

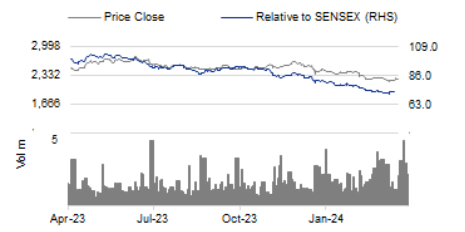
India

**HOLD** (no change)

Consensus ratings*: Buy 22 Hold 15 Sell 6	
Current price:	Rs2,260
Target price:	Rs2,400
Previous target:	Rs2,680
Up/downside:	6.2%
InCred Research / Consensus:	-9.3%
Reuters:	HLL.NS
Bloomberg:	HUVR IN
Market cap:	US\$63,738m
	Rs5,310,664m
Average daily turnover:	US\$54.0m
	Rs4502.9m
Current shares o/s:	2,350.0m
Free float:	38.1%
*Source: Bloomberg	

**Key changes in this note**

- Lower target price to Rs2,400 from Rs2,680.
- Lower FY25F/26F EPS by 8.1%/6.2%, respectively.



Source: Bloomberg

<b>Price performance</b>	1M	3M	12M
Absolute (%)	0.2	(6.9)	(9.2)
Relative (%)	(1.2)	(10.9)	(26.1)

<b>Major shareholders</b>	% held
Unilever PLC	61.9
LIC	5.0
SBI	1.5

# Hindustan Unilever Ltd

## Mass segment continues to drag growth

- HUVR's net 4QFY24 revenue growth stood at +0.2% (our estimate at +0.6%) led by a 2% volume growth (our est. at 2%). Rural markets remained muted.
- Home care/BPC/F&R posted 1.4%/-2.7%/3.1% growth, respectively. Volumes for BPC and F&R were flat while home care posted mid-single digit volume.
- Corrective action at mass-end of the portfolio & premiumization agenda to drive a gradual recovery. Retain HOLD rating with a lower TP of Rs2,400.

### Yet another quarter of flat yoy growth due to subdued volumes

Hindustan Unilever (HUVR) posted another quarter of flat growth in 4QFY24, leading to a 2.2% yoy sales growth in FY24, with volumes in 4Q/FY24 remaining subdued at 2% each. Price cuts were taken to the tune of 2% during the quarter, largely in the personal care and home care segments. Rural markets (c.40% salience) continued to remain subdued. The mass and popular ends of the portfolio continued to drag overall sales growth, but the premium range continued to do well. HUVR will sharpen its focus on premiumization to tackle the current demand environment. Gradual recovery is expected in the medium term.

### Corrective action underway to improve offtake at the mass-end

In skin cleansing, HUVR had been calling out higher competitive intensity from smaller players. The price-value equation of Lifebuoy and Lux were slightly off the mark earlier, which led to some loss of market share to other large/regional players, especially in two of the company's key markets. The grammage has been increased at lower price points and management stated that some improvement is visible in these regions. The liquid range (across categories) has been performing well and HUVR will sharpen its focus on categories like body wash, dishwash (25% salience) and detergents (20% salience) to drive premiumization. Under BPC, HUVR plans to focus on face cleansing, sun care, moisturization, serums, body care and masstige categories and believes these will be strong growth vectors in the long run. These segments have been growing at 50%+ on the e-commerce channel and have topped the Rs20bn-mark, in terms of turnover, in FY24.

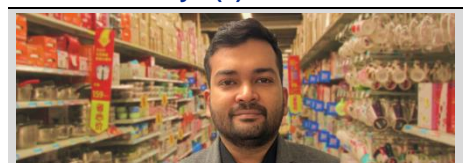
### Higher advertisement spending continues to drag EBITDA margin

Gross margin expanded by 320bp yoy (up 40bp qoq) to 51.9% in 4Q. Higher ad spends (10.7% of sales, up 201bp yoy) and c.90bp impact of higher royalties and costs related to the shift in distribution of the GSK range led to EBITDA margin contraction of 20bp yoy to 23.1% (down 20bp qoq). In the near term, EBITDA margin is likely to remain range-bound.

### Retain HOLD rating with a lower target price of Rs2,400

We expect the demand scenario to remain subdued in the near term. Initiatives laid out to drive recovery in the mass and popular ends of the portfolio should aid gradual recovery. We value HUVR at 46x FY26F EPS (from 48x earlier), reiterating our HOLD rating on it with a lower target price of Rs2,400 (Rs2,680 earlier). Downside risk: Lower-than-expected sales growth. Upside risk: Faster recovery in EBITDA margin.

**Research Analyst(s)**



**Rohan KALLE**  
 T (91) 22 4161 1561  
 E rohan.kalle@incredresearch.com

**Nishant BAGRECHA**  
 T (91) 22 4161 1564  
 E nishant.bagrecha@incredresearch.com

**Saurabh SINGH**  
 T (91) 2241611558  
 E saurabh.singh@incredresearch.com

**Financial Summary**

	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
Revenue (Rsm)	511,930	591,440	604,690	654,422	719,379
Operating EBITDA (Rsm)	125,030	136,320	141,900	154,205	173,221
Net Profit (Rsm)	87,840	99,000	100,250	111,532	123,168
Core EPS (Rs)	37.5	42.3	42.9	47.5	52.4
Core EPS Growth	7.0%	12.9%	1.4%	10.5%	10.4%
FD Core P/E (x)	60.47	53.65	52.98	47.62	43.12
DPS (Rs)	32.0	34.0	39.0	42.6	47.1
Dividend Yield	1.42%	1.50%	1.73%	1.89%	2.08%
EV/EBITDA (x)	41.94	38.44	36.63	33.93	30.09
P/FCFE (x)	80.41	58.67	45.43	81.04	40.43
Net Gearing	(12.6%)	(12.3%)	(20.3%)	(13.2%)	(16.8%)
P/BV (x)	10.89	10.58	10.42	10.19	9.95
ROE	18.3%	20.1%	19.9%	21.6%	23.4%
% Change In Core EPS Estimates				(8.10%)	(6.15%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Mass segment continues to drag growth

### Highlights from the earnings call

#### Demand and operating environment

- In FY24, softening in key commodity prices were passed on to the customers, leading to flat price growth during the year.
- Rural demand (40% salience for HUVR) remained weak in FY24.
- USG of 2.2% with UVG of 2% in FY24.
- Resurgence of smaller/regional players led to a marginal dip in market share in FY24. Gains made in FY21 and FY22 have largely been held on to. The focus will be on regaining lost market share.
- From 2HFY25F, management expects an uptick in demand.
- 50% of the business grew volume in mid-single digits in FY24.

#### Distribution

- GT/MT/E-com salience in FY24 stood at <70%/<20%/6-7% (approx. figures quoted by management), respectively. The e-com business is growing the fastest. Quick commerce is growing fast, at around 1/3rd of e-com sales currently. Market share in both e-com and quick commerce is improving. The quick commerce industry is still focusing on growth at a broad level.
- General Trade or GT coverage is up 1.2x while the assortment is up 1.25x vs. FY20, respectively.
- eB2B app Shikhar has onboarded 1.3m stores - loyalty programmes have been improved. Stores using the app are growing faster than the other stores, as per management.
- As regards shelf availability, it increased by 200bp/500bp on modern trade/e-commerce, respectively.
- **On change in distributor margins:** Distributors under the pilot scheme in 100 top cities are seeing an improvement in margins and have improved service levels as well, as per management.

#### Home care

- **Fabric Wash:** Posted mid-single digit volume growth led by the premium range. Liquid is at 20% of the category, growing at 20%. The larger business is in bars and powders.
- Household Care: Volume was up in mid-single digits led by Vim liquid (posted double-digit volume growth in FY24). Vim liquid accounts for 25% of the dishwash category's sales.
- Home Care: Liquid salience in home care is more than Rs30bn. The salience in Tier-2 markets has improved. Now many players have entered the market, but management believes the company's portfolio is superior.
- Innovations: New variants of Surf and Rin liquids. Launched Comfort in spray variant.

#### Beauty and personal care

- **As per new reporting (from 1QFY25F onwards):** Beauty and wellbeing was up 4% in sales terms, led by the premium-end while the personal care segment was down 10% yoy due to the mass-end.
- **Skin Cleansing:** Posted a decline due to the impact of price cuts (in the mass and popular range) and a drop in volume at the mass-end (Lifebuoy and Lux at lower price points were off the price-value equation in two key markets; new price points are out in the market - witnessing some improvement). The focus will be on innovation at the premium-end (Dove and Pears are doing well).  
**Actions taken to improve growth:** Pricing has been adjusted to drive better

price-value equations for the customers. Innovation intensity will be stepped up at the premium range. Body wash has been doing well (growing 50%; penetration under 2% in India and hence, presents a large opportunity), will lean more into this format. Assortment in modern trade or MT and e-com is also being stepped up. Will take a few quarters to revert to growth.

- **Hair Care:** Volume-driven high single-digit growth led by Dove and Tresemmé.
- **Skin Care and Colour Cosmetics:** They posted a low single-digit growth, with the mass skin range posting a decline. The premium range continued to grow in double digits. The company will invest in high-growth segments. In FY24, packaging for Lakme and Vaseline was revamped. The focus will be on face cleansing, sun care, light moisturization, serums and treatments, weatherproof bodycare and masstige segments. These spaces have witnessed 50% growth in the e-commerce channel.
- **Oral Care:** Posted double-digit growth led by pricing.
- **Innovations:** New sunscreen under Lakme which is 'invisible' in its finish. Launched more products like hair masks under Dove, new variants of Glow & Lovely and new Dove variants (bar and body wash).

## Foods and Refreshments

- **Beverages:** Tea business continued to witness a downgrade during the quarter. Coffee grew in double digits, led by pricing (due to the inflationary trend).
- **Health Food Drinks:** Delivered high single-digit growth led by the Plus range based on a mix of volume and pricing growth. The Plus range has been growing better than the core business. Volume is growing. The focus will be on building consumption, as penetration has improved. Perception issue in the category currently: Of late, the category has been under the scanner for sugar content. It remains under-penetrated in South and East India – which will be a focus area for the category. The focus will be on getting more users, build a strong premium range (Plus range is doing well; short of Rs6bn). Communication will be improved for the category and the customers will be reminded about the functional benefits. Horlicks has less than 1tsp per cup of added sugar to the Kids' range, but in the Plus range there is no sugar. The Kids range has some sugar to make it palatable for them. The focus on the 'Taller, Stronger, Sharper' communication will remain, but with improved intensity for Horlicks. Door-to-door sampling (products are sold to customers at a discount) has been done in a strong manner post-acquisition to drive the category's penetration.
- **Foods:** Posted mid-single digit growth led by soups and food solutions.
- **Ice-Cream:** Posted volume-led double-digit growth. The new range has been launched ahead of the upcoming summer season. Unilever (parent) is separating the ice-cream business (expected by 2HCY25F). As this is the peak season for ice-creams, the focus is on driving growth.
- **Innovations:** Launched Cadbury Crackle variant of Feast, Mango Duet under ice-creams and new launches under Taj Mahal tea and Knorr instant noodles. Boost RTD drink is being tested in South India.

## Input costs and margins

- Gross margin improvement was driven by softening raw material prices and improvement in the mix.
- Spending on advertisements will remain elevated as the company will invest more in its premium offerings.
- There was an impact of 90bp on the EBITDA with respect to higher royalty and shift in GlaxoSmithKline or GSK distribution in 4Q.

## Outlook

- The focus will be on growing the core business by driving superiority in packaging and formulation, backed by spending on advertisements. Boost, Sunsilk and Vaseline are moving into the Rs10bn+ category gradually. Skin cleansing will be a key focus area in the medium term.
- Management believes that overall demand is improving gradually and is optimistic about the mid-term impact of monsoons and improving macro-economic indicators.
- Pricing will witness a low-single digit decline in the near term. Will plateau if raw material prices remain stable and improve gradually by the end of FY25F.
- The EBITDA margin is likely to remain range-bound in the near term.

**Figure 1: Quarterly summary - standalone**

Y/E Mar (Rs m)	4QFY23	3QFY24	4QFY24	YoY (%)	QoQ (%)	FY23	FY24	Gr (%)
<b>Revenue</b>	<b>1,48,930</b>	<b>1,51,880</b>	<b>1,48,570</b>	-0.2	-2.2	<b>5,91,440</b>	<b>6,04,690</b>	<b>2.2</b>
<b>Expenditure</b>	<b>1,14,220</b>	<b>1,16,480</b>	<b>1,14,220</b>	0.0	-1.9	<b>4,55,120</b>	<b>4,62,790</b>	<b>1.7</b>
Consumption of RM	76,390	73,670	71,510	-6.4	-2.9	3,11,440	2,93,270	-5.8
as % of sales	51.3	48.5	48.1			52.7	48.5	
Employee Costs	6,830	6,490	7,740	13.3	19.3	26,650	27,820	4.4
as % of sales	4.6	4.3	5.2			4.5	4.6	0.62
Advertising & Promotion Costs	12,900	15,930	15,860	22.9	-0.4	48,590	63,800	31.3
as % of sales	8.7	10.5	10.7			8.2	10.6	2.01
Other Expenditure	18,100	20,390	19,110	5.6	-6.3	68,440	77,900	13.8
as % of sales	12.2	13.4	12.9			11.6	12.9	0.71
<b>EBITDA</b>	<b>34,710</b>	<b>35,400</b>	<b>34,350</b>	-1.0	-3.0	<b>1,36,320</b>	<b>1,41,900</b>	<b>4.1</b>
Depreciation	2,620	2,820	2,890	10.3	2.5	10,300	10,970	6.5
<b>EBIT</b>	<b>32,090</b>	<b>32,580</b>	<b>31,460</b>	-2.0	-3.4	<b>1,26,020</b>	<b>1,30,930</b>	<b>3.9</b>
Other Income	1,600	2,850	2,200	37.5	-22.8	6,400	9,730	52.0
Interest	240	810	1,020	325.0	25.9	1,010	3,020	199.0
<b>PBT</b>	<b>33,450</b>	<b>34,620</b>	<b>32,640</b>	-2.4	-5.7	<b>1,31,410</b>	<b>1,37,640</b>	<b>4.7</b>
Total Tax	8,730	9,130	8,410	-3.7	-7.9	31,170	35,610	14.2
<b>APAT</b>	<b>24,720</b>	<b>25,490</b>	<b>24,230</b>	-2.0	-4.9	<b>1,00,240</b>	<b>1,02,030</b>	<b>1.8</b>
Extraordinary Items	800	-300	-170	NA	NA	-620	-890	NA
<b>Reported PAT</b>	<b>25,520</b>	<b>25,190</b>	<b>24,060</b>	-5.7	-4.5	<b>99,620</b>	<b>1,01,140</b>	<b>1.5</b>
<b>EPS</b>	<b>10.9</b>	<b>10.7</b>	<b>10.2</b>	-5.7	-4.5	<b>42.4</b>	<b>43.0</b>	<b>1.5</b>
<b>Margins (%)</b>	<b>4QFY23</b>	<b>3QFY24</b>	<b>4QFY24</b>	<b>(bp)</b>	<b>(bp)</b>	<b>FY23</b>	<b>FY24</b>	<b>(bp)</b>
Gross Margin	48.7	51.5	51.9	320	40	47.3	51.5	420
EBITDA	23.3	23.3	23.1	-20	-20	23.0	23.5	40
EBIT	21.5	21.5	21.2	-40	-30	21.3	21.7	30
EBT	22.5	22.8	22.0	-50	-80	22.2	22.8	50
PAT	16.6	16.8	16.3	-30	-50	16.9	16.9	-10
Effective Tax Rate	26.1	26.4	25.8	-30	-60	23.7	25.9	220

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Segmental break-up**

Y/E Mar (Rs. m)	4QFY23	3QFY24	4QFY24	YoY (%)	QoQ (%)	FY23	FY24	Gr (%)
<b>Segment Revenue</b>								
Home Care	56,380	54,480	57,150	1.4	4.9	2,12,300	2,19,000	3.2
Beauty & Personal Care	51,880	57,050	50,500	-2.7	-11.5	2,18,310	2,21,650	1.5
Foods & Refreshments	37,940	37,332	39,110	3.1	4.8	1,48,760	1,52,920	2.8
Others	2,730	3,020	1,810	-33.7	-40.1	12,070	11,120	(7.9)
<b>Total</b>	<b>1,48,930</b>	<b>1,51,882</b>	<b>1,48,570</b>	<b>-0.2</b>	<b>-2.2</b>	<b>5,91,440</b>	<b>6,04,690</b>	<b>2.2</b>
<b>Segment Results</b>								
Home Care	10,560	9,660	10,810	2.4	11.9	38,750	40,330	4.1
Beauty & Personal Care	13,530	14,610	12,880	-4.8	-11.8	55,970	58,020	3.7
Foods & Refreshments	6,790	7,110	7,390	8.8	3.9	26,620	28,510	7.1
Others	1,210	1,200	380	-68.6	-68.3	4,680	4,070	(13.0)
Total	32,090	32,580	31,460	-2.0	-3.4	1,26,020	1,30,930	3.9
Add- Unall. Income / (Exp.)	1,600	2,850	2,200	37.5	-22.8	6,400	9,730	52.0
Less- Interest Expenses	-240	-810	-1,020	325.0	25.9	-1,010	-3,020	199.0
Less- Exceptional items	800	-300	-170	NA	NA	-620	-890	NA
<b>PBT</b>	<b>34,250</b>	<b>34,320</b>	<b>32,470</b>	<b>-5.2</b>	<b>-5.4</b>	<b>1,30,790</b>	<b>1,36,750</b>	<b>4.6</b>
<b>Segment EBIT Margin (%)</b>				<b>(bp)</b>	<b>(bp)</b>			<b>(bp)</b>
Home Care	18.7	17.7	18.9	20	120	18.3	18.4	20
Beauty & Personal Care	26.1	25.6	25.5	-60	-10	25.6	26.2	50
Foods & Refreshments	17.9	19.0	18.9	100	-10	17.9	18.6	70
Others	44.3	39.7	21.0	-2330	-1870	38.8	36.6	-220
<b>Average</b>	<b>21.5</b>	<b>21.5</b>	<b>21.2</b>	<b>-40</b>	<b>-30</b>	<b>21.3</b>	<b>21.7</b>	<b>30</b>

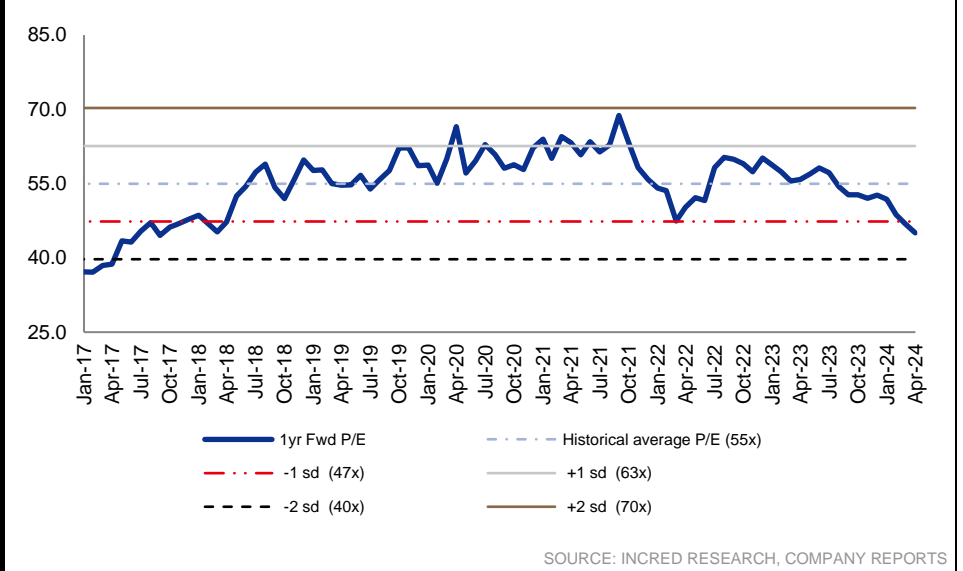
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Our revised earnings estimates

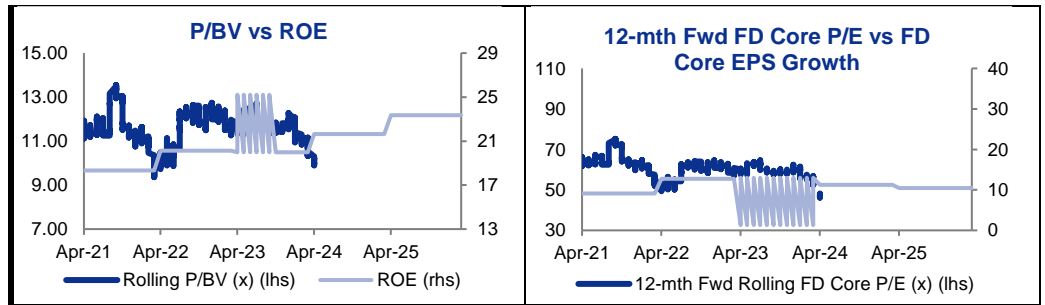
Y/E Mar (Rs m)	FY25F			FY26F		
	Earlier	Revised	% Change	Earlier	Revised	% Change
Net Sales	6,77,572	6,54,422	(3.4)	7,47,460	7,19,379	(3.8)
EBITDA	1,66,078	1,54,205	(7.1)	1,78,975	1,73,221	(3.2)
EBITDA Margin (%)	24.5	23.6	-90 bp	23.9	24.1	10 bp
APAT	1,21,366	1,11,532	(8.1)	1,31,245	1,23,168	(6.2)
EPS (Rs)	51.6	47.5	(8.1)	55.9	52.4	(6.2)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: HUVR's one-year forward P/E trades below -1SD



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	<b>511,930</b>	<b>591,440</b>	<b>604,690</b>	<b>654,422</b>	<b>719,379</b>
<b>Gross Profit</b>	<b>260,690</b>	<b>280,000</b>	<b>311,420</b>	<b>345,540</b>	<b>384,873</b>
<b>Operating EBITDA</b>	<b>125,030</b>	<b>136,320</b>	<b>141,900</b>	<b>154,205</b>	<b>173,221</b>
Depreciation And Amortisation	(10,250)	(10,300)	(10,970)	(11,000)	(15,000)
<b>Operating EBIT</b>	<b>114,780</b>	<b>126,020</b>	<b>130,930</b>	<b>143,205</b>	<b>158,221</b>
Financial Income/(Expense)	1,090	3,240	3,441	3,107	3,818
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,860	2,150	3,269	3,596	3,955
<b>Profit Before Tax (pre-EI)</b>	<b>117,730</b>	<b>131,410</b>	<b>137,640</b>	<b>149,908</b>	<b>165,994</b>
Exceptional Items	(340)	(620)	(890)		
<b>Pre-tax Profit</b>	<b>117,390</b>	<b>130,790</b>	<b>136,750</b>	<b>149,908</b>	<b>165,994</b>
Taxation	(29,210)	(31,170)	(35,610)	(38,376)	(42,827)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>88,180</b>	<b>99,620</b>	<b>101,140</b>	<b>111,532</b>	<b>123,168</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	(340)	(620)	(890)		
<b>Net Profit</b>	<b>87,840</b>	<b>99,000</b>	<b>100,250</b>	<b>111,532</b>	<b>123,168</b>
Recurring Net Profit	88,095	99,472	100,908	111,532	123,168
<b>Fully Diluted Recurring Net Profit</b>	<b>88,095</b>	<b>99,472</b>	<b>100,908</b>	<b>111,532</b>	<b>123,168</b>

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
<b>EBITDA</b>	<b>125,030</b>	<b>136,320</b>	<b>141,900</b>	<b>154,205</b>	<b>173,221</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(8,000)	(8,660)	42,650	(44,490)	5,726
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(340)	(620)	(890)		
Other Operating Cashflow	3,930	6,400	9,730	10,703	11,773
Net Interest (Paid)/Received	(980)	(1,010)	(3,020)	(4,000)	(4,000)
Tax Paid	(29,210)	(31,170)	(35,610)	(38,376)	(42,827)
<b>Cashflow From Operations</b>	<b>90,430</b>	<b>101,260</b>	<b>154,760</b>	<b>78,042</b>	<b>143,893</b>
Capex	(13,100)	(14,010)	(20,850)	(12,500)	(12,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(11,270)	3,280	(16,990)		
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	<b>(24,370)</b>	<b>(10,730)</b>	<b>(37,840)</b>	<b>(12,500)</b>	<b>(12,500)</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(75,190)	(84,590)	(93,980)	(100,185)	(110,637)
Preferred Dividends					
Other Financing Cashflow	1,820	1,420	1,650		
<b>Cash Flow From Financing</b>	<b>(73,370)</b>	<b>(83,170)</b>	<b>(92,330)</b>	<b>(100,185)</b>	<b>(110,637)</b>
Total Cash Generated	(7,310)	7,360	24,590	(34,643)	20,756
<b>Free Cashflow To Equity</b>	<b>66,060</b>	<b>90,530</b>	<b>116,920</b>	<b>65,542</b>	<b>131,393</b>
<b>Free Cashflow To Firm</b>	<b>67,040</b>	<b>91,540</b>	<b>119,940</b>	<b>69,542</b>	<b>135,393</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

**Balance Sheet**

(Rs mn)	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
Total Cash And Equivalents	71,280	72,330	117,260	82,617	103,373
Total Debtors	19,320	27,350	26,900	28,978	31,867
Inventories	38,900	40,310	38,120	43,185	47,490
Total Other Current Assets	42,400	45,370	45,710	46,594	47,110
<b>Total Current Assets</b>	<b>171,900</b>	<b>185,360</b>	<b>227,990</b>	<b>201,374</b>	<b>229,839</b>
Fixed Assets	346,190	349,900	359,780	361,280	358,780
Total Investments	6,120	9,830	9,830	9,830	9,830
Intangible Assets	173,160	173,160	173,160	173,160	173,160
Total Other Non-Current Assets	(61,410)	(63,250)	(64,540)	(64,540)	(64,540)
<b>Total Non-current Assets</b>	<b>464,060</b>	<b>469,640</b>	<b>478,230</b>	<b>479,730</b>	<b>477,230</b>
Short-term Debt	2,850	2,930	3,400	3,400	3,400
Current Portion of Long-Term Debt					
Total Creditors	119,780	125,260	163,950	129,661	141,570
Other Current Liabilities					
<b>Total Current Liabilities</b>	<b>122,630</b>	<b>128,190</b>	<b>167,350</b>	<b>133,061</b>	<b>144,970</b>
Total Long-term Debt	6,860	7,460	10,340	10,340	10,340
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>6,860</b>	<b>7,460</b>	<b>10,340</b>	<b>10,340</b>	<b>10,340</b>
Total Provisions	18,870	17,140	18,800	16,626	18,153
<b>Total Liabilities</b>	<b>148,360</b>	<b>152,790</b>	<b>196,490</b>	<b>160,027</b>	<b>173,462</b>
Shareholders Equity	487,600	502,210	509,730	521,077	533,607
Minority Interests					
<b>Total Equity</b>	<b>487,600</b>	<b>502,210</b>	<b>509,730</b>	<b>521,077</b>	<b>533,607</b>

**Key Ratios**

	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
Revenue Growth	11.3%	15.5%	2.2%	8.2%	9.9%
Operating EBITDA Growth	10.4%	9.0%	4.1%	8.7%	12.3%
Operating EBITDA Margin	24.4%	23.0%	23.5%	23.6%	24.1%
Net Cash Per Share (Rs)	26.20	26.36	44.05	29.31	38.14
BVPS (Rs)	207.49	213.71	216.91	221.73	227.07
Gross Interest Cover	117.12	124.77	43.35	35.80	39.56
Effective Tax Rate	24.9%	23.8%	26.0%	25.6%	25.8%
Net Dividend Payout Ratio	85.3%	80.2%	90.6%	89.8%	89.8%
Accounts Receivables Days	12.76	14.40	16.37	15.58	15.44
Inventory Days	52.83	46.42	48.81	48.04	49.47
Accounts Payables Days	172.08	143.59	179.97	173.48	147.98
ROIC (%)	26.2%	28.2%	31.5%	31.2%	35.0%
ROCE (%)	23.8%	25.8%	26.5%	28.4%	30.7%
Return On Average Assets	13.9%	14.9%	14.4%	15.6%	17.2%

**Key Drivers**

	Mar-22A	Mar-23A	Mar-24A	Mar-25F	Mar-26F
Home Care growth %	18.8%	28.1%	3.2%	7.0%	10.0%
Beauty & Personal Care Growth %	7.9%	12.2%	1.5%	9.5%	9.8%
Food & Refreshments Growth %	6.8%	5.5%	2.8%	8.0%	10.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

---

## DISCLAIMER

---

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which are believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made. (Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short term views etc.) that are inconsistent with and reach different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report



	Analyst/ Relative	Entity/ Associates
any financial interests in the company covered in this report (subject company) and nature of such financial interest	NO	NO
actual/beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the research report or date of the public appearance;	NO	NO
any other material conflict of interest at the time of publication of the research report or at the time of public appearance	NO	NO
received any compensation from the subject company in the past twelve months for investment banking or merchant banking or brokerage services or investment advisory or depository or distribution from the subject company in the last twelve months for products/services other than investment banking or merchant banking or broker- age services or investment advisory or depository or distribution from the subject company in the last twelve months	NO	NO
managed or co-managed public offering of securities for the subject company in the last twelve months	NO	NO
received any compensation or other benefits from the subject company or third party in connection with the research report	NO	NO
served as an officer, director or employee of the subject company	NO	NO
been engaged in market making activity for the subject company	NO	NO

**Analyst declaration**

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.