

# Pidilite Industries

Refer to important disclosures at the end of this report

## Lockdowns and high input prices dent earnings

- PIDI posted a lower-than-expected performance in Q1FY22, with sales/EBITDA missing our estimates by 11%/23%. Sales grew 120% (-4% 2-year CAGR), with organic growth of 113%. EBITDA margins contracted 270bps qoq due to high input inflation.
- The overall commentary was fairly positive and highlighted recovery trends since Jun'21. The distribution expansion remains in focus. It highlighted expansion of the manufacturing set-up with 12 new facilities which is expected to strengthen its supply chain network.
- Margin pressure is likely to peak in Q2. The recent correction in VAM prices by 20-25% from the peak is likely to reduce cost inflation in H2. Price hikes and moderation in VAM prices may drive qoq improvement in H2, but very high comparables will limit earnings.
- Given the improving growth outlook amid a revival in real estate/construction activities, we value PIDI at 50x Sep'23E, in line with peers. However, we maintain Sell with a revised TP of Rs1,730 (from Rs1,360) as valuations at 69x FY23E remain unattractive.

**Strong growth on low comparables; demand recovering since Jun'21:** Consolidated sales rose 121% (113% excl. PAPL) on low comparables to Rs19.4bn (-4% 2-year CAGR). Consumer and Bazaar grew 112% and Industrial recorded strong 156% growth. Domestic volume increased by 105%. Overseas subsidiaries grew 80%, driven by a strong turnaround in Asia with 129% sales growth on a low base. The performance of domestic subsidiaries was strong, with 340% sales growth (excl. PAPL) on a low base, driven by 667% growth in Nina. However, the sequential performance was muted with a 33% sales decline (incl. PAPL) as the month of May'21 was impacted by Covid-related curbs. Management highlighted recovery trends since Jun'21 and remained fairly optimistic about the growth outlook, aided by pent-up demand and distribution gains. To improve the supply chain, it is expanding the manufacturing set-up by adding 12 new facilities that are expected to be completed by FY22.

**Sharp rise in input prices; margin pressure to recede in H2:** Gross margin contracted 440bps due to higher VAM prices (USD1,610/mt vs. USD1,200 in Q4FY21 and USD823 in Q1FY21). The EBITDA margin expanded by 1,040bps YoY (down 270bps QoQ), driven by lower employee costs at 14% of sales (vs. 25% last year) and lower other overhead spends. Management expects margin pressure to peak in Q2 and moderate in H2, with VAM prices falling to ~USD1,500 now. It has taken a 4-5% price hike and expects that a further moderation in VAM prices will help to recover margins in H2 to its target range (22-23%).

**Margin pressure to limit upsides; maintain Sell:** While the growth outlook remains healthy, margin pressure and high comparables are likely to restrict earnings growth in the near term. Given the improving growth outlook amid a revival in real estate/construction activities, we now value PIDI at 50x Sep'23, in line with peers. However, we maintain Sell with a revised TP of Rs1,730 (from Rs1,360) as valuations at 69x FY23E remain unattractive.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Consumer Goods & Retail \(Page 8\)](#)

### Financial Snapshot (Consolidated)

(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	72,945	72,927	88,015	1,01,674	1,13,967
EBITDA	15,760	16,806	18,659	23,108	25,908
EBITDA Margin (%)	21.6	23.0	21.2	22.7	22.7
APAT	11,716	11,348	12,949	16,363	18,611
EPS (Rs)	23.1	22.3	25.5	32.2	36.6
EPS (% chg)	24.3	(3.1)	14.1	26.4	13.7
ROE (%)	27.2	22.6	21.6	23.6	23.0
P/E (x)	96.3	99.5	87.2	69.0	60.6
EV/EBITDA (x)	70.8	66.9	60.2	48.2	42.6
P/BV (x)	25.3	20.2	17.6	15.1	13.0

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
Rs 2,221 as of (August 12, 2021)	Rs 1,730 (▲) 12 months
<b>Rating</b>	<b>Upside</b>
SELL (■)	(22.1) %

### Change in Estimates

EPS Chg FY22E/FY23E (%)	4.4/0.7
Target Price change (%)	27.2
Target Period (Months)	12
Previous Reco	SELL

### Emkay vs Consensus

	EPS Estimates	
	FY22E	FY23E
Emkay	25.5	32.2
Consensus	26.5	32.7
Mean Consensus TP (12M)	Rs 1,811	

### Stock Details

Bloomberg Code	PIDI IN
Face Value (Rs)	1
Shares outstanding (mn)	508
52 Week H/L	2,335 / 1,357
M Cap (Rs bn/USD bn)	1,129 / 15.20
Daily Avg Volume (nos.)	6,03,552
Daily Avg Turnover (US\$ mn)	17.1

### Shareholding Pattern Jun '21

Promoters	70.1%
FIIIs	12.1%
DIIIs	7.2%
Public and Others	10.6%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	(2)	18	26	63
<b>Rel. to Nifty</b>	(6)	6	17	12

### Relative price chart



Source: Bloomberg

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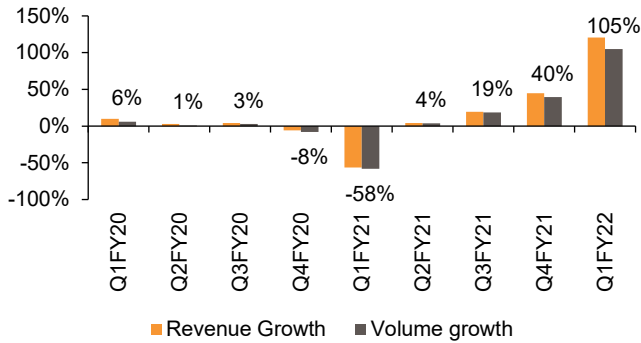
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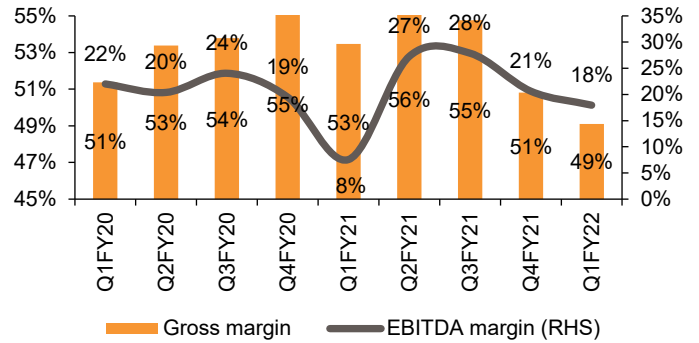
# Story in Charts

**Exhibit 1: Revenue growth driven by industrial products**



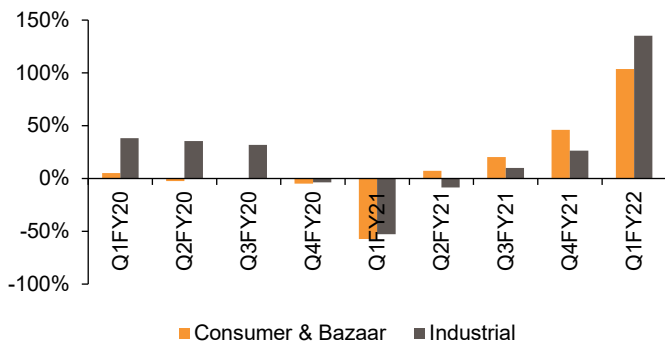
Source: Company, Emkay Research

**Exhibit 2: Gross margin impacted by high input inflation**



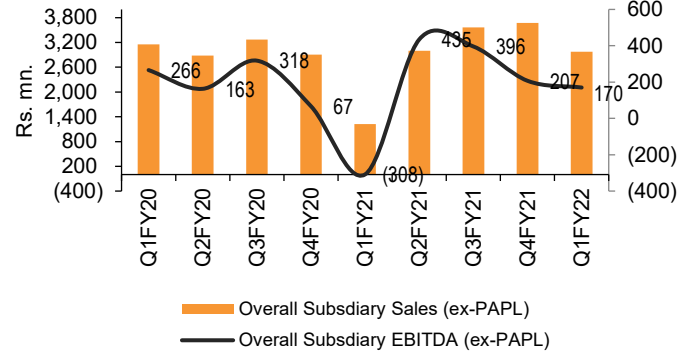
Source: Company, Emkay Research

**Exhibit 3: Industrial segment witnesses better growth, outperforming Consumer & Bazaar**



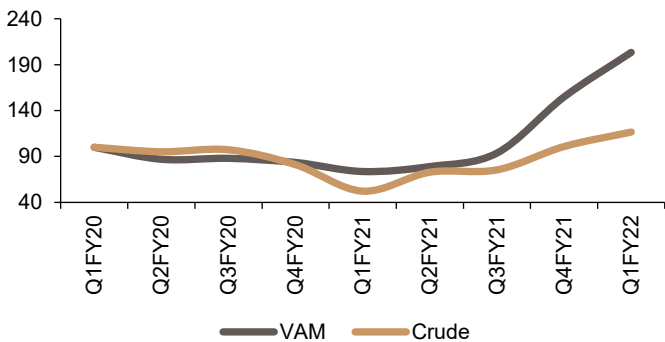
Source: Company, Company, Emkay Research

**Exhibit 4: Subsidiary sales recovery driven by strong momentum in Asia with 129% sales growth**



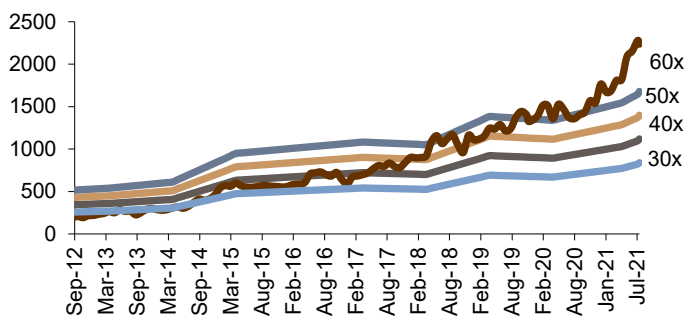
Source: Company, Company, Emkay Research

**Exhibit 5: VAM prices (indexed) to soften going ahead**



Source: Company, Emkay Research

**Exhibit 6: One-year forward P/E band chart**



Source: Company, Emkay Research

**Exhibit 7: Actual vs. Estimates (Q1FY22)**

Rs mn	Actual	Estimate (Emkay)	Consensus estimate	% variation		Comment
				Emkay	Consensus	
Revenues	19,368	21,751	17,655	-11.0%	9.7%	Domestic volume growth of 105%
EBITDA	3,476	4,505	3,156	-22.8%	10.1%	
EBITDA Margin (%)	17.9	20.7	17.9	(277)	7	Margin gains on lower employee and other overhead costs
APAT	2,201	3,061	2,263	-28.1%	-2.8%	

Source: Company, Emkay Research

**Exhibit 8: Quarterly Performance (Consolidated)**

	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	YoY (%)	QoQ (%)
Revenue	8,778	18,803	22,990	22,355	19,368	120.6	-13.4
Expenditure	8,115	13,677	16,582	17,747	15,892	95.8	-10.5
Consumption of RM	4,085	8,284	10,402	10,996	9,857	141.3	-10.4
as % of sales	47	44	45	49	51		
Employee Cost	2,157	2,421	2,603	2,627	2,806	30.1	6.8
as % of sales	25	13	11	12	14		
Other expenditure	1,873	2,972	3,577	4,124	3,229	72.4	-21.7
as % of sales	21	16	16	18	17		
EBITDA	664	5,126	6,408	4,608	3,476	423.7	-24.6
Depreciation	461	479	495	572	566	22.8	-1.0
EBIT	203	4,648	5,913	4,036	2,910	1335.4	-27.9
Other Income	200	217	204	173	61	-69.4	-64.7
Interest	91	87	121	74	96	6.1	29.3
PBT	312	4,778	5,997	4,135	2,875	821.3	-30.5
Total Tax	159	1,220	1,548	1,038	721	354.9	-30.5
Adjusted PAT	154	3,558	4,449	3,097	2,154	1303.0	-30.5
(Profit)/loss from JV's/Ass/MI	114	6	-30	1	47		
APAT after MI	268	3,564	4,418	3,098	2,201	721.8	-29.0
Extra ordinary items	0	0	0	36	0		
Reported PAT	268	3,564	4,418	3,062	2,201	721.8	-28.1
Adjusted EPS	0.5	7.0	8.7	6.1	4.3	721.4	-29.0
<b>Margins (%)</b>	<b>Q1FY21</b>	<b>Q2FY21</b>	<b>Q3FY21</b>	<b>Q4FY21</b>	<b>Q1FY22</b>	<b>(bps)</b>	<b>(bps)</b>
Gross Margin	53.5	55.9	54.8	50.8	49.1	-440	-170
EBIDTA	7.6	27.3	27.9	20.6	17.9	1,040	-270
EBIT	2.3	24.7	25.7	18.1	15.0	1,270	-300
EBT	3.6	25.4	26.1	18.5	14.8	1,130	-370
PAT	3.1	19.0	19.2	13.9	11.4	830	-250
Effective Tax rate	50.8	25.5	25.8	25.1	25.1	-2,570	0

Source: Company, Emkay Research

**Exhibit 9: Segment-wise Performance**

	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	YoY (%)	QoQ (%)
<b>Segment Revenues</b>							
Consumer & Bazaar	7,020	15,277	18,489	17,303	14,862	111.7	-14.1
Industrial	1,882	3,771	4,751	5,350	4,820	156.1	-9.9
Others	18	72	122	174	99	446.4	-43.1
<b>Total</b>	<b>8,921</b>	<b>19,119</b>	<b>23,361</b>	<b>22,827</b>	<b>19,782</b>	<b>121.8</b>	<b>-13.3</b>
<b>Segment Results</b>							
Consumer & Bazaar	1,320	5,324	6,451	4,692	3,704	180.6	-21.1
Industrial	-227	290	558	524	420	-285.4	-19.8
Others	-35	8	-5	14	6	-117.1	-57.1
<b>Total</b>	<b>1,059</b>	<b>5,621</b>	<b>7,004</b>	<b>5,230</b>	<b>4,131</b>	<b>290.2</b>	<b>-21.0</b>
<b>Segment Margins (%)</b>						<b>(bps)</b>	<b>(bps)</b>
Consumer & Bazaar	18.8	34.8	34.9	27.1	24.9	610	-220
Industrial	(12.0)	7.7	11.7	9.8	8.7	2,080	-110
Others	(193.4)	10.8	(4.3)	8.1	6.1	19,940	-200
<i>PBIT Margins%</i>	11.9	29.4	30.0	22.9	20.9	900	-200

Source: Company, Emkay Research

**Exhibit 10: Revision in estimates**

Y/E, Mar (Rs. mn)	FY22E			FY23E			FY24E		
	Earlier	Revised	% Change	Earlier	Revised	% Change	Earlier	Revised	% Change
Revenues	86,296	88,015	2.0	1,01,269	1,01,674	0.4	1,13,589	1,13,967	0.3
EBITDA	17,928	18,659	4.1	22,972	23,108	0.6	25,770	25,908	0.5
<i>EBITDA Margin (%)</i>	20.8	21.2	40 bps	22.7	22.7	0 bps	22.7	22.7	0 bps
APAT	12,405	12,949	4.4	16,252	16,363	0.7	18,506	18,611	0.6
EPS (Rs)	24.4	25.5	4.4	32.0	32.2	0.7	36.4	36.6	0.6

Source: Company, Emkay Research

**Exhibit 11: Revenue Growth Assumptions**

	FY20	FY21	FY22E	FY23E	FY24E
Consumer & Bazaar Products	5%	0%	19%	16%	12%
Industrial Products	5%	-5%	14%	15%	10%
Total Revenue (Rs mn)	72,945	72,927	88,015	1,01,674	1,13,967

Source: Company, Emkay Research

**Exhibit 12: Relative Valuation**

	Price (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	EPS (Rs)			P/E (x)			EV / EBITDA (x)		
					FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Asian Paints	2,976	2,854	Hold	2,960	38.4	48.8	57.4	77.4	61.0	51.8	50.9	40.9	34.9
Berger Paints	815	792	Sell	650	9.5	12.0	14.2	85.7	68.1	57.5	54.0	43.5	36.9
Britannia	3,621	872	Buy	4,300	73.0	85.5	97.1	49.6	42.4	37.3	36.1	31.7	28.2
Colgate	1,641	446	Buy	1,880	39.0	44.2	48.9	42.1	37.2	33.6	27.8	24.7	22.4
Dabur	575	1,017	Hold	625	10.8	12.6	14.5	53.4	45.7	39.8	42.6	36.4	31.7
Emami	556	247	Buy	620	16.7	18.8	21.1	33.3	29.6	26.4	24.0	21.2	18.8
GCPL	991	1,013	Hold	1,030	18.3	21.3	24.3	54.1	46.5	40.7	38.4	33.5	29.2
HUL	2,392	5,621	Hold	2,330	38.6	44.9	51.2	62.0	53.2	46.7	43.2	37.1	32.6
ITC	209	2,572	Buy	270	11.9	13.9	15.3	17.6	15.0	13.6	13.2	11.2	10.2
Marico	516	666	Buy	630	10.6	12.3	14.0	48.5	42.0	36.8	35.3	30.6	26.9
Nestle	18,134	1,748	Hold	17,200	255.3	301.0	351.0	71.0	60.3	51.7	49.5	42.3	36.4
<b>Pidilite</b>	<b>2,221</b>	<b>1,129</b>	<b>Sell</b>	<b>1,730</b>	<b>25.5</b>	<b>32.2</b>	<b>36.6</b>	<b>87.2</b>	<b>69.0</b>	<b>60.6</b>	<b>60.2</b>	<b>48.2</b>	<b>42.6</b>
Radico Khaitan	935	125	Buy	1,000	22.6	28.2	32.9	41.4	33.1	28.4	27.0	22.1	19.1
United Breweries	1,390	368	Buy	1,570	16.5	29.9	34.9	84.3	46.5	39.8	42.8	26.9	23.1
United Spirits	656	477	Buy	750	11.2	16.3	19.0	58.4	40.4	34.6	35.2	26.3	22.2

Source: Company, Emkay Research

**Key Financials (Consolidated)****Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenue</b>	<b>72,945</b>	<b>72,927</b>	<b>88,015</b>	<b>1,01,674</b>	<b>1,13,967</b>
<b>Expenditure</b>	<b>57,185</b>	<b>56,121</b>	<b>69,356</b>	<b>78,565</b>	<b>88,059</b>
<b>EBITDA</b>	<b>15,760</b>	<b>16,806</b>	<b>18,659</b>	<b>23,108</b>	<b>25,908</b>
Depreciation	1,699	2,007	2,086	2,182	2,278
<b>EBIT</b>	<b>14,061</b>	<b>14,800</b>	<b>16,573</b>	<b>20,926</b>	<b>23,630</b>
Other Income	1,494	794	1,085	1,332	1,638
Interest expenses	336	372	400	430	430
<b>PBT</b>	<b>15,219</b>	<b>15,221</b>	<b>17,258</b>	<b>21,828</b>	<b>24,838</b>
Tax	3,477	3,964	4,366	5,523	6,284
Extraordinary Items	(552)	(36)	0	0	0
Minority Int./Income from Assoc.	87	(11)	98	98	98
<b>Reported Net Income</b>	<b>11,164</b>	<b>11,312</b>	<b>12,949</b>	<b>16,363</b>	<b>18,611</b>
<b>Adjusted PAT</b>	<b>11,716</b>	<b>11,348</b>	<b>12,949</b>	<b>16,363</b>	<b>18,611</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity share capital	508	508	508	508	508
Reserves & surplus	44,048	55,421	63,544	74,318	86,324
<b>Net worth</b>	<b>44,556</b>	<b>55,930</b>	<b>64,052</b>	<b>74,826</b>	<b>86,833</b>
<b>Minority Interest</b>	<b>2,157</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>
<b>Loan Funds</b>	<b>1,691</b>	<b>2,139</b>	<b>2,139</b>	<b>2,139</b>	<b>2,139</b>
Net deferred tax liability	(335)	3,062	3,062	3,062	3,062
<b>Total Liabilities</b>	<b>48,069</b>	<b>63,531</b>	<b>71,654</b>	<b>82,428</b>	<b>94,434</b>
<b>Net block</b>	<b>16,597</b>	<b>42,601</b>	<b>42,515</b>	<b>42,633</b>	<b>42,655</b>
<b>Investment</b>	<b>11,862</b>	<b>5,160</b>	<b>5,160</b>	<b>5,160</b>	<b>5,160</b>
<b>Current Assets</b>	<b>33,060</b>	<b>36,436</b>	<b>37,272</b>	<b>50,212</b>	<b>64,250</b>
Cash & bank balance	7,033	4,515	6,463	15,099	25,265
Other Current Assets	4,173	4,789	4,931	5,305	5,642
<b>Current liabilities &amp; Provision</b>	<b>16,044</b>	<b>23,605</b>	<b>16,232</b>	<b>18,515</b>	<b>20,569</b>
<b>Net current assets</b>	<b>17,017</b>	<b>12,832</b>	<b>21,040</b>	<b>31,697</b>	<b>43,681</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>48,069</b>	<b>63,531</b>	<b>71,654</b>	<b>82,428</b>	<b>94,434</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>13,725</b>	<b>14,427</b>	<b>16,173</b>	<b>20,496</b>	<b>23,200</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	65	5,064	(6,260)	(2,021)	(1,819)
<b>Operating Cashflow</b>	<b>13,265</b>	<b>18,755</b>	<b>9,176</b>	<b>16,955</b>	<b>19,501</b>
Capital expenditure	(3,992)	(28,356)	(2,000)	(2,300)	(2,300)
<b>Free Cash Flow</b>	<b>9,272</b>	<b>(9,601)</b>	<b>7,176</b>	<b>14,655</b>	<b>17,201</b>
Investments	3,615	6,702	0	0	0
Other Investing Cash Flow	(1,504)	10,205	(1,085)	(1,332)	(1,638)
<b>Investing Cashflow</b>	<b>(387)</b>	<b>(10,655)</b>	<b>(2,000)</b>	<b>(2,300)</b>	<b>(2,300)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	581	448	0	0	0
Dividend paid (incl tax)	(827)	0	(4,827)	(5,589)	(6,605)
Other Financing Cash Flow	(7,168)	(10,694)	0	0	0
<b>Financing Cashflow</b>	<b>(7,750)</b>	<b>(10,618)</b>	<b>(5,227)</b>	<b>(6,019)</b>	<b>(7,035)</b>
<b>Net chg in cash</b>	<b>5,128</b>	<b>(2,518)</b>	<b>1,949</b>	<b>8,636</b>	<b>10,166</b>
Opening cash position	1,904	7,033	4,515	6,463	15,099
<b>Closing cash position</b>	<b>7,033</b>	<b>4,515</b>	<b>6,463</b>	<b>15,099</b>	<b>25,265</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
EBITDA Margin	21.6	23.0	21.2	22.7	22.7
EBIT Margin	19.3	20.3	18.8	20.6	20.7
Effective Tax Rate	22.8	26.0	25.3	25.3	25.3
Net Margin	16.1	15.4	14.6	16.0	16.3
ROCE	33.5	27.9	26.1	28.9	28.6
ROE	27.2	22.6	21.6	23.6	23.0
RoIC	54.5	38.2	30.7	36.0	39.3

<b>Per Share Data (Rs)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
EPS	23.1	22.3	25.5	32.2	36.6
CEPS	26.4	26.3	29.6	36.5	41.1
BVPS	87.7	110.1	126.0	147.2	170.9
DPS	1.3	0.0	9.5	11.0	13.0

<b>Valuations (x)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
PER	96.3	99.5	87.2	69.0	60.6
P/CEPS	84.2	84.6	75.1	60.9	54.1
P/BV	25.3	20.2	17.6	15.1	13.0
EV / Sales	15.4	15.5	12.8	11.0	9.7
EV / EBITDA	70.8	66.9	60.2	48.2	42.6
Dividend Yield (%)	0.1	0.0	0.4	0.5	0.6

<b>Gearing Ratio (x)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
Net Debt/ Equity	(0.3)	(0.1)	(0.1)	(0.2)	(0.3)
Net Debt/EBIDTA	(0.8)	(0.2)	(0.3)	(0.6)	(1.0)
Working Cap Cycle (days)	50.0	41.6	60.5	59.6	59.0

<b>Growth (%)</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22E</b>	<b>FY23E</b>	<b>FY24E</b>
Revenue	3.1	0.0	20.7	15.5	12.1
EBITDA	15.2	6.6	11.0	23.8	12.1
EBIT	13.8	5.3	12.0	26.3	12.9
PAT	20.7	1.3	14.5	26.4	13.7

<b>Quarterly (Rs mn)</b>	<b>Q1FY21</b>	<b>Q2FY21</b>	<b>Q3FY21</b>	<b>Q4FY21</b>	<b>Q1FY22</b>
Revenue	8,778	18,803	22,990	22,355	19,368
EBITDA	664	5,126	6,408	4,608	3,476
<b>EBITDA Margin (%)</b>	<b>7.6</b>	<b>27.3</b>	<b>27.9</b>	<b>20.6</b>	<b>17.9</b>
PAT	268	3,564	4,418	3,062	2,201
<b>EPS (Rs)</b>	<b>0.5</b>	<b>7.0</b>	<b>8.7</b>	<b>6.0</b>	<b>4.3</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Jun-20</b>	<b>Sep-20</b>	<b>Dec-20</b>	<b>Mar-21</b>	<b>Jun-21</b>
Promoters	70.2	70.2	70.2	70.2	70.1
FIIIs	11.2	10.9	11.4	11.9	12.1
DIIIs	8.0	8.7	8.3	7.6	7.2
Public and Others	10.6	10.2	10.2	10.4	10.6

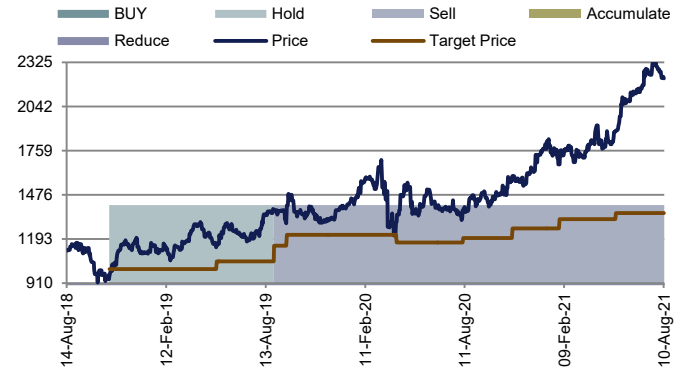
Source: Capitaline

**RECOMMENDATION HISTORY TABLE**

Date	Closing Price	TP	Period (months)	Rating	Analyst
14-May-21	1,888	1,360	12m	Sell	Ashit Desai
31-Jan-21	1,670	1,320	12m	Sell	Ashit Desai
25-Jan-21	1,766	1,260	12m	Sell	Ashit Desai
06-Nov-20	1,597	1,260	12m	Sell	Ashit Desai
08-Aug-20	1,378	1,200	12m	Sell	Ashit Desai
19-Jun-20	1,399	1,170	12m	Sell	Ashit Desai
14-Apr-20	1,378	1,170	12m	Sell	Ashit Desai
08-Apr-20	1,303	1,170	12m	Sell	Ashit Desai
25-Dec-19	1,377	1,220	12m	Sell	Ashit Desai
14-Nov-19	1,344	1,220	12m	Sell	Ashit Desai
20-Sep-19	1,409	1,220	12m	Sell	Ashit Desai
28-Aug-19	1,378	1,150	12m	Sell	Ashit Desai
15-May-19	1,165	1,050	12m	Hold	Ashit Desai
09-Apr-19	1,275	1,000	12m	Hold	Ashit Desai
25-Jan-19	1,130	1,000	12m	Hold	Ashit Desai
31-Oct-18	959	1,000	12m	Hold	Ashit Desai

Source: Company, Emkay Research

**RECOMMENDATION HISTORY CHART**



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Consumer Goods & Retail



**Analyst: Ashit Desai**

**Contact Details**

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**Sector**

Consumer Goods & Retail

**Analyst bio**

Ashit Desai holds a PGDM and FRM (US GARP) with 13 years of research experience on the sell side. His team currently covers 24 stocks in the Indian Consumer and Retail space.

**EAP sector portfolio**

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
<b>Consumer Goods &amp; Retail</b>	<b>10.41</b>	<b>10.41</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>
Asian Paints	1.45	0.52	-64%	-92	5.03
Berger Paints	0.21	0.00	-100%	-21	0.00
Britannia Industries	0.46	0.55	19%	9	5.29
Colgate-Palmolive	0.24	0.26	11%	3	2.54
Dabur India	0.35	0.39	11%	4	3.75
Emami	0.13	0.13	4%	0	1.27
Godrej Consumer Products	0.40	0.43	6%	3	4.09
Hindustan Unilever	2.30	1.76	-24%	-54	16.88
ITC	1.97	2.04	4%	8	19.63
Marico	0.29	0.31	6%	2	2.94
Nestle India	0.70	0.52	-26%	-18	4.98
Pidilite Industries	0.37	0.00	-100%	-37	0.00
Radico Khaitan	0.00	0.32	NA	32	3.03
United Breweries	0.10	0.51	395%	41	4.91
United Spirits	0.00	0.32	NA	32	3.03
Varun Beverages	0.12	0.13	7%	1	1.22
ABFRL	0.07	0.17	154%	11	1.67
Jubilant FoodWorks	0.25	0.27	8%	2	2.56
Page Industries	0.20	0.32	57%	11	3.05
Shoppers Stop*	0.00	0.00	NA	0	0.00
Titan Company	0.81	1.03	28%	23	9.92
TCNS Clothing	0.00	0.19	NA	19	1.87
Westlife Development	0.00	0.25	NA	25	2.36
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.00</b>

Source: Emkay Research

\* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

**Sector portfolio NAV**

	Base					Latest
	1-Apr-19	12-Aug-20	10-Feb-21	12-May-21	12-Jul-21	11-Aug-21
EAP - Consumer Goods & Retail	100.0	107.0	121.4	120.2	131.6	132.7
BSE200 Neutral Weighted Portfolio (ETF)	100.0	101.1	116.3	115.3	125.1	126.0

\*Performance measurement base date 1st April 2019

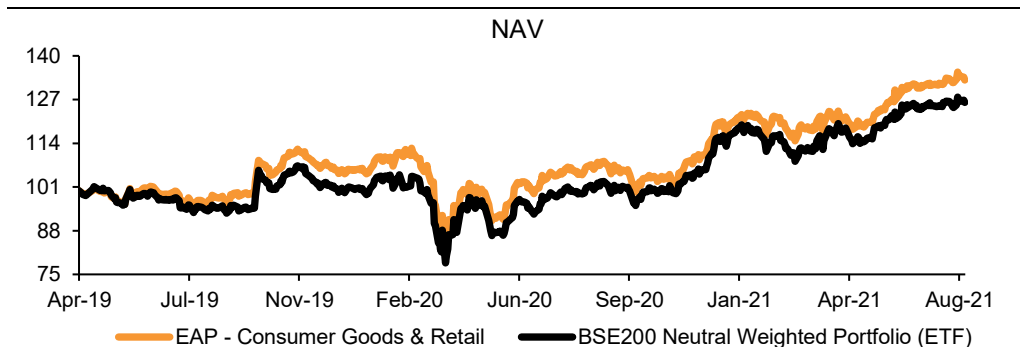
Source: Emkay Research

**Price Performance (%)**

	1m	3m	6m	12m
EAP - Consumer Goods & Retail	0.8%	10.3%	9.2%	23.9%
BSE200 Neutral Weighted Portfolio (ETF)	0.7%	9.3%	8.4%	24.7%

Source: Emkay Research

**NAV chart**



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”



## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 13 Aug 2021 02:48:09 (SGT)

Dissemination Date: 13 Aug 2021 02:49:09 (SGT)

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