

CMP: ₹ 2250

Target: ₹ 2460(9%)

Target Period: 12 months

HOLD

May 3, 2026

Good Q4; commodity inflation a key risk to profitability

About the stock: Hindustan Unilever (HUL) is India's largest FMCG company with presence of more than 90 years. The company has portfolio of 50+ brands spanning to various categories such as detergents, personal wash and skin care & colour cosmetics. 80% of revenues come from products having leadership positioning in the domestic market. 20 out of 50+ brands are clocking Rs1000cr+ revenues.

Q4FY26 performance: HUL registered good performance in Q4FY26 with better-than-expected volume growth of 6% vs. 4% volume growth achieved in Q3FY26. Its consolidated revenues grew by 7.6% YoY to Rs16,351cr driven by 9% YoY growth in the home care segment and 13% YoY growth in the beauty & wellbeing. Gross margins decreased by 97bps YoY to 50.3%. Lower ad-spends and other cost saving measures led to stable EBIDTA margins at 23.5%. Operating profit grew by 6.1% YoY to Rs3,841cr and the adjusted PAT grew by 3.6% YoY to Rs2,711cr.

Investment Rationale:

- Volumes growth at 6% in Q4; management maintained its stance of delivering better growth in FY27:** HUL's sales volume grew by 6% in Q4FY26 better than 4% in Q3FY26. Overall, for FY26 revenue growth stood at 5% driven by 4% volume growth. Consistent recovery in the volume growth was on back of initiatives such as sharpening of portfolio, investments in improve scale of the business, strengthening capabilities to generate demand and focus on driving speed and execution. Management has maintained its stance of delivering better growth in FY27 compared to FY26 driven by focusing on brand premiumisation and channel expansion. This coupled with selective price hikes to mitigate raw material inflation will result in high single digit revenue growth in FY27. However, rising inflationary pressure and heightened competition from new players would act as a risk to market share and revenue growth.
- EBITDA margins to stay in guided range of 22.5%-23.5%:** Input cost inflation resulted in 63bps YoY decline in the EBITDA margins to 23.4% in FY26, remaining well in guided range of 22.5-23.5%. US-Iran war led to inflation in the global commodity prices, driving to 8-10% increase in the raw material inflation for HUL in Q1FY27. Though the company has undertaken selective price hike of 2-5% in the portfolio. HUL is resorting for reduction in the media spends and other cost savings measures to safeguard margins. Management has retained its margin guidance of 22.5-23.5%. We expect EBITDA margins to be lower or close to lower band of margin guidance in H1FY27 and might improve in H2FY27 depending stability in the geo-political environment.
- Investing Rs2,000cr in capex towards premium formats:** Hindustan Unilever has announced investment up to Rs.2000cr to expand its manufacturing facilities to scale-up liquid formats under the home care and personal care segment. Investment in capex is backed by ability of generating higher cash flows. Its operating cash flow in FY26 stood at Rs10,500cr.

Rating and Target Price: HUL is trading at 49x and 42x its FY27E and FY28E earnings, which is at premium considering its single digit earnings CAGR growth over the next two years. Hence, we recommend Hold on the stock with an unchanged price target of Rs2,460 (valuing at 46x FY28E EPS).

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	FY26	3 year CAGR (FY23-26)	FY27E	FY28E	2 year CAGR (FY26-28E)
Revenues	60580.0	61896.0	61328.0	64468.0	2.1	69534.4	76670.8	5.9
EBIDTA	14148.0	14663.0	14706.0	15054.0	2.1	15762.7	18164.8	6.5
EBIDTA Margins(%)	23.4	23.7	24.0	23.4		22.7	23.7	
Adjusted PAT	10191.0	10276.0	10333.0	10324.0	0.4	10847.4	12665.3	7.1
EPS (Rs.)	43.4	43.7	44.0	43.9		46.2	53.9	
PE (x)	51.9	51.5	51.2	51.2		48.7	41.7	
EV to EBIDTA (x)	37.1	35.4	35.4	34.9		33.3	28.6	
Price to book (x)	10.5	10.3	10.7	10.8		10.5	9.8	
RoE (%)	40.3	20.2	20.5	21.0		21.8	24.3	
RoCE (%)	43.4	22.1	21.9	22.2		22.6	25.0	

Source: Company, ICICI Direct Research



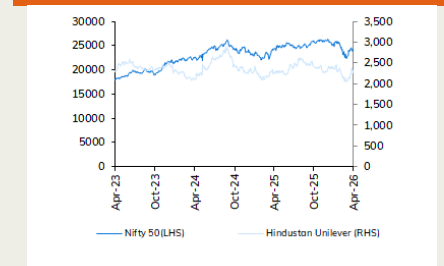
Particulars

Particular	Amount
Market Capitalisation (₹ crore)	528750
Debt (FY26) - ₹ crore	3,564
Cash (FY26) - ₹ crore	7,495
EV (₹ crore)	524819
52 week H/L (₹)	2750/ 2023
Equity capital (₹ crore)	235
Face value (₹)	1

Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoters	61.9	61.9	61.9	61.9
FII	10.2	10.8	10.7	10.1
DII	16.0	15.6	15.7	16.3
Others	11.9	11.7	11.7	11.7

Price Chart



Key risks

- Sustained slowdown in the consumer demand.
- Increase in the input prices.
- Increased competition in key categories.

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Q4FY26 – Key performance highlights

- HUL's consolidated revenues reported high single digit revenue growth of 7.6% YoY to Rs.16351cr. Growth was largely aided by 6% YoY volume growth driven by stable demand trends during the quarter. Improved performance was witnessed across categories such as Beauty & Wellbeing which continued its double-digit growth and Home Care reporting high-single digit growth. Personal care and Foods reported mid-single digit growth in Q4FY26.
- Consolidated gross margins declined by 97bps YoY to 50.3%. Key input costs such as palm oil and crude link derivatives witnessed substantial inflation leading to impact on gross margins during the quarter.
- EBITDA margins remained stable at 23.5% within the guided range aided by lower ad spends and cost saving measures. Operating profit for Q4FY26 reported 6.1% YoY growth to Rs.3841cr.
- Adjusted PAT reported 3.6% YoY growth to Rs.2711cr in Q4FY26. Reported PAT (incl. exceptional items) stood at Rs.3002cr reporting 20% YoY growth.

Exhibit 1: Q4FY26 Consolidated results (₹ crore)

Particulars	Q4FY26	Q4FY25	y-o-y (%)	Q3FY26	q-o-q (%)
Net revenue	16351.0	15190.0	7.6	16441.0	-0.5
Total Raw Material	8131.0	7406.0	9.8	7991.0	1.8
Employee Expenses	847.0	820.0	3.3	801.0	5.7
Advertising and promotion	1509.0	1423.0	6.0	1522.0	-0.9
Other Expenses	2023.0	1922.0	5.3	2226.0	-9.1
Total expenditure	12510.0	11571.0	8.1	12540.0	-0.2
Operating Profit	3841.0	3619.0	6.1	3901.0	-1.5
PBT	3681.0	3533.0	4.2	3615.0	1.8
Tax	970.0	917.0	5.8	970.3	0.0
Adjusted PAT	2711.0	2616.0	3.6	2644.7	2.5
Extra-ordinary items	295.0	-114.0	-	-519.7	-
share of profit from associ	-4.0	-1.0	-	-7.0	-
Reported PAT	3002.0	2501.0	20.0	2118.0	41.7
Adjusted EPS (Rs.)	11.5	11.1	3.6	11.3	2.5
Particulars	Q4FY26	Q4FY25	bps	Q3FY26	bps
GPM (%)	50.3	51.2	-97	51.4	-112
OPM (%)	23.5	23.8	-33	23.7	-24
NPM (%)	24.6	24.5	11	24.0	60
Tax rate (%)	16.6	16.6	-1	16.1	49

Source: Company, ICICI Direct Research

FY26 – Key performance highlights

- Consolidated revenues (incl. other income) reported 5.1% YoY growth to Rs.64,468cr in FY26. Underlying volume growth stood at 4% with good recovery in H2FY26. Beauty & Well Being was key contributor with double-digit growth. Other categories reported low single digit growth during the year.
- Gross margins reported 58bps YoY decline to 50.9% in FY26. Volatility in input cost with substantial rise in crude oil and palm oil prices led to increase in the input cost during the year.
- EBITDA margins declined by 63bps YoY to 23.4% in FY26. Margins remained at higher-end of the guided range of 23.5% in FY26. Operating profit grew by 2.4% YoY to Rs.15,054cr in FY26.
- Adjusted PAT stood flat at Rs.10,324cr. Reported PAT stood flat at Rs.10,652cr.
- Overall, in FY26, the company continued to demonstrate financial resilience. Its reserves stood at ~Rs.49000cr while cash flow from

operations stood close to ~Rs.10500cr. Strong cash flow and reserves is enabling the company to invest incrementally behind brands.

- The board has declared final dividend of Rs.22/share. This along with interim dividend of Rs.19/share takes total dividend for FY26 to Rs.41/share.

Q4FY26 & FY26 Segmental performance

- **Home Care:**
 - Home care revenues delivered high-single digit growth of 9% during Q4FY26 to Rs.6344cr reporting its best performance over the past 11 quarters which was aided by high-single digit volume growth. EBIT for Q4FY26 stood at Rs.1209cr growing by 11% YoY with margins at 19.1% expanding by 30bps YoY.
 - For full year FY26, revenues grew by 3.1% YoY to Rs.23,672cr. The category recorded high-single digit volume growth during the year. EBIT grew by 2.1% YoY to Rs.4521cr with margins at 19.1% declining by 20bps YoY.
 - During the quarter, Fabric wash and household care continued to grow in double-digits led by liquids portfolio and outperformance in VIM. Powders and bars also witnessed uptick in performance during the quarter.
- **Beauty & Wellbeing (B&W):**
 - B&W continued its outperformance recording low teens growth of 13% YoY in revenues to Rs.3697cr in Q4FY26. Growth was driven by mid-single digit volumes during the quarter. EBIT for Q4FY26 grew by 3% YoY to Rs.1076cr while margins declined by 290bps YoY to 29.1%.
 - The segment reported 11% YoY growth in revenues to Rs.14,990cr and low single digit growth in volumes in FY26. EBIT stood flat at Rs.4161cr with margins at 27.8% declining by 320bps YoY in FY26.
 - During Q4FY26, Hair care sustained strong double-digit growth with broad based performance across brands. Strong performance from premium skin care portfolio was offset by subdued performance in mass segment. Channels of future continued to grow in double-digits with market share gains.
 - In FY26, Health & Wellbeing portfolio delivered double-digit growth. Also, Vaseline and Sunsilk crossed the Rs. 1,000 crore annual turnover milestone, taking HUL's total number of brands above Rs. 1,000 crores to 20 in FY26.
 - Minimalist sustained its steady double-digit growth with an annual revenue size of Rs.850cr while Simple continued its expansion with an annual revenue rate of Rs.160cr.
- **Personal Care:**
 - Personal care witnessed low-single digit decline in volumes in Q4FY26. Revenues reported mid-single digit growth of 5% YoY to Rs.2,229cr. EBIT grew by 5% YoY Rs.417cr with margins flat on YoY basis at 18.7% during Q4FY26.
 - In FY26 revenues reported 4.1% YoY growth to Rs.9564cr. EBIT stood at Rs.1805cr growing by 10.7% YoY and margins expanding by 110bps YoY to 18.9%.
 - During the quarter, skin cleansing reported high-single digit growth driven by Dove and Lux. Premium soaps, Bodywash and premium skin cleansing reported double-digit growth led by brand building initiatives. Oral care recorded low single digit growth during Q4FY26.

• **Foods**

- Foods segment reported 4% YoY revenue growth in Q4FY26. Volumes witnessed high single digit growth during the quarter. EBIT for Q4FY26 stood at Rs.721cr recording 10% YoY growth while margins improved by 100bps YoY to 20.2%.
- For full year FY26, revenues grew by 4.1% YoY to Rs.14,061cr. Volume growth for the year stood at mid-single digits. EBIT grew by 2.1% YoY to Rs.2824cr with margins declining by 40bps YoY to 20.1% in FY26.
- Among beverages, tea reported low single digit volume growth. Coffee supported by both volume and value reported double-digit growth during the quarter.
- Lifestyle and nutrition grew in double-digit led by calibrated consumption and demand focused strategies in Horlicks and Boost.
- Unilever food solutions Ketchup and Mayonnaise aided mid-single digit growth in packaged foods during the quarter. Early green shoots have been witnessed in the new Kissan Chutney portfolio.

Exhibit 2: Segmental revenues and results (Consolidated) (₹ crore)

Particulars	Q4FY26	Q4FY25	Y-o-Y (%)	Q3FY26	Q-o-Q (%)	FY26	FY25	Y-o-Y (%)
Revenue (₹ crore)								
Home Care	6344	5815	9.1	5887	7.8	23672	22958	3.1
Beauty & Wellbeing	3697	3265	13.2	3930	-5.9	14990	13523	10.8
Personal Care	2229	2126	4.8	2370	-5.9	9564	9166	4.3
Food & Refreshments	3566	3416	4.4	3689	-3.3	14061	13501	4.1
Others	515	568	-9.3	565	-8.8	2181	2180	0.0
Total	16351	15190	7.6	16441	-0.5	64468	61328	5.1
PBIT (₹ crore)								
Home Care	1209	1093	10.6	1100	9.9	4521	4429	2.1
Beauty & Wellbeing	1076	1046	2.9	1025	5.0	4161	4188	-0.6
Personal Care	417	398	4.8	421	-1.0	1805	1631	10.7
Food & Refreshments	721	656	9.9	773	-6.7	2824	2765	2.1
Others	70	108	-35.2	132	-47.0	410	440	-6.8
Total	3493	3301	5.8	3451	1.2	13721	13453	2.0
PBIT margins (%)								
	Q4FY26	Q4FY25	bps	Q3FY26	bps	FY26	FY25	bps
Home Care	19.1	18.8	26	18.7	37	19.1	19.3	-19
Beauty & Wellbeing	29.1	32.0	-293	26.1	302	27.8	31.0	-321
Personal Care	18.7	18.7	-1	17.8	94	18.9	17.8	108
Food & Refreshments	20.2	19.2	101	21.0	-74	20.1	20.5	-40

Source: Company, ICICI Direct Research

Key Strategies implemented by the company to drive volume-led growth

• **Building “SASSY” brands to drive desirability and premiumisation**

- HUL’s first strategic pillar focuses on building “SASSY” brands by driving desirability at scale through sharp consumer segmentation, which underpins product design, pricing, propositions, and channel strategy.
- The SASSY framework (Science, Aesthetics, Sensorial, Said by Others, Youthful) guides brand positioning. On science, innovations like Vim Liquid’s RhamnoTech have enhanced consumer experience, driving double-digit growth in FY26. In aesthetics, Dove’s premium packaging upgrades have improved on-shelf appeal, delivering competitive double-digit growth. On sensorials, Vaseline’s improved formulations have strengthened in-use experience, helping it cross the Rs.1,000cr milestone with steady growth.
- Beyond product improvements, HUL is strengthening communication through integrated media—balancing mass channels with targeted digital and social spends. Its influencer

ecosystem has scaled to ~30,000 creators (~2x YoY), boosting engagement, especially among Gen Z.

- Overall, the strategy aims to enhance brand desirability and relevance, with strong double-digit growth across key brands validating the approach. Going ahead, HUL plans to scale this framework to drive premiumization, strengthen brand equity, and sustain growth.

- **Accelerating frontline execution through omnichannel model**

- HUL is expanding its General Trade footprint with ~2 lakh outlet additions, materially improving reach and on-shelf availability. Beyond scale, the company is investing in dedicated infrastructure to service high-value specialty channels enabling better assortment placement and premium portfolio visibility. In Modern Trade, the focus is on building category captaincy through market development initiatives, in-store demand generation, premiumization, and deeper joint business planning with key customers—driving improved conversion and continued market share gains.
- Ecommerce is being driven as a structural growth engine via a digital-first approach—leveraging data-led demand generation, assortments, and stronger availability resulting in robust 25% growth during the year. In quick commerce, HUL has significantly scaled its capabilities by setting up a dedicated cross-functional organization and investing in technology, enabling faster response times, better inventory alignment, and more relevant execution for instant consumption missions.
- The company is aligning its frontline operations with evolving omnichannel consumer trends, ensuring consistent brand presence and competitiveness across physical and digital touchpoints. This integrated execution has translated into sustained market share gains and strong growth across emerging channels. The management aims to further strengthen this ecosystem leveraging data, technology, and channel-specific strategies to enhance execution efficiency, capture channel shifts, and drive sustainable growth.

- **Doubling Down on 'Fewer, Bigger Bets' to Drive Growth**

- HUL is focusing on a sharper portfolio strategy by doubling down on fewer, bigger bets with strong growth potential.
- This approach is evident in segments like Beauty & Wellbeing, where the company has significantly scaled its market development cell expanding into new benefit spaces (sun care, light moisturizers, facial cleansing) and building consumption regimes. As a result, the has grown rapidly with masstige and premium segment growing by 4x through mix of organic and inorganic action. This has resulted in creation of a platform as well with an annual revenue run rate of ~Rs.1,200cr and delivering double-digit growth.
- In Personal Care, the company continues to premiumize in a with brands like Pears and Dove in premium skin cleansing delivering double-digit volume and value growth, supported by investments in product superiority and brand proposition. Bodywash has also emerged as a strong growth segment with double-digit growth and share gains. In Home Care, liquids remain a key success story crossing Rs.4,000cr with double-digit growth and market share gains while in powders, premium upgrades are driving mix improvement and helping achieve highest-ever market shares.
- In Foods and Refreshment, growth momentum is improving with broad-based performance. Lifestyle Nutrition has returned to double-digit growth (four consecutive quarters of positive UVG),

driven by pricing-pack architecture changes, new format expansion (RTD, protein), and relaunches (e.g., Horlicks). Coffee continues to deliver strong double-digit growth supported by product and brand investments. The company has launched Horlicks in South and is also ramping up premiumisation and launches in Boost portfolio. These measures have together started to show green shoots for these brands over the recent past. Overall, these focused bets are driving consistent market share gains and stronger category participation, with management aiming to further scale these platforms, increase consumption, and sustain long-term growth.

Earnings call highlights

- **Demand and Macro Outlook**
 - Demand environment remained stable across markets supported by favourable macro conditions such as lower inflation further supported by favourable consumer focused monetary and fiscal policies. Hence, consumption trends turned positive led by improved household budgets.
 - Growth momentum improved sequentially with Q4 delivering improved volume growth compared to recent quarters.
 - Rural and urban demand trends continue to be similar indicating balanced recovery.
 - The management highlighted that the forecast of subdued monsoon is not a big risk to rural consumption in the near term. Higher reservoir levels, increase in MSPs and higher Agri production in the previous years can mitigate the risk of one year of lower monsoon. Rural demand is expected to remain stable unless the rainfall is below 85% of long period average (LPA).
 - Key risk to consumption will be the on-going volatility in the commodity prices due to US-Iran war. If it persists for a long, it will add to the inflation along with the subdued rains. This might have an impact on the rural-urban demand in the near future.
- **Input cost environment and outlook**
 - Input cost witnessed sharp inflation in the second half due to short supply, rupee depreciation led by geopolitical headwinds.
 - The company is currently witnessing ~8-10% material cost inflation and to mitigate the same the company has taken a price hike of 2-5%. The price hikes will be gradual and not at one go because the input cost situation is volatile and needs to be monitored before taking substantial price hikes.
 - Compared to the Ukraine Russia war situation, the management believes the current war situation is leading to more volatility in the input prices rather than a structural increase in the prices.
 - Along with the pricing, to further mitigate the cost inflation, the management is accelerating its cost saving measure such as optimising its ad spends, overheads etc.
- **Outlook and guidance**
 - The management highlighted that long term structural demand trends remain strong. This is despite the geopolitical situation. It believes that in the short-term demand trends will continue to be volatile but will see steady trends ahead. Long term growth levers are well placed to cater to incremental demand trends.
 - The management expects FY27 to be better than FY26 which will be driven by key factors such as 1) Improved execution across channels led by scale-up of e-commerce and q-commerce 2) Re-shaping and transformation of portfolio through strategic and

innovative launches 3) Continued premiumisation across the portfolio and 4) Strong brand building investments and innovation pipeline.

- Input cost will continue to remain volatile over the near term. The management indicated that it won't be taking substantial prices hikes at one go but will be staggered over the period as input cost situation is volatile and not structurally weak.
- The management has retained EBITDA margin guidance at 22.5-23.5% for FY27. Depending on cost fluctuations, margins may move across the guided range. Overall, stability in margins will be supported by cost savings and operating leverage.
- Overall, the management is confident of navigating the current geopolitical conditions and expects future growth to be positive which is also driven by its strong financial position. With ~Rs.10,500cr cash from operations, it signals a strong operating performance and a disciplined working capital approach. Further, strong cash position is aiding its ability to invest behind brands such as the recent announcement of Rs.2000cr capex in beauty and wellbeing.

Revision in earnings estimates

We have reduced our earnings estimate for FY27E by ~6% to factor in lower than earlier estimated EBITDA margins to consider inflated input cost. We have broadly maintained earnings estimates for FY28E and will keenly monitor the demand environment and volatility in the input prices to make any revision in the estimates.

Exhibit 3: Changes in headline estimates

₹ crore)	FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	70682.3	69534.4	-1.6	77546.3	76670.8	-1.1
EBIDTA	16571.8	15762.7	-4.9	18364.9	18164.8	-1.1
EBIDTA margin (%)	23.4	22.7	(60)bps	23.7	23.7	-
PAT	11474.8	10847.4	-5.5	12842.4	12665.3	-1.4
EPS (Rs.)	48.8	46.2	-5.5	54.6	53.9	-1.4

Source: Company, ICICI Direct Research

Exhibit 4: Key Operating Assumptions (Consolidated)

Particulars	FY25	FY26	FY27E	FY28E
Revenues (Rs crore)				
Home care	22958.0	23672.0	25870.4	28690.6
y-o-y%	4.9	3.1	9.3	10.9
Beauty & Wellbeing	13523.0	14990.0	16489.0	18180.2
y-o-y%	3.7	10.8	10.0	10.3
Personal Care	9166.0	9564.0	10247.9	11272.6
y-o-y%	-2.6	4.3	7.2	10.0
Foods	13501.0	14061.0	14615.3	16076.8
y-o-y%	-11.7	4.1	3.9	10.0
Others	2180.0	2181.0	2311.9	2450.6
y-o-y%	-4.2	0.0	6.0	6.0
Total	61328.0	64468.0	69534.4	76670.8
y-o-y%	-0.9	5.1	7.9	10.3

Source: Company, ICICI Direct Research

Financial summary (consolidated)

Exhibit 5: Profit and loss statement ₹ crore

(Year-end March)	FY24	FY25	FY26	FY27E	FY28E
Total Operating Income	61896.0	61328.0	64468.0	69534.4	76670.8
Growth (%)	2.2	-0.9	5.1	7.9	10.3
Raw Material Expenses	29760.0	29770.0	31665.0	34593.4	37185.3
Gross Profit	32136.0	31558.0	32803.0	34941.0	39485.5
Gross Profit Margins (%)	51.9	51.5	50.9	50.3	51.5
Employee Expenses	3009.0	2952.0	3175.0	3365.5	3634.7
Advertisement expenses	6489.0	5989.0	6261.0	6605.8	7513.7
Other Expenditure	7975.0	7911.0	8313.0	9207.0	10172.2
Total Operating Expenditure	47233.0	46622.0	49414.0	53771.7	58506.0
EBITDA	14663.0	14706.0	15054.0	15762.7	18164.8
Growth (%)	3.6	0.3	2.4	4.7	15.2
Interest	334.0	381.0	410.0	420.6	421.9
Depreciation	1216.0	1253.0	1333.0	1500.4	1627.9
Other Income	811.0	1017.0	751.0	771.1	944.6
PBT	13924.0	14089.0	14062.0	14612.9	17059.6
Less Tax	3644.0	3748.0	3723.0	3755.5	4384.3
Adjusted PAT (before exceptional item & MI)	10280.0	10341.0	10339.0	10857.4	12675.3
Minority Interest (MI)	-4.0	-8.0	-15.0	-10.0	-10.0
Adjusted PAT (before exceptional item & after MI)	10276.0	10333.0	10324.0	10847.4	12665.3
Growth (%)	0.8	0.6	-0.1	5.1	16.8
Exceptional item	6	347	328	0	0
Reported PAT	10282.0	10680.0	10652.0	10847.4	12665.3
EPS (Adjusted)	43.7	44.0	43.9	46.2	53.9

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement ₹ crore

(Year-end March)	FY24	FY25	FY26	FY27E	FY28E
Profit/(Loss) after taxation	9469.0	9324.0	9588.0	10086.2	11730.7
Add: Depreciation & Amort.	1216.0	1253.0	1333.0	1500.4	1627.9
Net Increase in Current Assets	302.0	-1539.0	-780.0	-953.6	-1095.2
Net Increase in Current Liabilities	-906.0	-3219.0	522.0	878.7	-1338.9
Other income	811.0	1017.0	751.0	771.1	944.6
CF from Operating activities	12704.0	13274.0	10370.0	10525.5	14546.9
Investments & Bank bal	-4644.0	5979.0	384.0	-2085.0	-3750.0
(Purchase)/Sale of Fixed Asset:	-2191.0	-1831.0	-761.0	-2500.0	-1000.0
Intangible assets	16.0	3.0	-3536.0	-46.8	-46.8
CF from Investing activities	-6819.0	4151.0	-3913.0	-4631.8	-4796.8
(inc)/Dec in Loan	99.0	541.0	-44.0	186.0	0.0
Change in equity & reserves	504.0	298.0	-1367.0	0.0	0.0
Minority Interest	-13.0	2.0	62.0	10.0	10.0
Dividend paid	-9870.0	-12455.0	-9635.0	-9400.0	-9400.0
Other	3506.0	-565.0	1039.0	827.1	886.9
CF from Financing activities	-5774.0	-12179.0	-9945.0	-8376.9	-8503.1
Net Cash Flow	111.0	5246.0	-3488.0	-2483.2	1246.9
Cash and Cash Equivalent	714.0	825.0	6071.0	2583.0	99.8
Cash	825.0	6071.0	2583.0	99.8	1346.7
Free Cash Flow	10513.0	11443.0	9609.0	8025.5	13546.9

Source: Company, ICICI Direct Research

Exhibit 7: Balance sheet ₹ crore

(Year-end March)	FY24	FY25	FY26	FY27E	FY28E
Equity Capital	235.0	235.0	235.0	235.0	235.0
Reserve and Surplus	50983.0	49167.0	48504.0	49961.4	53236.7
Minority Interest	205.0	207.0	269.0	279.0	289.0
Total Shareholders funds	51423.0	49609.0	49008.0	50475.4	53760.7
Total Debt	3067.0	3608.0	3564.0	3750.0	3750.0
Deferred Tax Liability	6557.0	6685.0	7474.0	7847.7	8240.1
Long-Term Provisions	1576.0	1528.0	1684.0	1768.2	1856.6
Other Non Current Liabilities	4243.0	3598.0	3692.0	4061.2	4467.3
Total Liabilities	66866.0	65028.0	65422.0	67902.5	72074.7
Gross Block - Fixed Assets	13579.0	14882.0	15772.0	17652.0	19152.0
Accumulated Depreciation	5548.0	6257.0	7590.0	9090.4	10718.3
Net Block	8031.0	8625.0	8182.0	8561.6	8433.7
Capital WIP	1025.0	1009.0	880.0	1500.0	1000.0
Leased Assets	0.0	0.0	0.0	0.0	0.0
Fixed Assets	9056.0	9634.0	9062.0	10061.6	9433.7
Goodwill & Other intangible assets	45713.0	45710.0	49246.0	49292.8	49339.6
Non-current Investments & assets	2406.0	2485.0	2423.0	2423.0	2423.0
Other non-Current Assets					
Inventory	4022.0	4415.0	4789.0	4762.6	5251.4
Debtors	2997.0	3819.0	3379.0	4191.1	4621.3
Current Investments	4558.0	3751.0	4247.0	4497.0	4747.0
Other Current Assets	725.0	978.0	1329.0	1395.5	1465.2
Loans & Advances	1463.0	1534.0	2029.0	2130.5	2237.0
Cash	825.0	6071.0	2583.0	99.8	1346.7
Bank balance	6734.0	1483.0	665.0	2500.0	6000.0
Total Current Assets	21324.0	22051.0	19021.0	19576.4	25668.6
Creditors	10486.0	11315.0	13325.0	12382.8	13653.7
Provisions	340.0	675.0	265.0	291.5	320.7
Other Current Liabilities	807.0	2862.0	740.0	777.0	815.9
Total Current Liabilities	11633.0	14852.0	14330.0	13451.3	14790.2
Net Current Assets	9691.0	7199.0	4691.0	6125.1	10878.4
Application of Funds	66866.0	65028.0	65422.0	67902.5	72074.7

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY24	FY25	FY26	FY27E	FY28E
Per share data (₹)					
Adjusted EPS	43.7	44.0	43.9	46.2	53.9
Cash EPS	47.5	47.9	48.1	50.9	59.0
BV per share	218.8	211.1	208.5	214.8	228.8
Cash per Share	45.2	47.5	29.0	27.0	47.2
Dividend per share	42.0	53.0	41.0	40.0	40.0
Operating Ratios (%)					
Gross Profit Margins	51.9	51.5	50.9	50.3	51.5
OPM	23.7	24.0	23.4	22.7	23.7
PAT Margins	16.6	16.9	16.0	15.6	16.5
Asset Turnover (x)	1.1	1.1	1.1	1.1	1.3
Return Ratios (%)					
RoE	20.2	20.5	21.0	21.8	24.3
RoCE	22.1	21.9	22.2	22.6	25.0
RoIC	28.4	28.9	28.4	27.9	31.8
Valuation Ratios (x)					
P/E	51.5	51.2	51.2	48.7	41.7
EV / EBITDA	35.4	35.4	34.9	33.3	28.6
EV / Net Sales	8.4	8.5	8.1	7.6	6.8
Market Cap / Sales	8.5	8.6	8.2	7.6	6.9
Price to Book Value	10.3	10.7	10.8	10.5	9.8
Solvency Ratios					
Debt / EBITDA	0.2	0.2	0.2	0.2	0.2
Debt / Equity	0.1	0.1	0.1	0.1	0.1
Inventory days	24	26	27	25	25
Debtor days	18	23	19	22	22
Creditor days	62	67	75	65	65
WC Days	-20	-18	-29	-18	-18

Source: Company, ICICI Direct Research

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