17 August 2026
Company Update | Sector: Consumer

# Colgate

| BSE SENSEX | S&P CNX |
|---|---|
| 77,728 | 24,288 |

Colgate-Palmolive

| | |
|---|---|
| Bloomberg | CLGT IN |
| Equity Shares (m) | 272 |
| M.Cap.(INRb)/(USDb) | 534.2 / 5.6 |
| 52-Week Range (INR) | 2505 / 1782 |
| 1, 6, 12 Rel. Per (%) | -4/-3/-7 |
| 12M Avg Val (INR M) | 1042 |
| Free float (%) | 49.0 |

**Financials & Valuations (INR b)**

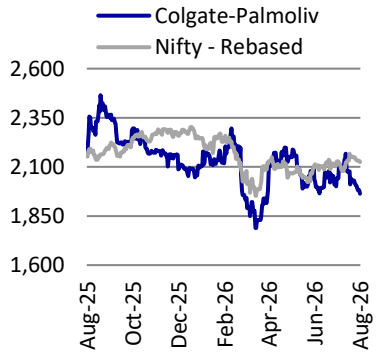
| Y/E March | 2026 | 2027E | 2028E |
|---|---|---|---|
| Sales | 60.4 | 66.5 | 71.2 |
| Sales Gr. (%) | -0.1 | 10.2 | 7.1 |
| EBITDA | 18.7 | 20.8 | 22.8 |
| EBITDAM (%) | 31.0 | 31.4 | 32.1 |
| Adj. PAT | 13.4 | 15.1 | 16.6 |
| Adj. EPS (INR) | 49.4 | 55.5 | 61.2 |
| EPS Gr. (%) | -3.8 | 12.4 | 10.2 |
| BV/Sh.(INR) | 58.2 | 63.8 | 73.0 |
| **Ratios** | | | |
| RoE (%) | 82.7 | 91.0 | 89.5 |
| RoCE (%) | 83.1 | 91.3 | 89.7 |
| Payout (%) | 97.2 | 90.0 | 85.0 |
| **Valuations** | | | |
| P/E (x) | 39.8 | 35.4 | 32.1 |
| P/BV (x) | 33.7 | 30.8 | 26.9 |
| EV/EBITDA (x) | 27.8 | 25.0 | 22.7 |
| Div. Yield (%) | 2.4 | 2.5 | 2.6 |

**Shareholding pattern (%)**

| As On | Jun-26 | Mar-26 | Jun-25 |
|---|---|---|---|
| Promoter | 51.0 | 51.0 | 51.0 |
| DII | 15.8 | 15.5 | 9.6 |
| FII | 13.6 | 13.6 | 20.4 |
| Others | 19.6 | 19.9 | 19.0 |

FII Includes depository receipts

**Stock's performance (one-year)**




## CMP: INR1,965 TP: INR2,500 (+27%) Buy

## Key thrust remains intact

**Colgate held an analyst meet 2026 to discuss its strategic growth initiatives, category opportunities and medium-term outlook:**

**Colgate focuses on driving toothpaste and toothbrush category growth, accelerating premiumization, and scaling up its personal care portfolio. With ~99% toothpaste penetration, the company sees significant headroom for consumption growth, particularly given low brushing frequency and dentist penetration. Management highlighted a more balanced growth strategy, with volume, calibrated pricing and premiumization/mix expected to contribute to growth. Following the slowdown in urban consumption in early 2024, the company has sharpened its focus on scientific superiority, premiumization and innovation, while rural markets remain a key opportunity for consumption creation.**

**Colgate delivered a strong 1QFY27 performance with 12% YoY revenue growth, marking the first quarter of double-digit revenue growth after six quarters. Importantly, growth is becoming more balanced across volume, pricing and mix rather than being predominantly price-led. Management is prioritizing growth over near-term margin, with brand investments increasing 34% YoY to INR2.5b (~16% of sales) in 1QFY27. Despite higher advertising intensity, the company expects gross margins to remain range-bound, aided by structural productivity under its 'Funding the Growth' (FTG) program, which generated 4.7% savings in FY26. We expect the company to deliver sales/EBITDA/adj. PAT CAGR of 9%/11%/11% over FY26-FY28E. We reiterate our BUY rating on the stock with a TP of INR2,500.**

### Consumption creation remains a key opportunity

Despite near-universal toothpaste penetration, oral-care consumption remains significantly below peer markets, providing a long runway for category growth. Per-capita toothpaste consumption in urban and rural India is only ~0.7x and ~0.5x that of the Philippines, respectively. Oral-care habits remain underdeveloped, with only 24% of urban consumers brushing twice daily, although this has improved from 20% earlier. In rural India, the proportion of consumers who do not brush daily has declined from 55% to 45%, indicating a gradual improvement in behavior. Colgate is focusing on education, affordability and higher replacement/consumption frequency to unlock this opportunity. The company is also seeking to build awareness around oral and systemic health while increasing dentist engagement given that only ~9% of consumers currently visit a dentist. However, changing consumer behavior remains a gradual process, and volume-led category acceleration is likely to remain progressive.

### Premiumization remains a key growth lever

Colgate continues to see significant headroom for premiumization, with its premium portfolio growing ~6x faster than the market and premium toothpaste growing ~5x faster than its key competitor. The company is increasingly relying on scientific superiority and efficacy-led innovation to

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drive premiumization, rather than competing primarily on price. Colgate Strong Teeth with Arginine offers 8x better remineralization vs. the nearest competing product, while Colgate Total, Visible White Purple and PerioGard remain key premium growth brands. Visible White Purple has emerged as the company's most successful innovation over the past two years, while PerioGard is scaling up rapidly, with net sales approximately doubling annually, aided by its ISP endorsement and dentist-led prescriptions. Management sees the opportunity not merely to trade consumers up to higher-priced SKUs, but to simultaneously increase category consumption and improve product mix.

## Toothbrush and alternate channels provide additional growth vectors

Colgate remains the No.1 toothbrush brand across the INR10-299 price range, with growth increasingly driven by higher replacement rates in rural markets and strong demand for super-premium products in urban markets. This creates a dual growth opportunity through penetration/replacement at the bottom of the pyramid and premiumization at the top. On distribution, Colgate has ~1.7m directly serviced outlets and ~7.1m total reach, while modern trade and e-commerce together account for ~20% of category toothpaste sales. Quick commerce has emerged as a structural growth driver, contributing ~40% of Colgate's e-commerce sales and offering both premiumization and profitability benefits, with margins ~400bp higher than the traditional channel. Meanwhile, Palmolive remains a turnaround opportunity, with the company partnering with Bombay Shaving Company to strengthen its digital presence and D2C/e-commerce execution.

## Valuation and View

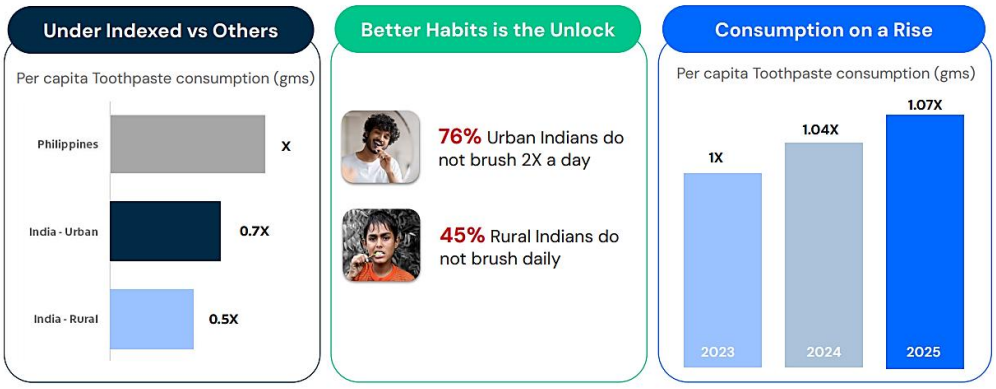
Heading into FY27, management reiterated its focus on driving balanced growth through volume recovery and selective pricing actions while continuing to invest in brands and premiumization initiatives to support revenue growth. We model 9% revenue CAGR and 11% EBITDA CAGR over FY26-28E. **We reiterate our BUY rating on the stock with a TP of INR2,500 (based on 40x Mar'27E EPS).**

## Highlights from the analyst meet

**Business environment**

- India has near-universal toothpaste penetration (~99%), but consumption remains significantly below developed/peer markets, providing a long runway for category growth. Per-capita toothpaste consumption in urban India is ~0.7x and rural India ~0.5x that of the Philippines.
- Oral-care habits remain underdeveloped as only 24% of urban Indians brush twice daily, although this has improved from 20% earlier. In rural India, the proportion of people who do not brush daily has declined to 45% from 55%, indicating gradual improvement in habits.
- Dentist penetration remains low, with only ~9% of consumers visiting a dentist, despite universal recommendation for regular dental visits.
- Management is increasingly positioning oral care as part of overall health and wellness, highlighting the strong correlation between oral and systemic health. Individuals with diabetes, for instance, have 2.7x higher risk of gum-related issues.
- The company sees a resurgence of science-backed products, with consumers increasingly seeking efficacy-led solutions as the growth of natural/Ayurvedic offerings begins to plateau.
- Rural India remains a significant consumption-creation opportunity, given the low frequency of usage. The decline in rural non-brushers from 55% to 45% demonstrates gradual improvement in oral-care behavior. Colgate is focusing on education, affordability and replacement/consumption frequency to unlock this opportunity.
- Following the slowdown in urban consumption observed in early 2024, Colgate has shifted greater emphasis toward premiumization, scientific superiority and innovation. The urban strategy is therefore less about basic penetration and more about trading consumers up and increasing value per consumer.
- **Management has shifted toward a more balanced growth model, with growth expected to come from volume, calibrated pricing and premiumization/mix, rather than relying disproportionately on any single lever.**
- Premiumization remains a key structural growth driver. Management indicated that its premium portfolio is growing ~6x faster than the market, while the premium toothpaste business is growing ~5x faster than its key competitor.
- **Management remains willing to sacrifice near-term operating margin to accelerate growth, particularly through higher brand investments and premiumization.**
- Revenue growth accelerated to 12% in 1QFY27 from 9% in 4QFY26, indicating improving momentum. CLGT highlighted that the growth is increasingly balanced across volume, pricing and mix, rather than being predominantly price-led. APAT growth (8%) lagged revenue growth as the company deliberately increased brand investments.

**Exhibit 1: Opportunity in toothpaste consumption and habits**




Source: CLGT PPT, Company

## Strategic pillars remain the same

- CLGT reiterated its four growth pillars: (1) lead toothpaste category growth, (2) accelerate premiumization, (3) lead category growth in toothbrushes, and (4) build out the personal care (Palmolive) portfolio.
- On toothpaste, core growth continues to be driven by technology superiority. Colgate Strong Teeth with Arginine offers 8x better remineralization versus the nearest competing product.
- On toothbrushes, CLGT remains the No. 1 brand in India across the INR10-299 price spectrum, with growth driven by higher replacement rates in rural markets and super-premium demand in urban areas outpacing the value segment.
- Within therapeutics, PerioGard remains the focus brand. It is the only toothpaste endorsed by the Indian Society of Periodontology (ISP), and management indicated its net sales are doubling annually as it drives dentist-led prescriptions for gum health.

**Exhibit 2: Colgate strategic pillars**



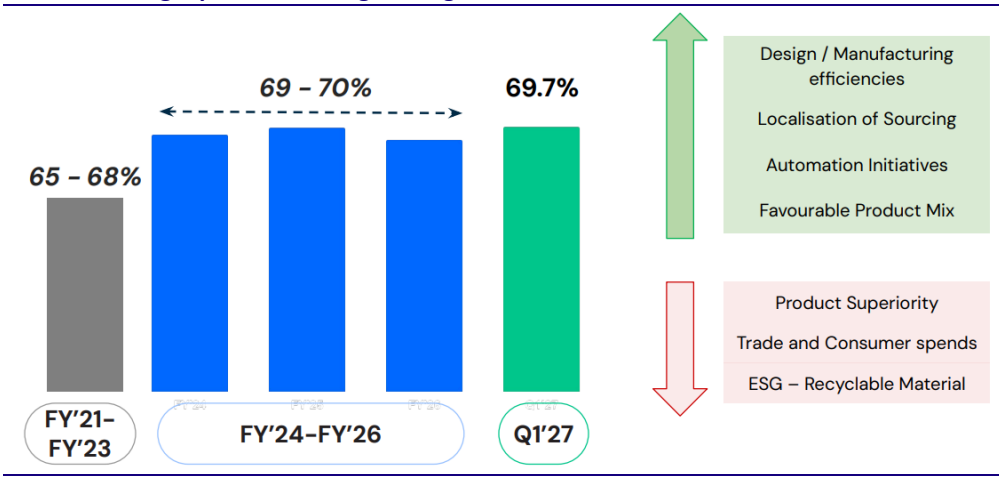

Source: CLGT PPT, Company

## Cost and margins

- Brand investment increased 34% YoY to INR2.5b, equivalent to ~16% of sales in 1QFY27.
- Management indicated an upward bias in advertising intensity in the near term, particularly as the company invests in premium brands.

- Approximately 60% of advertising expenditure is now digital, reflecting changing consumer behavior.
- Management highlighted declining TV engagement at both the top and bottom ends of the consumer pyramid, making digital increasingly important for targeted consumer acquisition.
- Importantly, management does not expect gross margins to deteriorate materially and intends to keep gross margins range-bound while there is higher advertising expenditure.
- **CLGT has implemented low-single-digit price increases, reflecting a balanced approach to pricing.**
- EBITDA margin remains approximately 500bp higher than the next-closest FMCG peer, providing significant profitability headroom.
- CLGT's FTG program remains a key structural margin lever. The program has consistently generated 4–5% annual savings, with ~4.7% savings reported for FY26. Savings are being generated through manufacturing efficiencies, automation, localization of sourcing, etc.
- The FTG objective is to effectively fund incremental brand investments through structural productivity, allowing Colgate to increase consumer investment without proportionately compromising gross margins.
- Management is deliberately protecting affordability at the INR10 and INR20 price points, particularly for consumers at the bottom of the pyramid.
- The strategy remains volume-friendly pricing rather than aggressive price hikes, with price contributing alongside volume and mix.
- This is particularly relevant given management's focus on increasing consumption among underpenetrated/low-frequency users.

**Exhibit 3: Margin profile is strengthening**




Source: CLGT PPT, Company

## Toothpaste: Defending the core while driving premiumization

- Colgate remains highly dominant, at approximately 3x the size of the second-largest toothpaste player, with 67% top-of-mind awareness and ~90% consideration.
- The strategy for the core portfolio is centered on scientific superiority and product efficacy, rather than competing purely on pricing.

- Colgate Strong Teeth with Arginine is positioned around superior remineralization, with management citing 8x better remineralization versus the nearest competitor.
- Key premium growth brands include Colgate Total, Visible White Purple and PerioGard.
- Visible White Purple has emerged as Colgate India's most successful innovation in the last two years, leveraging purple color-correction technology.
- Premiumization is being supported by significantly higher brand-building investments. Management indicated that advertising-to-turnover ratios for select premium brands can be as high as 50–60%, reflecting the brand investment required to build the premium portfolio.
- Management believes the opportunity is not simply to trade consumers up to higher-priced SKUs, but to increase overall category consumption while simultaneously improving product mix.
- PerioGard is a key focus within the therapeutic portfolio and is positioned around gum health.
- Management highlighted that PerioGard is the only Colgate brand endorsed by the Indian Society of Periodontology (ISP), providing credibility with dentists and supporting prescription-led adoption.
- The therapeutic business remains at an early stage but is scaling rapidly, with PerioGard net sales approximately doubling annually.
- The broader strategy is to use the oral-health/systemic-health linkage and dentist engagement to expand awareness of gum-related issues and create a larger therapeutic market.

## Toothbrushes: Premiumization + Rural Replacement

- Colgate is the #1 toothbrush brand in India, with products spanning the INR10-INR299 price range.
- Growth is increasingly being driven by two distinct trends:
  - Rural: rising replacement rates as consumers become more aware of the need to replace toothbrushes regularly.
  - Urban: strong demand for super-premium toothbrushes, which is growing faster than the value segment.
- Hence, the toothbrush strategy combines penetration/replacement-led growth at the bottom of the pyramid with premiumization at the top.

**Exhibit 4: Colgate's toothbrush portfolio across the Tiers**




Source: CLGT PPT, Company

## Palmolive: Fixing a historically underperforming business

- Management acknowledged that Palmolive has been a past area of disappointment and is now undertaking a more significant transformation of the business.
- Colgate has partnered with Bombay Shaving Company to manage Palmolive's digital presence and D2C/e-commerce operations end-to-end, particularly for the body-wash portfolio.
- The strategy suggests a greater emphasis on digital-first consumer acquisition, e-commerce and sharper execution, rather than relying on the traditional distribution-led model.
- Palmolive therefore remains a recovery opportunity rather than a current core growth engine.

## Distribution: Quick Commerce emerging as a structural tailwind

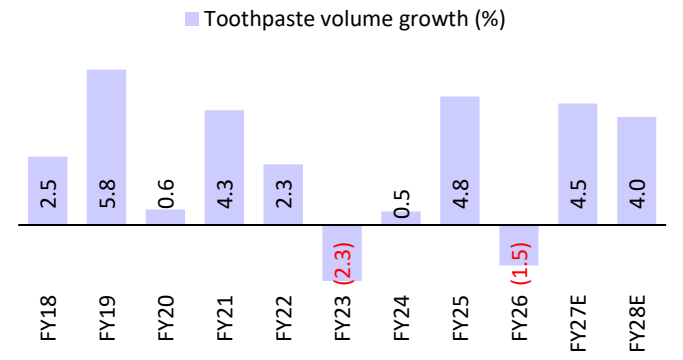
- Colgate has approximately 1.7 million direct outlets and 7.1 million total reach.
- Modern trade and e-commerce together account for approximately 20% of category toothpaste sales YTD 2026, highlighting the continuing shift away from traditional general trade.
- Quick commerce accounts for ~40% of Colgate's e-commerce sales and is increasingly important to the company's growth strategy.
- Management views quick commerce as simultaneously growth-, margin- and premiumization-accretive.
- Quick-commerce margins are approximately 400bp higher, making the channel particularly attractive from a profitability perspective.
- Importantly, quick commerce is also skewed toward premium products, creating a favorable mix benefit in addition to incremental sales.

## Recent innovations

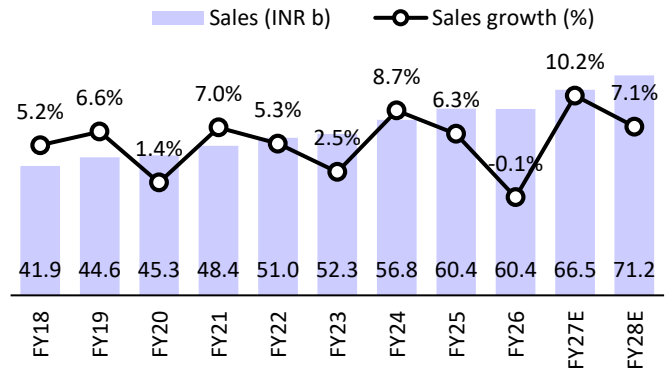
- Visible White Purple: purple color-correction technology; identified as the company's most successful innovation in the past two years.
- Harry Potter & Bluey: licensed children's products aimed at improving engagement with younger consumers.
- Smart Pump: vacuum-sealed toothpaste dispenser aimed at both adult and child users.
- 100% recyclable tubes: Colgate has developed recyclable packaging technology and has shared the technology with competitors free of charge, highlighting the company's sustainability focus.

## Story in charts

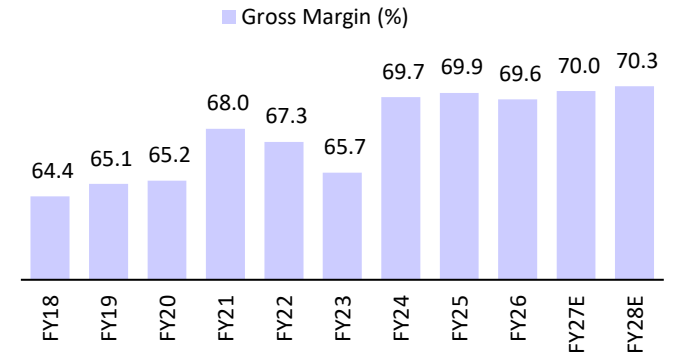
### Exhibit 5: Toothpaste volume growth



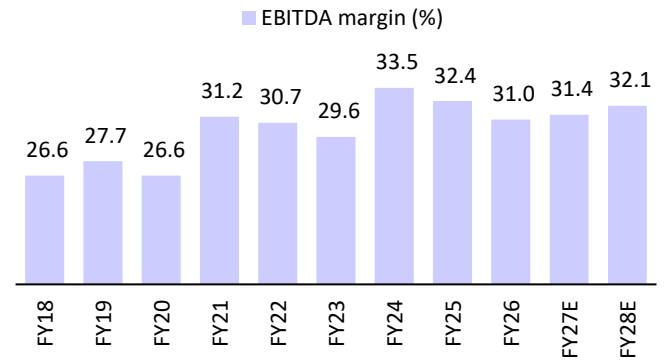

### Exhibit 6: Sales expected to see 9% CAGR over FY26-28E



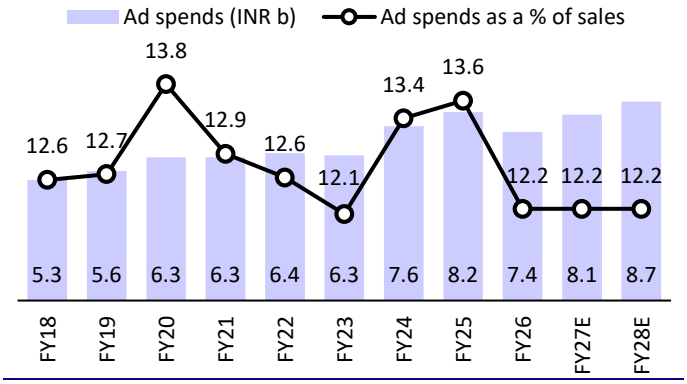

### Exhibit 7: GP margin to gradually improve over FY26-28E...



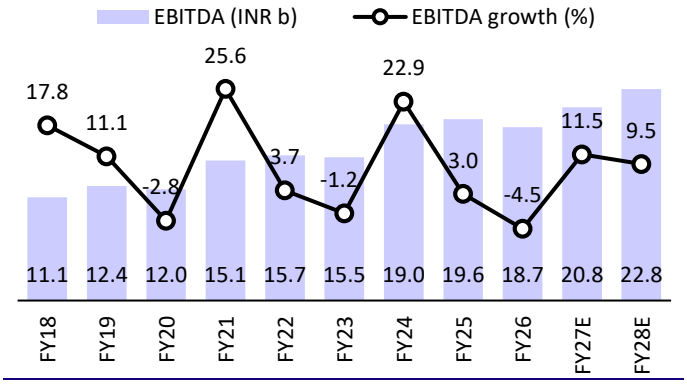

### Exhibit 8: ..along with EBITDA margin



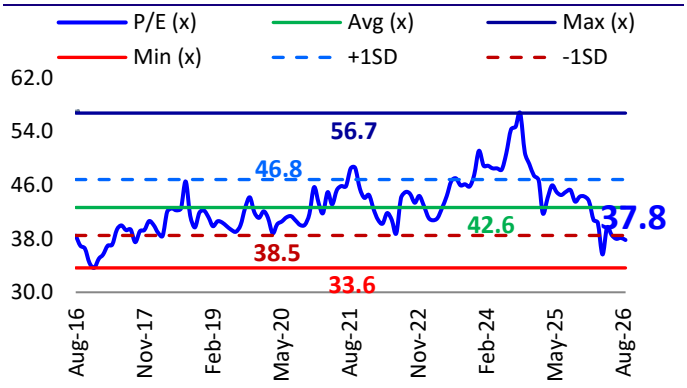

### Exhibit 9: Company continues invest in brands




### Exhibit 10: EBITDA to clock 11% CAGR over FY26-28E

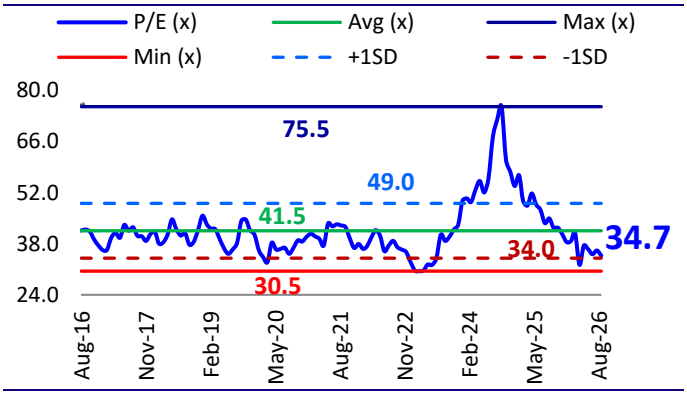



### Exhibit 11: Consumer – P/E




Source: MOFSL, Company

### Exhibit 12: CLGT - P/E




Source: MOFSL, Company

# Financials and valuations

## Income Statement

(INR m)

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|
| **Net Sales** | **45,251** | **48,412** | **50,998** | **52,262** | **56,804** | **60,402** | **60,350** | **66,507** | **71,208** |
| Change (%) | 1.4 | 7.0 | 5.3 | 2.5 | 8.7 | 6.3 | -0.1 | 10.2 | 7.1 |
| COGS | 15,729 | 15,494 | 16,675 | 17,942 | 17,230 | 18,183 | 18,371 | 19,952 | 21,184 |
| **Gross Profit** | **29,522** | **32,919** | **34,323** | **34,320** | **39,574** | **42,219** | **41,980** | **46,555** | **50,024** |
| Gross Margin (%) | 65.2 | 68.0 | 67.3 | 65.7 | 69.7 | 69.9 | 69.6 | 70.0 | 70.3 |
| **EBITDA** | **12,017** | **15,096** | **15,660** | **15,470** | **19,008** | **19,581** | **18,697** | **20,850** | **22,822** |
| Change (%) | -2.8 | 25.6 | 3.7 | -1.2 | 22.9 | 3.0 | -4.5 | 11.5 | 9.5 |
| Margin (%) | 26.6 | 31.2 | 30.7 | 29.6 | 33.5 | 32.4 | 31.0 | 31.4 | 32.1 |
| Depreciation | 1,979 | 1,825 | 1,773 | 1,748 | 1,715 | 1,627 | 1,461 | 1,542 | 1,549 |
| Int. and Fin. Charges | 96 | 73 | 59 | 49 | 50 | 43 | 38 | 42 | 46 |
| Financial Other Income | 492 | 304 | 263 | 536 | 765 | 824 | 891 | 925 | 1,019 |
| **Profit before Taxes** | **10,434** | **13,502** | **14,090** | **14,209** | **18,008** | **18,734** | **18,089** | **20,191** | **22,246** |
| Change (%) | -6.2 | 29.4 | 4.4 | 0.8 | 26.7 | 4.0 | -3.4 | 11.6 | 10.2 |
| Margin (%) | 23.1 | 27.9 | 27.6 | 27.2 | 31.7 | 31.0 | 30.0 | 30.4 | 31.2 |
| Tax | 2,269 | 3,257 | 3,448 | 3,724 | 4,937 | 4,949 | 4,676 | 5,082 | 5,599 |
| Deferred Tax | -31 | -109 | -141 | -99 | -360 | -19 | -89 | 0 | 0 |
| Tax Rate (%) | 21.5 | 23.3 | 23.5 | 25.5 | 25.4 | 26.3 | 25.4 | 25.2 | 25.2 |
| **Adjusted PAT** | **8,165** | **10,354** | **10,783** | **10,555** | **13,383** | **13,973** | **13,436** | **15,109** | **16,646** |
| Change (%) | 8.8 | 26.8 | 4.1 | -2.1 | 26.8 | 4.4 | -3.8 | 12.4 | 10.2 |
| Margin (%) | 18.0 | 21.4 | 21.1 | 20.2 | 23.6 | 23.1 | 22.3 | 22.7 | 23.4 |
| Non-rec. (Exp)/Income | 0 | 0 | 0 | -83 | -146 | 395 | -183 | 0 | 0 |
| **Reported PAT** | **8,165** | **10,354** | **10,783** | **10,472** | **13,237** | **14,368** | **13,253** | **15,109** | **16,646** |

## Balance Sheet

(INR m)

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|
| Share Capital | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 | 272 |
| Reserves | 15,670 | 11,387 | 17,075 | 16,892 | 18,472 | 16,373 | 15,569 | 17,078 | 19,580 |
| **Net Worth** | **15,942** | **11,659** | **17,347** | **17,164** | **18,744** | **16,645** | **15,841** | **17,350** | **19,852** |
| Loans | 1,520 | 1,102 | 847 | 820 | 828 | 769 | 811 | 811 | 811 |
| Deferred Liability | 50 | -48 | -173 | -288 | -648 | -680 | -820 | -820 | -820 |
| **Capital Employed** | **17,512** | **12,713** | **18,021** | **17,695** | **18,924** | **16,735** | **15,832** | **17,341** | **19,843** |
| Gross Block | 22,182 | 19,831 | 20,504 | 21,240 | 22,278 | 23,729 | 24,607 | 24,707 | 24,807 |
| Less: Accum. Depn. | -10,953 | -9,184 | -10,874 | -12,622 | -14,337 | -15,964 | -17,425 | -18,967 | -20,517 |
| **Net Fixed Assets** | **11,229** | **10,647** | **9,630** | **8,618** | **7,941** | **7,765** | **7,183** | **5,740** | **4,291** |
| Capital WIP | 1,900 | 1,449 | 1,218 | 1,141 | 1,103 | 384 | 272 | 272 | 272 |
| Investments | 186 | 186 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Curr. Assets, L&A** | **12,725** | **16,611** | **17,997** | **18,783** | **22,274** | **21,357** | **25,808** | **25,742** | **30,628** |
| Inventory | 2,969 | 3,358 | 3,572 | 3,355 | 2,964 | 3,773 | 3,763 | 4,194 | 4,503 |
| Account Receivables | 1,326 | 1,171 | 2,247 | 1,574 | 1,674 | 2,263 | 2,092 | 2,491 | 2,667 |
| Cash & Bank | 4,213 | 8,676 | 7,547 | 9,230 | 13,738 | 10,951 | 14,688 | 14,178 | 18,210 |
| Others | 4,217 | 3,405 | 4,631 | 4,625 | 3,898 | 4,371 | 5,265 | 4,879 | 5,247 |
| **Curr. Liab. and Prov.** | **8,528** | **16,179** | **10,825** | **10,846** | **12,394** | **12,771** | **17,430** | **14,413** | **15,347** |
| Account Payables | 6,125 | 7,604 | 7,714 | 7,611 | 8,819 | 9,208 | 13,861 | 10,299 | 10,914 |
| Other Liabilities | 1,798 | 7,765 | 2,271 | 1,953 | 2,174 | 2,079 | 1,942 | 2,325 | 2,464 |
| Provisions | 605 | 810 | 840 | 1,282 | 1,401 | 1,485 | 1,627 | 1,790 | 1,969 |
| **Net Current Assets** | **4,197** | **431** | **7,173** | **7,936** | **9,881** | **8,586** | **8,378** | **11,329** | **15,281** |
| **Application of Funds** | **17,512** | **12,713** | **18,021** | **17,695** | **18,924** | **16,735** | **15,832** | **17,341** | **19,843** |

E: MOSL Estimates

# Financials and valuations

## Ratios

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|
| **Basic (INR)** | | | | | | | | | |
| **EPS** | **30.0** | **38.1** | **39.6** | **38.8** | **49.2** | **51.4** | **49.4** | **55.5** | **61.2** |
| Cash EPS | 37.3 | 44.8 | 46.2 | 45.2 | 55.5 | 57.4 | 54.8 | 61.2 | 66.9 |
| BV/Share | 58.6 | 42.9 | 63.8 | 63.1 | 68.9 | 61.2 | 58.2 | 63.8 | 73.0 |
| DPS | 28.0 | 38.0 | 40.0 | 39.0 | 58.0 | 51.0 | 48.0 | 50.0 | 52.0 |
| Payout % | 93.3 | 99.8 | 100.9 | 100.5 | 117.9 | 99.3 | 97.2 | 90.0 | 85.0 |
| **Valuation (x)** | | | | | | | | | |
| P/E | 65.5 | 51.6 | 49.6 | 50.6 | 39.9 | 38.3 | 39.8 | 35.4 | 32.1 |
| Cash P/E | 52.7 | 43.9 | 42.6 | 43.4 | 35.4 | 34.3 | 35.9 | 32.1 | 29.4 |
| EV/Sales | 11.8 | 10.9 | 10.3 | 10.1 | 9.2 | 8.7 | 8.6 | 7.8 | 7.3 |
| EV/EBITDA | 44.3 | 34.9 | 33.7 | 34.0 | 27.4 | 26.8 | 27.8 | 25.0 | 22.7 |
| P/BV | 33.6 | 45.8 | 30.8 | 31.1 | 28.5 | 32.1 | 33.7 | 30.8 | 26.9 |
| Dividend Yield (%) | 1.4 | 1.9 | 2.0 | 2.0 | 3.0 | 2.6 | 2.4 | 2.5 | 2.6 |
| **Return Ratios (%)** | | | | | | | | | |
| RoE | 53.7 | 75.0 | 74.4 | 61.2 | 74.5 | 79.0 | 82.7 | 91.0 | 89.5 |
| RoCE | 49.7 | 68.9 | 70.5 | 59.5 | 73.6 | 77.6 | 83.1 | 91.3 | 89.7 |
| **Working Capital Ratios** | | | | | | | | | |
| Debtor (Days) | 11 | 9 | 16 | 11 | 11 | 14 | 13 | 14 | 14 |
| Asset Turnover (x) | 2.9 | 4.4 | 3.0 | 3.2 | 3.2 | 3.7 | 3.9 | 3.9 | 3.6 |
| **Leverage Ratio** | | | | | | | | | |
| Debt/Equity (x) | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 |

## Cash Flow Statement

(INR m)

| Y/E March | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|
| OP/(loss) before Tax | 10,434 | 13,502 | 14,090 | 14,209 | 17,813 | 19,298 | 17,840 | 20,191 | 22,246 |
| Depreciation | 1,979 | 1,825 | 1,773 | 1,748 | 1,715 | 1,627 | 1,461 | 1,542 | 1,549 |
| Int./Div. Received | -96 | 35 | 105 | 68 | -630 | -590 | -502 | 0 | 0 |
| Interest Paid | -158 | -131 | -158 | -364 | 50 | 43 | 38 | 42 | 46 |
| Direct Taxes Paid | -3,213 | -3,584 | -3,699 | -3,809 | -4,686 | -5,620 | -4,558 | -5,082 | -5,599 |
| (Incr)/Decr in WC | -35 | -3,826 | 4,151 | -89 | -2,272 | -815 | 3,785 | -2,854 | 370 |
| **CF from Operations** | **8,911** | **7,823** | **16,261** | **11,763** | **11,990** | **13,945** | **18,063** | **13,839** | **18,612** |
| (Incr)/Decr in FA | -604 | -573 | -495 | -695 | -755 | -714 | -763 | -100 | -100 |
| **Free Cash Flow** | **8,307** | **7,249** | **15,766** | **11,068** | **11,234** | **13,231** | **17,300** | **13,739** | **18,512** |
| (Pur)/Sale of Investments | 7 | 1,060 | -812 | 221 | 828 | 548 | 3,891 | 0 | 0 |
| Others | 419 | 5,954 | -5,178 | 1,262 | 4,398 | 148 | -3,234 | -604 | -287 |
| **CF from Invest.** | **-177** | **6,440** | **-6,485** | **788** | **4,471** | **-18** | **-106** | **-704** | **-387** |
| Change in Equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Incr)/Decr in Debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividend Paid | -8,433 | -9,211 | -10,572 | -10,575 | -11,670 | -16,262 | -13,871 | -13,600 | -14,144 |
| Others | -81 | -353 | -334 | -293 | -282 | -451 | -349 | -45 | -49 |
| **CF from Fin. Activity** | **-8,514** | **-9,565** | **-10,906** | **-10,867** | **-11,953** | **-16,713** | **-14,220** | **-13,645** | **-14,193** |
| **Incr/Decr of Cash** | **219** | **4,698** | **-1,129** | **1,683** | **4,508** | **-2,787** | **3,737** | **-511** | **4,031** |
| Add: Opening Balance | 3,994 | 3,978 | 8,676 | 7,547 | 9,230 | 13,738 | 10,951 | 14,688 | 14,178 |
| **Closing Balance** | **4,213** | **8,676** | **7,547** | **9,230** | **13,738** | **10,951** | **14,688** | **14,177** | **18,209** |

E: MOSL Estimates

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|---|---|
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| SELL | < - 10% |
| NEUTRAL | > - 10 % to 15% |
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