

E-com drives Q1 sales growth; weak margins drag earnings

Consumer Goods ▶ Result Update ▶ July 24, 2025

CMP (Rs): 2,322 | TP (Rs): 2,300

We maintain REDUCE with a Jun-26E TP of Rs2,300 (60x P/E), as we expect a gradual recovery in growth and margins. Past price hikes, driven by broad-based inflation, have weighed on performance amid demand stress. With raw material costs likely to ease, we foresee a slow rebound in operating metrics. The company's Q1 performance was weak – while topline growth of 6% came in line, the flat EBITDA, and 11% YoY dip in earnings lagged consensus/our expectations. Our analysis suggests that domestic growth was largely led by e-commerce, which added Rs2.6bn YoY, nearly matching India revenue growth of Rs2.5bn YoY.

Topline growth at 6% driven by e-com

Domestic sales grew 5.5% YoY to Rs48.6bn, with ~3% estimated real internal growth. We estimate volume growth at ~2.5% in Q1FY26E. Export sales grew 16% to Rs2.14bn. Overall revenue grew 5.9% YoY to Rs50.7bn. E-com channel's salience expanded 5% YoY to 12.5%. E-com sales grew 76% YoY to Rs6bn. Our assessment suggests that e-com is driving the bulk of domestic sales growth for the company. From a segment growth perspective, we see high-teen growth for beverages and confectionaries; prepared dishes likely grew in mid-single digit (with positive volume), while milk products may have declined by low-single digit. The management noted that 7 of 12 brands registered double-digit revenue growth. We maintain an 8% revenue CAGR over FY25-28E.

Gross margin stress hurt OPM delivery; EBITDA flat, earnings down 10%

The gross margin at 55%, down by 250bps YoY, came lower than our estimated 56.5%. The company has been regular with price hikes which we thought would have helped the gross margin. However, it seems like trade spending and consumer promotions affected the gross margin. The management noted a surge in operating costs, given expansion in manufacturing capacities. On key raw materials, the management noted stability in edible oil and cocoa prices, a decline in coffee (expect it to be range-bound at current level; Vietnam supplies are expected to be normal), and a modest increase in milk prices (albeit easing is anticipated on favorable monsoon and flush season). The EBITDA margin at 21.7%, down by 130bps YoY, was below consensus/our expectations of 23.1%/22.3%. EBITDA came flat YoY at Rs11bn, 7%/2% below consensus/our estimate. Interest cost surged to Rs469mn, up 48% YoY, given higher borrowings to fund temporary operational cashflow needs. This, with an increase in the tax rate, drove adj PAT decline of 10.6% YoY (12%/5% below consensus/our estimate). We cut earnings by 2-3%, to factor in margin pressure. On gradual margin recovery, we see 11% earnings CAGR over FY25-28E. Our earnings estimates are 5-8% below consensus for FY25-28E.

Valuation remains elevated, requires healthy earnings ahead; maintain REDUCE

Strong parentage, premiumization potential, focused actions in rural markets, expected easing in raw material costs, and likely refinement in execution under the new leadership are factors that could keep valuations elevated (62x P/E on FY27E). Faster growth in the e-commerce channel is promising, as the company is better placed with the new CEO (experienced in managing one of the largest e-commerce platforms in India). However, limited revenue from other channels is concerning.

Target Price – 12M	Jun-26
Change in TP (%)	-
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(0.9)

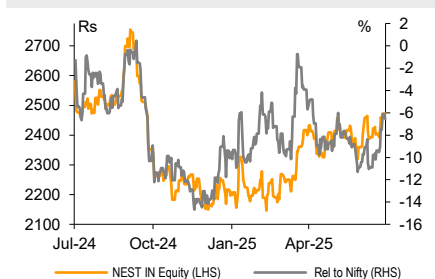
Stock Data	NEST IN
52-week High (Rs)	2,778
52-week Low (Rs)	2,110
Shares outstanding (mn)	964.2
Market-cap (Rs bn)	2,239
Market-cap (USD mn)	25,910
Net-debt, FY26E (Rs mn)	28,237.5
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	2,300.3
ADTV-3M (USD mn)	26.6
Free float (%)	37.2
Nifty-50	25,062.1
INR/USD	86.4

Shareholding, Jun-25

Promoters (%)	62.8
FPIs/MFs (%)	10.3/11.2

Price Performance

(%)	1M	3M	12M
Absolute	(1.8)	(4.6)	(8.6)
Rel. to Nifty	(1.9)	(7.7)	(11.0)

1-Year share price trend (Rs)**Nestlé India: Financial Snapshot (Standalone)**

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	243,939	202,016	215,610	233,349	252,073
EBITDA	58,490	47,737	50,378	56,869	62,906
Adj. PAT	39,577	30,237	31,477	36,179	41,329
Adj. EPS (Rs)	41.0	31.4	32.6	37.5	42.9
EBITDA margin (%)	24.0	23.6	23.4	24.4	25.0
EBITDA growth (%)	55.6	(18.4)	5.5	12.9	10.6
Adj. EPS growth (%)	62.5	(23.6)	4.1	14.9	14.2
RoE (%)	136.5	81.1	71.9	73.2	74.2
RoIC (%)	114.8	65.9	55.6	67.3	80.7
P/E (x)	56.9	67.6	71.1	61.9	54.3
EV/EBITDA (x)	40.8	50.3	47.7	42.2	38.2
P/B (x)	67.0	54.4	48.3	42.7	38.0
FCFF yield (%)	1.0	0.4	1.5	1.8	2.1

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions.com)

Nitin Gupta

 nitin.gupta@emkayglobal.com
 +91-22-66121257

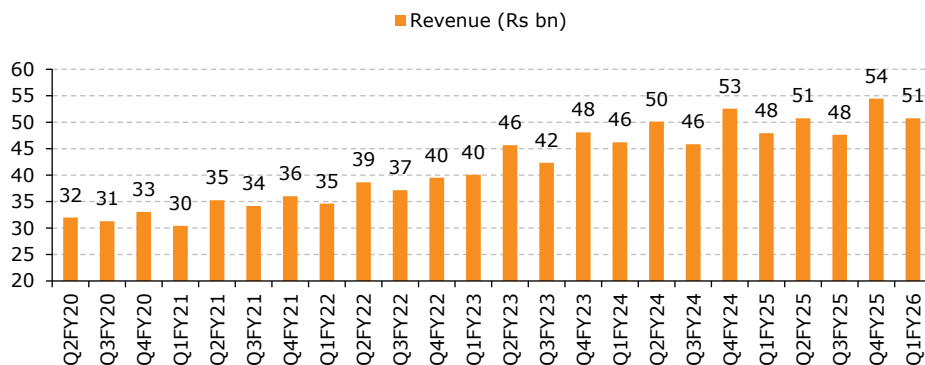
Quarterly performance

Exhibit 1: Nestlé India – Q1FY26 performance

(Rs mn)	1QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)	Emkay Est	Var (%)
Total income	50,962	48,140	5.9	55,039	(7.4)	50,475	1.0
Cost of goods	22,854	20,388	12.1	24,124	(5.3)	21,957	4.1
Employee expenses	5,157	5,054	2.0	5,220	(1.2)	5,500	(6.2)
Other expenses	11,948	11,674	2.3	11,805	1.2	11,800	1.3
EBITDA	11,003	11,023	(0.2)	13,890	(20.8)	11,218	(1.9)
EBITDAM (%)	21.6	22.9	-130bps	25.2	-360bps	22.2	-60bps
Depreciation	1,569	1,127	39.2	1,553	1.0	1,600	(1.9)
EBIT	9,433	9,896	(4.7)	12,336	(23.5)	9,618	(1.9)
EBITM (%)	18.5	20.6	-200bps	22.4	-390bps	19.1	-50bps
Interest cost	469	317	48.0	375	25.0	300	56.3
Other income	40	391	(89.7)	84	(52.1)	30	34.7
PBT	9,005	9,971	(9.7)	12,046	(25.2)	9,348	(3.7)
Tax	2,412	2,625	(8.1)	3,192	(24.4)	2,384	1.2
Tax rate (%)	26.8	26.3	50bps	26.5	30bps	25.5	130bps
Non-recurring items	0	120	(100.0)	0	-	0	-
PAT	6,592	7,466	(12)	8,854	(25.5)	6,964	(5.3)
Adj Profit	6,592	7,378	(10.6)	8,854	(25.5)	6,964	(5.3)
NPM (%)	12.9	15.3	-240bps	16.1	-320bps	13.8	-90bps
EPS (Rs)	6.8	7.7	(10.6)	9.2	(25.5)	7.2	-5.3

Source: Company, Emkay Research

Exhibit 2: Nestlé revenue



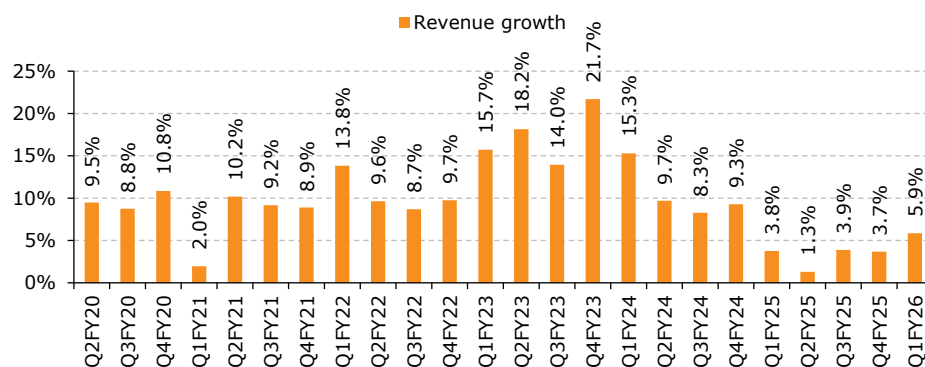
Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Exhibit 3: Quarterly press-release data

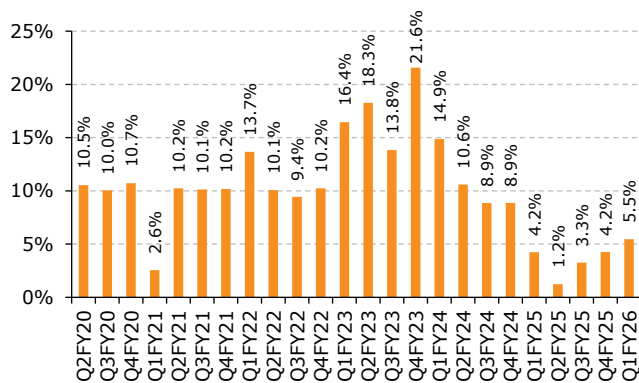
Segments	Prepared dishes and cooking aids	Milk products and nutrition	Confectionery	Powdered and liquid beverages
Q1FY26	- Volume growth turns positive - Double-digit growth in Maggi noodles - Masala-Ae-Magic recorded strong double-digit growth	- Mixed growth performance, while a few segments recorded muted performances - Milkmaid delivered single-digit growth.	- High double-digit growth, driven by volume growth - KitKat and Munch recorded double-digit growth - Milky bar saw high double-digit growth - New Launch- KitKat Duo, KitKat Lemon n Lime, and KITKAT Dark Sharebag	Strong double-digit growth
Q4FY25	- Mid-single-digit growth, led by Maggi returning to volume growth - Maggi Masala-Ae-Magic consistently posted good growth	- Milkmaid delivered strong growth - Launched unsweetened low-fat Greek yoghurt	- High single-digit pace in value and volume, driven by KitKat - Strong distribution gains - New Launch- KitKat Raspberry, Munch Maxx Nuts, KitKat Salted Caramel	- High double-digit growth - Double-digit growth in NESCAFÉ Classic, NESCAFÉ Sunrise, and NESCAFÉ GOLD
Q3FY25	- High single-digit growth, led by volume growth in Maggi noodles - Masala-ae-Magic had a strong and consistent performance - Expanded Maggi Atta noodles to RURBAN market	- Toddlers' milk products and specific nutritional needs delivered strong performances - Milkmaid growth led by the festive season and the Milkmaid mini product	- Confectionery recorded high single-digit growth - KitKat recorded double-digit growth - New Launch- Munch Max Nuts - Launched consumer campaigns- 'Find the Golden KitKat'	- High double-digit growth - Continued toward premiumization journeys in metros and towns
Q2FY25	- Masala-Ae-Magic recorded high double-digit growth - New Launch- MAGGI chatpata Besan noodles	- Milkmaid recorded high double-digit growth - Toddlers' milk products recorded high double-digit growth - Increased advertising spends	- KitKat recorded high single-digit growth - Munch continued to gain inroads into regional markets - Leveraged youth passion points with a fun partnership with 'Candy Crush'	- High double-digit growth - Strong performance across NESCAFÉ CLASSIC, NESCAFÉ SUNRISE, and NESCAFÉ GOLD - NESCAFÉ GOLD and NESCAFÉ Roastery led the premiumization journey.
Q1FY25	- Innovations contributed to ~30% of growth in the quarter - Masala-Ae-Magic saw double-digit growth - Strong consumer engagement, media campaigns, innovations, and enhanced RURBAN penetration led to growth	- Milk Products and Nutrition portfolio-maintained growth - Milkmaid and toddler range of products drove growth	- KitKat delivered double-digit growth - Category-first initiatives were initiated on OTT platforms for KitKat - Munch entered a movie partnership	- Strong double-digit growth, despite a scorching summer across many parts of India - NESCAFÉ CLASSIC recorded double-digit growth - NESCAFÉ Sunrise recorded strong growth and gained traction in South India

Source: Company, Emkay Research

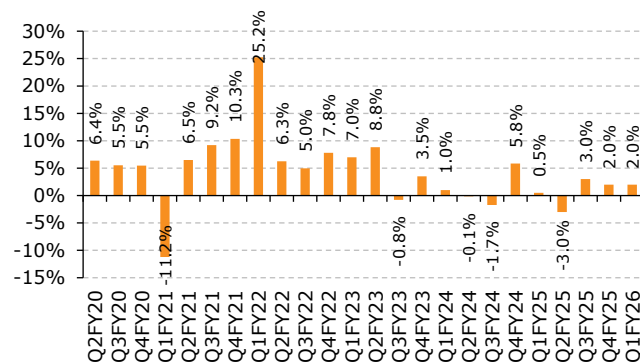
Exhibit 4: Nestlé revenue growth (YoY)

Source: Company, Emkay Research

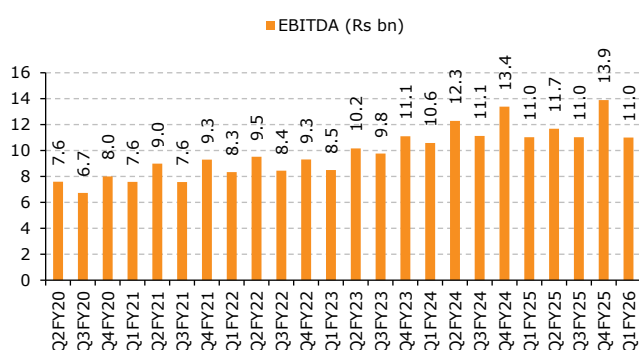
This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 5: Domestic revenue growth

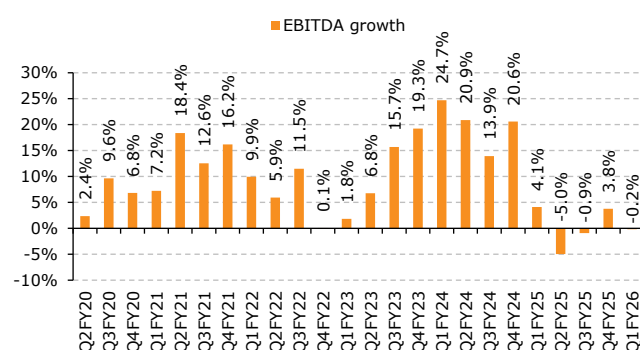
Source: Company, Emkay Research

Exhibit 6: Domestic volume growth

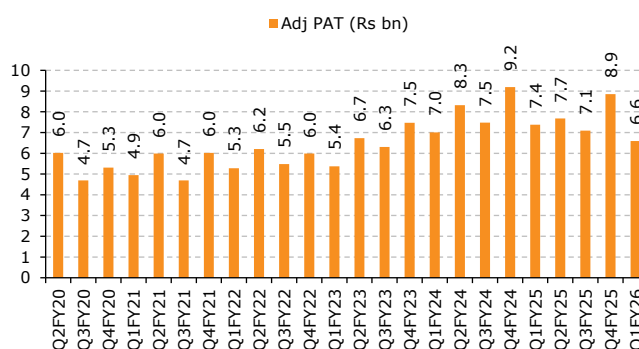
Source: Company, Emkay Research

Exhibit 7: Nestlé EBITDA

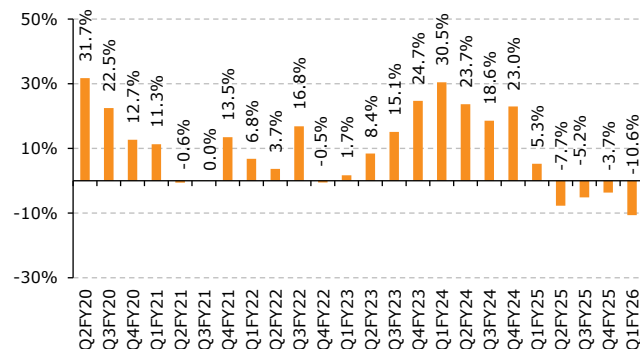
Source: Company, Emkay Research

Exhibit 8: Nestlé EBITDA growth

Source: Company, Emkay Research

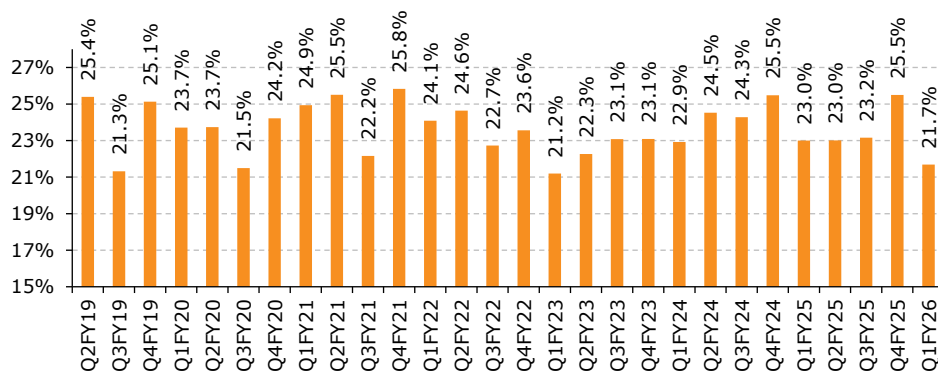
Exhibit 9: Adjusted PAT

Source: Company, Emkay Research

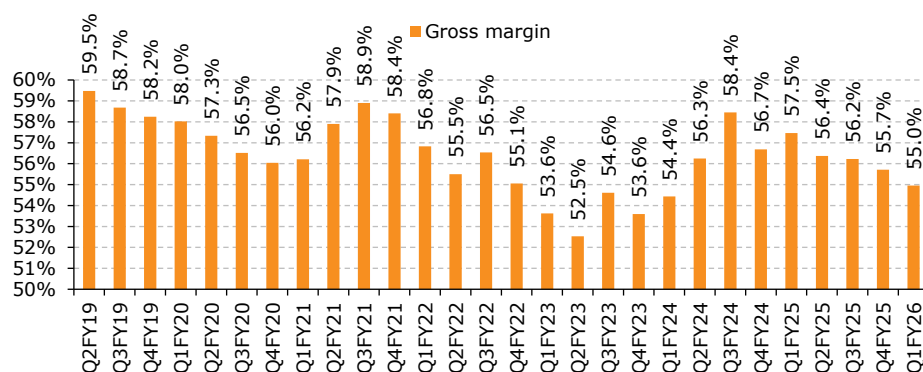
Exhibit 10: Adjusted PAT growth

Source: Company, Emkay Research

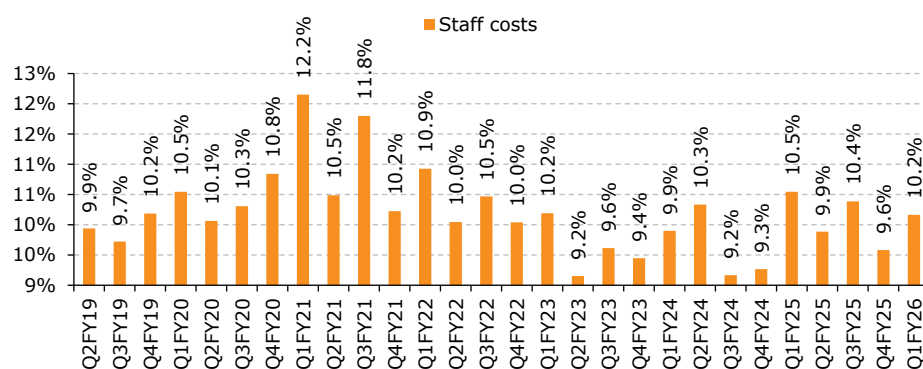
This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions.com)

Exhibit 11: EBITDA margin

Source: Company, Emkay Research

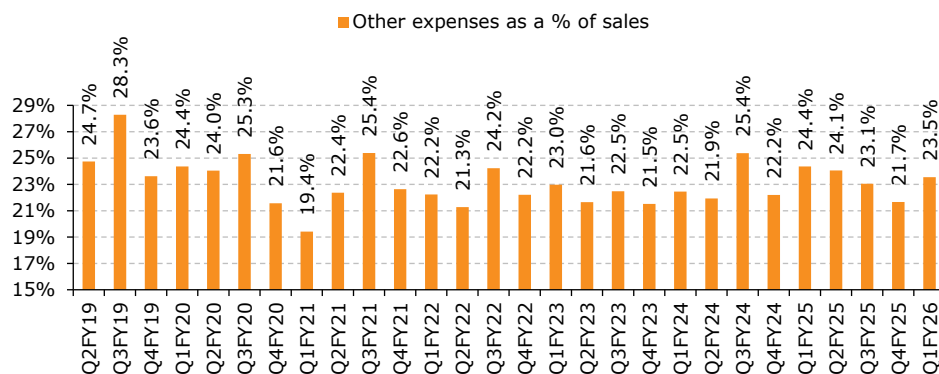
Exhibit 12: Gross margin

Source: Company, Emkay Research

Exhibit 13: Staff costs

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Exhibit 14: Other expenses as a % of sales

Source: Company, Emkay Research

Exhibit 15: Key assumptions

	CY21	CY22	FY24	FY25	FY26E	FY27E	FY28E
Income statement							
Total income growth	10.1%	14.7%	15.7%	3.4%	6.8%	8.2%	8.0%
Volume growth	10.5%	5.6%	2.7%	-0.5%	3.3%	5.1%	5.1%
Gross margin	57.0%	54.1%	56.1%	56.7%	56.3%	57.0%	57.3%
Royalty	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
Advertisement	5.2%	4.1%	5.3%	4.8%	5.0%	5.0%	5.0%
EBITDA margin	24.3%	22.2%	24.0%	23.6%	23.4%	24.4%	25.0%
Tax rate	23.9%	26.2%	25.5%	27.3%	26.0%	26.0%	26.0%
Adj PAT growth	12.5%	3.3%	30.0%	-4.5%	4.1%	14.9%	14.2%
EPS (Rs)	24.4	25.3	41.0	31.4	32.6	37.5	42.9
Balance Sheet							
ROE	114.9%	107.2%	109.2%	81.1%	71.9%	73.2%	74.2%
ROCE	152.3%	145.6%	145.0%	102.7%	91.9%	100.3%	99.3%
Inventory days	39	42	39	51	48	45	45
Receivable days	4	4	6	7	6	6	6
Payable days	43	42	42	43	42	41	41

Source: Company, Emkay Research

Exhibit 16: Changes to our estimates

(Rs mn)	New estimates			Old estimates			Changes to estimate		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net sales	214,408	232,051	250,684	214,408	232,051	250,684	0%	0%	0%
growth	6.8%	8.2%	8.0%	6.8%	8.2%	8.0%			
EBITDA	50,378	56,869	62,906	51,021	56,869	62,906	-1%	0%	0%
growth	5.5%	12.9%	10.6%	6.9%	11.5%	10.6%			
EBITDA margin	23.5%	24.5%	25.1%	23.8%	24.5%	25.1%			
Adj PAT	31,477	36,179	41,303	32,505	36,816	42,055	-3%	-2%	-2%
growth	4.1%	14.9%	14.2%	7.5%	13.3%	14.2%			
EPS	32.6	37.5	42.9	33.7	38.2	43.6	-3%	-2%	-2%

Source: Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 17: Emkay estimates vs consensus

(Rs mn)	Emkay estimates			Consensus			Emkay estimates vs Consensus		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	214,408	232,051	250,684	218,774	241,436	263,467	-2%	-4%	-5%
growth (%)	6.8%	8.2%	8.0%	9.0%	10.4%	9.1%			
EBITDA	50,378	56,869	62,906	52,461	58,970	65,152	-4%	-4%	-3%
growth (%)	5.5%	12.9%	10.6%	9.9%	12.4%	10.5%			
EBITDA margin (%)	23.5%	24.5%	25.1%	24.0%	24.4%	24.7%			
Adj PAT	31,477	36,179	41,303	34,126	38,589	43,005	-8%	-6%	-4%
growth (%)	4.1%	14.9%	14.2%	12.9%	13.1%	11.4%			
EPS	32.6	37.5	42.9	35.5	40.1	45.0	-8%	-6%	-5%

Source: Bloomberg, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Nestlé India: Standalone Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	243,939	202,016	215,610	233,349	252,073
Revenue growth (%)	44.4	(17.2)	6.7	8.2	8.0
EBITDA	58,490	47,737	50,378	56,869	62,906
EBITDA growth (%)	55.6	(18.4)	5.5	12.9	10.6
Depreciation & Amortization	5,378	5,399	6,517	6,966	7,283
EBIT	53,113	42,338	43,861	49,903	55,623
EBIT growth (%)	58.3	(20.3)	3.6	13.8	11.5
Other operating income	1,184	1,241	1,202	1,298	1,389
Other income	1,480	589	126	337	1,477
Financial expense	1,455	1,360	1,450	1,350	1,250
PBT	53,137	41,567	42,537	48,890	55,850
Extraordinary items	(249)	2,908	0	0	(100)
Taxes	13,560	11,330	11,060	12,712	14,521
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	39,328	33,145	31,477	36,179	41,229
PAT growth (%)	64.5	(15.7)	(5.0)	14.9	14.0
Adjusted PAT	39,577	30,237	31,477	36,179	41,329
Diluted EPS (Rs)	41.0	31.4	32.6	37.5	42.9
Diluted EPS growth (%)	62.5	(23.6)	4.1	14.9	14.2
DPS (Rs)	31.2	25.5	27.3	31.3	27.3
Dividend payout (%)	76.5	74.2	83.5	83.3	63.7
EBITDA margin (%)	24.0	23.6	23.4	24.4	25.0
EBIT margin (%)	21.8	21.0	20.3	21.4	22.1
Effective tax rate (%)	25.5	27.3	26.0	26.0	26.0
NOPLAT (pre-IndAS)	39,559	30,798	32,457	36,928	41,161
Shares outstanding (mn)	964	964	964	964	964

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	964	964	964	964	964
Reserves & Surplus	32,445	40,207	45,410	51,458	57,976
Net worth	33,409	41,172	46,374	52,422	58,940
Minority interests	0	0	0	0	0
Non-current liab. & prov.	0	536	536	536	536
Total debt	29,483	38,435	31,987	32,747	33,632
Total liabilities & equity	62,892	80,142	78,898	85,705	93,108
Net tangible fixed assets	34,603	54,736	54,910	53,834	49,551
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	17,417	11,726	11,726	8,835	7,101
Goodwill	0	0	0	0	0
Investments [JV/Associates]	4,239	7,056	7,056	7,056	7,056
Cash & equivalents	8,188	957	3,750	16,413	30,334
Current assets (ex-cash)	40,784	48,765	47,038	48,576	52,057
Current Liab. & Prov.	42,338	43,097	45,581	49,010	52,991
NWC (ex-cash)	(1,555)	5,668	1,457	(434)	(934)
Total assets	62,892	80,142	78,898	85,705	93,108
Net debt	21,295	37,478	28,237	16,334	3,299
Capital employed	62,892	80,142	78,898	85,705	93,108
Invested capital	33,048	60,404	56,366	53,400	48,617
BVPS (Rs)	34.6	42.7	48.1	54.4	61.1
Net Debt/Equity (x)	0.6	0.9	0.6	0.3	0.1
Net Debt/EBITDA (x)	0.4	0.8	0.6	0.3	0.1
Interest coverage (x)	37.5	31.6	30.3	37.2	45.7
RoCE (%)	91.1	60.2	55.7	61.4	64.3

Source: Company, Emkay Research

Cash flows					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	51,658	40,978	42,411	48,553	54,373
Others (non-cash items)	326	(2,965)	0	0	0
Taxes paid	(12,988)	(10,244)	(11,060)	(12,712)	(11,060)
Change in NWC	(2,489)	(6,687)	4,212	1,890	500
Operating cash flow	41,748	29,364	43,530	46,047	52,346
Capital expenditure	(18,783)	(19,841)	(6,690)	(3,000)	(1,266)
Acquisition of business	-	(2,817)	0	0	0
Interest & dividend income	-	-	-	-	-
Investing cash flow	(12,066)	(21,670)	(6,564)	(7,663)	(4,789)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(2,869)	8,952	(6,448)	759	885
Payment of lease liabilities	0	0	0	0	0
Interest paid	(1,455)	(1,360)	(1,450)	(1,350)	(1,250)
Dividend paid (incl tax)	(30,082)	(24,586)	(26,274)	(30,131)	(26,274)
Others	3,056	(1,487)	0	0	736
Financing cash flow	(31,349)	(18,481)	(34,172)	(30,722)	(25,903)
Net chg in Cash	(1,667)	(10,788)	2,793	7,663	21,655
OCF	41,748	29,364	43,530	46,047	52,346
Adj. OCF (w/o NWC chg.)	44,237	36,050	39,318	44,157	51,846
FCFF	22,965	9,522	36,839	43,047	51,081
FCFE	21,510	8,162	35,389	41,697	49,831
OCF/EBITDA (%)	71.4	61.5	86.4	81.0	83.2
FCFE/PAT (%)	54.7	24.6	112.4	115.3	120.9
FCFF/NOPLAT (%)	58.1	30.9	113.5	116.6	124.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	56.9	67.6	71.1	61.9	54.3
EV/CE(x)	37.9	30.2	30.7	28.2	25.9
P/B (x)	67.0	54.4	48.3	42.7	38.0
EV/Sales (x)	9.8	12.0	11.2	10.4	9.6
EV/EBITDA (x)	40.8	50.3	47.7	42.2	38.2
EV/EBIT(x)	44.9	56.7	54.8	48.1	43.2
EV/IC (x)	72.2	39.8	42.6	45.0	49.4
FCFF yield (%)	1.0	0.4	1.5	1.8	2.1
FCFE yield (%)	1.0	0.4	1.6	1.9	2.2
Dividend yield (%)	1.3	1.1	1.2	1.3	1.2
DuPont-RoE split					
Net profit margin (%)	16.2	15.0	14.6	15.5	16.4
Total asset turnover (x)	4.1	2.8	2.7	2.8	2.8
Assets/Equity (x)	2.1	1.9	1.8	1.7	1.6
RoE (%)	136.5	81.1	71.9	73.2	74.2
DuPont-RoIC					
NOPLAT margin (%)	16.2	15.2	15.1	15.8	16.3
IC turnover (x)	7.1	4.3	3.7	4.3	4.9
RoIC (%)	114.8	65.9	55.6	67.3	80.7
Operating metrics					
Core NWC days	(2.3)	10.2	2.5	(0.7)	(1.4)
Total NWC days	(2.3)	10.2	2.5	(0.7)	(1.4)
Fixed asset turnover	4.1	2.7	2.4	2.4	2.5
Opex-to-revenue (%)	32.1	33.1	32.9	32.7	32.3

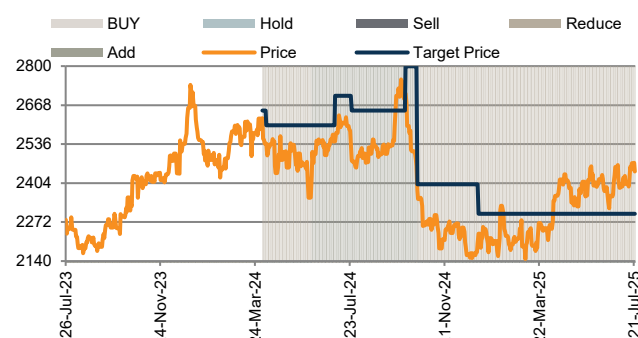
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
25-Apr-25	2,414	2,300	Reduce	Nitin Gupta
24-Apr-25	2,433	2,300	Reduce	Nitin Gupta
26-Feb-25	2,250	2,300	Reduce	Nitin Gupta
18-Feb-25	2,222	2,300	Reduce	Nitin Gupta
05-Feb-25	2,249	2,300	Reduce	Nitin Gupta
02-Feb-25	2,327	2,300	Reduce	Nitin Gupta
31-Jan-25	2,313	2,300	Reduce	Nitin Gupta
03-Jan-25	2,233	2,300	Reduce	Nitin Gupta
17-Oct-24	2,379	2,400	Reduce	Nitin Gupta
02-Oct-24	2,707	2,800	Add	Nitin Gupta
24-Sep-24	2,696	2,650	Add	Nitin Gupta
25-Jul-24	2,481	2,650	Add	Nitin Gupta
04-Jul-24	2,545	2,700	Add	Nitin Gupta
26-Jun-24	2,534	2,600	Add	Nitin Gupta
04-Jun-24	2,428	2,600	Add	Nitin Gupta
13-May-24	2,516	2,600	Reduce	Nitin Gupta
08-May-24	2,539	2,600	Reduce	Nitin Gupta
25-Apr-24	2,563	2,600	Reduce	Nitin Gupta
15-Apr-24	2,554	2,600	Reduce	Nitin Gupta
07-Apr-24	2,538	2,600	Reduce	Nitin Gupta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

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.

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 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.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions.com)

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 persons¹ 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 Interests² 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.

¹ 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.

² 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 July 24, 2025
- 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 July 24, 2025
- 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 July 24, 2025
- 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.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>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

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

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 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.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions.com)