

# Consumer Goods

## Demand recovery eludes Q3FY24

Sector Report

Quarterly Preview

January 7, 2024

NIFTY 50: 21,711

Given the weak winter and slow recovery in rural demand, Q3FY24 is likely to be lackluster for FMCG plays, from the topline viewpoint. We expect competition from small players in select categories to ebb, as large players have embarked on corrective measures. The international show is likely to be better, on a constant currency basis, though currency will limit reported growth. Gross margin is likely to expand YoY, but EBITDA margin expansion would be limited due to weak operating leverage and higher A&P spends. In India business, we see a low-to-mid single-digit volume growth. Overall, in our coverage, Colgate is likely to report better results (sales/earnings growth at 7%/21%), while HUL (sales/earnings growth at 3%/1%) and GCPL (sales/earnings growth at +1%/-1%) would be the weakest. Dabur (+9%, sales driven) and Marico (+10%, margin driven) are likely to clock better earnings growth. Our report highlights the rollover of our TP to Dec-24 from Sep-24 earlier. We downgrade our rating for Britannia to REDUCE (from Add) and GCPL to ADD (from Buy). We prefer Dabur, ITC, and Emami, while avoiding Colgate.

### Q3FY24 to see growth moderation; expect a rebound in growth in FY25

From the domestic perspective, demand for winter-centric products has been subdued due to a weak winter — growth is primarily a factor of robust placement of products with trade in October, but tertiary sales have not revived, given a frail winter. Rural demand is lackluster, with moderate improvement. Regarding competitive intensity, companies are now coming into action with focus on LUP packs and better incentives for trade (push gained perspective). Organic domestic volume growth is likely to be in a low-to-mid single digit. Price growth for most has turned negligible, but would remain strong at ~7% for Colgate. From the International perspective, constant currency growth is likely to be in a mid-single to a low double-digit, but reported growth would be muted, given currency headwinds. Demand recovery outlook looks grim in the near term. With Elections and expectations of a better summer, players are now hopeful of demand recovery in FY25.

### Margin driven earnings delivery play to be limited to some; topline revival key

We see the gross margin build-up sustaining, but interim surge in crude in Q2 is likely to have a bearing on QoQ recovery. With focus on reviving category development thrust, FMCG players are looking to revert to historical A&P spends. This, along with weak operating leverage, is likely to limit EBITDA margin delivery. We see better EBITDA margin for GCPL, Colgate and Marico, while margin expansion for ITC, HUL, Britannia, Dabur and Emami would be muted. On better margin, Colgate/Marico are likely to log double digit earnings, while margin delivery for GCPL would be absorbed in higher taxes.

### Valuations factor in long-term prospects; downgrading Britannia and GCPL

Our positive stance for Britannia and GCPL has gradually been factored into the stock price. With limited upside, we downgrade our rating for Britannia to REDUCE from Add and for GCPL to ADD from Buy. Factoring in the demand weakness in H2FY23, our earnings see low single-digit cuts. We revise our target valuation multiple (P/E) up for GCPL to 50x from 46x and for Emami to 33x from 31x. We maintain BUY for DABUR, ITC, and Emami and SELL for Colgate.

### Rating, Target Price, and Valuation

	Rating	CMP (Rs)	TP (Rs)	Upside (%)	P/E (x)		EV/EBITDA (x)	
					FY25	FY26	FY25	FY26
Britannia Industries	REDUCE	5,272	5,450	3	52.0	44.9	35.5	31.4
Colgate-Palmolive	SELL	2,520	1,825	(28)	51.1	47.2	34.7	32.2
Dabur India	BUY	569	660	16	43.6	38.8	32.2	28.3
Emami	BUY	565	675	20	30.0	26.9	21.5	19.1
Godrej Consumer Products	ADD	1,220	1,325	9	52.1	44.3	34.9	30.6
Hindustan Unilever	ADD	2,620	2,800	7	53.0	47.5	37.4	33.6
ITC	BUY	474	550	16	26.7	24.6	20.7	19.0
Marico	REDUCE	546	570	4	44.3	39.8	31.5	28.3

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 01/14/2024 11:39 AM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO> Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore. Refer to Important Disclosures at the end of this report

### Nitin Gupta

nitin.gupta@emkayglobal.com  
+91 22 6612 1257

### Soham Samanta

soham.samanta@emkayglobal.com  
+91 22 6612 1262

### Q3FY24E growth (YoY) estimates

	Sales	EBITDA	Earnings
ITC	8%	7%	7%
HUL	3%	3%	1%
BRIT	4%	3%	3%
GCPL	1%	10%	-1%
DABUR	7%	8%	9%
CLGT	7%	19%	21%
MRCO	-1%	11%	10%
HMN	5%	6%	4%

Source: Emkay Research

### Changes in recommendation

	New reco.	Old reco.
ITC	BUY	BUY
HUL	ADD	ADD
BRIT	REDUCE▼	ADD
GCPL	ADD▼	BUY
DABUR	BUY	BUY
CLGT	SELL	SELL
MRCO	REDUCE	REDUCE
HMN	BUY	BUY

Source: Emkay Research

**Note:** HMN = Emami; MRCO = Marico; CLGT = Colgate; GCPL = Godrej Consumer; BRIT = Britannia

## Quarterly trend and expectations

Exhibit 1: Q3FY24 expectations

(Rs mn)	Total revenue					EBITDA					EBITDA margin			Adjusted PAT				
	Q3FY23	Q2FY24	Q3FY24E	YoY	QoQ	Q3FY23	Q2FY24	Q3FY24E	YoY	QoQ	Q3FY23	Q2FY24	Q3FY24E	Q3FY23	Q2FY24	Q3FY24E	YoY	QoQ
ITC	1,62,257	1,65,501	<b>1,74,984</b>	8%	6%	62,232	60,416	<b>66,526</b>	7%	10%	38%	37%	38%	50,310	49,270	<b>53,738</b>	7%	9%
HUL	1,52,280	1,51,257	<b>1,56,369</b>	3%	3%	35,370	35,437	<b>36,573</b>	3%	3%	23%	23%	23%	25,810	25,479	<b>26,102</b>	1%	2%
Britannia	41,968	44,329	<b>43,605</b>	4%	-2%	8,176	8,724	<b>8,385</b>	3%	-4%	19%	20%	19%	5,553	5,886	<b>5,716</b>	3%	-3%
GCPL	35,989	36,020	<b>36,189</b>	1%	0%	7,266	7,042	<b>7,978</b>	10%	13%	20%	20%	22%	5,538	4,433	<b>5,493</b>	-1%	24%
Dabur	30,432	32,038	<b>32,685</b>	7%	2%	6,099	6,609	<b>6,590</b>	8%	0%	20%	21%	20%	4,759	5,261	<b>5,191</b>	9%	-1%
Colgate	12,913	14,711	<b>13,817</b>	7%	-6%	3,615	4,821	<b>4,315</b>	19%	-10%	28%	33%	31%	2,432	3,401	<b>2,940</b>	21%	-14%
Marico	24,700	24,760	<b>24,440</b>	-1%	-1%	4,560	4,970	<b>5,063</b>	11%	2%	18%	20%	21%	3,280	3,530	<b>3,609</b>	10%	2%
Emami	9,827	8,649	<b>10,302</b>	5%	19%	2,943	2,337	<b>3,107</b>	6%	33%	30%	27%	30%	2,262	1,759	<b>2,362</b>	4%	34%

Source: Company, Emkay Research

Exhibit 2: Quarterly revenue growth (YoY) – Trend and expectations

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E
ITC	<b>3.3%</b>	-11.1%	-20.8%	-2.7%	<b>1.5%</b>	22.7%	37.3%	11.7%	<b>32.1%</b>	16.5%	41.1%	27.2%	<b>2.5%</b>	5.1%	-8.5%	2.8%	<b>7.8%</b>
HUL	<b>3.6%</b>	-9.4%	4.2%	16.2%	<b>20.5%</b>	34.5%	12.7%	11.0%	<b>10.4%</b>	10.4%	19.5%	16.0%	<b>16.2%</b>	11.0%	6.5%	2.5%	<b>2.7%</b>
Britannia	<b>3.8%</b>	1.6%	26.4%	11.0%	<b>5.8%</b>	8.2%	-1.0%	5.9%	<b>13.7%</b>	15.5%	9.0%	22.1%	<b>16.2%</b>	10.9%	8.6%	0.8%	<b>3.9%</b>
GCPL	<b>2.1%</b>	-12.2%	-0.8%	11.0%	<b>9.8%</b>	26.9%	23.9%	8.6%	<b>8.2%</b>	7.0%	8.1%	7.0%	<b>9.0%</b>	9.6%	10.5%	6.1%	<b>0.6%</b>
Dabur	<b>7.0%</b>	-12.3%	-12.9%	13.7%	<b>16.0%</b>	25.3%	31.9%	12.0%	<b>7.8%</b>	7.7%	8.1%	6.0%	<b>3.4%</b>	6.4%	10.9%	7.3%	<b>7.4%</b>
Colgate	<b>4.3%</b>	-7.1%	-4.1%	5.2%	<b>7.4%</b>	19.8%	12.0%	5.2%	<b>3.9%</b>	1.4%	2.6%	2.6%	<b>0.9%</b>	3.8%	10.6%	6.0%	<b>7.0%</b>
Marico	<b>-2.0%</b>	-7.0%	-11.1%	8.7%	<b>16.3%</b>	34.5%	31.2%	21.6%	<b>13.4%</b>	7.4%	1.3%	3.2%	<b>2.6%</b>	3.7%	-3.2%	-0.8%	<b>-1.1%</b>
Emami	<b>0.2%</b>	-16.7%	-25.8%	11.3%	<b>14.9%</b>	37.2%	37.3%	7.1%	<b>4.1%</b>	5.4%	17.8%	3.4%	<b>1.1%</b>	8.5%	6.1%	6.3%	<b>4.8%</b>

Source: Company, Emkay Research

Exhibit 3: Domestic volume growth — Trend and expectations

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E
ITC (Cig)	3%	-11%	-40%	-13%	-8%	8%	33%	9%	13%	9%	25%	20%	13%	13%	8%	4%	4%
HUL	5%	-7%	-8%	1%	4%	16%	9%	4%	2%	0%	6%	4%	5%	4%	3%	2%	3%
Britannia	2%	0%	22%	8%	4%	8%	1%	2%	5%	4%	-2%	5%	1%	1%	0%	0%	6%
GCPL	7%	-15%	3%	5%	7%	29%	15%	4%	0%	-3%	-6%	-5%	2%	13%	12%	11%	12%
Colgate	2%	-8%	-7%	3%	5%	14%	11%	5%	3%	-3%	-3%	-3%	-3%	-2%	5%	0%	0%
Dabur	6%	-15%	-10%	17%	18%	25%	34%	10%	2%	2%	5%	1%	-3%	0%	3%	3%	4%
Marico	-1%	-3%	-14%	11%	15%	25%	21%	8%	0%	1%	-6%	3%	4%	5%	3%	3%	2%
Emami	-2%	-19%	-28%	10%	13%	39%	38%	6%	0%	0%	8%	-1%	-4%	2%	3%	2%	0%

Source: Company, Emkay Research

Exhibit 4: Volume growth — Trend for the FMCG sector and key FMCG companies

(%)	All India (Urban + Rural)			Volume growth		Volume growth for staples						
	Value	Price	Volume	Urban	Rural	Britannia	Colgate	Dabur	Emami	GCPL	HUL	Marico
1QFY19	11.2	2.4	8.6			12.5	4.0	21.0	21.0	14.0	12.0	12.4
2QFY19	16.9	3.1	13.4			12.0	7.0	8.1	-4.0	5.0	10.0	6.0
<b>3QFY19</b>	<b>16.3</b>	<b>3.8</b>	<b>12.0</b>	<b>10.0</b>	<b>14.0</b>	<b>7.0</b>	<b>7.0</b>	<b>12.4</b>	<b>3.5</b>	<b>1.0</b>	<b>10.0</b>	<b>5.0</b>
4QFY19	14.0	3.6	10.0	9.0	11.0	7.0	5.0	4.3	0.0	1.0	7.0	8.0
1QFY20	10.2	3.8	6.2	6.0	6.0	3.0	4.0	9.6	2.0	5.0	5.0	6.0
2QFY20	7.3	3.3	3.9	5.4	1.8	3.0	4.0	4.8	2.9	7.0	5.0	1.0
<b>3QFY20</b>	<b>6.6</b>	<b>3.0</b>	<b>3.5</b>	<b>4.6</b>	<b>2.1</b>	<b>2.0</b>	<b>2.3</b>	<b>5.6</b>	<b>-1.0</b>	<b>7.0</b>	<b>5.0</b>	<b>-1.0</b>
4QFY20	6.3	3.1	3.1			0.0	-8.0	-14.6	-18.0	-15.0	-7.0	-3.0
1QFY21	-18.7	-5.4	-14.1	-17.9	-9.2	21.5	-7.0	-9.7	-28.0	3.0	-8.0	-14.0
2QFY21	0.9	-0.7	1.6	-4.3	8.9	8.0	3.0	16.8	10.0	5.0	1.0	11.0
<b>3QFY21</b>	<b>7.1</b>	<b>-0.2</b>	<b>7.3</b>	<b>4.3</b>	<b>11.4</b>	<b>4.0</b>	<b>5.0</b>	<b>18.2</b>	<b>13.0</b>	<b>7.0</b>	<b>4.0</b>	<b>15.0</b>
4QFY21	9.5	1.4	8.0	6.5	10.0	8.0	14.0	25.4	36.0	29.0	16.0	25.0
1QFY22	36.9	13.0	21.1	24.4	17.2	1.0	11.0	34.4	38.0	15.0	9.0	21.0
2QFY22	13.2	11.6	1.4	4.6	-2.5	2.0	4.5	10.0	5.5	4.0	4.0	8.0
<b>3QFY22</b>	<b>9.6</b>	<b>12.5</b>	<b>-2.6</b>	<b>-0.8</b>	<b>-4.8</b>	<b>5.0</b>	<b>3.0</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>
4QFY22	6.0	10.5	-4.1	-3.1	-5.3	4.0	-3.0	2.0	0.0	-3.0	0.0	1.0
1QFY23	10.9	11.7	-0.7	0.6	-2.4	-2.0	-2.5	5.0	8.0	-6.2	6.0	-6.0
2QFY23	9.2	9.9	-0.6	1.7	-3.6	5.0	-3.0	1.0	-1.2	-5.0	4.0	3.0
<b>3QFY23</b>	<b>7.6</b>	<b>7.9</b>	<b>-0.3</b>	<b>1.7</b>	<b>-2.8</b>	<b>1.0</b>	<b>-2.5</b>	<b>-3.0</b>	<b>-3.9</b>	<b>2.0</b>	<b>5.0</b>	<b>4.0</b>
4QFY23	10.2	6.9	3.1	5.3	0.3	1.0	-1.5	2.0	2.0	13.0	4.0	5.0
1QFY24	12.2	4.4	7.5	5.4	8.5	0.0	5.0	3.0	3.0	12.0	3.0	3.0
2QFY24	9.0	0.3	8.6	10.2	6.4	0.2	0.0	3.0	2.0	11.0	2.0	3.0
<b>3QFY24E</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>6.0</b>	<b>0.0</b>	<b>4.0</b>	<b>0.0</b>	<b>12.0</b>	<b>3.0</b>	<b>1.7</b>

Exhibit 5: Source: Media, Emkay Research

Note: All-India sector growth and volumes in Urban and Rural are based on data from AC Nielsen

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY&lt;GO&gt;. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

## Exhibit 6: Quarterly EBITDA margin – Trend and expectations

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E
ITC	<b>39.1%</b>	38.4%	29.7%	36.1%	<b>36.0%</b>	33.6%	32.7%	36.3%	<b>32.2%</b>	33.6%	32.7%	36.4%	<b>38.4%</b>	37.9%	39.5%	36.5%	<b>38.0%</b>
HUL	<b>24.9%</b>	22.9%	25.0%	25.1%	<b>24.1%</b>	24.4%	23.9%	24.6%	<b>25.0%</b>	24.1%	22.8%	22.9%	<b>23.2%</b>	23.3%	23.2%	23.4%	<b>23.4%</b>
Britannia	<b>16.8%</b>	15.8%	21.0%	19.8%	<b>19.3%</b>	16.1%	16.3%	15.5%	<b>15.1%</b>	15.5%	13.5%	16.3%	<b>19.5%</b>	19.9%	17.2%	19.7%	<b>19.2%</b>
GCPL	<b>23.1%</b>	22.1%	20.3%	23.1%	<b>22.7%</b>	20.1%	20.7%	20.8%	<b>20.2%</b>	16.7%	16.7%	16.0%	<b>20.2%</b>	20.0%	18.6%	19.5%	<b>22.0%</b>
Dabur	<b>20.9%</b>	18.9%	21.0%	22.6%	<b>21.0%</b>	18.9%	21.1%	22.0%	<b>21.3%</b>	18.0%	19.3%	20.1%	<b>20.0%</b>	15.3%	19.3%	20.6%	<b>20.2%</b>
Colgate	<b>27.6%</b>	24.5%	29.6%	31.8%	<b>30.1%</b>	32.9%	30.5%	29.6%	<b>29.7%</b>	33.0%	27.2%	29.4%	<b>28.0%</b>	33.5%	31.6%	32.8%	<b>31.2%</b>
Marico	<b>20.4%</b>	18.9%	24.3%	19.6%	<b>19.5%</b>	15.9%	19.0%	17.5%	<b>17.9%</b>	16.0%	20.6%	17.3%	<b>18.5%</b>	17.5%	23.2%	20.1%	<b>20.7%</b>
Emami	<b>32.5%</b>	18.5%	25.5%	35.0%	<b>36.4%</b>	22.3%	25.7%	35.2%	<b>35.1%</b>	21.3%	22.3%	24.0%	<b>29.9%</b>	23.9%	23.0%	27.0%	<b>30.2%</b>

Source: Company, Emkay Research

## Exhibit 7: Quarterly EBITDA growth trend and expectations

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E
ITC	<b>7%</b>	<b>-9%</b>	<b>-42%</b>	<b>-10%</b>	<b>-6%</b>	7%	51%	13%	<b>18%</b>	17%	41%	27%	<b>22%</b>	19%	11%	3%	<b>7%</b>
HUL	<b>20%</b>	<b>-11%</b>	4%	17%	<b>17%</b>	43%	8%	9%	<b>15%</b>	10%	14%	8%	<b>8%</b>	7%	8%	5%	<b>3%</b>
Britannia	<b>11%</b>	4%	82%	37%	22%	11%	<b>-23%</b>	<b>-17%</b>	<b>-12%</b>	9%	<b>-10%</b>	27%	<b>51%</b>	46%	38%	23%	<b>3%</b>
GCPL	<b>6%</b>	<b>-18%</b>	4%	17%	8%	15%	27%	<b>-2%</b>	<b>-4%</b>	<b>-11%</b>	<b>-13%</b>	<b>-18%</b>	<b>9%</b>	31%	23%	30%	<b>10%</b>
Dabur	<b>11%</b>	<b>-23%</b>	<b>-9%</b>	16%	16%	26%	33%	9%	<b>9%</b>	3%	<b>-2%</b>	<b>-3%</b>	<b>-3%</b>	<b>-10%</b>	11%	10%	<b>8%</b>
Marico	<b>7%</b>	<b>-4%</b>	1%	10%	11%	13%	3%	9%	<b>4%</b>	8%	10%	2%	<b>6%</b>	14%	9%	15%	<b>11%</b>
Colgate	<b>1%</b>	<b>-15%</b>	5%	27%	17%	60%	15%	<b>-2%</b>	<b>3%</b>	2%	<b>-8%</b>	2%	<b>-5%</b>	5%	28%	18%	<b>19%</b>
Emami	<b>0%</b>	<b>-36%</b>	<b>-8%</b>	30%	29%	65%	38%	8%	<b>0%</b>	1%	2%	-30%	<b>-14%</b>	22%	10%	20%	<b>6%</b>

Source: Company, Emkay Research

## Exhibit 8: Quarterly earnings growth trend and expectations

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E
ITC	<b>33%</b>	9%	<b>-26%</b>	<b>-19%</b>	<b>-14%</b>	<b>-5%</b>	29%	14%	<b>13%</b>	16%	38%	21%	<b>21%</b>	19%	18%	10%	<b>7%</b>
HUL	<b>21%</b>	<b>-8%</b>	7%	11%	<b>15%</b>	43%	4%	7%	<b>17%</b>	9%	17%	9%	<b>13%</b>	8%	9%	7%	<b>1%</b>
Britannia	<b>24%</b>	26%	105%	23%	<b>22%</b>	<b>-3%</b>	<b>-29%</b>	<b>-23%</b>	<b>-18%</b>	4%	<b>-13%</b>	28%	<b>49%</b>	46%	35%	19%	<b>3%</b>
GCPL	<b>4%</b>	<b>-20%</b>	2%	19%	<b>14%</b>	20%	38%	5%	<b>-1%</b>	<b>-4%</b>	<b>-17%</b>	<b>-21%</b>	<b>13%</b>	29%	19%	18%	<b>-1%</b>
Dabur	<b>13%</b>	5%	<b>-10%</b>	11%	<b>19%</b>	28%	28%	5%	<b>2%</b>	0%	1%	<b>-3%</b>	<b>-5%</b>	<b>-18%</b>	8%	7%	<b>9%</b>
Colgate	<b>9%</b>	<b>-4%</b>	17%	20%	<b>25%</b>	64%	18%	<b>-2%</b>	<b>2%</b>	3%	<b>-7%</b>	3%	<b>-4%</b>	9%	35%	22%	<b>21%</b>
Marico	<b>10%</b>	<b>-4%</b>	<b>-3%</b>	20%	<b>13%</b>	17%	12%	4%	<b>1%</b>	5%	4%	<b>-3%</b>	<b>6%</b>	12%	15%	17%	<b>10%</b>
Emami	<b>1%</b>	<b>-37%</b>	<b>-10%</b>	29%	<b>29%</b>	97%	49%	9%	<b>4%</b>	<b>-10%</b>	<b>-11%</b>	<b>-29%</b>	<b>-16%</b>	27%	30%	19%	<b>4%</b>

Source: Company, Emkay Research

## Q3FY24 expectations

Exhibit 9: Q3FY24 expectations for our coverage companies

(Rs mn)	Q3FY23	Q2FY24	Q3FY24E	YoY	QoQ	Comment	
<b>ITC: Addressing near-term headwinds well</b>							
Revenue	162,257	165,501	174,984	8%	6%	<ul style="list-style-type: none"> <li>■ For the <b>cigarettes business we see 8% net sales growth with ~4-5% volume growth</b>. Overall net sales growth to be ~8% for Q3FY24. Raw material inflation to have a bearing on EBIT delivery; we see ~20bps YoY contraction in EBIT margin to 73.8%. EBIT growth is likely to be ~8%.</li> <li>■ For <b>other FMCG businesses</b>, we see ~10% sales growth, where rural weakness and a delayed festival season would have a negative impact, while distribution thrust would aid better growth. We see ~9% EBITDA margin, which implies a 180bps expansion YoY.</li> <li>■ For the <b>paper business</b>, we see 5% revenue decline, affected by weak realizations amid low-priced Chinese supplies impacting global pulp prices. We see recovery from Q4FY24, as low-pulp price anniversarizes. Paper business margins will remain under pressure (down by 630bps YoY to 20%), but see recovery sequentially, from 15.3% in Q2FY24.</li> <li>■ <b>Agribusiness</b> is likely to grow 12% YoY, aided by a better mix. We see the agribusiness EBIT margin at 12%.</li> <li>■ For <b>hotels</b>, we see 16% YoY revenue growth. Hotels' EBIT margin would see healthy expansion of 350bps YoY to ~24%.</li> <li>■ Overall revenue growth is likely to be ~8%, while earnings growth expected at ~6%.</li> </ul>	
Gross margin	58.9%	57.3%	59.4%	50 bps	200 bps		
EBITDA	62,232	60,416	66,526	7%	10%		
EBITDA margin	38.4%	36.5%	38.0%	-30 bps	150 bps		
PBT	66,775	65,135	71,366	7%	10%		
Adj PAT	50,310	49,270	53,738	7%	9%		
EPS (Rs)	4.05	3.95	4.30	6%	9%		
<b>HUL: Weak demand setting continues to hurt performance</b>							
Revenue	1,52,280	1,51,257	1,56,369	3%	3%		<ul style="list-style-type: none"> <li>■ <b>Weak demand setting:</b> From a consumer demand perspective, it was a steady quarter QoQ. Rural demand setting remains muted with moderate improvement in growth. For HUL-specific categories, the urban market continues to drive sector growth, while rural growth is likely to be in a low single digit. Overall price growth for HUL-specific categories expected to be flat-to-negative.</li> <li>■ As the company has been passing on the benefit of raw material easing and with the price hike base anniversarizing, we expect flat price for Q3. From the portfolio perspective, Foods and Refreshments would see positive realization growth, while the HPC categories would have negative price growth. We expect volume growth of ~3%</li> <li>■ On the back of a lower raw-material price setting YoY, we see 450bps gross margin expansion to ~52%. But amid the interim rise in raw material prices, QoQ gross margin would see a moderation of ~30bps. Muted topline growth with higher A&amp;P spends (+48% YoY to Rs17.7bn), are likely to limit EBITDA margin expansion to 23.4%, up 20bps YoY and flat QoQ.</li> <li>■ EBITDA growth is likely to grow 3%, but with lower other income expectations, we see earnings growth at ~1%.</li> </ul>
Gross margin	47.5%	52.3%	51.9%	450 bps	-30 bps		
EBITDA	35,370	35,437	36,573	3%	3%		
EBITDA margin	23.2%	23.4%	23.4%	20 bps	0 bps		
PBT	34,790	34,857	35,273	1%	1%		
Adj PAT	25,810	25,479	26,102	1%	2%		
EPS (Rs)	10.98	10.84	11.11	1%	2%		
<b>Marico: Margin-driven earnings delivery to continue</b>							
Revenue	24,700	24,760	25,440	-1%	-1%	<ul style="list-style-type: none"> <li>■ In the domestic business, demand setting remains sluggish, with the urban market remaining steady and rural witnessing moderate improvement. We see a ~1.4% decline in the domestic business, with ~1.5% volume growth (vs. expectation of &gt;3% volume growth in H2FY24). Parachute sales are likely to see a 1% decline with 1% volume growth (similar to the Q2FY24 show). VAHO sales are likely to grow 2% with flat volume. We expect market share loss for Marico. Edible oil price correction continues to hurt. We see a 22% sales decline (~2% volume decline, affected by primary stock corrections). Foods portfolio growth is likely to moderate to ~20%. We now see a risk to the management's guidance of Rs8.5bn revenue for FY24 from foods. On the international front, we expect flat sales YoY, with mid-single digit constant currency growth. Weak macros in Bangladesh hurt overall performance.</li> <li>■ On account of easing prices of copra and edible oil, we see gross margin to stay stable QoQ at 50.5% and expand by 555bps YoY. The surge in A&amp;P and negative operating leverage are likely to absorb part of the gross margin and lead to a 225bps YoY (in line with the guidance) expansion in EBITDA margin to 20.7%. On account of better margin, EBITDA and earnings are likely to grow in low double digits</li> </ul>	
Gross margin	44.9%	50.5%	50.5%	560 bps	0 bps		
EBITDA	4,560	4,970	5,063	11%	2%		
EBITDA margin	18.5%	20.1%	20.7%	230 bps	60 bps		
PBT	4,430	4,760	4,913	11%	3%		
Adj PAT	3,280	3,530	3,609	10%	2%		
EPS (Rs)	2.54	2.73	2.80	10%	2%		

Source: Company, Emkay Research; Note: ^ Pre corporate allocations

## Exhibit 10: Q3FY24 expectations for our coverage companies

(Rs mn)	Q2FY23	Q1FY24	Q2FY24E	YoY	QoQ	Comment
<b>Britannia: Focus to revive volume growth to aid</b>						
Revenue	41,968	44,329	43,605	4%	-2%	<ul style="list-style-type: none"> <li>■ <b>Markets share:</b> With corrective actions in place, we see stable-to-improving market share for Britannia in Q3FY24. Our ground checks suggest that Britannia's effort to up trade consumer from Rs5 packs had created an opportunity for regional players, where the company is refocusing now.</li> <li>■ The company has effected a benefit pass-through for select mass brands which, in our view, leads to negative pricing and recovery in volume growth from Q3FY24. We build ~6% volume growth in the domestic business in Q3, with ~1% price decline YoY. In the quarter, the company has expanded into premium healthy snacks and the snacks bar category. Additionally, the company continues to enhance its portfolio with millet-based offerings. Overall consolidated growth is expected to be ~4%, wherein shift in cheese operations to the JV will have negative effect.</li> <li>■ With pass-through of benefits, we see ~65bps compression on gross margin YoY to 43%, and remain flat QoQ. Additionally, PLI benefits were bunched up last year in Q3FY23, so some effect on margin will also be visible. EBITDA margin is likely to see a limited ~30bps compression to 19.2%, as we see operating leverage benefit from better volumes.</li> <li>■ Earnings delivery is likely to be muted at ~3%, largely replicating EBITDA growth. .</li> </ul>
Gross margin	43.7%	42.9%	43.0%	-70 bps	10 bps	
EBITDA	8,176	8,724	8,385	3%	-4%	
EBITDA margin	19.5%	19.7%	19.2%	-30 bps	-50 bps	
PBT	7,722	7,997	7,760	0%	-3%	
Adj PAT	5,553	5,886	5,716	3%	-3%	
EPS (Rs)	23.11	24.39	23.73	3%	-3%	
<b>GCPL: One-off mar Q3FY24 show</b>						
Revenue	35,989	36,020	36,189	1%	0%	<ul style="list-style-type: none"> <li>■ <b>Domestic revenue growth to be ~12%, in our view,</b> with ~4% organic revenue growth. We see volume growth at ~12%, with organic volume growth at ~3%. Home care segment is likely to see mid-single digit growth. Personal care would see 21% growth, largely driven by Raymond portfolio integration, organic business growth is likely to be ~1%. EBITDA margin at 27.5%, would expand by 20bps YoY and by 160bps QoQ.</li> <li>■ <b>International to drag overall show:</b> On the international business front, we see ~14% reported sales decline, wherein the Africa cluster and Indonesia would see a high-single to low-double digit constant-currency growth. We see 9% reported growth in Indonesia. While for the Africa cluster, we see 8% revenue decline, marred by weak NIRA and trade destocking in East Africa (ahead of restructuring in Q4). LatAm business is likely to see a ~5% impact to consol. Revenue due to currency rate, though profit impact would be negligible. From the margin delivery perspective, we see stable YoY margin in Indonesia (at ~20%), while building 100bps expansion in the Africa cluster (to 10%).</li> <li>■ <b>Affected by one-offs, consolidated revenue is likely to see ~1% growth YoY. We believe it is unlikely that topline hit would have a bearing on profitability.</b> Overall gross margin would expand by 370bps YoY to 54.8%. With increased A&amp;P spends, it would expand by 160bps YoY to 9.3% of revenue; we see EBITDA margin to be limited at ~185bps YoY. EBITDA is likely to grow ~10%. With lower other income (lower liquidity) and higher tax rate (24% vs 17.7% in Q3FY23), we see earnings decline of ~1%.</li> </ul>
Gross margin	51.1%	54.9%	54.8%	370 bps	-10 bps	
EBITDA	7,266	7,042	7,978	10%	13%	
EBITDA margin	20.2%	19.5%	22.0%	190 bps	250 bps	
PBT	6,726	6,319	7,228	7%	14%	
Adj PAT	5,538	4,433	5,493	-1%	24%	
EPS (Rs)	5.41	4.33	5.37	-1%	24%	
<b>Colgate: Margin driven earnings trend to continue</b>						
Revenue	12,913	14,711	13,817	7%	-6%	<ul style="list-style-type: none"> <li>■ <b>High single-digit sales growth:</b> Amid rural demand weakness, we see volume growth for Colgate India remaining flat YoY (similar to Q2), despite the ~2.5% volume decline in the base. Overall, company thrust has been on premiumizing the portfolio, where price hikes are gradually landing in the market. Overall, we see the price driving 7% revenue growth in Q3FY24.</li> <li>■ <b>Category development initiatives positive:</b> Company has recently started initiatives to consumers for adopting brushing twice a day, which in our view is a key theme ahead for driving growth in urban markets. But the biggest gap we see is in the rural market, where a large part of households have not adopted daily brushing.</li> <li>■ <b>Margin expansion to be healthy:</b> In a deflationary setting, and amid price hikes, the company is likely to expand its gross margin by ~310bps YoY. In Q2, the input basket saw ~4% YoY moderation. EBITDA margin would see expansion of ~320bps YoY to 31.2%. We see EBITDA and earnings growth of 19-21%.</li> </ul>
Gross margin	65.9%	68.8%	69.0%	310 bps	20 bps	
EBITDA	3,615	4,821	4,315	19%	-10%	
EBITDA margin	28.0%	32.8%	31.2%	320 bps	-150 bps	
PBT	3,269	4,578	3,952	21%	-14%	
Adj PAT	2,432	3,401	2,940	21%	-14%	
EPS (Rs)	8.94	12.50	10.81	21%	-14%	

Source: Company, Emkay Research



## Exhibit 11: Q3FY24 expectations for our coverage companies

(Rs mn)	Q2FY23	Q1FY24	Q2FY24E	YoY	QoQ	Comment
<b>Emami: Weak winter and rural demand setting continue to hurt</b>						
Revenue	9,827	8,649	10,302	5%	19%	<ul style="list-style-type: none"> <li>■ We believe the <b>domestic business will see low single-digit growth with flat volume growth</b>, amid a weak winter. During the rural slowdown, we see discretionary offerings like Kesh King (~9% of domestic revenue) and Fair and Handsome (~3% of domestic revenue now) logging decline in sales. However, winter-centric portfolios like Skin cream (~1/3rd of Q3 domestic revenue) and healthcare (~13% of Q3 domestic revenue) are likely to support topline delivery. Digital brands are likely to sustain healthy growth, where profitability is key. To Company's international business (~17% of revenue) and is likely to sustain double-digit growth momentum. Overall consolidated revenue is likely to grow ~5% YoY in Q3FY24.</li> <li>■ Owing to a muted topline (negative operating leverage) and the anticipated rise in A&amp;P spending (+14% YoY; 140bps YoY to 17% of revenue), we expect <b>EBITDA margin expansion to be moderate YoY at ~20bps to 30.2%</b>. With ~20% effective tax rate, we see <b>earnings growth to be at ~4% YoY in Q3FY24</b>.</li> </ul>
Gross margin	65.9%	70.1%	68.5%	260 bps	-160 bps	
EBITDA	2,943	2,337	3,107	6%	33%	
EBITDA margin	29.9%	27.0%	30.2%	20 bps	310 bps	
PBT	2,756	2,199	2,927	6%	33%	
Adj PAT	2,262	1,759	2,362	4%	34%	
EPS (Rs)	5.13	4.03	5.20	1%	29%	
<b>Dabur: Winter weakness to hurt India show; margin recovery to aid earnings</b>						
Revenue	30,432	32,038	32,685	7%	2%	<ul style="list-style-type: none"> <li>■ In the <b>domestic business</b> (contributing ~75% of the revenue), the company sees early signs of revival in consumption. While Rural growth still lags Urban growth, Dabur India sees sequential improvement in the demand trend. As such, <b>we build-in ~4% volume growth in Q3FY24 (3% growth in Q2FY24)</b>. Company's India business is likely to see growth of ~5% in its home &amp; personal care portfolio (45% of sales), of ~2% in Healthcare (40% of sales; affected by the delayed winter season), and of ~6% in Foods (15% of sales). Its International business has sustained double-digit constant-currency growth; we see ~8% reported growth. Badshah Masala continued to perform well and is expected to clock growth in the high twenties led by strong volume; we see 2% contribution to consol. revenue in Q3FY24. Intl. business is expected to post double-digit growth in constant currency (aided by healthy momentum in MENA region); we see ~8% reported growth.</li> <li>■ Amid moderating inflation and cost saving initiatives, gross margin expansion on a YoY basis is likely to remain healthy at ~250bps (to 48%) in Q3FY24. Better gross margin is likely to absorb the higher A&amp;P needs; we see 42% absolute increase in spends YoY (up by 190bps YoY to 7.8%). Consol. EBITDA margin is likely to expand by 10bps YoY to 20.2%. <b>We see EBITDA growth at ~8% YoY. Earnings growth is likely to be ~9% YoY.</b></li> </ul>
Gross margin	45.5%	48.3%	48.0%	250 bps	-30 bps	
EBITDA	6,099	6,609	6,590	8%	0%	
EBITDA margin	20.0%	20.6%	20.2%	10 bps	-50 bps	
PBT	6,209	6,727	6,755	9%	0%	
Adj PAT	4,759	5,261	5,191	9%	-1%	
EPS (Rs)	2.69	2.97	2.93	9%	-1%	

Source: Company, Emkay Research

## Valuations needs growth support

FMCG valuations have seen a catch-up recently, broadly in-line with bullishness in the Indian economic outlook. We see near-term weakness in financial performance is largely negated by the promising economic outlook. As the broader market earnings growth outlook looks strong, sustained weakness in the topline is worrisome, as margin tailwind is unlikely to be strong ahead. We prefer companies with better execution and attractive valuations, like Dabur, ITC, and Emami. GCPL, HUL, Britannia, and Marico's valuations look fair, while Colgate's valuations look a tad expensive.

**Exhibit 12: Emkay's FMCG coverage valuation snapshot**

	Rating	TP (Rs/sh)	Upside (%)	Mcap (USD bn)	P/E (x)			Avg. hist. fwd. PER (x)			FY25 PER vs		Emkay valuation	
					FY24E	FY25E	FY26E	3Y	5Y	10Y	5Y avg P/E	10Y avg P/E	P/E (x)	vs. 5Y avg P/E
ITC	BUY	550	16%	71.1	29.1	26.4	24.0	20	20	23	33%	16%		
Hindustan Unilever	ADD	2,800	7%	74.0	60.1	53.5	48.1	55	55	48	-2%	11%	52	-5%
Britannia Industries	REDUCE	5,450	3%	15.3	58.7	52.1	45.0	47	47	43	10%	21%	48	1%
Godrej Consumer Products	ADD	1,325	9%	15.0	64.5	50.9	43.3	43	41	39	23%	31%	50	21%
Dabur	BUY	660	16%	12.1	50.8	43.2	38.5	47	47	41	-7%	6%	46	-1%
Marico	REDUCE	570	4%	8.5	48.6	44.0	39.5	44	42	39	4%	12%	42	-1%
Colgate-Palmolive India	SELL	1,825	-28%	8.2	55.1	51.1	47.2	39	40	39	28%	31%	35	-13%
Emami	BUY	700	25%	3.0	33.4	29.8	26.8	28	27	31	12%	-5%	33	24%

Source: Company, Bloomberg, Emkay Research; Note: Priced based on close of business on 5-Jan-2024

**Exhibit 13: Emkay Universe – Valuations**

	EV/Sales (x)			EV/EBITDA (x)			Dividend payout (%)			Dividend yield (%)		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
ITC	7.9	7.1	6.4	21.0	18.6	16.7	86	84	84	3.0	3.2	3.5
Hindustan Unilever	9.9	9.0	8.2	41.5	37.1	33.4	96	102	105	1.6	1.9	2.2
Britannia Industries	7.5	6.7	6.1	39.4	35.0	30.9	95	99	98	1.6	1.9	2.2
Godrej Consumer Products	7.6	6.9	6.2	38.2	30.6	26.8	58	55	64	1.0	1.1	1.6
Dabur	7.1	6.3	5.6	35.1	29.8	26.2	56	57	57	1.1	1.4	1.5
Marico	6.9	6.1	5.5	33.5	30.3	27.2	71	73	72	1.5	1.7	1.8
Colgate-Palmolive India	11.6	10.8	10.1	36.1	33.5	31.1	96	97	97	1.8	1.9	2.1
Emami	5.9	5.4	4.8	21.8	19.0	16.8	53	53	52	1.6	1.8	2.0

Source: Company, Bloomberg, Emkay Research; Note: Priced based on close of business on 5-Jan-2024

**Exhibit 14: Emkay Universe – Return profile and free cash conversion**

	ROE (%)			ROCE (%)			FCF yield (%)			FCF/PAT (%)		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
ITC	29.9	31.6	32.5	34.8	37.6	38.7	2.8	3.0	3.3	83	78	79
Hindustan Unilever	20.3	22.8	25.5	26.5	29.7	33.3	1.6	1.8	2.0	99	98	97
Britannia Industries	60.8	65.3	69.1	45.7	54.1	61.4	1.3	1.7	2.1	74	92	96
Godrej Consumer Products	13.3	15.8	17.3	15.9	18.6	20.8	-0.5	2.0	2.4	-33	102	103
Dabur	21.3	22.8	23.2	20.2	22.0	22.8	1.5	1.8	2.1	75	78	82
Marico	37.0	37.0	37.2	40.2	40.7	41.2	2.1	2.1	2.2	100	91	85
Colgate-Palmolive India	71.0	73.0	75.3	88.7	91.1	93.7	2.0	2.1	2.2	109	106	106
Emami	28.7	27.6	27.4	33.1	32.4	32.0	3.3	3.4	3.8	111	102	102

Source: Company, Bloomberg, Emkay Research; Note: Priced based on close of business on 5-Jan-2024



Exhibit 15: Change in Emkay Coverage target price

	Rating changes		Target price (Rs/sh)		Valuation multiple (x)	
	New	Old	New (Dec-24E)	Old (Sep-24E)	New	Old
Britannia	Reduce▼	Add	5,450▲	5,250	48	48
Colgate	Sell	Sell	1,825▲	1,800	35	35
Dabur India	Buy	Buy	660▲	650	46	46
Emami	Buy	Buy	700▲	625	33▲	31
GCPL	Add▼	Buy	1,325▲	1,200	50▲	46
HUL	Add	Add	2,800	2,800	52	52
ITC	Buy	Buy	550▲	525	SOTP	SOTP
Marico	Reduce	Reduce	570▲	560	42	42

Source: Emkay Research

Exhibit 16: Changes to Emkay EPS estimates

(Rs/Share)	New estimates			Old estimates			Changes to estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Britannia	89.9	101.3	117.3	89.9	101.3	117.3	0%	0%	0%
Colgate	45.8	49.3	53.4	46.4	49.4	53.5	-1%	0%	0%
Dabur India	10.9	13.0	14.6	11.2	13.2	14.8	-1%	-2%	-2%
Emami	16.8	18.8	21.0	17.8	19.3	21.3	-5%	-2%	-1%
GCPL	18.3	23.4	27.5	19.1	24.0	28.1	-4%	-2%	-2%
HUL	43.6	49.4	55.1	44.8	50.9	56.9	-3%	-3%	-3%
ITC	16.3	18.0	19.8	16.0	18.1	19.9	2%	-1%	-1%
Marico	11.2	12.4	13.8	11.6	12.6	14.1	-3%	-2%	-2%

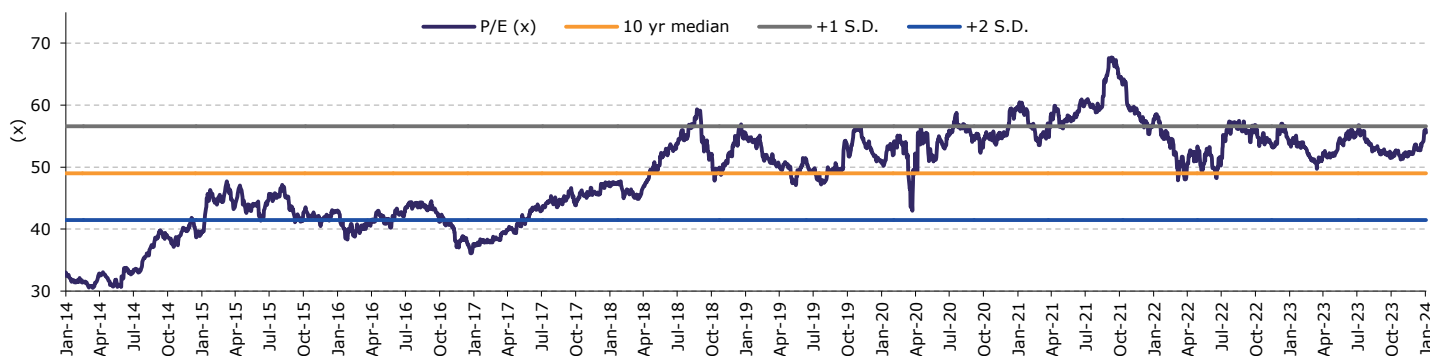
Source: Emkay Research

Exhibit 17: Stock price performance for listed FMCG universe

Company name	MCap (Rs mn)	CMP (Rs/sh)	5 days	1-month	3-month	6-month	1-year	3-year CAGR	5-year CAGR	10-year CAGR
<b>Sensex</b>		72,026	0%	4%	10%	10%	19%	14%	15%	13%
Britannia Industries	12,69,942	5,272	-1%	6%	15%	3%	20%	13%	10%	27%
Colgate-Palmolive India	6,85,404	2,520	0%	9%	26%	40%	65%	16%	14%	14%
Dabur India	10,08,378	569	2%	3%	3%	-4%	-1%	2%	6%	13%
Emami	2,48,743	565	0%	11%	7%	34%	34%	10%	6%	9%
Godrej Consumer Products	12,47,687	1,220	8%	17%	25%	11%	33%	17%	9%	16%
Hindustan Unilever	61,56,047	2,620	-2%	2%	4%	-5%	1%	2%	8%	17%
ITC	59,12,815	474	3%	5%	9%	0%	43%	31%	11%	8%
Marico	7,06,443	546	0%	2%	1%	1%	6%	9%	8%	17%
Nestlé India	25,70,829	2,666	0%	8%	16%	16%	35%	13%	20%	17%
Jyothy Laboratories	1,90,196	518	8%	17%	45%	120%	153%	51%	20%	18%
Tata Consumer	10,43,234	1,123	3%	18%	31%	33%	47%	23%	39%	22%
Bajaj Consumer	32,564	228	4%	2%	-1%	16%	33%	0%	-10%	1%
Agro Tech	20,592	845	-3%	-1%	4%	-2%	4%	-1%	7%	4%
Zydus Wellness	1,07,631	1,691	1%	9%	8%	14%	12%	-7%	5%	12%
Adani Wilmar	4,90,889	378	6%	-1%	8%	-7%	-34%			
Bikaji Foods International	1,43,406	573	5%	6%	19%	40%				
Mrs. Bectors Food Specialities	70,507	1,199	7%	3%	15%	46%	172%			
Honasa Consumer	1,43,386	446	1%	23%						

Source: Bloomberg, Emkay Research; Note: Prices based on close of business on 5-Jan-2024

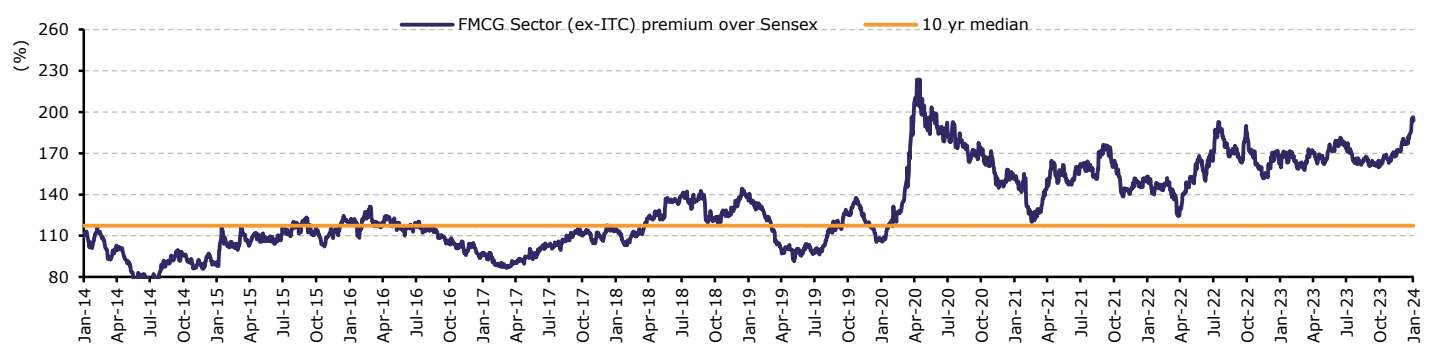
Exhibit 18: One-year forward P/E for the FMCG sector (ex-ITC)



Source: Bloomberg, Emkay Research

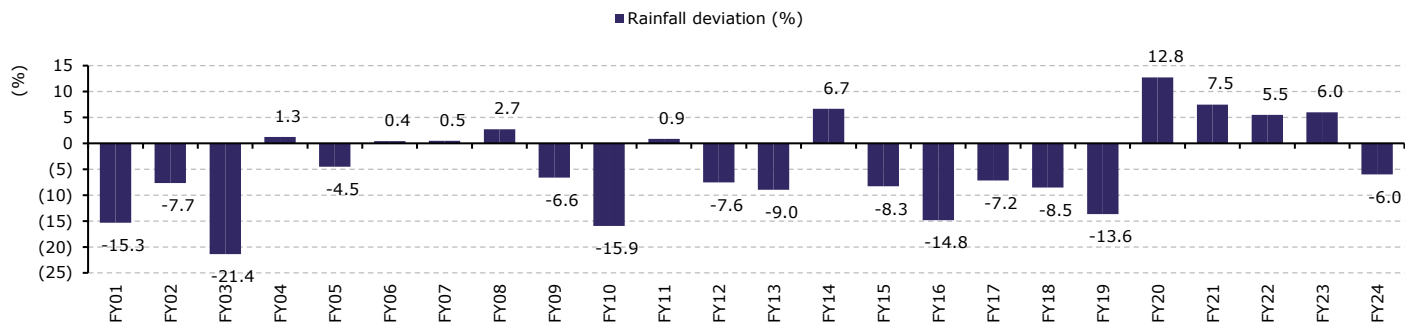
Note: We have considered financials of Britannia, Colgate, Dabur, Godrej Consumer, Hindustan Unilever, Marico and Nestlé India; estimates are based on Bloomberg consensus

Exhibit 19: FMCG sector's valuation (one-year forward P/E) at a premium to the broader market Sensex



Source: Bloomberg, Emkay Research Note: We have considered financials of Britannia, Colgate, Dabur, Godrej Consumer, Hindustan Unilever, Marico and Nestlé India; estimates are based on Bloomberg consensus

Exhibit 20: Rainfall deviation from long-period average



Source: Company, Emkay Research

Exhibit 21: Crude price



Source: Bloomberg, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 01/14/2024 11:39 AM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

## Stock call and target price revision

### Britannia Industries (REDUCE; TP Rs5,450/share)

We broadly maintain our financial estimates over FY24-26E. As we roll over from Sep-25 to Dec-25 EPS, our P/E based TP increases to Rs5,450. We continue to value Britannia at 48x its P/E, which is broadly in line with its last five-year average forward P/E. Any improvement in demand setting and delivery acceleration in adjacent businesses are re-rating catalysts. We see sales and earnings CAGR of 9% and 13% over FY23-26E, respectively. With forward P/E at 53x, the stock is now trading at a premium of 12% to its historical five-year average and is closer to +1 S.D. of 55x. We downgrade our rating to REDUCE from Add.

Exhibit 22: Britannia Industries – Emkay estimates vs. consensus

(Rs mn)	Emkay estimates			Consensus estimates			Emkay estimates vs. consensus		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	167,785	185,234	204,375	171,523	189,728	209,141	-2%	-2%	-2%
Growth	5.0%	10.4%	10.3%	7.3%	10.6%	10.2%			
EBITDA	31,814	35,715	40,337	31,354	35,044	39,028	1%	2%	3%
Growth	12.4%	12.3%	12.9%	10.8%	11.8%	11.4%			
EBITDA margin	19.0%	19.3%	19.7%	18.3%	18.5%	18.7%			
Adj. PAT	21,647	24,408	28,262	21,506	24,435	27,414	1%	0%	3%
Growth	11.2%	12.8%	15.8%	10.5%	13.6%	12.2%			

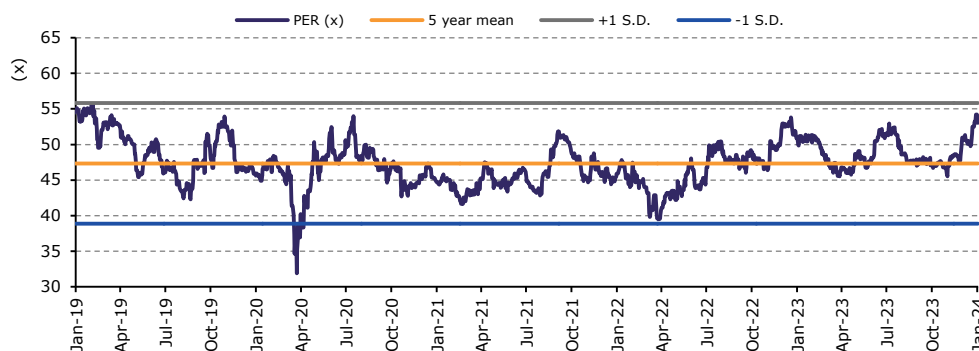
Source: Bloomberg, Emkay Research

Exhibit 23: Key assumptions

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Profit and loss account</b>								
Standalone revenue growth	12%	10%	12%	6%	19%	18%	12%	12%
International revenue growth	-12%	21%	26%	-7%	-1%	22%	6%	6%
Consolidated revenue growth	11%	4%	13%	8%	15%	5%	10%	10%
Biscuits volume growth	10%	2%	10%	3%	1%	1%	8%	8%
Biscuits value growth	12%	3%	12%	9%	15%	5%	10%	10%
Earnings growth	15%	22%	31%	-18%	28%	11%	13%	16%
<b>Balance sheet</b>								
Gross margin	41%	40%	42%	38%	41%	43%	43%	42%
A&P spends as a % of sales	5%	4%	4%	3%	4%	4%	4%	4%
Conversion costs as a % of sales	5%	4%	4%	5%	5%	5%	5%	4%
Freight and handling costs as a % of sales	5%	5%	5%	5%	4%	4%	4%	4%
EBITDA margin	16%	16%	19%	16%	17%	19%	19%	19%
Adj. EPS (Rs/sh)	48.2	59.0	77.4	63.3	80.8	89.9	101.3	117.3
DPS (Rs/sh)	15.0	35.0	157.5	69.0	72.0	85.0	100.0	115.0
Dividend payout	31%	59%	203%	109%	89%	95%	99%	98%
Total debt (Rs bn)	1.4	15.1	20.9	24.7	29.8	26.4	19.7	20.1
Capex (Rs bn)	5.1	4.1	1.5	1.9	12.1	5.5	3.0	3.0
Investments	14.8	28.9	27.8	17.6	33.2	20.0	20.0	20.0
Inventory days	26	24	31	36	27	30	30	30
Receivable days	13	10	7	9	8	9	9	9
Payable days	38	36	37	34	33	33	33	33
Net working capital days	1	-2	1	11	2	6	6	6

Source: Company, Emkay Research

Exhibit 24: Britannia Industries – One-year forward P/E (based on consensus)



Source: Bloomberg, Emkay Research

### Colgate India (SELL; TP: Rs1,825/share)

While we see healthy pricing driving the company's topline growth in the near term, sustained volume weakness is bothering. We have cut our topline expectations by ~1%, though earnings changes are neutral, as we build better margins. Our estimates are broadly in line with consensus. Our target valuation multiple of 35x P/E demonstrates a ~10% discount to Colgate's last 10-year average forward P/E, mainly to account for weaker revenue growth. As we roll over to Dec-25E EPS from Sep-25, our TP increases to Rs1,825/share from Rs1,800.

Exhibit 25: Colgate India – Changes to Emkay estimates

(Rs mn)	New estimates			Old estimates			Changes to our estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	55,929	59,916	64,188	56,775	60,589	64,909	-1%	-1%	-1%
Growth	7.7%	7.1%	7.1%	9.3%	6.7%	7.1%			
EBITDA	18,302	19,335	20,786	18,268	19,383	20,836	0%	0%	0%
Growth	18.3%	5.6%	7.5%	18.1%	6.1%	7.5%			
EBITDA margin	32.5%	32.1%	32.2%	32.0%	31.8%	31.9%			
Adj. PAT	12,660	13,416	14,517	12,634	13,450	14,552	0%	0%	0%
Growth	19.6%	6.0%	8.2%	19.4%	6.5%	8.2%			

Source: Company, Emkay Research

Exhibit 26: Colgate India – Emkay vs. consensus estimates

(Rs mn)	Emkay estimates			Consensus estimates			Emkay estimates vs. consensus		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	55,929	59,916	64,188	56,465	60,770	65,281	-1%	-1%	-2%
Growth	7.7%	7.1%	7.1%	8.7%	7.6%	7.4%			
EBITDA	18,302	19,335	20,786	17,946	19,349	20,838	2%	0%	0%
Growth	18.3%	5.6%	7.5%	16.0%	7.8%	7.7%			
EBITDA margin	32.5%	32.1%	32.2%	31.8%	31.8%	31.9%			
Adj. PAT	12,660	13,416	14,517	12,480	13,530	14,652	1%	-1%	-1%
Growth	19.6%	6.0%	8.2%	17.9%	8.4%	8.3%			

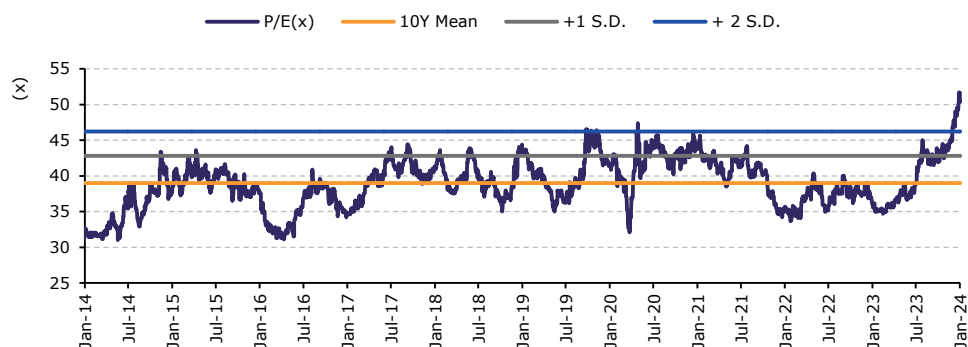
Source: Bloomberg, Emkay Research

## Exhibit 27: Key assumptions

	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Profit and loss statement</b>								
Net sales growth	6.6%	1.4%	7.0%	5.3%	2.5%	7.7%	7.1%	7.1%
Toothpaste volume growth	5.8%	1.0%	4.0%	3.5%	-2.5%	2.0%	3.0%	3.0%
Gross margin	65.1%	65.2%	68.0%	67.3%	65.7%	68.8%	68.8%	68.8%
A&P spends as a % of sales	12.7%	13.8%	12.9%	12.6%	12.1%	13.1%	13.2%	13.2%
Employee costs	6.6%	7.3%	7.6%	7.6%	7.2%	7.2%	7.1%	7.0%
EBITDA margin	27.7%	26.6%	31.2%	30.7%	29.6%	32.5%	32.1%	32.2%
EBITDA growth	11.1%	-2.8%	25.6%	3.7%	-1.2%	18.3%	5.6%	7.5%
EBIT growth	12.7%	-6.8%	32.2%	4.6%	-1.2%	20.0%	5.8%	7.9%
PBT growth	11.8%	-6.2%	29.4%	4.4%	0.8%	19.6%	6.0%	8.2%
Effective tax rate	35.4%	21.7%	23.3%	23.5%	25.5%	25.5%	25.5%	25.5%
Adjusted PAT growth	10.4%	13.7%	26.8%	4.1%	-1.9%	19.6%	6.0%	8.2%
EPS (Rs)	26.4	30.0	38.1	39.6	38.9	46.5	49.3	53.4
DPS (Rs)	23.0	29.0	38.0	40.0	39.0	44.0	48.0	52.0
Dividend payout	87%	97%	100%	101%	100%	95%	97%	97%
<b>Balance sheet</b>								
Inventory days	20	24	25	26	23	23	23	22
Receivable days	17	11	9	16	11	11	11	11
Payable days	81	64	115	70	69	70	69	69
Avg ROE (%)	48%	54%	75%	74%	61%	72%	72%	74%
Avg ROCE (%)	71%	62%	90%	90%	76%	90%	90%	93%
Capex spends (Rs mn)	1,042	604	573	495	695	839	899	963

Source: Company, Emkay Research

## Exhibit 28: Colgate India – One-year forward P/E (based on consensus)



Source: Bloomberg, Emkay Research

## Dabur (BUY; Rs660/share)

Unlike our expectations of healthy recovery in the healthcare portfolio in Q3FY24, on a low base, we expect recovery to be limited. With the need for higher branding spends, we now lower our margin expectations for FY25 by ~30bps to 20.8%. FY26 is expected to see the margin build up to 21.2%. As we roll over from Sep-25 to Dec-25 estimates, our TP stands increased to Rs660, from Rs650 earlier. We continue to value the stock at 46x its P/E, which is in line with its last five-year average forward P/E.

## Exhibit 29: Dabur India – Changes to Emkay estimates

(Rs mn)	New estimates			Old estimates			Changes to estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	1,25,451	1,39,215	1,52,888	1,25,972	1,40,120	1,54,179	0%	-1%	-1%
Growth	8.8%	11.0%	9.8%	9.3%	11.2%	10.0%			
EBITDA	24,243	28,964	32,447	25,217	29,516	33,048	-4%	-2%	-2%
Growth	12.0%	19.5%	12.0%	16.5%	17.0%	12.0%			
EBITDA margin	19.3%	20.8%	21.2%	20.0%	21.1%	21.4%			
Adj PAT	19,354	23,028	25,849	19,848	23,444	26,300	-2%	-2%	-2%
Growth	12.6%	19.0%	12.3%	15.5%	18.1%	12.2%			

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 01/14/2024 11:39 AM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY&lt;GO&gt;. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

Exhibit 30: Dabur India – Emkay estimates vs. Consensus

(Rs mn)	Emkay estimates			Consensus estimates			Emkay vs. consensus estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	1,25,451	1,39,215	1,52,888	1,27,249	1,41,140	1,55,795	-1%	-1%	-2%
Growth	8.8%	11.0%	9.8%	10.4%	10.9%	10.4%			
EBITDA	24,243	28,964	32,447	25,124	28,772	32,358	-4%	1%	0%
Growth	12.0%	19.5%	12.0%	16.1%	14.5%	12.5%			
EBITDA margin	19.3%	20.8%	21.2%	19.7%	20.4%	20.8%			
Adj. PAT	19,354	23,028	25,849	19,589	22,683	25,595	-1%	2%	1%
Growth	12.6%	19.0%	12.3%	14.0%	15.8%	12.8%			

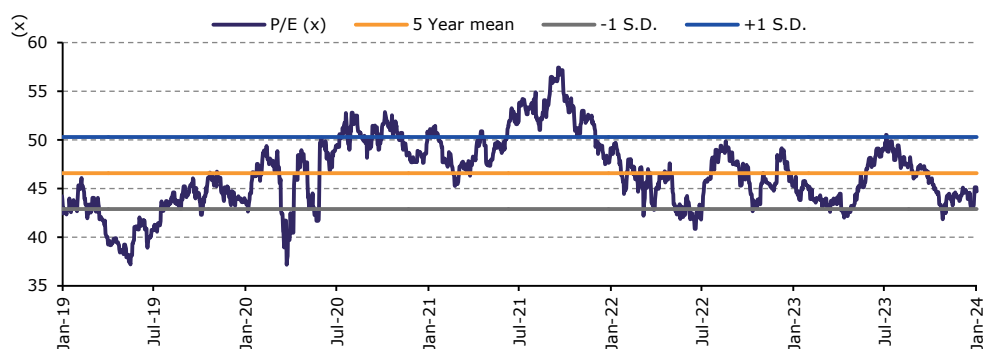
Source: Bloomberg, Emkay Research

Exhibit 31: Key assumptions

	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>growth (%)</b>						
Domestic sales	13.2%	14.5%	5.5%	9.4%	11.9%	10.3%
- Home and personal care	9.5%	12.7%	5.2%	8.2%	9.9%	9.4%
- Healthcare	31.9%	4.8%	-6.9%	5.8%	10.0%	10.4%
- Foods and Beverages	-5.8%	48.8%	30.0%	17.1%	18.7%	11.8%
International sales	2.3%	20.9%	1.9%	7.3%	9.2%	8.9%
Consolidated sales	10.3%	13.7%	5.7%	8.7%	11.2%	9.9%
Consolidated EBITDA	11.7%	12.5%	-4.0%	12.0%	20.0%	12.3%
Consolidated Adj. PAT	9.6%	7.7%	-5.8%	12.6%	19.5%	12.5%
<b>As a % of revenue (%)</b>						
Gross margin	50.0%	48.2%	45.6%	48.3%	49.0%	49.0%
Employee costs	10.9%	10.0%	10.0%	10.0%	9.7%	9.5%
Advertisement	8.3%	7.2%	5.6%	7.3%	7.7%	7.8%
Other operating costs	10.0%	10.5%	11.6%	11.5%	10.6%	10.2%
EBITDA margin	21.0%	20.7%	18.8%	19.3%	20.9%	21.3%
Effective tax rate	17.6%	22.3%	23.1%	22.5%	24.5%	25.0%
<b>Per share data</b>						
Adj EPS	9.58	10.32	9.70	10.92	13.05	14.68
DPS	4.75	5.20	5.20	6.25	7.50	8.50
Pay-out (%)	49.6%	50.4%	53.6%	57.2%	57.5%	57.9%
<b>Balance Sheet</b>						
Capex (Rs mn)	3.1	3.7	4.9	4.0	4.0	4.0
Inventory days	67	65	65	65	63	60
Receivable days	22	22	27	28	29	30
Payable days	74	68	70	70	70	70
Avg ROE (post tax; %)	23.7%	22.7%	19.8%	20.7%	22.6%	23.2%
Avg ROCE (pretax; %)	23.2%	22.8%	19.2%	20.2%	22.8%	23.6%
Avg ROIC (pre-tax; %)	47.5%	58.9%	46.7%	46.3%	55.4%	64.3%

Source: Company, Emkay Research

Exhibit 32: Dabur India – One-year forward P/E (based on consensus)



Source: Bloomberg, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 01/14/2024 11:39 AM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY&lt;GO&gt;. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

## Emami (BUY; TP: Rs675/share)

Capturing near-term demand pressure, we have cut our topline estimates by ~3% for FY24, while maintaining growth assumptions over FY25-26, as such our revenue reduces by 2-3% over FY24-26E. With this report, we roll over our TP from Sep-25 estimates to Dec-25. Our new Dec-24 TP is Rs675 vs. Rs625 earlier. We raise our valuation multiple to 33x now from 31x. High rural revenue focus grants an edge in on-demand recovery for Emami, while seasonality remains the key risk.

Exhibit 33: Emami – Changes to Emkay estimates

(Rs mn)	New estimates			Old estimates			Changes to our estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	35,713	38,943	42,328	36,725	39,893	43,271	-3%	-2%	-2%
Growth	6.2%	9.0%	8.6%	9.2%	8.6%	8.5%			
EBITDA	9,727	10,972	12,119	10,238	11,211	12,286	-5%	-2%	-1%
Growth	12.7%	12.8%	10.4%	18.7%	9.5%	9.6%			
EBITDA margin	26.9%	27.8%	28.3%	27.5%	27.8%	28.1%			
Adj. PAT	7,346	8,219	9,163	7,763	8,411	9,298	-5%	-2%	-1%
Growth	14.8%	11.9%	11.5%	21.3%	8.3%	10.5%			

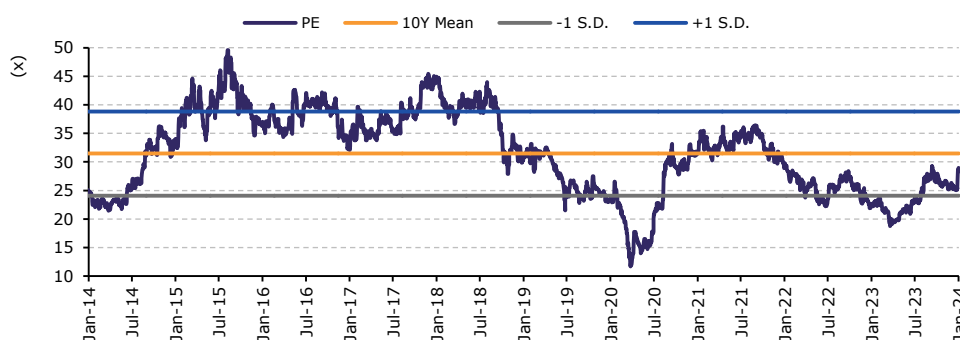
Source: Company, Emkay Research

Exhibit 34: Emami – Emkay estimates vs. consensus

(Rs mn)	Emkay estimates			Consensus estimates			Emkay estimates vs. consensus		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	35,713	38,943	42,328	36,737	40,175	43,893	-3%	-3%	-4%
Growth	6.2%	9.0%	8.6%	9.3%	9.4%	9.3%			
EBITDA	9,727	10,972	12,119	10,050	11,229	12,431	-3%	-2%	-3%
Growth	12.7%	12.8%	10.4%	16.5%	11.7%	10.7%			
EBITDA margin	26.9%	27.8%	28.3%	27.4%	28.0%	28.3%			
Adj. PAT	7,346	8,219	9,163	7,743	8,773	9,660	-5%	-6%	-5%
Growth	14.8%	11.9%	11.5%	21.0%	13.3%	10.1%			

Source: Bloomberg, Emkay Research

Exhibit 35: Emami - One-year forward P/E (based on consensus)



Source: Bloomberg, Emkay Research



**Exhibit 36: Key assumptions**

	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Growth</b>						
Domestic sales growth	8.5%	7.0%	4.4%	5.5%	9.1%	8.6%
Volume growth	7.8%	10.9%	1.2%	5.0%	8.0%	8.0%
Realization growth	0.7%	-3.5%	3.2%	0.4%	1.0%	0.6%
International sales growth	13.3%	7.0%	19.1%	10.0%	9.0%	9.0%
International sales contribution	17.0%	15.0%	16.9%	17.5%	17.5%	17.5%
Consolidated revenue growth	9.2%	7.0%	6.6%	6.2%	9.0%	8.7%
Consolidated EBITDA growth	27.9%	7.9%	-9.4%	12.7%	12.8%	10.4%
Consolidated earnings growth	31.9%	8.3%	-11.7%	14.8%	11.9%	11.5%
<b>As a % of sales</b>						
Gross margin	67.7%	66.3%	64.7%	67.5%	68.0%	68.0%
Employee costs	10.7%	10.0%	10.8%	11.4%	11.3%	11.1%
A&P spends	15.9%	16.4%	16.5%	17.0%	17.0%	17.0%
Other operating expenses	10.4%	10.1%	12.1%	12.2%	11.9%	11.6%
EBITDA margin	30.7%	29.9%	25.3%	26.9%	27.8%	28.3%
<b>Per share data</b>						
EPS	15.1	16.4	14.5	16.8	18.8	21.0
DPS	8.0	8.0	8.0	9.0	10.0	11.0
Pay-out (%)	53%	49%	55%	53%	53%	52%
<b>Balance sheet assumptions</b>						
Capex (Rs mn)	-337	-4,836	-405	-1,000	-1,200	-1,200
Receivable days	34	32	39	38	38	38
Inventory days	35	38	37	36	35	35
Payable days	43	43	44	45	45	45
Avg ROE (%)	37%	38%	29%	29%	28%	28%
Avg ROCE (%)	40%	41%	32%	33%	32%	32%
Avg ROIC (%)	42%	43%	32%	38%	45%	51%

Source: Company, Emkay Research

**Godrej Consumer (ADD; Rs1,325/share)**

We now see a 9% sales CAGR (adjusted for the East Africa business shift to the franchisee model and factoring LATAM currency headwinds) and a 17% earnings CAGR over FY23-26E. Most of GCPL's categories have low penetration as well as low per-capita consumption. With economic growth, we expect a long runway of growth. Capturing better execution and management thrust on expanding the total addressable market with disruptive innovation (affordable packs), we raise our valuation multiple to 50x now from 46x, which is at a ~20% premium to its last five-year average forward P/E of 41x. We see new initiatives to have a bearing on the topline, though positive for profitability. We have revised our earnings down by 2-4% over FY24-26E. As we roll over to Dec-25 estimates from Sep-25, our TP increases to Rs1,325 from Rs1,200 earlier.

**Exhibit 37: Godrej Consumer – Changes to Emkay estimates**

(Rs mn)	New estimates			Old estimates			Changes to estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	1,39,826	1,53,252	1,68,969	1,45,759	1,59,506	1,75,824	-4%	-4%	-4%
Growth	6.0%	10.0%	10.6%	10.5%	9.4%	10.2%			
EBITDA	28,030	34,933	39,561	29,159	35,668	40,402	-4%	-2%	-2%
Growth	15.3%	24.6%	13.2%	20.0%	22.3%	13.3%			
EBITDA margin	19.9%	22.5%	23.1%	19.8%	22.1%	22.6%			
Adj. PAT	18,715	23,961	28,134	19,550	24,505	28,756	-4%	-2%	-2%
Growth	7.2%	28.0%	17.4%	12.0%	25.3%	17.3%			

Source: Company, Emkay Research

## Exhibit 38: Godrej Consumer – Emkay estimates vs. Consensus

(Rs mn)	Emkay estimates			Consensus estimates			Emkay vs. consensus estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	1,39,826	1,53,252	1,68,969	1,46,898	1,62,862	1,78,815	-5%	-6%	-6%
Growth	6.0%	10.0%	10.6%	11.3%	10.9%	9.8%			
EBITDA	28,030	34,933	39,561	29,747	34,882	39,183	-6%	0%	1%
Growth	15.3%	24.6%	13.2%	22.4%	17.3%	12.3%			
EBITDA margin	19.9%	22.5%	23.1%	20.3%	21.4%	21.9%			
Adj. PAT	18,715	23,961	28,134	20,205	24,420	28,027	-7%	-2%	0%
Growth	7.2%	28.0%	17.4%	15.7%	20.9%	14.8%			

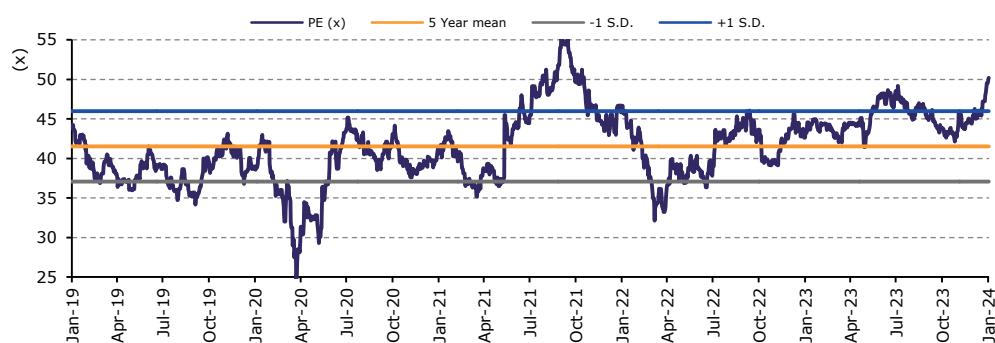
Source: Bloomberg, Emkay Research

## Exhibit 39: Key Assumptions

	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Growth %</b>							
Domestic Sales growth	-4%	14%	11%	10%	11%	12%	10%
Console Sales growth	-4%	11%	11%	8%	6%	10%	11%
EBITDA growth	-1%	11%	0%	1%	15%	25%	13%
Earnings growth	5%	12%	2%	-3%	7%	28%	17%
<b>Margin %</b>							
Gross margin	57%	55%	51%	50%	54%	56%	56%
A&P spends as a % of sales	7%	7%	6%	7%	9%	9%	9%
EBITDA margin	22%	22%	20%	18%	20%	23%	23%
<b>Per share data</b>							
Adj EPS (Rs/sh)	15.3	17.2	17.5	17.1	18.3	23.4	27.5
DPS (Rs/sh)	8.0	0.0	0.0	0.0	11.0	13.0	18.0
<b>Balance sheet assumptions</b>							
Avg. ROCE (%)	19%	21%	19%	16%	16%	18%	21%
Avg. RoE (%)	21%	20%	17%	14%	13%	16%	17%
Inventory days	62.7	56.8	63.3	42.1	39.6	37.5	36.4
Receivable days	42.6	33.2	33.2	34.1	33.7	32.6	31.5
Payable days	91.4	71.5	64.3	50.0	49.5	49.4	49.2

Source: Company, Emkay Research

## Exhibit 40: Godrej Consumer – One-year forward P/E (based on consensus)



Source: Bloomberg, Emkay Research

## HUL (ADD; TP: Rs2,800/share)

Capturing near-to-medium term stress in the business, we have cut our topline estimates by 2-3% over FY24-26E. Category stress and rising competition will have a bearing on margin delivery, resulting in a cut in our earnings expectations – cut of ~3% each over FY24-26E. Based on our earnings revision and as we roll over from Sep-25 to Dec-25 earnings, our new Dec-24E TP remains unchanged at Rs2,800/share. We continue to ascribe a 52x valuation multiple, which is at a ~5% discount to its last five-year average forward P/E.

**Exhibit 41: Hindustan Unilever – Changes to Emkay estimates**

	New estimates			Old estimates			Changes to our estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue (Rs mn)	6,05,637	6,67,203	7,29,648	6,18,316	6,82,740	7,48,364	-2%	-2%	-3%
Growth	4.0%	9.7%	9.4%	6.2%	10.4%	9.6%			
EBITDA (Rs mn)	1,44,145	1,62,390	1,80,934	1,47,815	1,67,083	1,86,460	-2%	-3%	-3%
growth	5.7%	12.7%	11.4%	8.4%	13.0%	11.6%			
EBITDA margin (%)	23.4%	24.1%	24.5%	23.5%	24.2%	24.6%			
Adj. PAT (Rs mn)	1,02,530	1,16,080	1,29,537	1,05,227	1,19,529	1,33,598	-3%	-3%	-3%
Growth	5.5%	13.2%	11.6%	8.3%	13.6%	11.8%			

Source: Company, Emkay Research

**Exhibit 42: Hindustan Unilever – Emkay estimates vs. Consensus expectations**

	Emkay estimates			Consensus estimates			Emkay estimates vs. consensus		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales (Rs mn)	6,05,637	6,67,203	7,29,648	6,31,164	6,84,972	7,49,206	-4%	-3%	-3%
Growth (%)	4.0%	9.7%	9.4%	8.4%	8.5%	9.4%			
EBITDA (Rs mn)	1,44,145	1,62,390	1,80,934	1,49,419	1,67,212	1,84,798	-4%	-3%	-2%
Growth (%)	5.7%	12.7%	11.4%	9.6%	11.9%	10.5%			
EBITDA margin (%)	23.4%	24.1%	24.5%	23.7%	24.4%	24.7%			
Adj. PAT (Rs mn)	1,02,530	1,16,080	1,29,537	1,07,675	1,20,948	1,33,925	-5%	-4%	-3%
Growth (%)	5.5%	13.2%	11.6%	10.8%	12.3%	10.7%			

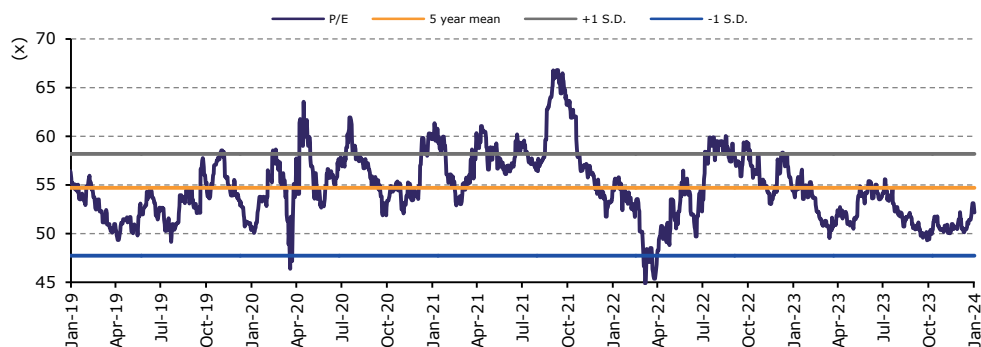
Source: Bloomberg, Emkay Research

**Exhibit 43: Key assumptions**

	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Income statement</b>							
Total income growth (%)	1.5%	18.6%	11.3%	15.5%	4.0%	9.7%	9.4%
Gross margin (%)	54.1%	52.9%	50.9%	47.3%	51.8%	51.8%	51.8%
Royalty (%)	2.8%	2.6%	2.7%	2.7%	3.2%	3.4%	3.5%
Advertisement (%)	12.1%	10.3%	9.2%	8.2%	11.1%	11.4%	11.4%
EBITDA margin (%)	24.8%	24.6%	24.4%	23.0%	23.4%	24.1%	24.5%
Tax rate (%)	27.4%	25.7%	25.9%	26.0%	26.5%	26.5%	26.5%
Adj PAT growth (%)	10.9%	18.1%	9.6%	11.4%	5.5%	13.2%	11.6%
EPS (Rs/share)	31.22	33.89	37.12	41.36	43.63	49.40	55.12
<b>Balance Sheet</b>							
ROE (%)	86%	29%	18%	20%	20%	23%	26%
ROCE (%)	110%	37%	24%	25%	27%	30%	34%
Inventory days	25	27	28	25	25	24	24
Receivable days	10	13	14	17	17	17	17
Payable days	70	68	63	58	59	59	59
<b>Segment revenue growth (%)</b>							
Home care	6.24	2.95	18.76	28.06	5.00	11.00	10.00
Personal care	-1.75	5.55	8.33	12.18	3.00	10.00	9.00
Food and refreshment	4.63	78.55	6.82	5.47	4.00	9.00	9.00
<b>Segment EBIT margin (%)</b>							
Home care	18.9	19.9	19.3	18.3	18.7	19.5	20.0
Personal care	28.6	28.5	27.5	25.6	25.9	26.3	26.5
Food and refreshment	16.7	16.6	18.6	17.9	18.5	19.3	19.8

Source: Company, Emkay Research

Exhibit 44: Hindustan Unilever – One-year forward P/E (on consensus)



Source: Bloomberg, Emkay Research

### ITC (BUY; TP: Rs550/share)

Based on the SOTP valuation approach, as we roll over from Sep-25 to Dec-25 estimates, we arrive at a Dec-24E TP of Rs550/share. Our valuation is based on P/E for the cigarettes and infotech businesses, on EV/EBITDA for the paper and hotels business, and EV/sales for the other FMCG and agri-businesses. Capturing the sustained export ban, we have cut our agri business topline expectations, but with limited impact on profitability. Our earnings reduce by 1% each for FY25E and FY26E. We maintain BUY with a revised SOTP-based TP of Rs550.

Exhibit 45: ITC – SOTP-based valuation

Segment	Valuation methodologies	Parameter	Dec-25 est.	Multiple (x)	Rs/share	Segment value (Rs bn)	Contribution
Cigarette	P/E	EPS (Rs)	13.12	23.0	302	3,750	55%
Other FMCG	EV/Sales	Sales (Rs bn)	2,60,090	6.0	124	1,544	23%
Agri	EV/Sales	Sales (Rs bn)	2,04,431	2.5	41	506	7%
Paper	EV/EBITDA	EBITDA (Rs bn)	26,832	10.0	21	266	4%
Hotel	EV/EBITDA	EBITDA (Rs bn)	12,643	22.0	22	275	4%
ITC Infotech	P/E	EPS (Rs)	0.54	25.0	14	169	2%
Net cash		Actual		1.0	27	338	5%
Fair value					551	6,848	
<b>Target price</b>					<b>550</b>		

Source: Company, Emkay Research

Exhibit 46: ITC – Changes to Emkay estimates

(Rs mn)	New estimates			Old estimates			Changes to estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	682,398	750,498	827,174	729,777	799,003	874,603	-6%	-6%	-5%
Growth	3.4%	10.0%	10.2%	10.6%	9.5%	9.5%			
EBITDA	254,298	287,329	319,258	256,663	294,632	325,307	-1%	-2%	-2%
Growth	6.4%	13.0%	11.1%	7.4%	14.8%	10.4%			
EBITDA margin	37.3%	38.3%	38.6%	34.9%	36.5%	36.9%			
Adj. PAT	202,935	225,697	251,623	199,525	227,036	251,286	2%	-1%	0%
Growth	8.9%	11.2%	11.5%	7.0%	13.8%	10.7%			

Source: Company, Emkay Research

Exhibit 47: ITC – Emkay estimates vs. Consensus

(Rs mn)	Emkay estimates			Consensus estimates			Emkay vs. consensus estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	682,398	750,498	827,174	710,226	787,416	856,731	-4%	-5%	-3%
Growth	3.4%	10.0%	10.2%	7.6%	10.9%	8.8%			
EBITDA	254,298	287,329	319,258	262,516	294,480	323,218	-3%	-2%	-1%
Growth	6.4%	13.0%	11.1%	9.8%	12.2%	9.8%			
EBITDA margin	37.3%	38.3%	38.6%	37.0%	37.4%	37.7%			
Adj. PAT	202,935	225,697	251,623	206,878	230,929	253,443	-2%	-2%	-1%
Growth	8.9%	11.2%	11.5%	11.0%	11.6%	9.7%			

Source: Bloomberg, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 01/14/2024 11:39 AM

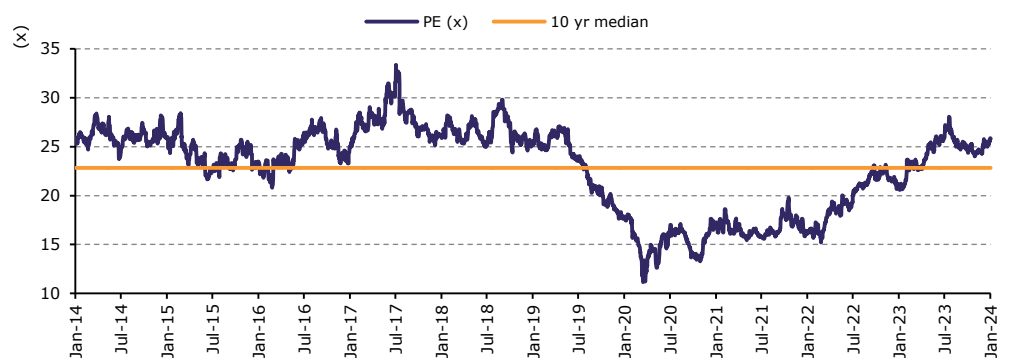
Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

Exhibit 48: Key Assumptions

	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Segment assumptions</b>							
Cigarette revenue growth	2%	-4%	15%	20%	11%	7%	10%
FMCG revenue growth	2%	3%	12%	20%	11%	9%	11%
Hotel revenue growth	9%	-66%	105%	102%	20%	12%	12%
Agri revenue growth	9%	23%	29%	12%	-6%	12%	10%
Paper revenue growth	4%	-8%	36%	19%	-4%	9%	9%
Cigarette volume growth	-1%	-13%	16%	20%	5%	3%	3%
Earnings growth	21%	-14%	15%	23%	8%	11%	11%
Cigarette PBIT growth	2%	-14%	17%	21%	9%	10%	11%
FMCG PBIT growth	2%	-11%	17%	22%	11%	11%	12%
Hotel PBIT growth	-11%	439%	-66%	396%	33%	20%	19%
Agri PBIT growth	2%	4%	26%	29%	9%	18%	16%
Paper PBIT growth	5%	-16%	55%	35%	-24%	22%	11%
<b>Margin assumptions</b>							
Gross margin	62%	56%	53%	56%	59%	59%	59%
A&P spends as a % of sales	2%	3%	2%	2%	2%	2%	2%
EBITDA margin	39%	34%	34%	36%	37%	38%	39%
<b>Per share data</b>							
Adj. EPS (Rs/sh)	12.42	10.59	12.22	15.00	16.24	17.97	19.93
DPS (Rs/sh)	5.73	15.13	10.99	15.50	14.00	15.00	16.50
<b>Balance sheet</b>							
Avg. ROCE (%)	27%	23%	29%	34%	35%	38%	39%
Avg. RoE (%)	25%	21%	25%	29%	30%	32%	33%
Inventory days	64.31	76.00	64.77	58.59	59.33	59.35	59.35
Receivable days	16.74	16.77	12.65	12.84	12.85	12.86	12.86
Payable days	27.58	33.06	27.36	24.06	28.67	28.68	28.68

Source: Company, Emkay Research

Exhibit 49: One-year forward P/E now above the last 5Y (20x)/10Y (23x) average fwd P/E



Source: Bloomberg, Emkay Research

## Marico (REDUCE; TP: Rs570/share)

Our REDUCE call on Marico can be attributed to the company's inability to drive structural growth in the domestic business, but better margin prospects have been aiding double-digit earnings growth. Capturing near-term demand stress, unlike the expectation of demand recovery in the winter season, we cut our topline estimates by ~2%, which gradually flows to the earnings cut of ~2% over FY24-26E. As we roll over from Sep-25 EPS to Dec-25E EPS, our TP increases to Rs570/share from Rs560. We continue to value Marico at 42x its P/E, which is in line with its last five-year average forward P/E (~7% premium to its last 10-year average forward P/E of 39x).

Exhibit 50: Marico – Changes to Emkay estimates

(Rs mn)	New estimates			Old estimates			Changes to our estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	96,941	1,08,982	1,21,333	99,728	1,11,883	1,24,746	-3%	-3%	-3%
Growth	0.1%	12.4%	11.3%	2.9%	12.2%	11.5%			
EBITDA	20,303	21,965	24,393	20,690	22,436	24,983	-2%	-2%	-2%
Growth	12.2%	8.2%	11.1%	14.3%	8.4%	11.4%			
EBITDA margin	20.8%	20.0%	20.0%	20.7%	20.1%	20.0%			
Adj. PAT	14,643	15,889	17,707	14,937	16,244	18,153	-2%	-2%	-2%
Growth	12.5%	8.5%	11.4%	14.7%	8.8%	11.7%			

Source: Company, Emkay Research

Exhibit 51: Marico – Emkay estimate vs. Consensus

(Rs mn)	Emkay estimates			Consensus estimates			Emkay estimates vs. consensus		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net sales	96,941	1,08,982	1,21,333	1,00,868	1,12,366	1,24,534	-4%	-3%	-3%
Growth	0.1%	12.4%	11.3%	4.1%	11.4%	10.8%			
EBITDA	20,303	21,965	24,393	20,779	23,199	25,881	-2%	-5%	-6%
Growth	12.2%	8.2%	11.1%	14.8%	11.6%	11.6%			
EBITDA margin	20.8%	20.0%	20.0%	20.6%	20.6%	20.8%			
Adj. PAT	14,643	15,889	17,707	15,028	16,854	18,937	-3%	-6%	-6%
Growth	12.5%	8.5%	11.4%	15.4%	12.2%	12.4%			

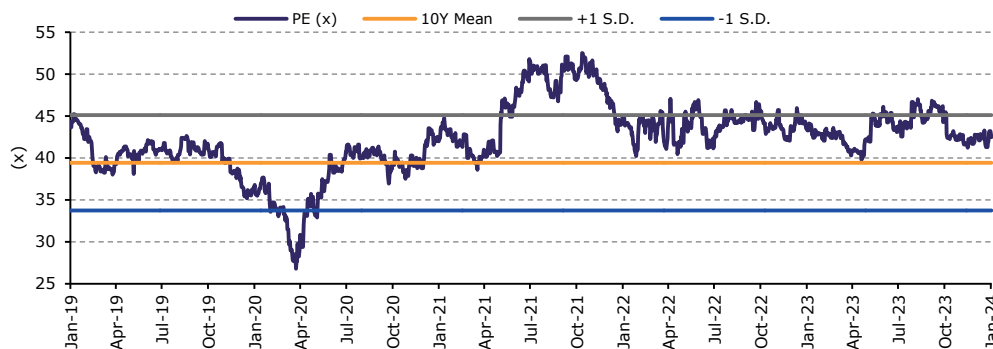
Source: Bloomberg, Emkay Research

Exhibit 52: Key Assumptions

	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Growth assumptions</b>							
Sales growth	0%	10%	18%	3%	0%	12%	11%
Domestic Volume growth	1%	10%	9%	-1%	0%	9%	8%
EBITDA growth	11%	8%	6%	7%	12%	8%	11%
Earnings growth	13%	10%	6%	6%	12%	9%	11%
<b>Margin assumptions</b>							
Gross margin	49%	47%	43%	45%	50%	49%	48%
A&P spends as a % of sales	10%	9%	8%	9%	10%	10%	10%
EBITDA margin	20%	20%	18%	19%	21%	20%	20%
<b>Per share data</b>							
Adj. EPS (Rs/sh)	8.1	9.0	9.6	10.1	11.4	12.3	13.7
DPS (Rs/sh)	6.8	7.5	9.3	4.5	8.0	9.0	10.0
<b>Balance sheet</b>							
Avg. ROCE (%)	40%	42%	43%	42%	42%	42%	43%
Avg. RoE (%)	35%	37%	37%	36%	36%	36%	36%
Inventory days	68.9	51.1	54.2	45.8	51.6	50.6	50.6
Receivable days	26.9	17.6	25.0	37.9	24.8	23.8	23.8
Payable days	48.8	51.4	51.6	54.3	51.6	50.6	50.6

Source: Company, Emkay Research

Exhibit 53: Marico – One-year forward P/E (on consensus)



Source: Bloomberg, Emkay Research



## Appendix 1: Raw-material price trends

Exhibit 54: Quarterly food raw-material price trend

Commodity	Units	Spot price	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YoY Chg	QoQ Chg
Barley	Rs/Quintal	2,088	2350	1515	3176	3076	3132	2518	2053	1925	2,114	-32%	10%
Wheat	Rs/Quintal	2,610	2158	1905	2270	2456	2790	2260	2388	2506	2,700	-3%	8%
Wheat International	USD/bushel	628	780	913	1073	815	810	726	648	623	2,691	-4%	7%
Sugar	Rs/kg	3,845	3646	3541	3569	3575	3589	3521	3660	3813	582	-28%	-6%
Soy Bean	Rs/Quintal	4,887	6016	5085	7251	5876	5502	7086	5375	5083	3,911	9%	2%
Maize	Rs/Quintal	2,350	1969	1509	2263	2417	2480	2257	1882	2066	2,263	-9%	9%
Crude Palm oil - Kandla	Rs/10kg	770	1127	1039	1435	1010	873	1305	854	810	781	-11%	-3%
Crude Palm oil - Future	MYR/metric ton	3,696	4808	5741	6021	3925	4008	3967	3585	3861	3,768	-6%	-2%
Crude Palm Oil - Spot	MYR/metric ton	3,717	5171	6183	6453	3971	3931	4017	3840	3806	3,678	-6%	-3%
Crude Palm Oil - Spot	Rs/MT	66,841	92577	111117	114567	70681	70671	75196	69810	68042	65,093	-8%	-4%
Refined Palm Oil - Malaysian	USD/mt	950	2098	2580	1902	1248	1059	1037	964	970	913	-14%	-6%
Vanaspati oil	Rs/15 kg tin	1,465	1979	2291	2540	1882	1704	1623	1674	1650	1,525	-10%	-7%
Soyabean oil	Rs/Quintal	8,700	12546	13648	15193	12405	12985	11525	9621	9356	9,096	-30%	-3%
Sunflower oil	Rs/mt	46	123427	140771	173675	142815	131680	107105	87913	86959	48	-14%	-11%
Liquid Milk	Rs/Liter	60	43	47	54	56	56	55	55	54	58	4%	1%
Milk - Cons Affairs	Rs/Liter	172	50	48	51	55	56	50	57	58	173	5%	0%
Copra - MRCO	Rs/100kg	855	10553	9571	8997	8609	8675	8866	8343	8388	835	-20%	0%
Rice bran Oil	Rs/10kg	82,500	1062	1125	1268	1082	1042	877	787	858	65,120	1%	12%
Sunflower Oil	Rs/10kg	0	1303	1470	1841	1509	1389	1124	927	940	8,437	-3%	0%
Tea (Tea Board)	Rs/kg	855	173	133	179	197	179	141	175	180	835	-20%	0%
Tea (Kolkata)	Rs/kg	940	278	306	294	298	295	290	273	255	912	-34%	0%
Coffee - Arabica	USD/kg	171	6	6	6	6	5	5	5	4	171	-4%	-4%

Source: Companies, NCDEX, Consumer Affairs, Tea Board, WPI, Bloomberg, Emkay Research

Exhibit 55: Quarterly non-food raw material price trend

Commodity	Units	Spot price	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YoY Chg	QoQ Chg
Linear alkyl benzene (LAB)	Rs/kg	122	120	123	143	144	132	127	122	115	123	-7%	7%
High-density polyethylene (Marico)	Rs/kg	124	125	136	151	140	130	133	128	126	126	-3%	0%
High-density polyethylene	Rs/MT	81,509	93864	97798	102666	86370	83295	88312	84982	84,107	83,430	0%	-1%
Menthe Oil	Rs/kg	1,012	1108	1158	1249	1172	1180	1251	1176	1,054	1,021	-13%	-3%
Crude	USD/barrel	78	79	102	114	101	89	81	78	87	84	-5%	-3%
Light Liquid Paraffin (LLP)	Rs/Liter	73	58	64	77	80	76	77	77	77	77	0%	0%
Soda Ash	Rs/50kg	1,840	1872	2003	2516	2724	2573	2300	2211	2,146	1,876	-27%	-13%
Palm Fatty Acid Distillate (PFAD)	USD/MT	719	1187	1444	1360	734	755	720	767	806	747	-1%	-7%
Caustic Soda	Rs/50kg	2,400	3633	3915	4703	3727	3382	3883	3292	3,140	2,694	-20%	-14%

Source: Companies, NCDEX, Consumer Affairs, Tea Board, WPI, Bloomberg, Emkay Research

## Appendix 2: Raw-material mix for FMCG players

Exhibit 56: Raw material mix for our coverage universe

Company	Key raw materials (Domestic)	Global dependence for raw material	Price hedging strategy
HUL	Palm oil 15-20% Soda Ash and LAB 25-30% HDPE ~20% Tea ~10% Sugar ~3% Maize ~3% Coffee ~3% Others 10-20%	60-70% raw material (largely crude linked and Palm oil)	For key raw material, enters physical and forward covers
GCPL	Palm oil ~35% HDPE ~20% Others ~45%	50-60% raw material	For palm oil, enters physical and forward covers (2-3 months)
Britannia	Wheat 25% Palm oil 15% Sugar 20% Milk 10% HDPE 15% Others 15%	Limited global price dependence	For key raw material, (primarily Wheat and Sugar) enters physical and forward covers
Marico	Copra c.50% Rice bran oil 10-15% Safflower oil 2-5% Sunflower 2-5% LLP 10% HDPE 10% Others 5-16%	30% raw material	Company take physical position depending on RM prices
Colgate	Sorbitol (Maize) 20% Mentha oil 20% Crude derivative 15% Essential oils 15% HDPE 10% Others 20%	30-40% raw material	For key raw material, enters physical and forward covers
Emami	Mentha oil 20% Soap stone powder 15-20% LLP 10% Paper 15% HDPE 10% Rice bran oil 5% Others 20-25%	25-30% raw material	For key raw material enter into physical and forward covers

Source: Company, Emkay Research

**Exhibit 57: Key raw-material for HUL – We see ~7% YoY easing in the raw-material basket for Q3FY24E**

	RM mix	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YoY	QoQ
PFAD	17%	1,187	1,444	1,360	734	755	720	767	806	747	-1.1%	-7.3%
Soda Ash	17%	1,872	2,003	2,516	2,724	2,573	2,300	2,211	2,146	1,876	-27.1%	-12.6%
LAB	10%	120	123	143	144	132	127	122	115	123	-7.1%	6.7%
HDPE	20%	125	136	151	140	130	133	128	126	126	-3.5%	0.0%
Tea	10%	173	133	179	197	179	141	175	178	171	-4.3%	-3.7%
Sugar	3%	780	913	1,073	815	810	726	648	622	582	-28.1%	-6.4%
Maize	3%	6,016	5,085	7,251	5,876	5,502	7,086	5,375	2,067	2,263	-8.7%	9.5%
Coffee	3%	124	138	152	156	154	151	146	148	149	-3.4%	0.3%
Milk	2%	43	47	54	56	56	55	55	54		-3.9%	-1.5%

Source: Bloomberg, Emkay Research

**Exhibit 58: Key raw-material for Godrej Consumer – We see ~1% YoY easing in the raw-material basket for Q3FY24E**

	RM mix	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E	YoY	QoQ
Palm Oil (PFAD)	35%	1,187	1,444	1,360	734	755	720	767	806	747	-1.1%	-7.3%
HDPE	20%	125	136	151	140	130	133	128	126	126	-3.5%	0.0%
Crude derivatives	25%	79	102	114	101	89	81	78	87	84	-5.1%	-2.8%

Source: Bloomberg, Emkay Research

**Exhibit 59: Key raw-material for Britannia – We see ~9% YoY easing in the raw-material basket for Q3FY24E**

	RM mix	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E	YoY	QoQ
Wheat	25%	2,158	1,905	2,270	2,456	2,790	2,260	2,388	2,508	2,700	-3.2%	7.7%
Palm Oil (Crude)	15%	1,127	1,039	1,435	1,010	873	1,305	854	809	781	-10.6%	-3.5%
Sugar	20%	780	913	1,073	815	810	726	648	622	582	-28.1%	-6.4%
Milk	10%	43	47	54	56	56	55	55	54	48	-13.7%	-11.2%
HDPE	15%	125	136	151	140	130	133	128	126	126	-3.5%	0.0%

Source: Bloomberg, Emkay Research

**Exhibit 60: Key raw-material for Colgate India – We see ~4% YoY easing in the raw-material basket for Q3FY24E**

	RM mix	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E	YoY	QoQ
Sorbitol (Maize)	20%	1,969	1,509	2,263	2,417	2,480	2,257	1,882	2,067	2,263	-8.7%	9.5%
Menthe Oil	20%	1,108	1,158	1,249	1,172	1,180	1,251	1,176	1,054	1,021	-13.5%	-3.2%
Crude derivative	15%	79	102	114	101	89	81	78	87	84	-5.1%	-2.8%
HDPE	10%	125	136	151	140	130	133	128	126	126	-3.5%	0.0%

Source: Company, Bloomberg

**Exhibit 61: Key raw-material for Marico – We see ~3% YoY easing in the raw-material basket for Q3FY24E**

	RM mix	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E	YoY	QoQ
Copra	50%	10,553	9,571	8,997	8,609	8,675	8,866	8,343	8,437	8,437	-2.7%	0.0%
Rice bran oil	12%	1,062	1,125	1,268	1,082	1,042	877	787	835	835	-19.8%	0.0%
Sunflower oil	3%	1,303	1,470	1,841	1,509	1,389	1,124	927	58,326	65,120	1.2%	11.6%
LLP	10%	58	64	77	80	76	77	77	77	77	0.3%	0.0%
HDPE	10%	125	136	151	140	130	133	128	126	126	-3.5%	0.0%

Source: Company, Bloomberg

**Exhibit 62: Key raw-material for Dabur – We see ~4% YoY easing in the raw-material basket for Q3FY24E**

	RM mix	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E	YoY	QoQ
LLP	15%	58	64	77	80	76	77	77	77	77	0.3%	0.0%
HDPE	15%	125	136	151	140	130	133	128	126	126	-3.5%	0.0%
Vegetable oil	15%	1,979	2,291	2,540	1,882	1,704	1,623	1,674	1,647	1,525	-10.5%	-7.4%
Juice concentrate (Maize)	12%	1,969	1,509	2,263	2,417	2,480	2,257	1,882	2,067	2,263	-8.7%	9.5%
Honey (Sugar)	10%	780	913	1,073	815	810	726	648	622	582	-28.1%	-6.4%

Source: Company, Bloomberg

**Exhibit 63: Key raw-material for Emami – We see ~1% YoY easing in the raw-material basket for Q3FY24E**

	RM mix	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24E	YoY	QoQ
Menthe Oil	10%	1,108	1,158	1,249	1,172	1,180	1,251	1,176	1,054	1,021	-13.5%	-3.2%
LLP	17%	58	64	77	80	76	77	77	77	77	0.3%	0.0%
HDPE	20%	125	136	151	140	130	133	128	126	126	-3.5%	0.0%
Rice bran oil	5%	1,062	1,125	1,268	1,082	1,042	877	787	835	835	-19.8%	0.0%

Source: Company, Bloomberg

## Appendix 3: Key FMCG categories' product MRP

Exhibit 64: Soap brands – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		gm	Rs	Rs/100gm									
Pears	HUL	125	100	<b>60.8</b>	64.8	73.3	80.0	<b>78.7</b>	76.0	80.0	80.0	<b>80.0</b>	<b>0.0%</b>
Dove	HUL	375	256	<b>62.7</b>	66.2	70.2	74.7	<b>74.7</b>	74.7	74.7	70.4	<b>68.3</b>	<b>-8.6%</b>
Dove	HUL	100	65	<b>57.0</b>	57.0	59.3	64.0	<b>64.0</b>	64.0	64.0	64.7	<b>65.0</b>	<b>1.6%</b>
Lux - Creamy white	HUL	125	83	<b>56.0</b>	56.0	57.3	63.5	<b>66.4</b>	66.4	66.4	66.4	<b>66.4</b>	<b>0.0%</b>
Pears	HUL	375	252	<b>51.2</b>	54.0	57.8	65.2	<b>67.2</b>	67.2	67.2	67.2	<b>60.8</b>	<b>-9.5%</b>
Dettol - Original	Reckitt	125	63	<b>46.4</b>	51.8	55.0	57.9	<b>53.6</b>	53.6	52.4	50.0	<b>48.0</b>	<b>-10.4%</b>
Rexona	HUL	100	51	<b>43.3</b>	45.6	47.6	48.0	<b>48.0</b>	51.3	51.3	51.3	<b>51.3</b>	<b>6.9%</b>
Lux - Sandal & Cream	HUL	150	60	<b>36.0</b>	38.7	40.0	40.0	<b>40.0</b>	40.0	40.0	40.0	<b>26.0</b>	<b>-35.0%</b>
Hamam	HUL	100	39	<b>34.0</b>	34.0	34.7	35.3	<b>36.0</b>	38.0	38.7	39.0	<b>41.0</b>	<b>13.9%</b>
Cinthol Black	GCPL	400	246	<b>38.0</b>	43.3	46.3	52.4	<b>54.7</b>	52.0	61.5	61.5	<b>48.0</b>	<b>-14.3%</b>
Cinthol Black	GCPL	100	40	<b>39.0</b>	39.0	39.0	40.0	<b>41.3</b>	40.0	40.0	40.0	<b>48.0</b>	<b>14.3%</b>
Santoor	Wipro Consumer	150	57	<b>30.7</b>	33.3	33.3	36.0	<b>36.7</b>	38.0	38.0	38.0	<b>36.0</b>	<b>0.0%</b>
Lux - Soft touch	HUL	100	36	<b>28.0</b>	33.7	35.0	36.3	<b>36.7</b>	36.0	36.0	36.0	<b>36.0</b>	<b>-2.7%</b>
Lifebuoy Total	HUL	125	36	<b>22.9</b>	25.9	28.8	28.8	<b>28.8</b>	28.8	28.8	28.8	<b>32.0</b>	<b>11.1%</b>
Godrej No.1 Natural/Sandal	GCPL	135	36	<b>25.0</b>	27.1	27.7	28.0	<b>27.7</b>	27.0	27.0	27.0	<b>25.0</b>	<b>-10.7%</b>

Source: Emkay Research

Exhibit 65: Detergent brands – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		gm	Rs	Rs/kg									
Surf Excel Matic Front Load	HUL	1,000	290	<b>250</b>	250	253	260	<b>270</b>	290	290	290	<b>290</b>	<b>11.5%</b>
Ariel Matic Complete Front Load	P&G	1,000	315	<b>253</b>	260	268	292	<b>295</b>	308	315	315	<b>315</b>	<b>6.8%</b>
Surf Excel Matic Top Load	HUL	1,000	270	<b>255</b>	255	257	263	<b>270</b>	270	270	270	<b>270</b>	<b>0.0%</b>
Ariel Matic Complete Top Load	P&G	1,000	290	<b>228</b>	235	245	265	<b>290</b>	290	290	290	<b>290</b>	<b>0.0%</b>
Henko Matic - Front Load	Jyothy Lab	1,000	450	<b>256</b>	338	395	400	<b>390</b>	390	390	410	<b>390</b>	<b>0.0%</b>
Ariel Complete	P&G	700	154	<b>195</b>	210	226	239	<b>240</b>	242	247	229	<b>220</b>	<b>-8.3%</b>
Ariel Complete	P&G	1,500	330	<b>196</b>	213	229	241	<b>247</b>	247	247	229	<b>220</b>	<b>-10.8%</b>
Henko Matic - Top Load	Jyothy Lab	1,000	270	<b>190</b>	190	207	220	<b>220</b>	220	220	237	<b>270</b>	<b>22.7%</b>
Surf Excel Quick wash	HUL	500	110	<b>205</b>	216	234	240	<b>240</b>	240	220	220	<b>220</b>	<b>-8.3%</b>
Surf Excel - Easy wash	HUL	500	75	<b>132</b>	135	140	150	<b>150</b>	159	150	150	<b>150</b>	<b>0.0%</b>
Henko Stain care	Jyothy Lab	1,000	130	<b>128</b>	140	140	140	<b>140</b>	152	158	149	<b>130</b>	<b>-7.1%</b>
Surf Excel - Easy wash	HUL	1,500	235	<b>134</b>	139	147	153	<b>157</b>	157	157	157	<b>157</b>	<b>0.0%</b>
Tide Plus	P&G	1,000	140	<b>119</b>	125	129	133	<b>139</b>	146	140	140	<b>144</b>	<b>5.9%</b>
Rin	HUL	500	54	<b>88</b>	88	96	103	<b>108</b>	108	108	108	<b>108</b>	<b>0.0%</b>
Tide Naturals	P&G	500	41	<b>78</b>	78	78	80	<b>82</b>	82	82	82	<b>90</b>	<b>9.8%</b>
Ghari	RSPL	1,000	71	<b>61</b>	61	63	70	<b>71</b>	71	71	71	<b>71</b>	<b>0.0%</b>
Active Wheel	HUL	500	37	<b>58</b>	58	58	63	<b>66</b>	66	76	75	<b>76</b>	<b>15.2%</b>

Source: Emkay Research

## Exhibit 66: Toothpaste brand – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		gm	Rs	Rs/100gm									
Colgate Sensitive Plus	Colgate	70	195	186	195	219	257	262	271	267	269	279	6.4%
Colgate Barbie	Colgate	80	147	116	123	138	150	158	160	160	168	203	28.6%
Colgate Spiderman	Colgate	80	147	116	116	116	143	158	160	157	165	184	16.7%
Colgate 2-5 years - Anticavity	Colgate	40	71	113	118	124	133	133	133	133	148	178	34.0%
Colgate Visible White	Colgate	100	165	115	115	135	151	154	154	154	158	165	7.1%
Colgate Charcoal Clean	Colgate	120	173	100	100	100	113	119	119	138	140	144	21.0%
Colgate Sensitive	Colgate	160	195	78	78	78	78	78	78	78	93	122	56.0%
Colgate Sensitive Clove	Colgate	160	185	78	78	78	78	78	78	78	91	116	48.0%
Colgate Total Advanced Health	Colgate	120	120	100	100	100	100	100	100	100	100	100	0.0%
Colgate Max Fresh - Blue	Colgate	150	125	66	68	72	73	73	80	83	83	74	4.0%
Colgate Max Fresh - Red Spicy Fresh	Colgate	150	125	67	68	69	72	75	80	83	83	91	23.6%
Colgate active salt lemon / Neem	Colgate	100	85	62	65	72	75	75	75	77	80	91	21.4%
Colgate Dental Cream	Colgate	100	69	56	57	61	63	63	65	69	69	85	13.3%
Colgate Swarna Vedshakti	Colgate	100	70	56	58	62	64	65	67	67	68	69	9.5%
Colgate Active Salt	Colgate	200	132	53	53	56	58	58	63	63	64	70	7.7%
Colgate Herbal	Colgate	200	152	52	55	57	62	70	71	73	76	66	14.8%
Colgate Dental Cream	Colgate	150	92	47	50	57	58	59	59	59	60	76	8.6%
Dabur Herbal Tulsi / Clove	Dabur	200	130	45	46	48	48	48	48	48	53	61	4.5%
Pepsodent Germicheck	HUL	300	176	44	44	45	46	46	46	50	53	65	36.8%
Dant Kanti	Patanjali	200	115	48	48	48	48	48	53	53	58	59	27.5%
Cibaca	Colgate	175	63	34	35	36	36	36	36	36	36	58	19.8%
Pepsodent Cavity Protection	HUL	56	22	40	36	37	39	40	40	40	40	36	0.0%
Pepsodent Cavity Protection	HUL	56	36	65	65	65	65	65	65	65	65	40	0.0%
Colgate Cibaca - Vedshakti	Colgate	175	63	33	33	34	36	36	36	36	36	65	0.0%

Source: Emkay Research

## Exhibit 67: Hair oil brand – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		ml	Rs	Rs/100 ml									
Indulekha	HUL	100	432	432	432	432	432	432	432	432	432	432	0.0%
Navratna	Emami	100	85	80	81	82	82	84	85	85	85	85	1.2%
Navratna	Emami	200	150	71	72	75	75	75	75	75	75	85	13.3%
Bajaj Almond Drops	Bajaj Consumer	95	70	69	69	71	74	74	74	74	74	76	2.9%
Dabur Almond	Dabur	100	74	69	69	70	70	70	70	70	71	74	5.3%
7 Oils in 1	Emami	200	139	65	65	65	65	66	67	66	67	68	3.1%
Hair and Care	Marico	100	62	60	60	60	60	60	62	62	62	62	3.3%
Parachute advanced hot oil	Marico	190	110	58	58	58	58	58	58	58	58	58	0.0%
Parachute Advanced Aloe Vera Enriched	Marico	150	77	53	53	53	52	52	52	51	51	51	-1.3%
Dabur Amla	Dabur	180	97	50	50	50	50	51	53	53	54	54	5.8%
Dabur Amla	Dabur	90	53	51	49	52	52	53	54	58	58	59	11.2%
Parachute	Marico	250	95	40	38	38	38	38	38	38	38	44	14.7%
Parachute	Marico	100	37	38	38	39	40	40	36	36	36	37	-7.5%
Parachute Jasmine	Marico	190	85	44	43	44	44	44	44	45	44	45	1.2%
Nihar Shanti Amla	Marico	300	105	27	27	28	28	30	30	35	35	35	16.7%

Source: Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 01/14/2024 11:39 AM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY&lt;GO&gt;. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.



## Exhibit 68: Edible oil brands – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		ltr	Rs	Rs/ltr									
Sundrop Superlite Advanced	Agro Tech	1.0	180	<b>227</b>	248	252	265	<b>265</b>	265	265	180	<b>185</b>	<b>-30.2%</b>
Fortune Sunlite refined Sunflower Oil	Adani Willmer	1.0	145	<b>208</b>	245	243	243	<b>245</b>	189	188	145	<b>135</b>	<b>-44.9%</b>
Sundrop Heart Oil	Agro Tech	1.0	200	<b>200</b>	200	210	228	<b>207</b>	200	222	200	<b>200</b>	<b>-3.2%</b>
Dalda imported refined sunflower oil	Bunge India Pvt	1.0	225	<b>203</b>	202	225	228	<b>236</b>	206	225	225	<b>145</b>	<b>-38.6%</b>
Sundrop Goldlite	Agro tech	1.0	300	<b>235</b>	257	300	300	<b>300</b>	300	300	300	<b>300</b>	<b>0.0%</b>
Sunny refined sunflower oil - Lite	Frigorifico	1.0	140	<b>197</b>	195	199	211	<b>220</b>	220	198	140	<b>140</b>	<b>-36.4%</b>
Sunday Imported refined sunflower oil	Liberty Oil	1.0	190	<b>235</b>	235	235	235	<b>235</b>	235	220	190	<b>190</b>	<b>-19.1%</b>
Nature Fresh Acti-lite refined sunflower oil	Cargill	1.0	240	<b>220</b>	215	217	240	<b>240</b>	240	227	227	<b>178</b>	<b>-25.8%</b>
Gemini Refined Sunflower oil	Cargill	1.0	145	<b>205</b>	222	215	215	<b>202</b>	195	202	145	<b>155</b>	<b>-23.1%</b>
Sweekar refined sunflower oil	Cargill	1.0	150	<b>217</b>	210	220	240	<b>223</b>	190	192	147	<b>150</b>	<b>-32.8%</b>
Saffola Gold	Marico	1.0	160	<b>210</b>	230	237	217	<b>197</b>	190	177	160	<b>160</b>	<b>-18.6%</b>
Fortune Vivo rice bran oil	Adani Willmer	1.0	199	<b>210</b>	205	218	225	<b>216</b>	199	199	199	<b>199</b>	<b>-8.0%</b>
Saffola Active	Marico	1.0	160	<b>201</b>	202	232	213	<b>199</b>	199	173	160	<b>160</b>	<b>-19.7%</b>
Saffola Tasty	Marico	1.0	150	<b>201</b>	198	225	207	<b>177</b>	170	170	150	<b>150</b>	<b>-15.1%</b>
Sunrich refined sunflower oil	Agro Tech	1.0	198	<b>211</b>	218	225	225	<b>225</b>	194	198	198	<b>152</b>	<b>-32.4%</b>
Fortune rice bran oil (Fortified)	Adani Willmer	1.0	165	<b>195</b>	196	199	199	<b>199</b>	199	185	165	<b>160</b>	<b>-19.6%</b>
Ricela physically refined rice bran oil	A P Organics	1.0	165	<b>205</b>	205	218	230	<b>221</b>	198	198	172	<b>165</b>	<b>-25.2%</b>
Riso 100% rice bran oil	Kamani Foods	1.0	210	<b>202</b>	195	207	237	<b>240</b>	240	230	210	<b>165</b>	<b>-31.3%</b>
Sundrop Nutrilite	Agro Tech	1.0	150	<b>215</b>	215	215	253	<b>280</b>	280	237	150	<b>150</b>	<b>-46.4%</b>
Aadhaar - refined Sunflower oil	Adani Wilmer	0.9	120	<b>185</b>	175	192	225	<b>211</b>	184	167	133	<b>128</b>	<b>-39.4%</b>

Source: Emkay Research

## Exhibit 69: Biscuits brands – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		gm	Rs	Rs/100gm									
Britannia Pure Magic Deuce	Britannia	60	40	<b>67</b>	67	67	67	<b>67</b>	67	67	67	<b>67</b>	<b>0.0%</b>
Britannia NutriChoice Cookie Oats	Britannia	150	75	<b>48</b>	50	50	50	<b>50</b>	50	50	50	<b>50</b>	<b>0.0%</b>
Sunfeast Dark Fantasy Chocolate	ITC	75	40	<b>47</b>	47	47	47	<b>49</b>	53	53	53	<b>53</b>	<b>9.1%</b>
Parle Hide & Seek Bourbon	Parle	100	30	<b>30</b>	30	30	30	<b>30</b>	30	30	30	<b>30</b>	<b>0.0%</b>
Britannia Jim Jam	Britannia	138	35	<b>23</b>	23	23	25	<b>25</b>	25	25	25	<b>25</b>	<b>0.0%</b>
Britannia 50:50 Masala Chaska	Britannia	41	10	<b>22</b>	22	22	25	<b>25</b>	25	24	24	<b>24</b>	<b>-1.2%</b>
Britannia NutriChoice digestive	Britannia	100	20	<b>25</b>	25	25	25	<b>25</b>	25	20	20	<b>20</b>	<b>-20.0%</b>
Britannia Bourbon	Britannia	150	40	<b>23</b>	23	24	27	<b>27</b>	27	27	27	<b>27</b>	<b>0.0%</b>
Britannia Bourbon	Britannia	50	8	<b>20</b>	20	20	20	<b>20</b>	20	20	19	<b>17</b>	<b>-16.7%</b>
Britannia Nice Time	Britannia	150	30	<b>17</b>	17	17	17	<b>17</b>	17	17	18	<b>20</b>	<b>14.4%</b>
Parle Monaco Classic	Parle	58	10	<b>14</b>	14	14	14	<b>17</b>	17	17	17	<b>17</b>	<b>0.0%</b>
Britannia Vita Marie Gold	Britannia	150	28	<b>15</b>	16	19	20	<b>19</b>	18	20	19	<b>16</b>	<b>-18.9%</b>
Sunfeast Cookies Butter	ITC	58	10	<b>13</b>	13	14	17	<b>17</b>	17	17	17	<b>17</b>	<b>2.7%</b>
Parle Krack Jack	Parle	63	10	<b>13</b>	14	14	14	<b>15</b>	16	16	16	<b>16</b>	<b>6.5%</b>
Good Day - Rich Butter (Blue)	Britannia	60	10	<b>13</b>	13	13	13	<b>17</b>	17	17	17	<b>17</b>	<b>0.0%</b>
Sunfeast Marie Lite	ITC	100	15	<b>13</b>	13	13	13	<b>13</b>	15	15	15	<b>15</b>	<b>12.5%</b>
Britannia Marie Gold	Britannia	73	11	<b>13</b>	13	13	13	<b>14</b>	14	14	14	<b>15</b>	<b>7.4%</b>
Britannia Marie Gold	Britannia	250	40	<b>13</b>	14	15	16	<b>16</b>	16	16	16	<b>16</b>	<b>0.0%</b>
Parle Digestive Marie	Parle	100	15	<b>11</b>	11	11	11	<b>11</b>	11	14	15	<b>15</b>	<b>35.0%</b>
Parle Marie	Parle	66	10	<b>12</b>	13	13	13	<b>13</b>	15	15	15	<b>15</b>	<b>21.1%</b>
Britannia Milk Bikis	Britannia	171	25	<b>13</b>	13	13	13	<b>13</b>	13	14	15	<b>15</b>	<b>11.7%</b>
Parle Glucose	Parle	100	10	<b>9</b>	10	10	10	<b>10</b>	10	10	10	<b>10</b>	<b>0.0%</b>
Tiger Glucose	Britannia	85	10	<b>9</b>	10	10	11	<b>12</b>	12	12	12	<b>12</b>	<b>0.0%</b>
Sunfeast Glucose	ITC	32	5	<b>16</b>	16	16	16	<b>16</b>	16	16	16	<b>16</b>	<b>0.0%</b>

Source: Emkay Research

## Exhibit 70: Health food drinks brands – SKU price

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		gm	Rs	Rs/kg									
Protenix Original	Danone	250	399	1,560	1,587	1,640	1,625	1,596	1,596	1,596	1,596	1,596	0.0%
Horlicks Growth + (paper pack)	HUL	200	278	1,455	1,375	1,390	1,390	1,390	1,390	1,390	1,390	1,390	0.0%
Ensure	Abbott	200	320	1,500	1,533	1,600	1,600	1,600	1,600	1,600	1,600	2,200	37.5%
Protenix Chocolate	Danone	250	399	1,440	1,467	1,520	1,545	1,596	1,596	1,596	1,596	1,996	25.1%
Horlicks protein plus (Paper pack)	HUL	200	340	1,350	1,350	1,383	1,617	1,700	1,700	1,700	1,700	1,700	0.0%
Horlicks Women Chocolate (Jar)	HUL	400	365	748	766	800	853	866	863	871	904	913	5.4%
Bournvita Women	Mondelez	400	299	748	748	748	748	748	748	748	748	748	0.0%
Horlicks Royal Kesar Badam	HUL	400	264	655	651	660	660	660	660	660	660	658	-0.4%
Complan Pista Badam	Zydus	500	325	650	650	650	650	650	650	650	650	650	0.0%
Bournvita Lil Champ (Jar)	Mondelez	500	335	590	590	590	603	630	670	670	670	670	6.3%
Milo chocolate (Jar)	Nestlé	400	235	575	575	575	583	588	588	588	588	588	0.0%
Milo (Pouch pack)	Nestlé	250	142	560	560	560	565	568	568	568	568	560	-1.4%
Complan Chocolate	Zydus	500	305	578	578	578	578	578	578	578	610	610	5.5%
Horlicks Junior	HUL	500	330	580	580	597	630	660	660	660	660	660	0.0%
Horlicks Lite malt (Jar)	HUL	450	294	544	548	556	585	607	611	625	653	653	7.6%
Bournvita Lil Champ (Pouch)	Mondelez	500	267	534	534	534	534	534	534	534	534	534	0.0%
Boost (Jar)	HUL	500	295	487	487	487	501	536	590	590	590	590	10.1%
Horlicks Original (Jar)	HUL	500	294	490	493	500	527	547	550	563	588	588	7.6%
Horlicks Original (Paper pack)	HUL	500	294	468	476	490	517	559	578	581	588	588	5.3%
Bournvita Pro Health (Jar)	Mondelez	500	245	446	446	446	446	475	490	490	490	498	4.8%
Horlicks Chocolate (Jar)	HUL	500	249	450	450	477	490	493	498	498	498	498	1.1%
Horlicks classic (Pouch pack)	HUL	750	449	453	453	453	453	585	585	585	594	599	2.3%
Bournvita (Pouch)	Mondelez	750	449	418	418	418	425	449	460	460	594	599	2.3%
Bournvita Pro Health (Pouch)	Mondelez	500	230	400	400	400	400	400	400	400	460	466	3.7%
Amul Pro	GCMMF	75	30	350	350	350	360	360	360	360	360	360	0.0%

Source: Emkay Research

## Exhibit 71: Instant Noodles brands – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		gm	Rs	Rs/100gm									
Maggi Masala oats	Nestlé	294	118	38	38	38	38	38	40	40	40	40	5.8%
Maggi Veg Atta	Nestlé	73	28	33	33	33	33	33	33	35	39	39	15.9%
Maggi Veg Atta	Nestlé	290	112	32	32	32	32	32	32	36	39	39	19.1%
Top Ramen	Nissin Foods	290	104	29	29	31	36	36	36	36	36	36	0.0%
Yippee My Choice	ITC	60	15	25	25	25	25	25	25	25	25	25	0.0%
Maggi Special Masala	Nestlé	70	20	21	26	26	26	26	26	29	26	29	11.1%
Maggi Chicken	Nestlé	284	80	20	20	21	24	25	25	28	28	28	11.1%
Yippee Magic Masala	ITC	60	12	18	19	20	20	20	20	20	20	20	0.0%
Maggi Masala	Nestlé	70	14	17	19	20	20	20	20	20	20	20	0.0%
Maggi Masala	Nestlé	140	28	17	19	19	20	20	20	20	20	20	0.0%
Maggi Masala	Nestlé	280	56	17	17	18	19	20	20	20	20	20	1.8%

Source: Emkay Research

## Exhibit 72: Milk product brands – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		ltrs	Rs	Rs/ltr									
Everyday	Nestlé	0.4	246	525	525	545	545	545	598	605	612	615	12.8%
Nestlé a+ toned milk Slim	Nestlé	1	95	89	89	89	92	94	95	95	95	95	1.1%
Nestlé a+ toned milk UHT	Nestlé	1	106	76	78	80	88	94	101	103	106	106	13.2%
Amul Lite	GCMMF	1	80	75	75	75	75	75	80	80	80	82	9.3%
Go daily milk	Parag Milk	1	75	66	66	67	68	68	68	68	75	75	10.3%
Amul Gold	GCMMF	1	78	70	70	74	75	76	76	78	78	80	5.3%
Amul Taaza Homogenized Toned	GCMMF	1	72	66	66	67	69	71	72	72	72	74	4.7%
Mother Dairy Milk	Mother Dairy	1	78	68	68	69	70	70	70	73	78	78	11.4%

Source: Emkay Research

## Exhibit 73: Tea brands – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		gm	Rs	Rs/kg									
Brooke Bond Taj Mahal Tea Box	HUL	250	230	813	853	880	880	880	880	907	920	940	6.8%
Red Label tea natural care box	HUL	500	300	650	653	660	660	663	670	647	600	600	-9.5%
Tata Tea Gold	Tata Consumer	1,000	570	590	603	613	627	590	570	603	603	570	-3.4%
Red Label tea	HUL	500	300	570	570	570	570	570	570	580	587	600	5.3%
Red Label tea	HUL	1,000	600	570	570	570	570	570	570	570	590	600	5.3%
Wagh Bakri	Gujarat Tea Processors	500	290	540	540	540	580	587	560	573	580	580	-1.1%
Society Tea	Society Tea	500	290	540	553	560	560	560	560	580	580	580	3.6%
Girnar Royal Cup Tea	Girnar Food	500	290	540	540	547	560	560	560	580	580	580	3.6%
Brooke Bond Taaza Tea	HUL	1,000	230	300	300	300	300	310	330	230	230	230	-25.8%
Tata Agni	Tata Consumer	1,000	200	267	240	240	240	240	240	200	200	230	-4.2%
Brooke Bond Taaza Tea	HUL	250	85	340	340	340	340	340	340	340	340	320	-5.9%

Source: Emkay Research

## Exhibit 74: Coffee brands – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		gm	Rs	Rs/100gm									
Nescafe Gold Coffee	Nestlé	50	320	580	587	590	590	640	640	640	640	640	0.0%
Bru Coffee Gold- jar	HUL	100	370	293	307	317	337	340	340	340	370	370	8.8%
Nescafe Classic - 100% natural coffee	Nestlé	50	194	300	300	303	317	320	320	327	381	367	14.6%
Bru Instant Coffee - jar	HUL	100	280	170	173	185	197	200	230	250	273	300	50.0%
Sunrise Coffee premium	Nestlé	50	115	170	170	177	187	197	210	223	230	240	22.0%

Source: Emkay Research

## Exhibit 75: Baby food brands – SKU prices

Brand	Company	Tracked SKU		Q322	Q422	Q123	Q223	Q323	Q423	Q124	Q224	Q324	YoY
		gm	Rs	Rs/500gm									
Similac 1Q+	Abbott	400	760	<b>825</b>	825	833	879	<b>904</b>	925	925	950	<b>950</b>	<b>11.8%</b>
Nan Pro Stage 1	Nestlé	400	805	<b>813</b>	813	813	852	<b>904</b>	925	850	940	<b>1,006</b>	<b>9.8%</b>
Nan Pro Stage 2	Nestlé	400	805	<b>813</b>	813	825	875	<b>894</b>	925	981	952	<b>1,006</b>	<b>11.3%</b>
Nan Pro Stage 3	Nestlé	400	805	<b>756</b>	756	763	775	<b>775</b>	894	969	902	<b>1,006</b>	<b>11.3%</b>
Nan Pro Stage 4	Nestlé	400	805	<b>706</b>	738	738	758	<b>769</b>	888	888	990	<b>1,006</b>	<b>12.6%</b>
Similac 1	Abbott	400	775	<b>688</b>	688	694	706	<b>715</b>	731	706	969	<b>969</b>	<b>25.0%</b>
Pediasure - Vanilla delight	Abbott	400	770	<b>688</b>	688	694	706	<b>715</b>	731	706	913	<b>963</b>	<b>25.2%</b>
Nangrow	Nestlé	400	610	<b>706</b>	738	738	758	<b>808</b>	888	867	725	<b>763</b>	<b>6.7%</b>
Nangrow	Nestlé	400	610	<b>495</b>	498	495	495	<b>506</b>	527	534	725	<b>763</b>	<b>6.7%</b>
Pediasure - premium chocolate	Abbott	400	770	<b>480</b>	480	480	488	<b>511</b>	520	520	913	<b>963</b>	<b>19.1%</b>
Ceregrow- Base-Multigrain cereal with milk and fruits	Nestlé	300	260	<b>465</b>	465	476	491	<b>495</b>	508	520	538	<b>555</b>	<b>9.8%</b>
Cerelac 5 grains and Fruit	Nestlé	300	322	<b>465</b>	465	476	487	<b>497</b>	507	520	526	<b>537</b>	<b>5.1%</b>
Cerelac multigrain & fruit	Nestlé	300	322	<b>450</b>	450	456	469	<b>485</b>	519	519	526	<b>537</b>	<b>8.4%</b>
Cerelac multigrain Dal Veg (12 month +)	Nestlé	300	322	<b>450</b>	450	456	469	<b>485</b>	519	519	526	<b>537</b>	<b>8.1%</b>
Lactogen Infant Formula Stage 1	Nestlé	400	460	<b>447</b>	447	458	463	<b>473</b>	493	493	538	<b>575</b>	<b>18.5%</b>
Lactogen Infant Formula Stage 1 (0-6 month) (Bag)	Nestlé	400	460	<b>439</b>	447	452	473	<b>483</b>	493	507	538	<b>575</b>	<b>18.5%</b>
Cerelac Wheat rice mixed fruit Stage 2	Nestlé	300	314	<b>438</b>	438	442	450	<b>467</b>	500	492	503	<b>523</b>	<b>10.6%</b>
Cerelac Wheat rice mix veg Stage 3	Nestlé	300	314	<b>438</b>	438	442	450	<b>467</b>	500	492	512	<b>523</b>	<b>8.3%</b>
Lactogen Infant Formula Stage 2	Nestlé	400	445	<b>425</b>	425	429	446	<b>473</b>	494	519	519	<b>556</b>	<b>19.2%</b>
Lactogen Infant Formula Stage 2 (6 month +)	Nestlé	400	445	<b>423</b>	423	423	423	<b>423</b>	467	467	519	<b>556</b>	<b>19.2%</b>
Lactogen Infant Formula Stage 3	Nestlé	400	445	<b>423</b>	423	429	440	<b>440</b>	440	440	540	<b>556</b>	<b>17.6%</b>
Cerelac Wheat Apple Stage 1	Nestlé	300	300	<b>425</b>	425	429	438	<b>475</b>	494	463	478	<b>500</b>	<b>18.1%</b>
Cerelac Wheat Orange	Nestlé	300	300	<b>408</b>	408	414	434	<b>438</b>	453	453	460	<b>500</b>	<b>13.6%</b>
Lactogen Infant Formula Stage 4	Nestlé	400	445	<b>358</b>	358	367	385	<b>392</b>	392	397	494	<b>556</b>	<b>17.1%</b>
Cerelac Wheat Apple Cherry Stage 2	Nestlé	300	295	<b>344</b>	350	359	363	<b>363</b>	390	363	466	<b>492</b>	<b>12.2%</b>
Cerelac Wheat Apple Stage 1	Nestlé	300	265	<b>331</b>	342	342	342	<b>355</b>	382	400	414	<b>433</b>	<b>10.6%</b>
Cerelac Rice	Nestlé	300	255	<b>825</b>	825	833	879	<b>904</b>	925	925	384	<b>425</b>	<b>17.0%</b>
Cerelac Wheat	Nestlé	300	250	<b>813</b>	813	813	852	<b>904</b>	925	850	406	<b>417</b>	<b>17.4%</b>

Source: Emkay Research

## Appendix 4: Currency movement

Exhibit 76: Quarterly currency movement

Currency (Region)	Companies impacted	Average exchange rate vs the INR					Change YoY				
		Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Euro (EU)	Dabur	83.9	88.2	89.5	90.6	89.6	-2%	5%	9%	13%	7%
USD (USA)	All companies	82.2	82.3	82.2	82.5	83.3	10%	9%	6%	3%	1%
LKR (SL)	GCPL, Marico, Dabur	0.2	0.2	0.3	0.3	0.3	-40%	-33%	20%	17%	14%
BDT (Bangladesh)	GCPL, Marico, Dabur	0.8	0.8	0.8	0.8	0.8	-8%	-11%	-12%	-9%	-6%
NPR (Nepal)	Dabur	0.6	0.6	0.6	0.6	0.6	0%	0%	0%	0%	0%
IDR (Indonesia)	GCPL	0.5	0.5	0.6	0.5	0.5	1%	3%	4%	2%	1%
Ringgit (Malaysia)	Marico, GCPL/HUL (Palm oil imports)	18.0	18.7	18.2	17.9	17.7	1%	4%	2%	1%	-2%
Dong (Vietnam)	Marico	0.3	0.3	0.4	0.3	0.3	3%	6%	5%	2%	1%
Rand (South Africa)	GCPL, Marico	4.7	4.6	4.4	4.5	4.4	-4%	-6%	-11%	-5%	-5%
Naira (Nigeria)	GCPL, Dabur	0.2	0.2	0.2	0.1	0.1	2%	-1%	-11%	-42%	-45%
Shilling (Kenya)	GCPL	0.7	0.7	0.6	0.6	0.5	1%	-1%	-10%	-14%	-19%
Lira (Turkey)	Dabur	4.4	4.4	4.0	3.1	2.9	-36%	-19%	-19%	-31%	-34%
EGP (Egypt)	Marico, Dabur	3.6	2.7	2.7	2.7	2.7	-25%	-41%	-36%	-36%	-25%
AED (Middle East)	GCPL, Marico, Dabur	22.4	22.4	22.4	22.5	22.7	10%	9%	6%	3%	1%
Peso (Argentina)	GCPL	0.5	0.4	0.4	0.3	0.2	-32%	-39%	-46%	-52%	-58%
Peso (Uruguay)	GCPL	2.1	2.1	2.1	2.2	2.1	21%	21%	12%	11%	2%
Peso (Chile)	GCPL	0.9	1.0	1.0	1.0	0.9	-1%	9%	12%	15%	3%

Source: Bloomberg, Emkay Research

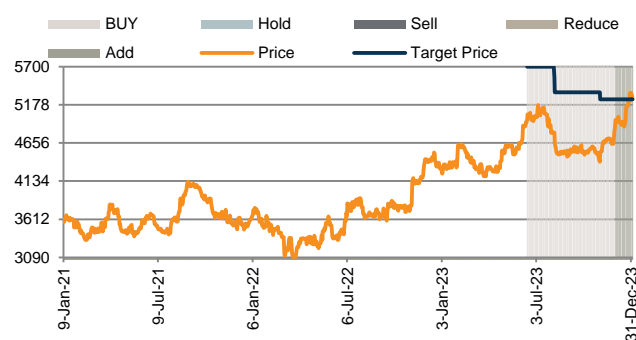
## BRITANNIA INDUSTRIES

## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
12-Dec-23	4,903	5,250	Add	Nitin Gupta
30-Nov-23	4,853	5,250	Add	Nitin Gupta
24-Nov-23	4,644	5,250	Buy	Nitin Gupta
02-Nov-23	4,527	5,250	Buy	Nitin Gupta
20-Oct-23	4,580	5,350	Buy	Nitin Gupta
03-Oct-23	4,495	5,350	Buy	Nitin Gupta
28-Aug-23	4,511	5,350	Buy	Nitin Gupta
15-Aug-23	4,500	5,350	Buy	Nitin Gupta
07-Aug-23	4,660	5,350	Buy	Nitin Gupta
06-Aug-23	4,799	5,550	Buy	Nitin Gupta
18-Jun-23	5,045	5,700	Buy	Nitin Gupta
15-Jun-23	4,975	5,700	Buy	Nitin Gupta

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

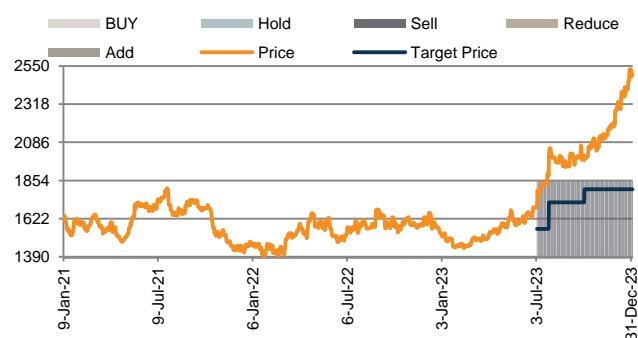
## COLGATE-PALMOLIVE

## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
12-Dec-23	2,336	1,800	Sell	Nitin Gupta
30-Nov-23	2,196	1,800	Sell	Nitin Gupta
24-Nov-23	2,195	1,800	Sell	Nitin Gupta
26-Oct-23	2,034	1,800	Sell	Nitin Gupta
24-Oct-23	2,076	1,800	Sell	Nitin Gupta
20-Oct-23	2,111	1,800	Sell	Nitin Gupta
03-Oct-23	1,978	1,800	Sell	Nitin Gupta
28-Aug-23	1,936	1,720	Sell	Nitin Gupta
22-Aug-23	1,940	1,720	Sell	Nitin Gupta
15-Aug-23	1,963	1,720	Sell	Nitin Gupta
27-Jul-23	2,002	1,720	Sell	Nitin Gupta
04-Jul-23	1,705	1,560	Sell	Nitin Gupta

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

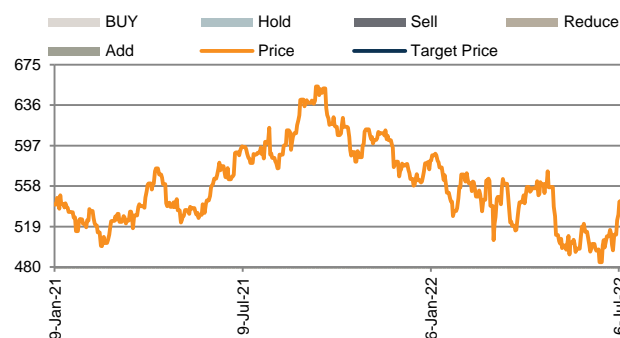
## DABUR INDIA

## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
04-Jan-24	566	650	Buy	Nitin Gupta
04-Jan-24	566	650	Buy	Nitin Gupta
12-Dec-23	549	650	Buy	Nitin Gupta
12-Dec-23	549	650	Buy	Nitin Gupta
30-Nov-23	538	650	Buy	Nitin Gupta
30-Nov-23	538	650	Buy	Nitin Gupta
24-Nov-23	537	650	Buy	Nitin Gupta
24-Nov-23	537	650	Buy	Nitin Gupta
03-Nov-23	536	650	Buy	Nitin Gupta
03-Nov-23	536	650	Buy	Nitin Gupta
20-Oct-23	525	650	Buy	Nitin Gupta
20-Oct-23	525	650	Buy	Nitin Gupta
19-Oct-23	526	650	Buy	Nitin Gupta
19-Oct-23	526	650	Buy	Nitin Gupta
06-Oct-23	547	650	Buy	Nitin Gupta
06-Oct-23	547	650	Buy	Nitin Gupta
03-Oct-23	554	650	Buy	Nitin Gupta
03-Oct-23	554	650	Buy	Nitin Gupta

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

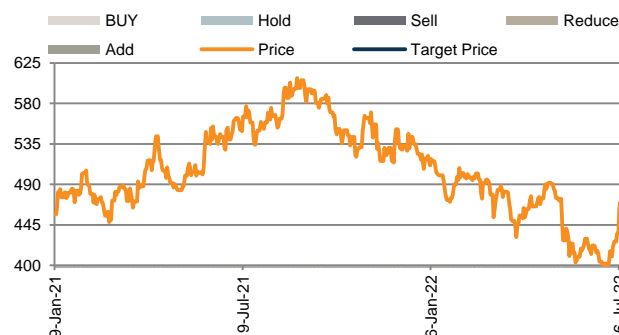
## EMAMI

## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
31-Dec-23	564	625	Buy	Nitin Gupta
31-Dec-23	564	625	Buy	Nitin Gupta
12-Dec-23	495	625	Buy	Nitin Gupta
12-Dec-23	495	625	Buy	Nitin Gupta
30-Nov-23	506	625	Buy	Nitin Gupta
30-Nov-23	506	625	Buy	Nitin Gupta
24-Nov-23	504	625	Buy	Nitin Gupta
24-Nov-23	504	625	Buy	Nitin Gupta
06-Nov-23	519	625	Buy	Nitin Gupta
06-Nov-23	519	625	Buy	Nitin Gupta
20-Oct-23	510	625	Buy	Nitin Gupta
20-Oct-23	510	625	Buy	Nitin Gupta
03-Oct-23	535	625	Buy	Nitin Gupta
03-Oct-23	535	625	Buy	Nitin Gupta
25-Sep-23	515	625	Buy	Nitin Gupta
25-Sep-23	515	625	Buy	Nitin Gupta

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research



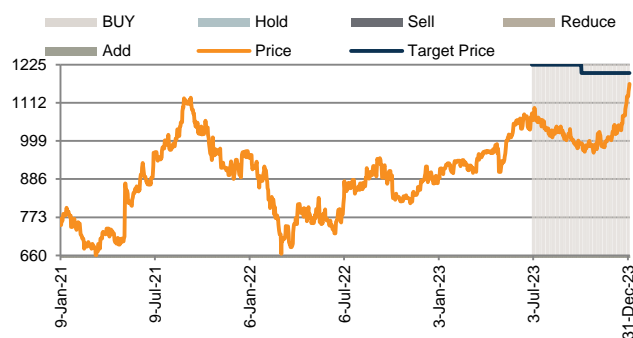
## GODREJ CONSUMER PRODUCTS

## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
12-Dec-23	1,032	1,200	Buy	Nitin Gupta
30-Nov-23	1,008	1,200	Buy	Nitin Gupta
24-Nov-23	1,010	1,200	Buy	Nitin Gupta
17-Nov-23	997	1,200	Buy	Nitin Gupta
01-Nov-23	975	1,200	Buy	Nitin Gupta
20-Oct-23	988	1,200	Buy	Nitin Gupta
03-Oct-23	993	1,200	Buy	Nitin Gupta
28-Aug-23	1,028	1,225	Buy	Nitin Gupta
15-Aug-23	1,036	1,225	Buy	Nitin Gupta
08-Aug-23	1,009	1,225	Buy	Nitin Gupta
30-Jun-23	1,081	1,225	Buy	Nitin Gupta

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

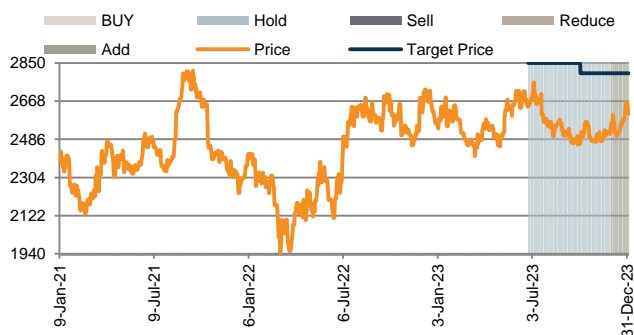
## HINDUSTAN UNILEVER

## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
12-Dec-23	2,503	2,800	Add	Nitin Gupta
30-Nov-23	2,546	2,800	Add	Nitin Gupta
24-Nov-23	2,515	2,800	Hold	Nitin Gupta
20-Oct-23	2,495	2,800	Hold	Nitin Gupta
03-Oct-23	2,469	2,800	Hold	Nitin Gupta
28-Aug-23	2,556	2,850	Hold	Nitin Gupta
15-Aug-23	2,533	2,850	Hold	Nitin Gupta
20-Jul-23	2,703	2,850	Hold	Nitin Gupta
25-Jun-23	2,642	2,850	Hold	Nitin Gupta

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

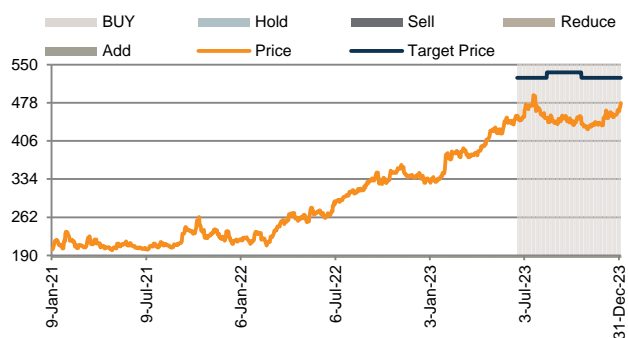
## ITC

## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
13-Dec-23	456	525	Buy	Nitin Gupta
12-Dec-23	453	525	Buy	Nitin Gupta
30-Nov-23	436	525	Buy	Nitin Gupta
24-Nov-23	438	525	Buy	Nitin Gupta
20-Oct-23	438	525	Buy	Nitin Gupta
03-Oct-23	440	535	Buy	Nitin Gupta
28-Aug-23	441	535	Buy	Nitin Gupta
15-Aug-23	449	535	Buy	Nitin Gupta
28-Jul-23	468	525	Buy	Nitin Gupta
24-Jul-23	471	525	Buy	Nitin Gupta
15-Jul-23	473	525	Buy	Nitin Gupta
19-Jun-23	454	525	Buy	Nitin Gupta

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

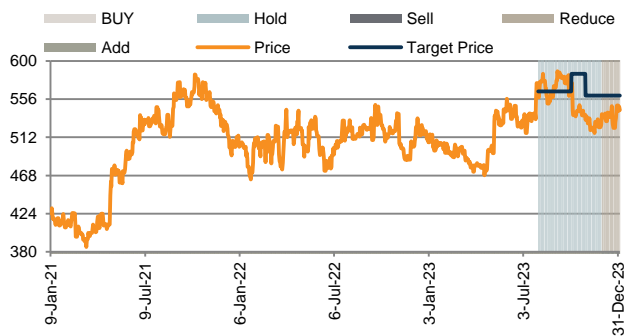
## MARICO

## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
12-Dec-23	540	560	Reduce	Nitin Gupta
30-Nov-23	539	560	Reduce	Nitin Gupta
24-Nov-23	524	560	Hold	Nitin Gupta
30-Oct-23	532	560	Hold	Nitin Gupta
20-Oct-23	542	585	Hold	Nitin Gupta
04-Oct-23	571	585	Hold	Nitin Gupta
03-Oct-23	576	585	Hold	Nitin Gupta
28-Aug-23	558	565	Hold	Nitin Gupta
15-Aug-23	568	565	Hold	Nitin Gupta
31-Jul-23	561	565	Hold	Nitin Gupta

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

**GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. [www.emkayglobal.com](http://www.emkayglobal.com).

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

**Disclaimer for U.S. persons only:** Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

**RESTRICTIONS ON DISTRIBUTION**

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

**ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)**

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons<sup>1</sup> may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

<sup>1</sup> An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

**COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of January 7, 2024
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report  
**Disclosure of previous investment recommendation produced:**
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of January 7, 2024
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the January 7, 2024
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

**Emkay Rating Distribution**

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

**Emkay Global Financial Services Ltd.**

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India  
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

**OTHER DISCLAIMERS AND DISCLOSURES:****Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.