

Muted Q1FY25 commentary; rural recovery positive

Consumer Goods ▶ Company Update ▶ July 6, 2024

TARGET PRICE (Rs): 700

Dabur remains one of our preferred picks in the Consumer Goods sector, given its diversified portfolio and better execution. The company's thrust on rural remains firm, with distribution expansion continuing to see better growth. Dabur, per its strategy, has been expanding TAM across brands with category extensions that are backed well by distribution and marketing. We maintain BUY on Dabur, with Jun-25E TP of Rs700/sh, on 46x P/E. We see sales/earnings CAGR of 10%/15% over FY24-27E, respectively. Q1 commentary looks muted: topline is expected to grow 6%, with mid-single-digit volume growth in domestic operations. Gross margin is expected to expand by 90bps YoY (to 47.5%). EBITDA expansion is likely to be limited at 20bps YoY (to 19.5%), given sustained thrust on building back A&P (expect 18% rise in spends).

Dabur India: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	115,299	124,040	135,490	149,708	165,076
EBITDA	21,641	24,002	26,938	31,595	35,552
Adj. PAT	17,182	18,867	21,362	25,282	28,722
Adj. EPS (Rs)	9.7	10.6	12.1	14.3	16.2
EBITDA margin (%)	18.8	19.4	19.9	21.1	21.5
EBITDA growth (%)	(4.0)	10.9	12.2	17.3	12.5
Adj. EPS growth (%)	(6.0)	9.8	13.2	18.3	13.6
RoE (%)	19.8	20.0	20.7	22.3	22.8
RoIC (%)	44.3	34.4	32.2	37.1	41.6
P/E (x)	62.5	57.0	50.3	42.5	37.4
EV/EBITDA (x)	47.2	42.8	37.9	32.0	28.1
P/B (x)	12.0	10.9	9.9	9.0	8.1
FCFF yield (%)	1.0	1.4	1.3	2.0	2.1

Source: Company, Emkay Research

Q1 revenue growth expected at 6%, with 5% domestic volume growth

We see 6% consol. sales growth, with 6.5% growth in the domestic business, driven by the 5% volume growth. International businesses are likely to see decent growth in constant currency, but currency headwinds (in Turkey and Egypt) are likely to result in only mid-single-digit reported growth. In India, the home & personal care, and healthcare segments are expected to grow in a high-single digit. In Food & Beverages, the beverage category observed a slowdown due to lower out-of-home consumption, given the harsh summers; the food category showed strong momentum, wherein *Badshah* Masala continued to perform well, and is expected to post strong volume-led growth in the high teens. Management noted sequential improvement in demand trend with pick up in rural.

Margin delivery not encouraging

Management commentary on gross margin in Q1FY25 looks muted, given the better sales mix from lower beverage sales and better healthcare growth. We see gross margin expansion at 90bps YoY to 47.5%. Thrust on A&P spending is likely to be sustained; we see an 18% increase in absolute spending and a 70bps increase to 7.3% of net sales. EBITDA margin is likely to see a moderate 20bps expansion to 19.5%. We see EBITDA and earnings growth at ~7% and ~8% YoY, respectively, in Q1.

Better play on rural recovery; maintain BUY

Dabur remains one of our preferred picks in the sector, given its diversified portfolio and better execution. Its thrust on rural remains firm, with the company continuing to report better growth in distribution expansion. Management noted a sequential improvement in demand trends, with rural growth picking up. Stock valuations at 42x P/E for FY26E remain attractive (vs 47x the last 5Y avg. fwd. P/E). We have a BUY rating on Dabur, with Jun-25E TP of Rs700/sh. Our FY25 earnings estimates stood in line with Consensus, but we are 6% above Consensus for FY26 estimates, as we build in a better margin in the business backed by a better sales mix (resumption of seasonality to aid Healthcare salience). We see net sales/earnings CAGR of 10%/15% over FY24-27E.

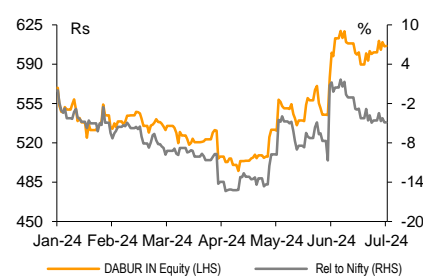
Target Price – 12M	Jun-25
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	15.4
CMP (05-Jul-24) (Rs)	606.5

Stock Data	Ticker
52-week High (Rs)	634
52-week Low (Rs)	489
Shares outstanding (mn)	1,772.3
Market-cap (Rs bn)	1,075
Market-cap (USD mn)	12,873
Net-debt, FY14E (Rs mn)	-6,434
ADTV-3M (mn shares)	4
ADTV-3M (Rs mn)	2,400.7
ADTV-3M (USD mn)	28.8
Free float (%)	33.8
Nifty-50	24,324
INR/USD	83.5
Shareholding, Mar-24	
Promoters (%)	66.3
FPIs/MFs (%)	15.8/12.6

Price Performance

(%)	1M	3M	12M
Absolute	1.0	19.4	2.4
Rel. to Nifty	(6.0)	10.5	(18.4)

1-Year share price trend (Rs)



Nitin Gupta

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

Soham Samanta

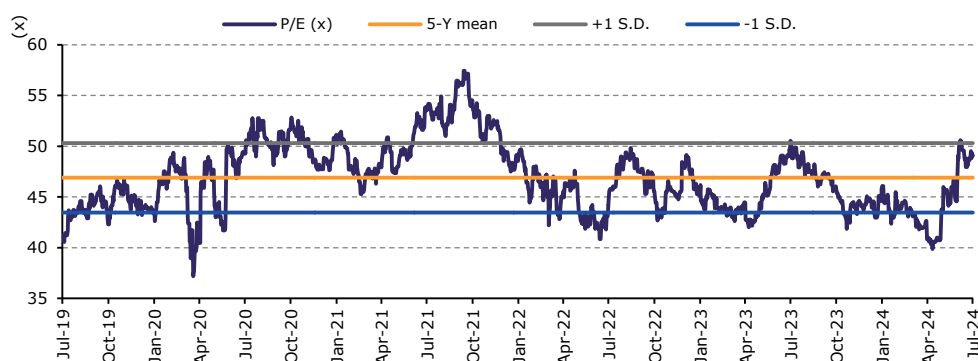
soham.samanta@emkayglobal.com
+91 22 6612 1262

Exhibit 1: Dabur India – Emkay estimates vs. Consensus

(Rs mn)	Emkay estimates			Consensus estimates			Emkay vs. Consensus estimates		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net sales	134,216	148,281	163,507	136,158	149,633	163,046	-1%	-1%	0%
Growth	9.2%	10.5%	10.3%	10.8%	9.9%	9.0%			
EBITDA	26,938	31,595	35,552	27,264	30,627	37,060	-1%	3%	-4%
Growth	12.2%	17.3%	12.5%	13.6%	12.3%	21.0%			
EBITDA margin	20.1%	21.3%	21.7%	20.0%	20.5%	22.7%			
Adj. PAT	21,362	25,282	28,722	21,153	23,896	25,330	0%	6%	13%
Growth	13.2%	18.3%	13.6%	12.1%	13.0%	6.0%			

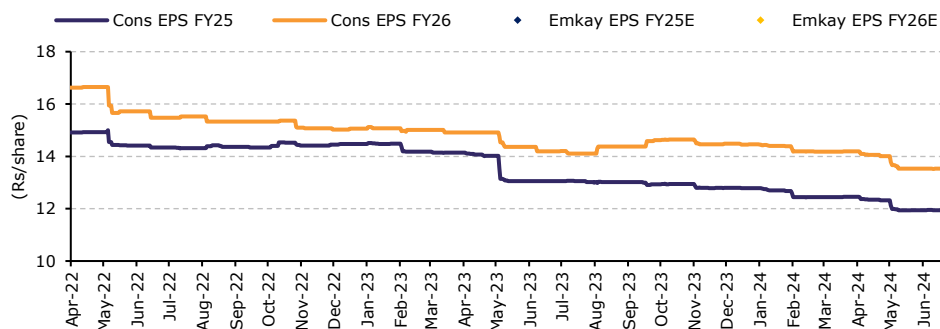
Source: Bloomberg, Emkay Research

Exhibit 2: Dabur India – One-year forward P/E (based on consensus)



Source: Bloomberg, Emkay Research

Exhibit 3: Consensus EPS movement for FY25/FY26, and our expectations



Source: Bloomberg, Emkay Research

Exhibit 4: Dabur India – Key assumptions

	FY22	FY23	FY24	FY25E	FY26E	FY27E
Growth						
Domestic sales	14.5%	5.5%	8.7%	9.7%	10.8%	10.6%
- Home and personal care	12.7%	5.2%	8.1%	8.2%	9.4%	9.4%
- Healthcare	4.8%	-6.9%	4.2%	10.0%	11.7%	12.0%
- Food and Beverages	48.8%	30.0%	16.7%	12.2%	12.5%	11.2%
International sales	20.9%	1.9%	6.5%	7.7%	9.6%	9.3%
Consolidated sales	13.7%	5.7%	7.6%	9.2%	10.5%	10.3%
Consolidated EBITDA	12.5%	-4.0%	10.9%	12.2%	17.3%	12.5%
Consolidated adj. PAT	7.7%	-5.8%	9.8%	13.2%	18.3%	13.6%
As a % of revenue						
Gross margin	48.2%	45.6%	48.0%	48.8%	49.5%	49.5%
Employee costs	10.0%	10.0%	10.1%	10.0%	9.8%	9.6%
Advertisement	7.2%	5.6%	6.9%	7.0%	7.0%	7.0%
Other operating costs	10.5%	11.6%	11.9%	11.7%	11.4%	11.2%
EBITDA margin	20.7%	18.8%	19.4%	19.9%	21.1%	21.5%
Effective tax rate	22.3%	23.1%	22.4%	23.5%	24.0%	24.0%
Per share data						
Adj. EPS (Rs)	10.32	9.70	10.65	12.06	14.27	16.21
DPS (Rs)	5.20	5.20	5.50	6.50	7.75	8.50
Pay-out	50.4%	53.6%	51.7%	53.9%	54.3%	52.4%
Balance Sheet						
Capex (Rs mn)	3.7	4.9	5.6	4.2	4.0	5.0
Inventory days (no. of)	65	65	58	63	62	62
Receivable days (no. of)	22	27	27	29	30	30
Payable days (no. of)	68	70	76	70	70	70
Avg. ROE (post tax)	22.7%	19.8%	20.0%	20.7%	22.3%	22.8%
Avg. ROCE (pre-tax)	22.8%	19.2%	19.5%	20.3%	22.1%	23.0%
Avg. ROIC (pre-tax)	58.9%	46.7%	37.1%	34.2%	39.6%	44.7%

Source: Company, Emkay Research

Dabur India: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	115,299	124,040	135,490	149,708	165,076
Revenue growth (%)	5.9	7.6	9.2	10.5	10.3
EBITDA	21,641	24,002	26,938	31,595	35,552
EBITDA growth (%)	(4.0)	10.9	12.2	17.3	12.5
Depreciation & Amortization	2,891	3,117	3,202	3,410	3,500
EBIT	18,750	20,885	23,737	28,185	32,052
EBIT growth (%)	(6.3)	11.4	13.7	18.7	13.7
Other operating income	1,034	1,137	1,274	1,426	1,569
Other income	4,454	4,824	5,307	6,102	6,713
Financial expense	782	1,242	550	450	400
PBT	22,422	24,467	28,493	33,838	38,364
Extraordinary items	0	0	0	0	0
Taxes	5,174	5,474	6,696	8,121	9,207
Minority interest	67	126	435	435	435
Income from JV/Associates	0	0	0	0	0
Reported PAT	17,072	18,427	20,922	24,842	28,282
PAT growth (%)	(1.8)	7.9	13.5	18.7	13.8
Adjusted PAT	17,182	18,867	21,362	25,282	28,722
Diluted EPS (Rs)	9.7	10.6	12.1	14.3	16.2
Diluted EPS growth (%)	(6.0)	9.8	13.2	18.3	13.6
DPS (Rs)	5.2	5.5	6.5	7.8	8.5
Dividend payout (%)	54.0	52.9	55.1	55.3	53.3
EBITDA margin (%)	18.8	19.4	19.9	21.1	21.5
EBIT margin (%)	16.3	16.8	17.5	18.8	19.4
Effective tax rate (%)	23.1	22.4	23.5	24.0	24.0
NOPLAT (pre-IndAS)	14,424	16,212	18,158	21,421	24,359
Shares outstanding (mn)	1,771.8	1,772.0	1,772.0	1,772.0	1,772.0

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	22,422	24,467	28,493	33,838	38,364
Others (non-cash items)	0	0	0	0	0
Taxes paid	(4,945)	(4,939)	(6,696)	(8,121)	(9,207)
Change in NWC	(1,601)	1,011	(3,681)	(312)	(1,102)
Operating cash flow	14,884	19,721	17,436	24,037	26,117
Capital expenditure	(4,857)	(5,609)	(4,178)	(4,000)	(5,000)
Acquisition of business	0	(5,783)	(10,000)	(10,000)	(10,000)
Interest & dividend income	0	0	0	0	0
Investing cash flow	(5,660)	(7,522)	(8,871)	(7,898)	(8,287)
Equity raised/(repaid)	4	0	0	0	0
Debt raised/(repaid)	488	(635)	0	0	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(779)	(1,067)	(550)	(450)	(400)
Dividend paid (incl tax)	(9,213)	(9,658)	(11,518)	(13,733)	(15,062)
Others	(815)	(253)	286	(440)	(440)
Financing cash flow	(10,315)	(11,612)	(11,782)	(14,623)	(15,902)
Net chg in Cash	(1,091)	587	(3,217)	1,516	1,927
OCF	14,884	19,721	17,436	24,037	26,117
Adj. OCF (w/o NWC chg.)	16,485	21,321	21,117	24,349	27,219
FCFF	10,027	14,112	13,259	20,037	21,117
FCFE	9,245	12,870	12,709	19,587	20,717
OCF/EBITDA (%)	68.8	82.2	64.7	76.1	73.5
FCFE/PAT (%)	53.8	68.2	59.5	77.5	72.1
FCFF/NOPLAT (%)	69.5	87.0	73.0	93.5	86.7

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	1,772	1,772	1,772	1,772	1,772
Reserves & Surplus	87,961	96,891	106,295	117,404	130,624
Net worth	89,733	98,663	108,067	119,176	132,396
Minority interests	4,682	4,368	4,803	5,237	5,672
Deferred tax liability (net)	910	1,090	1,090	1,090	1,090
Total debt	11,738	13,651	13,651	13,651	13,651
Total liabilities & equity	107,062	117,772	127,611	139,155	152,810
Net tangible fixed assets	31,734	33,644	32,815	32,531	32,990
Net intangible assets	0	0	0	0	0
Net ROU assets	1,869	1,962	2,061	2,164	2,272
Capital WIP	1,751	2,322	2,500	2,500	2,500
Goodwill	4,053	4,051	4,051	4,051	4,051
Investments [JV/Associates]	78	78	78	78	78
Cash & equivalents	65,833	60,480	67,290	78,806	90,899
Current assets (ex-cash)	33,094	50,133	56,589	61,273	66,305
Current Liab. & Prov.	29,482	32,937	35,713	40,084	44,014
NWC (ex-cash)	3,612	17,196	20,877	21,189	22,291
Total assets	107,062	117,772	127,611	139,155	152,810
Net debt	(54,096)	(46,829)	(53,639)	(65,155)	(77,248)
Capital employed	107,062	117,772	127,611	139,155	152,810
Invested capital	39,399	54,891	57,743	57,771	59,333
BVPS (Rs)	50.6	55.7	61.0	67.3	74.7
Net Debt/Equity (x)	(0.6)	(0.5)	(0.5)	(0.5)	(0.6)
Net Debt/EBITDA (x)	(2.5)	(2.0)	(2.0)	(2.1)	(2.2)
Interest coverage (x)	0.0	0.0	0.0	0.0	0.0
RoCE (%)	22.9	22.9	23.7	25.7	26.6

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	62.5	57.0	50.3	42.5	37.4
P/CE(x)	53.5	48.9	43.7	37.5	33.4
P/B (x)	12.0	10.9	9.9	9.0	8.1
EV/Sales (x)	8.9	8.4	7.6	6.8	6.1
EV/EBITDA (x)	47.2	42.8	37.9	32.0	28.1
EV/EBIT(x)	54.4	49.2	43.0	35.8	31.1
EV/IC (x)	25.9	18.7	17.7	17.5	16.8
FCFF yield (%)	1.0	1.4	1.3	2.0	2.1
FCFE yield (%)	0.9	1.2	1.2	1.8	1.9
Dividend yield (%)	0.9	0.9	1.1	1.3	1.4
DuPont-RoE split					
Net profit margin (%)	14.9	15.2	15.8	16.9	17.4
Total asset turnover (x)	1.1	1.1	1.1	1.1	1.1
Assets/Equity (x)	1.2	1.2	1.2	1.2	1.2
RoE (%)	19.8	20.0	20.7	22.3	22.8
DuPont-RoIC					
NOPLAT margin (%)	12.5	13.1	13.4	14.3	14.8
IC turnover (x)	3.5	2.6	2.4	2.6	2.8
RoIC (%)	44.3	34.4	32.2	37.1	41.6
Operating metrics					
Core NWC days	(23.6)	(27.6)	(27.1)	(22.6)	(22.7)
Total NWC days	11.4	50.6	56.2	51.7	49.3
Fixed asset turnover	2.4	2.1	2.2	2.2	2.3
Opex-to-revenue (%)	26.9	28.7	28.4	27.9	27.5

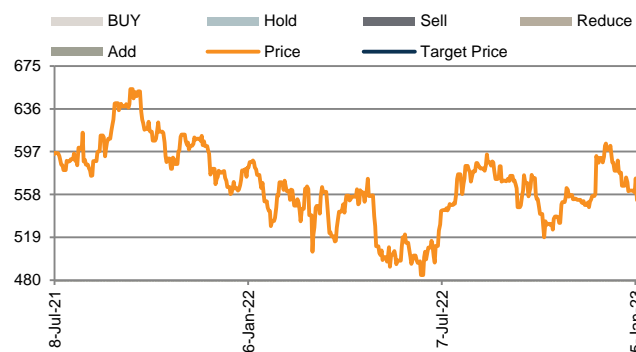
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
04-Jul-24	606	700	Buy	Nitin Gupta
04-Jul-24	606	700	Buy	Nitin Gupta
26-Jun-24	602	700	Buy	Nitin Gupta
26-Jun-24	602	700	Buy	Nitin Gupta
15-Jun-24	609	700	Buy	Nitin Gupta
15-Jun-24	609	700	Buy	Nitin Gupta
04-Jun-24	578	660	Buy	Nitin Gupta
04-Jun-24	578	660	Buy	Nitin Gupta
08-May-24	557	660	Buy	Nitin Gupta
08-May-24	557	660	Buy	Nitin Gupta
08-May-24	557	660	Buy	Nitin Gupta
08-May-24	557	660	Buy	Nitin Gupta
03-May-24	532	660	Buy	Nitin Gupta
03-May-24	532	660	Buy	Nitin Gupta
15-Apr-24	495	660	Buy	Nitin Gupta
15-Apr-24	495	660	Buy	Nitin Gupta
07-Apr-24	508	660	Buy	Nitin Gupta
07-Apr-24	508	660	Buy	Nitin Gupta
05-Apr-24	508	660	Buy	Nitin Gupta
05-Apr-24	508	660	Buy	Nitin Gupta
14-Mar-24	530	660	Buy	Nitin Gupta
14-Mar-24	530	660	Buy	Nitin Gupta
01-Feb-24	554	660	Buy	Nitin Gupta
01-Feb-24	554	660	Buy	Nitin Gupta
23-Jan-24	525	660	Buy	Nitin Gupta
23-Jan-24	525	660	Buy	Nitin Gupta
07-Jan-24	569	660	Buy	Nitin Gupta
07-Jan-24	569	660	Buy	Nitin Gupta
04-Jan-24	566	650	Buy	Nitin Gupta
04-Jan-24	566	650	Buy	Nitin Gupta
12-Dec-23	549	650	Buy	Nitin Gupta
12-Dec-23	549	650	Buy	Nitin Gupta
30-Nov-23	538	650	Buy	Nitin Gupta
30-Nov-23	538	650	Buy	Nitin Gupta
24-Nov-23	537	650	Buy	Nitin Gupta
24-Nov-23	537	650	Buy	Nitin Gupta
03-Nov-23	536	650	Buy	Nitin Gupta
03-Nov-23	536	650	Buy	Nitin Gupta
20-Oct-23	525	650	Buy	Nitin Gupta
20-Oct-23	525	650	Buy	Nitin Gupta
19-Oct-23	526	650	Buy	Nitin Gupta
19-Oct-23	526	650	Buy	Nitin Gupta
06-Oct-23	547	650	Buy	Nitin Gupta
06-Oct-23	547	650	Buy	Nitin Gupta
03-Oct-23	554	650	Buy	Nitin Gupta
03-Oct-23	554	650	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 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:-

- 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 July 6, 2024
- 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:
- 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.
- 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 July 6, 2024
- 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 July 6, 2024
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- 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.
- 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.