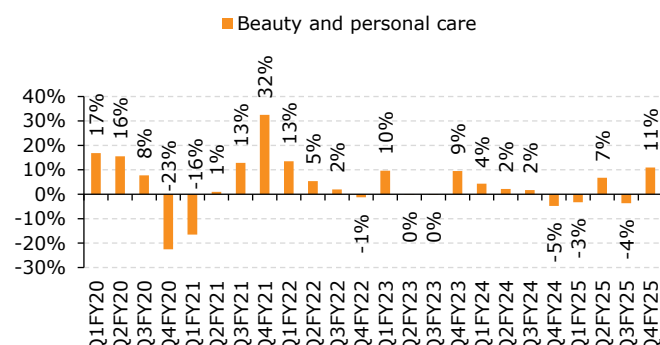
Beauty and wellbeing saw 3% growth with a low single digit volume growth. Personal care saw 3% growth with a low-single digit volume decline.

Exhibit 21: Beauty and personal care – YoY Growth



Source: Company, Emkay Research

Exhibit 22: Beauty and personal care segment – EBIT growth



Source: Company, Emkay Research

Exhibit 23: Beauty and personal care segment – Quarterly trend

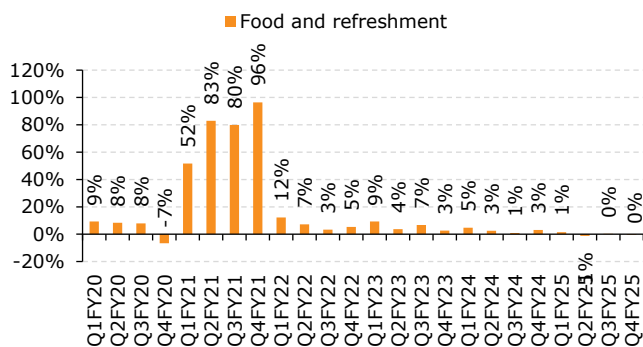
	BPC - Growth	Skin cleansing	Hair care	Skin care	Color Cosmetics	Oral care
Q4FY25	4%	Low-single digit price-led growth	Double-digit growth led by volume	Low-single digit decline, affected by downtrading		Low-single digit growth led by pricing
Q3FY25	0%	Strategic actions in place	Mid-single digit volume growth	Muted performance, impacted by delayed winter and mass skin portfolio		Mid-single digit growth
Q2FY25	1%	Revenue declined primarily on account of pricing actions taken during the year	Momentum maintained with a high single-digit volume-led growth	Mid-single-digit growth fueled by strong performance in Premium skin care products		High-single-digit competitive growth
Q1FY25	0%	Low single-digit volume growth; value declined on price cuts	Double-digit volume growth	Muted volume performance in the quarter, with the mass portfolio declining		Mid-single-digit broad-based growth driven by pricing
Q4FY24	-2%	Volume and value declined	Volume-driven growth	Low single-digit growth		Volume and value declined
Q3FY24	0%	Volume declined	Double-digit volume growth	Delayed winters impacted skin care		Volume declined
Q2FY24	4%	Low single-digit volume growth; negative pricing	High single-digit volume growth	Double-digit growth		Low single-digit volume growth; negative pricing
Q1FY24	4%	Low single-digit volume growth; negative pricing	Mid-single-digit volume growth	DD growth with high single-digit volume growth		Low single-digit volume growth; negative pricing
Q4FY23	10%	DD value growth	Volume-led mid-single-digit growth	DD value growth		DD value growth
Q3FY23	10%	Strong DD value growth	High single-digit growth	DD growth in the non-winter portfolio		High single-digit growth
Q2FY23	11%	Strong DD value growth	Strong performance broad-based	Premium portfolio delivered DD growth		Strong broad-based performance
Q1FY23	17%	DD value growth in soaps	High DD value growth		Strong YoY growth on a soft base	High DD value growth

Source: Company, Emkay Research

Foods and Refreshment

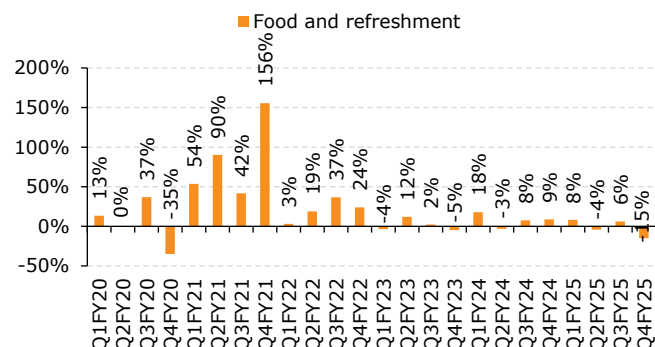
Foods turnover declined 1% with a low-single digit price growth offset by volume decline. Tea delivered a low-single digit growth driven by pricing and maintained its value and volume leadership. Coffee sustained its double-digit growth momentum. Nutrition Drinks turnover declined, impacted by continued category headwinds and transitional impact of change in the pack-price architecture. Packaged Foods grew in a mid-single digit led by outperformance in Ketchup, Mayonnaise, and International Cuisines. Ice Cream delivered double-digit volume led growth, fuelled by innovations and activations.

Exhibit 24: Foods segment – YoY Growth



Source: Company, Emkay Research

Exhibit 25: Foods segment – EBIT growth



Source: Company, Emkay Research

Exhibit 26: Foods segment – Quarterly trend

	Foods & Refreshment - Growth	Beverages (Tea and Coffee)	Nutrition Drinks	Foods	Ice cream
Q4FY25	-1%	Tea delivered low-single digit growth driven by pricing. Coffee continued to deliver double-digit growth	Turnover declined, impacted by continued category headwinds	Mid-single digit volume led growth	Double-digit volume led growth
Q3FY25	0%	Low-single digit growth in Tea led by pricing. Coffee continues to deliver double-digit growth	Category declined due to subdued consumption	Mid-single digit growth	Revenue stood flat YoY
Q2FY25	-2%	Tea saw strengthening of value and market leadership; Coffee too saw growth, in double-digits	Market share increased with focus on consumption and specialist nutrition	Low single-digit volume growth	Volume remained flat vs last year
Q1FY25	1%	Tea saw a downgrade, whereas Coffee grew in double-digits	Subdued performance on account of harsh summers	Low single-digit volume growth	Double-digit volume growth
Q4FY24	4%	Tea witnessed downgrading, whereas Coffee grew in double-digits	High single-digit growth	Mid-single-digit growth	Volume-led double-digit growth
Q3FY24	1%	Tea saw a muted performance, whereas Coffee grew in double digits	Price-led growth, volume declined in a low single-digit	Strong growth led by Food Solutions	Mid-single-digit growth
Q2FY24	4%	Tea saw modest growth. Coffee grew in double digits	Price-led mid-single-digit growth	High single-digit growth	Mid-single-digit growth
Q1FY24	5%	Modest growth. Tea volume grew in a low single digit, whereas Coffee volume saw a mid-single-digit decline	Price-led sales growth; volume decline seen in a low-single-digit	Mid-single-digit growth with low single-digit volume growth	
Q4FY23	3%	Coffee grew in double digits; Tea growth was under pressure	Mid-single-digit growth	Mid-single-digit growth	
Q3FY23	7%	Coffee grew in double digits; Tea volumes grew in a mid-single-digit; price cuts softened the overall value growth	Mid-single-digit value growth	Volume-led high-teen growth	
Q2FY23	4%	Coffee grew in double digits; Tea volumes grew in a mid-single-digit	Category growth remains subdued due to inflation	DD value growth and volume growth in the mid-teens	
Q1FY23	9%	Coffee grew in double digits		DD value growth	
Q4FY22	7%	Coffee delivered double-digit value growth		High DD value growth	High DD value growth

Source: Company, Emkay Research

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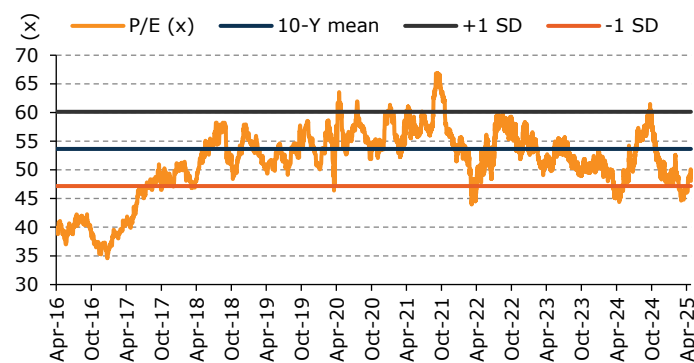
Exhibit 27: Thrust on Nutritional drinks



Source: Company, Emkay Research

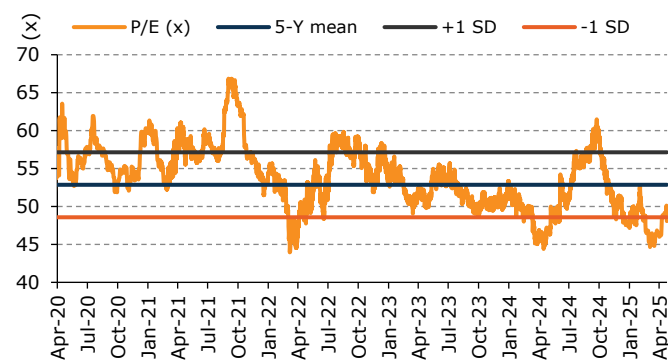
Valuations

Exhibit 28: HUL's one-year forward P/E (at 48x) trend below its 10Y historical forward mean P/E (at 54x)



Source: Company, Bloomberg, Emkay Research

Exhibit 29: HUL's one-year forward P/E (at 48x) trend near -1 SD 5Y historical forward P/E (at 49x)



Source: Company, Bloomberg, Emkay Research

Exhibit 30: Key assumptions

	FY22	FY23	FY24	FY25A	FY26E	FY27E	FY285E
Income statement							
Total income growth	11.3%	15.5%	2.2%	1.7%	6.4%	6.5%	8.7%
Gross margin	50.9%	47.3%	51.5%	50.9%	50.7%	51.0%	51.5%
Royalty	2.7%	2.7%	3.2%	3.4%	3.5%	3.5%	3.5%
Advertisement	9.2%	8.2%	10.6%	9.8%	10.4%	10.4%	10.4%
EBITDA margin	24.4%	23.0%	23.5%	23.2%	22.9%	23.9%	24.4%
Tax rate	25.9%	26.0%	27.5%	26.4%	26.5%	26.5%	26.5%
Adj PAT growth	9.6%	11.4%	2.7%	2.4%	5.0%	11.7%	0.0%
EPS (Rs)	37.12	41.36	42.49	43.49	45.69	51.01	56.97
Balance Sheet							
ROE	18%	20%	20%	20%	22%	24%	27%
ROCE	24%	25%	26%	26%	28%	31%	34%
ROIC	21%	22%	24%	25%	26%	28%	32%
Inventory days (no of)	28	25	23	25	24	23	23
Receivable days (no of)	14	17	16	20	17	17	17
Payable days (no of)	63	58	61	65	59	59	59
Segment revenue growth (%)							
Home care	18.8	28.1	3.2	4.9	7.0	9.0	9.0
Beauty and Personal care	8.3	12.2	1.5	0.3	8.3	9.4	8.8
- Beauty & Wellbeing				2.5	11.4	11.0	10.0
- Personal Care				-2.6	4.0	7.0	7.0
Food	6.8	5.5	2.8	0.0	5.0	-2.0	8.0
Segment EBIT margin (%)							
Home care	19.3	18.3	18.4	18.7	18.7	19.3	19.8
Beauty and Personal care	27.5	25.6	26.2	26.0	25.5	26.8	27.5
- Beauty & Wellbeing				31.9	30.5	32.5	33.0
- Personal Care				17.5	17.9	17.6	18.5
Food	18.6	17.9	18.6	18.4	17.4	18.5	19.0

Source: Company, Emkay Research

Exhibit 31: Changes to our estimates

(Rs mn)	New estimates			Old estimates		Changes to our estimates	
	FY26E	FY27E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	654,205	696,464	757,141	651,620	689,140	0%	1%
growth	6.4%	6.5%	8.7%	6.2%	5.8%		
EBITDA	149,625	166,250	184,621	155,320	168,799	-4%	-2%
growth	4.7%	11.1%	11.0%	8.6%	8.7%		
EBITDA margin	22.9%	23.9%	24.4%	23.8%	24.5%		
Adj PAT	107,360	119,869	133,889	110,845	120,972	-3%	-1%
growth	5.0%	11.7%	0.0%	9.2%	9.1%		
EPS (Rs)	45.7	51.0	57.0	47.2	51.5	-3%	-1%

Source: Emkay Research

Exhibit 32: Emkay vs consensus expectations

(Rs mn)	Emkay estimates		Consensus estimates		Emkay estimate vs consensus	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Net sales	654,205	696,464	659,602	712,948	-1%	-2%
growth	6.4%	6.5%	7.0%	8.1%		
EBITDA	149,625	166,250	155,840	170,534	-4%	-3%
growth	4.7%	11.1%	8.0%	9.4%		
EBITDA margin	22.9%	23.9%	23.6%	23.9%		
Adj PAT	107,360	119,869	111,388	122,727	-4%	-2%
growth	5.0%	11.7%	7.8%	10.2%		
EPS (Rs)	45.7	51.0	47.7	52.4	-4%	-3%

Source: Bloomberg, Emkay Research

Hindustan Unilever: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	604,690	614,690	654,205	696,464	757,141
Revenue growth (%)	2.2	1.7	6.4	6.5	8.7
EBITDA	141,900	142,890	149,625	166,250	184,621
EBITDA growth (%)	4.1	0.7	4.7	11.1	11.0
Depreciation & Amortization	10,970	12,240	12,500	13,000	13,500
EBIT	130,930	130,650	137,125	153,250	171,121
EBIT growth (%)	3.9	(0.2)	5.0	11.8	11.7
Other operating income	8,900	7,890	8,679	9,547	10,583
Other income	9,730	11,770	12,947	14,242	15,666
Financial expense	3,020	3,640	4,004	4,404	4,625
PBT	137,640	138,780	146,068	163,088	182,162
Extraordinary items	0	0	0	0	0
Taxes	37,791	36,580	38,708	43,218	48,273
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	99,849	102,200	107,360	119,869	133,889
PAT growth (%)	2.7	2.4	5.0	11.7	11.7
Adjusted PAT	99,849	102,200	107,360	119,869	133,889
Diluted EPS (Rs)	42.5	43.5	45.7	51.0	57.0
Diluted EPS growth (%)	2.7	2.4	5.0	11.7	11.7
DPS (Rs)	42.0	53.0	46.0	50.0	55.0
Dividend payout (%)	98.8	121.9	100.7	98.0	96.5
EBITDA margin (%)	23.5	23.2	22.9	23.9	24.4
EBIT margin (%)	21.7	21.3	21.0	22.0	22.6
Effective tax rate (%)	27.5	26.4	26.5	26.5	26.5
NOPLAT (pre-IndAS)	94,982	96,213	100,787	112,639	125,774
Shares outstanding (mn)	2,350	2,350	2,350	2,350	2,350

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	127,910	127,010	133,121	148,846	166,496
Others (non-cash items)	0	0	0	0	0
Taxes paid	(2,950)	(21,830)	(38,708)	(43,218)	(48,273)
Change in NWC	46,620	14,440	3,258	7,738	5,822
Operating cash flow	148,840	116,060	113,397	129,806	140,970
Capital expenditure	(12,980)	(11,360)	(41,743)	(15,000)	(17,807)
Acquisition of business	0	(50)	0	0	0
Interest & dividend income	-	-	-	-	-
Investing cash flow	(49,710)	67,630	(3,796)	4,242	(12,141)
Equity raised/(repaid)	0	280	280	280	280
Debt raised/(repaid)	0	0	0	0	0
Payment of lease liabilities	0	0	0	0	(11,210)
Interest paid	(4,920)	(3,640)	(4,004)	(4,404)	(4,625)
Dividend paid (incl tax)	(93,980)	(124,530)	(108,100)	(117,500)	(129,250)
Others	0	(2,420)	0	0	0
Financing cash flow	(98,900)	(130,310)	(111,824)	(121,624)	(144,805)
Net chg in Cash	230	53,380	(2,223)	12,423	(15,976)
OCF	148,840	116,060	113,397	129,806	140,970
Adj. OCF (w/o NWC chg.)	102,220	101,620	110,139	122,068	135,148
FCFF	135,860	104,700	71,654	114,806	123,163
FCFE	132,840	101,060	67,650	110,401	118,538
OCF/EBITDA (%)	104.9	81.2	75.8	78.1	76.4
FCFE/PAT (%)	133.0	98.9	63.0	92.1	88.5
FCFF/NOPLAT (%)	143.0	108.8	71.1	101.9	97.9

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	2,350	2,350	2,350	2,350	2,350
Reserves & Surplus	507,380	489,180	488,720	491,369	496,288
Net worth	509,730	491,530	491,070	493,719	498,638
Minority interests	0	0	0	0	0
Non-current liab. & prov.	64,540	65,830	65,830	65,830	65,830
Total debt	0	0	0	0	0
Total liabilities & equity	585,480	568,570	568,110	570,759	564,468
Net tangible fixed assets	-	-	-	-	-
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	9,150	9,560	9,560	9,560	9,560
Goodwill	150	150	150	150	0
Investments [JV/Associates]	9,810	9,860	9,860	9,860	9,860
Cash & equivalents	117,280	109,090	81,867	89,290	94,524
Current assets (ex-cash)	98,620	114,790	113,125	117,923	127,092
Current Liab. & Prov.	196,450	225,770	227,363	239,899	254,890
NWC (ex-cash)	(97,830)	(110,980)	(114,238)	(121,976)	(127,797)
Total assets	574,270	557,360	556,900	559,549	564,468
Net debt	(117,280)	(109,090)	(81,867)	(89,290)	(94,524)
Capital employed	585,480	568,570	568,110	570,759	564,468
Invested capital	425,960	418,090	444,075	438,337	436,823
BVPS (Rs)	216.9	209.2	209.0	210.1	212.2
Net Debt/Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Net Debt/EBITDA (x)	(0.8)	(0.8)	(0.5)	(0.5)	(0.5)
Interest coverage (x)	46.6	39.1	37.5	38.0	40.4
RoCE (%)	27.8	28.4	30.5	34.0	37.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	54.7	53.5	50.9	45.6	40.8
P/CE(x)	49.3	47.7	45.6	41.1	37.1
P/B (x)	10.7	11.1	11.1	11.1	11.0
EV/Sales (x)	9.0	8.8	8.3	7.8	7.2
EV/EBITDA (x)	37.7	37.4	35.7	32.2	29.0
EV/EBIT(x)	40.8	40.9	39.0	34.9	31.2
EV/IC (x)	12.6	12.8	12.0	12.2	12.2
FCFF yield (%)	2.5	2.0	1.3	2.1	2.3
FCFE yield (%)	2.4	1.8	1.2	2.0	2.2
Dividend yield (%)	1.8	2.3	2.0	2.2	2.4
DuPont-RoE split					
Net profit margin (%)	16.5	16.6	16.4	17.2	17.7
Total asset turnover (x)	1.1	1.1	1.2	1.2	1.3
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.1
RoE (%)	19.7	20.4	21.9	24.3	27.0
DuPont-RoIC					
NOPLAT margin (%)	15.7	15.7	15.4	16.2	16.6
IC turnover (x)	1.4	1.5	1.5	1.6	1.7
RoIC (%)	21.4	22.8	23.4	25.5	28.7
Operating metrics					
Core NWC days	(59.1)	(65.9)	(63.7)	(63.9)	(61.6)
Total NWC days	(59.1)	(65.9)	(63.7)	(63.9)	(61.6)
Fixed asset turnover	1.1	1.1	1.1	1.1	1.2
Opex-to-revenue (%)	28.0	27.7	27.8	27.1	27.1

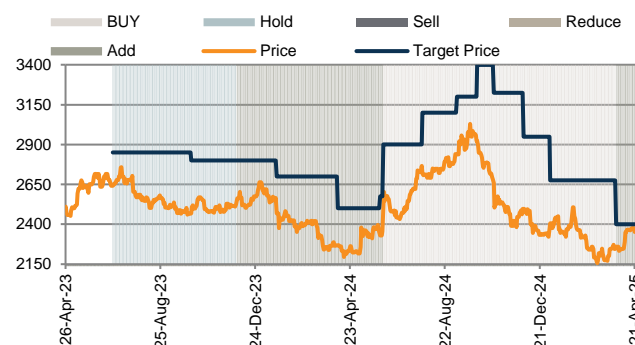
Source: Company, Emkay Research

RECOMMENDATION HISTORY – DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
28-Mar-25	2,259	2,400	Add	Nitin Gupta
17-Mar-25	2,171	2,675	Buy	Nitin Gupta
26-Feb-25	2,259	2,675	Buy	Nitin Gupta
18-Feb-25	2,296	2,675	Buy	Nitin Gupta
02-Feb-25	2,506	2,675	Buy	Nitin Gupta
22-Jan-25	2,343	2,675	Buy	Nitin Gupta
08-Jan-25	2,401	2,675	Buy	Nitin Gupta
03-Jan-25	2,406	2,675	Buy	Nitin Gupta
30-Nov-24	2,496	2,950	Buy	Nitin Gupta
23-Oct-24	2,659	3,225	Buy	Nitin Gupta
02-Oct-24	2,924	3,400	Buy	Nitin Gupta
24-Sep-24	2,951	3,200	Buy	Nitin Gupta
06-Sep-24	2,839	3,200	Buy	Nitin Gupta
24-Jul-24	2,717	3,100	Buy	Nitin Gupta
04-Jul-24	2,496	2,900	Buy	Nitin Gupta
26-Jun-24	2,446	2,900	Buy	Nitin Gupta
04-Jun-24	2,496	2,900	Buy	Nitin Gupta
31-May-24	2,329	2,575	Add	Nitin Gupta
13-May-24	2,361	2,500	Add	Nitin Gupta
08-May-24	2,341	2,500	Add	Nitin Gupta
25-Apr-24	2,231	2,500	Add	Nitin Gupta
15-Apr-24	2,194	2,500	Add	Nitin Gupta
07-Apr-24	2,267	2,500	Add	Nitin Gupta
14-Mar-24	2,335	2,700	Add	Nitin Gupta
23-Jan-24	2,376	2,700	Add	Nitin Gupta
20-Jan-24	2,469	2,700	Add	Nitin Gupta
07-Jan-24	2,620	2,800	Add	Nitin Gupta
12-Dec-23	2,503	2,800	Add	Nitin Gupta
30-Nov-23	2,546	2,800	Add	Nitin Gupta
24-Nov-23	2,515	2,800	Hold	Nitin Gupta
20-Oct-23	2,495	2,800	Hold	Nitin Gupta
03-Oct-23	2,469	2,800	Hold	Nitin Gupta
28-Aug-23	2,556	2,850	Hold	Nitin Gupta
15-Aug-23	2,533	2,850	Hold	Nitin Gupta
20-Jul-23	2,703	2,850	Hold	Nitin Gupta
25-Jun-23	2,642	2,850	Hold	Nitin Gupta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

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