

Marico

"NEUTRAL" 25th June' 14

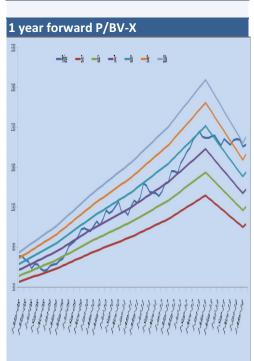
" Margin pressure; a knee jerk.." SEBI Registered Portfolio Manager

Result update	Neutral
CMP	236
Target Price	220
Previous Target Price	-
Upside	-
Change from Previous	-

Market Data	
BSE Code	531642
NSE Symbol	MARICO
52wk Range H/L	263/188
Mkt Capital (Rs Cr)	15206
Average Daily Volume	126142
Nifty	7580

Stock Performance							
	1M	1yr	YTD				
Absolute	-0.15	16.04	15.59				
Rel. to Nifty	-3.04	-19.56	-17.81				

Share Holding Pattern-%							
	Current	3QFY14	2QFY14				
Promoters	59.69	59.69	59.69				
FII	27.55	27.58	27.6				
DII	6.02	5.72	5.88				
Others	6.74	7.01	6.83				



Margin pressure in near future and optimistic on revenue traction;

On recent Conference Call, Marico's management expressed its positive view on strong revenue traction in near term on expectation of better consumer discretionary demand. While, there is some concern on margin front because of sustained inflation on copra prices and there will be an adverse impacts on margin especially in 1HFY15E.

Its youth brands remain under pressure in the near term, especially deodorants (contribute 35-40% of overall youth portfolio) due to high fragmentation (over 400 brands) and new entrants. Its peer Emami has just launched its deodorant brand 'He' and getting a good response from consumer.

The Company maintained its market share across the portfolio, reflecting strong equity of its brands. We believe that slower volume growth could not easily turned out in next 1-2 quarters because of poor discretionary demand.

Margin pressure in near future: Copra is one of the major raw material of Marico, recently Copra Price has increased by 16%(YoY). The mgmt said that the gross margin expansion in second half of the year may be impacted due to rise in copra prices. Management added that it is more focused on volume than margin for medium to long term.

Volume growth moving to track: on 4QFY14, Marico's Domestic volume growth recovered to 6% led by Parachute and Saffola growth, both reported 10% (YoY) and 11%(YoY) volume growth respectively. Considering inflationary pressure on Copra price, the company has taken further 12-13% price hike in Parachute with cumulative price hike totaling 25%.

The management expects that the company could see volume growth at a range of 7-8% in near future. This is expected to improve going forward from early/mid FY15. With the price increases already in market place, the overall top line growth could still be well over 20%.

Expansion plans on distribution reach: Marico's total distribution reach stands at 5 mn outlets (950,000 direct outlets) and it is planning to increase direct reach by 25-30% over the next couple of years.

Growth potential in the core markets of Bangladesh, Vietnam and Egypt intact and will continue to drive growth.

View and Valuation: The Company expects demand scenario is coming to growth track especially in urban areas in India and some of its international market like Bangladesh, Egypt and MENA. Considering near term challenges like rise in copra prices and below monsoon, we believe that slower volume growth could not easily turned out in next 1-2 quarters. We retain our "NEUTRAL" view on the stock, at a price of Rs 236, stock trades at 8x FY15E P/BV.

Financials					Rs, Crore
	4QFY14	3QFY14	(QoQ)-%	3QFY13	(YoY)-%
Revenue	1072.1	1200.7	(10.7)	998.6	7.4
EBITDA	154.1	201.81	(23.6)	120.29	28.1
PAT	88.6	135.4	(34.6)	83.9	5.6
EBITDA Margin	14.4%	16.8%	(240bps)	12.0%	220bps
PAT Margin	8.3%	11.3%	(300bps)	8.4%	(10bps)

(Source: Company/Eastwind)

Marico

Key facts from Management guidance;

- (1)Immediate future could see volume growth rates of 7% to 8%. This is expected to improve going forward from early/mid FY15E. With the price increases already in market place the overall top line growth could still be well over 20%.
- (2)Management expects that next 2 quarters will see margin pressure. Operating margins expected to be sustained at around 14%-15% in FY15E.
- (3) Growth potential in the core markets of Bangladesh, Vietnam and Egypt intact and will continue to drive growth.
- (4) The Youth brands portfolio is expected to grow by about 20%-25%. However in the immediate term, the growth rates are likely to be around 15-20%.
- (5) Ad spend is expected to see at 11-11.5% in FY15E.

Sales	Financials								
Other Operating Income 160.67 19.06 30.90 12.51 10.33 12.86 17.75 Total income from operations 2660.76 3154.05 4039.18 4596.86 4686.52 5156.67 5933.13 RM Cost 1265.48 1712.66 2132.04 2212.27 2242.48 2520.47 2888.96 Purchases of stock-in-trade 12.47 20.36 17.44 116.59 111.47 113.45 118.66 WIP -16.35 -115.43 -50.78 -127.74 416.59 111.47 113.45 118.66 WIP -16.35 -115.43 -50.78 -127.74 416.59 111.47 113.45 118.66 WIP -16.37 315.12 345.13 50.86 284.72 335.18 415.32 Ad Spend 351.12 345.95 448.99 597.94 561.17 593.02 652.64 Other expenses 228.56 2716.88 3523.88 3970.96 3938.51 430.93 Total expenses	Rs in Cr,	FY10	FY11	FY12	FY13	FY14	FY15E	FY16E	
Total income from operations 266. 76 3154.05 4039.18 4596.86 4686.52 5156.67 5933.13 RM Cost 1265.48 1712.66 2132.04 2212.27 224.48 2520.47 2868.96 Purchases of stock-in-trade 12.47 20.36 17.44 116.59 111.47 113.45 118.66 VIP -16.35 -115.43 -50.78 -127.47 45.20 -51.57 29.67 Employee Cost 190.13 229.98 307.29 380.56 284.72 335.18 415.32 Ad Spend 351.12 345.95 448.99 597.94 561.17 593.02 652.64 Other expenses 482.76 523.36 668.90 791.07 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01 693.47 799.28 499.30 70.01	Sales	2500.09	3134.99	4008.28	4584.35	4676.19	5143.81	5915.38	
RM Cost 1265.48 1712.66 2132.04 2212.27 2242.48 2520.47 2868.96 Purchases of stock-in-trade 12.47 20.36 17.44 116.59 111.47 113.45 118.66 VIIP -16.35 -115.43 -50.78 -127.47 45.20 -51.57 29.67 Employee Cost 190.13 229.98 307.29 380.56 284.72 335.18 415.32	Other Operating Income	160.67	19.06	30.90	12.51	10.33	12.86	17.75	
Purchases of stock-in-trade WIP -16.35 -115.43 -50.78 -127.47 45.20 -51.57 29.67 Employee Cost 190.13 229.98 307.29 380.56 284.72 335.18 415.32 Ad Spend 351.12 345.95 448.99 597.94 561.17 593.02 652.64 Other expenses 2285.61 2716.88 3523.88 3970.96 3938.51 430.98 3938.51 430.98 307.29 380.62 597.94 561.17 593.02 652.64 2716.88 3523.88 3970.96 3938.51 430.98 3038.55 EBITDA 375.15 437.17 515.30 625.90 748.01 846.84 898.58 EBIT 333.35 368.53 444.45 576.80 729.05 EBIT 333.35 368.53 444.45 576.80 729.05 829.12 894.51 Interest 25.69 41.01 42.39 57.43 34.45 24.12 16.88 PBT 307.66 327.52 402.06 519.37 694.60 805.00 877.63 FARE EXP PAT 243.33 242.54 323.81 373.19 504.12 571.55 618.73 Growth-% (YOY) Sales EBITA 39.16 29.29 11.49 18.59 28.19 11.49 18.59 28.19 11.49 18.59 28.19 11.49 18.29 28.48 11.49 18.39 48.19 48.99 48.99 48.90 48.90 48.90 48.91 48.90 48.91 48.92 48.92 48.93 48.93 48.94 576.80 729.05 829.12 894.51 16.88 PBT 307.66 327.52 402.06 519.37 694.60 805.00 877.63 Sales FARE ARE ARE ARE ARE ARE ARE ARE ARE ARE	Total income from operations	2660.76	3154.05	4039.18	4596.86	4686.52	5156.67	5933.13	
Nip	RM Cost	1265.48	1712.66	2132.04	2212.27	2242.48	2520.47	2868.96	
Nip	Purchases of stock-in-trade	12.47	20.36	17.44	116.59	111.47	113.45	118.66	
Ad Spend Other expenses	WIP	-16.35	-115.43	-50.78	-127.47	45.20	-51.57	29.67	
Other expenses 482.76 523.36 668.90 791.07 693.47 799.28 949.30 Total expenses 2285.61 2716.88 3523.88 3970.96 3938.51 4309.83 5034.55 EBITDA 375.15 437.17 515.30 625.90 748.01 846.84 898.58 Depreciation and Amortisation 60.06 70.80 72.52 86.62 76.86 69.29 63.40 Other Income 18.26 2.16 1.67 37.52 57.90 51.57 59.33 EBIT 333.35 368.53 444.45 576.80 729.05 829.12 894.51 Interest 25.69 41.01 42.39 57.43 34.45 24.12 16.88 PBT 307.66 327.52 402.06 519.37 694.60 805.00 877.63 Tax Exp 64.33 84.98 78.25 146.18 190.48 233.45 258.90 PAT 29.33 242.54 323.81 373.19 </td <td>Employee Cost</td> <td>190.13</td> <td>229.98</td> <td>307.29</td> <td>380.56</td> <td>284.72</td> <td>335.18</td> <td>415.32</td>	Employee Cost	190.13	229.98	307.29	380.56	284.72	335.18	415.32	
Total expenses	Ad Spend	351.12	345.95	448.99	597.94	561.17	593.02	652.64	
EBITDA 375.15 437.17 515.30 625.90 748.01 846.84 898.58 Depreciation and Amortisation 60.06 70.80 72.52 86.62 76.86 69.29 63.40 Other Income 18.26 2.16 1.67 37.52 57.90 51.57 59.33 EBIT 333.35 368.53 444.45 576.80 729.05 829.12 894.51 Interest 25.69 41.01 42.39 57.43 34.45 24.12 16.88 PBT 307.66 327.52 402.06 519.37 694.60 805.00 877.63 Tax Exp 64.33 84.98 78.25 146.18 190.48 233.45 258.90 PAT 243.33 242.54 323.81 373.19 504.12 571.55 618.73 Growth-% (YoV) Sales 11.4% 18.5% 28.1% 13.8% 2.0% 10.0% 15.1% EBITDA 29.2% 16.5% 17.9% 21.5% 19.5% 13.2% 6.1% PAT 39.1% -0.3% 33.5% 15.2% 35.1% 13.4% 8.3% Expenses on Sales-% RM Cost 47.6% 54.3% 52.8% 48.1% 47.8% 48.9% 48.4% Ad Spend 13.2% 11.0% 11.1% 13.0% 12.0% 11.5% 11.0% Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 13.6% 16.0% 15.1% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBITDA 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% EBITDA 12.5% 11.7% 11.0% 12.5% 15.6% 16.4% 15.1% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBITDA 14.1% 13.9% 12.8% 13.6% 13.6% 16.	Other expenses	482.76	523.36	668.90	791.07	693.47	799.28	949.30	
Depreciation and Amortisation 60.06 70.80 72.52 86.62 76.86 69.29 63.40	Total expenses	2285.61	2716.88	3523.88	3970.96	3938.51	4309.83	5034.55	
Other Income 18.26 2.16 1.67 37.52 57.90 51.57 59.33 EBIT 333.35 368.53 444.45 576.80 729.05 829.12 894.51 Interest 25.69 41.01 42.39 34.45 24.12 16.88 PBT 307.66 327.52 402.06 519.37 694.60 805.00 877.63 Tax Exp 64.33 84.98 78.25 146.18 190.48 233.45 258.90 PAT 243.33 242.54 323.81 373.19 504.12 571.55 618.73 Growth-% (YoY) 361es 11.49 18.59% 28.19 13.8% 2.0% 10.0% 15.1% EBITDA 29.29% 16.5% 17.99 21.59 19.5% 13.2% 6.19 PAT 39.19% -0.39% 33.59 15.29 15.5% 16.19 EBITDA 47.6% 54.3% 52.8% 48.19 47.8% 48.49 <t< td=""><td>EBITDA</td><td>375.15</td><td>437.17</td><td>515.30</td><td>625.90</td><td>748.01</td><td>846.84</td><td>898.58</td></t<>	EBITDA	375.15	437.17	515.30	625.90	748.01	846.84	898.58	
EBIT	Depreciation and Amortisation	60.06	70.80	72.52	86.62	76.86	69.29	63.40	
Interest 25.69	Other Income	18.26	2.16	1.67	37.52	57.90	51.57	59.33	
PBT 307.66 327.52 402.06 519.37 694.60 805.00 877.63 Tax Exp 64.33 84.98 78.25 146.18 190.48 233.45 258.90 PAT 243.33 242.54 323.81 373.19 504.12 571.55 618.73 agrowth-% (YoY) Sales 11.4% 18.5% 28.1% 13.8% 2.0% 10.0% 15.1% EBITDA 29.2% 16.5% 17.9% 21.5% 15.5% 13.2% 6.1% PAT 39.1% -0.3% 33.5% 15.2% 35.1% 13.4% 8.3% Expenses on Sales-% RM Cost 47.6% 54.3% 52.8% 48.1% 47.8% 48.9% 48.4% Ad Spend 13.2% 11.0% 11.1% 13.0% 12.0% 11.5% 11.0% Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 SP.5% BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-%	EBIT	333.35	368.53	444.45	576.80	729.05	829.12	894.51	
Tax Exp 64.33 84.98 78.25 146.18 190.48 233.45 258.90 PAT 243.33 242.54 323.81 373.19 504.12 571.55 618.73 Growth-% (YoY) Sales 11.4% 18.5% 28.1% 13.8% 2.0% 10.0% 15.1% EBITDA 29.2% 16.5% 17.9% 21.5% 19.5% 13.2% 6.1% PAT 39.1% -0.3% 33.5% 15.2% 35.1% 13.4% 8.3% Expenses on Sales-% RM Cost 47.6% 54.3% 52.8% 48.1% 47.8% 48.9% 48.4% Ad Spend 13.2% 11.0% 11.1% 13.0% 12.0% 11.5% 11.0% Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% EBIT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	Interest	25.69	41.01	42.39	57.43	34.45	24.12	16.88	
PAT 243.33 242.54 323.81 373.19 504.12 571.55 618.73 Growth-% (YoY) Sales 11.4% 18.5% 28.1% 13.8% 2.0% 10.0% 15.1% EBITDA 29.2% 16.5% 11.0% 16.6% 17.2% 14.8% 15.5% 16.0% 16.0% 16.6% 17.2% 14.8% 15.5% 16.0% 16.0% 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% 16.1% 16.1% 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% 16.1% 16.1% 17.0% 16.1% 16.	PBT	307.66	327.52	402.06	519.37	694.60	805.00	877.63	
Growth-% (YoY) Sales 11.4% 18.5% 28.1% 13.8% 2.0% 10.0% 15.1% EBITDA 29.2% 16.5% 17.9% 21.5% 19.5% 13.2% 6.1% PAT 39.1% -0.3% 33.5% 15.2% 35.1% 13.4% 8.3% Expenses on Sales-% RM Cost Ad Spend 13.2% 11.0% 11.1% 13.0% 12.0% 11.5% 11.0% Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% EBIT 20.9% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 64.48 64.48 64.48 64.48 64.48 64.48 65.96 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-%	Tax Exp	64.33	84.98	78.25	146.18	190.48	233.45	258.90	
Sales 11.4% 18.5% 28.1% 13.8% 2.0% 10.0% 15.1% EBITDA 29.2% 16.5% 17.9% 21.5% 19.5% 13.2% 6.1% PAT 39.1% -0.3% 33.5% 15.2% 35.1% 13.4% 8.3% Expenses on Sales-W 8 8.5% 48.1% 47.8% 48.9% 48.4% Ad Spend 13.2% 11.0% 11.1% 13.0% 12.0% 11.5% 11.0% Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0<	PAT	243.33	242.54	323.81	373.19	504.12	571.55	618.73	
EBITDA 29.2% 16.5% 17.9% 21.5% 19.5% 13.2% 6.1% PAT 39.1% -0.3% 33.5% 15.2% 35.1% 13.4% 8.3% Expenses on Sales-% RM Cost 47.6% 54.3% 52.8% 48.1% 47.8% 48.9% 48.4% Ad Spend 13.2% 11.0% 11.1% 13.0% 12.0% 11.5% 11.0% Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-%	Growth-% (YoY)								
PAT 39.1% -0.3% 33.5% 15.2% 35.1% 13.4% 8.3% Expenses on Sales-% RM Cost 47.6% 54.3% 52.8% 48.1% 47.8% 48.9% 48.4% Ad Spend 13.2% 11.0% 11.1% 13.0% 12.0% 11.5% 11.0% Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-%	Sales	11.4%	18.5%	28.1%	13.8%	2.0%	10.0%	15.1%	
Expenses on Sales-% RM Cost	EBITDA	29.2%	16.5%	17.9%	21.5%	19.5%	13.2%	6.1%	
RM Cost 47.6% 54.3% 52.8% 48.1% 47.8% 48.9% 48.4% Ad Spend 13.2% 11.0% 11.1% 13.0% 12.0% 11.5% 11.0% Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	PAT	39.1%	-0.3%	33.5%	15.2%	35.1%	13.4%	8.3%	
Ad Spend 13.2% 11.0% 11.1% 13.0% 12.0% 11.5% 11.0% Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS <t< td=""><td>Expenses on Sales-%</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Expenses on Sales-%								
Employee Cost 7.1% 7.3% 7.6% 8.3% 6.1% 6.5% 7.0% Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74	RM Cost	47.6%	54.3%	52.8%	48.1%	47.8%	48.9%	48.4%	
Other expenses 18.1% 16.6% 16.6% 17.2% 14.8% 15.5% 16.0% Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2%	Ad Spend	13.2%	11.0%	11.1%	13.0%	12.0%	11.5%	11.0%	
Tax rate 20.9% 25.9% 19.5% 28.1% 27.4% 29.0% 29.5% Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	Employee Cost	7.1%	7.3%	7.6%	8.3%	6.1%	6.5%	7.0%	
Margin-% EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	Other expenses	18.1%	16.6%	16.6%	17.2%	14.8%	15.5%	16.0%	
EBITDA 14.1% 13.9% 12.8% 13.6% 16.0% 16.4% 15.1% EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	Tax rate	20.9%	25.9%	19.5%	28.1%	27.4%	29.0%	29.5%	
EBIT 12.5% 11.7% 11.0% 12.5% 15.6% 16.1% 15.1% PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	Margin-%								
PAT 9.1% 7.7% 8.0% 8.1% 10.8% 11.1% 10.4% Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 64.48 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	EBITDA	14.1%	13.9%	12.8%	13.6%	16.0%	16.4%	15.1%	
Valuation: CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	EBIT	12.5%	11.7%	11.0%	12.5%	15.6%	16.1%	15.1%	
CMP 108.55 138.75 206.0 225.3 209.6 236.0 236.0 No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	PAT	9.1%	7.7%	8.0%	8.1%	10.8%	11.1%	10.4%	
No of Share 60.90 61.40 61.40 64.48 64.48 64.48 64.48 NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	Valuation:								
NW 653.96 915.44 1143.01 1981.52 1360.64 1894.47 2513.20 EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	CMP	108.55	138.75	206.0	225.3	209.6	236.0	236.0	
EPS 4.00 3.95 5.27 5.79 7.82 8.86 9.60 BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	No of Share	60.90	61.40	61.40	64.48	64.48	64.48	64.48	
BVPS 10.74 14.91 18.62 30.73 21.10 29.38 38.98 RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	NW	653.96	915.44	1143.01	1981.52	1360.64	1894.47	2513.20	
RoE-% 37.2% 26.5% 28.3% 18.8% 37.1% 30.2% 24.6%	EPS	4.00	3.95	5.27	5.79	7.82	8.86	9.60	
	BVPS	10.74	14.91	18.62	30.73	21.10	29.38	38.98	
	RoE-%	37.2%	26.5%	28.3%	18.8%	37.1%	30.2%	24.6%	
P/BV 10.11 9.31 11.07 7.33 9.93 8.03 6.05	P/BV	10.11	9.31	11.07	7.33	9.93	8.03	6.05	
P/E 27.17 35.13 39.06 38.93 26.81 26.62 24.59	P/E	27.17	35.13	39.06	38.93	26.81	26.62	24.59	

(Source: Company/Eastwind)