BUY

Sapphire Foods

Growth pick-up and merger synergies offer re-rating potential

Your success is our success

Retail ▸ Result Update ▸ **July 26, 2026**

CMP (Rs): 179 | TP (Rs): 300

We retain BUY on Sapphire and TP of Rs300 (22x Jun-28E EBITDA), owing to sustained momentum in KFC (5% SSG), recovery in PH, and attractive valuation (25-30% discount vs QSR peers). Sapphire's 1Q revenue/EBITDA were in line and saw healthy ~15%/37% growth (vs ~8% topline growth in FY26), signaling a strong start to FY27. A major part of this momentum is being driven by the right strategy finally in place for the on-premise channel, albeit partly also by improved demand. KFC is now offering everyday value (Krisper chicken burger meal at Rs99) for new recruitments and abundant value (BOGO on Hot & Crispy buckets) on select days across markets for driving repeat consumption. For PH India, SSG (+1%) has turned positive after 5 quarters, though the outlook remains cautious. Sri Lanka maintained strong momentum, with 9% SSG, but margins were impacted by cost inflation. Sapphire reiterated its guidance of opening 60–80 KFC stores annually and high single-digit openings in PH Sri Lanka, while maintaining a cautious stance on the PH India expansion. Prolonged slowdown and lengthy merger timeline with DEVYANI have been a drag for SAPPHIRE's stock performance, but improving growth profile and potential merger synergies are likely to drive significant rerating.

Another quarter of healthy SSG in KFC/SL; PH SSG turns positive

KFC clocked robust yoy revenue growth of ~17% in 1Q, led by SSG at 5% (highest in last 15 quarters) and healthy store adds. Encouragingly, KFC restaurant margin improved by 120bps yoy to 16.9%, led by 160bps expansion in gross margin (~2% price hikes and lower discounts), partially offset by higher energy cost. Pizza Hut (PH) topline growth turned positive (3% yoy growth) after 5 quarters, led by positive SSG of 1%. However, restaurant margins fell by ~110bps yoy due to higher gas cost, partially offset by higher gross margin (up by ~80bps yoy; price hikes: 2-3%). PH continues to exhibit better performance in Tamil Nadu (Sapphire's exclusive territory), led by additional marketing investments and dine-in offers driving transaction growth. Sri Lanka (SL) reported strong ~16% revenue growth, led by 9% SSG (in local currency terms). SL gross margin (GM) expanded by ~220bps, however, restaurant margin contracted by ~70bps, due to a hike in minimum wages and higher energy costs. At the overall consolidated level, 1Q has been a strong quarter for Sapphire, with ~37% yoy growth in adj EBITDA on the back of sustained growth in KFC and optimization of HO cost (down by 50bps).

Strategic initiatives yielding strong benefits for KFC; PH playbook in place

KFC's growth is driven by a strategic two-pronged approach, with everyday value (Krisper chicken burger meal at Rs99) for new recruitments and abundant value (BOGO on Hot & Crispy buckets) for driving repeat consumption. The initiative has led to improvement in growth of dine-in at ~21% yoy (vs 17% overall KFC growth). Further, PH India saw SSG turnaround (+1%) after several quarters of decline, led by an enhanced dine-in experience/value launches, new product innovations, and increased marketing investments. A relatively strong performance in Sapphire's exclusive Tamil Nadu market also validates management strategy.

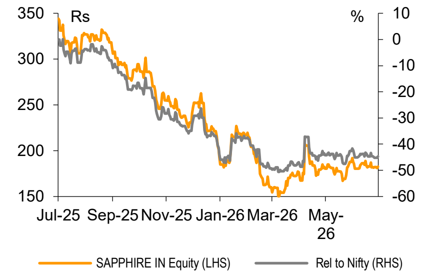
Target Price – 12M	Jun-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	67.6

Stock Data	**SAPPHIRE IN**
52-week High (Rs)	348
52-week Low (Rs)	140
Shares outstanding (mn)	321.4
Market-cap (Rs bn)	58
Market-cap (USD mn)	596
Net-debt, FY27E (Rs mn)	(685.6)
ADTV-3M (mn shares)	1.6
ADTV-3M (Rs mn)	405.2
ADTV-3M (USD mn)	4.2
Free float (%)	49.0
Nifty-50	23,767.4
INR/USD	96.6
Shareholding,Jun-26	
Promoters (%)	26.1
FPIs/MFs (%)	25.3/41.9

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	(3.6)	7.1	(47.6)
Rel. to Nifty	(2.6)	7.6	(44.8)

1-Year share price trend (Rs)



Sapphire Foods: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	28,819	31,253	35,421	39,746	44,429
EBITDA	4,768	4,736	5,717	7,098	8,099
Adj. PAT	320	(80)	512	748	931
Adj. EPS (Rs)	1.0	(0.2)	1.6	2.3	2.9
EBITDA margin (%)	16.5	15.2	16.1	17.9	18.2
EBITDA growth (%)	3.4	(0.7)	20.7	24.2	14.1
Adj. EPS growth (%)	(39.1)	0	0	46.0	24.4
RoE (%)	2.3	(0.6)	3.6	5.1	6.0
RoIC (%)	7.8	3.7	8.1	11.0	12.8
P/E (x)	344.4	(180.2)	112.4	76.9	61.8
EV/EBITDA (x)	11.6	12.0	10.0	8.0	7.0
P/B (x)	4.1	4.1	4.0	3.8	3.6
FCFF yield (%)	4.2	1.8	4.0	5.9	7.3

Source: Company, Emkay Research

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Earnings call KTAs

Demand environment

- Management indicated that the overall demand environment is largely unchanged, with no material improvement in consumer sentiment.
- April-May witnessed healthy demand, while June was relatively weak. July trends are benefiting from a favorable Shravan calendar shift.
- The company indicated that 3-5% SSG is generally sufficient to offset inflationary cost pressures. SSG above this level typically drives operating leverage and restaurant margin expansion.

KFC

- Management believes the combination of value pricing and better advertising has successfully started attracting new consumers to the brand.
- Digital kiosks have been installed in >75% of KFC stores.
- In new product launches, the company launched KFC Shawowrma and Double Chicken Dynamite.
- Store addition guidance is unchanged at 60-80 KFC stores annually, with the management stating that recently launched stores continue to achieve healthy profitability and payback even in smaller cities.
- Management reiterated its long-term ambition of doubling the KFC store-base over the next five years.

Pizza Hut

- Pizza Hut reported positive 1% SSG, ending five consecutive quarters of negative SSG, with both dine-in and delivery returning to the positive territory.
- Tamil Nadu continues to significantly outperform the rest of the network, supported by higher marketing investments and a dine-in focused omnichannel strategy.
- Management believes the Tamil Nadu model provides a blueprint for future brand recovery across the network.
- Pizza Hut store expansion will remain cautious in CY26, with focus continuing on improving store economics rather than on aggressive expansion.

Margins and Pricing

- Gross margins benefited from lower discounting and ~2% price hikes taken during the quarter, across both KFC and Pizza Hut.
- The company gradually implemented price increases, in two phases during the quarter, and has not observed any adverse impact on customer demand.
- Higher LPG/gas costs remain the key margin headwind across all businesses, though improved sales mix and operating leverage helped offset part of the impact.
- Management clarified that it maintains its near-term priority of sustaining positive SSG rather than pushing restaurant margins back to the historical 18-20% range.

Others

- Management stated that the potential sale of the Pizza Hut global business will not impact Sapphire's existing franchise agreement. It believes a new owner could potentially bring renewed focus and investment to the brand.
- Dine-in and Takeaway continue to outperform delivery across both brands, while competitive intensity in food aggregators is stable, with no meaningful increase in discounting.

Story in charts

Exhibit 1: Performance across key metrics over the past few quarters

Key metrics (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
KFC India									
Number of stores	**442**	**461**	**496**	**502**	**510**	**529**	**556**	**575**	**591**
SSG (%)	**-6**	**-8**	**-3**	**-1**	**0**	**-3**	**1**	**4**	**5**
ADS (Rs)	**122,000**	**111,000**	**115,000**	**108,000**	**116,000**	**103,000**	**112,000**	**109,000**	**118,000**
Revenue	4,770	4,527	4,948	4,793	5,275	4,856	5,509	5,495	6,183
Gross margin (%)	68.2	68.3	68.2	68.0	67.1	67.2	68.6	68.7	68.7
Brand contribution margin (%)	**18.8**	**16.5**	**18.2**	**15.7**	**15.7**	**13.8**	**18.8**	**16.8**	**16.9**
Pizza Hut India									
Number of stores	**320**	**323**	**339**	**334**	**336**	**338**	**339**	**341**	**346**
SSG (%)	**-7**	**-3**	**5**	**1**	**-8**	**-8**	**-12**	**-7**	**1**
ADS (Rs)	**48,000**	**47,000**	**48,000**	**42,000**	**44,000**	**42,000**	**41,000**	**39,000**	**44,000**
Revenue	1,397	1,376	1,430	1,248	1,320	1,296	1,275	1,174	1,360
Gross margin (%)	76.1	76.5	75.6	74.8	74.6	74.4	74.9	75.2	75.4
Brand contribution margin (%)	**4.6**	**4.1**	**4.7**	**-4.6**	**-2.5**	**-1.8**	**-3.1**	**-6.0**	**-3.6**
Sri Lanka (Pizza Hut)									
Number of stores	**120**	**121**	**126**	**127**	**128**	**130**	**133**	**136**	**137**
SSG (%)	**11**	**9**	**14**	**16**	**12**	**14**	**11**	**11**	**9**
ADS (Rs)	**89,000**	**93,000**	**103,000**	**95,000**	**103,000**	**109,000**	**114,000**	**104,000**	**112,000**
Revenue	978	1,024	1,159	1,066	1,164	1,264	1,342	1,237	1,349
Gross margin (%)	60.6	61.1	62.1	60.6	60.9	63.3	63.7	63.5	63.1
Brand contribution margin (%)	**13.2**	**15.5**	**17.8**	**14.8**	**12.7**	**15.4**	**16.7**	**14.6**	**12.0**
Sapphire – Consolidated									
Number of stores	**886**	**909**	**963**	**963**	**974**	**997**	**1,028**	**1,052**	**1,074**
Store additions (no of)	**14**	**23**	**54**	**0**	**11**	**23**	**31**	**24**	**22**
Revenue	7,165	6,940	7,550	7,099	7,748	7,401	8,112	7,898	8,882
Gross margin (%)	**68.8**	**69.0**	**68.7**	**68.2**	**67.4**	**67.8**	**68.7**	**68.8**	**68.8**
Brand contribution margin (%)	**15.1**	**13.7**	**15.4**	**12.0**	**12.2**	**11.3**	**15.0**	**13.0**	**13.0**
Overhead opex/revenue (%)	5.3	5.2	4.7	4.9	5.1	5.3	5.5	5.3	4.6
Consolidated EBITDA	707	590	811	508	548	450	774	610	749
EBITDA margin (%)	**9.9**	**8.5**	**10.7**	**7.2**	**7.1**	**6.1**	**9.5**	**7.7**	**8.4**

Source: Company, Emkay Research; Note: EBITDA and EBITDA margin are pre IndAS-116

Exhibit 2: Actual vs estimates (1QFY27)

(Rs mn)	Actual	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net Sales	8,910	8,724	8,731	2.1%	2.0%	Revenue was higher than estimates, largely led by higher growth in PH India and PH Sri Lanka
EBITDA*	1,398	1,414	1,346	-1.2%	3.9%	EBITDA was largely in line with estimates
*EBITDA margin**	15.7%	16.2%	15.4%	-52	27	
PAT	140	94	33	49.7%	322.9%	PAT beat led by lower depreciation

*Source: Company, Bloomberg, Emkay Research; Note: *Post IndAS-116 EBITDA*

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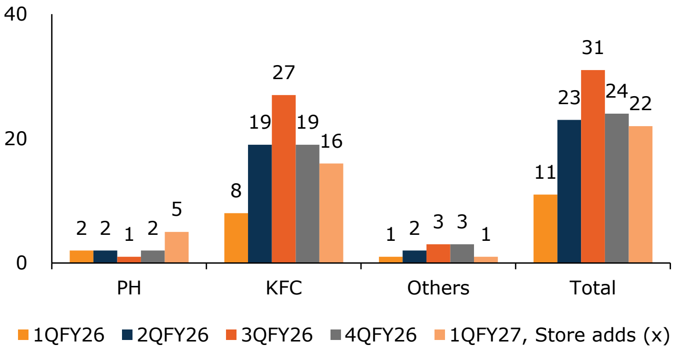
Exhibit 3: Actuals vs Emkay estimates – Segment-wise (1QFY27)

(Rs mn)	Revenue		Brand-EBITDA		Variance	
	Actual	Estimate	Actual	Estimate	Revenue	EBITDA
KFC	6,183	6,145	1,045	1,077	0.6%	-3.0%
Pizza Hut	1,360	1,244	-49	-52	9.3%	-5.3%
SL	1,367	1,335	161	200	2.3%	-19.6%
Total	**8,910**	**8,724**	**1,157**	**1,226**	**2.1%**	**-5.6%**
HO costs			408	464		-12.1%
Total			**749**	**762**		**-1.7%**

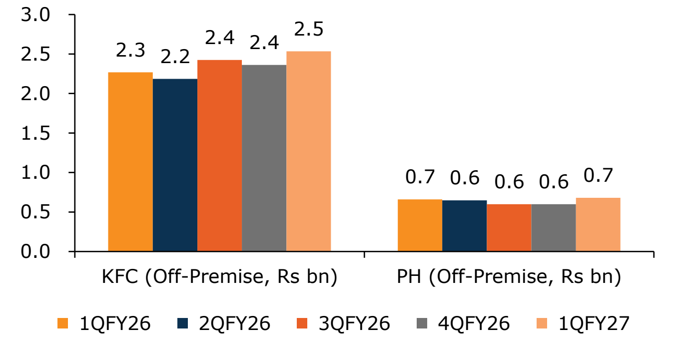
Source: Company, Emkay Research

Exhibit 4: Sapphire added 16 KFC stores and 5 PH India stores; effectively 22 stores in 1Q



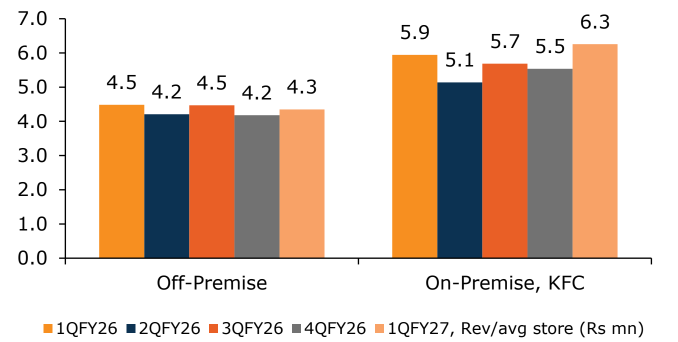
Source: Company, Emkay Research

Exhibit 5: Channel-wise off-premise sales grew ~12%/3% yoy for KFC/PH



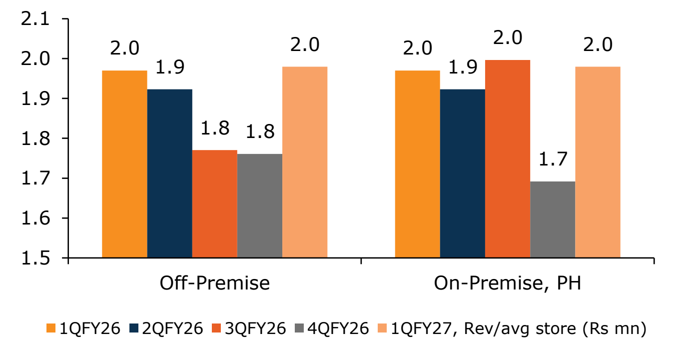
Source: Company, Emkay Research

Exhibit 6: For KFC, on-premise sales per store increased ~5%, led by dine-in specific value initiatives



Source: Company, Emkay Research

Exhibit 7: For PH, off-premise/on-premise revenue per store was flat yoy in 1Q



Source: Company, Emkay Research

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Exhibit 8: Summary of quarterly results

Y/E Mar (Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)	FY26TD	FY27TD	yoy (%)
Revenue	**7,768**	**7,424**	**8,138**	**7,922**	**8,910**	**14.7**	**12.5**	**7,768**	**8,910**	14.7
Expenditure	**6,640**	**6,403**	**6,796**	**6,678**	**7,512**	**13.1**	**12.5**	**6,640**	**7,512**	**13.1**
Consumption of RM	2,533	2,394	2,550	2,474	2,781	9.8	12.4	2,533	2,781	9.8
as a % of sales	*32.6%*	*32.2%*	*31.3%*	*31.2%*	*31.2%*			*32.6%*	*31.2%*	
Employee Cost	1,023	1,058	1,090	1,109	1,153	12.7	4.1	1,023	1,153	12.7
as a % of sales	*13.2%*	*14.2%*	*13.4%*	*14.0%*	*12.9%*			*13.2%*	*12.9%*	
Other expenditure	3,083	2,952	3,156	3,095	3,578	16.0	15.6	3,083	3,578	16.0
as a % of sales	*39.7%*	*39.8%*	*38.8%*	*39.1%*	*40.2%*			*39.7%*	*40.2%*	
EBITDA	**1,129**	**1,021**	**1,342**	**1,245**	**1,398**	**23.9**	**12.3**	**1,129**	**1,398**	**23.9**
Depreciation	920	972	1,020	1,010	974	5.9	-3.6	920	974	5.9
EBIT	**209**	**48**	**322**	**235**	**424**	**103.0**	**80.8**	**209**	**424**	**103.0**
Other Income	68	92	71	50	57	-16.4	14.5	68	57	-16.4
Interest	295	307	315	311	319	8.1	2.6	295	319	8.1
PBT	**-18**	**-166**	**78**	**-27**	**162**			**-18**	**162**	
Total Tax	-1	-38	15	-29	21			-1	21	
Reported PAT	**-17**	**-128**	**64**	**2**	**140**			**-17**	**140**	
Extraordinary items	0	0	-112	-128	0			0	0	
PAT before minority interests	**-17**	**-128**	**-48**	**-126**	**140**			**-17**	**140**	
Minority Interests	1	0	0	0	0			1	0	
PAT after MI	**-18**	**-128**	**-48**	**-126**	**140**			**-18**	**140**	
EPS (Rs)	**-0.1**	**-0.4**	**-0.1**	**-0.4**	**0.4**			**-0.1**	**0.4**	
(%)	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**	**(bps)**	**(bps)**	**FY26TD**	**FY27TD**	**(bps)**
EBITDAM	14.5	13.8	16.5	15.7	15.7	120	0	14.5	15.7	120
EBITM	2.7	0.7	4.0	3.0	4.8	210	180	2.7	4.8	210
EBTM	-0.2	-2.2	1.0	-0.3	1.8	210	220	-0.2	1.8	210
PATM	-0.2	-1.7	-0.6	-1.6	1.6	180	320	-0.2	1.6	180
Effective tax rate	5.7	22.9	18.6	106.4	13.3	750	-9320	5.7	13.3	750

Source: Company, Emkay Research; Note: Post IndAS-116 EBITDA

Exhibit 9: Changes in estimates

(Rs mn)	FY27E			FY28E			FY29E		
	Old	**New**	**Change (%)**	**Old**	**New**	**Change (%)**	**Old**	**New**	**Change (%)**
Revenue	34,834	35,421	1.7	39,691	39,746	0.1	43,802	44,429	1.4
EBITDA*	**3,023**	**3,003**	**(0.7)**	**4,182**	**4,167**	**(0.4)**	**4,864**	**4,875**	**0.2**
*EBITDA margin (%)**	8.7	8.5	-20 bps	10.5	10.5	-10 bps	11.1	11.0	-10 bps
Net profit	508	512	0.8	747	748	0.1	929	931	0.2
EPS (Rs)	1.6	1.6	0.8	2.3	2.3	0.1	2.9	2.9	0.2

*Source: Company, Emkay Research; Note: *Pre IndAS-116 EBITDA*

Exhibit 10: Peer comparison

Company	CMP (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	PER (x)			EV/EBITDA (x)		
					FY27E	**FY28E**	**FY29E**	**FY27E**	**FY28E**	**FY29E**
JUBI	418	276	BUY	550	69.7	52.8	40.9	21.3	18.0	15.1
DEVYANI	112	139	BUY	160	993.3	127.0	102.8	25.8	19.3	17.4
WESTLIFE	458	71	ADD	550	583.0	86.9	52.6	31.5	20.6	16.1
SAPPHIRE	**179**	**58**	**BUY**	**300**	**112.4**	**76.9**	**61.8**	**18.8**	**13.6**	**11.7**

Source: Company, Emkay Research; Note: Pre IndAS-116 EBITDA

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Sapphire Foods: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**28,819**	**31,253**	**35,421**	**39,746**	**44,429**
Revenue growth (%)	11.1	8.4	13.3	12.2	11.8
EBITDA	**4,768**	**4,736**	**5,717**	**7,098**	**8,099**
EBITDA growth (%)	3.4	(0.7)	20.7	24.2	14.1
Depreciation & Amortization	3,639	3,921	4,172	4,907	5,472
EBIT	**1,128**	**815**	**1,544**	**2,191**	**2,627**
EBIT growth (%)	(17.9)	(27.8)	89.6	41.9	19.9
Other operating income	-	-	-	-	-
Other income	372	280	450	260	250
Financial expense	1,116	1,228	1,311	1,454	1,636
PBT	**384**	**(133)**	**683**	**998**	**1,241**
Extraordinary items	(153)	(240)	0	0	0
Taxes	64	(53)	171	249	310
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**167**	**(320)**	**512**	**748**	**931**
PAT growth (%)	(67.8)	0	0	46.0	24.4
Adjusted PAT	**320**	**(80)**	**512**	**748**	**931**
Diluted EPS (Rs)	**1.0**	**(0.2)**	**1.6**	**2.3**	**2.9**
Diluted EPS growth (%)	(39.1)	0	0	46.0	24.4
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	16.5	15.2	16.1	17.9	18.2
EBIT margin (%)	3.9	2.6	4.4	5.5	5.9
Effective tax rate (%)	16.7	39.9	25.0	25.0	25.0
NOPLAT (pre-IndAS)	**940**	**490**	**1,158**	**1,644**	**1,970**
Shares outstanding (mn)	321	321	321	321	321

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	642	643	643	643	643
Reserves & Surplus	13,338	13,263	13,776	14,524	15,455
Net worth	**13,981**	**13,906**	**14,418**	**15,167**	**16,097**
Minority interests	(19)	(21)	(21)	(21)	(21)
Non current liab. & prov.	11,843	13,264	13,671	14,030	14,250
Total debt	**199**	**56**	**56**	**56**	**56**
Total liabilities & equity	**26,003**	**27,205**	**28,125**	**29,232**	**30,383**
Net tangible fixed assets	10,063	11,288	12,218	12,836	13,180
Net intangible assets	802	854	897	890	854
Net ROU assets	10,935	11,967	12,076	11,959	11,609
Capital WIP	567	603	603	603	603
Goodwill	1,583	1,583	1,583	1,583	1,583
Investments [JV/Associates]	-	-	-	-	-
Cash & equivalents	**2,219**	**712**	**742**	**1,409**	**2,608**
Current assets (ex-cash)	3,126	4,280	4,618	5,128	5,732
Current Liab. & Prov.	3,292	4,081	4,612	5,175	5,785
NWC (ex-cash)	**(166)**	**199**	**6**	**(47)**	**(53)**
Total assets	**26,003**	**27,205**	**28,125**	**29,232**	**30,383**
Net debt	(2,021)	(656)	(686)	(1,353)	(2,552)
Capital employed	26,003	27,205	28,125	29,232	30,383
Invested capital	**12,282**	**13,923**	**14,704**	**15,261**	**15,564**
BVPS (Rs)	43.5	43.3	44.9	47.2	50.1
Net Debt/Equity (x)	(0.1)	-	-	(0.1)	(0.2)
Net Debt/EBITDA (x)	(0.4)	(0.1)	(0.1)	(0.2)	(0.3)
Interest coverage (x)	0.4	(0.1)	0.5	0.7	0.8
RoCE (%)	**10.8**	**7.8**	**14.0**	**16.5**	**18.4**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	(141)	(413)	233	738	991
Others (non-cash items)	-	-	-	-	-
Taxes paid	(64)	53	(171)	(249)	(310)
Change in NWC	190	(336)	3	(111)	(186)
Operating cash flow	**4,740**	**4,453**	**5,548**	**6,738**	**7,603**
Capital expenditure	(2,431)	(3,451)	(3,255)	(3,400)	(3,430)
Acquisition of business	0	0	0	0	0
Interest & dividend income	372	280	450	260	250
Investing cash flow	**(3,495)**	**(1,765)**	**(2,805)**	**(3,140)**	**(3,180)**
Equity raised/(repaid)	397	243	-	-	-
Debt raised/(repaid)	(78)	(143)	0	0	0
Payment of lease liabilities	(2,437)	(2,625)	(2,714)	(2,931)	(3,224)
Interest paid	(20)	(26)	0	0	0
Dividend paid (incl tax)	0	0	0	0	0
Others	0	0	0	0	0
Financing cash flow	**(2,138)**	**(2,550)**	**(2,714)**	**(2,931)**	**(3,224)**
Net chg in Cash	(893)	138	30	667	1,199
OCF	4,740	4,453	5,548	6,738	7,603
Adj. OCF (w/o NWC chg.)	4,550	4,789	5,546	6,849	7,789
FCFF	2,309	1,002	2,293	3,338	4,173
FCFE	2,661	1,257	2,743	3,598	4,423
OCF/EBITDA (%)	99.4	94.0	97.1	94.9	93.9
FCFE/PAT (%)	1,593.3	(393.3)	535.5	480.9	475.1
FCFF/NOPLAT (%)	**245.8**	**204.6**	**198.0**	**203.1**	**211.8**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	344.4	(180.2)	112.4	76.9	61.8
P/CE(x)	24.2	28.0	20.6	16.3	14.2
P/B (x)	4.1	4.1	4.0	3.8	3.6
EV/Sales (x)	1.9	1.8	1.6	1.4	1.3
EV/EBITDA (x)	11.6	12.0	10.0	8.0	7.0
EV/EBIT(x)	49.2	69.9	36.9	26.0	21.7
EV/IC (x)	4.5	4.1	3.9	3.7	3.7
FCFF yield (%)	4.2	1.8	4.0	5.9	7.3
FCFE yield (%)	4.6	2.2	4.8	6.3	7.7
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	1.1	(0.3)	1.4	1.9	2.1
Total asset turnover (x)	2.0	2.1	2.3	2.4	2.5
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.2
RoE (%)	**2.3**	**(0.6)**	**3.6**	**5.1**	**6.0**
DuPont-RoIC					
NOPLAT margin (%)	3.3	1.6	3.3	4.1	4.4
IC turnover (x)	2.4	2.4	2.5	2.7	2.9
RoIC (%)	**7.8**	**3.7**	**8.1**	**11.0**	**12.8**
Operating metrics					
Core NWC days	(2.1)	2.3	0.1	(0.4)	(0.4)
Total NWC days	**(2.1)**	**2.3**	**0.1**	**(0.4)**	**(0.4)**
Fixed asset turnover	1.5	1.4	1.4	1.4	1.4
Opex-to-revenue (%)	52.0	53.0	52.4	50.8	50.5

Source: Company, Emkay Research

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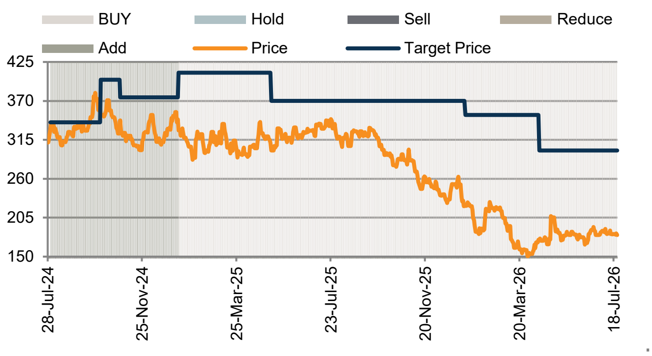
Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
07-Jul-26	189	300	Buy	Devanshu Bansal
29-Apr-26	207	300	Buy	Devanshu Bansal
14-Apr-26	174	300	Buy	Devanshu Bansal
02-Mar-26	197	350	Buy	Devanshu Bansal
08-Feb-26	215	350	Buy	Devanshu Bansal
10-Jan-26	222	350	Buy	Devanshu Bansal
19-Oct-25	288	370	Buy	Devanshu Bansal
07-Oct-25	291	370	Buy	Devanshu Bansal
02-Oct-25	296	370	Buy	Devanshu Bansal
16-Sep-25	326	370	Buy	Devanshu Bansal
18-Aug-25	314	370	Buy	Devanshu Bansal
24-Jul-25	342	370	Buy	Devanshu Bansal
01-Jul-25	327	370	Buy	Devanshu Bansal
08-May-25	300	370	Buy	Devanshu Bansal
09-Apr-25	293	410	Buy	Devanshu Bansal
07-Apr-25	292	410	Buy	Devanshu Bansal
07-Feb-25	323	410	Buy	Devanshu Bansal
10-Jan-25	329	410	Buy	Devanshu Bansal
28-Oct-24	342	375	Add	Devanshu Bansal
03-Oct-24	351	400	Add	Devanshu Bansal

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



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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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