

Company	CMP (INR)	Target Price (INR)	Reco
Staples			
BRIT	4,603	5,200	Neutral
CLGT	2,464	2,850	Neutral
DABUR	494	650	Buy
HMN	530	750	Buy
GCPL	1,009	1,400	Buy
HUVR	2,192	2,850	Buy
ITC	395	550	Buy
JYL	322	450	Neutral
MRCO	600	775	Buy
NESTLE	2,190	2,400	Neutral
PG	13,535	15,500	Neutral
Paints			
APNT	2,180	2,550	Neutral
INDIGOPN	1,022	1,500	Buy
PIDI	2,657	3,200	Neutral
Liquor			
UBBL	1,946	2,000	Neutral
UNSP	1,285	1,650	Neutral
Innerwear			
PAGE	40,393	57,500	Buy
QSR			
BBQ	279	350	Neutral
DEVYANI	165	215	Buy
JUBI	626	715	Neutral
SAPPHIRE	311	415	Buy
WESTLIFE	683	800	Neutral
Jewelry			
KALYANKJ	464	625	Buy
PNG	538	950	Buy
SENCO	293	400	Neutral
TTAN	3,075	4,000	Buy

Mixed growth diversity; pricing to ease margin pressure

- Our widespread consumer coverage universe, with a combined revenue of INR4,000b and a market cap of INR32,000b, registered aggregate revenue growth of 10%/8% in 3QFY25/1HFY25. Consumption trends were mixed in 3Q. Our coverage includes six segments, out of which all segments, except paint, reported revenue growth. The revenue/EBITDA/APAT performance of all sub-segments in 3QFY25: staples +4%/-1%/-5%, paint -3%/-13%/-15%, liquor +13%/+14%/+12%, innerwear +7%/+32%/+34%, QSR +12%/+6%/-52%, and jewelry +28%/+20%/+17% YoY.
- Staple companies posted a sluggish quarter due to weak urban demand, a lower uptake in the winter portfolio, and high palm oil prices, which impacted the personal wash portfolio (grammage reduction). Paint companies were affected by weak consumer sentiment, muted festive sales (due to the early Diwali impact), and rising competitive intensity. Value growth continued to lag volume growth (price cut impact will be in the base after 4Q). Liquor companies delivered strong growth, driven by a new liquor policy in Andhra Pradesh, positive demand for P&A, and a higher number of weddings in 2HFY25. In Innerwear, PAGE saw an initial festive boost but failed to sustain growth momentum. While traditional channels remained sluggish, emerging channels continued to drive growth and improve the sales mix. High trade inventory pressure eased, and secondary growth was marginally higher than primary growth. QSR companies saw minor demand improvements in 3Q, particularly toward the quarter's end, with volume-led SSSG improvement. With a favorable base, SSSG showed an uptick. The revenue gap between dine-in and delivery narrowed, supported by improved dine-in footfall. Store expansion further boosted revenue growth. Jewelry companies continued to enjoy robust growth, with strong SSSG.
- Rising commodity costs, particularly in the agri basket (tea, wheat, palm oil, and edible oils), along with insufficient price hikes, led to gross margin contraction across most categories and companies. EBITDA margin declined due to these factors and negative operating leverage, which companies partially offset by reducing A&P spends. While innerwear and liquor companies experienced margin expansion, QSR and paint companies saw margin contraction. Jewelry margins also contracted due to a shift in the gold-to-diamond ratio within diamond jewelry amid rising gold prices and stable diamond prices, along with more franchise-driven store expansion.
- Among our coverage companies, PAGE, UNSP, PG, JUBI, Kalyan Jewelers, and PN Gadgil were the outliers in 3QFY25, whereas APNT, CLGT, GCPL, BRIT, Devyani, and Senco Gold underperformed. While the slowdown persisted across consumer segments, demand trends are expected to improve gradually, supported by income tax benefits, interest rate cuts, and a gradual improvement in the macro environment. Our top picks are HUL, GCPL, Dabur, PAGE, Titan, and PN Gadgil.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

Tanu Jindal - Research Analyst (Tanu.Jindal@MotilalOswal.com)

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

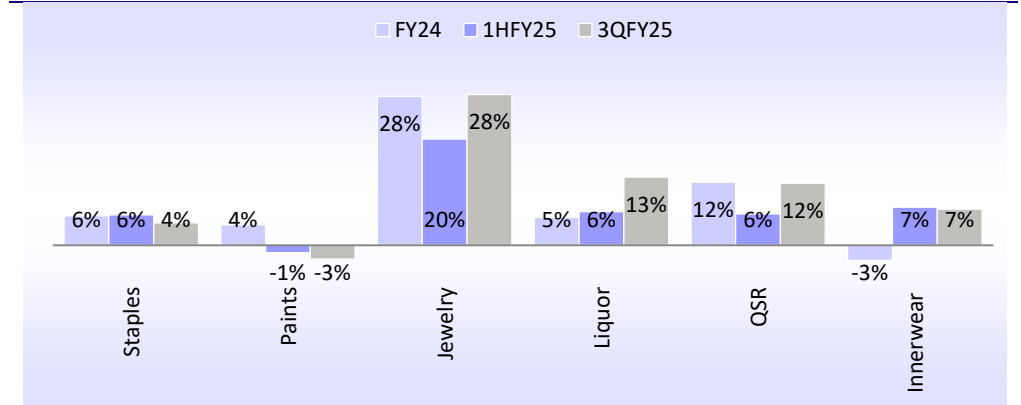
Performance summary of all categories and key areas to monitor:

- **Staples:** FMCG demand remained subdued, mirroring 2Q trends, with urban slowdown and a gradual rural recovery. Staple companies under our coverage reported 4% sales growth, while EBITDA declined 1% and APAT fell 5% (missed estimates). Volume growth remained in low- to mid-single digits, impacted by high palm oil prices (grammage cuts), a rising low-unit price (LUP) mix, and a weak winter portfolio (healthcare, HI, personal care). Commodity inflation (tea, wheat, palm oil, edible oils) and insufficient price hikes led to a contraction of 190bp in GM and 130bp in EBITDA margin, partially offset by lower A&P spends. E-commerce and quick commerce gained traction, putting pressure on General Trade (GT). NIQ data showed 10.6% value growth and 7.1% volume growth, driven by rural markets (+9.9% YoY), twice the urban growth (+5.0%). Despite near-term challenges, demand is expected to improve, aided by income tax benefits, rate cuts, and macro recovery. Companies are focusing on distribution expansion, product innovation, and consumer incentives to drive growth. In terms of revenue, Marico (+15%) and PG (+10%) were outliers, and EBITDA performance was better for PG (+20%).
- **Paints:** Paint companies faced sluggish demand in 3QFY25 due to weak consumer sentiment, muted festive sales (early Diwali impact), ~3% price cuts in 2HFY24, rising competition, and urban market stress (rural and tier 3/4 regions showed better recovery). Our coverage companies (APNT and Indigo Paints) saw a decline of 3%/13%/ 15% in revenue/EBITDA/APAT. Berger Paints outperformed peers with 3% growth, driven by urban initiatives and new categories. Competitive intensity remained high, with Birla Opus gaining market share, though APNT saw limited disruption. EBITDA margins declined YoY due to an unfavorable product mix, past price cuts, and negative operating leverage. Companies have taken 1-2% price hikes in 2Q/3Q, benefits of which will be seen in the coming quarters. Paint companies EBITDA guidance: 18-20% for APNT, 15-17% for Berger, and 13-14% for Kansai. While urban demand remains weak, rural optimism, government spending, and industrial demand offer support. APNT expects weak growth for two more quarters, while Berger targets double-digit volume growth and single-digit value growth in 4Q. APNT's performance was the weakest among paint companies, with revenue/EBITDA down 6%/20% YoY.
- **Liquor:** The AlcoBev sector saw strong demand in 3QFY25, driven by festive season sales, wedding demand, and the reopening of the Andhra Pradesh market. The Prestige & Above (P&A) segment continued its momentum, with premium volume growth at 18% for United Spirits, 33% for United Breweries, and 18% for Radico Khaitan. Mass/Popular segment also saw a marginal recovery. Inflation in neutral alcohol spirit (ENA) remains high, though ethanol production from FCI rice may ease costs, while glass prices are stabilizing after prior declines. However, barley costs exhibited an inflationary trend and are expected to remain volatile, keeping margin pressures elevated in the near term. State policy reforms in UP and Telangana—including UP's new excise policy with e-lottery and composite shops (Beer and foreign liquor) and Telangana's 15% beer price hike—are set to improve market efficiency and pricing power. Premiumization, regulatory stability, and strong brand momentum support a positive near-term

outlook. UNSP outperformed in its category with 15%/20% growth in revenue/EBITDA, while UBBL recorded 10% revenue growth but saw a 3% decline in EBITDA.

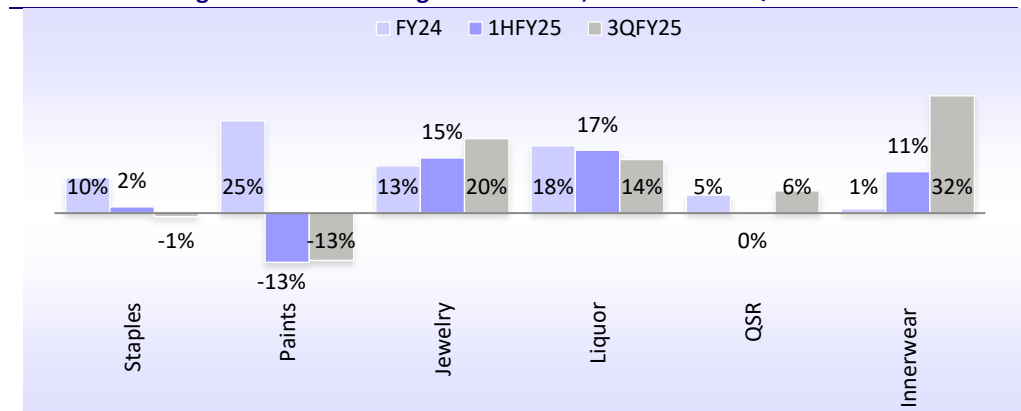
- **QSR:** QSR companies reported a slight improvement in demand trends during 3Q, particularly toward the end of the quarter. With a favorable base, SSSG showed an uptick. The revenue gap between dine-in and delivery has narrowed due to increased dine-in footfall. However, weak underlying growth continued to impact operating margins, putting pressure on restaurant and EBITDA margins for most brands. Enhancements in menu offerings and promotional activations have increased footfalls. While delivery channels remain strong, dine-in is showing gradual improvement. Store expansion accelerated, with companies on track to meet FY25 targets. Jubilant outperformed its peers in 3QFY25.
- **Jewelry:** Jewelry companies reported strong sales growth, driven by festive demand, weddings, and higher gold prices. Titan (+27%), Kalyan (+40%), Senco (+27%), PN Gadgil (+24%), and Thangamayil (+26%) saw robust revenue gains, with SSSG at 22-24% for key players. Demand remained strong in Jan'25 but softened in the last 7-10 days due to a sharp rise in gold prices. Despite healthy studded jewelry growth, margins declined YoY as rising gold prices led to a shift within the diamond segment. The reduction in customs duty caused inventory losses for Titan (INR2.5b), Kalyan (INR548b), and Senco (INR276b), impacting profitability. PN Gadgil and Thangamayil remained unaffected. The store expansion was strong for jewelry companies. Kalyan Jewellers outperformed with revenue/EBITDA growth of 40%/34%, while Senco lagged behind as revenue grew 27% but EBITDA declined 45%.
- **Innerwear:** The innerwear market showed mixed demand trends in 3QFY25, with premium segments gaining traction due to improved quality and innovation. Page Industries grew 7% YoY, aided by an initial boost during the festive season; however, it failed to sustain the growth momentum. Lux (22%) and Dollar (15%) saw strong growth, driven by premium & mid-tier brands and thermal wear, whereas Rupa remained flat. E-commerce and Tier-3/4 cities led growth, followed by Tier-1, Tier-2, and metros. Inventory management improved, with Page cutting inventory days to 59 (from 93 in FY24) and Lux streamlining stocks, while Dollar increased inventory for summer demand. EBITDA margins expanded, aided by stable raw material costs and efficiency gains. PAGE delivered 7%/32% YoY growth in revenue/EBITDA.

Exhibit 1: Coverage universe revenue growth in FY24, 1HFY25 and 3QFY25



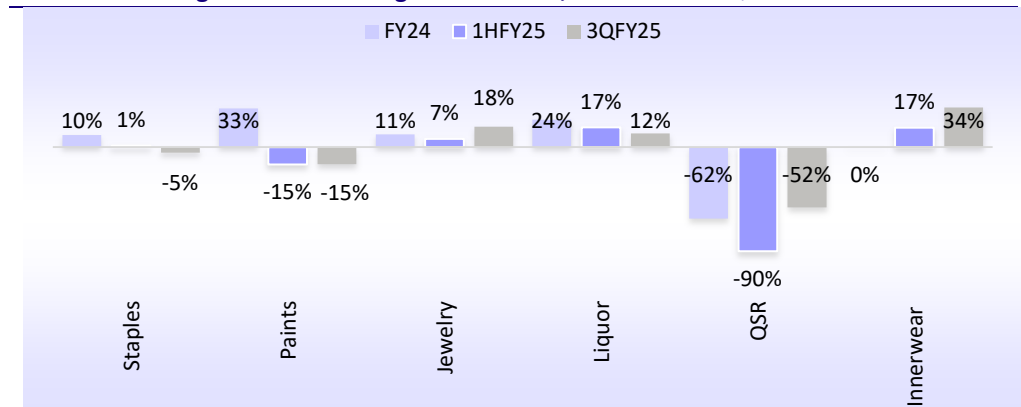
Source: Companies, MOFSL

Exhibit 2: Coverage universe EBITDA growth in FY24, 1HFY25 and 3QFY25



Source: Companies, MOFSL

Exhibit 3: Coverage universe APAT growth in FY24, 1HFY25 and 3QFY25



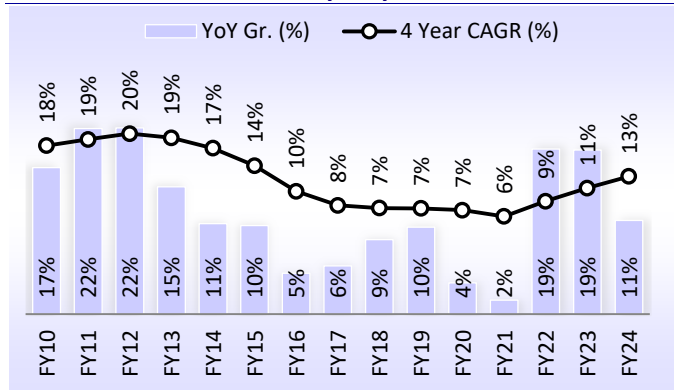
Source: Companies, MOFSL

Consumption tracker

The index is based on the weighted average revenue growth of various companies included in their respective categories

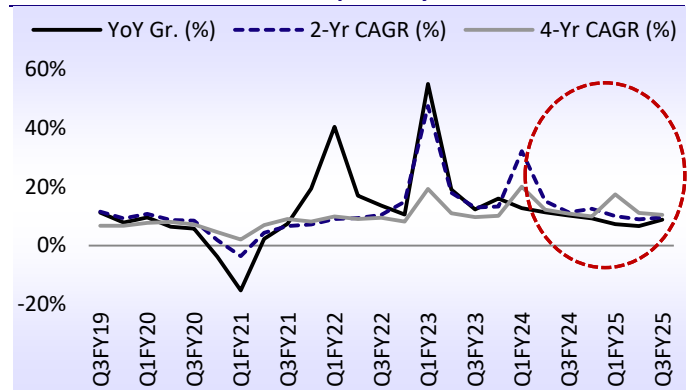
Our consumption tracker consists of various categories from the staple and discretionary baskets. The index comprises a diverse range of categories, from essentials such as oral care, hair care, personal care, and home care, to discretionary items such as F&B, OTC FMCG, cigarettes, footwear, paints, QSR, dairy, liquor, and jewelry.

Exhibit 4: Consumer Index – yearly trend



Source: Companies, MOFSL

Exhibit 5: Consumer Index – quarterly trend



Source: Companies, MOFSL

Category outperformance and underperformance

- Moderate growth in essentials:** Most essential categories saw mid-single-digit growth, with dairy leading at 8%. However, personal care (+1%) and OTC (flat) remained weak. On an LTM basis, dairy (+9%) and oral care (+8%) outperformed, while OTC FMCG (flat), personal care (flat), and hair care (+1%) struggled. Growth was impacted by subdued macros, high inflation (agri and palm oil), slower urban demand, downtrading, and a delayed winter affecting seasonal products. To counter inflation, companies are implementing price hikes and grammage reductions.
- Discretionary spending shows improvement:** Discretionary categories saw a sequential recovery in 3QFY25. Jewelry grew 29% and liquor 10%, supported by a strong festive and wedding season. QSR saw 12% organic revenue growth, driven by store additions and a favorable base. Cigarettes remained resilient, growing 9% amid stable taxation. However, paints declined 3%, while footwear posted marginal 1% growth.

Exhibit 6: Category outperformance and underperformance (LTM basis)

Categories	Category Gr. (3QFY25)	Category Gr. (LTM)	Out-performers	Co Avg. Gr. (LTM)	Out-performance (x)	Under-performers	Co Avg. Gr. (LTM)	Under-performance (x)
Personal Care	1%	0%	Emami (Boroplus)	15%	58.5x	Emami (Glow and handsome)	-6%	-23.8x
Hair Care	5%	1%	Emami (Navratna)	10%	7.2x	Emami (Kesh king)	-11%	-7.5x
Oral Care	5%	8%	Colgate	10%	1.2x	Gillette	-6%	-0.7x
Beverages	4%	6%	CCL	23%	2.5x	Dabur	-8%	-0.8x
Foods	6%	7%	Tata consumer	22%	4.2x	Marico	-10%	-1.9x
Home Care	5%	5%	GCPL	8%	1.5x	Jyothy (HI)	-8%	-1.6x
OTC FMCG	0%	0%	Amrutanjan	12%	90.9x	Dabur	-4%	-29.0x
Dairy	8%	9%	Heritage	11%	1.2x	Parag	5%	0.5x
Cigarette	9%	9%	Godfrey Phillips	17%	1.9x	VST	6%	0.7x
Liquor	10%	10%	Radico Khaitan	20%	2.1x	Pernard Ricard	6%	0.6x
QSR	12%	8%	Burger King	14%	1.9x	Devyani (PH)	0%	0.0x
Paints	-3%	-2%	Indigo Paints	8%	4.6x	Asian Paints	-4%	-2.2x
Footwear	1%	1%	Mirza International	6%	6.1x	Relaxo	-3%	-3.5x
Jewelry	29%	23%	Kalyan	34%	1.5x	Titan	18%	0.8x

Source: Company, MOFSL

Exhibit 7: Volume and SSSG trend of coverage universe

Volume Growth	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Personal Products											
HUL (FMCG business)	6.0	4.0	5.0	4.0	3.0	2.0	2.0	2.0	4.0	3.0	0
Colgate	-3.0	-3.0	-5.0	1.0	3.0	-1.0	-1.0	1.0	7.0	8.0	4
Dabur - Overall	5.0	1.0	-3.0	1.0	3.0	3.0	4.0	3.0	5.0	-7.0	1
Emami - Overall	0.0	-5.0	-4.0	-7.0	3.0	2.0	-1.0	6.0	9.0	2.0	4
Hair Care											
Marico - FMCG	-6.0	3.0	4.0	5.0	3.0	3.0	2.0	3.0	4.0	5.0	6
Marico - Parachute Coconut Oil	-2.0	-3.0	2.0	9.0	-2.0	1.0	3.0	2.0	2.0	4.0	3
Marico -VAHO	0.0	-2.0	-2.0	12.0	0.0	-1.0	2.0	-4.0	-2.0	-3.0	3
Home Care											
GCPL - Branded Biz	-6.0	-5.0	3.0	13.0	10.0	4.0	5.0	9.0	8.0	7.0	0
Jyothy Labs - Overall	3.0	1.0	2.0	3.0	9.0	9.0	11.0	10.0	11.0	3.0	8
F&B											
Britannia Industries - Domestic	-2.0	5.0	3.0	3.0	0.0	0.0	6.0	6.0	8.0	8.0	6
Marico - Saffola	-19.0	9.0	13.0	-6.0	12.0	4.0	-5.0	5.0	5.0	0.0	2
Nestle – Domestic*	7.0	9.0	-2.0	5.0	5.0	5.0	4.0	4.0	2.0	-2.0	3
Cigarette											
ITC-Cig	26.0	20.0	15.0	12.0	8.0	5.0	-1.0	2.0	3.0	4.0	6
Paints											
Asian Paints	37.0	10.0	0.0	16.0	10.0	6.0	12.0	10.0	7.0	-1.0	2
Berger paints		10.0	7.0	11.0	13.0	11.0	9.0	14.0	12.0	4.0	7
Liquor											
United Spirits - P&A	24.0	13.0	4.0	10.0	10.0	4.0	5.0	4.0	5.0	-4.0	11
United Spirits - Total	-21.0	-22.0	-24.0	-27.0	6.0	1.0	-2.0	4.0	3.0	-4.0	10
United Breweries- P&A		48.0	13.0	19.0	21.0	10.0	14.0	21.0	44.0	27.0	33
United Breweries- Total	121.0	23.0	4.0	3.0	-12.0	7.0	8.0	11.0	5.0	5.0	8
Innerwear											
Page Industries	150.0	1.0	-11.0	-15.0	-12.0	-9.0	5.0	6.0	3.0	7.0	5
QSR - SSSG											
Jubilant FoodWorks - LFL	28.0	8.0	0.0	-1.0	-1.0	-1.0	-3.0	0.0	3.0	3.0	13
Devyani - KFC	64.0	13.0	3.0	2.0	-1.0	-4.0	-5.0	-7.0	-7.0	-7.0	-4
Devyani - PH	32.0	3.0	-6.0	-3.0	-5.0	-10.0	-13.0	-14.0	-9.0	-6.0	-1
Sapphire - KFC	65.0	15.0	3.0	2.0	0.0	0.0	-2.0	-3.0	-6.0	-8.0	-3
Sapphire - PH	47.0	23.0	-4.0	-4.0	-9.0	-20.0	-19.0	-15.0	-7.0	-3.0	5
Westlife Development - SSG	97.0	40.0	20.0	14.0	7.0	1.0	-9.0	-5.0	-7.0	-7.0	3
Barbeque - SSG	182.0	23.0	-1.0	-3.0	-8.0	-11.0	-5.0	1.0	-7.0	-3.0	-2
Burger King	66.0	27.0	9.0	8.0	4.0	4.0	3.0	2.0	3.0	-3.0	-1
Jewelry SSSG (%)											
Titan- Tanishq	195.0	9.0	9.0	19.0	16.0	22.0	10.0	14.0	3.0	15.0	22
Titan- Caratlane	306.0	41.0	35.0	29.0	8.0	10.0	2.0	3.0	8.0	28.0	15
Kalyan					15.0	10.0	11.0	17.0	12.0	23.0	24
Senco					21.0	19.0	17.0	23.0	4.0	20.0	16

*MOSL assumptions, Source: Company, MOFSL

Exhibit 8: Revenue, EBITDA and PAT growth trends of coverage universe

Cos	Revenue growth (%)						EBITDA growth (%)						APAT growth (%)					
	3Q	4Q	1Q	2Q	3Q	4Q	3Q	4Q	1Q	2Q	3Q	4Q	3Q	4Q	1Q	2Q	3Q	4Q
	FY24	FY24	FY25	FY25	FY25	FY25E	FY24	FY24	FY25	FY25	FY25	FY25E	FY24	FY24	FY25	FY25	FY25	FY25E
Staples																		
Britannia	1	1	6	5	8	8	0	-2	9	-10	3	-4	0	-4	16	-9	4	-2
Colgate	8	10	13	10	5	5	30	18	22	3	-3	3	36	20	26	5	-2	6
Dabur	7	5	7	-5	3	5	8	14	8	-16	2	8	8	11	8	-17	2	9
Emami	1	7	10	3	5	7	7	6	14	7	8	7	11	13	21	19	6	6
Godrej Consumer	2	6	-3	2	3	7	18	14	7	5	-16	-3	6	23	24	12	-14	-12
HUL	0	0	1	2	2	4	-1	-1	2	0	1	3	-2	-2	2	-2	1	2
ITC	2	2	8	17	4	0	-3	0	1	5	-2	2	7	0	0	2	-10	3
Jyothy	11	7	8	0	4	5	41	19	14	2	-2	7	35	32	17	1	-4	8
Marico	-2	2	7	8	15	14	13	12	9	5	4	10	17	5	9	17	4	12
Nestle	8	9	3	1	4	6	14	19	-6	-5	-1	1	24	22	-11	-4	-10	2
P&G Hygiene	0	13	10	0	10	9	7	72	-38	2	20	5	10	72	-39	1	17	8
Paints																		
Asian Paints	5	-1	-2	-5	-6	-1	28	-9	-20	-28	-20	-8	34	-1	-25	-29	-24	-14
Indigo Paints	26	18	8	7	-3	5	53	18	-4	-1	-8	-5	42	10	-16	-11	-3	-8
Pidilite	4	8	4	5	8	11	50	26	15	13	8	14	67	32	21	18	9	24
Liquor																		
United Breweries	13	21	9	12	10	13	90	166	28	23	-3	13	275	731	27	23	-25	39
United Spirits	7	7	8	-1	15	13	34	7	19	8	20	20	61	10	25	5	21	41
Innerwear																		
Page Industries	2	3	4	11	7	8	19	22	2	21	32	10	23	38	4	30	34	10
QSR																		
Jubilant Food.	3	6	10	9	19	18	(2)	1	1	1	11	23	(31)	(44)	(31)	(28)	(2)	78
Devyani Inter.	7	39	44	49	54	15	(16)	15	29	25	50	16	(93)	(95)	(17)	(105)	(117)	113
Westlife Food.	(2)	1	0	1	9	11	(13)	(16)	(24)	(21)	(5)	4	(53)	(96)	(89)	(98)	(59)	(40)
Sapphire Foods	12	13	10	8	14	16	4	5	2	(3)	15	12	(70)	(82)	(67)	(66)	29	877
Restaurant B	15	16	6	1	6	7	138	218	36	0	3	(22)	(33)	(7)	(10)	43	45	(19)
Barbeque Nation	1	6	(6)	1	(1)	4	7	37	9	3	(7)	2	(2)	(100)	7	(40)	5	214
Jewelry																		
Titan	22	21	12	16	25	17	16	9	11	8	23	16	15	5	-5	2	18	20
Kalyan	34	34	27	37	40	37	13	19	16	26	33	33	21	96	23	35	44	49
Senco	23	40	8	31	27	16	11	31	62	107	-41	-5	6	24	85	189	-50	8
PN Gadgil			33	46	24	10			44	59	33	13			59	141	49	0

Source: Company, MOFSL

Exhibit 9: Gross margin and EBITDA margin trend of coverage universe

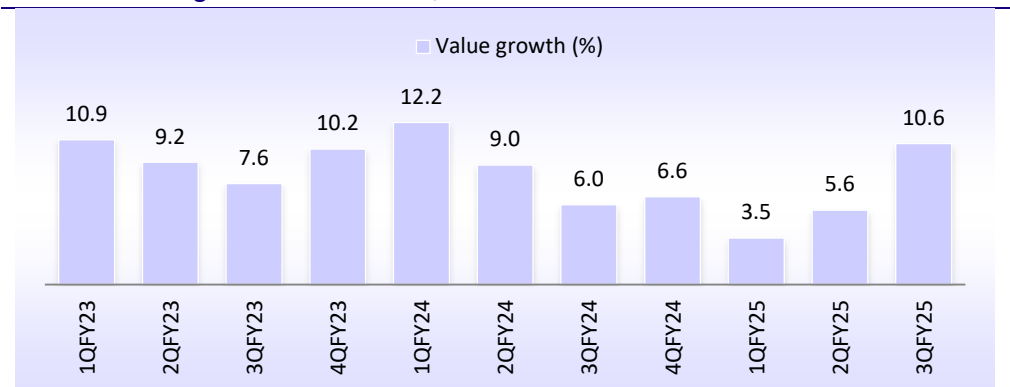
Companies	Gross Margin (%)						EBITDA Margin (%)					
	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E
Staples												
Britannia	43.9	44.9	43.4	41.5	38.7	40.5	19.3	19.4	17.7	16.8	18.4	17.2
Colgate	72.2	69.3	70.6	68.5	69.9	69.8	33.6	35.7	34.0	30.7	31.1	34.9
Dabur	48.6	48.6	47.8	49.3	48.1	49.4	20.5	16.6	19.6	18.2	20.3	17.0
Emami	68.8	65.8	67.7	70.7	70.3	66.1	31.6	23.7	23.9	28.1	32.3	23.7
Godrej Consumer	55.9	56.1	55.9	55.6	54.1	54.1	24.7	22.5	21.8	20.8	20.1	20.3
HUL	52.0	52.3	52.0	51.6	51.3	51.1	23.5	23.2	23.8	23.8	23.4	23.1
ITC	60.9	63.2	60.5	55.9	57.6	65.8	36.1	37.0	36.6	32.6	33.9	37.6
Jyothy	49.8	49.5	51.3	50.2	49.8	49.5	17.5	16.4	18.0	18.9	16.4	16.7
Marico	51.3	51.6	52.3	50.8	49.5	49.9	21.2	19.4	23.7	19.6	19.1	18.7
Nestle	58.6	56.8	57.6	56.6	56.4	56.6	24.5	25.5	23.3	23.3	23.4	24.4
P&G Hygiene	60.2	66.3	59.2	62.9	64.8	65.0	27.3	25.7	14.1	25.6	29.7	24.7
Paints												
Asian Paints	43.6	43.7	42.5	40.8	42.4	42.4	22.6	19.4	18.9	15.4	19.1	17.9
Indigo Paints	48.2	48.9	46.6	43.7	46.6	46.4	17.6	22.0	15.2	13.9	16.7	19.9
Pidilite	52.9	53.4	53.8	54.4	54.3	54.6	23.7	19.9	23.9	23.8	23.7	20.4
Liquor												
United Breweries	44.0	41.7	43.0	43.8	43.1	41.4	8.0	6.7	11.5	10.7	7.1	6.7
United Spirits	43.4	43.3	44.5	45.2	44.7	44.4	16.4	13.6	19.5	17.8	17.1	14.3
Innerwear												
Page Industries	53.1	56.0	54.1	56.5	56.3	56.3	18.7	16.6	19.0	22.6	23.0	16.8
QSR												
Barbeque Nation	67.9	68.9	68.1	68.1	68.2	68.4	20.0	18.4	16.6	14.9	18.7	18.0
Devyani intl.	70.6	69.2	69.2	69.3	68.7	66.8	17.4	16.6	18.3	16.3	16.9	16.8
Jubilant Food.	76.7	76.6	76.1	76.1	75.1	75.7	20.9	19.1	19.3	19.4	19.4	20.1
Restaurant Brands	67.1	67.7	67.6	67.5	67.8	68.2	15.9	12.5	12.6	14.2	15.9	13.7
Sapphire Foods	68.9	68.9	68.6	68.8	68.6	67.9	18.3	16.3	17.3	16.1	18.5	15.7
Westlife Foodworld	70.3	70.2	70.6	69.7	70.1	70.5	16.0	13.7	13.0	12.7	14.0	12.8
Jewelry												
Kalyan	14.6	14.6	14.3	13.8	13.1	13.5	7.1	6.8	6.8	6.5	6.8	6.6
PN Gadgil	8.5	10.4	8.3	7.6	9.8	11.1	4.7	5.9	3.9	3.6	5.0	6.1
Senco	18.7	17.1	17.3	13.2	11.3	14.5	11.0	7.7	7.7	5.4	5.1	6.3
Titan	23.3	22.3	22.1	22.7	22.0	23.6	11.0	9.5	9.4	10.5	10.9	9.4

Staples – Weak demand and margins amid high inflation

FMCG demand trends remained subdued during the quarter and continued to mirror 2Q trends, with continued moderation in urban growth, while rural growth continued to see a gradual recovery.

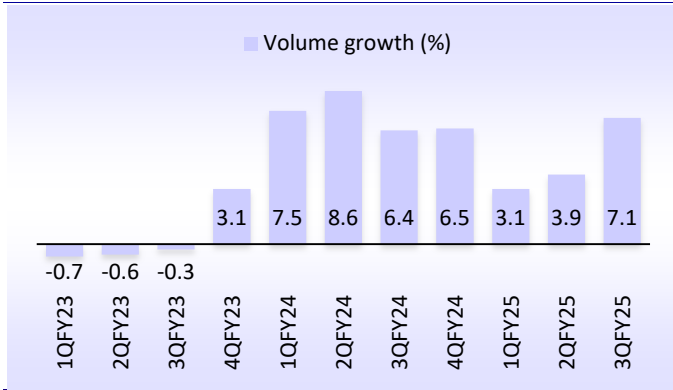
- FMCG demand trends remained subdued during the quarter and continued to mirror 2Q trends, with continued moderation in urban growth. However, rural growth continued to see a gradual recovery. Our staple companies reported sales growth of 4% (est. 5%), whereas their EBITDA/APAT declined 1%/5% (est. 4%/2% growth).
- Volume growth for most companies was limited to low- to mid-single digits. High palm oil prices impacted volume performance (grammage reduction), particularly for personal wash. Higher LUP mix (even witnessed in urban) further impacted underlying volume growth. The winter portfolio was also muted due to a delay in the season, which impacted healthcare, HI, personal care categories.
- Rising commodity costs, particularly in the agri basket (tea, wheat, palm oil and edible oils), along with insufficient price hikes, led to gross margin contraction for most categories and companies. Negative operating leverage was partially offset by lower A&P spends. Thereby, EBITDA margin saw limited decline. For staple companies under our coverage, gross margin declined 190bp YoY and EBITDA margin declined 130bp YoY. Companies are taking price hikes in 4Q, and the benefits of the price hike already taken in 3Q will be visible in 4Q.
- The rise of alternative channels such as e-commerce and quick commerce—driven by speed, convenience, and availability—has gained momentum, exerting additional pressure on the already struggling GT channel.
- While rural markets continued to show signs of recovery, urban demand remained muted. NielsenIQ (NIQ) data for 3Q indicated the sector’s value growth at 10.6% and volume growth at 7.1%, primarily fuelled by rural markets. Rural volume growth stood at 9.9% YoY—double the urban growth rate of 5.0%.
- Despite the ongoing slowdown across consumer segments, demand trends are expected to improve gradually, supported by income tax benefits, potential interest rate cuts, and a steady recovery in the macroeconomic environment. We anticipate a progressive rebound in volume growth across both urban and rural markets. Companies are adopting traditional growth strategies, including distribution expansion, new product launches, and consumer-focused incentives, to drive demand.

Exhibit 10: Value grew 10.6% YoY in 3QFY25...



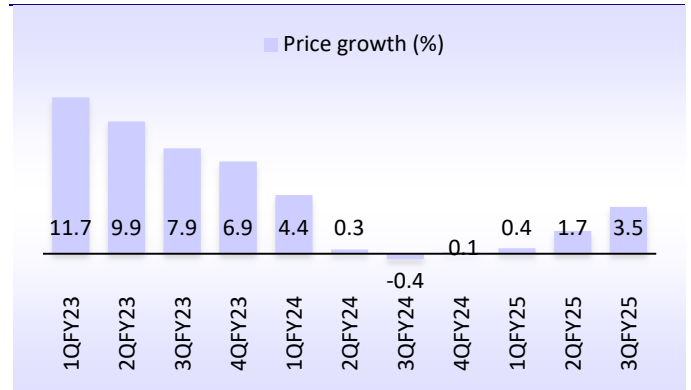
Source: NIQ data, MOFSL

Exhibit 11: ...driven by volume growth of 7.1%...



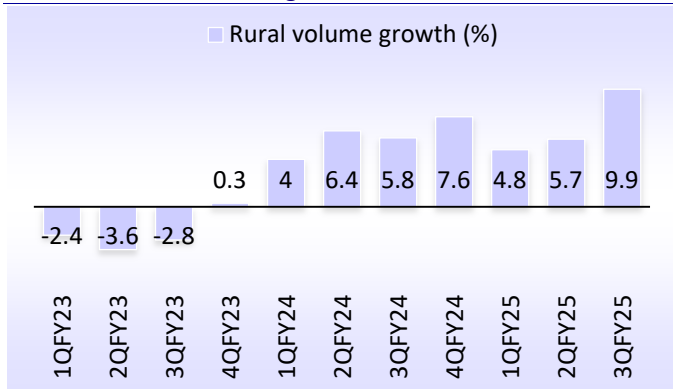
Source: NIQ data, MOFSL

Exhibit 12: ..and with price hike of 3.5%



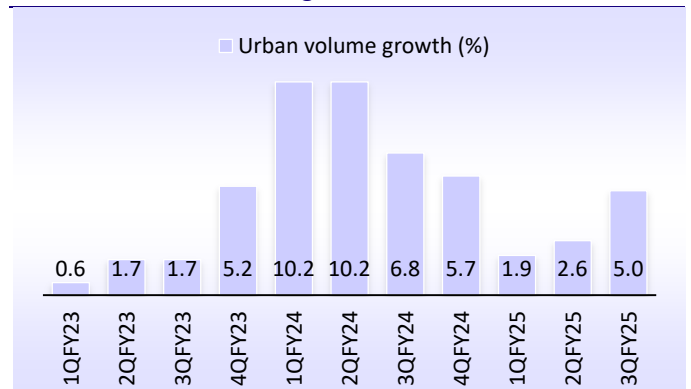
Source: NIQ data, MOFSL

Exhibit 13: Rural volume grew 10%



Source: NIQ data, MOFSL

Exhibit 14: Urban volume grew 5.0%



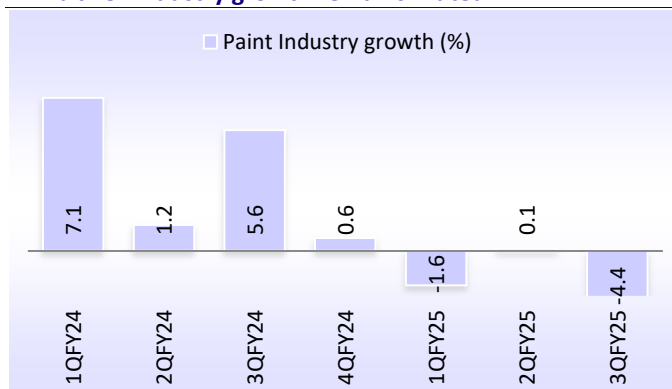
Source: NIQ data, MOFSL

Paint – Sluggish industry trend amid rising competition

Near-term outlook remains challenging with subdued demand and rising competitive intensity.

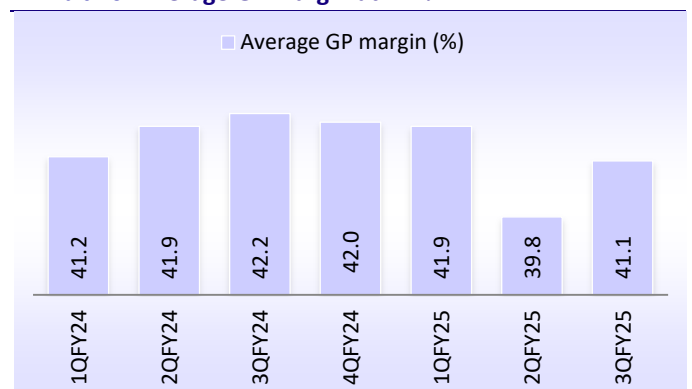
- Weak industry growth:** Paint companies saw sluggish demand in 3QFY25 due to multiple headwinds: (1) weak consumer sentiment, (2) muted festive demand (early Diwali impacted North/Central regions in Oct'24), (3) ~3% price cuts in 2HFY24, (4) an unfavorable product mix, (5) rising competition, and (6) urban market stress, though rural and tier-3/4 regions showed a better recovery. While APNT and Indigo Paints saw revenue declines, Berger revenue grew 3%, driven by urban initiatives and new categories.
- Rising competitive intensity:** Competition has intensified across segments both from organized and unorganized players. APNT acknowledged Birla Opus' market share gains but stated there has been limited disruption so far. Grasim reaffirmed its high single-digit market share target for FY25 despite a market slowdown. Competitive pressure is expected to persist in the near to medium term.
- Margin pressure:** EBITDA margins declined YoY due to product mix changes, past price cuts, and negative operating leverage. Though 1-2% price hikes in 2Q/3Q should aid margins, challenges persist in the form of higher costs related to advertising, R&D, distribution and manpower, and idle capacity overheads. RM prices have softened, but volatility in crude and key inputs remains a concern. APNT (18-20%), Berger (15-17%), and Kansai (13-14%) maintained their EBITDA margin guidance.
- Near-term outlook:** Demand challenges persist, with urban markets under pressure, but rural demand is recovering. Paint demand is discretionary, leading to postponement in purchases. Government spending and industrial demand are expected to remain strong. APNT expects that revenue growth weakness may continue for at least two more quarters, while Berger targets double-digit volume growth with single-digit value growth in 4Q.

Exhibit 15: Industry growth remains muted



Source: Indigo paints PPT

Exhibit 16: Average GP margin at ~41%



Source: Indigo paints PPT

Exhibit 17: Annual and quarterly trajectory of paint companies

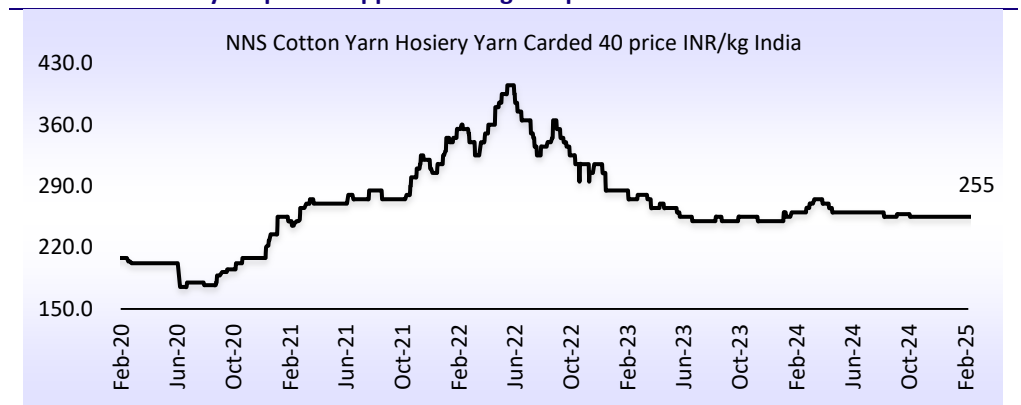
Sales (INR b)	FY19	FY20	FY21	FY22	FY23	FY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Asian Paint	192.4	202.1	217.1	291.0	344.9	354.9	91.0	87.3	89.7	80.3	85.5
Berger Paints	60.6	63.7	68.2	87.6	105.7	112.0	28.8	25.2	30.9	27.7	29.8
Kansai Nerolac	54.2	52.8	50.7	63.7	75.4	78.0	19.2	17.7	21.3	19.5	19.2
Akzo Nobel	29.2	26.6	24.2	31.5	38.0	39.6	10.3	9.7	10.4	9.8	10.5
Indigo Paints	5.4	6.2	7.2	9.1	10.7	13.1	3.5	3.8	3.1	3.0	3.4
Sales growth (%)											
Asian Paint	14	5	7	34	19	3	5	-1	-2	-5	-6
Berger Paints	17	5	7	29	21	6	7	3	2	0	3
Kansai Nerolac	16	-3	-4	26	18	3	5	2	-1	0	0
Akzo Nobel	7	-9	-9	30	21	4	5	2	4	3	2
Indigo Paints	33	17	16	25	18	22	21	13	8	7	-3
GP margin (%)											
Asian Paint	41.5	43.7	44.3	37.1	38.7	43.4	43.6	43.7	42.5	40.8	42.4
Berger Paints	46.4	48.4	50.2	45.9	43.5	47.1	41.1	40.7	39.9	41.7	41.6
Kansai Nerolac	43.4	45.0	45.6	38.9	37.6	42.0	36.1	34.4	36.8	34.0	35.2
Akzo Nobel	23.8	16.5	8.2	29.4	41.5	43.9	44.1	43.8	44.6	43.7	41.9
Indigo Paints	44.3	48.5	47.9	43.3	44.5	47.6	48.2	48.9	46.6	43.7	46.6
EBITDA (INR b)											
Asian Paint	37.7	41.6	48.6	48.0	62.6	75.8	20.6	16.9	16.9	12.4	16.4
Berger Paints	9.3	10.6	11.9	13.3	14.9	18.6	4.8	3.5	5.2	4.3	4.7
Kansai Nerolac	7.5	8.0	8.6	6.5	8.2	10.3	2.4	1.8	3.3	2.1	2.4
Akzo Nobel	0.4	0.4	0.2	0.2	0.3	0.4	1.7	1.6	1.7	1.5	1.7
Indigo Paints	0.5	0.9	1.2	1.4	1.8	2.4	0.6	0.8	0.5	0.4	0.6
EBITDA growth (%)											
Asian Paint	18	11	17	-1	30	21	28	-9	-20	-28	-20
Berger Paints	16	14	12	12	12	25	37	-5	-6	-8	-2
Kansai Nerolac	-5	7	7	-25	26	26	13	10	15	11	12
Akzo Nobel	-9	-12	-36	4	10	31	16	17	16	15	16
Indigo Paints	10	15	17	15	17	18	53	18	-4	-1	-8
EBITDA margin (%)											
Asian Paint	19.6	20.6	22.4	16.5	18.2	21.4	22.6	19.4	18.9	15.4	19.1
Berger Paints	15.4	16.7	17.4	15.2	14.1	16.6	16.7	13.9	16.9	15.6	15.9
Kansai Nerolac	13.9	15.2	17.0	10.2	10.8	13.2	12.7	10.1	15.5	10.9	12.2
Akzo Nobel	1.5	1.4	1.0	0.8	0.7	0.9	16.1	16.6	16.3	14.9	15.9
Indigo Paints	10.1	14.6	16.9	15.0	16.9	18.2	17.6	22.0	15.2	13.9	16.7

Innerwear – Mixed demand trends; margin expansion drives profitability

The innerwear market witnessed mixed demand trends in 3QFY25, with premium innerwear seeing strong consumer traction due to improved quality and innovation.

- **Mixed demand trends:** The innerwear market witnessed mixed demand trends in 3QFY25, with premium innerwear seeing strong consumer traction due to improved quality and innovation. Page Industries grew 7% YoY, benefiting from festive demand, though momentum weakened after the season. Lux Industries and Dollar saw 22%/15% YoY growth in revenue, driven by premium, mid-tier brands, and strong thermal wear sales. Rupa & Co. reported flat revenue YoY. E-commerce continued to show strong growth, led by growth in Tier-3 and Tier-4 cities, followed by Tier-1, Tier-2, and metros.
- **Inventory rationalization:** Inventory management remained in focus, with companies optimizing stock levels across distribution networks. Page Industries reduced inventory days to 59 from 93 in FY24, ensuring a leaner supply chain. Secondary sales are only marginally higher than primary sales, showing inventory optimization at the distributor level. Lux Industries also streamlined inventory, whereas Dollar Industries increased stock levels in anticipation of summer demand.
- **Margin expansion:** Most companies reported EBITDA margin expansion, supported by stable raw material costs, improved efficiencies, and cost controls. Page Industries expects 19-21% EBITDA margins for FY25, despite achieving 21.6% in 9MFY25, as higher IT and marketing expenses are anticipated. Dollar Industries guided for ~11% EBITDA margin in FY25 (10.7% in 9MFY25) and 13-14% in FY26.
- **Outlook –** Innerwear companies expect gradual demand recovery, supported by product innovation, improved inventory management, and digital expansion. Companies are strengthening their e-commerce presence, retail footprint, and category portfolio, including sustainable products. Despite higher marketing and distribution spending, operating margins are expected to remain strong, with strategic investments safeguarding market share.

Exhibit 18: Stable yarn prices supported margin expansion



Source: Bloomberg, MOFSL

Exhibit 19: Annual and quarterly trajectory of innerwear companies

Sales (INR b)	FY19	FY20	FY21	FY22	FY23	FY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Page	28.5	29.5	28.3	38.9	47.1	45.8	12.3	9.9	12.8	12.5	13.1
Lux	12.1	16.6	19.4	22.7	23.7	23.2	4.5	7.1	5.4	6.7	5.5
Dollar	10.3	9.7	10.4	13.4	13.9	15.5	3.3	4.9	3.2	4.5	3.8
Rupa	11.1	9.4	12.9	14.3	11.2	11.9	3.1	3.9	2.1	2.9	3.1
Sales growth (%)											
Page	12	3	-4	37	21	-3	2	3	4	11	7
Lux	12	38	16	17	4	-2	-1	-1	2	5	22
Dollar	11	-6	7	29	4	11	16	20	1	8	15
Rupa	-4	-15	37	11	-22	7	37	-2	8	-1	0
GP margin (%)											
Page	58.0	55.5	55.4	56.0	55.8	54.5	53.1	56.0	54.1	56.5	56.3
Lux	60.7	70.8	66.8	72.3	57.2	53.4	53.7	47.3	58.6	56.6	55.5
Dollar	57.9	53.6	57.1	54.2	45.6	53.7	58.6	50.9	59.3	53.2	56.6
Rupa	71.7	74.1	65.1	72.6	59.9	50.1	46.3	45.4	69.6	59.8	50.7
EBITDA (INR b)											
Page	6.2	5.3	5.3	7.9	8.6	8.7	2.3	1.6	2.4	2.8	3.0
Lux	1.8	2.7	3.8	4.7	2.2	2.0	0.4	0.8	0.5	0.6	0.5
Dollar	1.4	1.1	1.4	2.2	1.0	1.5	0.3	0.5	0.3	0.5	0.4
Rupa	1.7	1.2	2.6	2.7	0.9	1.2	0.3	0.4	0.2	0.3	0.4
EBITDA growth (%)											
Page	14	-14	-1	49	10	1	19	22	2	21	32
Lux	17	50	41	24	-54	-7	2	72	34	10	42
Dollar	10	-23	31	57	-54	55	66	369	30	17	27
Rupa	2	-27	105	4	-67	31	132	48	59	-12	15
EBITDA margin (%)											
Page	21.6	18.1	18.6	20.2	18.3	19.0	18.7	16.6	19.0	22.6	23.0
Lux	14.9	16.3	19.7	20.8	9.2	8.7	7.9	10.8	8.4	9.4	9.1
Dollar	13.3	10.9	13.3	16.2	7.1	10.0	9.8	11.2	10.0	10.9	10.8
Rupa	15.3	13.2	19.9	18.7	7.9	9.7	10.5	10.2	8.6	9.6	12.0

Source: Company, MOFSL

Liquor – Healthy demand, favorable policy changes boost growth

Liquor companies saw a sequential improvement in demand, driven by a healthy festive season, increased wedding occasions, and the reopening of the AP market.

- **Healthy demand momentum in 3Q:** Liquor companies saw a sequential improvement in demand, driven by a healthy festive season, increased wedding occasions, and the reopening of the AP market. The AlcoBev category remained resilient compared to other consumer packaged goods. The Prestige & Above (P&A) segment sustained its strong performance, aided by strategic pricing in key states. Premium volume growth for United Spirits (18%), United Breweries (33%), and Radico Khaitan (18%) underscores this trend. Also, the regular and mass segments saw a revival, as volume started growing.
- **Cost and margin trends:** Inflationary pressures in neutral alcohol spirit (ENA) remain elevated, with prices increasing in the high-single to low-double digits. However, the government’s recent approval of ethanol production from FCI rice may provide some relief. Glass prices, which had been declining for three quarters, are expected to stabilize, reducing their offsetting impact on ENA inflation. Barley costs continue to show volatility, keeping margins uncertain in the near term. Companies are mitigating cost pressures through strategic pricing, premiumization, trade spend optimization, and SKU innovations (UNSP 180ml pocket packs), which drive penetration while maintaining margins.
- **State policy changes and industry impact:** Recent policy reforms in Uttar Pradesh and Telangana are expected to enhance market efficiency and profitability for AlcoBev companies. UP’s new excise policy for FY26 introduces an e-lottery system for liquor shop licenses, a 10% license fee hike, and composite shops for beer and foreign liquor, streamlining retail operations. The policy now permits LUPs (60ml and 90ml) in both regular and premium segments, encouraging conversions from country liquor to IMFL and driving premium trials. Meanwhile, Telangana’s approval of a 15% beer price hike recently addresses supplier concerns over delayed payments and low margins. These changes improve pricing power, cash flow stability, and market structure, benefiting industry players.
- **Near-term outlook:** The near-term outlook remains positive, backed by ongoing premiumization, stable regulations in key states, and strong brand momentum. In Andhra Pradesh, the transition to a private route-to-market (RTM) has driven robust sales in 3Q, though some moderation is expected in 4Q as initial pipeline stocking normalizes. Nonetheless, the long-term outlook remains strong as brands establish themselves in the new retail ecosystem. By leveraging these favorable tailwinds, the AlcoBev sector is well-positioned to expand market share and enhance profitability in the coming quarters.

Exhibit 20: Liquor companies' quarterly trajectory

Volume growth (%)	FY19	FY20	FY21	FY22	FY23	FY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
UNSP	12	-2	-9	15	12	5	5	4	5	-4	11
UBBL	10	13	-4	-38	33	31	8	11	5	5	8
Radico Khaitan	11	12	-8	18	7	2	4	-1	-4	-2	15
Sula Vineyards	NA	NA	NA	NA	19	7	5	8	-1	-8	1
Allied Blenders & Distillers	NA	NA	NA	13	12	-2	NA	NA	-12	NA	NA
Premium Category Volume growth (%)											
UNSP	82	80	71	55	60	61	16	16	14	15	18
UBBL	NA	NA	NA	NA	0	27	14	21	44	27	33
Radico Khaitan	21	15	-8	24	20	20	20	15	14	13	18
Sula Vineyards	NA	NA	NA	NA	24	13	4	18	-7	4	3
Allied Blenders & Distillers	NA	NA	NA	12	15	1	NA	NA	-4	NA	NA
Sales (INR b)											
UNSP	89.8	90.9	78.9	94.2	103.7	106.9	29.9	26.7	23.5	28.4	34.3
UBBL	64.8	65.1	42.4	58.4	75.0	81.2	18.2	21.3	24.7	21.1	20.0
Radico Khaitan	21.0	24.3	24.2	28.7	31.4	41.2	11.6	10.8	11.4	11.2	12.9
Sula Vineyards	NA	4.9	3.9	4.2	5.2	5.7	2.0	1.2	1.2	1.3	2.0
Allied Blenders & Distillers	NA	NA	23.5	26.9	31.5	33.3	8.9	7.7	7.6	8.7	9.7
Sales growth (%)											
UNSP	10	1	-13	19	10	3	7	7	8	-1	15
UBBL	15	1	-35	38	28	8	13	21	9	12	10
Radico Khaitan	15	16	0	19	10	31	47	30	19	21	11
Sula Vineyards	NA	NA	-20	10	22	10	7	8	11	-1	-1
Allied Blenders & Distillers	NA	NA	NA	14	17	6	NA	NA	-7	2	9
GP margin (%)											
UNSP	48.8	44.8	43.4	43.9	41.5	43.4	43.4	43.3	44.5	45.2	44.7
UBBL	53.6	51.6	52.2	49.9	43.1	42.7	44.0	41.7	43.0	43.8	43.1
Radico Khaitan	51.4	48.6	50.2	45.1	41.8	42.5	41.8	41.0	41.5	43.6	43.0
Sula Vineyards	NA	53.1	59.2	72.4	74.2	76.4	71.8	80.0	80.7	78.9	67.6
Allied Blenders & Distillers	NA	NA	39.5	39.4	37.3	37.0	35.3	39.0	38.7	42.9	42.8
EBITDA (INR b)											
UNSP	12.9	15.1	9.9	15.1	14.2	17.1	4.9	3.6	4.6	5.1	5.9
UBBL	11.4	8.8	3.8	7.0	6.2	7.0	1.5	1.4	2.8	2.3	1.4
Radico Khaitan	3.5	3.7	4.2	4.1	3.6	5.7	1.4	1.2	1.5	1.6	1.8
Sula Vineyards	NA	0.5	0.6	1.1	1.6	1.8	0.7	0.3	0.3	0.3	0.5
Allied Blenders & Distillers	NA	NA	1.9	2.0	1.8	2.4	0.6	0.6	0.7	1.0	1.2
EBITDA growth (%)											
UNSP	25	17	-34	53	-6	20	34	7	19	8	20
UBBL	18	13	9	12	8	9	90	166	28	23	-3
Radico Khaitan	30	6	14	-2	-14	60	12	11	13	15	14
Sula Vineyards	NA	NA	25	86	39	12	12	-4	12	-24	-26
Allied Blenders & Distillers	NA	NA	NA	1	-6	31	NA	NA	43	45	98
EBITDA margin (%)											
UNSP	14.3	16.6	12.5	16.0	13.7	16.0	16.4	13.6	19.5	17.8	17.1
UBBL	17.6	13.5	9.0	11.9	8.2	8.6	8.0	6.7	11.5	10.7	7.1
Radico Khaitan	16.7	15.3	17.5	14.5	11.4	13.9	12.3	11.4	13.1	14.6	14.2
Sula Vineyards	NA	10.1	15.8	26.7	30.5	31.0	35.4	24.0	28.1	25.4	26.5
Allied Blenders & Distillers	NA	NA	8.3	7.3	5.9	7.3	6.6	7.8	9.8	11.9	12.0

Source: Company, MOFSL

QSR – Growth on a favourable base; store expansion continues

- QSR companies witnessed a slight uptick in demand trends in 3Q, particularly toward the end of the quarter. With a favorable base, SSSG improved YoY. The revenue gap between dine-in and delivery has narrowed due to increased dine-in footfall. However, weak underlying growth continued to impact operating margins, putting pressure on restaurant and EBITDA margins for most brands. Enhancements in menu offerings and promotional activations have increased footfalls. While delivery channels remain strong, dine-in is showing gradual improvements. Our coverage universe posted revenue growth of 12% YoY (organic growth) in 3QFY25 vs. 6% in 2QFY25 and 4% in 3QFY24.
- **Acceleration in store addition:** The store addition momentum improved during the quarter. QSR companies remain on track to achieve their store addition guidance for FY25.
- **Pressure on profitability:** With underlying growth remaining weak for most part of 3Q, companies witnessed an adverse impact on their unit economics. Both restaurant margin and EBITDA margin saw YoY contraction due to weak ADS and negative operating leverage. However, with a gradual uptick in footfalls and improvement in ADS, margins should expand going forward.
- We had a cautious stance on QSR companies due to demand challenges, weak unit economics, and intensified market competition. However, the segment has started showing signs of marginal improvements in 3Q, aided by a favorable base effect. Dine-in footfalls and order volumes are gradually recovering, while delivery channels continue to perform well. Mid-income households, which form a significant customer base for QSR chains, are expected to increase their frequency of dine-out, supporting SSSG and overall industry expansion. Considering these trends, we shift our outlook from cautious to positive on the segment.

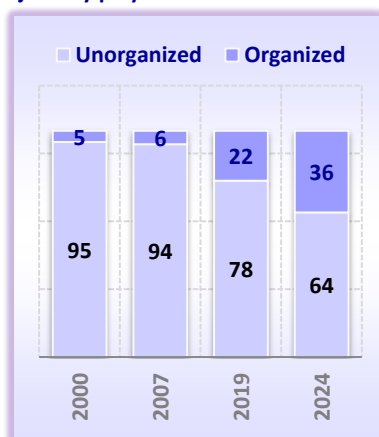
Exhibit 21: Weak demand persists for the last four-five quarters

	FY19	FY20	FY21	FY22	FY23	FY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Sapphire - KFC											
Revenue growth (%)	0%	18%	-24%	75%	40%	18%	16%	16%	11%	9%	12%
KFC - SSSG (%)	14%	5%	-30%	52%	15%	-1%	-2%	-3%	-6%	-8%	-3%
KFC - Stores	158	187	203	263	341	429	406	429	442	461	496
Store growth (%)	0%	18%	9%	30%	30%	26%	25%	26%	23%	21%	22%
KFC - ADS ('000')	125	130	106	130	135	125	125	114	122	111	115
Gross margin (%)	65.4%	65.4%	67.9%	68.4%	66.6%	68.2%	68.4%	68.3%	68.2%	68.3%	68.2%
RoM Pre - Ind AS (%)	12.7%	13.0%	14.0%	19.5%	19.4%	19.7%	20.1%	18.7%	18.8%	16.5%	18.2%
Sapphire - Pizza Hut											
Revenue growth (%)	0%	9%	-34%	67%	41%	-1%	-4%	-3%	3%	3%	10%
PH - SSSG (%)	5%	-5%	-35%	42%	12%	-16%	-19%	-15%	-7%	-3%	5%
PH - Stores	153	174	162	219	286	319	319	319	320	323	339
Store growth (%)	0%	14%	-7%	35%	31%	12%	16%	12%	6%	4%	6%
PH - ADS ('000')	61	58	48	57	58	46	45	41	48	47	48
Gross margin (%)	73.9%	76.2%	76.1%	75.5%	74.7%	75.6%	75.7%	75.5%	76.1%	76.5%	75.6%
RoM Pre - Ind AS (%)	7.5%	7.3%	5.1%	13.4%	13.3%	4.9%	4.6%	-2.7%	4.6%	4.1%	4.7%
Sapphire Consol											
Revenue growth (%)	0%	12%	-24%	69%	32%	15%	12%	13%	10%	8%	14%
Store	374	425	435	579	743	868	850	872	886	909	963

	FY19	FY20	FY21	FY22	FY23	FY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Store growth (%)	0%	16%	1%	32%	30%	19%	19%	18%	14%	12%	13%
Gross margin (%)	66.9%	67.8%	69.6%	69.3%	67.3%	68.7%	68.9%	68.9%	68.6%	68.8%	68.6%
EBITDA (INRm) (Pre -Ind AS)	435	662	382	1,808	2,647	2,717	722	544	707	590	811
EBITDA margin (%) (Pre -Ind AS)	3.6%	4.9%	3.7%	10.5%	11.7%	10.5%	10.8%	8.6%	9.8%	8.5%	10.7%
EBITDA margin (%) (Post -Ind AS)	12.2%	13.8%	12.2%	17.7%	18.9%	17.8%	18.3%	16.3%	17.3%	16.1%	18.5%
Devyani - KFC											
Revenue growth (%)	0%	31%	6%	89%	45%	15%	14%	11%	7%	7%	9%
KFC - SSSG (%)	5%	3%	-34%	49%	16%	-5%	-5%	-7%	-7%	-7%	-4%
KFC - Stores	134	172	264	364	490	596	590	596	617	645	689
Store growth (%)	0%	28%	53%	38%	35%	22%	28%	22%	21%	19%	17%
KFC - ADS ('000')	114	117	100	113	117	105	104	93	104	96	96
Gross margin (%)	66.0%	64.8%	67.7%	69.3%	68.3%	69.5%	69.4%	69.9%	69.5%	69.0%	68.6%
RoM Pre - Ind AS (%)	18.4%	16.0%	18.3%	21.3%	20.2%	19.6%	19.0%	19.0%	19.5%	16.6%	17.2%
Devyani - Pizza Hut											
Revenue growth (%)	0%	-1%	-31%	85%	32%	1%	-2%	-4%	-1%	0%	6%
PH - SSSG (%)	5%	-4%	-30%	45%	4%	-11%	-13%	-14%	-9%	-6%	-1%
PH - Stores	268	269	297	413	506	567	565	567	570	593	644
Store growth (%)	0%	0%	10%	39%	23%	12%	17%	12%	9%	11%	14%
PH - ADS ('000')	45	44	35	43	42	37	37	32	36	35	35
Gross margin (%)	74.0%	74.9%	74.2%	75.6%	74.4%	75.9%	75.8%	77.3%	76.8%	76.7%	76.2%
RoM Pre - Ind AS (%)	15.5%	10.5%	12.9%	16.3%	14.5%	7.2%	6.1%	4.4%	4.9%	3.1%	2.1%
Devyani consol											
Revenue growth (%)	18%	16%	-25%	84%	44%	19%	7%	39%	44%	49%	54%
Store	566	610	692	938	1,243	1,782	1,452	1,782	1,836	1,921	2,032
Store growth (%)	29%	8%	14%	36%	33%	21%	23%	43%	42%	41%	40%
Gross margin (%)	70.3%	69.6%	69.6%	71.2%	70.0%	70.3%	70.6%	69.2%	69.2%	69.3%	68.7%
EBITDA (INRm) (Pre -Ind AS)	969	575	842	2,995	4,348	3,807	787	959	1,414	1,143	1,306
EBITDA margin (%) (Pre -Ind AS)	7.4%	3.8%	7.4%	14.4%	14.5%	10.7%	9.3%	9.2%	11.6%	9.4%	10.1%
EBITDA margin (%) (Post -Ind AS)	21.3%	16.8%	20.7%	22.8%	21.9%	18.3%	17.4%	16.6%	18.3%	16.3%	16.9%
Restaurant Brand (Consol)											
Revenue growth (%)	67%	33%	19%	48%	38%	19%	15%	16%	6%	1%	6%
Store	317	435	439	492	577	630	628	630	630	638	682
Store growth (%)	0%	37%	1%	12%	17%	9%	13%	11%	10%	10%	9%
Gross margin (%)	63.6%	64.2%	60.5%	63.1%	64.2%	64.2%	64.4%	64.2%	64.5%	64.9%	65.6%
EBITDA (INRm) (Pre -Ind AS)	152	202	(619)	(416)	(595)	204	172	(30)	87	38	133
EBITDA pre-Ind AS (%)	0.0%	1.2%	-6.2%	-2.8%	-2.9%	0.8%	2.8%	-0.5%	1.3%	0.6%	2.1%
EBITDA margin (%)	12.5%	12.4%	2.5%	6.5%	5.4%	10.9%	11.7%	14.6%	10.2%	9.7%	11.4%
Restaurant Brand (India)											
Revenue growth (%)	0%	33%	-41%	91%	53%	22%	20%	20%	16%	9%	11%
SSSG (%)	0%	3%	-37%	47%	23%	3%	3%	2%	3%	-3%	-1%
Store	187	260	265	315	391	455	441	455	456	464	510
Store growth (%)	0%	39%	2%	19%	24%	16%	16%	16%	15%	15%	16%
ADS ('000)	110	110	68	100	118	117	119	105	119	118	114
Gross margin (%)	63.6%	64.2%	64.5%	65.8%	66.4%	67.0%	67.1%	67.7%	67.6%	67.5%	67.8%
EBITDA pre- Ind AS (%)	1.4%	0.0%	-12.5%	-1.4%	2.5%	4.3%	6.8%	2.4%	3.6%	5.0%	6.2%
Jubilant (Standalone)											
Revenue growth (%)	18%	10%	-16%	32%	18%	5%	3%	6%	10%	9%	19%
LFL (%)	16%	3%	-18%	37%	7%	-4%	-2.9%	0.1%	3.0%	2.8%	12.5%
Store (India)	1,265	1,370	1,406	1,621	1,863	2,096	2,007	2,096	2,148	2,199	2,266
Store growth (%)	0%	8%	3%	15%	15%	13%	11%	13%	14%	13%	13%
ADS ('000)	82	86	85	85	83	77	78	75	79	78	84
Gross margin (%)	75.2%	75.0%	78.1%	77.5%	75.9%	76.4%	76.7%	76.6%	76.1%	76.1%	75.1%
EBITDA (INRm) (Pre -Ind AS)	6,078	5,770	5,045	7,786	7,847	6,743	1,748	1,451	1,670	1,716	1,998
EBITDA pre-Ind AS (%)	17.2%	14.9%	15.4%	17.9%	15.4%	12.6%	12.9%	10.9%	11.6%	11.7%	12.4%

	FY19	FY20	FY21	FY22	FY23	FY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
EBITDA margin (%)	17.2%	22.6%	23.4%	25.5%	22.7%	20.5%	20.9%	19.1%	19.3%	19.4%	19.4%
Westlife											
Revenue growth (%)	24%	10%	-36%	60%	45%	5%	-2%	1%	0%	1%	9%
SSSG (%)	17%	4%	-24%	58%	36%	-2%	-9%	-5%	-7%	-7%	3%
Store	296	319	305	326	357	398	380	397	403	408	421
Store growth (%)	7%	8%	-4%	7%	10%	11%	11%	11%	12%	10%	11%
ADS ('000)	130	133	89	132	175	165	176	157	170	168	173
Gross margin (%)	63.5%	65.2%	64.7%	66.3%	69.9%	70.3%	70.3%	70.2%	70.6%	69.7%	70.1%
RoM Pre - Ind AS (%)	14.4%	14.7%	7.7%	14.3%	19.2%	17.3%	17.9%	14.4%	14.3%	13.5%	15.7%
EBITDA (INRm) (Pre -Ind AS)	1,243	1,453	(24)	1,304	3,010	2,698	685	487	502	476	593
EBITDA pre-Ind AS (%)	8.9%	9.4%	-0.2%	8.3%	13.2%	11.3%	11.4%	8.7%	8.1%	7.7%	9.1%
EBITDA margin (%)	8.9%	14.2%	6.3%	13.1%	17.3%	15.8%	16.0%	13.7%	13.0%	12.7%	14.0%
Barbeque Nation											
Revenue growth (%)	26%	2%	-40%	70%	43%	2%	1%	6%	-6%	1%	-1%
SSSG (%)	6%	-2%	-44%	65%	28%	-7%	-5%	1%	-7%	-3%	-2%
Store	133	164	164	185	216	217	210	217	219	222	226
Store growth (%)	28%	23%	0%	13%	17%	0%	-1%	0%	3%	5%	8%
ADS ('000')	152	141	85	127	156	158	175	153	155	153	162
Gross margin (%)	66.5%	65.5%	64.8%	64.6%	66.3%	66.6%	67.9%	68.9%	68.1%	68.1%	68.2%
EBITDA (INRm) (Pre -Ind AS)	742	744	(90)	489	1,186	915	363	239	212	166	339
EBITDA pre-Ind AS (%)	10.0%	8.8%	-1.8%	-36.2%	9.6%	7.3%	11.0%	8.0%	6.9%	5.4%	10.3%
EBITDA margin (%)	19.7%	19.4%	9.1%	15.5%	18.7%	16.9%	20.0%	18.4%	16.6%	14.9%	18.7%

Visible shift toward organized jewelry players

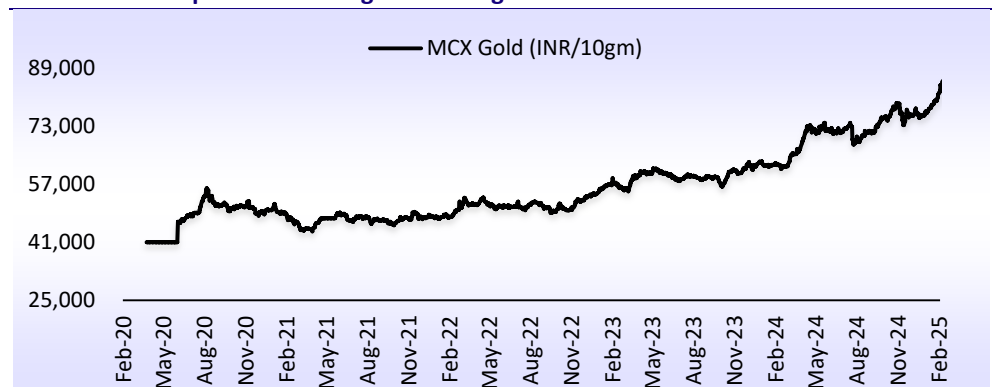


Jewelry companies maintained strong momentum in revenue growth.

Jewelry – Robust revenue growth; moderation in margins

- Jewelry companies continued to deliver robust sales growth, driven by robust festive demand, wedding purchases and higher gold prices. Titan (jewelry standalone), Kalyan, Senco, P N Gadgil and Thangamayil delivered revenue growth of 27%, 40%, 27%, 24% and 26%, respectively. SSSG of Titan, Kalyan, Senco and Thangamayil was 22%, 24%, 16%, and 15%, respectively. Demand was robust in Jan’25, though there was softness in the last 7-10 days due to a sharp rise in gold prices.
- Margin moderated YoY despite healthy growth in studded jewelry due to a shift in the gold-to-diamond ratio within diamond jewelry amid rising gold prices and stable diamond prices. The non-solitaire segment saw healthy double-digit growth, while solitaire sales remained subdued. The reduction in customs duty resulted in an inventory loss of INR2.5b for Titan, INR548m for Kalyan, and ~INR276m for Senco, which hurt their reported profitability. However, PN Gadgil and Thangamayil did not experience any customs duty impact during the quarter.
- **Store addition pace to continue** – Jewelry players have been increasing their store count at an aggressive rate (FY19-24 average CAGR: 14%) as they look to enhance their presence. Over 9MFY25, Titan (Jewelry), Kalyan, Senco, PN Gadgil and Thangamayil added 118/96/12/12/2 stores, taking the total count to 1,055/349/171/48/59.
- **Outlook** - We remain positive on the jewelry category and anticipate ongoing rapid shifts in consumer purchasing behavior, transitioning from unorganized/local to organized channels. Factors such as increasing ticket prices, enhanced shopping experiences, and greater product variety are driving this trend. Gold lease rates are rising due to US tariff-related changes, leading banks to an increase in lease costs.

Exhibit 22: Gold price is touching all-time high



Source: Bloomberg, MOFSL

Exhibit 23: Jewelry companies' annual and quarterly trends

Jewelry companies	FY19	FY20	FY21	FY22	FY23	FY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Sales (INR b)											
Titan (Total)	198	211	216	288	406	511	142	125	133	145	177
Titan (Jewelry)	164	173	193	255	359	455	127	110	118	128	161
Titan (Jewelry ex-bullion)	164	173	180	245	337	414	126	98	108	118	160
Kalyan (Consol)	98	101	86	108	141	185	52	45	55	61	73
Kalyan (India)	74	78	73	91	116	158	45	39	47	52	64
Senco	25	24	27	35	41	52	17	11	14	15	21
PN Gadgil	24	25	19	26	45	61	20	15	17	20	24
Thangamyil	14	17	18	22	32	38	9	10	12	12	11
Sales growth (%)											
Titan (Total)		6%	3%	33%	41%	26%	22%	21%	12%	16%	25%
Titan (Jewelry)		6%	12%	32%	41%	27%	22%	21%	10%	15%	27%
Titan (Jewelry ex-bullion)		6%	4%	36%	38%	23%	24%	22%	11%	27%	27%
Kalyan (Consol)		3%	-15%	26%	30%	32%	34%	34%	27%	37%	40%
Kalyan (India)		5%	-7%	24%	28%	36%	40%	38%	29%	39%	42%
Senco		-3%	10%	33%	15%	29%	23%	40%	8%	31%	27%
PN Gadgil		0%	-21%	32%	76%	36%			33%	46%	24%
Thangamyil		17%	7%	21%	44%	21%	20%	27%	27%	19%	26%
SSSG (%)											
Titan - Tanishq	16%	3%	-9%	41%	32%	15%	10%	14%	3%	15%	22%
Titan - Caratlane		9%	-15%	66%	61%	6%	2%	3%	8%	28%	15%
Kalyan					5%	12%	11%	17%	12%	23%	24%
Senco			7%	27%	10%	19%	17%	23%	4%	20%	16%
Thangamyil		17%	7%	10%	25%	23%	25%	21%	20%	11%	25%
Stores											
Titan (Jewelry)	395	461	514	582	763	937	898	937	974	1009	1055
Kalyan (India)	103	107	107	124	149	217	201	217	241	267	312
Kalyan (Total)	137	144	137	154	182	253	228	253	277	303	349
Senco	97	108	111	127	136	159	155	159	165	166	171
PN Gadgil	29	34	32	32	34	36				39	48
Thangamyil	37	47	47	52	53	57	56	57	59	59	59
Stores Growth (%)											
Titan (Jewelry)		17%	11%	13%	31%	23%	31%	23%	23%	20%	17%
Kalyan (India)		4%	0%	16%	20%	46%	47%	46%	50%	53%	55%
Kalyan (Total)		5%	-5%	12%	18%	39%	37%	41%	44%	47%	53%
Senco		11%	3%	14%	7%	17%	14%	17%	16%	14%	10%
PN Gadgil		17%	-6%	0%	6%	6%				NA	NA
Thangamyil		27%	0%	11%	2%	8%	6%	8%	9%	5%	5%
Studded mix (%)											
Titan	30.0%	30.9%	26.6%	28.2%	29.1%	28.8%	24.0%	33.0%	26.0%	30.0%	23.0%
Kalyan (India)	-14.4%	24.8%	22.7%	23.6%	26.2%	28.4%	27.2%	29.1%	30.4%	29.7%	29.5%
Senco			9.0%	8.0%	10.4%	11.4%	10.4%	13.0%	10.0%	11.1%	10.4%
PN Gadgil		4.2%	3.9%	5.2%	6.9%	6.7%	6.6%	NA	NA	NA	7.4%
Thangamyil	9.0%	10.0%	9.0%	11.0%	10.0%	11.0%	NA	NA	NA	NA	NA
GP margin (%)											
Titan	27.2%	28.0%	24.2%	24.9%	25.2%	22.8%	23.3%	22.3%	22.1%	22.7%	22.0%
Kalyan	16.1%	16.9%	17.0%	15.6%	15.6%	14.6%	14.6%	14.6%	14.3%	13.8%	13.1%
Senco	15.0%	17.5%	14.1%	15.7%	16.1%	15.3%	18.7%	17.1%	17.3%	13.2%	11.3%
PN Gadgil	9.7%	12.0%	9.6%	9.8%	8.0%	8.4%	8.5%	10.4%	8.3%	7.6%	9.8%
Thangamyil	9.7%	11.5%	11.4%	9.0%	9.4%	9.6%	10.9%	10.0%	12.1%	5.4%	11.9%
EBIT margin (%)											
Titan (Total)	10.2%	10.8%	7.1%	11.1%	11.7%	10.3%	10.9%	9.5%	9.1%	10.2%	10.6%
Titan (Jewelry)	11.6%	11.8%	8.8%	12.1%	12.2%	10.6%	11.6%	9.9%	9.3%	9.9%	10.8%
Kalyan	3.7%	5.2%	4.3%	5.4%	6.2%	5.6%	5.7%	5.1%	5.4%	5.1%	5.6%
Senco	5.9%	7.4%	5.1%	6.7%	6.6%	6.0%	10.0%	6.1%	6.5%	4.3%	4.5%
PN Gadgil	1.6%	2.9%	1.6%	3.5%	2.2%	4.0%	4.4%	5.5%	3.5%	3.2%	4.7%
Thangamyil	4.4%	5.2%	7.6%	3.5%	4.4%	5.1%	5.1%	4.4%	6.9%	0.0%	6.8%

Source: Company, MOFSL

Commodity prices – Non-agri stable, agri showing inflationary trends

Companies are implementing calibrated price hikes to mitigate the impact of higher input costs, with the full effect likely to unfold in 4QFY25.

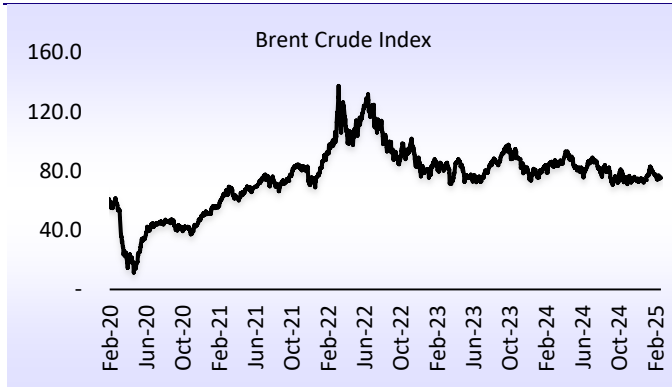
- Prices of non-agricultural commodities, such as crude oil, TiO₂, and VAM, declined, whereas prices of agricultural commodities, such as palm oil, wheat, coffee, tea, and maize, continued to face inflationary pressures in Feb'25. The imposition of import duties on oil commodities to support domestic producers further exacerbated price increases.
- Rising raw material costs contributed to weaker gross margins in 3QFY25. Companies are implementing calibrated price hikes to mitigate the impact of higher input costs, with the full effect likely to unfold in 4QFY25.
- Companies are focused on normalizing the gap between volume and value growth while prioritizing a strategic balance between revenue growth and margin expansion amid evolving market dynamics. This approach aims to navigate cost pressures effectively while maintaining competitive positioning.

Exhibit 24: Trend in commodity prices

Commodity	Unit	Companies	CMP (INR)	Average prices of commodities						Change in prices %	
				3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	4Q FY25	YoY	QoQ
Non- Agri Commodity											
Brent Crude	\$/barrel	Paints, PIDI,	76	84	83	85	80	75	78	-6	4
Titanium Dioxide	INR/kg	GCPL, JYL	340	356	345	342	343	344	340	-2	-1
Titanium Dioxide China	CNY/MT	Paints	15,050	17,038	16,730	16,742	15,771	15,180	14,935	-11	-2
VAM China	USD/MT	Paints	788	880	994	813	778	783	788	-21	1
Soda Ash	INR/50kg	PIDI, Paints	1,850	1,828	1,788	1,813	1,832	1,803	1,846	3	2
Glass	India WPI Index	HUL, GCPL,	174	175	176	175	174	173	174	-1	1
Gold	MCX Gold (INR/10gm)	UNSP, UBBL	85,387	60,591	63,177	71,749	71,543	76,403	80,666	28	6
HDPE	INR/10kg	Jewelry	950	1,010	1,045	1,035	1,026	964	943	-10	-2
Agri Commodity											
Wheat	INR/quintel	ITC, NESTLE, HUL, ITC, NESTLE, DABUR, BRIT	3,135	2,631	2,559	2,525	2,743	2,949	3,086	21	5
Sugar	INR/quintel	HMN, HUL, CLGT, DABUR	4,100	3,978	3,831	3,933	3,901	3,874	4,018	5	4
Mentha	INR/KG	DABUR	1,015	1,021	1,020	1,006	1,012	1,002	1,023	0	2
Cashew	India WPI Index	BRIT	170	148	146	154	164	170	170	16	0
Maize	INR/quintel	HUL, CLGT, DABUR	2,388	2,136	2,233	2,201	2,527	2,437	2,421	8	-1
Molasses	India WPI Index	UNSP	158	150	155	157	157	158	158	2	0
Barley	INR/quintel	UBBL, NESTLE	2,400	2,115	2,027	2,064	2,221	2,396	2,420	19	1
Tea	India WPI Tea	HUL	178	162	139	187	208	210	178	28	-15
Cocoa beans	USD/MT	NESTLE	10,301	3,979	6,128	9,467	8,555	8,709	10,862	77	25
Coffee	India WPI Coffee	NESTLE, HUL	232	209	216	221	232	231	232	8	1
Tobacco	India WPI Tobacco	ITC	114	114	114	114	114	114	114	0	0
Milk	India WPI Milk	NESTLE, BRIT	187	181	183	185	186	186	187	2	1
SMP	US\$/CWT	NESTLE, BRIT	133	133	134	130	130	138	136	2	-2
Copra	Copra WPI Index	MRCO, DABUR	230	149	156	155	175	215	230	47	7
Cotton	USD/LB	PAGE	69	80	83	79	73	73	68	-17	-6
Yarn	NNS Cotton Yarn Hosiery Yarn Carded 40 price INR/kg India	PAGE	255	252	263	262	258	255	255	-3	0
Oil Commodity											
Palm Fatty acid	USD/MT	HUL, GCPL, JYL	1,082	747	745	810	844	961	1,016	36	6
Malaysia Palm oil	MYR/MT	HUL, GCPL, JYL	4,740	3,678	4,006	4,037	4,000	4,840	4,678	17	-3
Coconut Oil	INR/quintel	MRCO, DABUR	18,000	12,172	11,187	12,796	13,617	18,781	18,000	61	-4
Rice Bran oil	Rice Bran oil Index	MRCO	176	141	137	147	155	179	176	29	-2
Sunflower oil	INR/MT	MRCO	136,000	85,386	86,900	89,133	96,071	1,28,397	1,29,014	48	0

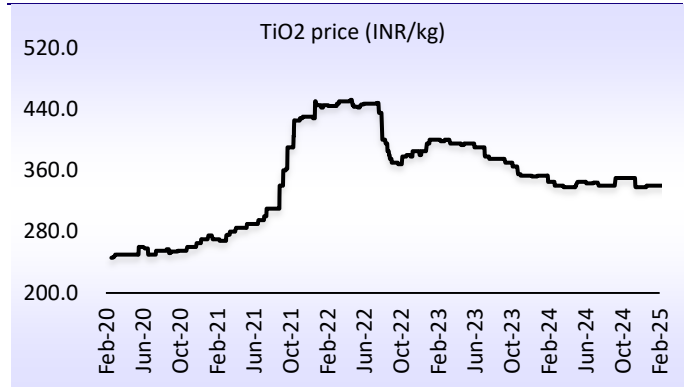
*till Feb'25, Source: Company, MOFSL

Exhibit 25: Brent crude prices decline 6% YoY while up 4% QoQ till Feb'25



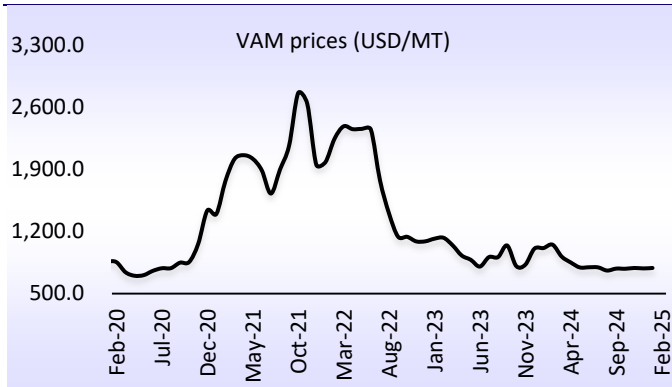
Source: Bloomberg, MOFSL

Exhibit 26: TiO2 prices is stable from last four-five quarters



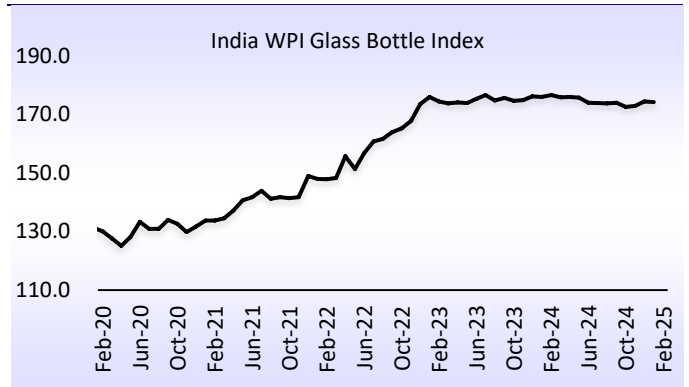
Source: Bloomberg, MOFSL

Exhibit 27: VAM prices declined 21% YoY while stable QoQ till Feb'24



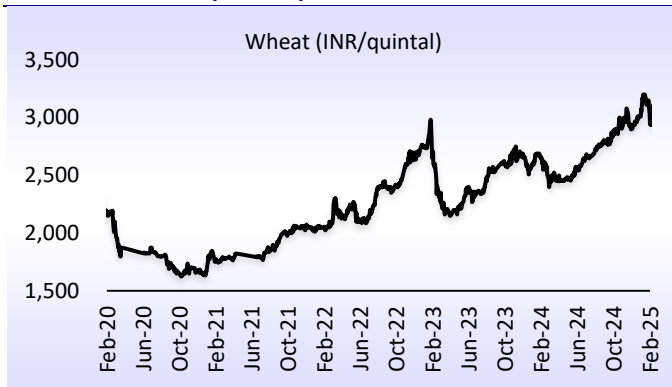
Source: Bloomberg, MOFSL

Exhibit 28: Glass cost is stable from last eight-nine quarters



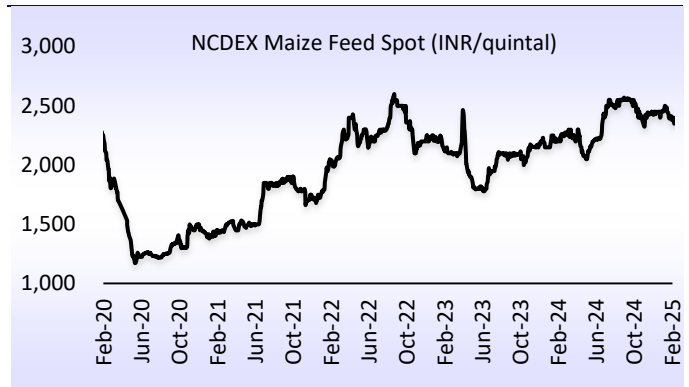
Source: Bloomberg, MOFSL

Exhibit 29: Wheat prices up 21% YoY and 5% QoQ till Feb'24



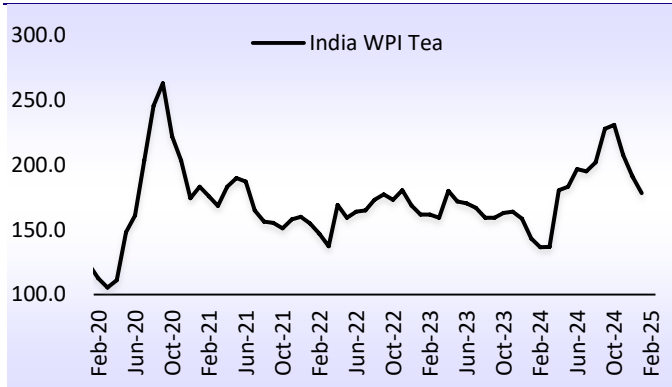
Source: Bloomberg, MOFSL

Exhibit 30: Maize price up 8% YoY while stable QoQ till Feb'24



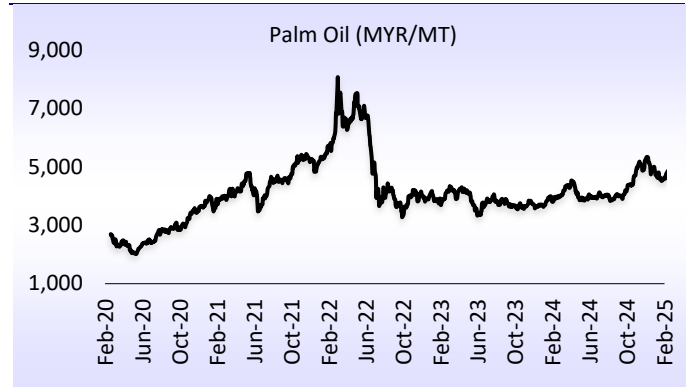
Source: Bloomberg, MOFSL

Exhibit 31: Tea prices up 28% YoY but down 15% QoQ as of Feb'25



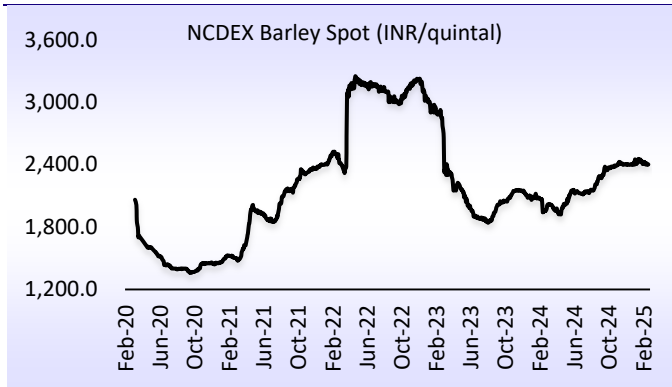
Source: Bloomberg, MOFSL

Exhibit 32: Malaysian palm oil prices up 17% YoY and down 3% QoQ as of Feb'25



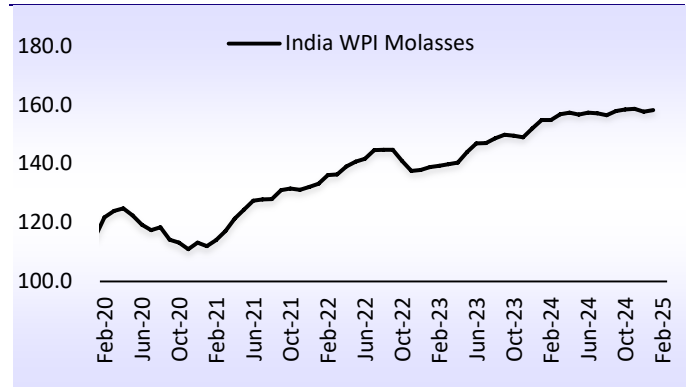
Source: Bloomberg, MOFSL

Exhibit 33: Barley prices up 19% YoY and stable QoQ as of Feb'25



Source: Bloomberg, MOFSL

Exhibit 34: Molasses (ENA) prices up 2% YoY and stable QoQ as of Feb'25



Source: Bloomberg, MOFSL

Exhibit 35: Valuation summary

Company	CMP (INR)	Target Price (INR)	Reco	EPS (INR)			EPS G. YoY (%)			P/E (x)			EV/EBITDA (x)		
				FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Staples															
Britannia Inds.	4,603	5,200	Neutral	90.5	103.8	117.2	2	15	13	51	44	39	36	32	28
Colgate-Palm.	2,464	2,850	Neutral	53.1	58.4	63.6	8	10	9	46	42	39	33	30	28
Dabur India	494	650	Buy	10.5	11.9	13.5	(1)	13	14	47	42	37	34	30	26
Emami	530	750	Buy	20.2	22.0	23.9	12	9	8	26	24	22	23	21	18
Godrej Consumer	1,009	1,400	Buy	19.3	23.9	27.8	(0)	24	16	52	42	36	36	31	28
Hind. Unilever	2,192	2,850	Buy	44.1	49.3	54.1	1	12	10	50	44	40	35	31	29
ITC	395	550	Buy	16.1	17.4	18.7	(2)	8	8	25	23	21	18	16	15
Jyothy Labs	322	450	Neutral	10.4	11.7	13.0	6	13	10	31	27	25	23	20	18
Marico	600	775	Buy	12.6	14.1	15.5	10	12	10	48	42	39	37	32	28
Nestle India	2,190	2,400	Neutral	32.7	36.7	41.1	(20)	12	12	67	60	53	46	41	37
P & G Hygiene	13,535	15,500	Neutral	251.2	278.9	309.3	14	11	11	54	49	44	39	36	32
Paints															
Asian Paints	2,180	2,550	Neutral	44.6	50.3	57.4	(23)	13	14	49	43	38	34	30	27
Indigo Paints	1,022	1,500	Buy	28.3	33.6	38.8	(9)	19	15	36	30	26	21	18	15
Pidilite Inds.	2,657	3,200	Neutral	42.1	48.9	55.7	17	16	14	63	54	48	44	38	33
Liquor															
United Breweries	1,946	2,000	Neutral	17.8	28.4	37.4	14	60	32	109	68	52	64	45	35
United Spirits	1,285	1,650	Neutral	19.2	21.6	24.1	22	13	11	67	59	53	47	42	37
Innerwear															
Page Industries	40,393	57,500	Buy	613.6	709.4	841.0	20	16	19	66	57	48	46	40	34
QSR															
Barbeque Nation	279	350	Neutral	-2.1	0.0	1.4	Loss	Loss	LP	NM	NM	198	5	4	3
Devyani intl.	165	215	Buy	0.3	1.7	2.2	(66)	530	35	629	100	74	29	24	20
Jubilant Food.	626	715	Neutral	4.6	6.6	9.0	17	43	36	136	95	70	29	25	22
Sapphire Foods	311	415	Buy	1.4	3.5	5.1	(11)	140	47	215	90	61	19	15	13
Westlife Foodworld	683	800	Neutral	0.7	5.3	9.2	(84)	641	74	955	129	74	37	28	23
Jewelry															
Kalyan Jewellers	464	625	Buy	8.0	10.4	12.9	38	30	23	58	44	36	31	25	21
P N Gadgil Jewellers	538	950	Buy	17.4	22.6	29.0	33	30	28	31	24	19	21	16	13
Senco Gold	293	400	Neutral	10.7	13.8	17.0	(8)	29	23	27	21	17	15	12	11
Titan Company	3,075	4,000	Buy	42.8	53.4	63.8	9	25	20	72	58	48	48	39	34

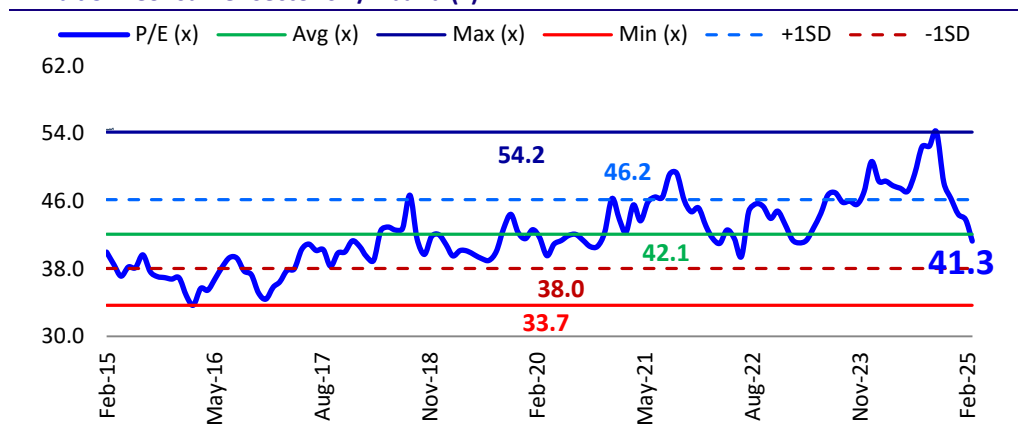
Source: Company, MOFSL

Exhibit 36: Valuation changes vs. historical averages

Companies	Current	Average P/E (x)			Prem / Disc P/E (x) vs.		
	P/E (x)	15 YR	10 YR	5 YR	15 YR	10 YR	5 YR
Consumer	40.3	38.0	42.1	44.9	6.2	-4.2	-10.1
Consumer Ex ITC	47.2	38.0	52.3	57.4	24.3	-9.8	-17.7
Asian Paints	45.1	48.1	56.4	63.9	-6.3	-20.0	-29.4
Britannia Inds.	46.7	39.5	47.9	50.7	18.2	-2.5	-7.9
Colgate-Palm.	42.7	33.6	41.1	41.4	26.9	3.7	3.2
Dabur India	43.0	40.3	46.7	52.7	6.8	-7.8	-18.3
Emami	25.2	22.9	28.5	27.0	10.0	-11.6	-6.8
Godrej Consumer	44.3	40.7	46.4	50.0	9.0	-4.5	-11.3
Hind. Unilever	45.9	45.9	53.2	57.8	0.1	-13.7	-20.6
Indigo Paints	32.5	66.5	66.5	66.5	-51.2	-51.2	-51.2
ITC	23.3	23.3	22.7	20.3	-0.1	2.5	14.8
Jyothy Lab.	29.1	34.9	33.8	30.4	-16.7	-14.0	-4.3
L T Foods	15.8	7.9	9.5	8.8	98.5	65.4	78.6
Marico	44.4	34.5	43.3	45.7	28.7	2.5	-2.9
Nestle India	61.0	51.3	60.0	68.2	18.9	1.6	-10.5
P & G Hygiene	49.3	55.1	65.3	67.1	-10.5	-24.5	-26.6
Page Industries	58.7	54.1	66.7	69.1	8.5	-11.9	-15.0
Pidilite Inds.	57.1	48.4	59.8	74.6	18.1	-4.5	-23.5
Tata Consumer	57.4	43.2	48.6	60.9	32.9	18.1	-5.6
United Breweries	73.9	88.3	95.2	109.4	-16.4	-22.4	-32.5
United Spirits	62.6	7865.4	63.9	61.4	-99.2	-2.0	2.0
Varun Beverages	50.5	47.3	47.3	49.1	6.9	6.9	2.9

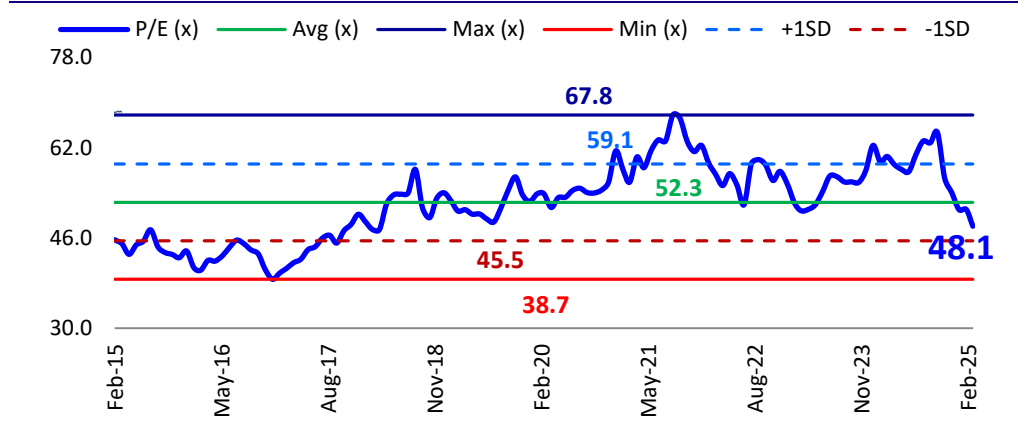
Source: Bloomberg, MOFSL

Exhibit 37: Consumer sector's P/E band (x)



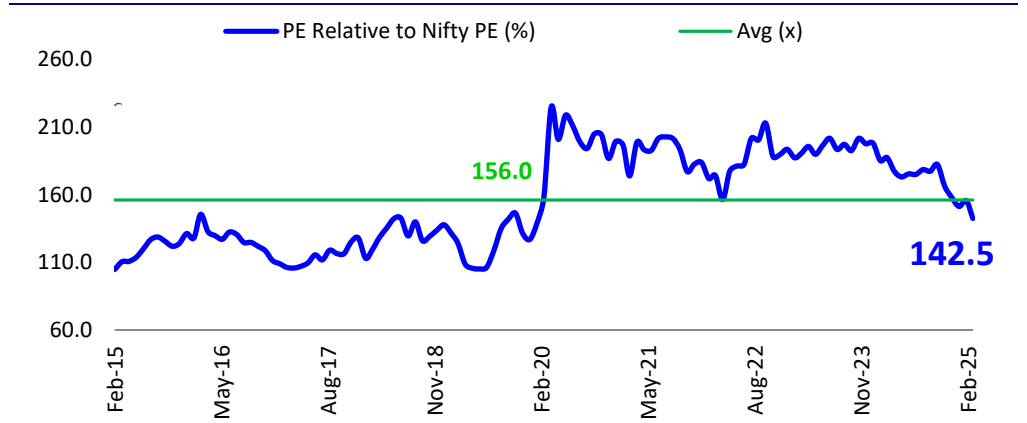
Source: Bloomberg, MOFSL

Exhibit 38: Consumer sector's P/E (ex-ITC) band (x)



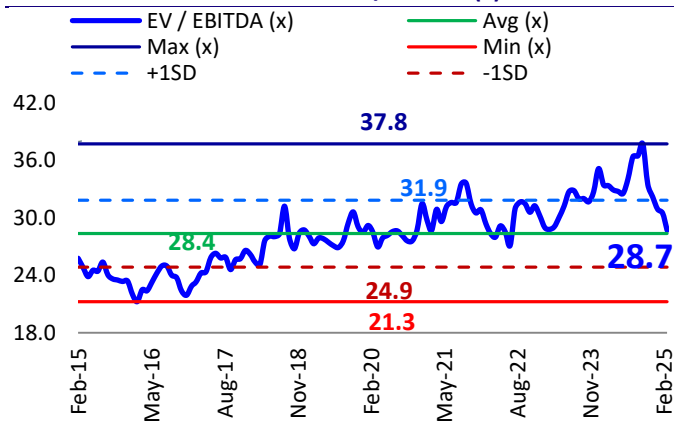
Source: Bloomberg, MOFSL

Exhibit 39: Consumer sector's P/E relative to the Nifty P/E (%)



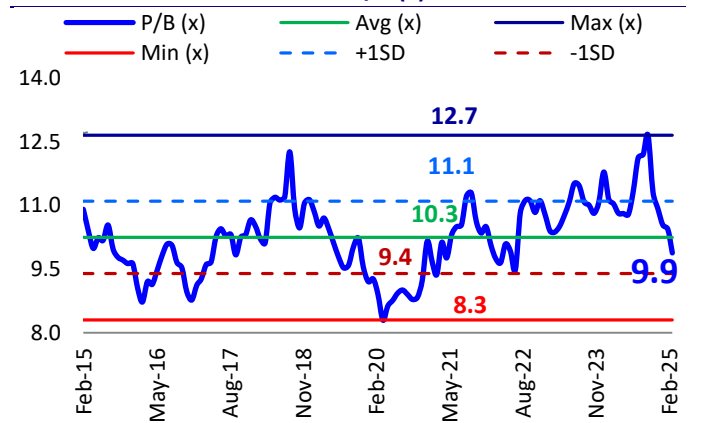
Source: Bloomberg, MOFSL

Exhibit 40: Consumer sector – EV/EBITDA (x)



Source: Bloomberg, MOFSL

Exhibit 41: Consumer sector – P/B (x)



Source: Bloomberg, MOFSL

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UNDER REVIEW	Rating may undergo a change
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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

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www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of

Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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