Hindustan Unilever Ltd. (HINLEV)

CMP: ₹1,871 | Target ₹ 2,020 (8%) | Target Period: 12 months | HOLD

October 29, 2026

Mixed Q2; Margin pressure to sustain in H2FY27...

About the stock: Hindustan Unilever (HUL) is India's largest FMCG company with presence of more than 90 years. The company has portfolio of 50+ brands spanning across various categories such as detergents, personal wash and skin care & colour cosmetics. 80% of revenues come from products having leadership positioning in the domestic market. 21 out of 50+ brands are clocking Rs.1000cr+ revenues.

Q2FY27 performance: HUL's consolidated revenues grew by 14.5% YoY to Rs.18,226cr driven by mix of 7% volume growth and ~8% realisation growth. Gross margins declined by 397bps YoY to 47.6% due to raw material inflation. Despite higher decline in gross margins, EBIDTA margins declined by 134bps YoY to 22.4%, supported by lower ad spends (-9.3% YoY). Operating profit grew by 8% YoY to Rs.4,089cr and adjusted PAT grew by 8.5% YoY to Rs2,795cr.

Investment Rationale:

- **Domestic Volume growth improved to 7% in Q2; core categories witnessed recovery in volumes:** HUL's domestic sales volume growth improved to 7% in Q2FY27 from 5% in Q1FY27. This was driven by resilient demand environment in rural and urban market. On the category front, Home Care and Beauty & Wellbeing recovered to double digit volume growth while personal care registered flat sales volume (after several quarters of negative sales volume). Domestic business sales volume stood at 6% in H1FY27. Management has not seen any deceleration in consumer demand or downtrading to low price products as of now. The company's product portfolio from mass to premium and strong distribution reach will help in mitigating the impact of any slowdown in the coming quarters. We expect mid-single digit volume growth momentum to sustain in H2FY27. However, any significant increase in the food inflation remains the risk to the volume growth momentum ahead.
- **EBIDTA margins to remain in the guided range of 22-24% in the near term:** HUL managed to achieve EBIDTA margins of 22.4% in Q2FY27, within its guided range of 22-24%, despite 397 YoY dip in the gross margins to 47.6. This was on back of curtailing of advertisement spends and other cost savings. Advertisement spends as percentage to sales was lower by 213bps YoY to 8.1% (lower by 137bps YoY to 8.8% in H1FY27). Management indicated that commodity inflation is expected to persist over the near term. The company has already undertaken required price hike in its product portfolio to cover the raw material inflation. This along with productive advertisement spends, better mix and cost savings will help EBIDTA margins to remain in the guided range of 22-24%.
- **Home care, Beauty & Wellness and personal witnessed recovery in the volume growth:** Calibrated pricing strategy is helping HUL to regain its volume growth momentum in categories such Home Care and Personal care. Home Care witnessed double digit volume growth on back of strong traction in liquids, Surf Excel Easy Wash continued to drive premiumisation in powders through Rs99 packs and Vim Liquid (under household care) continue to achieve volume-led double-digit growth. Overall, Home Care witnessed 21% revenue growth in Q2FY27 improved from 13% in Q1FY27. In Soaps category, premium brands such as Pears and Dove registered volume-led double-digit growth. Personal care category registered 8% growth in Q2FY27 vs. 3% growth in Q1FY27. Beauty & Wellbeing achieved 16% revenue growth driven by double digit volume growth.

Rating and Target Price: We recommend Hold on the stock with a price target of Rs.2,020 (valuing at 35x of average FY28-29E EPS of Rs.58).

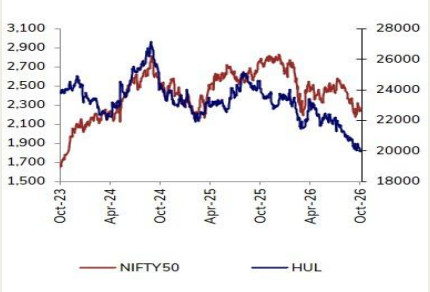
Particulars

Particuar	Amount
Market Capitalisation (₹ crore)	4,39,685
Debt (FY26) -₹ crore	3,564
Cash (FY26) - ₹ crore	7,495
EV (₹ crore)	4,35,754
52-week H/L (₹)	2,526 /1,758
Equity capital (₹ crore)	235
Face value (₹)	1

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoters	61.9	61.9	61.9	61.9
FII	10.7	10.1	9.5	9.3
DII	15.7	16.3	16.9	17.1
Others	11.7	11.7	11.7	11.8

Price Chart



Key risks

(i) Sustained slowdown in the consumer demand.
(ii) Increase in the input prices.
(iii) Increased competition in key categories.

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Revenues	61896.0	61328.0	64468.0	2.1	72135.3	78992.8	86993.0	10.5
EBIDTA	14663.0	14706.0	15054.0	1.3	16210.2	18051.7	20462.3	10.8
EBIDTA Margins (%)	23.7	24.0	23.4		22.5	22.9	23.5	
Adjusted PAT	10276.0	10333.0	10324.0	0.2	11253.4	12667.6	14482.6	11.9
EPS (Rs.)	43.7	44.0	43.9		47.9	53.9	61.6	
PE (x)	42.8	42.6	42.6		39.1	34.7	30.4	
EV to EBIDTA (x)	29.4	29.4	28.9		26.9	23.9	20.9	
RoE (%)	20.2	20.5	21.0		22.6	24.1	25.6	
RoCE (%)	22.1	21.9	22.2		23.3	24.8	26.4	

Source: Company, ICICI Direct Research

Q2FY27 – Key Performance highlights

- HUL reported consolidated revenue growth of 14.5% YoY to Rs.18,226cr in Q2FY27. Mid-teens revenue growth was aided by 7% YoY volume growth (sequential improvement from 5% in Q1FY27) and ~8% realisation growth.
- Consolidated gross margins declined by 397bps YoY 47.6% due to raw material inflation, primarily in crude linked derivatives and palm oil.
- The company took conscious decision of curtailing ad-spends. Ad-spends in Q2FY27 formed 8.1% of revenues vs 10.2% in Q2FY26 (down 213bps YoY).
- EBITDA margins witnessed 134bps YoY decline to 22.4% and remained at lower end of guided range of 22%-24%. The company maintained EBITDA margin at the guided range by reducing ad spends during the quarter. EBIDTA margin of the home care segment and personal care segment declined by ~300bps each. Operating profit during the quarter grew by 8% YoY to Rs.4,089cr.
- Adjusted PAT grew by 8.5% YoY to Rs.2,795cr in Q2FY27. Reported PAT (after adjusting extraordinary items and loss from associates) stood flat YoY to Rs.2,796cr in Q2FY27 due to tax gain of Rs.273cr in Q2FY26.
- The company declared interim dividend of Rs.19 per share.

Exhibit 1: Q2FY27 Consolidated result snapshot (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y (%)	Q1FY27	q-o-q (%)
Net revenue	**18226.0**	**15919.0**	**14.5**	**17341.0**	**5.1**
Total Raw Material	9555.0	7714.0	23.9	8753.0	9.2
Employee Expenses	852.0	725.0	17.5	769.0	10.8
Advertising and promotions	1481.0	1632.0	-9.3	1657.0	-10.6
Other Expenses	2249.0	2063.0	9.0	2215.0	1.5
Total expenditure	14137.0	12134.0	16.5	13394.0	5.5
Operating Profit	**4089.0**	**3785.0**	**8.0**	**3947.0**	**3.6**
Other income	160.0	147.0	8.8	188.0	-14.9
Interest	74.0	124.0	-40.3	75.0	-1.3
Depreciation	363.0	322.0	12.7	353.0	2.8
PBT	**3812.0**	**3486.0**	**9.4**	**3707.0**	**2.8**
Tax	1017.0	911.0	11.6	976.0	4.2
Adjusted PAT	**2795.0**	**2575.0**	**8.5**	**2731.0**	**2.3**
Extra-ordinary items	-1.0	-219.0	-	-51.0	-
Share of profits	**0.0**	**-3.0**	**-**	**0.0**	**-**
Reported PAT	**2794.0**	**2353.0**	**18.7**	**2680.0**	**4.3**
Adjusted EPS (Rs.)	11.9	11.0	8.5	11.6	2.3
Particulars	**Q2FY27**	**Q2FY26**	**bps**	**Q1FY27**	**bps**
GPM (%)	47.6	51.5	-397	49.5	-195
OPM (%)	22.4	23.8	-134	22.8	-33
NPM (%)	22.9	23.9	-101	23.4	-51
Tax rate (%)	15.3	16.2	-84	15.7	-41

Source: Company, ICICI Direct Research

H1FY27 – Key Performance highlights

- Consolidated revenue reported growth of 12.3% YoY to Rs.35,567cr in H1FY27 led by 6% YoY growth in both volume and realisation.
- Consolidated gross margins declined by 241bps YoY 48.5% due to raw material inflation, primarily in crude linked derivatives and palm oil.
- EBITDA margins declined by 85bps YoY to 22.6% in H1FY27. Operating profit grew by 8.2% YoY to Rs.8036cr in H1FY27.
- Adjusted PAT grew by 8.9% YoY to Rs.5,526cr in H1FY27. Reported PAT (after adjusting for extraordinary items) grew by 10.6% YoY to Rs.5578cr.

Q2FY27 Segmental performance

- **Home Care**
  - Home care revenues reported 21% YoY growth to Rs.6,878cr in Q2FY27 aided by double digit volume growth, calibrated price hikes and better product mix. Volume growth witnessed double-digit growth in Q2FY27 sequentially improving from high-single digit over the past 2 quarters. EBIT for the segment grew by 2.6% YoY to Rs.1,111cr with margins declining by ~297bps YoY to 16.2% due to inflation in commodity costs.
  - During the quarter, Fabric wash reported double-digit growth driven by premiumisation in powders. Household care witnessed double-digit growth in revenues led by strong growth in liquids.
- **Beauty & Wellbeing (B&W)**
  - B&W reported mid-teens growth of 16% YoY to Rs.4,319cr in Q2FY27 driven by double digit volume growth and scale up of new businesses such as Minimalist. EBIT for the segment grew by 16.4% YoY to Rs.1,235cr with margins flat on YoY basis at 28.6% in Q2FY27.
  - Hair care sustained its double-digit growth led by volumes with premium hair care growing faster. Skin care and colour cosmetics witnessed double-digit growth. Minimalist continued to grow at accelerated pace. Oziva reported subdued performance during the quarter.
- **Personal Care**
  - Personal care reported 8% YoY growth to Rs.2,617cr in Q2FY27. Volumes remained flat YoY in Q2FY27. Pricing actions were taken to offset inflation in palm oil during Q2FY27. EBIT for the segment declined by 8.7% YoY to Rs.449cr with margins declining by ~313bps YoY to 17.2%.
  - Skin cleansing delivered double-digit growth (sequentially improving from mid-single digit growth in Q1FY27) driven by pricing actions and double-digit growth in the premium soaps such as Dove and Pears. Overall, Category remained impacted due to higher palm oil prices during the quarter. Oral care continued to witness low-single digit growth.
- **Foods**
  - Foods reported 9% YoY growth in revenues to Rs.3,849cr. Volumes in this segment grew by low-single digit in Q2FY27. EBIT for the segment grew by 15.7% YoY to Rs.834cr with margins expanding by 134bps YoY to 21.7%.
  - In beverages portfolio, coffee delivered high-single digit growth led by volumes. Tea witnessed subdued performance, especially mass tea due to high inflation in raw tea. Lifestyle nutrition witnessed double digit growth supported by strong execution and growth in Horlicks biscuits and RTD formats. Packaged foods delivered double-digit growth during the quarter.

Exhibit 2: Segmental Revenues and results

Particulars	Q2FY27	Q2FY26	y-o-y (%)	Q1FY27	q-o-q (%)
Revenue (₹ crore)					
Home Care	6,878	5,664	21.4	6,554	4.9
Beauty & Wellbeing	4,319	3,732	15.7	4,083	5.8
Personal Care	2,617	2,425	7.9	2,624	-0.3
Food & Refreshments	3,849	3,547	8.5	3,480	10.6
Others	563	551	2.2	600	-6.2
Total	**18,226**	**15,919**	**14.5**	**17,341**	**5.1**
PBIT (Rs.cr)	**Q2FY27**	**Q2FY26**	**y-o-y (%)**	**Q1FY27**	**q-o-q (%)**
Home Care	1,111	1,083	2.6	1,137	-2.3
Beauty & Wellbeing	1,235	1,061	16.4	1,126	9.7
Personal Care	449	492	-8.7	517	-13.2
Food & Refreshments	834	721	15.7	692	20.5
Others	97	106	-8.5	122	-20.5
Total	**3,726**	**3,463**	**7.6**	**3,594**	**3.7**
PBIT margins (%)	**Q2FY27**	**Q2FY26**	**bps**	**Q1FY27**	**bps**
Home Care	16.2	19.1	-297	17.3	-120
Beauty & Wellbeing	28.6	28.4	16	27.6	102
Personal Care	17.2	20.3	-313	19.7	-255
Food & Refreshments	21.7	20.3	134	19.9	178

Source: Company, ICICI Direct Research

Q2FY27 Earnings call highlights

- **Demand/Growth outlook and Operating environment**
  - Demand conditions remained stable despite a volatile operating environment and elevated commodity inflation.
  - Consumption trends remained positive across both rural and urban markets, indicating broad-based growth across markets. Rural demand saw sequential improvement although impact of deficit monsoon remains key monitorable.
- **Input Cost Environment, Pricing Actions and Gross Margins**
  - HUL has taken calibrated price increases in line with the absolute raw material cost increases to maintain profitability along with volume growth. Price increases take time to fully catch up with cost inflation, creating a temporary lag between input cost increases and pricing actions which affected gross margins in Q2FY27.
  - Overall, the company managed input cost pressures through required pricing actions and cost efficiencies which helped the company to maintain profitability.
- **Margin Guidance Retained at 22-24% over the medium term; structural repositioning of the portfolio to support margins in long term**
  - Management retained its EBITDA margin guidance of 22–24%. Calibrated pricing actions, cost savings and operating leverage are expected to support margins.
  - Ad spends were reduced during the quarter particularly in home care segment by ~Rs.250cr. This was done to restrict any further impact on the EBITDA margins.
  - Structural portfolio repositioning towards higher margin and premium products is expected to support margins over the long term.

- **Category/Brand wise strategy and outlook**
  - **Home Care:** Management indicated that home care segment witnessed significant input cost inflation in crude linked derivatives. To offset the inflation the company has taken price hikes to cover the absolute cost increases in raw materials. However, the impact of price increases did not fully flow through in this quarter, resulting in margin decline in this segment.
  - In Home Care segment, the company has significant premiumisation. Additionally, the company will continue to reposition its portfolio towards higher-margin products.
  - **Beauty & Wellbeing:** Demand uptick is witnessed in beauty segment, aiding sustained growth in this segment.
  - Management attributed sequential growth in beauty and wellbeing business to its focus on portfolio transformation along with strengthening existing brands and improving their desirability. Management believes established brands have headroom to grow across consumer segments by leveraging brand equity.
  - Channel transformation remains a key priority, with an emphasis on organised retail and specialised stores. The company has also expanded its general-trade reach, adding around 30,000 stores.
  - **Personal Care**: The company reported sequential improvement in performance, with double-digit growth in cleansing.
  - Palm oil prices have remained elevated since last 2 years, despite this the company has witnessed growth in its soaps portfolio.
  - Lifebuoy is a mass-market brand, while the broader market is gradually moving towards premium products. This led to slowdown in its growth though the company plans recovery in this category through new launches and premiumisation.
  - Healthcare segment remained subdued as overall the consumer penetration is low in this category. However, management sees huge opportunity to grow with Oziva witnessing 2-year double digit CAGR.
  - **Foods:** In tea portfolio**,** demand environment remained subdued amid high inflation in tea prices. Price hikes were taken in this category to mitigate cost pressures.
  - Horlicks Protein Powder witnessed good early traction, supporting the company's efforts to strengthen its health-focused portfolio and create additional growth opportunities.

Revision in earnings estimates

We have increased our earnings estimates for FY27E by 3% to factor in high revenue growth than earlier expected while we broadly maintain it for FY28E.

Exhibit 3: Changes in headline estimates

(₹ crore)	FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	70070.5	72135.3	2.9	77261.3	78992.8	2.2
EBIDTA	15774.3	16210.2	2.8	17950.6	18051.7	0.6
EBIDTA Margins (%)	22.5	22.5	-	23.2	22.9	-
PAT	10929.5	11253.4	3.0	12580.0	12667.6	0.7
EPS (Rs.)	46.5	47.9	3.0	53.5	53.9	0.7

Source: Company, ICICI Direct Research

Exhibit 4: Key Operating Assumptions

Particulars	FY26	FY27E	FY28E	FY29E
Revenues (Rs crore)				
Home care	23672.0	27737.7	30204.8	33598.7
y-o-y%	3.1	17.2	8.9	11.2
Beauty & Wellbeing	14990.0	16870.3	18600.2	20508.5
y-o-y%	10.8	12.5	10.3	10.3
Personal Care	9564.0	10126.4	11139.0	12030.1
y-o-y%	4.3	5.9	10.0	8.0
Foods	14061.0	15093.1	16602.4	18262.6
y-o-y%	4.1	7.3	10.0	10.0

Source: Company, ICICI Direct Research

Financial summary

Exhibit 5: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E	FY29E
Total Operating Income	**61328.0**	**64468.0**	**72135.3**	**78992.8**	**86993.0**
Growth (%)	-0.9	5.1	11.9	9.5	10.1
Raw Material Expenses	29770.0	31665.0	36680.8	39101.4	42365.6
Gross Profit	31558.0	32803.0	35454.5	39891.3	44627.4
Gross Profit Margins (%)	51.5	50.9	49.2	50.5	51.3
Employee Expenses	2952.0	3175.0	3365.5	3634.7	3998.2
Advertisement expenses	5989.0	6261.0	6347.9	7741.3	8699.3
Other Expenditure	7911.0	8313.0	9530.8	10463.6	11467.6
Total Operating Expenditure	**46622.0**	**49414.0**	**55925.0**	**60941.0**	**66530.8**
EBITDA	**14706.0**	**15054.0**	**16210.2**	**18051.7**	**20462.3**
Growth (%)	0.3	2.4	7.7	11.4	13.4
Interest	381.0	410.0	420.6	421.9	421.9
Depreciation	1253.0	1333.0	1401.5	1529.0	1792.5
Other Income	1017.0	751.0	771.1	961.8	1257.6
PBT	**14089.0**	**14062.0**	**15159.3**	**17062.7**	**19505.5**
Less Tax	3748.0	3723.0	3895.9	4385.1	5012.9
Adjusted PAT (before exceptional item & MI)	**10341.0**	**10339.0**	**11263.4**	**12677.6**	**14492.6**
Minority Interest (MI)	**-8.0**	**-15.0**	**-10.0**	**-10.0**	**-10.0**
Adjusted PAT (before exceptional item & after MI)	**10333.0**	**10324.0**	**11253.4**	**12667.6**	**14482.6**
Growth (%)	0.6	-0.1	9.0	12.6	14.3
Exceptional item	347	328	0	0	0
Reported PAT	**10680.0**	**10652.0**	**11253.4**	**12667.6**	**14482.6**
EPS (Adjusted)	**44.0**	**43.9**	**47.9**	**53.9**	**61.6**

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E	FY29E
Profit/(Loss) after taxation	9324.0	9588.0	10492.3	11715.8	13235.0
Add: Depreciation & Amort.	1253.0	1333.0	1401.5	1529.0	1792.5
Net Increase in Current Assets	-1539.0	-780.0	-1288.5	-1059.3	-1361.8
Net Increase in Current Liabilities	-3219.0	522.0	415.5	-639.9	-955.1
Other income	1017.0	751.0	771.1	961.8	1257.6
CF from Operating activities	**13274.0**	**10370.0**	**10960.8**	**13787.2**	**15878.4**
Investments & Bank bal	5979.0	384.0	-2085.0	-3750.0	-3827.0
(Purchase)/Sale of Fixed Assets	-1831.0	-761.0	-2500.0	-1000.0	-3100.0
Intangible assets	3.0	-3536.0	-46.8	-46.8	-46.9
CF from Investing activities	**4151.0**	**-3913.0**	**-4631.8**	**-4796.8**	**-6973.9**
(inc)/Dec in Loan	541.0	-44.0	186.0	0.0	0.0
Change in equity & reserves	298.0	-1367.0	0.0	0.0	0.0
Minority Interest	2.0	62.0	10.0	10.0	10.0
Dividend paid	-12455.0	-9635.0	-9400.0	-9400.0	-9400.0
Other	-565.0	1039.0	827.1	886.9	951.6
CF from Financing activities	**-12179.0**	**-9945.0**	**-8376.9**	**-8503.1**	**-8438.4**
Net Cash Flow	5246.0	-3488.0	-2047.9	487.3	466.1
Cash and Cash Equivalent	**825.0**	**6071.0**	**2583.0**	**535.1**	**1022.4**
Cash	**6071.0**	**2583.0**	**535.1**	**1022.4**	**1488.4**
Free Cash Flow	**12261.0**	**10458.0**	**9170.8**	**12377.2**	**12868.4**

Source: Company, ICICI Direct Research

Exhibit 7: Balance sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E	FY29E
Equity Capital	235.0	235.0	235.0	235.0	235.0
Reserve and Surplus	49167.0	48504.0	50367.4	53645.0	58737.5
Minority Interest	207.0	269.0	279.0	289.0	299.0
Total Shareholders' funds	**49609.0**	**49008.0**	**50881.4**	**54169.0**	**59271.5**
Total Debt	3608.0	3564.0	3750.0	3750.0	3750.0
Deferred Tax Liability	6685.0	7474.0	7847.7	8240.1	8652.1
Long-Term Provisions	1528.0	1684.0	1768.2	1856.6	1949.4
Other Non-Current Liabilities	3598.0	3692.0	4061.2	4467.3	4914.1
Total Liabilities	**65028.0**	**65422.0**	**68308.5**	**72483.0**	**78537.1**
Gross Block - Fixed Assets	14882.0	14608.0	16488.0	17988.0	21088.0
Accumulated Depreciation	6257.0	6426.0	7827.5	9356.5	11148.9
Net Block	8625.0	8182.0	8660.5	8631.5	9939.1
Capital WIP	1009.0	880.0	1500.0	1000.0	1000.0
Leased Assets	0.0	0.0	0.0	0.0	0.0
Fixed Assets	9634.0	9062.0	10160.5	9631.5	10939.1
Goodwill & Other intangible assets	45710.0	49246.0	49292.8	49339.6	49386.5
Non-current Investments & assets	2485.0	2423.0	2423.0	2423.0	3000.0
Inventory	4415.0	4789.0	4940.8	5410.5	5958.4
Debtors	3819.0	3379.0	4347.9	4761.2	5243.4
Current Investments	3751.0	4247.0	4497.0	4747.0	5497.0
Other Current Assets	978.0	1329.0	1395.5	1465.2	1685.0
Loans & Advances	1534.0	2029.0	2130.5	2237.0	2348.8
Cash	6071.0	2583.0	535.1	1022.4	1488.4
Bank balance	1483.0	665.0	2500.0	6000.0	8500.0
Total Current Assets	22051.0	19021.0	20346.7	25643.3	30721.1
Creditors	11315.0	13325.0	12846.0	13417.9	14300.2
Provisions	675.0	265.0	291.5	320.7	352.7
Other Current Liabilities	2862.0	740.0	777.0	815.9	856.6
Total Current Liabilities	14852.0	14330.0	13914.5	14554.4	15509.6
Net Current Assets	7199.0	4691.0	6432.2	11088.8	15211.5
Application of Funds	**65028.0**	**65422.0**	**68308.5**	**72483.0**	**78537.1**

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E	FY29E
Per share data (|)					
Adjusted EPS	44.0	43.9	47.9	53.9	61.6
Cash EPS	47.9	48.1	52.3	58.7	67.3
BV per share	211.1	208.5	216.5	230.5	252.2
Cash per Share	47.5	29.0	28.9	45.8	58.5
Dividend per share	53.0	41.0	40.0	40.0	40.0
Operating Ratios (%)					
Gross Profit Margins	51.5	50.9	49.2	50.5	51.3
OPM	24.0	23.4	22.5	22.9	23.5
PAT Margins	16.9	16.0	15.6	16.0	16.7
Asset Turnover (x)	1.1	1.1	1.2	1.3	1.4
Return Ratios (%)					
RoE	20.5	21.0	22.6	24.1	25.6
RoCE	21.9	22.2	23.3	24.8	26.4
RoIC	28.9	28.4	28.7	31.5	35.3
Valuation Ratios (x)					
P/E	42.6	42.6	39.1	34.7	30.4
EV / EBITDA	29.4	28.9	26.9	23.9	20.9
EV / Net Sales	7.0	6.8	6.0	5.5	4.9
Market Cap / Sales	7.2	6.8	6.1	5.6	5.1
Price to Book Value	8.9	9.0	8.6	8.1	7.4
Solvency Ratios					
Debt / EBITDA	0.2	0.2	0.2	0.2	0.2
Debt / Equity	0.1	0.1	0.1	0.1	0.1
Inventory days	26	27	25	25	25
Debtor days	23	19	22	22	22
Creditor days	67	75	65	62	60
WC Days	-18	-29	-18	-15	-13

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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