

Berger Paints

Refer to important disclosures at the end of this report

Peak quarter; further upgrades not visible

- BRGR recorded strong sales growth of 50% to Rs20.3bn in Q4FY21, driven by 53% growth in the domestic business (7% beat). EBITDA/PAT grew 61%/102%, largely in line with expectations on account of a slight miss on margins due to higher overheads.
- Domestic performance looks better than peers' due to low comparables. Two-year sales CAGR is in line with APNT (15% for BRGR vs. 16% for APNT). Strong growth momentum indicates buoyant rural demand, pick-up in tier 1/metros and further market share gains.
- Gross margins were better, possibly driven by one-off inventory gains. Operating margin miss was likely a result of one-offs driving higher overhead costs. We expect margin pressure to increase ahead with the sharp rise in input inflation and slower pricing actions.
- Growth and execution remain impressive but earnings surprises are likely behind now, given rising margin pressures. Valuations at 68x FY23E EPS (20% premium to APNT) are expensive. Retain Sell with a TP of Rs585 (from Rs560), rolling forward to Jun'23 EPS.

Strong performance led by domestic business: Berger's Q4 sales growth was higher than that of peers (Asian and Kansai) at 53% on account of lower comparables (13% decline in Q4FY20 vs. 8% decline for APNT). Two-year sales CAGR for the Domestic business stands at 15% vs. 16% for APNT. Growth trends are similar with strong traction in the domestic business indicating stronger rural demand, recovery in metros and market share gains from unorganized. Q4 numbers are indicative of a steady performance from subsidiaries with 27% sales growth and improvement in EBITDA margins to mid-teens, resulting in strong 1.8x EBITDA growth on low comparables. While recent lockdowns will have a short-term impact on the performance, we expect pent-up demand and sustained growth trends in Tier 2/3 towns to drive 15%+ revenue growth.

Operating margins impacted by high overheads; input cost pressure to increase ahead: Despite higher input inflation, gross margins were flat YoY and only 50bps lower qoq (vs. peer witnessing a sharper decline), possibly on account of low-priced inventory, better mix and price hikes in industrial. EBITDA margins were up 120bps due to operating leverage but were lower than estimates due to a sharp 63% increase in other overheads, likely due to some one-off spends. Similar to APNT, BRGR has taken a price hike in May'21; however, given the high inflation, we expect margin pressure to increase ahead.

Expensive valuations; Sell: BRGR has continued to grow strongly, largely in line with the leader, with the performance indicating market share gains. While growth and execution remain impressive, valuations at 68x FY23E EPS (at 20% premium to APNT) are expensive and unjustified. We maintain Sell with a revised TP of Rs585 (from Rs560), rolling forward to Jun'23 EPS.

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 | 63,658 | 68,176 | 85,427 | 98,749 | 1,12,414 |
| EBITDA | 10,610 | 11,880 | 15,394 | 18,181 | 21,181 |
| EBITDA Margin (%) | 16.7 | 17.4 | 18.0 | 18.4 | 18.8 |
| APAT | 6,561 | 7,197 | 9,870 | 11,850 | 14,022 |
| EPS (Rs) | 6.8 | 7.4 | 10.2 | 12.2 | 14.4 |
| EPS (% chg) | 32.8 | 9.7 | 37.1 | 20.1 | 18.3 |
| ROE (%) | 25.7 | 24.9 | 28.7 | 28.5 | 27.9 |
| P/E (x) | 123.2 | 112.3 | 81.9 | 68.2 | 57.7 |
| EV/EBITDA (x) | 76.2 | 67.9 | 52.1 | 43.7 | 37.0 |
| P/BV (x) | 30.4 | 26.0 | 21.5 | 17.7 | 14.7 |

Source: Company, Emkay Research

| | |
|--|--|
| CMP Rs 832 as of (May 26, 2021) | Target Price Rs 585 (▲) 12 months |
| Rating SELL (■) | Upside (29.7) % |

Change in Estimates

| | |
|-------------------------|-----------|
| EPS Chg FY22E/FY23E (%) | (2.7)/0.5 |
| Target Price change (%) | 4.5 |
| Target Period (Months) | 12 |
| Previous Reco | SELL |

Emkay vs Consensus

| | EPS Estimates | |
|-------------------------|---------------|-------|
| | FY22E | FY23E |
| Emkay | 10.2 | 12.2 |
| Consensus | 9.6 | 11.5 |
| Mean Consensus TP (12M) | Rs 654 | |

Stock Details

| | |
|------------------------------|-------------|
| Bloomberg Code | BRGR IN |
| Face Value (Rs) | 1 |
| Shares outstanding (mn) | 971 |
| 52 Week H/L | 843 / 441 |
| M Cap (Rs bn/USD bn) | 808 / 11.11 |
| Daily Avg Volume (nos.) | 1,143,577 |
| Daily Avg Turnover (US\$ mn) | 11.7 |

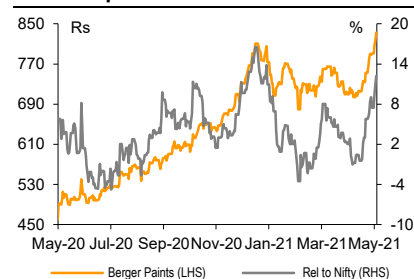
Shareholding Pattern Mar '21

| | |
|-------------------|-------|
| Promoters | 75.0% |
| FIIIs | 11.2% |
| DIIIs | 4.0% |
| Public and Others | 9.8% |

Price Performance

| (%) | 1M | 3M | 6M | 12M |
|----------------------|----|----|----|-----|
| Absolute | 15 | 22 | 30 | 82 |
| Rel. to Nifty | 9 | 16 | 11 | 7 |

Relative price chart



Source: Bloomberg

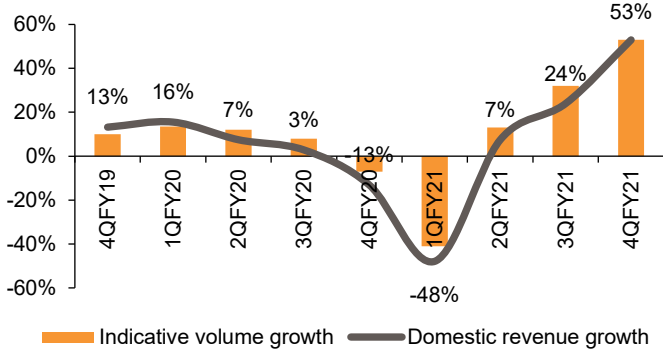
This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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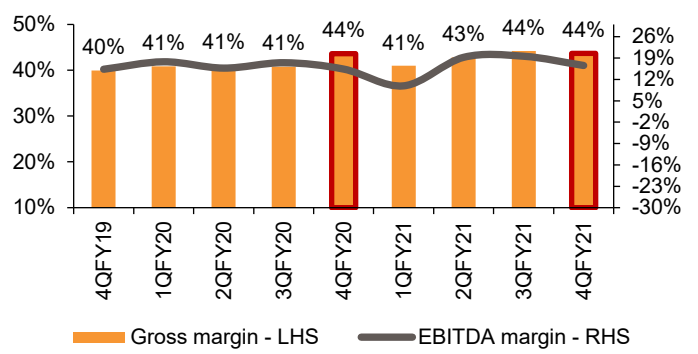
Story in Charts

Exhibit 1: Low comparables, pent-up demand and recovery across Tier 1 towns drive growth



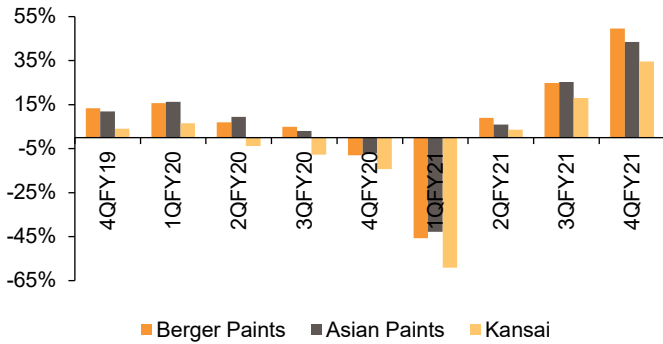
Source: Company, Emkay Research

Exhibit 2: Gross margin flat likely due to low priced inventory



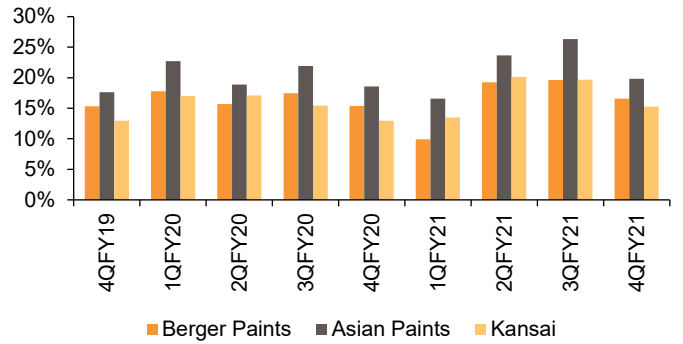
Source: Company, Emkay Research

Exhibit 3: Sales growth: Berger marginally ahead vs. APNT due to lower comparables



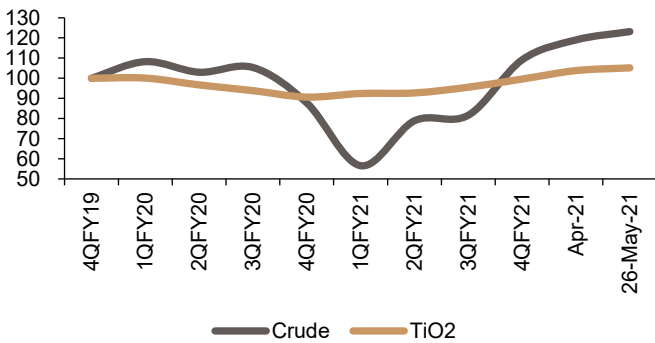
Source: Company, Emkay Research

Exhibit 4: Berger's EBITDA Margin trend vs. peers



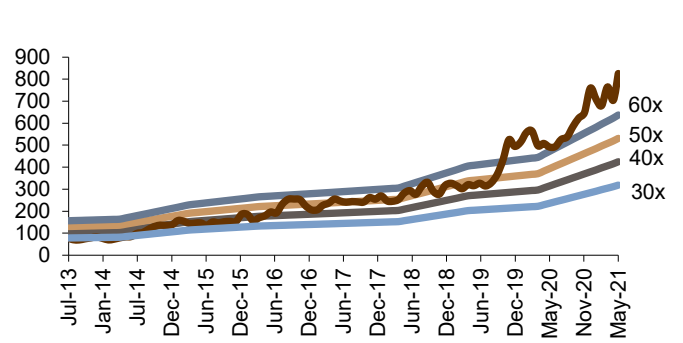
Source: Company, Emkay Research

Exhibit 5: Crude/TiO2 prices up 24%/10%; prices continue to rise post Q4



Source: Company, Emkay Research

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



Source: Company, Emkay Research

Exhibit 7: Actual vs. Estimates (Q4FY21)

| | Actual | Estimate (Emkay) | Consensus estimate | % variation | | Comment |
|-------------------|--------|---------------------|-----------------------|-------------|-----------|--|
| | | | | Emkay | Consensus | |
| Revenues | 20,261 | 18,878 | 17,956 | 7% | 13% | Strong 50%+ volume growth |
| EBITDA | 3,356 | 3,225 | 2,974 | 4% | 13% | |
| EBITDA Margin (%) | 16.6% | 17.1% | 16.6% | -52 | 0 | Operating leverage drives margin gains |
| APAT | 2,086 | 2,060 | 1,901 | 1% | 10% | |

Source: Company, Emkay Research

Exhibit 8: Quarterly Performance (Consolidated)

| Rs mn | 4QFY20 | 1QFY21 | 2QFY21 | 3QFY21 | 4QFY21 | YoY (%) | QoQ (%) | FY20 | FY21 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|-------------|-------------|
| Revenue | 13,548 | 9,308 | 17,426 | 21,182 | 20,261 | 49.5 | -4.3 | 63,658 | 68,176 |
| Expenditure | 11,464 | 8,387 | 14,073 | 17,032 | 16,905 | 47.5 | -0.7 | 53,048 | 56,296 |
| Consumption of RM | 7,639 | 5,495 | 9,968 | 11,812 | 11,410 | 49.4 | -3.4 | 37,258 | 38,686 |
| as % of sales | 56 | 59 | 57 | 56 | 56 | | | 58.5% | 56.7% |
| Employee Cost | 1,237 | 1,162 | 1,141 | 1,281 | 1,268 | 2.5 | -1.0 | 4,525 | 4,851 |
| as % of sales | 9 | 12 | 7 | 6 | 6 | | | 7.1% | 7.1% |
| Other expenditure | 2,589 | 1,729 | 2,965 | 3,939 | 4,227 | 63.3 | 7.3 | 11,265 | 12,759 |
| as % of sales | 19 | 19 | 17 | 19 | 21 | | | 17.7% | 18.7% |
| EBITDA | 2,084 | 921 | 3,352 | 4,150 | 3,356 | 61.0 | -19.1 | 10,610 | 11,880 |
| Depreciation | 493 | 504 | 537 | 529 | 542 | 9.9 | 2.5 | 1,910 | 2,111 |
| EBIT | 1,591 | 417 | 2,815 | 3,621 | 2,814 | 76.9 | -22.3 | 8,700 | 9,768 |
| Other Income | 167 | 78 | 232 | 156 | 150 | -9.9 | -3.8 | 685 | 515 |
| Interest | 141 | 124 | 109 | 89 | 119 | -15.2 | 34.5 | 470 | 441 |
| PBT | 1,617 | 372 | 2,938 | 3,689 | 2,845 | 75.9 | -22.9 | 8,915 | 9,842 |
| Total Tax | 560 | 176 | 716 | 949 | 748 | 33.4 | -21.2 | 2,271 | 2,589 |
| Adjusted PAT | 1,057 | 196 | 2,221 | 2,740 | 2,097 | 98.5 | -23.5 | 6,644 | 7,253 |
| Profit/(loss) from JV's/Ass/MI | (25) | (45) | (11) | 10 | (11) | -56.3 | -206.9 | -83 | -56 |
| APAT after MI | 1,032 | 151 | 2,211 | 2,750 | 2,086 | 102.2 | -24.1 | 6,561 | 7,197 |
| Extra ordinary items | - | - | - | - | - | | | 0 | 0 |
| Reported PAT | 1,032 | 151 | 2,211 | 2,750 | 2,086 | 102.2 | -24.1 | 6,561 | 7,197 |
| Adjusted EPS (Rs) | 1.1 | 0.2 | 2.3 | 2.8 | 2.1 | 102.2 | -24.1 | 6.8 | 7.4 |
| Margins (%) | 4QFY20 | 1QFY21 | 2QFY21 | 3QFY21 | 4QFY21 | (bps) | (bps) | FY20 | FY21 |
| Gross Margin | 43.6 | 41.0 | 42.8 | 44.2 | 43.7 | 10 | -50 | 41.5 | 43.3 |
| EBIDTA | 15.4 | 9.9 | 19.2 | 19.6 | 16.6 | 120 | -300 | 16.7 | 17.4 |
| EBIT | 11.7 | 4.5 | 16.2 | 17.1 | 13.9 | 210 | -320 | 13.7 | 14.3 |
| EBT | 11.9 | 4.0 | 16.9 | 17.4 | 14.0 | 210 | -340 | 14.0 | 14.4 |
| PAT | 7.6 | 1.6 | 12.7 | 13.0 | 10.3 | 270 | -270 | 10.3 | 10.6 |
| Effective Tax rate | 34.7 | 47.4 | 24.4 | 25.7 | 26.3 | -840 | 60 | 25.5 | 26.3 |

Source: Company, Emkay Research

Exhibit 9: Revision in earnings estimates

| Y/E, Mar (Rs. mn) | FY22E | | | FY23E | | | FY24E |
|-------------------|---------|---------|----------|---------|---------|----------|------------|
| | Earlier | Revised | % Change | Earlier | Revised | % Change | Introduced |
| Revenues | 84,345 | 85,427 | 1.3 | 95,006 | 98,749 | 3.9 | 1,12,414 |
| EBITDA | 16,055 | 15,394 | -4.1 | 18,350 | 18,181 | -0.9 | 21,181 |
| EBITDA Margin (%) | 19.0 | 18.0 | -100 bps | 19.3 | 18.4 | -90 bps | 18.8 |
| APAT | 10,146 | 9,870 | -2.7 | 11,794 | 11,850 | 0.5 | 14,022 |
| EPS (Rs) | 10.4 | 10.2 | -2.7 | 12.1 | 12.2 | 0.5 | 14.4 |

Source: Company, Emkay Research

Exhibit 10: Revenue Growth Assumptions

| | FY20 | FY21 | FY22E | FY23E | FY24E |
|-----------------------|--------|--------|--------|--------|----------|
| Volume Growth | 15% | 10% | 22% | 12% | 10% |
| Realization Growth | -11% | -4% | 3% | 4% | 4% |
| Domestic Growth | 3% | 6% | 25% | 16% | 14% |
| Subsidiaries Growth | 23% | 18% | 28% | 13% | 13% |
| Total Revenue (Rs mn) | 63,658 | 68,176 | 85,427 | 98,749 | 1,12,414 |
| Growth | 5% | 7% | 25% | 16% | 14% |

Source: Company, Emkay Research

Exhibit 11: Relative Valuation

| | Price (Rs) | Mcap (Rs bn) | Reco | Target Price (Rs) | EPS (Rs) | | | P/E (x) | | | EV / EBITDA (x) | | |
|----------------------|------------|--------------|-------------|-------------------|------------|-------------|-------------|--------------|-------------|-------------|-----------------|-------------|-------------|
| | | | | | FY21E | FY22E | FY23E | FY21E | FY22E | FY23E | FY21E | FY22E | FY23E |
| Asian Paints | 2,942 | 2,822 | Hold | 2,530 | 32.7 | 37.9 | 48.1 | 89.9 | 77.6 | 61.2 | 58.0 | 50.8 | 40.9 |
| Berger Paints | 832 | 808 | Sell | 585 | 7.4 | 10.2 | 12.2 | 112.3 | 81.9 | 68.2 | 67.9 | 52.1 | 43.7 |
| Britannia | 3,416 | 823 | Buy | 4,250 | 77.1 | 76.3 | 87.2 | 44.3 | 44.8 | 39.2 | 33.0 | 33.1 | 29.4 |
| Colgate | 1,679 | 457 | Buy | 1,820 | 38.1 | 39.0 | 44.2 | 44.1 | 43.0 | 38.0 | 29.7 | 28.1 | 25.0 |
| Dabur | 532 | 941 | Hold | 530 | 9.6 | 10.8 | 12.6 | 55.5 | 49.3 | 42.2 | 45.8 | 39.2 | 33.4 |
| Emami | 504 | 224 | Buy | 620 | 14.8 | 15.9 | 17.9 | 34.2 | 31.7 | 28.1 | 24.8 | 22.8 | 20.1 |
| GCPL | 825 | 843 | Hold | 780 | 16.0 | 18.3 | 21.3 | 51.6 | 45.0 | 38.7 | 34.7 | 31.9 | 27.8 |
| HUL | 2,354 | 5,531 | Hold | 2,350 | 34.8 | 40.8 | 47.4 | 67.6 | 57.7 | 49.6 | 45.9 | 38.3 | 33.1 |
| ITC | 211 | 2,592 | Buy | 265 | 10.5 | 12.9 | 14.3 | 20.1 | 16.4 | 14.7 | 15.0 | 12.1 | 10.8 |
| Marico | 459 | 593 | Hold | 430 | 9.2 | 10.6 | 11.8 | 50.0 | 43.2 | 38.8 | 36.3 | 31.1 | 28.0 |
| Nestle | 17,541 | 1,691 | Hold | 16,800 | 217.5 | 266.9 | 307.4 | 80.7 | 65.7 | 57.1 | 54.2 | 45.8 | 40.0 |
| Pidilite | 2,102 | 1,068 | Sell | 1,360 | 22.3 | 24.4 | 32.0 | 94.1 | 86.1 | 65.7 | 63.6 | 59.3 | 45.9 |
| Radico Khaitan | 588 | 79 | Buy | 640 | 18.9 | 23.0 | 26.7 | 31.0 | 25.6 | 22.1 | 19.4 | 16.2 | 13.9 |
| United Breweries | 1,299 | 344 | Buy | 1,450 | 4.5 | 15.7 | 29.5 | 286.1 | 82.5 | 44.1 | 89.3 | 40.9 | 25.5 |
| United Spirits | 591 | 429 | Buy | 680 | 6.4 | 11.2 | 16.3 | 93.0 | 52.6 | 36.4 | 43.8 | 31.7 | 23.6 |

Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

| Y/E Mar (Rs mn) | FY20 | FY21 | FY22E | FY23E | FY24E |
|----------------------------------|---------------|---------------|---------------|---------------|-----------------|
| Revenue | 63,658 | 68,176 | 85,427 | 98,749 | 1,12,414 |
| Expenditure | 53,048 | 56,296 | 70,033 | 80,568 | 91,233 |
| EBITDA | 10,610 | 11,880 | 15,394 | 18,181 | 21,181 |
| Depreciation | 1,910 | 2,111 | 2,361 | 2,593 | 2,797 |
| EBIT | 8,700 | 9,768 | 13,033 | 15,588 | 18,384 |
| Other Income | 685 | 515 | 592 | 651 | 716 |
| Interest expenses | 470 | 441 | 377 | 333 | 279 |
| PBT | 8,915 | 9,842 | 13,249 | 15,906 | 18,821 |
| Tax | 2,271 | 2,589 | 3,378 | 4,056 | 4,799 |
| Extraordinary Items | 0 | 0 | 0 | 0 | 0 |
| Minority Int./Income from Assoc. | (83) | (56) | 0 | 0 | 0 |
| Reported Net Income | 6,561 | 7,197 | 9,870 | 11,850 | 14,022 |
| Adjusted PAT | 6,561 | 7,197 | 9,870 | 11,850 | 14,022 |

Balance Sheet

| Y/E Mar (Rs mn) | FY20 | FY21 | FY22E | FY23E | FY24E |
|--|---------------|---------------|---------------|---------------|---------------|
| Equity share capital | 971 | 971 | 971 | 971 | 971 |
| Reserves & surplus | 25,630 | 30,108 | 36,578 | 44,543 | 54,097 |
| Net worth | 26,601 | 31,079 | 37,549 | 45,514 | 55,068 |
| Minority Interest | 71 | 71 | 71 | 71 | 71 |
| Loan Funds | 5,359 | 3,836 | 3,336 | 2,836 | 2,336 |
| Net deferred tax liability | 178 | 178 | 178 | 178 | 178 |
| Total Liabilities | 32,210 | 35,164 | 41,135 | 48,600 | 57,654 |
| Net block | 19,156 | 18,944 | 18,983 | 18,790 | 18,393 |
| Investment | 3,152 | 3,152 | 3,152 | 3,152 | 3,152 |
| Current Assets | 24,563 | 32,638 | 41,203 | 52,481 | 65,645 |
| Cash & bank balance | 2,199 | 2,704 | 6,269 | 13,993 | 23,063 |
| Other Current Assets | 2,044 | 2,989 | 3,745 | 4,329 | 4,928 |
| Current liabilities & Provision | 16,446 | 20,581 | 23,214 | 26,834 | 30,547 |
| Net current assets | 8,117 | 12,057 | 17,989 | 25,647 | 35,098 |
| Misc. exp | 0 | (56) | (56) | (56) | (56) |
| Total Assets | 32,210 | 35,164 | 41,135 | 48,600 | 57,654 |

Cash Flow

| Y/E Mar (Rs mn) | FY20 | FY21 | FY22E | FY23E | FY24E |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| PBT (Ex-Other income) (NI+Dep) | 8,229 | 9,327 | 12,656 | 15,255 | 18,105 |
| Other Non-Cash items | 0 | 0 | 0 | 0 | 0 |
| Chg in working cap | (286) | (3,435) | (2,367) | 66 | (381) |
| Operating Cashflow | 9,853 | 6,886 | 10,833 | 15,494 | 17,434 |
| Capital expenditure | (5,327) | (1,182) | (2,400) | (2,400) | (2,400) |
| Free Cash Flow | 4,526 | 5,703 | 8,433 | 13,094 | 15,034 |
| Investments | 798 | 0 | 0 | 0 | 0 |
| Other Investing Cash Flow | (1,846) | (1,030) | (1,184) | (1,303) | (1,433) |
| Investing Cashflow | (5,690) | (1,697) | (2,992) | (3,051) | (3,116) |
| Equity Capital Raised | 0 | 0 | 0 | 0 | 0 |
| Loans Taken / (Repaid) | 520 | (1,523) | (500) | (500) | (500) |
| Dividend paid (incl tax) | (2,758) | (2,720) | (3,400) | (3,885) | (4,468) |
| Other Financing Cash Flow | (1,640) | 0 | 0 | 0 | 0 |
| Financing Cashflow | (4,349) | (4,684) | (4,276) | (4,718) | (5,247) |
| Net chg in cash | (186) | 505 | 3,565 | 7,724 | 9,070 |
| Opening cash position | 2,385 | 2,199 | 2,704 | 6,269 | 13,993 |
| Closing cash position | 2,199 | 2,704 | 6,269 | 13,993 | 23,063 |

Source: Company, Emkay Research

Key Ratios

| Profitability (%) | FY20 | FY21 | FY22E | FY23E | FY24E |
|--------------------------|-------------|-------------|--------------|--------------|--------------|
| EBITDA Margin | 16.7 | 17.4 | 18.0 | 18.4 | 18.8 |
| EBIT Margin | 13.7 | 14.3 | 15.3 | 15.8 | 16.4 |
| Effective Tax Rate | 25.5 | 26.3 | 25.5 | 25.5 | 25.5 |
| Net Margin | 10.4 | 10.6 | 11.6 | 12.0 | 12.5 |
| ROCE | 30.2 | 30.5 | 35.7 | 36.1 | 35.9 |
| ROE | 25.7 | 24.9 | 28.7 | 28.5 | 27.9 |
| RoIC | 37.1 | 36.6 | 44.2 | 51.0 | 60.4 |

| Per Share Data (Rs) | FY20 | FY21 | FY22E | FY23E | FY24E |
|----------------------------|-------------|-------------|--------------|--------------|--------------|
| EPS | 6.8 | 7.4 | 10.2 | 12.2 | 14.4 |
| CEPS | 8.7 | 9.6 | 12.6 | 14.9 | 17.3 |
| BVPS | 27.4 | 32.1 | 38.7 | 46.9 | 56.8 |
| DPS | 2.5 | 2.8 | 3.5 | 4.0 | 4.6 |

| Valuations (x) | FY20 | FY21 | FY22E | FY23E | FY24E |
|-----------------------|-------------|-------------|--------------|--------------|--------------|
| PER | 123.2 | 112.3 | 81.9 | 68.2 | 57.7 |
| P/CEPS | 74.9 | 68.2 | 51.9 | 43.9 | 37.7 |
| P/BV | 30.4 | 26.0 | 21.5 | 17.7 | 14.7 |
| EV / Sales | 12.8 | 11.8 | 9.4 | 8.0 | 7.0 |
| EV / EBITDA | 76.2 | 67.9 | 52.1 | 43.7 | 37.0 |
| Dividend Yield (%) | 0.3 | 0.3 | 0.4 | 0.5 | 0.6 |

| Gearing Ratio (x) | FY20 | FY21 | FY22E | FY23E | FY24E |
|--------------------------|-------------|-------------|--------------|--------------|--------------|
| Net Debt/ Equity | 0.0 | (0.1) | (0.2) | (0.3) | (0.4) |
| Net Debt/EBIDTA | 0.0 | (0.2) | (0.4) | (0.8) | (1.1) |
| Working Cap Cycle (days) | 33.9 | 50.1 | 50.1 | 43.1 | 39.1 |

| Growth (%) | FY20 | FY21 | FY22E | FY23E | FY24E |
|-------------------|-------------|-------------|--------------|--------------|--------------|
| Revenue | 5.0 | 7.1 | 25.3 | 15.6 | 13.8 |
| EBITDA | 13.4 | 12.0 | 29.6 | 18.1 | 16.5 |
| EBIT | 15.5 | 12.3 | 33.4 | 19.6 | 17.9 |
| PAT | 32.8 | 9.7 | 37.1 | 20.1 | 18.3 |

| Quarterly (Rs mn) | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 | Q4FY21 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 13,548 | 9,308 | 17,426 | 21,182 | 20,261 |
| EBITDA | 2,084 | 921 | 3,352 | 4,150 | 3,356 |
| EBITDA Margin (%) | 15.4 | 9.9 | 19.2 | 19.6 | 16.6 |
| PAT | 1,032 | 151 | 2,211 | 2,750 | 2,086 |
| EPS (Rs) | 1.1 | 0.2 | 2.3 | 2.8 | 2.1 |

Source: Company, Emkay Research

| Shareholding Pattern (%) | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Promoters | 75.0 | 75.0 | 75.0 | 75.0 | 75.0 |
| FIIIs | 11.8 | 11.7 | 11.4 | 11.5 | 11.2 |
| DIIs | 2.8 | 3.0 | 3.7 | 3.7 | 4.0 |
| Public and Others | 10.4 | 10.3 | 9.9 | 9.8 | 9.8 |

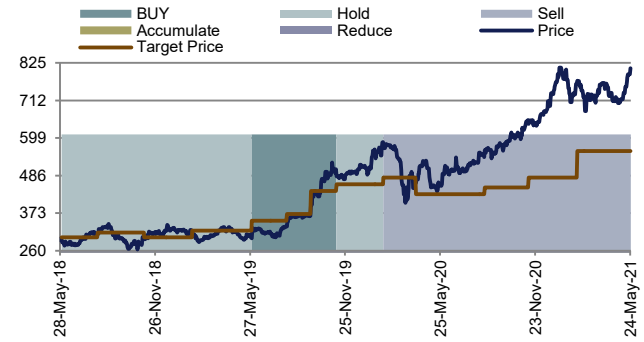
Source: Capitaline

RECOMMENDATION HISTORY TABLE

| Date | Closing Price | TP | Period (months) | Rating | Analyst |
|-----------|---------------|-----|-----------------|--------|-------------|
| 11-Feb-21 | 772 | 560 | 12m | Sell | Ashit Desai |
| 25-Jan-21 | 748 | 480 | 12m | Sell | Ashit Desai |
| 10-Nov-20 | 641 | 480 | 12m | Sell | Ashit Desai |
| 18-Aug-20 | 562 | 450 | 12m | Sell | Ashit Desai |
| 26-Jun-20 | 511 | 430 | 12m | Sell | Ashit Desai |
| 22-Jun-20 | 505 | 430 | 12m | Sell | Ashit Desai |
| 14-Apr-20 | 493 | 430 | 12m | Sell | Ashit Desai |
| 08-Apr-20 | 463 | 430 | 12m | Sell | Ashit Desai |
| 06-Feb-20 | 572 | 480 | 12m | Sell | Ashit Desai |
| 25-Dec-19 | 518 | 460 | 12m | Hold | Ashit Desai |
| 08-Nov-19 | 484 | 460 | 12m | Hold | Ashit Desai |
| 20-Sep-19 | 398 | 440 | 12m | Buy | Ashit Desai |
| 05-Aug-19 | 333 | 370 | 12m | Buy | Ashit Desai |
| 30-May-19 | 298 | 350 | 12m | Buy | Ashit Desai |
| 09-Apr-19 | 323 | 320 | 12m | Hold | Ashit Desai |
| 05-Feb-19 | 305 | 320 | 12m | Hold | Ashit Desai |
| 05-Nov-18 | 298 | 300 | 12m | Hold | Ashit Desai |
| 08-Aug-18 | 310 | 315 | 12m | Hold | Ashit Desai |
| 31-May-18 | 294 | 300 | 12m | Hold | Ashit Desai |

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Consumer Goods & Retail



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Sector

Consumer Goods & Retail

Analyst bio

Ashit Desai holds a PGDM and FRM (US GARP) with 12 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) |
|------------------------------------|---------------|--------------|-----------|-------------|-------------------------|
| Consumer Goods & Retail | 10.67 | 10.67 | 0% | 0 | 100.00 |
| Asian Paints | 1.52 | 0.61 | -60% | -91 | 5.73 |
| Berger Paints | 0.23 | 0.00 | -100% | -23 | 0.00 |
| Britannia Industries | 0.47 | 0.52 | 10% | 5 | 4.83 |
| Colgate-Palmolive | 0.26 | 0.32 | 21% | 6 | 2.99 |
| Dabur India | 0.35 | 0.32 | -6% | -2 | 3.04 |
| Emami | 0.12 | 0.15 | 25% | 3 | 1.45 |
| Godrej Consumer Products | 0.35 | 0.37 | 4% | 1 | 3.44 |
| Hindustan Unilever | 2.42 | 1.88 | -22% | -54 | 17.58 |
| ITC | 2.13 | 2.21 | 4% | 8 | 20.69 |
| Marico | 0.28 | 0.28 | 0% | 0 | 2.60 |
| Nestle India | 0.72 | 0.64 | -11% | -8 | 6.02 |
| Pidilite Industries | 0.36 | 0.00 | -100% | -36 | 0.00 |
| Radico Khaitan | 0.00 | 0.35 | NA | 35 | 3.26 |
| United Breweries | 0.10 | 0.55 | 440% | 45 | 5.18 |
| United Spirits | 0.00 | 0.35 | NA | 35 | 3.28 |
| Varun Beverages | 0.11 | 0.16 | 39% | 4 | 1.47 |
| ABFRL | 0.07 | 0.16 | 148% | 10 | 1.51 |
| Jubilant FoodWorks | 0.22 | 0.27 | 21% | 5 | 2.49 |
| Page Industries | 0.21 | 0.24 | 14% | 3 | 2.22 |
| Shoppers Stop | 0.00 | 0.00 | NA | 0 | 0.00 |
| Titan Company | 0.76 | 1.02 | 35% | 27 | 9.58 |
| Westlife Development | 0.00 | 0.28 | NA | 28 | 2.62 |
| Cash | 0.00 | 0.00 | NA | 0 | 0.00 |

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 | 28-May-20 | 24-Nov-20 | 23-Feb-21 | 23-Apr-21 | 25-May-21 |
| EAP - Consumer Goods & Retail | 100.0 | 98.0 | 110.6 | 116.4 | 118.2 | 125.2 |
| BSE200 Neutral Weighted Portfolio (ETF) | 100.0 | 92.8 | 106.3 | 110.8 | 113.9 | 120.6 |

*Performance measurement base date 1st April 2019

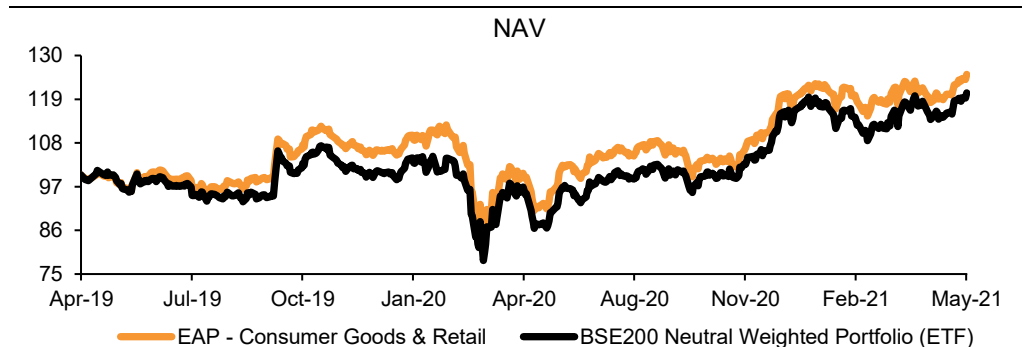
Source: Emkay Research

Price Performance (%)

| | 1m | 3m | 6m | 12m |
|---|------|------|-------|-------|
| EAP - Consumer Goods & Retail | 6.0% | 7.6% | 13.2% | 27.8% |
| BSE200 Neutral Weighted Portfolio (ETF) | 5.9% | 8.8% | 13.4% | 29.9% |

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: 27 May 2021 01:22:01 (SGT)

Dissemination Date: 27 May 2021 01:23:01 (SGT)

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