BUY Emami

Better seasonality and focus on execution to aid growth ahead

Consumer Goods ▸ Result Update ▸ **November 10, 2024**

TARGET PRICE (Rs): 950

We remain positive on Emami, given the focus on execution to drive growth (with a professional team in place), the rebound in rural growth, increased thrust on urban (26% sales from Modern trade and Ecommerce), and hopes of a better season ahead. We maintain BUY with a Sep-25E TP of Rs950, on 44x P/E. Q2 operating performance (EBITDA grew 7% YoY) stood in line, managed by lower A&P spending (down by 150bps YoY to 16.4%), whereas the earnings beat (+16% YoY) was driven by better-than-expected other income (+94% YoY, aided by higher yield and liquidity) and lower tax rate. After a muted Q2, we expect growth recovery in 2H, helped by better seasonality. Management maintains its guidance of high-single digit revenue and double digit earnings for FY25. We see 10% topline and 12% earnings growth for 2HFY25.

Emami: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	34,057	35,781	38,858	41,724	45,101
EBITDA	8,628	9,495	10,549	11,425	12,835
Adj. PAT	6,401	7,273	8,293	8,827	9,949
Adj. EPS (Rs)	14.5	16.7	19.0	20.2	22.8
EBITDA margin (%)	25.3	26.5	27.1	27.4	28.5
EBITDA growth (%)	(9.4)	10.1	11.1	8.3	12.3
Adj. EPS growth (%)	(11.7)	14.9	14.0	6.4	12.7
RoE (%)	29.2	30.6	28.9	25.3	25.4
RoIC (%)	35.4	41.5	49.4	54.6	62.9
P/E (x)	46.2	40.2	35.3	33.1	29.4
EV/EBITDA (x)	34.2	30.7	26.7	24.3	21.3
P/B (x)	12.8	12.0	8.9	7.9	7.0
FCFF yield (%)	2.4	2.6	3.3	3.1	3.6

Source: Company, Emkay Research

Muted Q2 topline show; expected recovery in growth ahead

Revenue from operations grew 3%, affected by delayed winter loading (vs Aug/Sep, shifted to Oct/Nov), demand pressure for Kesh King and Fair and Handsome, and management transition for digital brands. Domestic growth was muted at 2.6% (1.7% volume growth), while international (18% of consol revenue) reported growth stood at 6% (ex-Bangladesh growth at 12%). In domestic, Navratna and Dermicool portfolio saw 10% growth, with market share gains. The healthcare range grew 11% YoY. Male grooming and Kesh King continue to disappoint with a sales decline of 13% and 9%, respectively. As a part of its growth transformation strategy to focus more on urban, the company has revamped its *HE* brand; it has expanded the brand into face wash, shampoo, body wash, shower gel, and perfume categories. Going ahead, we see possible low double-digit growth on expectations of favorable seasonality, relaunch of Fair and Handsome, and digital brands returning to the growth path.

EBITDA gets reduced A&P support; earnings boosted by higher other income

EBITDA margin at 28.1% (expanded by 110bps YoY) stood 60bps better than our expectations. This expansion was driven by a 150bps YoY cut in A&P spending to 16.4%, with absolute spending reducing 6% YoY. With relaunches and new launches planned, A&P spends should see expansion in 2H. Gross margin expanded by 60bps YoY to 70.7%. EBITDA grew 7% YoY and stood in line. Higher other income (+85% YoY), drove Adj PAT growth of 16%, which stood 8% above expectations. With some EBITDA margin expansions ahead, we see low double-digit earnings growth in 2HFY25.

Relatively better financial show ahead should aid valuations; maintain BUY

Emami remains a play on rural with additional focus on urban; the company is transforming itself for double-digit growth going forward. But seasonality remains a key risk ahead. Muted Q2 and weak sector outlook has a bearing on valuations, but we see rerating on relatively better earnings show ahead. Maintain BUY with TP of Rs950.

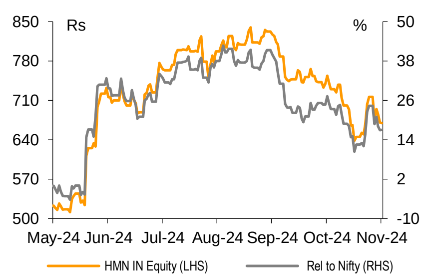
Target Price – 12M	Sep-25
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	41.8
CMP (08-Nov-24) (Rs)	669.9

Stock Data	HMN
52-week High (Rs)	860
52-week Low (Rs)	417
Shares outstanding (mn)	439.1
Market-cap (Rs bn)	294
Market-cap (USD mn)	3,486
Net-debt, FY14E (Rs mn)	-2,034
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	416.9
ADTV-3M (USD mn)	4.9
Free float (%)	45.5
Nifty-50	24,148
INR/USD	84.4
Shareholding, Sep-24	
Promoters (%)	54.8
FPIs/MFs (%)	14.4/21.5

Price Performance

(%)	1M	3M	12M
Absolute	(9.4)	(13.9)	31.2
Rel. to Nifty	(6.2)	(14.0)	5.6

1-Year share price trend (Rs)



Nitin Gupta
nitin.gupta@emkayglobal.com
+91 22 6612 1257

Pinky Mahato
pinky.mahato@emkayglobal.com
+91 22 6612 1306

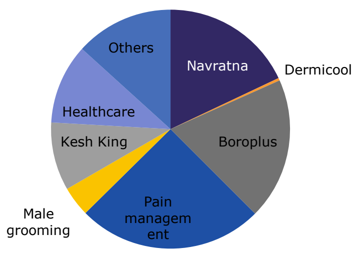
Quarterly performance

Exhibit 1: Q2FY25 performance

(Rs mn)	2QFY25	2QFY24	YoY (%)	1QFY24	QoQ (%)	Emkay Est	Var (%)	H1FY25	H1FY24	YoY (%)
Total income	**8,906**	**8,649**	**3.0**	**9,061**	**(1.7)**	**9,116**	**(2)**	**17,966**	**16,905**	**6.3**
Cost of goods	2,610	2,588	0.9	2,930	(10.9)	2,689	(3)	5,540	5,444	1.8
Employee expenses	1,129	1,017	11.0	1,111	1.6	1,076	5	2,239	2,031	10.3
A&P spends	1,457	1,544	(5.6)	1,837	(20.7)	1,705	(15)	3,294	3,063	7.6
Other expenses	1,205	1,163	3.6	1,018	18.3	1,139	6	2,224	2,131	4.3
EBITDA	**2,505**	**2,337**	**7.2**	**2,165**	**15.7**	**2,507**	**(0)**	**4,670**	**4,237**	**10.2**
EBITDA Margin (%)	28.1	27.0	110bps	23.9	420bps	27.5	60bps	26.0	25.1	90bps
Depreciation	214	227	(5.8)	212	0.7	230	(7)	426	455	(6.4)
EBIT	**2,291**	**2,110**	**8.6**	**1,953**	**17.3**	**2,277**	**1**	**4,244**	**3,782**	**12.2**
EBIT Margin (%)	25.7	24.4	130bps	21.6	420bps	25.0	70bps	23.6	22.4	130bps
Interest cost	23	23	3.6	21	13.1	25	(6)	44	44	0.0
Other income	216	111	94.1	105	106.1	117	85	320	194	65.1
PBT	2,483	2,199	12.9	2,037	21.9	2,369	5	4,520	3,932	15.0
Tax	418	419	(0.3)	436	(4.2)	474	(12)	854	709	20.4
Tax rate (%)	16.8	19.1	(11.7)	21.4	(21.4)	20.0	-320bps	18.9	18.0	4.7
PAT	2,126	1,785	19.1	1,526	39.3	2,023	5	3,667	3,223	13.8
Adj Profit	**2,036**	**1,759**	**15.8**	**1,600**	**27.2**	**1,884**	**8**	**3,667**	**3,223**	**13.8**
Net profit margin (%)	22.9	20.3	250bps	17.7	520bps	20.7	220bps	20.4	19.1	130bps
EPS (Rs)	**4.7**	**4.0**	**15.8**	**3.7**	**27.2**	**4.3**	**(7)**	**8**	**7**	**13.7**

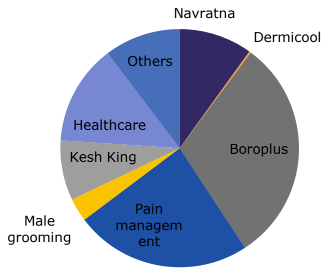
Source: Company, Emkay Research

Exhibit 2: Q2FY25 domestic sales mix



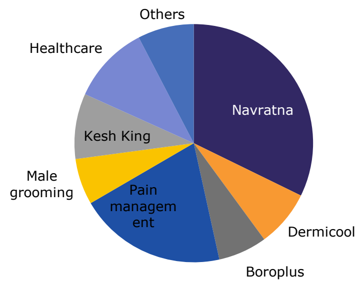
Source: Company, Emkay Research

Exhibit 3: Exp Q3FY25 domestic sales mix



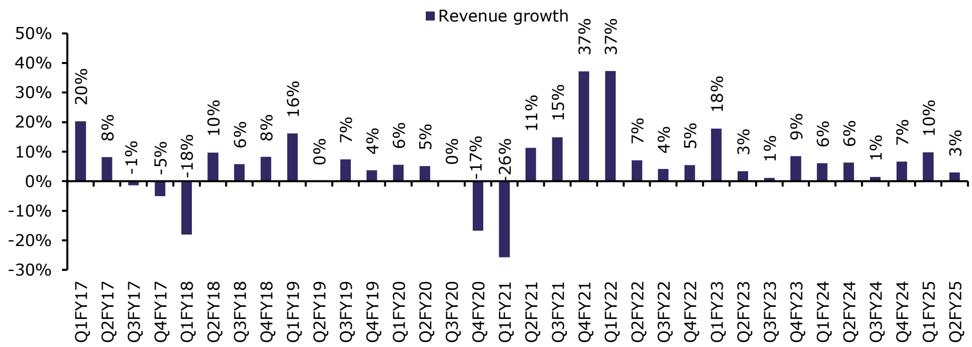
Source: Company, Emkay Research

Exhibit 4: Exp Q4FY25 domestic sales mix



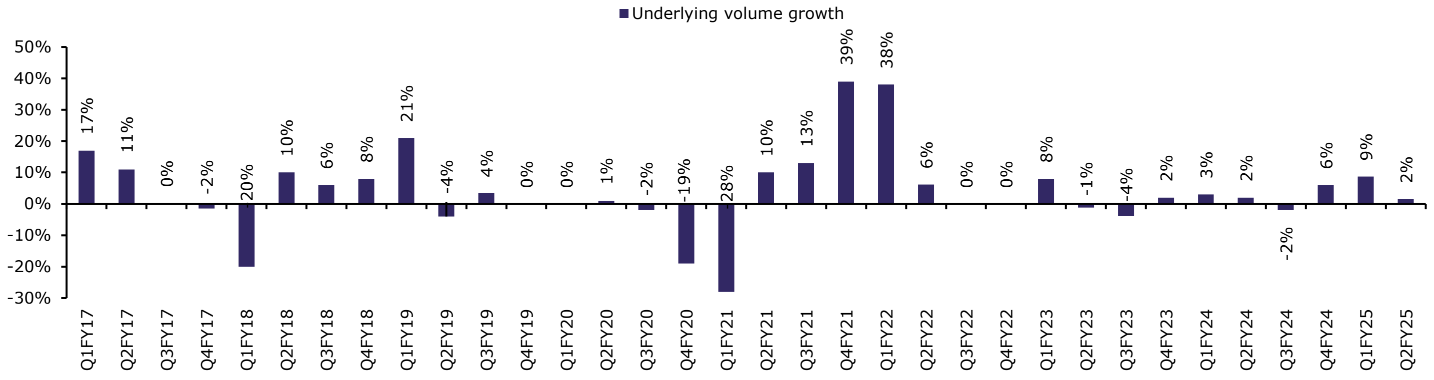
Source: Company, Emkay Research

Exhibit 5: Revenue growth (YoY)



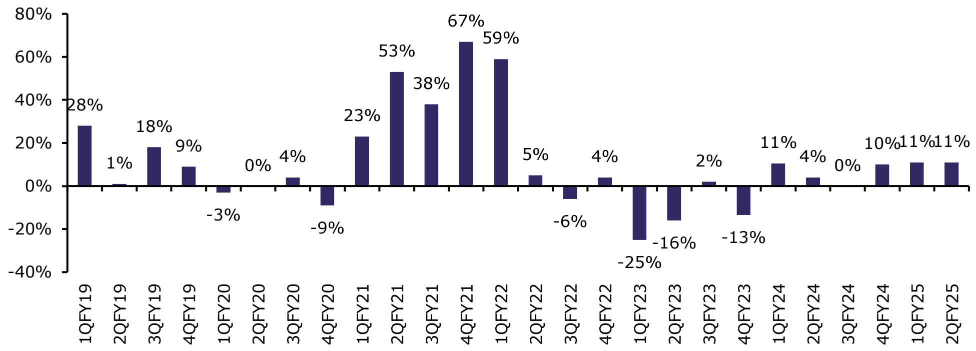
Source: Company, Emkay Research

Exhibit 6: Domestic volume growth trend (YoY)



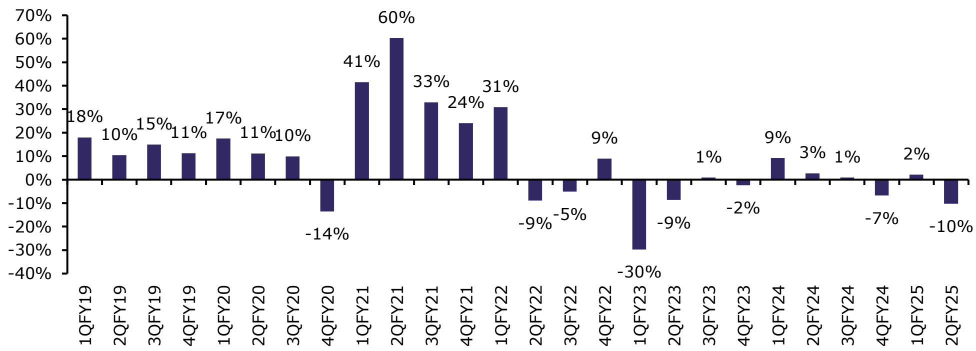
Source: Company, Emkay Research

Exhibit 7: Emami's healthcare revenue growth is relatively better vs peers, aided by better execution in Zandu care



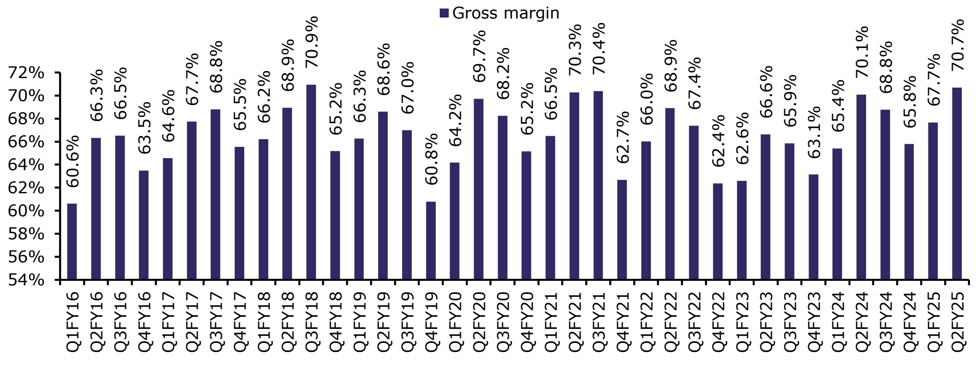
Source: Company, Emkay Research

Exhibit 8: Dabur India's healthcare revenue growth



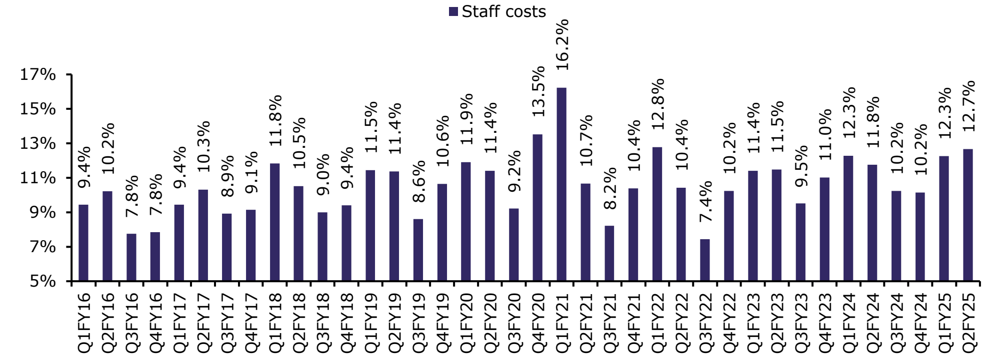
Source: Company, Emkay Research

Exhibit 9: Gross margin trend



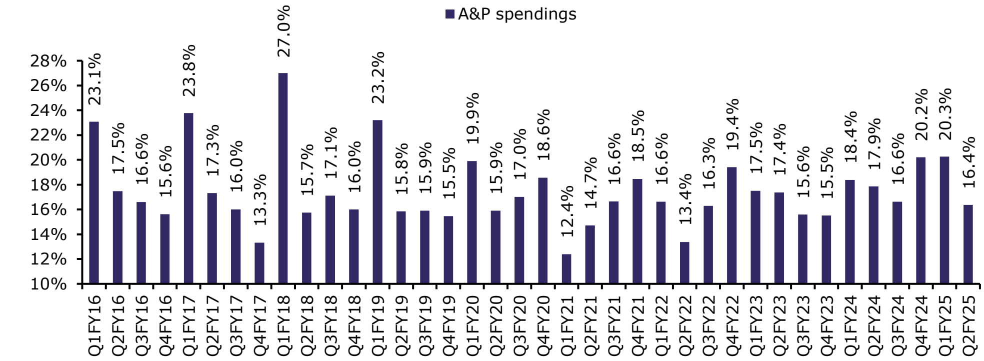
Source: Company, Emkay Research

Exhibit 10: Staff costs as a % of sales



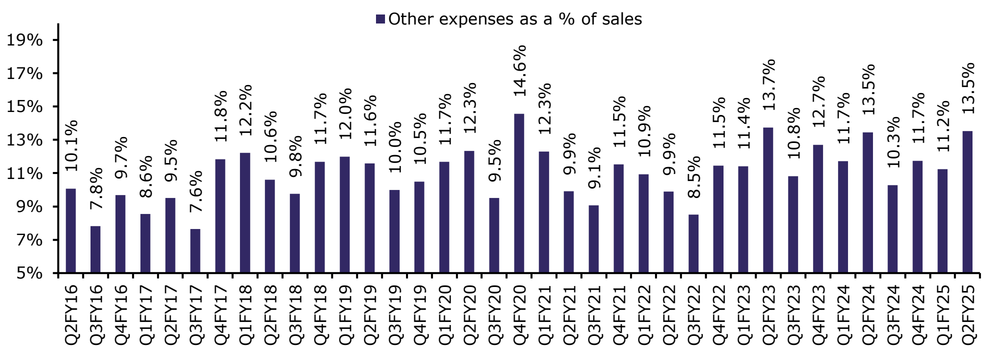
Source: Company, Emkay Research

Exhibit 11: A&P spends as a % of sales



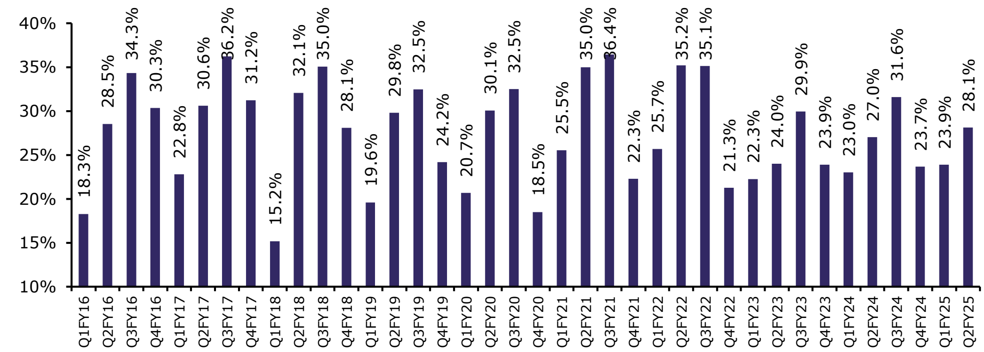
Source: Company, Emkay Research

Exhibit 12: Other expenses as a % of sales



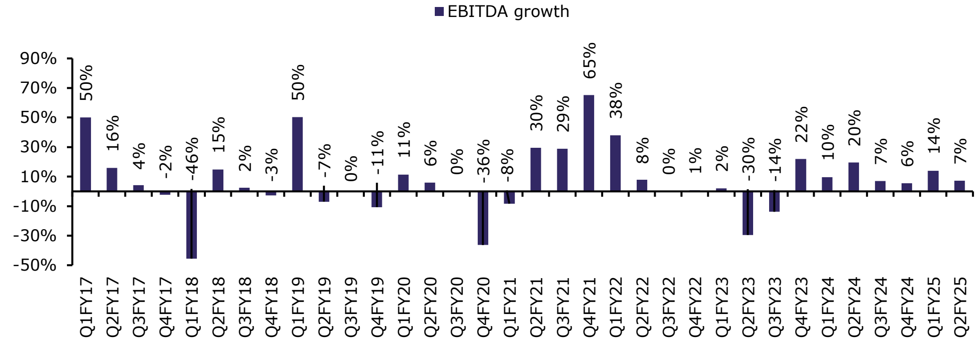
Source: Company, Emkay Research

Exhibit 13: EBITDA margin trend



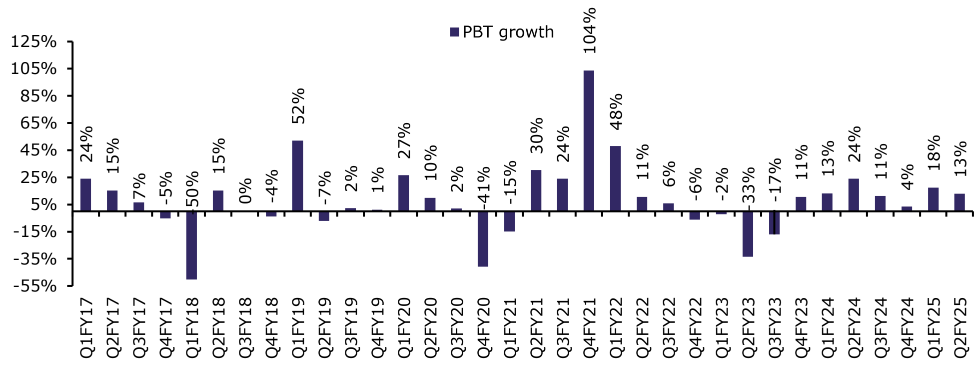
Source: Company, Emkay Research

Exhibit 14: EBITDA growth



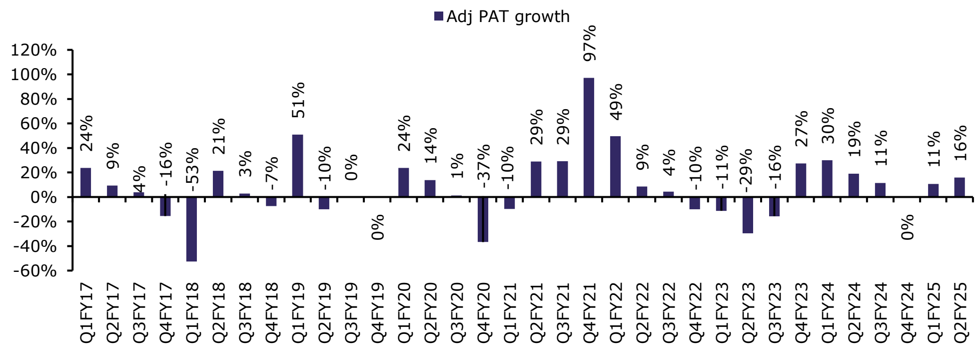
Source: Company, Emkay Research

Exhibit 15: Profit before tax growth



Source: Company, Emkay Research

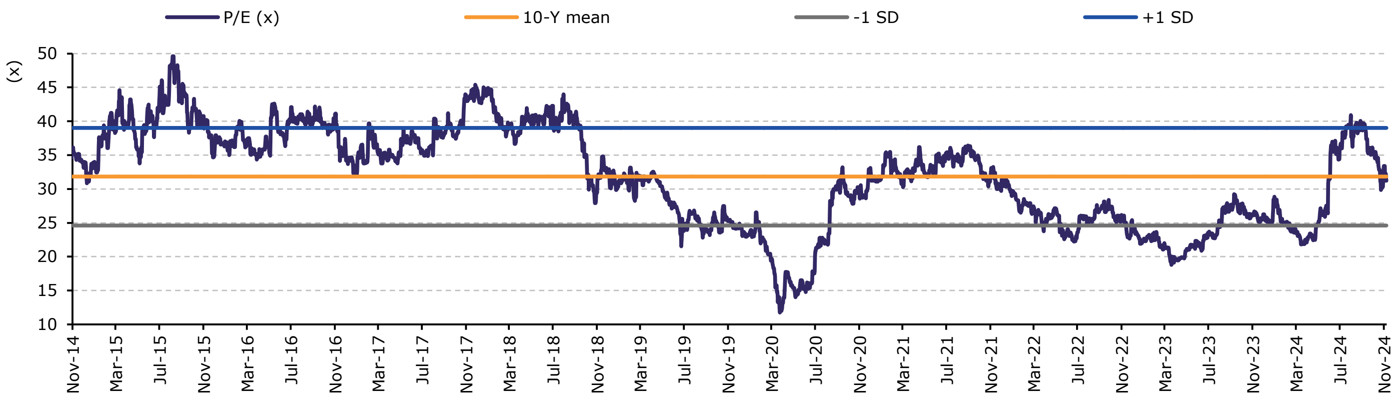
Exhibit 16: Adjusted PAT growth



Source: Company, Emkay Research

Valuations

Exhibit 17: Emami's one-year forward P/E trend



Source: Company, Bloomberg, Emkay Research

Exhibit 18: Key assumptions

	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Growth							
Domestic sales growth	8.5%	7.0%	4.4%	4.2%	8.8%	7.3%	7.9%
Volume growth	7.8%	10.9%	1.2%	1.2%	7.0%	5.0%	5.0%
Realization growth	0.7%	-3.5%	3.2%	2.9%	1.7%	2.2%	2.8%
International sales growth	13.3%	7.0%	19.1%	9.0%	8.0%	8.0%	9.0%
International sales contribution	17.0%	15.0%	16.9%	17.5%	17.4%	17.5%	17.7%
Consolidated revenue growth	9.2%	7.0%	6.6%	5.0%	8.6%	7.4%	8.1%
Consolidated EBITDA growth	27.9%	7.9%	-9.4%	10.1%	11.1%	8.3%	12.3%
Consolidated earnings growth	31.9%	8.3%	-11.7%	13.6%	14.0%	6.4%	12.7%
As a % of sales							
Gross margin	67.7%	66.3%	64.7%	67.6%	68.5%	68.8%	69.0%
Employee costs	10.7%	10.0%	10.8%	11.1%	11.1%	11.3%	11.3%
A&P spends	15.9%	16.4%	16.5%	18.2%	18.9%	19.0%	18.5%
Other operating expenses	10.4%	10.1%	12.1%	11.7%	11.4%	11.1%	10.8%
EBITDA margin	30.7%	29.9%	25.3%	26.5%	27.1%	27.4%	28.5%
Per share data (Rs)							
EPS	15.1	16.4	14.5	16.7	19.0	20.2	22.8
DPS	8.0	8.0	8.0	8.0	9.0	10.0	11.0
Pay-out	53%	49%	55%	48%	47%	49%	48%
Balance sheet assumptions							
Capex (Rs mn)	-337	-4,836	-405	-406	-1,200	-1,200	-1,200
Receivable days (no of)	34	32	39	46	38	38	38
Inventory days (no of)	35	38	37	33	35	35	35
Payable days (no of)	43	43	44	44	45	45	45
Avg ROE	37%	38%	29%	31%	29%	25%	25%
Avg ROCE	40%	41%	32%	35%	33%	29%	30%
Avg ROIC	42%	43%	32%	37%	44%	48%	55%

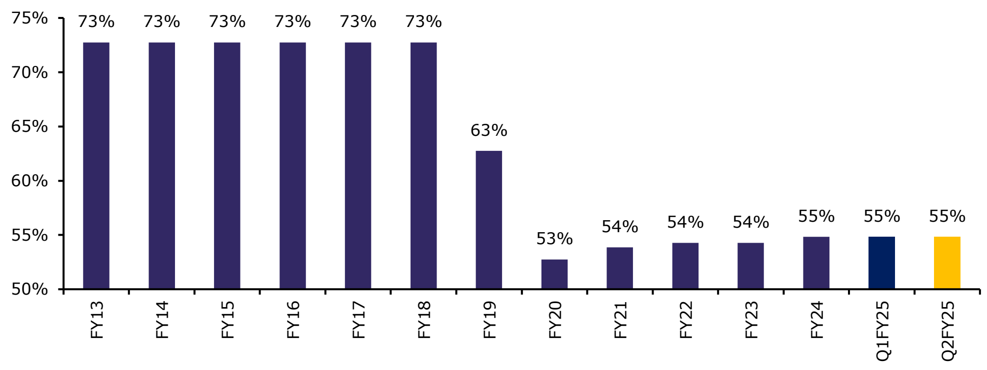
Source: Company, Emkay Research

Exhibit 19: Changes to Emkay estimates

(Rs mn)	New estimates			Old estimates			Changes to estimates		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net sales	**38,858**	**41,724**	**45,101**	**38,858**	**41,879**	**45,265**	**0%**	**0%**	**0%**
growth	5.1%	8.6%	7.4%	5.1%	7.8%	8.1%			
EBITDA	**10,549**	**11,425**	**12,835**	**10,550**	**11,587**	**13,011**	**0%**	**-1%**	**-1%**
growth	10.1%	11.1%	8.3%	10.1%	9.8%	12.3%			
EBITDA margin	27.1%	27.4%	28.5%	27.1%	27.7%	28.7%	0bps	-29bps	-28bps
Adj PAT	**8,293**	**8,827**	**9,949**	**8,010**	**8,836**	**9,952**	**4%**	**0%**	**0%**
growth	14.0%	6.4%	12.7%	10.1%	10.3%	12.6%			
EPS (Rs)	**19.0**	**20.2**	**22.8**	**18.4**	**20.2**	**22.8**	**4%**	**0%**	**0%**

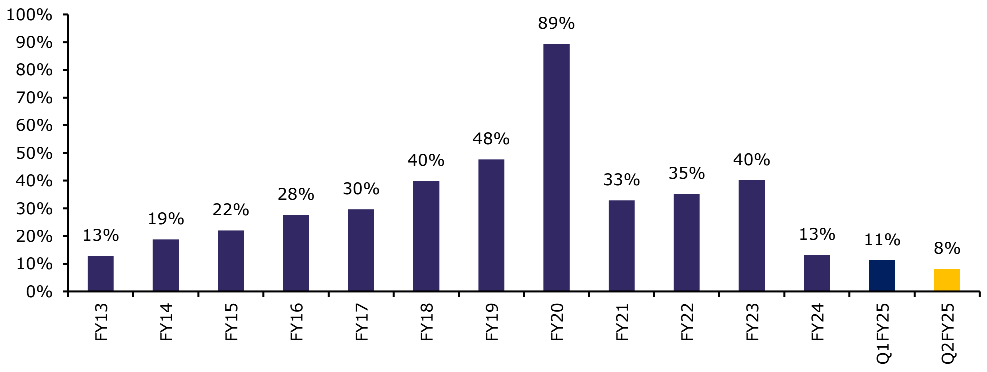
Source: Company, Emkay Research

Exhibit 20: Promoter shareholding



Source: Company, Emkay Research

Exhibit 21: Promoter pledge position



Source: Company, Emkay Research

Emami: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	**34,057**	**35,781**	**38,858**	**41,724**	**45,101**
Revenue growth (%)	6.9	5.1	8.6	7.4	8.1
EBITDA	**8,628**	**9,495**	**10,549**	**11,425**	**12,835**
EBITDA growth (%)	(9.4)	10.1	11.1	8.3	12.3
Depreciation & Amortization	974	927	875	925	975
EBIT	**7,654**	**8,568**	**9,674**	**10,500**	**11,860**
EBIT growth (%)	(10.8)	11.9	12.9	8.5	13.0
Other operating income	437	478	502	527	553
Other income	351	468	600	700	750
Financial expense	74	100	100	100	100
PBT	**7,931**	**8,936**	**10,174**	**11,100**	**12,510**
Extraordinary items	(5)	(38)	(105)	(494)	(494)
Taxes	1,577	1,620	1,831	2,220	2,502
Minority interest	47	(43)	(49)	(53)	(59)
Income from JV/Associates	0	0	0	0	0
Reported PAT	**6,396**	**7,236**	**8,188**	**8,334**	**9,455**
PAT growth (%)	(23.8)	13.1	13.2	1.8	13.5
Adjusted PAT	**6,401**	**7,273**	**8,293**	**8,827**	**9,949**
Diluted EPS (Rs)	**14.5**	**16.7**	**19.0**	**20.2**	**22.8**
Diluted EPS growth (%)	(11.7)	14.9	14.0	6.4	12.7
DPS (Rs)	**8.0**	**8.0**	**9.0**	**10.0**	**11.0**
Dividend payout (%)	**55.2**	**48.3**	**48.0**	**52.4**	**50.8**
EBITDA margin (%)	25.3	26.5	27.1	27.4	28.5
EBIT margin (%)	22.5	23.9	24.9	25.2	26.3
Effective tax rate (%)	19.9	18.1	18.0	20.0	20.0
NOPLAT (pre-IndAS)	**6,132**	**7,015**	**7,933**	**8,400**	**9,488**
Shares outstanding (mn)	441.2	436.5	436.5	436.5	436.5

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	441	437	437	437	437
Reserves & Surplus	22,587	24,029	32,502	36,470	41,124
Net worth	**23,028**	**24,466**	**32,938**	**36,907**	**41,561**
Minority interests	100	111	111	111	111
Deferred tax liability (net)	(3,502)	(4,271)	(4,271)	(4,271)	(4,271)
Total debt	**1,334**	**1,180**	**1,323**	**1,323**	**1,323**
Total liabilities & equity	**20,959**	**21,486**	**30,102**	**34,070**	**38,724**
Net tangible fixed assets	11,772	10,454	10,162	9,820	9,428
Net intangible assets	942	882	892	903	914
Net ROU assets	0	0	0	0	0
Capital WIP	63	75	75	75	75
Goodwill	682	682	682	682	682
Investments [JV/Associates]	1,800	2,805	2,805	2,805	2,805
Cash & equivalents	**1,848**	**2,014**	**11,703**	**15,946**	**20,906**
Current assets (ex-cash)	11,038	12,187	11,879	12,552	13,331
Current Liab. & Prov.	7,801	8,188	8,781	9,518	10,357
NWC (ex-cash)	**4,535**	**5,256**	**4,464**	**4,522**	**4,596**
Total assets	**20,959**	**21,486**	**30,102**	**34,070**	**38,724**
Net debt	(514)	(834)	(10,380)	(14,623)	(19,583)
Capital employed	20,959	21,486	30,102	34,070	38,724
Invested capital	**17,248**	**16,592**	**15,518**	**15,244**	**14,938**
BVPS (Rs)	52.2	56.1	75.5	84.6	95.2
Net Debt/Equity (x)	0.0	0.0	(0.3)	(0.4)	(0.5)
Net Debt/EBITDA (x)	(0.1)	(0.1)	(1.0)	(1.3)	(1.5)
Interest coverage (x)	0.0	0.0	0.0	0.0	0.0
RoCE (%)	**37.9**	**42.6**	**39.8**	**34.9**	**34.6**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	7,931	8,936	10,174	11,100	12,510
Others (non-cash items)	(365)	12	0	0	0
Taxes paid	(1,170)	(1,463)	(1,831)	(2,220)	(2,502)
Change in NWC	(112)	(337)	888	42	30
Operating cash flow	**7,489**	**7,790**	**10,562**	**9,908**	**11,062**
Capital expenditure	(301)	(288)	(1,200)	(1,200)	(1,200)
Acquisition of business	0	0	0	0	0
Interest & dividend income	90	131	0	0	0
Investing cash flow	**(602)**	**(2,054)**	**(1,200)**	**(1,200)**	**(1,200)**
Equity raised/(repaid)	(10)	(2,291)	0	0	0
Debt raised/(repaid)	89	(133)	143	0	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(60)	(99)	(100)	(100)	(100)
Dividend paid (incl tax)	(3,529)	(3,492)	(3,929)	(4,365)	(4,802)
Others	(2,566)	385	4,213	0	0
Financing cash flow	**(6,076)**	**(5,630)**	**328**	**(4,465)**	**(4,902)**
Net chg in Cash	687	62	9,689	4,243	4,960
OCF	7,489	7,790	10,562	9,908	11,062
Adj. OCF (w/o NWC chg.)	7,601	8,127	9,674	9,865	11,032
FCFF	7,188	7,502	9,362	8,708	9,862
FCFE	7,204	7,533	9,262	8,608	9,762
OCF/EBITDA (%)	86.8	82.0	100.1	86.7	86.2
FCFE/PAT (%)	112.5	103.6	111.7	97.5	98.1
FCFF/NOPLAT (%)	**117.2**	**106.9**	**118.0**	**103.7**	**103.9**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	46.2	40.2	35.3	33.1	29.4
P/CE(x)	40.1	35.7	31.9	30.0	26.8
P/B (x)	12.8	12.0	8.9	7.9	7.0
EV/Sales (x)	8.8	8.3	7.4	6.7	6.1
EV/EBITDA (x)	34.2	30.7	26.7	24.3	21.3
EV/EBIT(x)	38.5	34.0	29.2	26.5	23.0
EV/IC (x)	17.1	17.6	18.2	18.2	18.3
FCFF yield (%)	2.4	2.6	3.3	3.1	3.6
FCFE yield (%)	2.4	2.6	3.2	2.9	3.3
Dividend yield (%)	1.2	1.2	1.3	1.5	1.6
DuPont-RoE split					
Net profit margin (%)	18.8	20.3	21.3	21.2	22.1
Total asset turnover (x)	1.6	1.7	1.5	1.3	1.2
Assets/Equity (x)	1.0	0.9	0.9	0.9	0.9
RoE (%)	**29.2**	**30.6**	**28.9**	**25.3**	**25.4**
DuPont-RoIC					
NOPLAT margin (%)	18.0	19.6	20.4	20.1	21.0
IC turnover (x)	2.0	2.1	2.4	2.7	3.0
RoIC (%)	**35.4**	**41.5**	**49.4**	**54.6**	**62.9**
Operating metrics					
Core NWC days	(6.6)	(6.2)	(5.9)	(6.1)	(6.8)
Total NWC days	**48.6**	**53.6**	**41.9**	**39.6**	**37.2**
Fixed asset turnover	0.9	1.0	1.0	1.1	1.1
Opex-to-revenue (%)	39.4	41.0	41.4	41.4	40.5

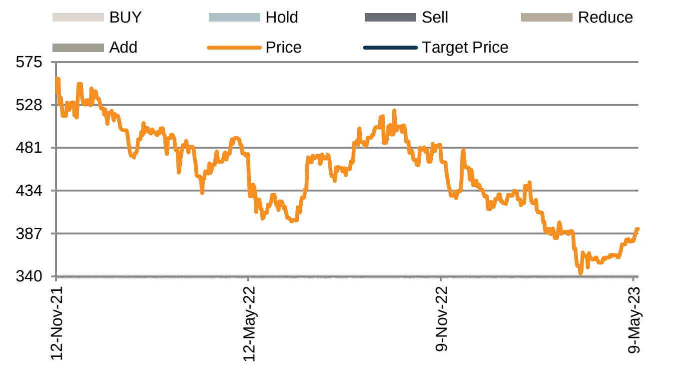
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
02-Oct-24	754	950	Buy	Nitin Gupta
02-Oct-24	754	950	Buy	Nitin Gupta
24-Sep-24	761	950	Buy	Nitin Gupta
24-Sep-24	761	950	Buy	Nitin Gupta
16-Sep-24	752	950	Buy	Nitin Gupta
16-Sep-24	752	950	Buy	Nitin Gupta
02-Aug-24	779	950	Buy	Nitin Gupta
02-Aug-24	779	950	Buy	Nitin Gupta
04-Jul-24	739	850	Buy	Nitin Gupta
04-Jul-24	739	850	Buy	Nitin Gupta
30-May-24	612	625	Buy	Nitin Gupta
30-May-24	612	625	Buy	Nitin Gupta
13-May-24	519	600	Buy	Nitin Gupta
13-May-24	519	600	Buy	Nitin Gupta
13-May-24	519	600	Buy	Nitin Gupta
13-May-24	519	600	Buy	Nitin Gupta
08-May-24	535	600	Buy	Nitin Gupta
08-May-24	535	600	Buy	Nitin Gupta
15-Apr-24	452	600	Buy	Nitin Gupta
15-Apr-24	452	600	Buy	Nitin Gupta
07-Apr-24	447	600	Buy	Nitin Gupta
07-Apr-24	447	600	Buy	Nitin Gupta
14-Mar-24	435	650	Buy	Nitin Gupta
14-Mar-24	435	650	Buy	Nitin Gupta
09-Feb-24	485	650	Buy	Nitin Gupta
09-Feb-24	485	650	Buy	Nitin Gupta
23-Jan-24	499	675	Buy	Nitin Gupta
23-Jan-24	499	675	Buy	Nitin Gupta
07-Jan-24	565	675	Buy	Nitin Gupta
07-Jan-24	565	675	Buy	Nitin Gupta
31-Dec-23	564	625	Buy	Nitin Gupta
31-Dec-23	564	625	Buy	Nitin Gupta
12-Dec-23	495	625	Buy	Nitin Gupta
12-Dec-23	495	625	Buy	Nitin Gupta
30-Nov-23	506	625	Buy	Nitin Gupta
30-Nov-23	506	625	Buy	Nitin Gupta
24-Nov-23	504	625	Buy	Nitin Gupta
24-Nov-23	504	625	Buy	Nitin Gupta
06-Nov-23	519	625	Buy	Nitin Gupta
06-Nov-23	519	625	Buy	Nitin Gupta
20-Oct-23	510	625	Buy	Nitin Gupta
20-Oct-23	510	625	Buy	Nitin Gupta
03-Oct-23	535	625	Buy	Nitin Gupta
03-Oct-23	535	625	Buy	Nitin Gupta
25-Sep-23	515	625	Buy	Nitin Gupta
25-Sep-23	515	625	Buy	Nitin Gupta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst 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.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities 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 including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, 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 Financial Institutions Regulatory Authority (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 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. Emkay Global Financial Services Ltd. has entered into a chaperoning 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.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of November 10, 2024
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
   Disclosure of previous investment recommendation produced:
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of November 10, 2024
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the November 10, 2024
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative’s may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative’s may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

SESHADRI KUMAR SEN

Digitally signed by SESHADRI KUMAR SEN
DN: c=IN, o=Personal, pseudonym=133421651129256467AME3LY655Z5MEZ, 2.5.4.20=1217a0ac22644d6a490a50ef35978ca2cbcf94e39548b678bafc1f29f6e1ced7, postalCode=400011, st=Maharashtra, serialNumber=07837cb61a11364e9d2229a78d0af55d5d599551e83b808ee76a10dbb491f06e, cn=SESHADRI KUMAR SEN
Date: 2024.11.10 18:17:29 +05'30'