

Estimate changes

TP change

Rating change



Bloomberg	MRCO IN
Equity Shares (m)	1298
M.Cap.(INRb)/(USD\$)	1136.1 / 11.9
52-Week Range (INR)	890 / 690
1, 6, 12 Rel. Per (%)	3/24/21
12M Avg Val (INR M)	1513

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	134.8	155.2	171.9
Sales Gr. (%)	24.4	15.1	10.8
EBITDA	23.3	29.1	34.8
EBITDA Margin. %	17.3	18.8	20.2
Adj. PAT	17.7	22.0	26.7
Adj. EPS (INR)	13.6	16.9	20.6
EPS Gr. (%)	9.7	24.7	21.4
BV/Sh.(INR)	32.4	35.8	41.9

Ratios

RoE (%)	43.2	49.7	52.9
RoCE (%)	39.2	45.5	48.9
Payout (%)	92.2	79.7	70.5

Valuations

P/E (x)	64.4	51.6	42.5
P/BV (x)	27.0	24.4	20.9
EV/EBITDA (x)	47.8	37.9	31.4
Div. Yield (%)	1.4	1.5	1.7

Shareholding Pattern (%)

As of	Jun-26	Mar-26	Jun-25
Promoter	58.9	58.9	59.0
DII	13.0	12.3	12.7
FII	23.6	24.3	23.7
Others	4.5	4.5	4.5

FII includes depository receipts

CMP: INR875

TP: INR1,050 (+20%)

Buy

Robust start to FY27; growth momentum intact

- Marico (MRCO) witnessed a strong start to FY27 with consolidated revenue growth of 23% YoY (in line) in 1QFY27. Domestic revenue growth was 21% YoY, with volume growth of 11%. International revenue growth was 15% YoY CCG (+29% INR). Demand remained steady in 1Q, supported by healthy economic activity. Management continues to monitor inflation and monsoon developments amid evolving El Niño forecasts.
- GM expanded by 30bp YoY to 46.6% (in line) and improved 220bp QoQ owing to recent corrections in copra prices. While crude oil prices are steady, vegetable oil prices remain inflationary amid the ongoing geopolitical developments. EBITDA margin expanded by 40bp YoY to 20.7% (in line). Management expects to deliver high-teen EBITDA growth in FY27.
- MRCO expects to sustain high single-digit volume growth in India business in FY27, aided by both core portfolio and new growth engines. International business is expected to sustain its mid-teen constant-currency growth. At the consolidated level, the company aims to achieve double-digit revenue growth, crossing INR150b in FY27. In the medium term, MRCO aims to cross the INR200b revenue mark by FY30 (10-11% CAGR), along with mid-teen EBITDA CAGR. Management expects EBITDA margin to expand 140-150bp. We model EBITDA margins of 18.8%/20.0% for FY27/FY28.
- The company aims to deliver a double-digit revenue CAGR over FY26-30, backed by strong volume growth and CC growth in teens in international business with mid-teen EBITDA CAGR. In line with its aspiration, we model a CAGR of 13% in revenue and 22% in EBITDA over FY26-28E. Given the stable growth trajectory, diversifying revenue streams and strong focus on TAM expansion, we believe the stock's premium valuation is likely to be sustained. The stock is trading at 52x/46x FY27E/FY28E EPS. MRCO has delivered 20% return in the last six months and remains one of our top picks in our coverage universe. **We reiterate our BUY rating on the stock with a TP of INR1,050 (based on 50x Mar'28E EPS).**

Robust 25% EBITDA growth; volume up 11%

- **Revenue continues to grow in 20%+ trajectory:** Consolidated net sales grew 23% YoY to INR39.6b (est. INR39.3b) in 1QFY27. Domestic sales rose 21% YoY with 11% domestic volume growth, one of the strongest performances in recent years. The international business delivered 15% CC growth (29% in INR terms), supported by broad-based contribution across markets. Vietnam/MENA/South Africa posted a robust 27%/24%/8% CC growth, while Bangladesh reported 4% CC growth on a high base amid elevated inflation and pricing anniversarization. NCD and exports also remained healthy with 16% growth during the quarter.

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- **Broad-based growth across categories:** Parachute Coconut Oil (PCNO) reported 23% revenue growth and 10% volume growth, aided by strong consumer offtake and calibrated pricing actions despite easing copra prices. Value-added hair oils (VAHO) sustained their strong momentum with 22% value growth, supported by healthy performance across key franchises. Saffola edible oils registered 7% revenue growth, although volumes fell in high-single digits as MRCO rationalized the supply of select variants to protect profitability amid edible oil inflation. The Foods portfolio grew 43% YoY, crossing INR13b+ in an annualized revenue run rate.
- **Steady expansion in margins:** Consolidated gross margin expanded by 30bp YoY to 46.6% (est. 47%) and improved 220bp QoQ owing to recent corrections in copra prices. MRCO indicated that copra prices have dropped ~35% from the peak levels, and the company expects them to remain range-bound in the near term. However, vegetable oil prices remain inflationary. Employee expenses rose 22% YoY, ad-spends grew 25% YoY and other expenses increased 21% YoY. EBITDA margin expanded by 40bp YoY to 20.7% in 1QFY27 (est. 21%).
- **Stable double-digit growth in profitability:** EBITDA grew 25% YoY (est. 26%) to INR8.2b. PBT/PAT grew 20%/25% YoY to INR7.9b/INR6.3b (est. INR8.2b/INR6.1b).

Highlights from the management commentary

- In PCNO, MRCO has already reduced prices by ~10% in non-price point packs following the correction in copra prices.
- Crude has corrected moderately from its peak in 1Q; however, prices remain volatile. Vegetable oil prices inflated further and remain at elevated levels.
- QC now contributes approximately 5% of total India business revenue.
- **MRCO targets double-digit consolidated revenue growth in FY27 with revenue expected to cross INR150b.**
- **Management expects ~150bp operating margin expansion in FY27, considering the uncertain operating environment.**
- Management guided for a consolidated effective tax rate of 18% for FY27, which is expected to increase to 19-20% in FY28.

Valuation and view

- We largely maintain our EBITDA estimates for FY27 and FY28, but the company's lower tax rate guidance led to an increase in our EPS estimates for FY28.
- MRCO plans to cross INR150b in revenue in FY27 and INR200b by FY30. It aims to deliver a double-digit revenue CAGR over FY26-30, backed by strong volume growth and CC growth in teens in the international business with a mid-teen EBITDA CAGR.
- Diversification is steadily improving the resilience of the international portfolio, with Bangladesh's revenue share declining from ~50% in FY20 to ~45% in FY26 and expected to reduce further to ~35% by FY30.
- To improve its domestic distribution reach, MRCO has also started Project SETU, which helps to drive growth in GT through a transformative expansion of its direct reach.
- In line with its aim of delivering a double-digit revenue CAGR and a mid-teen EBITDA CAGR over FY26-30, we model a CAGR of 13% in revenue and 22% in EBITDA over FY26-28E. Given the stable growth trajectory, diversifying revenue streams and strong focus on TAM expansion, we believe the stock's premium valuation is likely to be sustained. MRCO remains one of our top picks in our coverage universe. **We reiterate our BUY rating on the stock with a TP of INR1,050 (based on 50x Mar'28E EPS).**

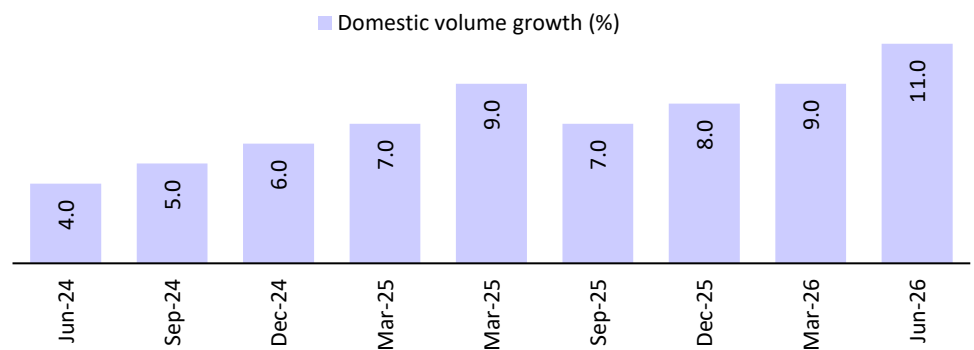
Quarterly Performance

(InR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Domestic volume growth (%)	9.0	7.0	8.0	9.0	11.0	11.3	11.3	12.4	8.3	11.5	14.7	
Net Sales	32,210	34,500	35,060	33,010	39,570	40,735	39,493	35,381	1,34,780	1,55,180	39,306	0.7%
YoY Change (%)	21.9	29.5	25.5	20.9	22.9	18.1	12.6	7.2	24.4	15.1	20.6	
Gross Profit	14,910	14,530	15,090	14,660	18,450	18,005	18,562	16,366	59,190	71,383	18,474	-0.1%
Gross margin (%)	46.3	42.1	43.0	44.4	46.6	44.2	47.0	46.3	43.9	46.0	47.0	
EBITDA	6,550	5,600	5,980	5,210	8,190	7,091	7,906	5,932	23,340	29,119	8,235	-0.6%
Margins (%)	20.3	16.2	17.1	15.8	20.7	17.4	20.0	16.8	17.3	18.8	21.0	
YoY Change (%)	4.6	7.3	12.2	13.8	25.0	26.6	32.2	13.9	9.1	24.8	25.7	
Depreciation	450	470	500	600	560	575	590	624	2,020	2,349	520	
Interest	100	120	140	170	210	200	150	140	530	700	105	
Other Income	560	490	390	600	480	540	450	566	2,040	2,036	590	
PBT	6,560	5,500	5,730	5,040	7,900	6,856	7,616	5,734	22,830	28,106	8,200	-3.7%
Tax	1,430	1,180	1,070	960	1,380	1,371	1,523	1,347	4,640	5,621	1,968	
Rate (%)	21.8	21.5	18.7	19.0	17.5	20.0	20.0	23.5	20.3	20.0	24.0	
Adjusted PAT	5,040	4,200	4,515	3,910	6,300	5,358	5,965	4,403	17,665	22,026	6,105	3.2%
YoY Change (%)	8.6	7.3	13.2	14.0	25.0	27.6	32.1	12.6	10.6	24.7	21.1	
Reported PAT	5,040	4,200	4,470	3,910	6,300	5,358	5,965	4,403	17,620	22,026	6,105	

E: MOFSL Estimates

Exhibit 1: Domestic volume grew 11% YoY in 1QFY27



Source: Company

Exhibit 2: Consolidated segmental details

Particulars	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Sales growth (%)					
Domestic	26.6	34.8	27.6	20.5	20.9
International	8.4	19.0	23.5	22.2	29.3
Total	21.9	30.7	26.6	20.9	22.9
EBIT margin (%)					
Domestic EBIT margin	18.9	14.9	16.0	14.7	19.3
International EBIT margin	28.9	23.9	24.1	24.6	26.9
Total	21.2	17.0	17.9	17.1	21.2

Source: Company, MOFSL

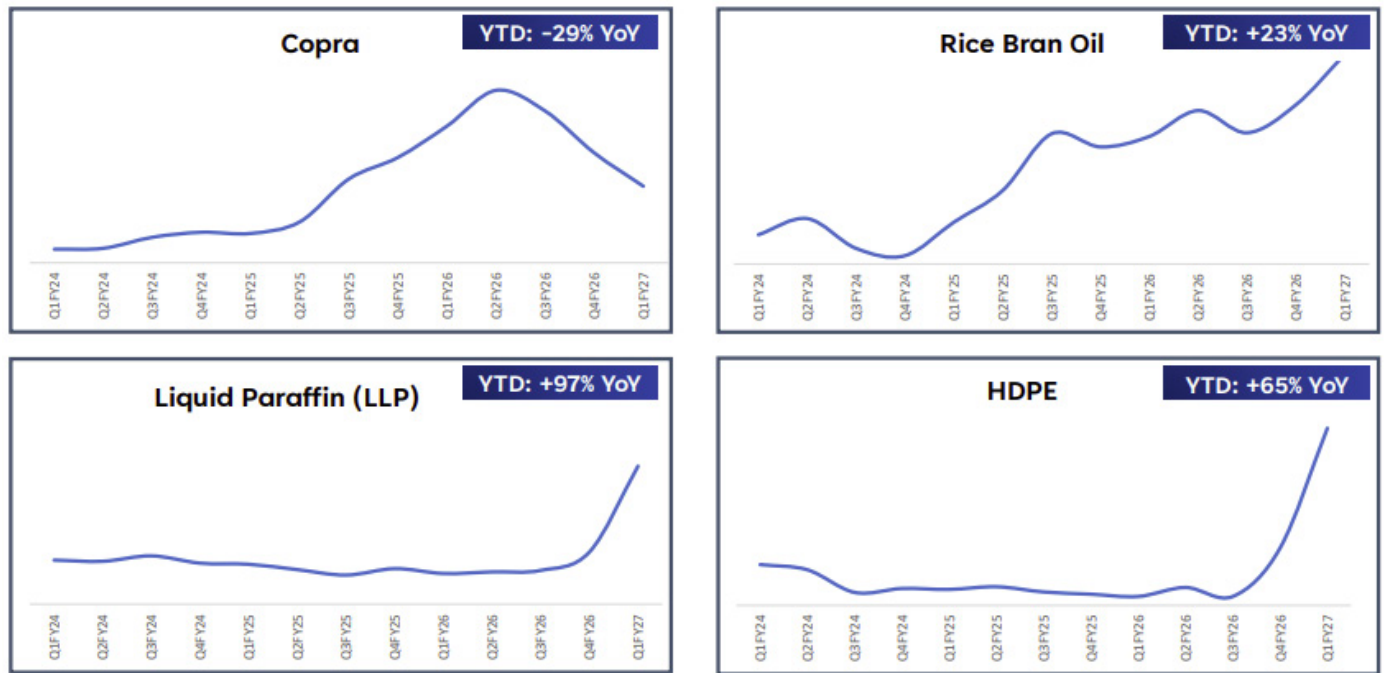
Exhibit 3: Market share of key categories in the Indian business

Franchise	~MS%
^ Parachute Rigids within Coconut Oil	59%
* Saffola Oats	42%
* Value Added Hair Oils	29%
^ Post wash Leave-on Serums	44%
^ Hair Gels/Waxes/Creams	51%

^ Volume market share, *Value market share

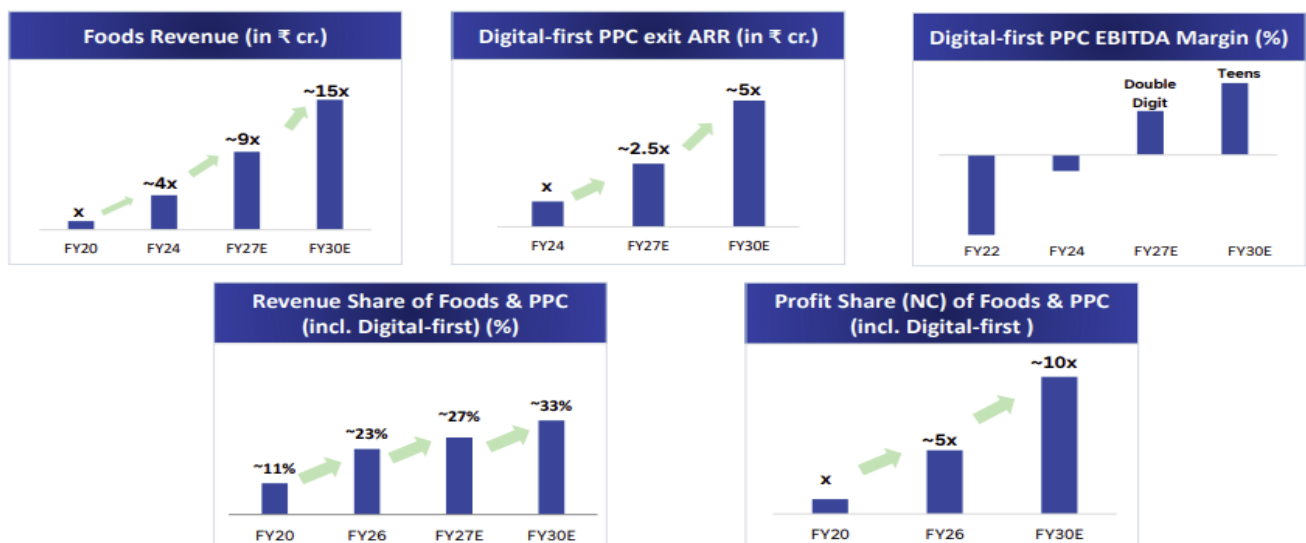
Source: Company

Exhibit 4: Movements of key raw material prices



Source: Company

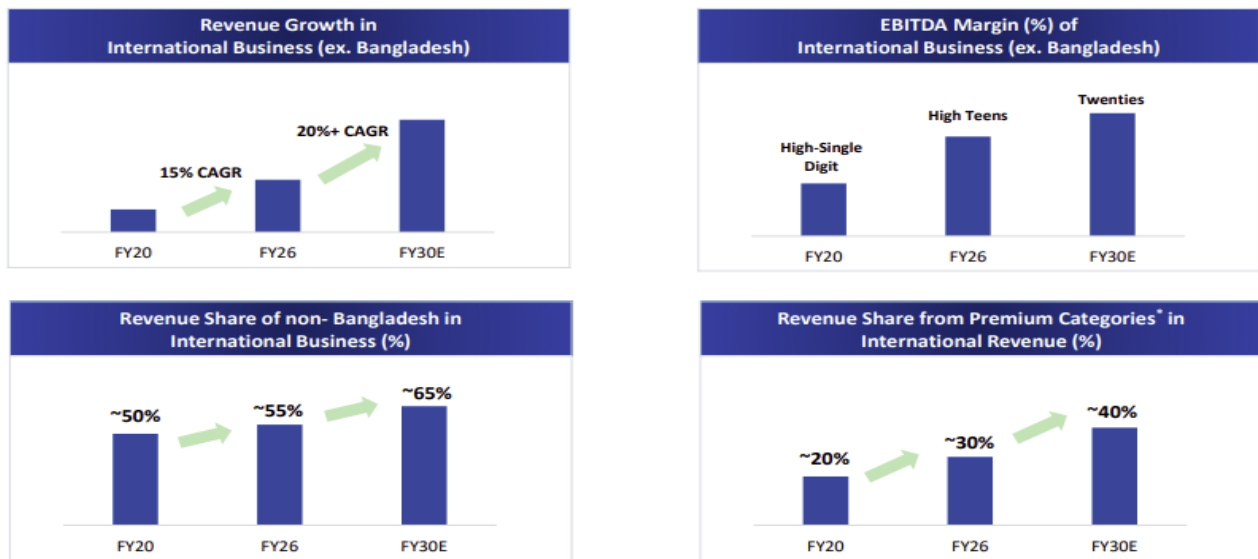
Exhibit 5: MRCO to focus on profitable scale-up of high-growth businesses



*Profit refers to Net Contribution (NC) calculated as Net Revenues less all variable costs and marketing expenses - equivalent to CM3.

Source: Company

Exhibit 6: Revenue salience of Bangladesh business to come down from ~45% in FY26 to ~35% by FY30



*Premium Categories – Beauty & Personal Care incl. Hair Cleansing, Hair Styling/ Care (ex-Hair oils), Skin Care and Baby Care

Source: Company



Key highlights from the management commentary

Business environment and outlook

- During the quarter, demand trends remained steady, supported by resilient economic activity. While MRCO remains optimistic about the consumption trends, it continues to closely monitor inflationary conditions and the progression of monsoon amid the evolving El Nino forecast.
- Over 96% of its business gained or sustained market share and over 99% of the business gained or sustained penetration on a MAT basis.
- Management is strategically shifting the portfolio toward more profitable categories and reducing commodity-linked businesses.
- Both traditional and organized trade recorded double-digit growth, while e-commerce continued to grow at an accelerated pace, led by >50% growth in quick commerce.
- QC now contributes approximately 5% of total India business revenue.
- All digital channels combined, including digital-first brands, now account for over 20% of Marico's India business revenue.
- Project SETU investments have significantly improved direct distribution reach and GT execution capabilities.
- Management believes GT remains a key competitive advantage despite rising importance of organized retail and e-commerce.
- **Management guided for a consolidated effective tax rate of 18% for FY27, which is expected to increase to 19-20% in FY28.**

Near-term outlook

- **India business is expected to sustain high single-digit volume growth in FY27.**
- International business is likely to maintain healthy momentum, with mid-teen constant-currency growth, aided by broad-based performance across geographies.

- **The company targets double-digit consolidated revenue growth in FY27, with revenue expected to cross INR150b.**
- **Management guided for high-teen EBITDA growth in FY27.**

Material costs, margin, and guidance

- Among key inputs, copra prices have corrected meaningfully from its peak levels and are expected to remain range-bound with a slight upward bias.
- Crude has corrected moderately from its peak in 1Q; however, prices remain volatile due to the ongoing developments in the Middle East. Vegetable oil prices have increased further and remain at elevated levels.
- While copra prices have corrected and are expected to remain 35% below the peak levels, costs for crude derivatives (like polymers) and vegetable oils are showing an upward bias, which may impact 2Q input costs.
- Advertising expenses surged by 25% as the company chose to invest heavily in brand equity, innovation, and consumer salience.
- **Management expects 140-150bp operating margin expansion in FY27 considering the uncertain operating environment.**

Segmental performance

Parachute coconut oil

- Parachute Rigids reported 10% volume growth, delivering one of its strongest performances in the recent years.
- Revenue grew 23% and price growth moderated as MRCO took selective price actions to pass on value to consumers amid easing copra prices.
- Management currently expects copra prices to remain rangebound and does not foresee an immediate need for further major pricing actions.
- Parachute Rigid's revenue grew 23% due to the prior year's price increase anniversarization and proactive price reductions (~10%) in non-price point large 'loyalty' packs.
- The brand strengthened its leadership, expanding its volume market share by over 400bp to a new high of 59%.

Saffola oil

- Saffola edible oils reported 7% revenue growth during the quarter with a high-single-digit volume decline as MRCO rationalized the supply of select variants to maintain threshold profitability in the trade-off with volume growth.
- The brand continued to see strong consumer traction in its cold-pressed oil portfolio, supported by its focus on premium offerings.
- Selective price increases were taken during the quarter in response to rising input costs.

VAHO

- The segment sustained its strong growth trajectory, registering 22% value growth in 1Q and increasing its value market share by 80bp on a MAT basis.
- The growth was driven by strong performance across key franchises.
- Almond hair oil franchise is scaling up well, with healthy offtake growth. It is showing encouraging progress, and MRCO aims to scale it up to an annualized revenue run rate of INR1b+ by FY28.

- VAHOs continued to gain market share handsomely, driven by the mid and premium segments.

Foods

- Foods portfolio registered 43% growth, crossing INR13b+ in annualized revenue run rate.
- Saffola Foods portfolio delivered double-digit growth, led by Saffola Soya Chunks, Oats and Muesli.
- Saffola Oats gained market share and further strengthened its leadership position. True Elements scaled up in line with MRCO's aspirations, while the recently acquired brands 4700BC and Cosmix, delivered healthy sequential growth.
- Cosmix further expanded its portfolio with the launch of fermented yeast protein across multiple flavours such as Ratnagiri Mango and Indonesian Cacao.

Premium Personal Care

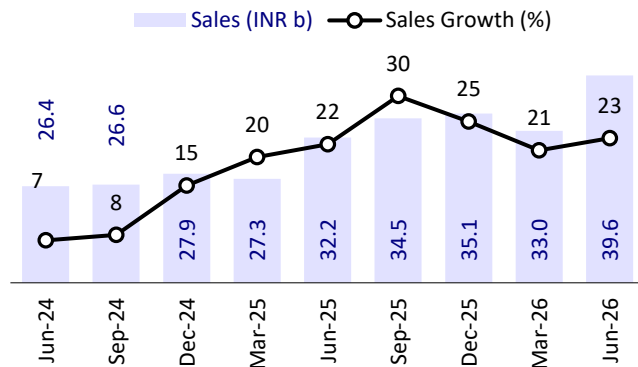
- Premium Personal Care delivered strong growth during the quarter.
- The portfolio, including Premium Hair Nourishment, Hair Cleansing, Male Grooming and Skin Care, recorded an ARR of ~INR4.5b. The recently launched Parachute Advanced Protein Shampoo had an encouraging start with healthy consumer offtakes.
- Marico aspires for its new shampoo category to achieve nearly INR1b of revenue in FY27, leveraging strong equity and distribution advantages.
- The digital-first portfolio continued to deliver strong growth, supported by healthy consumer traction in both Beardo and Plix.
- The digital-first portfolio, led by brands like Purite and Plix, is scaling up profitably and has achieved an ARR of over INR11b.
- Purite has double-digit profitability, Plix is in high-single digits, and Cosmix was acquired with mid-to-high teens profitable growth.
- Management is growing these brands responsibly, targeting 20-25% growth with profitability in focus rather than higher growth at the expense of cash burn.
- India revenue share of Foods and Premium Personal Care stood at ~23% in FY26 and is expected to increase to ~27% by FY27 and ~33% by FY30.
- Digital-first portfolio is expected to achieve double-digit EBITDA margins by end-FY27, with margins likely to expand to the teens over medium term.

International business

- International business delivered 15% CCG during the quarter, driven by outperformance in Vietnam and MENA and positive contribution from all markets.
- Certain international markets faced transient headwinds, such as persistently high inflation and sharp rises in energy costs, particularly in Bangladesh.
- Bangladesh delivered 4% CCG on a high base of last year. The business witnessed a transient moderation in growth due to pricing anniversarization and consumer demand softness amid elevated inflation. MRCO continued to strengthen its market position through focused category initiatives and consistent market share gains.

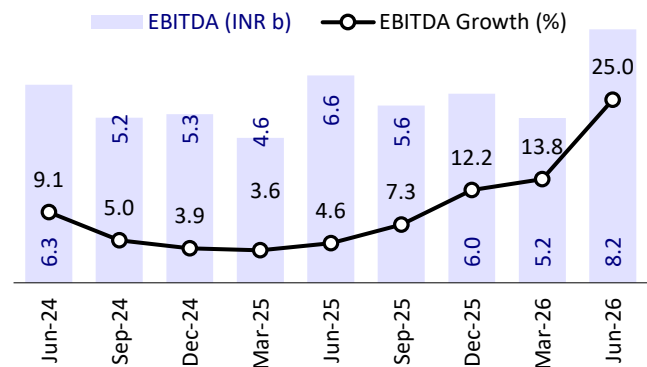
- Vietnam continued to deliver strong performance and recorded 27% CCG during the quarter, with robust growth in male/female grooming portfolios. Growth was driven by MRCO's focused investments in innovation, go-to-market and e-commerce capabilities.
- MENA delivered 24% CCG, with both Gulf and Egypt delivering resilient performance on the back of strong execution.
- South Africa registered 8% CCG, led by Hair Care.
- NCD and exports grew 16% in 1QFY27.

Exhibit 7: Consolidated sales grew 23% YoY to INR39.6b



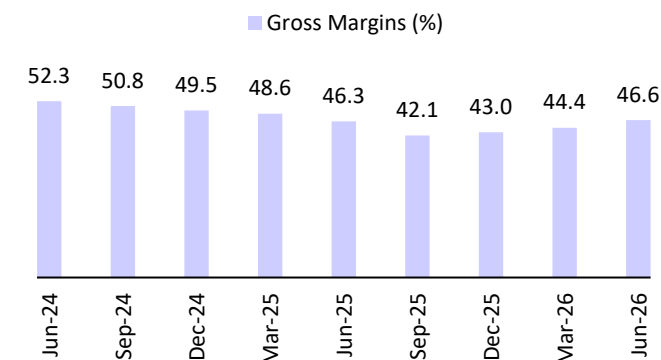
Source: Company, MOFSL

Exhibit 8: EBITDA grew 25% YoY to INR8.2b



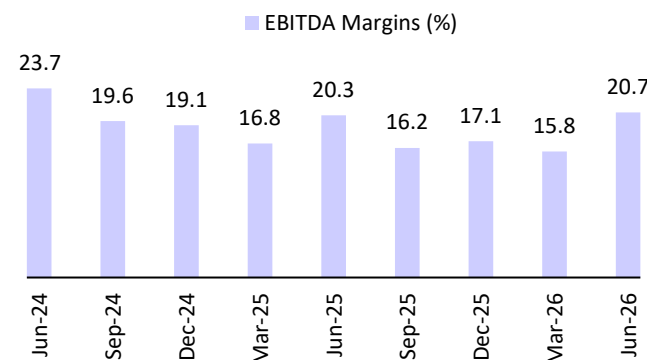
Source: Company, MOFSL

Exhibit 9: GP margin expanded 30bp YoY to 46.6%



Source: Company, MOFSL

Exhibit 10: EBITDA margin expanded 40bp YoY to 20.7%



Source: Company, MOFSL

Valuation and view

- We largely maintain our EBITDA estimates for FY27 and FY28, but the company's lower tax rate guidance led to an increase in our EPS estimates for FY28.
- MRCO plans to cross INR150b in revenue in FY27 and INR200b by FY30. The company aims to deliver a double-digit revenue CAGR over FY26-30, backed by strong volume growth and teens CCG in the international business with a mid-teen EBITDA CAGR.
- Diversification is steadily improving the resilience of the international portfolio, with Bangladesh's revenue share declining from ~50% in FY20 to ~45% in FY26 and expected to fall further to ~35% by FY30.
- To improve its domestic distribution reach, MRCO has also started Project SETU, which helps to drive growth in GT through a transformative expansion of its direct reach.

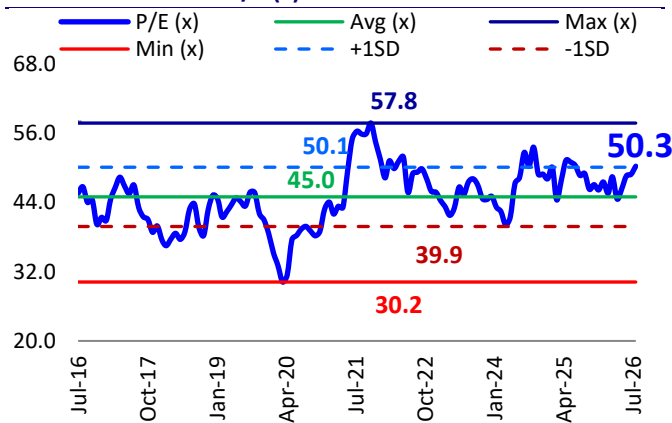
- In line with its aim of delivering a double-digit revenue CAGR and a mid-teen EBITDA CAGR over FY26-30, we model a 13% revenue and 22% EBITDA CAGR over FY26-28E. Given the stable growth trajectory, diversifying revenue streams and strong focus on TAM expansion, we believe the stock's premium valuation is likely to be sustained. Marico remains one of our top picks in our coverage universe. **We reiterate our BUY rating on the stock with a TP of INR1,050 (based on 50x Mar'28E EPS).**

Exhibit 11: We raise our EPS estimates for FY28 on the back of lower tax rate guidance

	Old		New		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Sales	1,56,112	1,73,169	1,55,180	1,71,890	-0.6	-0.7
EBITDA	29,513	34,026	29,119	34,805	-1.3	2.3
PAT	21,447	24,575	22,026	26,739	2.7	8.8

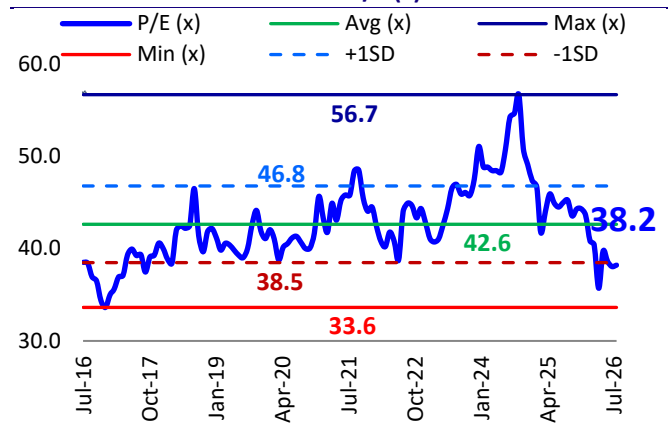
Source: Company, MOFSL

Exhibit 12: MRCO's P/E (x)



Source: Company, MOFSL

Exhibit 13: Consumer sector's P/E (x)



Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)	
Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Net Sales	73,150	80,480	94,266	97,640	96,530	1,08,310	1,34,780	1,55,180	1,71,890
Change (%)	-0.3	10.0	17.1	3.6	-1.1	12.2	24.4	15.1	10.8
COGS	37,450	42,740	54,360	53,510	47,480	53,880	75,590	83,797	90,242
Gross Profit	35,700	37,740	39,906	44,130	49,050	54,430	59,190	71,383	81,648
Margin (%)	48.8	46.9	42.3	45.2	50.8	50.3	43.9	46.0	47.5
Operating Expenses	21,010	21,860	23,096	26,030	28,790	33,040	35,850	42,263	46,843
EBITDA	14,690	15,880	16,810	18,100	20,260	21,390	23,340	29,119	34,805
Change (%)	10.8	8.1	5.9	7.7	11.9	5.6	9.1	24.8	19.5
Margin (%)	20.1	19.7	17.8	18.5	21.0	19.7	17.3	18.8	20.2
Depreciation	1,400	1,390	1,390	1,550	1,580	1,780	2,020	2,349	2,488
Int. and Fin. Charges	500	340	390	560	730	530	530	700	735
Other Income - Recurring	1,240	1,131	958	1,440	1,420	1,660	2,040	2,036	2,358
Profit before Taxes	14,030	15,281	15,988	17,430	19,370	20,740	22,830	28,106	33,940
Change (%)	11.6	8.9	4.6	9.0	11.1	7.1	10.1	23.1	20.8
Margin (%)	19.2	19.0	17.0	17.9	20.1	19.1	16.9	18.1	19.7
Current Tax (excl MAT Ent)	3,470	3,240	3,460	4,210	4,350	4,580	4,640	5,621	6,788
Deferred Tax	-160	0	0	0	0	0	0	0	0
Tax Rate (%)	23.6	21.2	21.6	24.2	22.5	22.1	20.3	20.0	20.0
Minority Interest	-220	-310	-290	-200	-210	-290	-510	-459	-413
Profit after Taxes	10,500	11,731	12,238	13,020	14,810	15,975	17,665	22,026	26,739
Change (%)	-5.9	11.7	4.3	6.4	13.7	7.9	10.6	24.7	21.4
Margin (%)	14.4	14.6	13.0	13.3	15.3	14.7	13.1	14.2	15.6
Extraordinary items	-154	231	-22	0	0	315	-45	0	0
Reported PAT	10,346	11,962	12,216	13,020	14,810	16,290	17,620	22,026	26,739

Balance Sheet								(INR m)	
Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Share Capital	1,290	1,290	1,290	1,290	1,290	1,290	1,300	1,300	1,300
Reserves	28,940	31,110	31,890	36,700	37,030	38,460	40,800	45,276	53,165
Net Worth	30,230	32,400	33,180	37,990	38,320	39,750	42,100	46,576	54,465
Minority Interest	130	180	570	1,570	3,370	2,910	2,840	3,299	3,712
Loans	3,350	3,480	3,450	4,750	3,830	3,790	3,550	2,850	2,650
Capital Employed	33,710	36,060	37,200	44,310	45,520	46,450	48,490	52,725	60,827
Gross Fixed Assets	12,650	15,450	17,910	22,240	28,590	30,770	41,540	43,540	45,540
Less: Accum. Depn.	-4,070	-5,460	-6,850	-8,400	-9,980	-11,760	-13,780	-16,129	-18,617
Net Fixed Assets	8,580	9,990	11,060	13,840	18,610	19,010	27,760	27,411	26,923
Capital WIP	580	240	390	670	440	400	850	850	850
Goodwill	5,380	6,130	6,540	8,620	8,630	8,570	8,570	8,570	8,570
Investments	7,330	8,540	8,280	10,960	6,020	15,900	20,830	20,830	20,830
Current	6,280	6,280	6,410	5,780	2,590	13,750	19,480	19,480	19,480
Non-current	1,050	2,260	1,870	5,180	3,430	2,150	1,350	1,350	1,350
Deferred Charges	0	0	0	0	0	0	0	0	0
Curr. Assets, L&A	26,560	28,340	29,420	33,910	39,830	38,930	41,490	53,420	68,113
Inventory	13,800	11,280	14,009	12,250	13,360	12,350	16,110	19,755	21,831
Account Receivables	5,390	3,880	6,520	10,150	10,690	12,710	13,040	9,776	10,829
Cash and Bank Balance	2,790	9,250	5,391	7,560	9,430	7,770	4,930	15,709	26,644
Others	4,580	3,930	3,500	3,950	6,350	6,100	7,410	8,179	8,809
Curr. Liab. and Prov.	16,250	18,200	19,270	23,370	25,900	34,450	48,520	55,866	61,969
Current Liabilities	4,240	5,190	4,430	7,260	8,780	19,090	30,500	33,550	36,905
Accounts Payable	9,780	11,340	13,440	14,520	15,810	13,630	16,340	20,380	22,832
Provisions	2,230	1,670	1,400	1,590	1,310	1,730	1,680	1,937	2,232
Net Current Assets	10,310	10,140	10,150	10,540	13,930	4,480	-7,030	-2,446	6,144
Deferred Tax Liability	1,530	1,020	780	-320	-2,110	-1,910	-2,490	-2,490	-2,490
Application of Funds	33,710	36,060	37,200	44,310	45,520	46,450	48,490	52,725	60,827

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Basic (INR)									
EPS	8.1	9.1	9.5	10.1	11.5	12.4	13.6	16.9	20.6
Cash EPS	9.1	10.1	10.6	11.3	12.7	13.8	15.1	18.7	22.5
BV/Share	23.4	25.1	25.7	29.4	29.7	30.8	32.4	35.8	41.9
DPS	6.8	7.5	9.3	9.5	10.5	11.5	12.5	13.5	14.5
Payout %	84.2	80.9	97.7	94.1	91.5	91.1	92.2	79.7	70.5
Valuation (x)									
P/E	107.5	96.2	92.2	86.7	76.2	70.7	64.4	51.6	42.5
Cash P/E	96.0	86.8	82.7	77.5	68.9	63.6	57.8	46.7	38.9
EV/Sales	15.3	13.8	11.9	11.4	11.6	10.2	8.3	7.1	6.4
EV/EBITDA	76.4	70.2	66.5	61.6	55.1	51.8	47.8	37.9	31.4
P/BV	37.3	34.8	34.0	29.7	29.5	28.4	27.0	24.4	20.9
Dividend Yield (%)	0.8	0.9	1.1	1.1	1.2	1.3	1.4	1.5	1.7
Return Ratios (%)									
RoE	35.0	37.5	37.3	36.6	38.8	40.9	43.2	49.7	52.9
RoCE	33.1	35.3	35.0	33.5	34.7	36.0	39.2	45.5	48.9
RoIC	44.2	55.6	58.7	52.0	52.9	58.8	76.8	115.1	185.7
Working Capital Ratios									
Debtor (Days)	27	18	25	38	40	43	35	23	23
Asset Turnover (x)	2.2	2.2	2.5	2.2	2.1	2.3	2.8	2.9	2.8
Leverage Ratio									
Debt/Equity (x)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0

Cash Flow Statement

Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
OP/(loss) before Tax	13,740	15,401	15,988	17,430	19,370	21,160	22,770	28,106	33,940
Others	-100	-231	22	-580	-1,000	-1,300	-1,220	0	0
Depreciation	1,500	1,390	1,390	1,550	1,580	1,780	2,020	2,349	2,488
Interest Paid	-220	340	390	70	-40	-240	390	700	735
Direct Taxes Paid	-2,900	-3,240	-3,460	-3,690	-3,780	-4,840	-5,650	-5,621	-6,788
(Incr)/Decr in WC	330	7,230	-3,728	-590	-2,260	-2,930	2,530	5,963	2,076
CF from Operations	12,350	20,890	10,602	14,190	13,870	13,630	20,840	31,497	32,451
(Incr)/Decr in FA	-1,860	-3,210	-3,020	-1,570	-1,350	-1,220	-7,640	-2,000	-2,000
Free Cash Flow	10,490	17,680	7,582	12,620	12,520	12,410	13,200	29,497	30,451
(Pur)/Sale of Investments	-1,890	0	-130	-7,560	2,450	-5,690	180	0	0
Others	130	-1,380	870	2,709	2,320	-1,890	-3,430	-6	-5
CF from Invest.	-3,620	-4,590	-2,280	-6,421	3,420	-8,800	-10,890	-2,006	-2,005
Issue of Shares	0	225	453	90	340	460	1,540	0	0
(Incr)/Decr in Debt	-690	130	-30	1,280	-910	-50	-240	-700	-200
Dividend Paid	-10,250	-9,675	-11,933	-6,070	-12,290	-4,530	-9,080	-17,550	-18,850
Others	-520	-520	-670	-900	-2,560	-2,370	-5,010	-462	-461
CF from Fin. Activity	-11,460	-9,840	-12,180	-5,600	-15,420	-6,490	-12,790	-18,712	-19,511
Incr/Decr of Cash	-2,730	6,460	-3,858	2,169	1,870	-1,660	-2,840	10,779	10,935
Add: Opening Balance	5,520	2,790	9,250	5,391	7,560	9,430	7,770	4,930	15,709
Closing Balance	2,790	9,250	5,391	7,560	9,430	7,770	4,930	15,709	26,644

E: MOFSL Estimates

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NEUTRAL	< - 10 % to 15%
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