

# Hindustan Unilever

Refer to important disclosures at the end of this report

## Stepping up digital innovation to stay ahead of competition

HUL's annual investor meet highlighted emerging trends, the company's growth initiatives across categories, and its R&D and digital prowess. Management remains upbeat on the medium-term growth outlook and expects to maintain double-digit EPS growth. The commentary emphasized significant leverage on data analytics and technology across functions, which will be a competitive advantage, going ahead. We expect some improvement in growth as increasing mobility could drive a recovery in the laundry/beauty segments, which we have factored in our forecasts as well. Post the recent run-up (61x/54x FY23/24E EPS), limited upside potential keeps us neutral on the name. We await a more visible pick-up in earnings growth after recent underperformance vs. peers. Maintain Hold with a Sep'22E TP of Rs2,700, valuing it at 55x Sep-23E EPS (47x Sep-23E EPS earlier). Correction in key commodity prices can offer upsides to forecasts whereas rural slowdown remains a risk.

- **Upbeat on medium-term growth outlook:** Management is optimistic on medium-term growth outlook and targets double-digit EPS growth. HUL continues to drive strong cost savings and expects another 300-400bps margin gain to come from GSK distribution and supply-chain synergies. Pricing actions across tea/laundry/skin cleansing are expected to offset high cost inflation, and it expects to maintain a healthy margin of 24-25%.
- **Step-up in digital, premiumization and naturals play across categories:** Within BPC, management highlighted its improved performance of the skin cleansing portfolio, with Lifebuoy leading in the hygiene segment and WIMI play under Lux. The naturals play is being strengthened (Indulekha, Love Beauty & Planet and Simple), and it has also formed a premium beauty business unit to target leading trends and achieve more agile and faster innovation. In Home care, HUL has a major share in the premium laundry segment, with Surf being a Rs50bn+ brand now. The premiumization opportunity in laundry is huge - premium is just 14% of the market now, with mid/mass-market at 14%/72%. F&R growth outlook remains strong, with the nutrition expected to see 2x reach expansion by Dec'21 (vs. baseline), 'Plus' range expanded with science-based offerings and Boost rolled out nationally. HUL expects 300-400bps margin gains from distribution and supply chain synergies, a part of which will be deployed in marketing. In foods, new products such as mayonnaise, peanut butter and meal makers have been introduced, targeting on-trend innovations. Food solutions (Rs25bn market) is being scaled up with a focus on seasonings.
- **HUL is much ahead in data and tech capabilities and is leveraging it across the organization:** In the last few years, HUL has invested significantly in data, technology and analytics. These capabilities are leveraged across different functions in the organization, including the identification of consumer trends and faster innovation, agile manufacturing (nano manufacturing) and supply-chain efficiencies (automated warehousing/delivery tracking), effective marketing and winning in new channels. AI/ML usage for commodity & demand forecasting and nano manufacturing for smaller batches (e-commerce and premium products) were highlighted. Shikhar, the eb2b platform has been expanded to 0.6mn outlets now and is seeing faster adoption by retailers after the pandemic.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Consumer Goods & Retail \(Page 10\)](#)

### Financial Snapshot (Standalone)

(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	3,87,850	4,59,960	5,15,178	5,74,728	6,36,690
EBITDA	96,000	1,13,240	1,30,351	1,51,297	1,71,455
EBITDA Margin (%)	24.8	24.6	25.3	26.3	26.9
APAT	69,350	81,810	91,979	1,07,052	1,21,938
EPS (Rs)	32.0	34.8	39.1	45.6	51.9
EPS (% chg)	10.7	8.7	12.4	16.4	13.9
ROE (%)	88.4	29.5	19.2	21.8	24.2
P/E (x)	87.7	80.7	71.8	61.7	54.2
EV/EBITDA (x)	62.7	57.7	50.0	42.9	37.7
P/BV (x)	75.8	13.9	13.6	13.3	12.9

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
Rs 2,811	Rs 2,700 (▲)
as of (September 10, 2021)	12 months
<b>Rating</b>	<b>Upside</b>
HOLD (■)	(4.0) %

### Change in Estimates

EPS Chg FY22E/FY23E (%)	1.4/1.4
Target Price change (%)	15.9
Target Period (Months)	12
Previous Reco	HOLD

### Emkay vs Consensus

EPS Estimates		
	FY22E	FY23E
Emkay	39.1	45.6
Consensus	38.9	46.0
Mean Consensus TP (12M)	Rs 2,715	

### Stock Details

Bloomberg Code	HUVR IN
Face Value (Rs)	1
Shares outstanding (mn)	2,350
52 Week H/L	2,825 / 2,000
M Cap (Rs bn/USD bn)	6,604 / 89.85
Daily Avg Volume (nos.)	15,40,845
Daily Avg Turnover (US\$ mn)	52.3

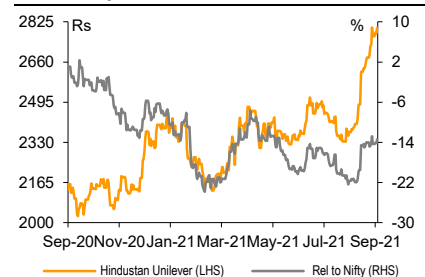
### Shareholding Pattern Jun '21

Promoters	61.9%
FIIIs	15.1%
DIIIs	10.8%
Public and Others	12.2%

### Price Performance

(%)	1M	3M	6M	12M
Absolute	18	19	28	32
Rel. to Nifty	10	7	11	(14)

### Relative price chart



Source: Bloomberg

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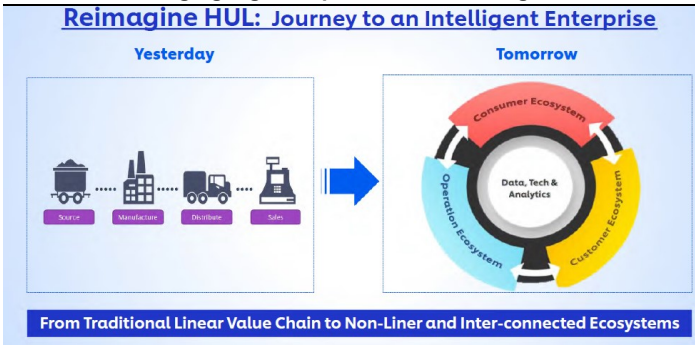
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## Story in Charts

Exhibit 1: Leveraging digital capabilities across organization



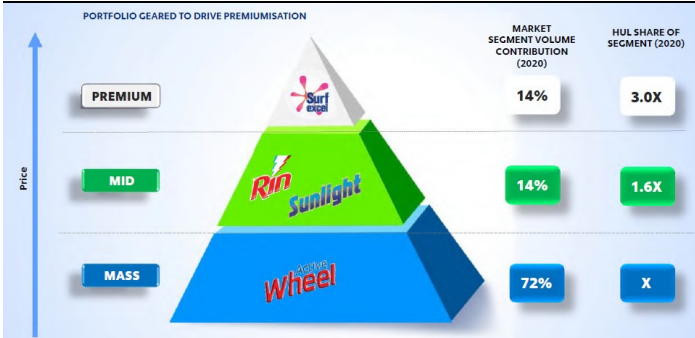
Source: Company

Exhibit 3: Lux - Different product mixes and marketing in different regions



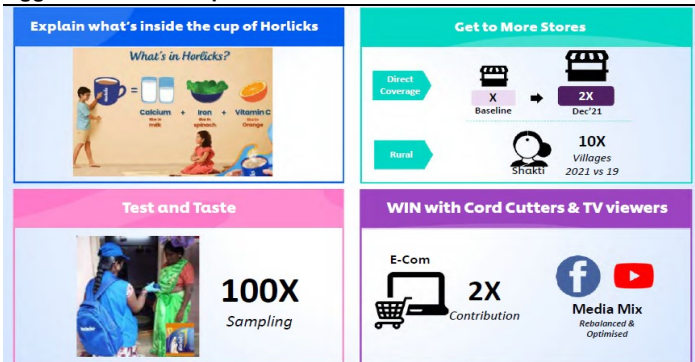
Source: Company

Exhibit 5: Huge headroom for growth and premiumization in core laundry



Source: Company

Exhibit 7: Nutrition strategy on different communication and aggressive reach expansion



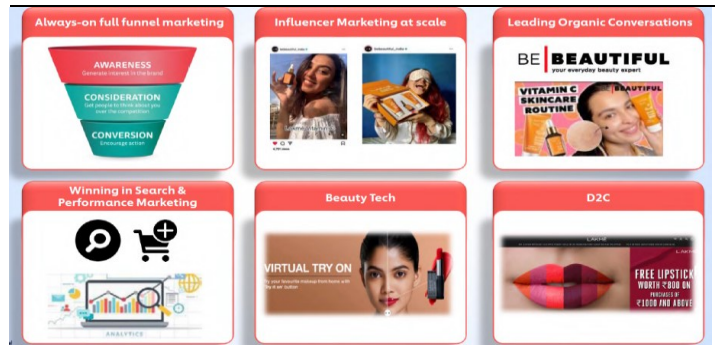
Source: Company

Exhibit 2: Addressing mega consumer trends



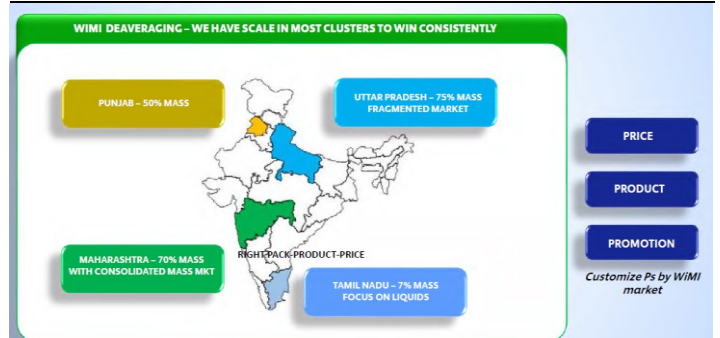
Source: Company

Exhibit 4: Stepping up digital play in BPC; separate premium beauty business unit



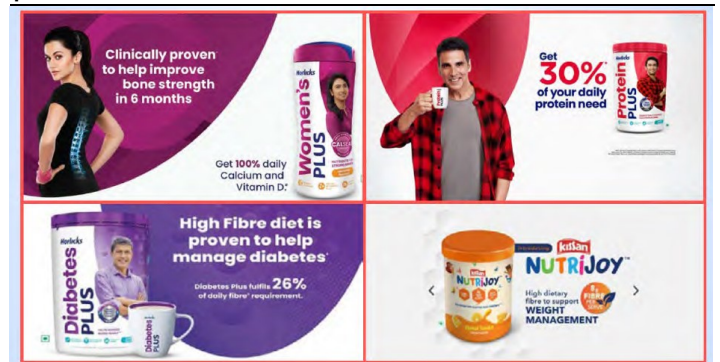
Source: Company

Exhibit 6: Premiumization curve differs across regions



Source: Company

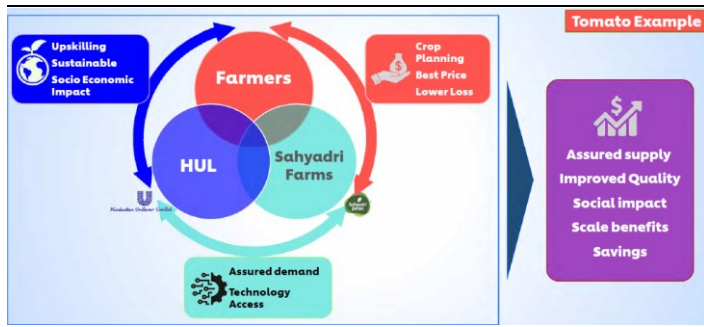
Exhibit 8: Horlick's Plus range expanded to offer more scientific products



Source: Company



Exhibit 9: Sustainable sourcing for the foods business



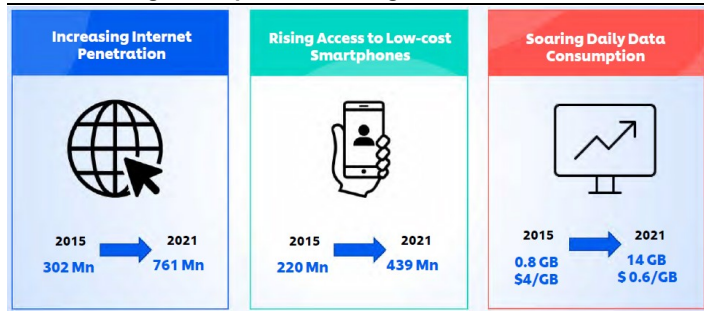
Source: Company

Exhibit 10: Strong R&amp;D backbone - categories/technologies created by HUL R&amp;D



Source: Company

Exhibit 11: Digital adoption increasing in India



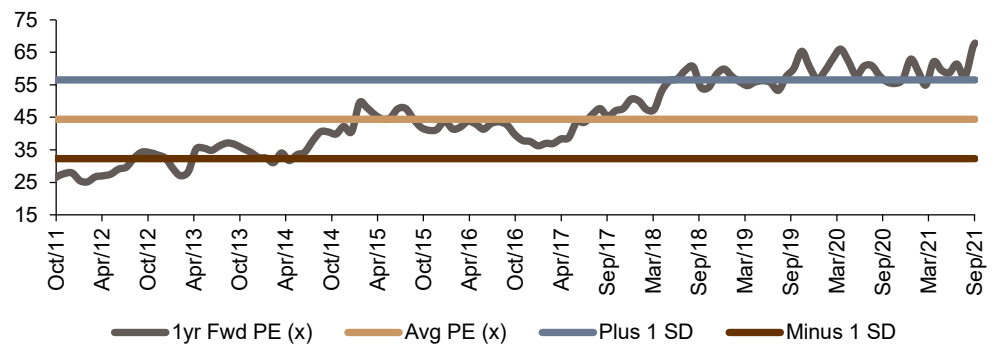
Source: Company

Exhibit 12: HUL's digital transformation journey



Source: Company

Exhibit 13: 1-year forward PER band



Source: Company, Emkay Research

## Key takeaways

### Beauty and Personal Care

- HUL has six brands with Rs10bn+ turnover. With low per capita consumption and penetration across categories, it sees a huge opportunity to premiumize and develop the market.
- **Key focus areas:** strengthening the natural and clean beauty play, stepping up digital & e-com presence (25-30mn shoppers online) and premiumizing in beauty. Love, Beauty & Planet, Simple are some brands addressing the naturals and D2C play, while innovations under Lakme and Ponds are aimed at premiumizing the portfolio.
- The company has formed a premium beauty business unit to address emerging trends and to achieve an agile innovation model.
- At a low penetration level of <2% in bodywash, 19% in facewash and 30% in handwash, management emphasized on premiumizing the existing products within the BPC segment and educating customers about the usage of categories like conditioners and anti-perspirants, thus accelerating market development.
- It also highlighted improved traction in skin cleansing products, driven by Lifebuoy, and better traction in Lux with a superior product and WIMI play with different marketing and product mixes across regions.

### Home Care

- Washing powder is a Rs230bn market currently, with the mass segment accounting for 72% of the volumes and mid- and premium at 14% each. HUL has a strong positioning in the premium segment with Surf (Rs50bn+ sales), and the segment share is 3x of the mass segment.
- Management is focusing on growing its core laundry care brands while also premiumizing the home care range, driven by higher frequency and need for surface cleaning, growing requirement of specialist laundry cleaning products and low penetration of liquid detergent market (<15%).
- With an additional 65mn washing machines expected to be added (taking the total to 100mn+), the category should see strong premiumization trend. HUL continues to develop the market for liquids and fabric conditioners. They have less than 15% penetration and offer higher realization (2x per wash vs. powders) and gross margins.
- In markets with a high mass segment share such as UP, Maharashtra and Punjab (50-75% of the market is mass segment), it is premiumizing through pricing, LUPs and promotions.
- Plastic usage reduction and water saving remain a focus with the launch of Home care liquids filling machine, use of new technology and formulations that drive reduction in water usage.

### Food and Beverage

- In the past decade, HUL covered the gaps in its food portfolio through acquisitions, increasing the contribution of its F&B range from 19% to 29% of turnover.
- The communication around Horlicks now focuses on what nourishment it offers than what it does.
- HUL sees big reach expansion for GSK products - direct coverage to expand to 2x vs. baseline by Dec'21 and village coverage by 10x vs. 2019. The company has also increased sampling, rolled out Boost nationally and launched e-com ready packs. It is also expanding the Plus range to offer more scientific products with specific benefits.
- In tea, HUL enjoys a much higher share in the premium segment (10% of segment) with an indexed share of 3.4x vs. the mass segment (35% of the segment). It is banking on upgrade from loose (30% of market), leveraging Taaza; playing the WIMI theme with different blends; and is also premiumizing.
- Coffee penetration in India is low at 27%. Management talked about scaling up the coffee business in the Northern markets (17% penetration) through the launch of beaten coffee and premiumizing the highly penetrated (87%) Southern markets via the launch of Veda Bru.
- The ice-cream category is expected to reach EUR6bn by 2028, driven by increasing per capita consumption and increased availability (growing number of ice-cream cabinets).
- In foods, the company has scaled up its innovation pace, driving on-trend innovation – peanut butter, meal makers, mayonnaise, etc. Management hopes to replicate China's food solutions success in India (Rs25bn addressable market). The entry into new categories

through Hellmann, scale-up of the seasoning range under Knor and higher eating-out habits should drive incremental growth ahead.

### Data and technology capabilities

- India is the second-most digital country and has the highest data usage globally at 14GB/user. With the rapid growth of internet usage and increasing penetration of e-comm channels, new consumers are emerging and driving growth in digitization. HUL has been able to capture more than 10% demand digitally.
- **Some new things highlighted by management:** AI/ML use in commodity & demand forecasting and distributor planning; and agile manufacturing with nano manufacturing, which allows separate small manufacturing units within existing plants to meet capacities for small batch products – e-commerce and premium products.
- Shikhar, its eB2b platform, now covers 0.6mn outlets. UShop, recently launched in Delhi and Mumbai, will be expanded into other cities, powering all digital-first brands.

**Exhibit 14: Revision in earnings estimates**

Y/E, Mar (Rs mn)	FY22E			FY23E			FY24E		
	Earlier	Revised	% Change	Earlier	Revised	% Change	Earlier	Revised	% Change
Revenues	5,09,540	5,15,178	1.1	5,68,382	5,74,728	1.1	6,29,709	6,36,690	1.1
EBITDA	1,28,646	1,30,351	1.3	1,49,328	1,51,297	1.3	1,69,265	1,71,455	1.3
EBITDA Margin (%)	25.2	25.3	10 bps	26.3	26.3	10 bps	27	27	0 bps
APAT	90,716	91,979	1.4	1,05,594	1,07,052	1.4	1,20,316	1,21,938	1.3
EPS (Rs)	38.6	39.1	1.4	44.9	45.6	1.4	51	52	1.3

Source: Company, Emkay Research

**Exhibit 15: Relative valuation**

	Price (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	EPS (Rs)			P/E (x)			EV / EBITDA (x)		
					FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Asian Paints	3,346	3,210	Hold	2,960	38.4	48.8	57.4	87.1	68.5	58.3	57.3	46.0	39.3
Berger Paints	837	813	Sell	650	9.5	12.0	14.2	88.0	69.9	59.0	55.5	44.7	37.9
Britannia	4,071	981	Buy	4,300	73.0	85.5	97.1	55.8	47.6	41.9	40.5	35.7	31.7
Colgate	1,735	472	Buy	1,880	39.0	44.2	48.9	44.5	39.3	35.5	29.4	26.2	23.7
Dabur	638	1,128	Hold	625	10.8	12.6	14.5	59.1	50.6	44.2	46.7	39.9	34.8
Emami	596	265	Buy	620	15.9	17.9	20.2	37.5	33.2	29.5	27.1	24.0	21.2
GCPL	1,109	1,134	Hold	1,030	18.3	21.3	24.3	60.6	52.0	45.6	43.0	37.5	32.8
<b>HUL</b>	<b>2,811</b>	<b>6,604</b>	<b>Hold</b>	<b>2,700</b>	<b>39.1</b>	<b>45.6</b>	<b>51.9</b>	<b>71.8</b>	<b>61.7</b>	<b>54.2</b>	<b>50.0</b>	<b>42.9</b>	<b>37.7</b>
ITC	213	2,618	Buy	270	11.6	13.6	15.1	18.3	15.6	14.1	13.5	11.5	10.4
Marico	575	742	Buy	630	10.6	12.3	14.0	54.0	46.7	41.0	39.4	34.2	30.0
Nestle	20,457	1,972	Hold	17,200	255.3	301.0	351.0	80.1	68.0	58.3	55.9	47.9	41.2
Pidilite	2,348	1,193	Sell	1,730	25.5	32.2	36.6	92.2	72.9	64.1	63.6	51.0	45.1
Radico Khaitan	909	121	Buy	1,000	22.6	28.2	32.9	40.2	32.2	27.6	26.3	21.5	18.5
United Breweries	1,600	423	Buy	1,570	16.5	29.9	34.9	97.0	53.5	45.8	49.4	31.1	26.8
United Spirits	755	549	Buy	750	11.4	16.4	19.1	66.2	46.0	39.6	40.3	30.3	25.8

Source: Company, Emkay Research

**Exhibit 16: HUL: Target P/E based on two-stage growth model**

<b>Revenue CAGR [FY22E-25E] (%)</b>	<b>10.8</b>
EPE CAGR [FY22E-25E] (%)	13.6
<b>Stage-1: FY25E-35E</b>	
EPS in Yr-0 [FY25E] (Rs)	57
EPS in Yr-1 (Rs)	64
<b>EPS CAGR (%)</b>	<b>11.0</b>
Years of growth [n]	10.0
<b>RoE (%)</b>	<b>100.0</b>
CoE (%)	10.3
Implied DPR (%)	89
<b>Terminal stage: &gt;FY35E</b>	
EPS growth (%)	8.0
RoE (%)	100.0
Implied DPR (%)	92
Fair value P/E in Mar'25E (x)	50.9
Fair value in Mar'25E (x)	3,240
<b>Fair value in Sep'22E (x)</b>	<b>2,539</b>
NPV of dividends in FY22E-25E (Rs/share)	155
<b>Overall fair value in Sep'22E (Rs/share)</b>	<b>2,694</b>
Sep'23E EPS (Rs)	49
<b>Implied target P/E in Sep'22E (x)</b>	<b>55.3</b>

Source: Company, Emkay Research

**Key Financials (Standalone)****Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenue</b>	<b>3,87,850</b>	<b>4,59,960</b>	<b>5,15,178</b>	<b>5,74,728</b>	<b>6,36,690</b>
<b>Expenditure</b>	<b>2,91,850</b>	<b>3,46,720</b>	<b>3,84,826</b>	<b>4,23,431</b>	<b>4,65,235</b>
<b>EBITDA</b>	<b>96,000</b>	<b>1,13,240</b>	<b>1,30,351</b>	<b>1,51,297</b>	<b>1,71,455</b>
Depreciation	9,380	10,120	11,066	12,316	13,238
<b>EBIT</b>	<b>86,620</b>	<b>1,03,120</b>	<b>1,19,285</b>	<b>1,38,981</b>	<b>1,58,216</b>
Other Income	7,330	5,130	5,643	6,489	7,463
Interest expenses	1,060	1,080	800	1,000	1,120
<b>PBT</b>	<b>92,890</b>	<b>1,07,170</b>	<b>1,24,128</b>	<b>1,44,470</b>	<b>1,64,559</b>
Tax	23,540	25,360	32,149	37,418	42,621
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>69,350</b>	<b>81,810</b>	<b>91,979</b>	<b>1,07,052</b>	<b>1,21,938</b>
<b>Adjusted PAT</b>	<b>69,350</b>	<b>81,810</b>	<b>91,979</b>	<b>1,07,052</b>	<b>1,21,938</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity share capital	2,160	2,350	2,350	2,350	2,350
Reserves & surplus	78,150	4,71,990	4,81,735	4,94,805	5,08,664
<b>Net worth</b>	<b>80,310</b>	<b>4,74,340</b>	<b>4,84,084</b>	<b>4,97,155</b>	<b>5,11,014</b>
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net deferred tax liability	(8,610)	61,450	61,450	61,450	61,450
<b>Total Liabilities</b>	<b>71,700</b>	<b>5,35,790</b>	<b>5,45,534</b>	<b>5,58,605</b>	<b>5,72,464</b>
<b>Net block</b>	<b>42,560</b>	<b>5,00,360</b>	<b>4,95,164</b>	<b>4,88,348</b>	<b>4,80,610</b>
<b>Investment</b>	<b>14,980</b>	<b>29,930</b>	<b>29,930</b>	<b>29,930</b>	<b>29,930</b>
<b>Current Assets</b>	<b>1,20,580</b>	<b>1,32,640</b>	<b>1,56,316</b>	<b>1,92,201</b>	<b>2,30,607</b>
Cash & bank balance	50,170	43,210	56,133	80,832	1,07,450
Other Current Assets	14,910	22,350	28,049	30,986	34,158
<b>Current liabilities &amp; Provision</b>	<b>1,11,550</b>	<b>1,33,370</b>	<b>1,42,105</b>	<b>1,58,103</b>	<b>1,74,913</b>
<b>Net current assets</b>	<b>9,030</b>	<b>(730)</b>	<b>14,211</b>	<b>34,097</b>	<b>55,695</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>71,700</b>	<b>5,35,790</b>	<b>5,45,535</b>	<b>5,58,605</b>	<b>5,72,464</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>85,560</b>	<b>1,02,040</b>	<b>1,18,485</b>	<b>1,37,981</b>	<b>1,57,096</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(4,390)	72,860	(2,018)	4,813	5,021
<b>Operating Cashflow</b>	<b>73,430</b>	<b>1,63,600</b>	<b>1,01,827</b>	<b>1,25,182</b>	<b>1,41,317</b>
Capital expenditure	(9,910)	(4,69,020)	(5,870)	(5,500)	(5,500)
<b>Free Cash Flow</b>	<b>63,520</b>	<b>(3,05,420)</b>	<b>95,957</b>	<b>1,19,682</b>	<b>1,35,817</b>
Investments	14,490	(14,950)	0	0	0
Other Investing Cash Flow	(7,330)	1,67,670	(5,643)	(6,489)	(7,463)
<b>Investing Cashflow</b>	<b>4,580</b>	<b>(3,11,170)</b>	<b>(5,870)</b>	<b>(5,500)</b>	<b>(5,500)</b>
Equity Capital Raised	0	190	0	0	0
Loans Taken / (Repaid)	0	0	0	0	0
Dividend paid (incl tax)	(67,190)	(95,157)	(82,234)	(93,982)	(1,08,079)
Other Financing Cash Flow	3,530	2,36,657	0	0	0
<b>Financing Cashflow</b>	<b>(64,720)</b>	<b>1,40,610</b>	<b>(83,034)</b>	<b>(94,982)</b>	<b>(1,09,199)</b>
<b>Net chg in cash</b>	<b>13,290</b>	<b>(6,960)</b>	<b>12,923</b>	<b>24,700</b>	<b>26,618</b>
Opening cash position	36,880	50,170	43,210	56,133	80,832
<b>Closing cash position</b>	<b>50,170</b>	<b>43,210</b>	<b>56,133</b>	<b>80,832</b>	<b>1,07,450</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
EBITDA Margin	24.8	24.6	25.3	26.3	26.9
EBIT Margin	22.3	22.4	23.2	24.2	24.8
Effective Tax Rate	25.3	23.7	25.9	25.9	25.9
Net Margin	17.9	17.8	17.9	18.6	19.2
ROCE	131.3	35.6	23.1	26.3	29.3
ROE	88.4	29.5	19.2	21.8	24.2
RoIC	6,209.3	45.0	26.2	31.1	36.4

<b>Per Share Data (Rs)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
EPS	32.0	34.8	39.1	45.6	51.9
CEPS	36.4	39.1	43.9	50.8	57.5
BVPS	37.1	201.9	206.0	211.6	217.5
DPS	26.2	40.5	35.0	40.0	46.0

<b>Valuations (x)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
PER	87.7	80.7	71.8	61.7	54.2
P/CEPS	77.3	71.8	64.1	55.3	48.9
P/BV	75.8	13.9	13.6	13.3	12.9
EV / Sales	15.7	14.4	12.8	11.4	10.3
EV / EBITDA	62.7	57.7	50.0	42.9	37.7
Dividend Yield (%)	0.9	1.4	1.2	1.4	1.6

<b>Gearing Ratio (x)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
Net Debt/ Equity	(0.8)	(0.1)	(0.2)	(0.2)	(0.3)
Net Debt/EBIDTA	(0.7)	(0.6)	(0.6)	(0.7)	(0.8)
Working Cap Cycle (days)	(38.7)	(34.9)	(29.7)	(29.7)	(29.7)

<b>Growth (%)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
Revenue	1.5	18.6	12.0	11.6	10.8
EBITDA	11.1	18.0	15.1	16.1	13.3
EBIT	6.8	19.0	15.7	16.5	13.8
PAT	10.7	18.0	12.4	16.4	13.9

<b>Quarterly (Rs mn)</b>	<b>Q1FY21</b>	<b>Q2FY21</b>	<b>Q3FY21</b>	<b>Q4FY21</b>	<b>Q1FY22</b>
Revenue	1,05,600	1,14,420	1,18,620	1,21,320	1,19,150
EBITDA	26,440	28,690	28,540	29,570	28,470
<b>EBITDA Margin (%)</b>	<b>25.0</b>	<b>25.1</b>	<b>24.1</b>	<b>24.4</b>	<b>23.9</b>
PAT	18,810	20,090	19,210	21,430	20,610
<b>EPS (Rs)</b>	<b>8.0</b>	<b>8.5</b>	<b>8.2</b>	<b>9.1</b>	<b>8.8</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Dec-20</b>	<b>Mar-21</b>	<b>Jun-21</b>
Promoters	61.9	61.9	61.9	61.9	61.9
FII	14.8	14.5	14.9	15.0	15.1
DII	8.3	10.8	10.7	10.7	10.8
Public and Others	15.0	12.7	12.5	12.5	12.2

Source: Capitaline

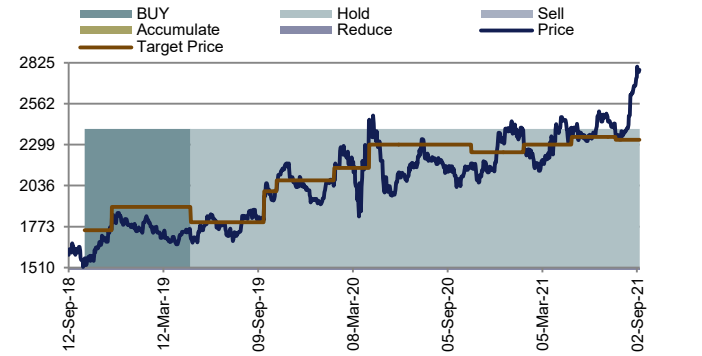


## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
23-Jul-21	2,358	2,330	12m	Hold	Ashit Desai
30-Apr-21	2,354	2,350	12m	Hold	Ashit Desai
28-Jan-21	2,300	2,300	12m	Hold	Ashit Desai
20-Oct-20	2,173	2,250	12m	Hold	Ashit Desai
23-Jul-20	2,211	2,300	12m	Hold	Ashit Desai
22-Jul-20	2,248	2,300	12m	Hold	Ashit Desai
01-May-20	2,195	2,300	12m	Hold	Ashit Desai
14-Apr-20	2,346	2,300	12m	Hold	Ashit Desai
08-Apr-20	2,461	2,300	12m	Hold	Ashit Desai
01-Feb-20	2,075	2,150	12m	Hold	Ashit Desai
25-Dec-19	1,946	2,070	12m	Hold	Ashit Desai
14-Oct-19	2,014	2,070	12m	Hold	Ashit Desai
20-Sep-19	1,970	2,000	12m	Hold	Ashit Desai
23-Jul-19	1,693	1,800	12m	Hold	Ashit Desai
03-May-19	1,694	1,800	12m	Hold	Ashit Desai
09-Apr-19	1,681	1,900	12m	Buy	Ashit Desai
17-Jan-19	1,752	1,900	12m	Buy	Ashit Desai
03-Dec-18	1,826	1,900	12m	Buy	Ashit Desai
12-Oct-18	1,570	1,750	12m	Buy	Ashit Desai

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Consumer Goods & Retail



### Analyst: Ashit Desai

#### Contact Details

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+91 22 6612 1340

#### Sector

Consumer Goods & Retail

#### Analyst bio

Ashit Desai holds a PGDM and FRM (US GARP) with 13 years of research experience on the sell side. His team currently covers 24 stocks in the Indian Consumer and Retail space.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
<b>Consumer Goods &amp; Retail</b>	<b>10.73</b>	<b>10.73</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>
Asian Paints	1.52	0.54	-64%	-98	5.06
Berger Paints	0.20	0.00	-100%	-20	0.00
Britannia Industries	0.48	0.64	31%	15	5.93
Colgate-Palmolive	0.23	0.25	10%	2	2.36
Dabur India	0.37	0.39	7%	3	3.67
Emami	0.13	0.13	4%	0	1.21
Godrej Consumer Products	0.42	0.42	-1%	0	3.93
Hindustan Unilever	2.53	2.06	-18%	-47	19.20
ITC	1.87	1.93	3%	6	18.00
Marico	0.29	0.35	21%	6	3.31
Nestle India	0.72	0.53	-26%	-19	4.96
Pidilite Industries	0.36	0.00	-100%	-36	0.00
Radico Khaitan	0.00	0.27	NA	27	2.48
United Breweries	0.11	0.51	358%	40	4.73
United Spirits	0.00	0.27	NA	27	2.54
Varun Beverages	0.13	0.15	11%	2	1.39
ABFRL	0.07	0.17	154%	10	1.57
Jubilant FoodWorks	0.25	0.28	8%	2	2.57
Page Industries	0.18	0.27	50%	9	2.56
Shoppers Stop	0.00	0.00	NA	0	0.00
Titan Company	0.87	1.11	28%	25	10.38
TCNS Clothing	0.00	0.22	NA	22	2.07
Westlife Development	0.00	0.23	NA	23	2.10
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.00</b>

Source: Emkay Research

\* Not under coverage: Equal Weight

High Conviction/Strong Over Weight High Conviction/Strong Under Weight

### Sector portfolio NAV

	Base	Latest				
	1-Apr-19	9-Sep-20	10-Mar-21	9-Jun-21	9-Aug-21	8-Sep-21
EAP - Consumer Goods & Retail	100.0	105.2	118.9	129.0	133.7	145.8
BSE200 Neutral Weighted Portfolio (ETF)	100.0	100.0	112.7	122.7	126.8	138.6

\*Performance measurement base date 1<sup>st</sup> April 2019

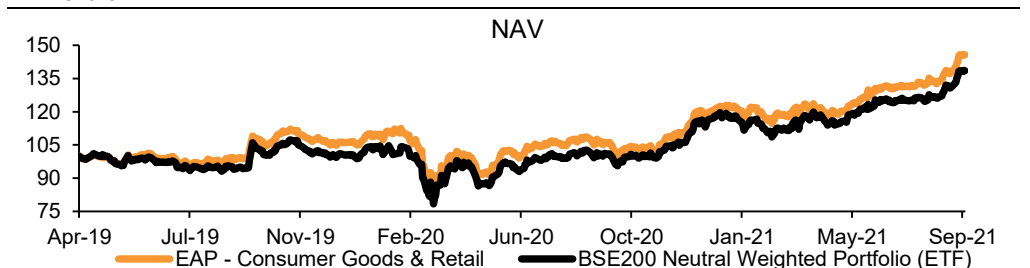
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Consumer Goods & Retail	9.0%	13.0%	22.6%	38.6%
BSE200 Neutral Weighted Portfolio (ETF)	9.3%	13.0%	23.0%	38.6%

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 12 Sep 2021 03:00:20 (SGT)

Dissemination Date: 12 Sep 2021 03:01:20 (SGT)

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