

| | |
|------------------|--|
| Estimate changes | |
| TP change | |
| Rating change | |

| | |
|-----------------------|---------------|
| Bloomberg | NEST IN |
| Equity Shares (m) | 964 |
| M.Cap.(INRb)/(USDb) | 2238.9 / 25.9 |
| 52-Week Range (INR) | 2778 / 2110 |
| 1, 6, 12 Rel. Per (%) | -2/-3/-11 |
| 12M Avg Val (INR M) | 2277 |

Financials & Valuations (INR b)

| Y/E Dec | FY26E | FY27E | FY28E |
|-------------------|-------|-------|-------|
| Sales | 218.0 | 237.6 | 259.0 |
| Sales Gr. (%) | 7.9 | 9.0 | 9.0 |
| EBITDA | 51.4 | 58.1 | 64.1 |
| Margin (%) | 23.6 | 24.5 | 24.8 |
| Adj. PAT | 32.5 | 37.4 | 41.4 |
| Adj. EPS (INR) | 33.7 | 38.8 | 42.9 |
| EPS Gr. (%) | 5.5 | 14.9 | 10.7 |
| BV/Sh.(INR) | 46.8 | 52.9 | 59.5 |
| Ratios | | | |
| RoE (%) | 76.3 | 77.8 | 76.4 |
| RoCE (%) | 67.5 | 69.3 | 68.7 |
| Payout (%) | 84.4 | 84.4 | 84.4 |
| Valuations | | | |
| P/E (x) | 68.6 | 59.7 | 54.0 |
| P/BV (x) | 49.4 | 43.8 | 38.9 |
| EV/EBITDA (x) | 43.4 | 38.3 | 34.6 |
| Div. Yield (%) | 1.2 | 1.4 | 1.6 |

Shareholding pattern (%)

| As On | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 62.8 | 62.8 | 62.8 |
| DII | 11.2 | 11.3 | 9.2 |
| FII | 10.3 | 10.0 | 11.9 |
| Others | 15.8 | 15.9 | 16.1 |

FII Includes depository receipts

CMP: INR2,322 **TP: INR2,400 (+3%)** **Neutral**

Similar revenue print; miss on margin

- Nestle India (Nestle) reported a 5.9% YoY revenue growth in 1QFY26, in line with our expectations. Domestic sales grew 5.5% YoY. We believe volume growth was in the low single digits. Nestle highlighted that, except for the Milk Products and Nutrition category, all other categories recorded volume-led growth. Export revenue grew 16% YoY, driven by strong performance in Foods, Coffee, Instant Tea, and Breakfast Cereals.
- GM contracted 250bp YoY/100bp QoQ to 55.2% (est. 57%), given the inflationary commodity prices. Management indicated that Coffee, Cocoa, and Edible Oil prices are expected to remain range-bound, while milk prices will likely cool off. EBITDA margin contracted 130bp YoY to 21.9%, the lowest in the past 12 quarters, due to elevated operating costs. We model an EBITDA margin of 23.6% for FY26 and 24.5% for FY27.
- In 1QFY26, the Powdered and Liquid Beverages category remained one of the key growth drivers, delivering strong double-digit growth. Confectionery also recorded high double-digit growth. The Prepared Dishes and Cooking Aids category returned to volume growth, led by double-digit growth in Maggi noodles. The Pet Food business witnessed a strong performance, primarily driven by the Cat portfolio. The Milk Products and Nutrition category delivered a mixed performance, with certain segments growing while others remaining muted.
- Mr Manish Tiwary will assume the role of Chairman and Managing Director of Nestlé India from 1st August, 2025.
- Nestle had a weak start to FY26 on the profitability front due to RM inflation and higher operating costs, driven by investments in manufacturing capabilities. While the enhanced capacity is expected to support long-term demands, it will weigh on margins and return ratios in the near term. Moreover, moderating urban consumption and high food inflation continue to pose risks to near-term recovery. The stock is trading at 69x/60x FY26/FY27 EPS. **Given its expensive valuation, we reiterate our Neutral rating with a TP of INR2,400 (based on 60x P/E Jun'27E).**

In-line revenue; margins lower than expected

- **In-line sales:** Nestle's total revenue rose 5.9% YoY to INR51b (est. INR50.9b) in 1QFY26. Domestic sales witnessed 5.5% YoY growth to INR48.6b, while exports posted 16% YoY growth to INR2.1b, driven by Foods, Coffee, Instant Tea, and Breakfast Cereals, despite commodity headwinds.
- **Witnessed volume-led growth in most categories:** Nestle indicated that the Prepared Dishes and Cooking Aids, Powdered and Liquid Beverages, and Confectionery categories have returned to volume-led growth, with seven of its top 12 brands recording double-digit growth.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **Commodity weighs on margin:** The company mentioned that 1QFY26 was impacted by elevated consumption prices across the commodity portfolio. This resulted in gross margin contracting 250bp YoY to 55.2% (est. 57%). Management indicated that Coffee prices are expected to remain range-bound at current lower levels, while Cocoa and Edible Oil prices have stabilized and are likely to remain range-bound. Milk prices are anticipated to decrease with the onset of a favorable monsoon and flush season.
- **Miss on profitability:** Employee and other expenses rose 2% YoY each. EBITDA margin contracted 130bp YoY to 21.9%, the lowest in the last 12 quarters (est. 23.3%, 25.6% in 4QFY25). EBITDA remained flat YoY at INR11.1b (est. INR 11.8b). The company incurred higher operational costs due to significant manufacturing expansion over the past seven to eight months. Moreover, borrowings to fund temporary operational cash-flow requirements resulted in higher finance costs during the quarter. Thus, higher depreciation (+39% YoY) and interest (+48% YoY), coupled with lower other income (-90% YoY), hurt profitability. PBT declined 10% YoY to INR9.2b (est. INR10.2b) and Adj. PAT declined 13% YoY to INR6.5b (est. INR7.5b).

Valuation and view

- We cut our EPS estimates for FY26 and FY27 by 4% and 1%, respectively.
- The company's focus on its RURBAN strategy drove stronger growth in RURBAN markets, with most categories benefiting from improved distribution penetration. Packaged food adoption has increased in tier-2 and rural markets. The company continues to enhance its portfolio through ongoing innovation and premiumization initiatives.
- Nestle's portfolio remains relatively safe from local competition, requiring limited overhead costs to protect market share. The company has invested ~INR39b in strengthening its manufacturing capabilities to cater to anticipated future demand. However, this will weigh on margins and return ratios in the near term. We model 23.6%/24.5% EBITDA margins for FY26/FY27.
- **The stock is trading at 69x/60x FY26/FY27 EPS. Given its expensive valuation, we reiterate our Neutral rating with a TP of INR2,400 (based on 60x P/E Jun'27E).**

| Quarterly performance (INR b) | | | | | | | | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|-------------|---------------|
| Y/E December | FY25 | | | | FY26E | | | | FY25 | FY26E | FY26E | Var. |
| | 1Q | 2Q | 3Q | 4Q | 1QE | 2QE | 3QE | 4QE | | | | |
| Domestic Sales | 46.1 | 48.8 | 45.7 | 52.3 | 48.6 | 52.2 | 49.8 | 57.3 | 192.9 | 208.0 | 48.6 | 0.0% |
| YoY Change (%) | 4.2 | 1.2 | 3.3 | 4.2 | 5.5 | 7.0 | 9.0 | 9.5 | 3.5 | 7.8 | 5.5 | |
| Exports | 1.8 | 1.9 | 2.0 | 2.1 | 2.1 | 2.1 | 2.3 | 7.8 | 8.6 | 2.0 | 5.4% | |
| YoY Change (%) | (7.2) | 3.1 | 21.2 | (8.7) | 16.0 | 10.0 | 8.0 | 6.7 | -19.5 | 10.0 | 10.0 | |
| Sale of Products | 47.9 | 50.7 | 47.6 | 54.5 | 50.7 | 54.4 | 51.9 | 59.6 | 200.8 | 216.6 | 50.6 | 0.2% |
| YoY Change (%) | 3.8 | 1.3 | 3.9 | 3.7 | 5.9 | 7.1 | 9.0 | 9.4 | -17.3 | 7.9 | 5.7 | |
| Other Operating Income | 0.2 | 0.3 | 0.2 | 0.6 | 0.2 | 0.4 | 0.2 | 0.6 | 1.2 | 1.4 | 0 | |
| Net Sales | 48.1 | 51.0 | 47.8 | 55.0 | 51.0 | 54.7 | 52.1 | 60.2 | 202.0 | 218.0 | 50.9 | 0.1% |
| YoY Change (%) | 3.3 | 1.3 | 3.9 | 4.5 | 5.9 | 7.2 | 9.0 | 9.5 | 3.5 | 7.9 | 5.7 | |
| Gross Profit | 27.8 | 28.9 | 27.0 | 30.9 | 28.1 | 30.5 | 29.3 | 34.1 | 114.5 | 122.1 | 29.0 | |
| Margin (%) | 57.6 | 56.6 | 56.4 | 56.2 | 55.2 | 55.8 | 56.3 | 56.6 | 56.7 | 56.0 | 57.0 | |
| EBITDA | 11.2 | 11.9 | 11.2 | 14.1 | 11.2 | 12.4 | 12.2 | 15.6 | 48.5 | 51.4 | 11.8 | -5.6% |
| Margins (%) | 23.3 | 23.3 | 23.5 | 25.7 | 21.9 | 22.6 | 23.4 | 25.9 | 24.0 | 23.6 | 23.3 | |
| YoY Growth (%) | 5.4 | (4.4) | (0.6) | 5.2 | (0.5) | 3.8 | 8.7 | 10.5 | 2.6 | 5.9 | 5.4 | |
| Depreciation | 1.1 | 1.2 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 5.4 | 6.3 | 1.6 | |
| Interest | 0.3 | 0.3 | 0.3 | 0.4 | 0.5 | 0.3 | 0.3 | 0.1 | 1.4 | 1.2 | 0.3 | |
| Other income | 0.4 | 0.1 | 0.0 | 0.1 | 0.0 | 0.3 | 0.3 | 0.5 | 0.6 | 1.1 | 0.3 | |
| PBT | 10.2 | 10.4 | 9.4 | 12.3 | 9.2 | 10.8 | 10.6 | 14.4 | 42.3 | 45.0 | 10.2 | -10.3% |
| Tax | 2.6 | 3.0 | 2.3 | 3.2 | 2.4 | 2.8 | 2.8 | 3.8 | 11.1 | 11.9 | 2.7 | |
| Rate (%) | 25.8 | 28.8 | 24.0 | 26.0 | 26.3 | 26.4 | 26.5 | 26.7 | 26.2 | 26.5 | 26.2 | |
| Adjusted PAT | 7.5 | 7.8 | 6.8 | 8.7 | 6.5 | 7.8 | 7.7 | 10.5 | 30.8 | 32.5 | 7.5 | -13.3% |
| YoY Change (%) | 6.4 | (3.3) | (12.4) | (4.5) | (13.4) | (0.2) | 12.7 | 19.9 | -2.6 | 5.5 | (0.2) | |

E: MOFSL Estimates



Key highlights from the press release

Category performance in 1QFY26

- Prepared Dishes and Cooking Aids:** The category returned to volume growth, recording double-digit growth for Maggi noodles. Masala-Ae-Magic continued to demonstrate strong performance at a double-digit rate. The Maggi portfolio registered strong growth, with consumption trends showing positive signs of an uptick. Both Quick Commerce and Rurban contributed to the overall portfolio performance. The Double Masala Classic Noodles and the Spicy range, which includes Spicy Garlic, Spicy Cheesy, Spicy Pepper, and Spicy Manchurian, generated positive momentum.
- Milk Products and Nutrition:** The category posted mixed performance, with certain segments growing while others remaining muted. MILKMAID delivered single-digit growth. The Milk Nutrition portfolio continued to gain momentum, supported by renovations, and further scaled up its market share.
- Confectionery:** The category delivered high double-digit growth, driven by robust underlying volume growth. Rural acceleration, premiumization, increased in-home penetration, and quick commerce contributed to this performance. KITKAT emerged as the largest growth driver, achieving double-digit growth, particularly in Rurban markets, while continuing to gain market share. MUNCH regained momentum with double-digit growth, and MILKYBAR also posted high double-digit growth. New launches during the quarter included KITKAT Duo, KITKAT Lemon n Lime, and KITKAT Dark Sharebag.
- Powdered and Liquid Beverages:** The category remained one of the key growth drivers, delivering another strong double-digit growth this quarter. NESCAFÉ further solidified its leadership in the Coffee category, gaining additional market share. NESCAFÉ Classic, NESCAFÉ Sunrise, and NESCAFÉ GOLD continued to

witness strong performances, achieving double-digit growth, driven by successful cold coffee activations during the summer months. The brand continued to democratize coffee through affordable packs, while also expanding the premium segment with NESCAFÉ Gold and NESCAFÉ Roastery. NESCAFÉ RTD continued to demonstrate strong growth.

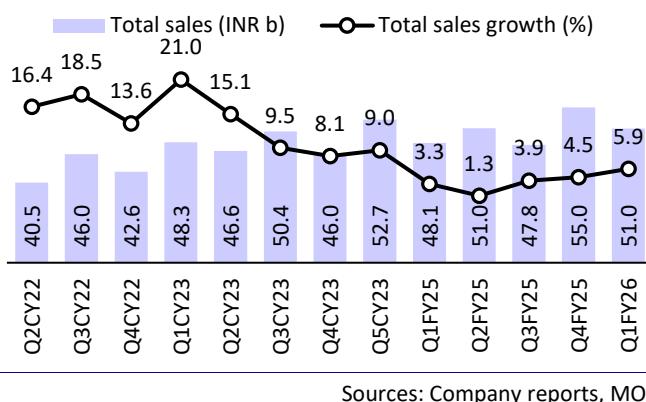
- **Pet Care:** The business witnessed strong performance, primarily driven by the Cat portfolio. Purina Felix and Purina Friskies reported robust growth. Nestle strengthened its route to market and infrastructure in major cities, resulting in increased coverage of the business.

Other points

- Nestlé India's Out-of-Home business consistently grew at double-digit rates, making it the fastest-growing business across the Beverages and Foods portfolio. A significant rise in demand in recent quarters has led to growth in urban markets. Rurban markets too have demonstrated positive growth, signaling a favorable shift in market dynamics and contributing to overall market resilience.
- E-commerce maintained its growth momentum, contributing to 12.5% of domestic sales, driven by quick commerce and new launches.
- Exports registered high double-digit growth, driven by Foods, Coffee, Instant Tea, and Breakfast Cereals, despite commodity headwinds. The company launched Masala-Ae-Magic in the UK.
- On the commodity front, coffee prices are expected to remain range-bound at current lower levels, as the upcoming Vietnam crop appears to be normal. Cocoa and Edible Oil prices have stabilized and remain range-bound. Milk prices are anticipated to decrease with the onset of a favorable monsoon and flush season.
- Mr Manish Tiwary will assume the role of Chairman and Managing Director of Nestlé India from 1st August, 2025.

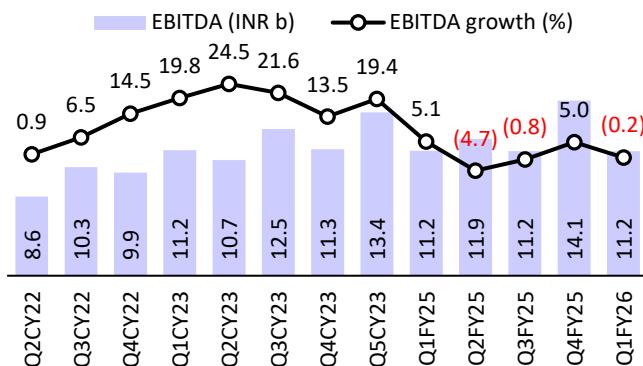
Key Exhibits

Exhibit 1: Total sales up 5.9% YoY to INR51b



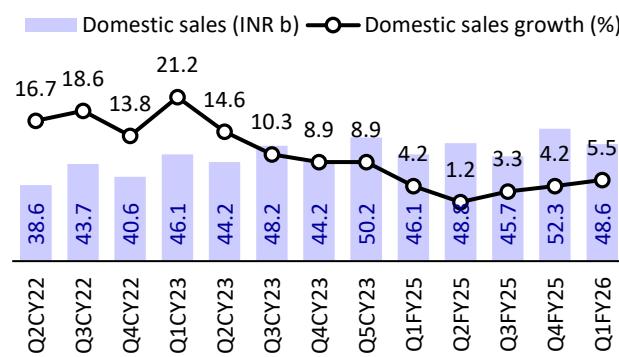
Sources: Company reports, MOFSL

Exhibit 2: EBITDA was flat at INR11.2b



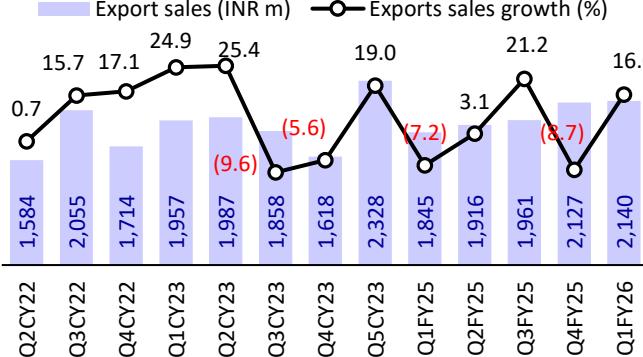
Source: Company reports, MOFSL

Exhibit 3: Domestic sales rose ~6% YoY to INR48.6b



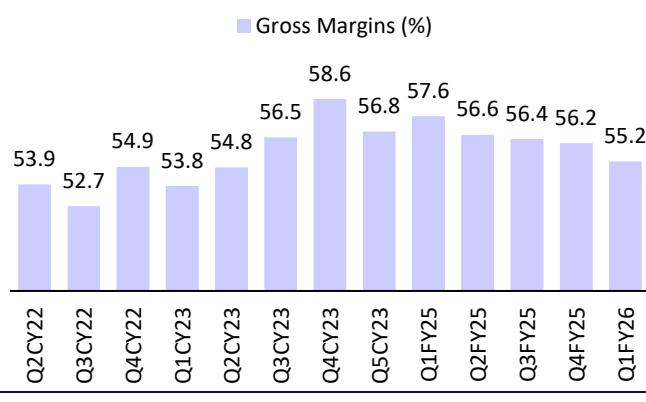
Sources: Company reports, MOFSL

Exhibit 4: Exports up 16% YoY to INR2,140m



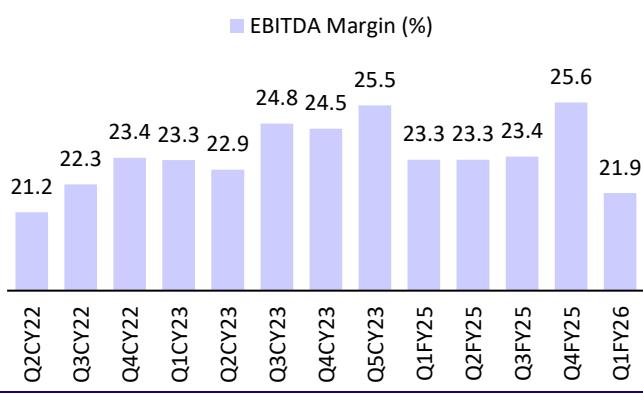
Sources: Company reports, MOFSL

Exhibit 5: Gross margin contracted 250bp YoY to 55.2%



Sources: Company reports, MOFSL

Exhibit 6: EBITDA margin contracted 130bp YoY to 21.9%

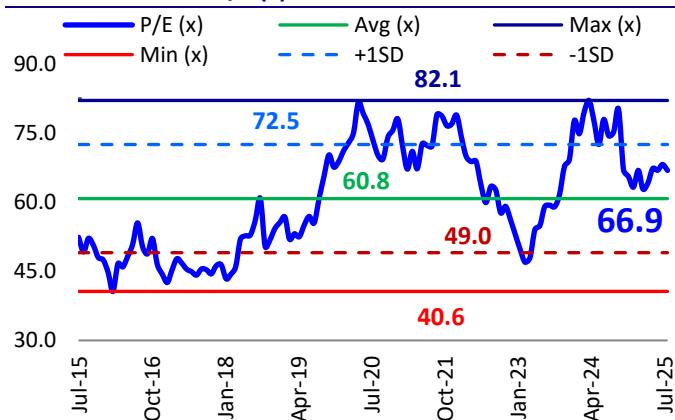


Sources: Company reports, MOFSL

Valuation and view

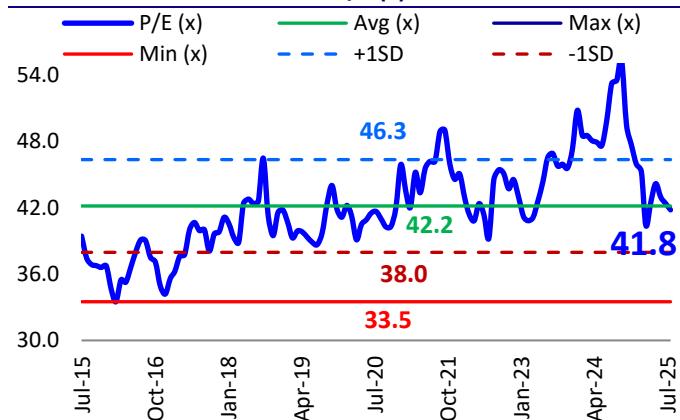
- We cut our EPS estimates for FY26 and FY27 by 4% and 1%, respectively.
- The company's focus on its RURBAN strategy drove stronger growth in RURBAN markets, with most categories benefiting from improved distribution penetration. Packaged food adoption has increased in tier-2 and rural markets. The company continues to enhance its portfolio through ongoing innovation and premiumization initiatives.
- Nestle's portfolio remains relatively safe from local competition, requiring limited overhead costs to protect market share. The company has invested ~INR39b in strengthening its manufacturing capabilities to cater to anticipated future demand. However, this will weigh on margins and return ratios in the near term. We model 23.6%/24.5% EBITDA margins for FY26/FY27.
- **The stock is trading at 69x/60x FY26/FY27 EPS. Given its expensive valuation, we reiterate our Neutral rating with a TP of INR2,400 (based on 60x P/E Jun'27E).**

Exhibit 7: Nestle's P/E (x)



Sources: Company reports, MOFSL

Exhibit 8: Consumer sector's P/E (x)



Sources: Company reports, MOFSL

Exhibit 9: We cut our EPS estimates for FY26 and FY27 by 4% and 1%, respectively

| | New | | Old | | Change (%) | |
|---------------|-------|-------|-------|-------|------------|-------|
| | 2026E | 2027E | 2026E | 2027E | 2026E | 2027E |
| Sales | 218.0 | 237.6 | 218.0 | 237.6 | 0.0 | 0.0 |
| EBITDA | 51.4 | 58.1 | 53.1 | 58.8 | -3.2 | -1.2 |
| PAT | 32.5 | 37.4 | 33.8 | 37.9 | -3.7 | -1.3 |

Source: MOFSL

Financials and valuations

| Income Statement | | | | | | | | (INR b) |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Y/E March | CY20 | CY21 | CY22 | FY24* | FY25 | FY26E | FY27E | FY28E |
| Net Sales | 133.5 | 147.4 | 169.0 | 243.9 | 202.0 | 218.0 | 237.6 | 259.0 |
| Change (%) | 7.9 | 10.4 | 14.6 | 15.5 | 3.5 | 7.9 | 9.0 | 9.0 |
| Gross Profit | 76.8 | 83.9 | 91.5 | 136.9 | 114.5 | 122.1 | 134.9 | 147.6 |
| Margin (%) | 57.5 | 56.9 | 54.1 | 56.1 | 56.7 | 56.0 | 56.8 | 57.0 |
| EBITDA | 32.6 | 36.0 | 38.1 | 59.1 | 48.5 | 51.4 | 58.1 | 64.1 |
| Change (%) | 11.4 | 10.2 | 6.1 | 23.9 | 2.6 | 5.9 | 13.1 | 10.4 |
| Margin (%) | 24.4 | 24.4 | 22.6 | 24.2 | 24.0 | 23.6 | 24.5 | 24.8 |
| Depreciation | 3.7 | 3.9 | 4.0 | 5.4 | 5.4 | 6.3 | 6.9 | 7.7 |
| Int. and Fin. Ch. | 1.6 | 2.0 | 1.5 | 1.5 | 1.4 | 1.2 | 1.3 | 1.3 |
| Other Inc.- Rec. | 1.5 | 1.2 | 1.0 | 1.5 | 0.6 | 1.1 | 1.7 | 2.0 |
| PBT | 28.7 | 31.2 | 33.6 | 53.7 | 42.3 | 45.0 | 51.6 | 57.1 |
| Change (%) | 4.9 | 8.7 | 7.5 | 60.0 | -1.5 | 6.2 | 14.8 | 10.6 |
| Margin (%) | 21.5 | 21.2 | 19.9 | 22.0 | 21.0 | 20.6 | 21.7 | 22.0 |
| Tax | 7.3 | 7.4 | 8.7 | 13.6 | 11.1 | 11.9 | 13.7 | 15.1 |
| Tax Rate (%) | 25.4 | 23.7 | 25.8 | 25.2 | 26.2 | 26.5 | 26.5 | 26.5 |
| Adjusted PAT | 21.0 | 23.3 | 24.4 | 39.6 | 30.8 | 32.5 | 37.4 | 41.4 |
| Change (%) | 5.1 | 11.2 | 4.5 | 30.0 | -2.6 | 5.5 | 14.9 | 10.7 |
| Margin (%) | 15.7 | 15.8 | 14.4 | 16.2 | 15.3 | 14.9 | 15.7 | 16.0 |
| Reported PAT | 20.8 | 21.2 | 23.9 | 39.3 | 32.1 | 32.5 | 37.4 | 41.4 |

| Balance Sheet | | | | | | | | (INR b) |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Y/E March | CY20 | CY21 | CY22 | FY24* | FY25 | FY26E | FY27E | FY28E |
| Share Capital | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Reserves | 19.2 | 19.9 | 23.6 | 32.4 | 39.1 | 44.2 | 50.0 | 56.4 |
| Net Worth | 20.2 | 20.8 | 24.6 | 33.4 | 40.1 | 45.2 | 51.0 | 57.4 |
| Loans | 0.3 | 0.3 | 0.3 | 0.3 | 7.5 | 7.8 | 8.1 | 8.4 |
| Capital Employed | 20.5 | 21.1 | 24.9 | 33.7 | 47.6 | 53.0 | 59.1 | 65.8 |
| Gross Block | 40.0 | 51.2 | 54.7 | 63.3 | 88.0 | 103.0 | 115.0 | 127.0 |
| Less: Accum. Depn. | 18.2 | 21.2 | 24.3 | 28.7 | 33.2 | 40.4 | 47.3 | 54.9 |
| Net Fixed Assets | 21.8 | 29.9 | 30.4 | 34.6 | 54.7 | 62.6 | 67.7 | 72.0 |
| Capital WIP | 6.4 | 2.5 | 3.6 | 17.4 | 11.7 | 11.7 | 11.7 | 11.7 |
| Investments | 14.6 | 7.7 | 7.8 | 4.6 | 5.8 | 5.8 | 5.8 | 5.8 |
| Curr. Assets, L&A | 36.0 | 41.7 | 47.7 | 48.6 | 49.7 | 51.9 | 59.1 | 68.9 |
| Inventory | 14.2 | 15.8 | 19.3 | 20.9 | 28.5 | 24.2 | 26.1 | 28.4 |
| Account Receivables | 1.6 | 1.7 | 1.9 | 3.0 | 3.6 | 3.9 | 4.3 | 4.7 |
| Cash and Bank Balance | 17.7 | 7.4 | 9.5 | 7.8 | 1.0 | 6.8 | 11.3 | 17.9 |
| Others | 2.5 | 16.9 | 17.1 | 16.9 | 16.6 | 17.0 | 17.5 | 18.0 |
| Curr. Liab. and Prov. | 58.5 | 61.0 | 64.9 | 71.4 | 74.0 | 78.7 | 85.0 | 92.3 |
| Account Payables | 15.2 | 17.3 | 19.3 | 22.4 | 23.7 | 25.9 | 27.4 | 29.5 |
| Other Liabilities | 8.5 | 7.1 | 9.5 | 14.1 | 12.8 | 14.1 | 15.5 | 17.1 |
| Provisions | 34.9 | 36.5 | 36.1 | 34.9 | 37.5 | 38.7 | 42.1 | 45.8 |
| Net Curr. Assets | -22.5 | -19.3 | -17.2 | -22.8 | -24.3 | -26.8 | -25.8 | -23.4 |
| Def. Tax Liability | 0.2 | 0.3 | 0.3 | -0.1 | -0.3 | -0.3 | -0.3 | -0.3 |
| Appl. of Funds | 20.5 | 21.1 | 24.9 | 33.7 | 47.6 | 53.0 | 59.1 | 65.8 |

E: MOFSL Estimates

Financials and valuations

Ratios

| Y/E March | CY20 | CY21 | CY22 | FY24* | FY25 | FY26E | FY27E | FY28E |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | |
| EPS | 21.7 | 24.2 | 25.3 | 41.0 | 32.0 | 33.7 | 38.8 | 42.9 |
| Cash EPS | 25.6 | 28.2 | 29.4 | 46.6 | 37.6 | 40.2 | 45.9 | 50.9 |
| BV/Share | 20.9 | 21.6 | 25.5 | 34.6 | 41.6 | 46.8 | 52.9 | 59.5 |
| DPS | 20.0 | 20.0 | 22.0 | 32.2 | 27.0 | 28.5 | 32.7 | 36.2 |
| Payout (%) | 92.0 | 82.7 | 87.1 | 78.4 | 84.4 | 84.4 | 84.4 | 84.4 |
| Valuation (x) | | | | | | | | |
| P/E | 106.5 | 95.8 | 91.7 | 56.4 | 72.4 | 68.6 | 59.7 | 54.0 |
| Cash P/E | 90.5 | 82.0 | 78.7 | 49.7 | 61.6 | 57.6 | 50.4 | 45.5 |
| EV/Sales | 16.5 | 15.0 | 13.1 | 9.1 | 11.1 | 10.2 | 9.4 | 8.6 |
| EV/EBITDA | 67.5 | 61.7 | 58.1 | 37.6 | 46.1 | 43.4 | 38.3 | 34.6 |
| P/BV | 110.6 | 107.1 | 90.8 | 66.8 | 55.7 | 49.4 | 43.8 | 38.9 |
| Dividend Yield (%) | 0.9 | 0.9 | 0.9 | 1.4 | 1.2 | 1.2 | 1.4 | 1.6 |
| Return Ratios (%) | | | | | | | | |
| RoE | 106.1 | 113.6 | 107.2 | 136.5 | 83.9 | 76.3 | 77.8 | 76.4 |
| RoCE | 112.2 | 122.0 | 113.4 | 140.9 | 79.3 | 67.5 | 69.3 | 68.7 |
| Working Capital Ratios | | | | | | | | |
| Debtor (Days) | 4.5 | 4.1 | 4.1 | 4.5 | 6.6 | 6.6 | 6.6 | 6.6 |
| Asset Turnover (x) | 6.6 | 7.1 | 7.4 | 8.3 | 5.0 | 4.3 | 4.2 | 4.1 |
| Leverage Ratio | | | | | | | | |
| Debt/Equity (x) | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | 0.2 | 0.1 |

Cash Flow Statement

(INR b)

| Y/E March | CY20 | CY21 | CY22 | FY24* | FY25 | FY26E | FY27E | FY28E |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| OP/(loss) before Tax | 28.1 | 28.8 | 32.6 | 52.9 | 43.2 | 44.4 | 51.1 | 56.5 |
| Int./Div. Received | 0.3 | 0.1 | 0.2 | 0.3 | 0.4 | 1.2 | 1.3 | 1.3 |
| Depn. and Amort. | 3.7 | 3.9 | 4.0 | 5.4 | 5.4 | 6.3 | 6.9 | 7.7 |
| Interest Paid | -1.5 | -1.3 | -0.7 | -1.3 | -2.2 | -1.1 | -1.7 | -2.0 |
| Direct Taxes Paid | -7.0 | -7.3 | -8.4 | -13.0 | -10.2 | -11.9 | -13.7 | -15.1 |
| Incr in WC | 1.0 | -1.5 | -0.3 | -2.5 | -7.1 | 5.5 | 0.1 | 0.5 |
| CF from Operations | 24.5 | 22.7 | 27.4 | 41.7 | 29.4 | 44.4 | 44.0 | 48.9 |
| Others | 4.4 | 8.0 | 0.9 | 2.0 | 1.2 | 4.8 | 5.1 | 5.7 |
| Incr in FA | -4.7 | -7.3 | -5.4 | -18.8 | -20.0 | -15.0 | -12.0 | -12.0 |
| Free Cash Flow | 19.8 | 15.4 | 22.0 | 23.0 | 9.3 | 29.4 | 32.0 | 36.9 |
| Pur of Investments | 0.0 | -13.5 | 0.5 | 4.7 | 1.2 | 0.0 | 0.0 | 0.0 |
| CF from Invest. | -0.4 | -12.9 | -4.0 | -12.1 | -17.7 | -10.2 | -6.9 | -6.3 |
| Incr in Debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend Paid | -18.9 | -19.3 | -20.2 | -30.1 | -24.6 | -27.5 | -31.6 | -35.0 |
| Others | -0.7 | -0.9 | -1.0 | -1.3 | 6.1 | -0.9 | -1.0 | -1.0 |
| CF from Fin. Activity | -19.6 | -20.2 | -21.2 | -31.3 | -18.5 | -28.4 | -32.6 | -36.0 |
| Incr/Decr of Cash | 4.6 | -10.3 | 2.1 | -1.7 | -6.8 | 5.8 | 4.5 | 6.6 |
| Add: Opening Balance | 13.1 | 17.7 | 7.4 | 9.5 | 7.8 | 1.0 | 6.8 | 11.3 |
| Closing Balance | 17.7 | 7.4 | 9.5 | 7.8 | 1.0 | 6.8 | 11.3 | 17.9 |

E: MOFSL Estimates

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|----------------------------------|--|
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| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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