

November 18, 2022

## Analyst Meet Update

■ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
<b>Rating</b>	ACCUMULATE		ACCUMULATE	
<b>Target Price</b>	2,798		2,798	
Sales (Rs. m)	6,66,937	7,34,333	6,66,937	7,34,333
% Chng.	-	-	-	-
EBITDA (Rs. m)	1,72,980	1,91,559	1,72,980	1,91,559
% Chng.	-	-	-	-
EPS (Rs.)	53.8	60.2	53.8	60.2
% Chng.	-	-	-	-

### Key Financials - Standalone

Y/e Mar	FY22	FY23E	FY24E	FY25E
Sales (Rs. bn)	520	594	667	734
EBITDA (Rs. bn)	134	138	173	192
Margin (%)	25.7	23.2	25.9	26.1
PAT (Rs. bn)	97	99	126	141
EPS (Rs.)	41.3	42.2	53.8	60.2
Gr. (%)	9.5	2.2	27.5	11.9
DPS (Rs.)	32.0	36.0	42.0	48.0
Yield (%)	1.3	1.4	1.7	1.9
RoE (%)	20.2	20.0	24.5	25.9
RoCE (%)	25.6	25.7	31.2	32.9
EV/Sales (x)	11.1	9.7	8.6	7.7
EV/EBITDA (x)	43.2	41.6	33.0	29.6
PE (x)	60.1	58.8	46.1	41.3
P/BV (x)	12.0	11.6	11.0	10.4

### Key Data

HLL.BO | HUVR IN

52-W High / Low	Rs.2,734 / Rs.1,902
Sensex / Nifty	61,663 / 18,308
Market Cap	Rs.5,836bn/ \$ 71,425m
Shares Outstanding	2,350m
3M Avg. Daily Value	Rs.4109.96m

### Shareholding Pattern (%)

Promoter's	61.90
Foreign	14.05
Domestic Institution	11.75
Public & Others	12.30
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(4.6)	8.4	3.5
Relative	(8.7)	(4.7)	0.1

### Amnish Aggarwal

amnishaggarwal@plindia.com | 91-22-66322233

### Harish Advani

harishadvani@plindia.com | 91-22-66322242

### Anushka Chhajed

anushkachhajed@plindia.com | 91-22-66322244

## Growth levers in place

We attended HUVR's analyst meet where the management reiterated its strategy to grow the consumer franchise through 1) competitive growth in core offerings 2) premiumisation initiatives 3) market development activities 4) winning in future channels like MT/E-com.

HUL continues to leverage its WIMI strategy to drive penetration by providing differentiated products across regions. The company continues to nurture future categories which includes body wash, liquid detergent, hair conditioners, face wash, body lotions, sunscreens, BB/CC creams etc. We believe market development initiatives in emerging categories and higher share in MT/E-com can result in growth acceleration in coming years.

HUL will continue to compete at the bottom of pyramid as large mass of customers will take time to graduate to more premium products. We believe this will continue to provide competitive growth to the company. Adoption of technology across the organization continues to help the company predict demand patterns, take pricing decisions, reduce time for innovation amongst other benefits.

HUVR's long term story remains intact (24-25% margin guidance) with input costs having peaked out. We estimate 16.6% PAT CAGR over FY22-25 and arrive at DCF based target price of Rs2798 (unchanged). Maintain Accumulate.

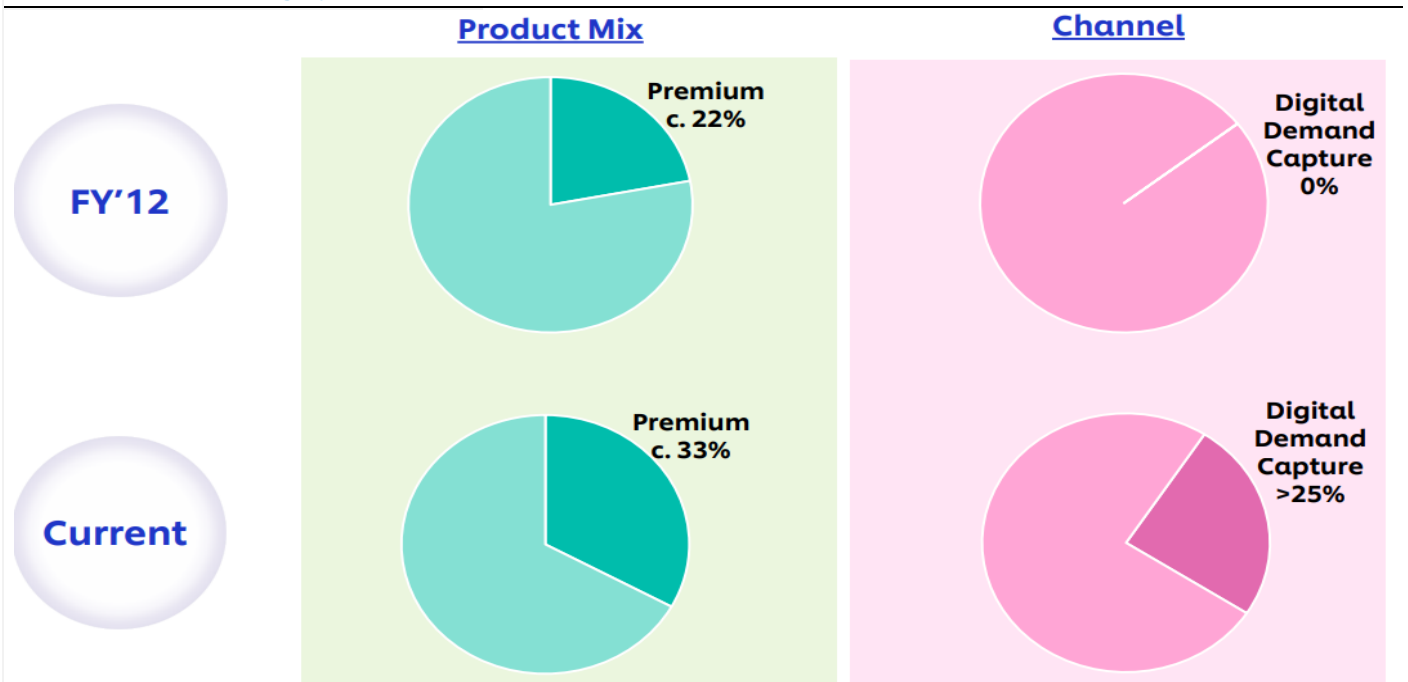
- **FMCG sector outlook remains positive:** HUVR remains bullish on the sector given low penetration in several product categories and low FMCG per capita consumption (USD 46) vs other developing countries. HUVR remains positive on growth given 1) low penetration of Rural with 31% of consumption (69% of population) and its strong reach 2) rising affluence increasing scope of premiumisation 3) favorable demographics with larger share of millennials and Gen Z 4) portfolio straddling price segments to cater to all class of customers 5) sustained innovation, renovation and new launches and 6) higher growth and market share in channels of future Modern Trade & E-comm.
- HUVR's growth strategy across segments will rotate around 1) growing the core 2) market development and premiumisation 3) winning in the channels of future and leveraging WIMI.
- **Increased focus on R&D and digitization:** HUL with its world class R&D continues to demonstrate its product superiority. Increased reliance in technology has been able to spot trends and shorten innovation cycle allowing the company to introduce offerings (Acne Squad) in minimal times.

## HUL to focus on growth levers of future

HUVR Analyst meet highlighted on the sustenance of consistent, profitable and competitive growth which will be driven by the following principles

- Grow the core portfolio:** HUL plans to focus on growing the core brands in each segment to drive growth. Given the size, market position and scale, core portfolio has to report strong growth to drive overall growth in the company.
- Market development:** Given category leadership or strong No2 in most large categories HUL will take the onus of developing and growing the categories by increasing consumer awareness and penetration. HUL achieved Rs100bn sales in FY22 from market development in past 10 years.
- Turbocharge Premiumisation:** HUVR will focus on growing premium products in each category given rising proportion of affluent and elite class in the country (Increased from 8% in 2017 to 15% in 2022). Share of premium products has increased from 22% to 33% in past 10 years.
- Win in channels of the future:** HUVR has higher market share in Modern Trade and E-com. HUL will strive to increase presence in MT/ E-com to achieve superior growth. Digital has grown from nil to 25% in last 10 years.
- Sustainable growth:** HUL will demonstrate purpose-led, future-fit business model drive superior performance delivering consistent, competitive, profitable sustainable and responsible growth.

Exhibit 1: Premium category now contributes 33% of sales vs 22% a decade back



Source: Company, PL

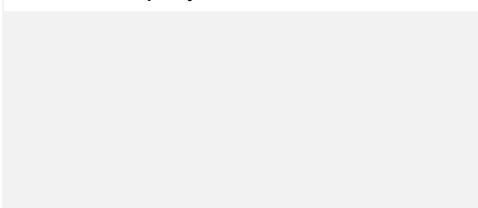
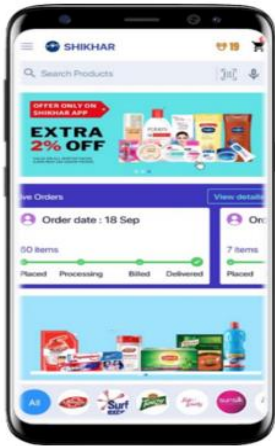


Exhibit 2: Investing in digital technologies to lead the growth for future

**Digitising General Trade**

1 million Shikhar stores



**Design for Channel**

50% packs D4C ready



**New routes to consumers**

14 D2C platforms



**Digitised demand capture now >25%**

Source: Company, PL

**Beauty & Personal Care (37% of sales) – Tepid growth**

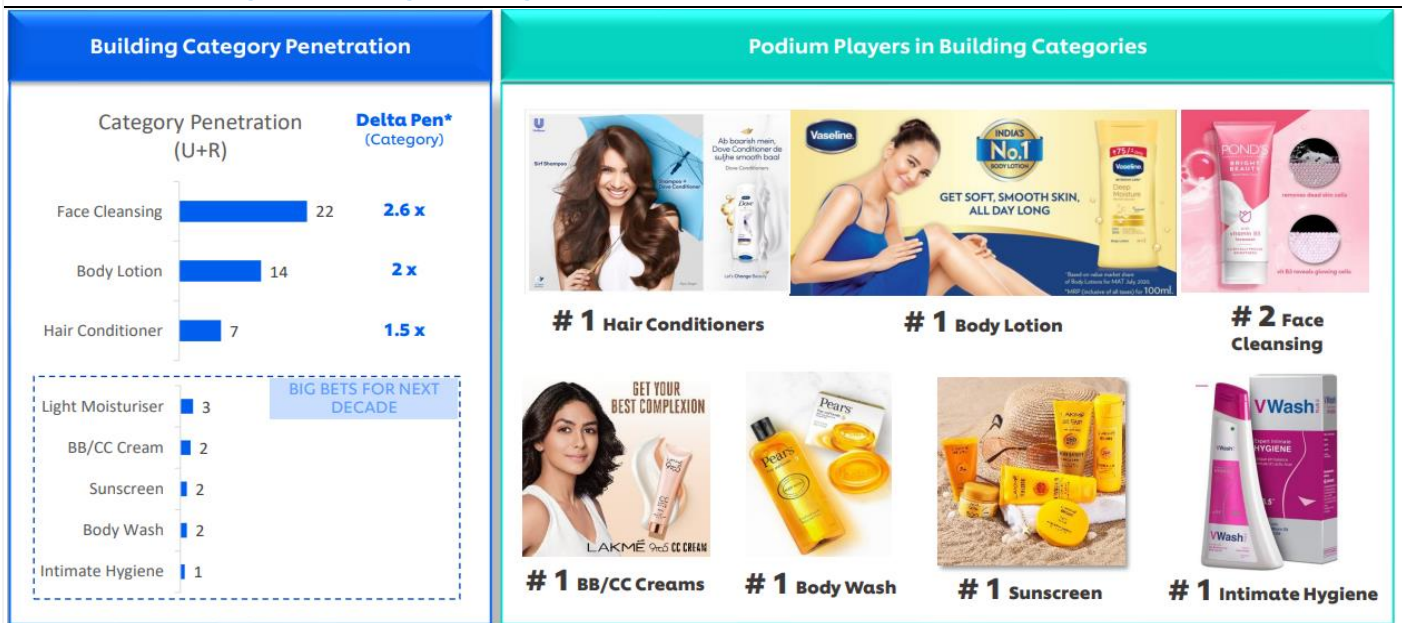
- HUL's growth has been tepid in past few years even as mix has seen improvement
- Hair care has seen 400bps market share gain in past 3 years
- HUL is focusing on emerging low penetration categories like face wash, body lotion, hair conditioner, sunscreens, BB/CC creams, light moisturizers and digital brands to accelerate growth in the BPC portfolio

Exhibit 3: Skin care premiumisation through capturing Emerging/On-Trend demand spaces

	Existing Demand Space	Emerging/On-Trend Demand Spaces			
	<b># 1 Tone Management</b>	<b># 1 Hydration</b>	<b># 1 Sun Care</b>	<b># 1 Anti Ageing</b>	<b># 1 Holistic Glow</b>
<b>Higher Order Benefits</b>					
<b>Emerging Formats</b>					

Source: Company, PL

Exhibit 4: HUL betting on new categories for growth in the next decade

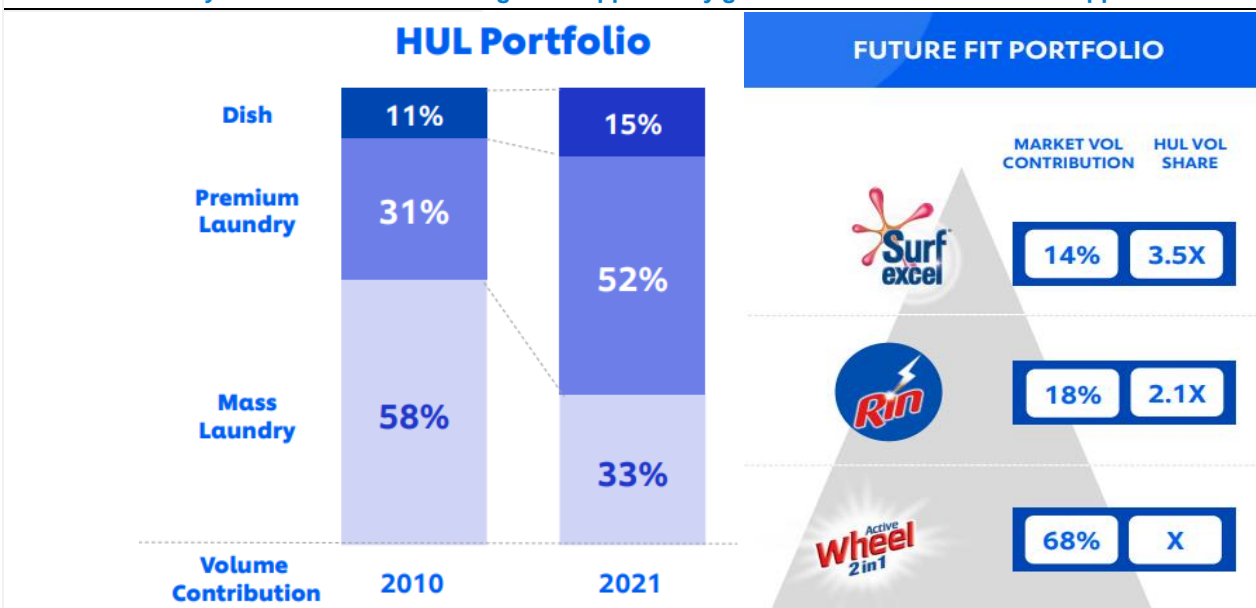


Source: Company, PL

### Home Care (32% of sales) – Key profit driver

- HUVR has seen 2.6x sales and 7.3x profits with 500bps market share in HPC segment in past 10 years
- Key to success has been a shift in mix as the share of mass laundry has declined from 58% to 33% and premium share has increased from 31% to 52%
- HUL has 3.5x and 2.1x share in the premium and mid segments vs market mix which has benefitted the company
- HUL is looking at Liquid detergents, Matic, fabric conditioners and Dish wash liquids as key drivers of growth in coming years

Exhibit 5: Laundry - Premiumisation holds growth opportunity given HUL's dominance in the upper end of market



Source: Company, PL

Exhibit 6: Different assortment of packs for different channels



GT	MT	ECOMM	UPRO
 <p>19 ml</p>	 <p>Refill Pack 1.6 Ltr</p>	 <p>New Launch</p>	 <p>5 Ltr</p>
 <p>155 ml 250 ml</p>	 <p>750 ml 1.8 Ltr</p>	 <p>Multi Pack</p>	 <p>5 Ltr</p>

Source: Company, PL

### Food & Refreshment (27% of sales) – Market share gains and innovations

- Brooke Bond, Horlicks, Kissan Ketchup and Kwality Wall's have seen market share gains of 450bps, 150bps, 350bps and 100bps respectively.
- Post covid environment has seen rebound in sales of Ice creams, Jams and Ketchup etc.
- Peanut Butter, Hellman Mayonnaise, Knorr Soups and condiments (Premium Segment) are new categories in Foods and HUL has strong right to win in Hellman and Peanut Butter.

Exhibit 7: Food and Refreshments – Long term competitive wins of the company

			
<p>&gt;450 bps</p>	<p>&gt;150<sup>1</sup> bps</p>	<p>&gt;350 bps</p>	<p>&gt;100<sup>2</sup> bps</p>

Source: Company, PL

Exhibit 8: Leading growth drivers for the Food and Refreshments category

<p><b>Grow CORE</b> Purposeful Brands &amp; Superior Products</p>	<p><b>Market Development</b> New benefit Segments</p>	<p><b>Winning in Channels of future</b></p>
<p><b>HFD to Nourish a Billion Lives</b></p>	<p><b>Winning in Festivals &amp; Seasons</b></p> <p>Thand hai toh kya hua?</p>	<p><b>Capability &amp; Sustainability</b></p> <ul style="list-style-type: none"> <li>100% Sustainably Sourced Tea, Coffee, Dairy &amp; Tomatoes</li> <li>Scale on Influencers &amp; Expert Recommendation</li> <li>Be at the forefront of the WHO++ recommended Highest Nutrition Standards agenda in India</li> </ul>

Source: Company, PL

Exhibit 9: Investing in innovating new food categories to capture the new-age class of people

<p><b>Future Fit Core</b></p>	<p><b>Investing in Innovations</b></p> <p>&gt;10% MT Value Share</p> <p>&gt;15% Value Share in South</p>	<p><b>Extending into adjacent &amp; high energy spaces</b></p>	<p><b>Seeding New Demand Spaces for Unilever Food Solutions</b></p>
-------------------------------	--	--	---

Period	Jam Topline Indexed to Pre Covid Season
Apr-Sep'19	100
Apr-Sep'20	98
Apr-Sep'21	98
Apr-Sep'22	125

■ Jam Topline Indexed to Pre Covid Season

**Strong recovery in Jams in 2022 on back of Mobility**

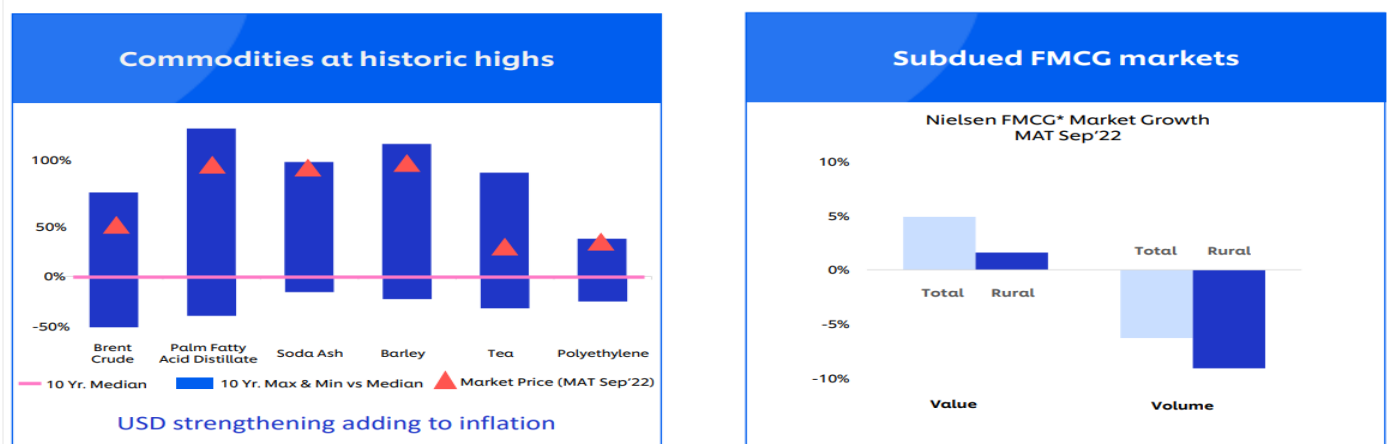
Source: Company, PL

Exhibit 10: Accelerating HFD consumption in an inflationary environment



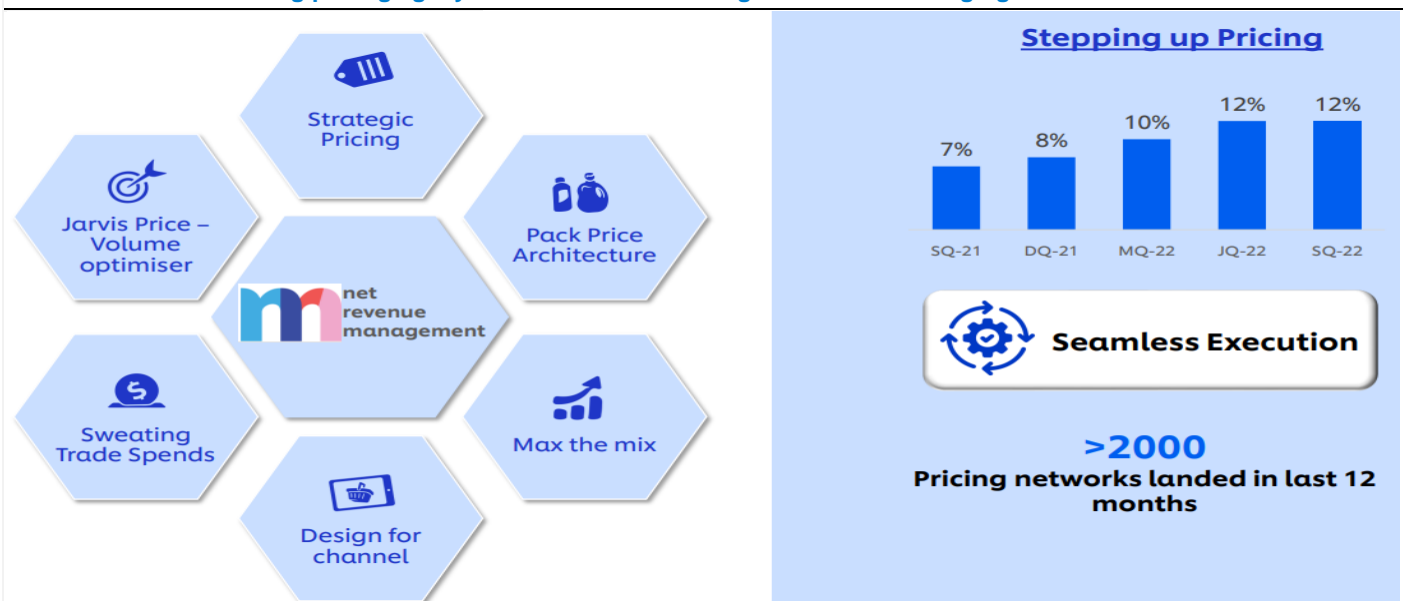
Source: Company, PL

Exhibit 11: Navigating through a challenging inflationary environment



Source: Company, PL

Exhibit 12: HUL exhibiting pricing agility and Net Revenue Management in a challenging environment



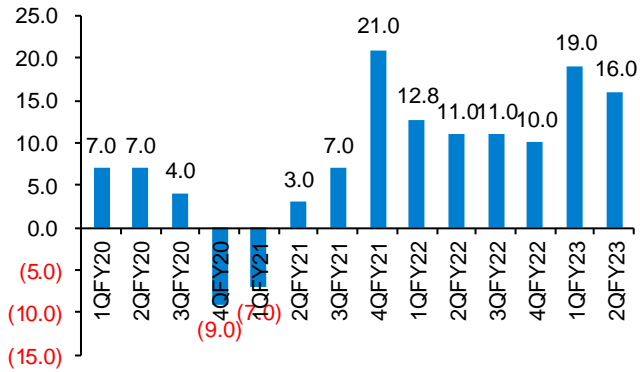
Source: Company, PL

## Key Takeaways from Q/A

- **Demand:** Demand volatility is on account of geopolitical environment & resultant inflationary impact on several commodities. HUL has taken price hikes to prevent significant margin slippage. As a result, rural markets tend to see demand shrinkage due to higher prices.
- **2H23 Growth:** 1H value growth in the market was 6-7% while volumes declined. Industry expects 2H to witness higher growth with fall in inflationary pressure. Large parts of population see pressure on incomes which causes volumes to remain subdued.
- **Distribution:** HUL has the highest reach amongst FMCG companies with total coverage of 9mn outlets. Distribution expansion will now be at a moderate pace with 100k outlets added each year. Company plans to extract more value out of the 2.2mn direct reach outlets.
- **Homecare:** The division is the largest across all Unilever entities worldwide. The company gained 500bps in marketshare between 2012-22 due to its core offerings, market development efforts and portfolio premiumisation.
- **Premium Beauty:** Premium Beauty has grown at 2x of BPC market. The unit has been in existence for 2 years and has launched 5 new brands – Simple, Acne Squad, Love Beauty and Planet, Baby Dove and Find Your Happy Place. The unit is able to innovate faster (weeks and not years) and address market needs with their nano factories as per customer specifications.
- **Horlicks:** The brand was acquired for its low category penetration, nutritional offering, opportunity to scale up distribution capabilities, entry into new adjacencies like Health Sciences, Diabetes & Women's ranges. HUL has been successful in conducting trials and converting users to consumers which has increased 177bps market share over the past 1 year. Rs10 Horlicks sachets is an endeavor to address the micronutrient deficiencies in the Indian population.
- **Premiumisation:** Premium products contribute 33% of HUL's sales in FY22 vs 22% in FY12. Margins are expected to grow at a moderate pace with investments to be made in market development. Focus on premiumisation would entail 1) extending brand equity into higher order benefits 2) driving market development & penetration and 3) superior product quality vs peers.
- **GSK OTC agreement:** GSK sale agreement was for a period of 5 years but was ended early due to a change in strategy. GSK now plans to have their own sales infrastructure and requires HUL's support in the interim. HUL generated Rs3bn in sales through this agreement.
- **Machine Based Decisions:** HUL's proprietary system 'Jarvis' is always on to help category teams make better decisions with mix of data & variables. This decision making automation is incorporated at every level of the company. It helps optimize market needs and make strategic decisions.
- **Supply Chain:** Information, resilience and business agility are the key drivers in a successful supply chain network. This has resulted in lower inventory over the years with products closer to market & lower lead times (N+1 vs N+3 days). This allows the company's retailers to have a wider depth of assortments.

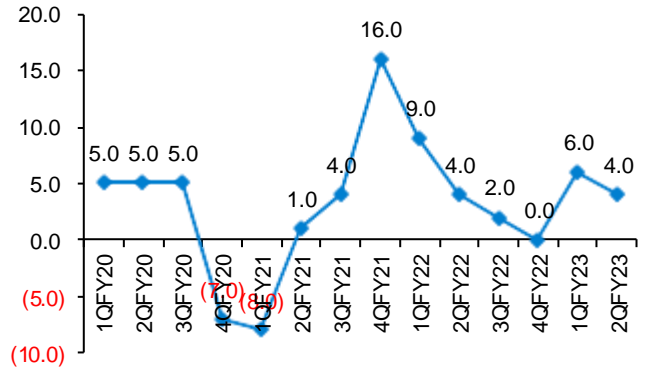


**Exhibit 13: Comparable Domestic FMCG sales grew 16.0%**



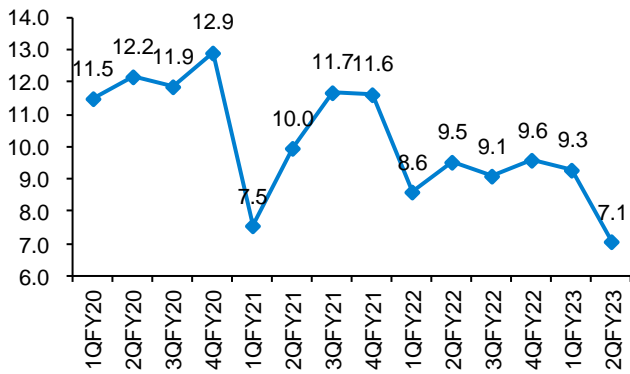
Source: Company, PL

**Exhibit 14: Volumes increased 4% in 2Q**



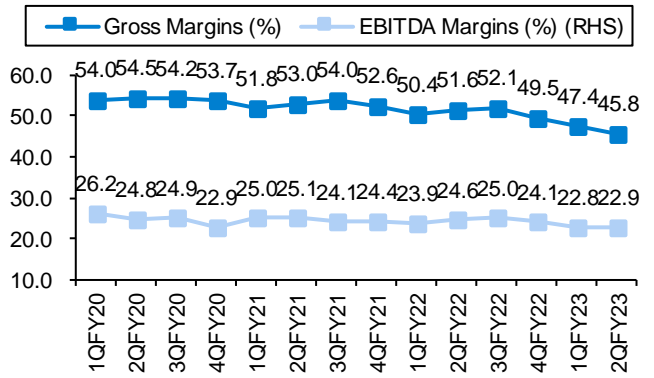
Source: Company, PL

**Exhibit 15: Ad-spends down 249bps YoY**



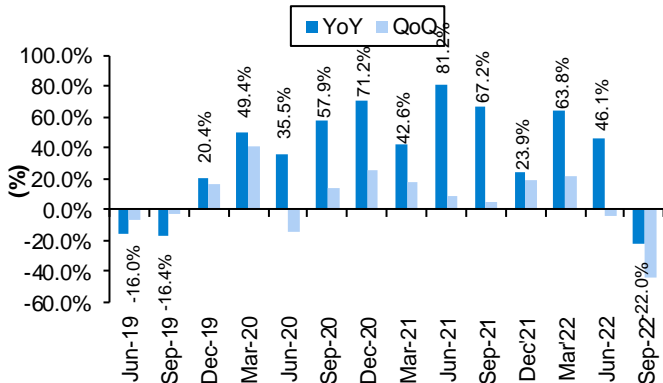
Source: Company, PL

**Exhibit 16: GM down 580bps, EBITDA margin down 172bps**



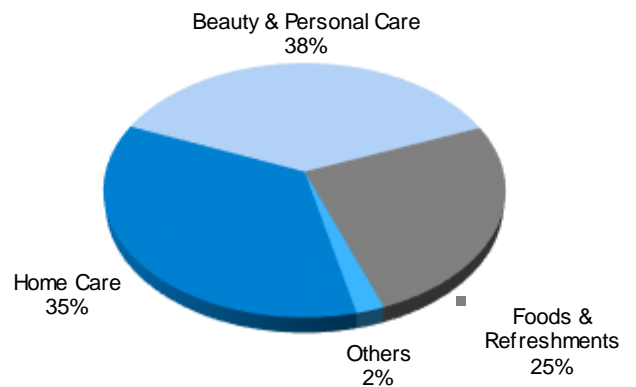
Source: Company, PL

**Exhibit 17: PFAD prices down 22.0% YoY and 44.2% QoQ**



Source: Company, PL

**Exhibit 18: GSK-merger leads to rise in FR contribution**



Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
<b>Net Revenues</b>	<b>5,20,500</b>	<b>5,93,579</b>	<b>6,66,937</b>	<b>7,34,333</b>
YoY gr. (%)	11.5	14.0	12.4	10.1
Cost of Goods Sold	2,51,240	3,09,528	3,19,600	3,48,265
Gross Profit	2,69,260	2,84,051	3,47,337	3,86,069
Margin (%)	51.7	47.9	52.1	52.6
Employee Cost	23,990	26,312	29,602	32,619
Other Expenses	-	-	-	-
<b>EBITDA</b>	<b>1,33,600</b>	<b>1,37,949</b>	<b>1,72,980</b>	<b>1,91,559</b>
YoY gr. (%)	11.2	3.3	25.4	10.7
Margin (%)	25.7	23.2	25.9	26.1
Depreciation and Amortization	10,250	10,919	11,519	12,301
<b>EBIT</b>	<b>1,23,350</b>	<b>1,27,030</b>	<b>1,61,461</b>	<b>1,79,259</b>
Margin (%)	23.7	21.4	24.2	24.4
Net Interest	980	1,030	1,055	1,108
Other Income	3,930	5,374	7,131	9,245
<b>Profit Before Tax</b>	<b>1,26,300</b>	<b>1,31,374</b>	<b>1,67,538</b>	<b>1,87,396</b>
Margin (%)	24.3	22.1	25.1	25.5
Total Tax	29,210	32,187	41,047	45,912
Effective tax rate (%)	23.1	24.5	24.5	24.5
<b>Profit after tax</b>	<b>97,090</b>	<b>99,187</b>	<b>1,26,491</b>	<b>1,41,484</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>97,090</b>	<b>99,187</b>	<b>1,26,491</b>	<b>1,41,484</b>
YoY gr. (%)	9.5	2.2	27.5	11.9
Margin (%)	18.7	16.7	19.0	19.3
Extra Ord. Income / (Exp)	(340)	500	500	500
<b>Reported PAT</b>	<b>96,750</b>	<b>99,687</b>	<b>1,26,991</b>	<b>1,41,984</b>
YoY gr. (%)	12.0	3.0	27.4	11.8
Margin (%)	18.6	16.8	19.0	19.3
Other Comprehensive Income	1,150	(200)	(200)	(200)
Total Comprehensive Income	97,900	99,487	1,26,791	1,41,784
<b>Equity Shares O/s (m)</b>	<b>2,350</b>	<b>2,350</b>	<b>2,350</b>	<b>2,350</b>
<b>EPS (Rs)</b>	<b>41.3</b>	<b>42.2</b>	<b>53.8</b>	<b>60.2</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>3,74,830</b>	<b>3,95,415</b>	<b>4,06,674</b>	<b>4,19,098</b>
Tangibles	94,730	1,15,315	1,26,574	1,38,998
Intangibles	2,80,100	2,80,100	2,80,100	2,80,100
<b>Acc: Dep / Amortization</b>	<b>37,650</b>	<b>46,569</b>	<b>56,087</b>	<b>66,388</b>
Tangibles	36,600	45,269	54,537	64,588
Intangibles	1,050	1,300	1,550	1,800
<b>Net fixed assets</b>	<b>3,37,180</b>	<b>3,48,847</b>	<b>3,50,587</b>	<b>3,52,710</b>
Tangibles	58,130	70,047	72,037	74,410
Intangibles	2,79,050	2,78,800	2,78,550	2,78,300
Capital Work In Progress	9,010	9,461	9,934	10,430
Goodwill	1,73,160	1,73,160	1,73,160	1,73,160
Non-Current Investments	18,730	19,050	19,385	19,737
Net Deferred tax assets	(61,410)	(62,724)	(64,399)	(66,273)
Other Non-Current Assets	12,820	14,524	16,185	17,821
<b>Current Assets</b>				
Investments	35,100	52,650	52,650	60,548
Inventories	38,900	44,855	48,661	52,627
Trade receivables	19,320	21,626	23,880	25,817
Cash & Bank Balance	36,180	41,963	69,843	99,203
Other Current Assets	5,800	6,529	7,336	8,078
<b>Total Assets</b>	<b>6,97,370</b>	<b>7,46,446</b>	<b>7,86,224</b>	<b>8,36,206</b>
<b>Equity</b>				
Equity Share Capital	2,350	2,350	2,350	2,350
Other Equity	4,85,250	5,00,250	5,28,402	5,57,444
<b>Total Networkth</b>	<b>4,87,600</b>	<b>5,02,600</b>	<b>5,30,752</b>	<b>5,59,794</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	15,530	18,468	19,461	21,082
Other non current liabilities	3,010	3,236	3,478	3,739
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	88,640	1,14,483	1,19,959	1,33,581
Other current liabilities	20,800	23,735	25,176	26,518
<b>Total Equity &amp; Liabilities</b>	<b>6,97,370</b>	<b>7,46,446</b>	<b>7,86,224</b>	<b>8,36,206</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY22	FY23E	FY24E	FY25E
PBT	1,26,300	1,31,374	1,67,538	1,87,396
Add. Depreciation	10,250	10,919	11,519	12,301
Add. Interest	-	-	-	-
Less Financial Other Income	-	-	-	-
Add. Other	620	4,468	3,290	4,342
Op. profit before WC changes	1,37,170	1,46,760	1,82,346	2,04,038
Net Changes-WC	(8,330)	11,365	(23,689)	(13,134)
Direct tax	(29,210)	(32,187)	(41,047)	(45,912)
<b>Net cash from Op. activities</b>	<b>99,630</b>	<b>1,25,938</b>	<b>1,17,611</b>	<b>1,44,992</b>
Capital expenditures	(16,100)	(23,036)	(13,732)	(14,920)
Interest / Dividend Income	-	-	-	-
Others	(4,340)	(12,176)	7,131	1,348
<b>Net Cash from Inv. activities</b>	<b>(20,440)</b>	<b>(35,212)</b>	<b>(6,601)</b>	<b>(13,573)</b>
Issue of share cap. / premium	(7,150)	(297)	(349)	(342)
Debt changes	(440)	(493)	121	347
Dividend paid	(75,190)	(84,590)	(98,690)	(1,12,800)
Interest paid	-	-	-	-
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(82,780)</b>	<b>(85,379)</b>	<b>(98,918)</b>	<b>(1,12,795)</b>
<b>Net change in cash</b>	<b>(3,590)</b>	<b>5,347</b>	<b>12,092</b>	<b>18,625</b>
Free Cash Flow	83,530	1,02,903	1,03,879	1,30,072

Source: Company Data, PL Research

**Key Financial Metrics**

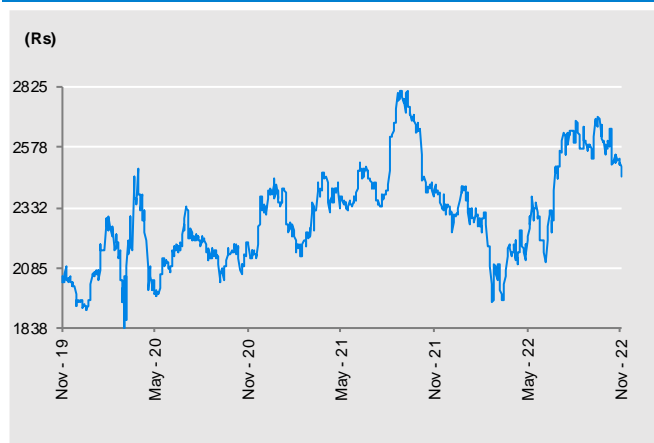
Y/e Mar	FY22	FY23E	FY24E	FY25E
<b>Per Share(Rs)</b>				
EPS	41.3	42.2	53.8	60.2
CEPS	45.7	46.9	58.7	65.4
BVPS	207.5	213.9	225.9	238.2
FCF	35.5	43.8	44.2	55.3
DPS	32.0	36.0	42.0	48.0
<b>Return Ratio(%)</b>				
RoCE	25.6	25.7	31.2	32.9
ROIC	23.1	23.9	30.9	35.1
RoE	20.2	20.0	24.5	25.9
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.1)	(0.2)	(0.2)	(0.3)
Net Working Capital (Days)	(21)	(30)	(26)	(27)
<b>Valuation(x)</b>				
PER	60.1	58.8	46.1	41.3
P/B	12.0	11.6	11.0	10.4
P/CEPS	54.4	53.0	42.3	38.0
EV/EBITDA	43.2	41.6	33.0	29.6
EV/Sales	11.1	9.7	8.6	7.7
Dividend Yield (%)	1.3	1.4	1.7	1.9

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q3FY22	Q4FY22	Q1FY23	Q2FY23
<b>Net Revenue</b>	<b>1,30,920</b>	<b>1,34,620</b>	<b>1,42,720</b>	<b>1,47,510</b>
YoY gr. (%)	10.4	11.0	19.8	15.9
Raw Material Expenses	62,690	67,920	75,140	79,940
Gross Profit	68,230	66,700	67,580	67,570
Margin (%)	52.1	49.5	47.4	45.8
<b>EBITDA</b>	<b>32,790</b>	<b>32,450</b>	<b>32,470</b>	<b>33,770</b>
YoY gr. (%)	14.9	9.7	14.0	7.8
Margin (%)	25.0	24.1	22.8	22.9
Depreciation / Depletion	2,550	2,610	2,600	2,480
<b>EBIT</b>	<b>30,240</b>	<b>29,840</b>	<b>29,870</b>	<b>31,290</b>
Margin (%)	23.1	22.2	20.9	21.2
Net Interest	250	360	260	250
Other Income	910	1,220	1,370	1,150
<b>Profit before Tax</b>	<b>30,900</b>	<b>30,700</b>	<b>30,980</b>	<b>32,190</b>
Margin (%)	23.6	22.8	21.7	21.8
Total Tax	7,980	8,010	8,090	8,400
Effective tax rate (%)	25.8	26.1	26.1	26.1
<b>Profit after Tax</b>	<b>22,920</b>	<b>22,690</b>	<b>22,890</b>	<b>23,790</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>22,920</b>	<b>22,690</b>	<b>22,890</b>	<b>23,790</b>
YoY gr. (%)	17.5	7.9	16.7	8.8
Margin (%)	17.5	16.9	16.0	16.1
Extra Ord. Income / (Exp)	(490)	580	-	2,370
<b>Reported PAT</b>	<b>22,430</b>	<b>23,270</b>	<b>22,890</b>	<b>26,160</b>
YoY gr. (%)	17.5	8.6	22.9	19.6
Margin (%)	17.1	17.3	16.0	17.7
Other Comprehensive Income	220	570	350	(530)
<b>Total Comprehensive Income</b>	<b>22,650</b>	<b>23,840</b>	<b>23,240</b>	<b>25,630</b>
Avg. Shares O/s (m)	2,350	2,350	2,350	2,350
<b>EPS (Rs)</b>	<b>9.8</b>	<b>9.7</b>	<b>9.7</b>	<b>10.1</b>

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	21-Oct-22	Accumulate	2,798	2,654
2	04-Oct-22	Accumulate	2,827	2,623
3	19-Jul-22	Accumulate	2,699	2,568
4	07-Jul-22	UR	-	2,473
5	27-Apr-22	BUY	2,384	2,145
6	08-Apr-22	BUY	2,356	2,183
7	21-Mar-22	BUY	2,356	2,051
8	20-Jan-22	BUY	2,900	2,262
9	06-Jan-22	Accumulate	2,930	2,416
10	22-Dec-21	Accumulate	2,930	2,280

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Accumulate	3,326	3,141
2	Avenue Supermarts	BUY	5,121	4,306
3	Britannia Industries	Hold	4,142	3,804
4	Colgate Palmolive	Accumulate	1,639	1,605
5	Dabur India	Accumulate	615	549
6	Emami	Accumulate	555	465
7	Hindustan Unilever	Accumulate	2,798	2,654
8	ITC	Accumulate	365	350
9	Jubilant FoodWorks	BUY	685	613
10	Kansai Nerolac Paints	Accumulate	563	465
11	Marico	Hold	543	539
12	Mold-tek Packaging	Hold	947	939
13	Nestle India	Accumulate	20,111	19,388
14	Pidilite Industries	Hold	2,737	2,656
15	Restaurant Brands Asia	Accumulate	156	126
16	Titan Company	Accumulate	2,875	2,770
17	Westlife Foodworld	BUY	847	781

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly



## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Amnish Aggarwal- MBA, CFA, Mr. Harish Advani- PGDM Finance, Ms. Anushka Chhajed- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### **(US Clients)**

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

## **DISCLAIMER**

### **Indian Clients**

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is in the process of applying for certificate of registration as Research Analyst under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Amnish Aggarwal- MBA, CFA, Mr. Harish Advani- PGDM Finance, Ms. Anushka Chhajed- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

### **US Clients**

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

---

### **Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

[www.plindia.com](http://www.plindia.com)