

Honasa Consumer | BUY

Strong quarter; improving outlook - Upgrade to BUY

Honasa's 2QFY26 earnings print was tad better on revenue front but once again profitability was significantly ahead of exceptions – LTL sales growth was 22.5% (UVG of 16.7%). Mamaearth primary sales were back in green (low-single-digit growth if we add back inventory impact in the base quarter), while young brands sustained momentum growing at 20%. Initiatives around reviving growth in Mamaearth are showing promising results and management commentary was optimistic in terms of accelerating growth to double digits by 4QFY26E. Further on profitability, the pace of margin expansion has been much ahead of our expectations for past few quarters (led by improved mix and operating leverage), which should sustain led by improving growth in Mamaearth, scale up in premium brands and marketing efficiencies. Working capital remains negative. We raise our FY26-28E by 2-5%. Given recent correction in stock and improving outlook, we upgrade our rating from ADD to BUY with revised DCF based TP of INR 330 (earlier INR 325).

- **Revenue performance broadly inline:** Consol. revenue grew 16.5% YoY to INR 5.4bn (inline with our and street estimates), driven by robust UVG of 16.7% YoY. During the quarter, revenue recognition was lower due to change in settlement terms by flipkart (impact on revenue of INR 280mn as logistics & fulfilment costs are now netted off from revenue); however, there is no corresponding impact on profitability. On LFL basis, revenue growth stood at 22.5% YoY. Focus categories (contributing to 75% of total revenue vs. 70% last year) continued on its double-digit growth trajectory across channels (MT/e-commerce sustained 20%+ growth, GT secondary sales: double-digit growth). Overall distribution reach was up 20% YoY to c.250k+ outlets with direct distributor now contributing to 79% of revenue vs. 33% in 2QFY24. We are factoring low-double-digit sales CAGR over FY26-28E led by improving growth in Mamaearth and c.20% sales growth in young brands
- **Mamaearth growth turns positive; momentum for younger brands sustains:** Flagship brand – Mamaearth's strategic pivot continues to show signs of improvement with sustained double-digit growth in e-commerce/MT and single-digit secondary sales growth in GT (primary sales were also positive). Adjusting for inventory impact in base quarter, Mamaearth sales grew in low single digits. Younger brands (The Derma Co., Aqualogica, Bblunt, Dr. Sheth's and Staze) grew 20% YoY. Further, management tapped into two new growth spaces – a) entry into prestige night-focused skin care with new brand Lumineve and b) prestige oral care focused on teeth whitening and oral wellness via investment in FANG (25% stake for INR 100mn).
- **Margin delivery positively surprises (ahead of our forecasts and mgmt. guidance) yet again:** Gross margin improved by 172bps YoY to 70.5% (JMFe: 70%) led by sourcing efficiencies and better product mix (younger brands having higher margins). Staff cost grew 16.3% YoY, while A&P spends declined 1.6% YoY and other expenses declined 19.4% (shifting of cost to revenue by flipkart and scale efficiency). Resultant EBITDA margin trajectory improved to 8.9% vs. 7.7% in 1Q and 3.3% in FY25, was much better vs. our expectations of 7.3%. Reported PAT of INR 392mn was 8% ahead of our expectation, driven by better-than-expected EBITDA performance. Going forward, management expects to sustain EBITDA margin trajectory at current levels of 1H aided by better mix and operating leverage (especially on marketing spends). We are building in EBITDA margin of c.8% for FY26E.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	ADD
Current Price Target (12M)	330
Upside/(Downside)	17.0%
Previous Price Target	325
Change	1.5%

Key Data – HONASA IN

Current Market Price	INR282
Market cap (bn)	INR91.8/US\$1.0
Free Float	47%
Shares in issue (mn)	325.2
Diluted share (mn)	325.2
3-mon avg daily val (mn)	INR229.0/US\$2.6
52-week range	388/190
Sensex/Nifty	84,467/25,876
INR/US\$	88.6

Price Performance

%	1M	6M	12M
Absolute	-3.4	13.7	-24.6
Relative*	-5.6	11.0	-29.8

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	19,199	20,669	23,222	26,314	29,904
Sales Growth (%)	28.6	7.7	12.3	13.3	13.6
EBITDA	1,371	685	1,847	2,406	3,100
EBITDA Margin (%)	7.1	3.3	8.0	9.1	10.4
Adjusted Net Profit	1,118	727	1,541	2,017	2,628
Diluted EPS (INR)	3.4	2.2	4.7	6.2	8.1
Diluted EPS Growth (%)	295.3	-35.2	112.0	30.9	30.3
ROIC (%)	26.7	4.4	18.6	26.6	38.2
ROE (%)	13.1	6.4	12.5	14.9	17.8
P/E (x)	81.8	126.2	59.5	45.5	34.9
P/B (x)	8.3	7.8	7.1	6.5	5.9
EV/EBITDA (x)	61.2	124.4	45.5	34.3	26.1
Dividend Yield (%)	0.0	0.0	0.5	0.9	1.4

Source: Company data, JM Financial. Note: Valuations as of 12/Nov/2025

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.

Concall Highlights

- **Evolving category in India's BPC market:** India's premium oral care market is set to reach \$700mn by 2030 driven by demand for whitening and advanced benefits. Management expects huge headroom for premiumisation in this category led by rising health and aesthetic consciousness and insurgent brands gaining market share. **The company is ready to tap into this opportunity through inorganic investment in FANG.**

- **Operational performance**

- Management highlighted that on like-for-like basis revenue growth stood at 22.4%. During the quarter there was a change in financial reporting on account of change in settlement from its key customer - Flipkart. The company operates as a marketplace seller and previously, flipkart provided an invoice for logistics and fulfilment costs (which was a part of other overheads). However, flipkart has now changed its settlement policy and is reducing the logistics and fulfilment costs from revenue, which resulted into lower revenue recognition for the company. **Overall financial impact for the quarter stood at INR 280mn resulting into sales growth of 16.5% YoY. From net contribution margin perspective, there will be no impact.**
- With respect to strategic change in playbook, focus categories continue to grow well across channels including general trade and now contributes to 75% of total revenue. **Management targets to improve this contribution to c.85%.**
- Gross margin profile has seen a consistent improvement and is now averaging at the 71% mark. Levers for improvement are – a) performance efficiencies and b) favourable product mix. This will further improve after entry into the prestige categories.

- **Mamaearth**

- Mamaearth is showing positive results on sequential basis and has turned green across channels. Previously, e-commerce and modern trade channels saw good growth profiles; however, now general trade trajectory is also improving with single-digit growth in secondary sales. **Management highlighted that the primary sales in general trade has also turned positive.**
- **Moving forward, management endeavors to continue improving on sequential basis and report high-single-digit growth in 3Q and double-digit growth in 4Q on LFL basis. Taking into account the base correction due to flipkart, the brand is likely to grow in single digits.**
- At the moment, Mamaearth's revised playbook focuses on driving growth in the six core categories. Once it reaches a scale of INR 1,500-2,000 crores with significant improvement in profitability, management will then focus on adding a 7th category to its focus area. The next big category would be body products such as body lotion, body wash etc.

- **Younger brands**

- Young brands continue on a strong growth trajectory with 20% growth driven by the strategy of building plus one category out of their core categories/partitions.
- The Derma Co. which is the second largest brand is reaching newer heights and clocked an ARR of INR 750 crores in net sales with high-single-digit EBITDA margin. As per Euromonitor, it is the No.1 sunscreen brand in India for CY24. It is now looking to build strength in other focus categories such as moisturiser and shampoo categories which will aid to reach the INR 1,000 crores mark over the next 1-2 years.
- Future of TDC: Management highlighted that focus will remain to drive growth in the existing four categories which still has a lot of growth potential. Thereafter, management will focus on the other two categories i.e. moisturiser and hair along with offline expansion. At present, the offline sales for TDC stands at INR 100 crores.
- Staze is progressing well and has tripled on YoY basis.

■ New growth engines

- **New brand:** The company introduced **Lumineve - a prestige night-focused skin care brand** rooted in global dermatologist expertise, powered by exclusive ingredient technologies. This is launched in exclusive partnership with Nykaa. It will cater to the prestige skin care market which is expected to be \$4bn by 2030. The brand is priced 2.5x higher vs. current product categories.
- **Inorganic opportunity:** The management is witnessing a rise in oral beauty over the next decade and is looking to tap this opportunity by investing behind brands at an early stage. Focus remains to play within 2-3 partitions in this category and build that over the next decade. **The company announced its investment in FANG (portfolio inline with management's strategic vision) which is a prestige oral care brand focused on teeth whitening and everyday oral wellness. The company acquired 25% stake for INR 100mn (5.7x on net sales ARR of INR 70mn as on Sep'25).**

■ Distribution and channel expansion

- Apart from Mamaearth, GT distribution has been continuous area of focus and management continues to sequential improvement in secondary sales 35% YoY growth in direct outlet billing.
- From direct distribution perspective, the company improved its contribution from direct distributor to 79% of GT primary sales vs. 33% in 2QFY24.
- Total FMCG retail outlet reach grew by 20% YoY to c.250k outlets as on Sep'25.
- E-commerce is the fastest growing channel accounting for 10% of total revenues.

- **Project Neev:** The company is in process of transitioning from a three-layer distribution system to two-layer in the top 100 cities, out of this 85% has been achieved and the balance 15% will be completed by end of FY26.

■ Guidance

- **Management has guided to maintain EBITDA margins at current levels (i.e 8.2% in 1H) for FY26, which is an upgrade vs. previous guidance on 7%.**
- Management expects to see increased scale-led efficiency across marketing investments as younger brands continue to scale. Management reiterates its target to improve margins by 50-100bps on YoY basis.

■ Other highlights

- 80% business is now coming from direct distribution.
- Re-innovation leading to superior product upgrades continues with the launch of TDC 10% vitamin C serum and Aqualogica – India's first in-vivo tested sunscreen with anti-pollution factor.
- Premiumization remains strong with collaboration-driven innovation and entry into prestige segment with newer launches and brand.

Exhibit 1. 2QFY26 result snapshot: Revenue largely inline; better-than- expected gross margins alongwith scale leverage drives earnings beat

Consolidated financials (INR mn)	2QFY26	2QFY25	YoY growth	2QFY26E	% Var	1HFY26	1HFY25	YoY growth
Revenue from operations	5,381	4,618	16.5%	5,357	0.4%	11,333	10,159	11.6%
Gross Profit	3,793	3,176	19.4%	3,750	1.1%	8,031	7,147	12.4%
Gross Profit Margin %	70.5%	68.8%	172 bps	70.0%	49 bps	70.9%	70.3%	52 bps
Staff Cost	598	515	16.3%	595	0.6%	1,202	1,009	19.2%
A&P	1,800	1,830	-1.6%	1,821	-1.2%	3,860	3,830	0.8%
Other Expenses	918	1,139	-19.4%	943	-2.6%	2,035	2,154	-5.5%
EBITDA	476	-307	NM	391	21.8%	934	154	506.2%
EBITDA margin %	8.9%	-6.6%	NM	7.3%	155 bps	8.2%	1.5%	673 bps
Depreciation	117	106	11.1%	112	4.3%	226	200	12.9%
EBIT	359	-413	NM	279	28.9%	709	-46	NM
Interest Expense	33	31	5.2%	33	-0.1%	66	62	6.8%
Financial Other Income	201	200	0.6%	240	-16.1%	440	387	13.6%
PBT	527	-244	NM	486	8.6%	1,083	280	286.6%
Taxes	135	-58	NM	122	10.5%	278	63	338.3%
Reported Net Profit	392	-186	NM	363	8.0%	806	217	271.5%

Source: Company, JM Financial

Exhibit 2. Quarterly financial performance – on consolidated basis

INR mn	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Volume Growth (%)	27.0%	35.0%	27.5%	25.2%	7.1%	1.5%	21.2%	10.5%	16.7%
Sales	4,961	4,882	4,711	5,541	4,618	5,175	5,336	5,953	5,381
YoY	21%	28%	21%	19%	-7%	6%	13%	7%	17%*
Gross Profit	3,446	3,351	3,296	3,970	3,176	3,620	3,774	4,238	3793
Staff cost	371	442	448	494	515	518	478	604	598
A&P spends	1,740	1,660	1,600	2,000	1,830	1,770	1,840	2,060	1,800
Other expenses	933	904	917	1,015	1,139	1,071	1,186	1,117	918
EBITDA	402	345	331	461	(307)	261	270	458	476
YoY	53%	192%	NM	57%	-176%	-24%	-19%	-1%	NM
Depreciation	63	81	98	94	106	126	124	108	117
Interest	18	26	31	30	31	33	32	33	33
Other income	71	110	190	187	200	192	208	239	201
PBT	392	347	393	524	(244)	294	322	556	527
YoY	69%	226%	NM	54%	-162%	-15%	-18%	6%	NM
Tax	98	88	88	121	(58)	34	72	143	135
PAT	294	259	305	403	(186)	260	250	413	392
YoY	73%	174%	NM	55%	-163%	0%	-18%	3%	NM
% to sales	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Gross margin	69.5%	68.6%	70.0%	71.7%	68.8%	70.0%	70.7%	71.2%	70.5%*
Staff cost	7.5%	9.0%	9.5%	8.9%	11.1%	10.0%	8.9%	10.1%	11.1%
A&P spends	35.1%	34.0%	34.0%	36.1%	39.6%	34.2%	34.5%	34.6%	33.5%
Other expenses	18.8%	18.5%	19.5%	18.3%	24.7%	20.7%	22.2%	18.8%	17.1%
EBITDA margin	8.1%	7.1%	7.0%	8.3%	-6.6%	5.0%	5.1%	7.7%	8.9%*

Source: Company, JM Financial.

*LFL sales growth: 22.5%, LFL gross margin: 71.9% and LFL EBITDA margin: 8.4%.

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



Exhibit 4. Our 12-month DCF based price target works out to INR 330/share

(INR mn)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	1,098	4,600	9,435	14,927	19,199	20,669	23,222	26,314	29,904	34,009	38,773	43,554	48,525	53,394	58,823	64,881
yoy growth		319.0%	105.1%	58.2%	28.6%	7.7%	12.3%	13.3%	13.6%	13.7%	14.0%	12.3%	11.4%	10.0%	10.2%	10.3%
EBITDA	-78	272	115	228	1,371	685	1,847	2,406	3,100	3,918	4,813	5,780	6,885	8,083	9,117	10,280
EBITDA margin %	-7.1%	5.9%	1.2%	1.5%	7.1%	3.3%	8.0%	9.1%	10.4%	11.5%	12.4%	13.3%	14.2%	15.1%	15.5%	15.8%
EBIT	-85	255	46	-22	1,065	235	1,338	1,815	2,432	3,153	3,944	4,802	5,793	6,870	7,772	8,793
EBIT margin %	-7.7%	5.5%	0.5%	-0.1%	5.5%	1.1%	5.8%	6.9%	8.1%	9.3%	10.2%	11.0%	11.9%	12.9%	13.2%	13.6%
Tax Rate	0.0%	-0.6%	35.6%	-7.0%	24.9%	18.9%	25.3%	25.3%	25.3%	25.3%	25.3%	25.3%	25.3%	25.3%	25.3%	25.3%
NOPAT	-85	256	29	-24	800	191	999	1,356	1,816	2,355	2,946	3,587	4,328	5,132	5,806	6,568
Depreciation	6	17	69	250	306	450	509	591	669	766	869	978	1,092	1,213	1,344	1,487
Capex	-4	-10	-1,176	-285	-123	-170	-557	-526	-598	-646	-698	-740	-776	-854	-941	-1,038
Net working capital investment	-42	-1	2	-1,187	-331	-2,505	-108	247	76	504	-544	311	-504	-517	-513	-574
Free Cash Flow	-125	262	-1,075	-1,246	651	-2,034	843	1,668	1,963	2,979	2,573	4,135	4,140	4,974	5,696	6,443
YoY Growth - %								97.8%	17.7%	51.8%	-13.6%	60.7%	0.1%	20.2%	14.5%	13.1%
Discounting Factor							1.00	0.97	0.88	0.79	0.71	0.64	0.58	0.52	0.47	0.42
Present Value of FCF							843	1,625	1,723	2,356	1,833	2,654	2,393	2,591	2,673	2,724
Fade period forecast	FY36E	FY37E	FY38E	FY39E	FY40E	FY41E	FY42E	FY43E	FY44E	FY45E	FY36-45 CAGR					
FCF	7,249	8,111	9,026	9,988	10,993	12,031	13,094	14,171	15,249	16,317	9.4%					
Discounting Factor	0.38	0.34	0.31	0.28	0.25	0.23	0.20	0.18	0.17	0.15						
Present Value of FCF	2,761	2,783	2,790	2,782	2,758	2,719	2,666	2,600	2,520	2,429						

12M Forward Equity Valuation

PV of Cash Flow - Explicit Period	20,571
PV of Cash Flow - Fade Period	26,808
PV of Terminal Value	51,503
Enterprise Value	98,881

Debt	0
Cash	7,608
Net Debt	-7,608

Equity value	106,488
No of Shares (mn)	325
Target price (INR per share)	330

Source: Company, JM Financial

Exhibit 5. Revision in estimates

INR mn	Revised			Earlier			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	23,222	26,314	29,904	23,332	26,684	30,414	-0.5%	-1.4%	-1.7%
EBITDA	1,847	2,406	3,100	1,636	2,281	3,055	12.9%	5.5%	1.5%
PAT	1,541	2,017	2,628	1,474	1,990	2,581	4.5%	1.4%	1.8%
EPS	4.7	6.2	8.1	4.5	6.1	7.9	4.5%	1.4%	1.8%

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	19,199	20,669	23,222	26,314	29,904
Sales Growth	28.6%	7.7%	12.3%	13.3%	13.6%
Other Operating Income	0	0	0	0	0
Total Revenue	19,199	20,669	23,222	26,314	29,904
Cost of Goods Sold/Op. Exp	5,807	6,129	6,571	7,441	8,450
Personnel Cost	1,706	2,004	2,348	2,587	2,863
Other Expenses	10,315	11,851	12,456	13,879	15,490
EBITDA	1,371	685	1,847	2,406	3,100
EBITDA Margin	7.1%	3.3%	8.0%	9.1%	10.4%
EBITDA Growth	502.2%	-50.0%	169.5%	30.3%	28.8%
Depn. & Amort.	306	450	509	591	669
EBIT	1,065	235	1,338	1,815	2,432
Other Income	497	787	858	1,021	1,225
Finance Cost	90	126	133	136	139
PBT before Excep. & Forex	1,471	896	2,063	2,700	3,518
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	1,471	896	2,063	2,700	3,518
Taxes	366	169	522	683	890
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-12	0	0	0	0
Reported Net Profit	1,118	727	1,541	2,017	2,628
Adjusted Net Profit	1,118	727	1,541	2,017	2,628
Net Margin	5.8%	3.5%	6.6%	7.7%	8.8%
Diluted Share Cap. (mn)	324.2	325.2	325.2	325.2	325.2
Diluted EPS (INR)	3.4	2.2	4.7	6.2	8.1
Diluted EPS Growth	295.3%	-35.2%	112.0%	30.9%	30.3%
Total Dividend + Tax	0	0	462	807	1,314
Dividend Per Share (INR)	0.0	0.0	1.4	2.5	4.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,471	896	2,063	2,700	3,518
Depn. & Amort.	306	450	509	591	669
Net Interest Exp. / Inc. (-)	-407	-661	-725	-885	-1,086
Inc (-) / Dec in WCap.	1,025	-53	-108	247	76
Others	282	340	0	0	0
Taxes Paid	-324	49	-225	-610	-751
Operating Cash Flow	2,353	1,022	1,514	2,043	2,425
Capex	-118	-199	-557	-526	-598
Free Cash Flow	2,235	823	957	1,517	1,827
Inc (-) / Dec in Investments	-4,482	-1,645	0	0	0
Others	-99	393	858	1,021	1,225
Investing Cash Flow	-4,698	-1,451	301	494	627
Inc / Dec (-) in Capital	3,633	48	19	21	23
Dividend + Tax thereon	0	0	-462	-807	-1,314
Inc / Dec (-) in Loans	0	0	0	0	0
Others	-265	-359	-125	-128	-130
Financing Cash Flow	3,369	-311	-568	-913	-1,421
Inc / Dec (-) in Cash	1,024	-741	1,247	1,624	1,631
Opening Cash Balance	3,833	4,053	3,313	4,560	6,184
Closing Cash Balance	4,857	3,313	4,560	6,184	7,815

Source: Company, JM Financial

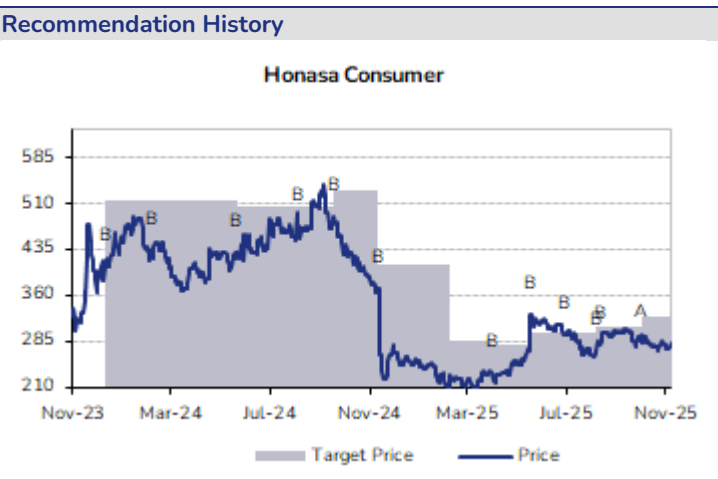
Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	10,953	11,798	12,896	14,128	15,465
Share Capital	3,242	3,252	3,252	3,252	3,252
Reserves & Surplus	7,710	8,546	9,644	10,876	12,213
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	13	-95	-95	-95	-95
Total - Equity & Liab.	10,966	11,703	12,801	14,032	15,370
Net Fixed Assets	1,682	1,659	1,699	1,626	1,547
Gross Fixed Assets	1,593	1,767	2,324	2,851	3,449
Intangible Assets	528	528	528	528	528
Less: Depn. & Amort.	376	483	993	1,584	2,253
Capital WIP	-62	-153	-160	-169	-177
Investments	2,918	3,048	3,048	3,048	3,048
Current Assets	10,393	11,736	13,413	15,341	17,526
Inventories	1,228	1,583	1,654	1,802	1,966
Sundry Debtors	1,594	1,323	1,487	1,685	1,914
Cash & Bank Balances	4,857	3,313	4,560	6,184	7,815
Loans & Advances	2,410	5,176	5,341	5,263	5,383
Other Current Assets	304	341	371	408	448
Current Liab. & Prov.	4,027	4,739	5,359	5,983	6,751
Current Liabilities	3,841	4,171	4,461	4,990	5,594
Provisions & Others	186	568	898	993	1,157
Net Current Assets	6,366	6,997	8,054	9,359	10,775
Total - Assets	10,966	11,703	12,801	14,032	15,370

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	5.8%	3.5%	6.6%	7.7%	8.8%
Asset Turnover (x)	2.2	1.8	1.8	1.9	1.9
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	13.1%	6.4%	12.5%	14.9%	17.8%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	33.8	36.3	39.7	43.4	47.6
ROIC	26.7%	4.4%	18.6%	26.6%	38.2%
ROE	13.1%	6.4%	12.5%	14.9%	17.8%
Net Debt/Equity (x)	-0.7	-0.5	-0.6	-0.7	-0.7
P/E (x)	81.8	126.2	59.5	45.5	34.9
P/B (x)	8.3	7.8	7.1	6.5	5.9
EV/EBITDA (x)	61.2	124.4	45.5	34.3	26.1
EV/Sales (x)	4.4	4.1	3.6	3.1	2.7
Debtor days	30	23	23	23	23
Inventory days	23	28	26	25	24
Creditor days	79	76	76	76	76

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
15-Dec-23	Buy	515	
10-Feb-24	Buy	515	0.0
24-May-24	Buy	505	-1.9
9-Aug-24	Buy	505	0.0
23-Sep-24	Buy	530	5.0
15-Nov-24	Buy	410	-22.6
12-Feb-25	Buy	285	-30.5
4-Apr-25	Buy	280	-1.8
23-May-25	Buy	300	7.1
4-Jul-25	Buy	300	0.0
12-Aug-25	Buy	310	3.3
17-Aug-25	Buy	310	0.0
8-Oct-25	Add	325	4.8



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

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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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