

India FMCG

Earnings support crucial for valuations

As covered in our sector initiation - **Building newer moat crucial for valuations**, FMCG sector valuations continue to de-rate amid weak earnings visibility and a waning moat. We maintain our underweight stance and see performance improvement as critical for valuation. Q2 topline is likely to be stronger on a low base and incremental price hikes, but margin delivery should remain muted, given inflationary pressures. With sustained cost headwinds, we may see growth moderation ahead, which alongside margin strain could stress FY27 earnings. We remain selective, with preference for stronger execution-led names such as GCPL, Britannia, Emami Honasa, and Bikaji. With sector-wide de-rating, Nestlé's valuation now appears more reasonable; we upgrade the stock to BUY. Given prevailing headwinds, we trim earnings estimates and valuations across our coverage and roll forward our TP from Jun-27 to Sep-27.

Q2FY27E preview – healthy topline, but weaker earnings amid margin stress: We see revenue growth in Q2FY27E to improve versus recent quarters, supported by a softer base and selective price increases that partially offset inflationary pressures. Across our coverage, we forecast ~12% YoY revenue growth, with most companies likely to post double-digit topline expansion. However, persistent raw material inflation is set to weigh on margins. ITC, Bikaji, and Gopal Snacks are likely to report YoY earnings declines, while HUL, Dabur, and Emami may deliver single-digit earnings growth. In contrast, Nestlé India, Marico, Colgate and Honasa Consumer are expected to post healthy earnings momentum, aided by margin expansion. Management commentary for the festive quarter (Q3) will be pivotal for assessing the earnings trajectory ahead. Any demand moderation combined with sustained inflation could further pressure earnings delivery.

Sector de-rating amid weaker moats and earnings stress: While we remain positive on India's long-term consumption opportunity, premiumization alone is no longer sufficient to drive broad-based growth. With multiple trends fragmenting demand, traditional players have limited participation, which continues to weigh on growth visibility. Amid sustained inflationary pressure, the need for price hikes is rising, potentially impacting volumes ahead. As companies attempt to balance growth and margins, we expect earnings stress to persist. Against this backdrop, our stance remains selective, with preference for stronger execution-led players. We now favor Nestlé India, Godrej Consumer, Britannia, Honasa Consumer, Emami, and Bikaji.

Rating, Target Price and Valuation

	Rating	CMP (INR/sh)	TP (INR/sh)	Upside	P/E (x)			EV/EBITDA			ROCE (%)		
					FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
HUL	REDUCE	1,836	1,925	5%	39	36	33	27	24	22	29	32	35
ITC	ADD	256	300	17%	19	15	14	13	10	9	27	34	36
Nestlé India	BUY	1,308	1,555	19%	62	54	47	40	35	31	98	99	99
Britannia Industries	BUY	4,778	6,000	26%	43	38	34	30	27	23	53	58	60
Marico	ADD	830	925	11%	48	42	39	37	32	29	42	44	44
Godrej Consumer	BUY	840	1,000	19%	36	31	28	25	21	19	19	23	26
Dabur	ADD	374	425	14%	32	30	27	22	20	18	17	18	19
Colgate-Palmolive	REDUCE	1,735	1,800	4%	33	31	29	23	21	20	113	110	109
Emami	BUY	373	500	34%	20	18	17	13	12	10	33	29	28
Bikaji	BUY	504	700	39%	39	36	29	25	23	19	17	17	18
Honasa Consumer	BUY	428	550	28%	49	40	33	38	31	25	19	21	24
Gopal Snacks	BUY	255	335	32%	65	29	19	29	17	11	13	25	33

Note: Based on closing price as of 1-Oct-2026

Source: Bloomberg, HSIE Research

Q2FY27	preview:	YoY	Growth expectations
Company	Revenue	EBITDA	Adj PAT
ITC	7%	(24%)	(24%)
HUL	11%	7%	8%
Nestle	21%	30%	37%
Britannia	12%	6%	10%
GCPL	18%	14%	10%
Dabur	11%	8%	9%
Marico	16%	26%	31%
Colgate	16%	20%	21%
Emami	20%	7%	4%
Honasa Consumer	28%	72%	68%
Bikaji	11%	(16%)	(15%)
Gopal Snacks	20%	(5%)	(24%)

Source: HSIE Research

Nitin Gupta

nitin.gupta1@hdfcsec.com
+91-22-6171-7357

Ishant Lalwani

ishant.lalwani@hdfcsec.com
+91-22-6171-7324

Quarterly preview: Q2FY27E

Exhibit 1: HSIE's Q2FY27E expectations

(INR mn)	Total revenue			EBITDA			Adj. PAT		
	Q2FY27E	YoY	QoQ	Q2FY27E	YoY	QoQ	Q2FY27E	YoY	QoQ
ITC	208,161	7%	9%	50,940	(24%)	(2%)	38,455	(24%)	(4%)
HUL	176,687	11%	2%	40,344	7%	2%	27,889	8%	2%
Nestlé	68,092	21%	7%	16,080	30%	5%	10,349	37%	6%
Britannia	54,337	12%	9%	10,141	6%	21%	7,193	10%	22%
GCPL	43,585	18%	3%	8,344	14%	4%	5,401	10%	4%
Dabur	35,539	11%	(6%)	6,366	8%	(14%)	5,042	9%	(16%)
Marico	39,972	16%	1%	7,071	26%	(14%)	5,502	31%	(13%)
Colgate	17,634	16%	10%	5,569	20%	15%	3,974	21%	15%
Emami	9,581	20%	(8%)	1,913	7%	(15%)	1,451	4%	(13%)
Honasa Consumer	6,887	28%	(9%)	821	72%	(17%)	660	68%	(27%)
Bikaji	9,228	11%	26%	1,074	(16%)	8%	688	(15%)	16%
Gopal Snacks	4,514	20%	7%	229	(5%)	(27%)	73	(24%)	(43%)
Total Coverage	674,217	12%	5%	148,893	(3%)	1%	107,477	(3%)	(1%)
Total Coverage (ex ITC)	466,056	14%	3%	97,953	13%	2%	68,222	15%	2%

Source: Company, HSIE Research

Exhibit 2: Q2FY27E revenue expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
ITC	195,016	191,144	208,161	7%	9%
HUL	159,190	173,410	176,687	11%	2%
Nestlé	56,436	63,782	68,092	21%	7%
Britannia	48,406	50,000	54,337	12%	9%
GCPL	37,086	42,255	43,585	18%	3%
Dabur	31,913	37,644	35,539	11%	(6%)
Marico	34,500	39,570	39,972	16%	1%
Colgate	15,195	16,033	17,634	16%	10%
Emami	7,985	10,392	9,581	20%	(8%)
Honasa Consumer	5,381	7,559	6,887	28%	(9%)
Bikaji	8,303	7,343	9,228	11%	26%
Gopal Snacks	3,757	4,223	4,514	20%	7%

Source: Company, HSIE Research

Exhibit 3: Q2FY27E Adjusted EBITDA expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
ITC	66,947	51,809	50,940	(24%)	(2%)
HUL	37,850	39,470	40,344	7%	2%
Nestlé	12,366	15,381	16,080	30%	5%
Britannia	9,545	8,401	10,141	6%	21%
GCPL	7,331	8,014	8,344	14%	4%
Dabur	5,881	7,414	6,366	8%	(14%)
Marico	5,600	8,190	7,071	26%	(14%)
Colgate	4,654	4,830	5,569	20%	15%
Emami	1,785	2,262	1,913	7%	(15%)
Honasa Consumer	476	989	821	72%	(17%)
Bikaji	1,282	990	1,074	(16%)	8%
Gopal Snacks	241	315	229	(5%)	(27%)

Source: Company, HSIE Research

Exhibit 4: Q2FY27E Adjusted EBITDA margin expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY	QoQ
ITC	34.3%	27.1%	24.5%	-986 bps	-263 bps
HUL	23.8%	22.8%	22.8%	-94 bps	7 bps
Nestlé	21.9%	24.1%	23.6%	170 bps	-50 bps
Britannia	19.7%	16.8%	18.7%	-106 bps	186 bps
GCPL	19.8%	19.0%	19.1%	-62 bps	18 bps
Dabur	18.4%	19.7%	17.9%	-51 bps	-178 bps
Marico	16.2%	20.7%	17.7%	146 bps	-301 bps
Colgate	30.6%	30.1%	31.6%	95 bps	146 bps
Emami	22.4%	21.8%	20.0%	-239 bps	-179 bps
Honasa Consumer	8.9%	13.1%	11.9%	307 bps	-116 bps
Bikaji	15.4%	13.5%	11.6%	-380 bps	-185 bps
Gopal Snacks	6.4%	7.4%	5.1%	-137 bps	-239 bps

Source: Company, HSIE Research

Exhibit 5: Q2FY27E Adjusted PAT expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY	QoQ
ITC	50,380	39,883	38,455	(24%)	(4%)
HUL	25,720	27,240	27,889	8%	2%
Nestlé	7,532	9,797	10,349	37%	6%
Britannia	6,557	5,914	7,193	10%	22%
GCPL	4,890	5,201	5,401	10%	4%
Dabur	4,636	6,019	5,042	9%	(16%)
Marico	4,200	6,300	5,502	31%	(13%)
Colgate	3,275	3,464	3,974	21%	15%
Emami	1,394	1,658	1,451	4%	(13%)
Honasa Consumer	392	902	660	68%	(27%)
Bikaji	808	595	688	(15%)	16%
Gopal Snacks	97	128	73	(24%)	(43%)

Source: Company, HSIE Research

Exhibit 6: Quarterly revenue growth trend

	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27E	3 Yrs. CAGR
ITC		9%	10%	21%	(2%)	7%	(5%)	(11%)	7%	
HUL	2%	(0%)	(0%)	0%	(0%)	6%	8%	10%	11%	4%
Nestlé	1%	4%	4%	6%	11%	19%	23%	25%	21%	11%
Britannia	5%	8%	9%	9%	4%	7%	6%	8%	12%	7%
GCPL	(1%)	(0%)	4%	10%	4%	9%	11%	18%	18%	7%
Dabur	(5%)	3%	1%	2%	5%	6%	7%	11%	11%	4%
Marico	8%	15%	20%	22%	30%	25%	21%	23%	16%	17%
Colgate	10%	5%	(2%)	(4%)	(6%)	2%	9%	12%	16%	6%
Emami	3%	5%	8%	(0%)	(10%)	10%	(4%)	15%	20%	3%
Honasa Consumer	(7%)	6%	13%	7%	17%	16%	23%	27%	28%	12%
Bikaji	18%	15%	(1%)	14%	15%	11%	18%	13%	11%	15%
Gopal Snacks	13%	7%	(11%)	(9%)	(7%)	2%	29%	31%	20%	8%

Source: Company, HSIE Research

Exhibit 7: Quarterly underlying domestic volume growth trend

	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27E	3Yrs. CAGR
ITC (Cig)	3%	0%	5%	6%	6%	7%	(5%)	(5%)	(8%)	0%
HUL	3%	0%	2%	4%	0%	4%	6%	5%	6%	3%
Nestlé	(2%)	2%	2%	3%	9%	17%	19%	19%	14%	7%
Britannia	8%	6%	3%	2%	(3%)	5%	6%	9%	12%	5%
GCPL	7%	0%	4%	5%	3%	9%	8%	7%	8%	6%
Colgate	6%	5%	0%	(4%)	(8%)	(1%)	5%	8%	12%	3%
Dabur	(8%)	1%	(4%)	(1%)	2%	3%	6%	5%	4%	(1%)
Marico	5%	6%	7%	9%	7%	8%	9%	11%	10%	7%
Emami	2%	4%	5%	(3%)	(16%)	9%	(7%)	DD growth	0%	(5%)
Honasa Consumer	7%	2%	21%	11%	17%	30%	30%	31%	0%	8%
Bikaji	15%	3%	9%	8%	11%	6%	16%	8%	6%	11%

Source: Company, HSIE Research

Exhibit 8: Quarterly EBITDA growth trend

	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27E	3 Yrs. CAGR
ITC		2%	3%	4%	2%	8%	6%	(24%)	(24%)	
HUL	(0%)	1%	2%	(3%)	(0%)	6%	6%	8%	7%	2%
Nestlé	(5%)	(1%)	4%	(0%)	6%	9%	28%	40%	30%	9%
Britannia	(10%)	3%	2%	0%	22%	16%	6%	11%	6%	5%
GCPL	8%	(10%)	0%	(4%)	(3%)	16%	11%	15%	14%	6%
Dabur	(16%)	2%	(9%)	2%	6%	8%	8%	11%	8%	(1%)
Marico	5%	4%	4%	5%	7%	12%	14%	25%	26%	12%
Colgate	3%	(3%)	(6%)	(11%)	(6%)	(3%)	2%	7%	20%	5%
Emami	7%	8%	4%	(1%)	(29%)	13%	(15%)	6%	7%	(6%)
Honasa Consumer	(176%)	(24%)	(19%)	(1%)	(255%)	151%	186%	116%	72%	27%
Bikaji	22%	(26%)	(54%)	5%	20%	77%	18%	3%	(16%)	7%
Gopal Snacks	3%	(56%)	(95%)	(63%)	(48%)	96%	1,453%	107%	(5%)	(21%)

Source: Company, HSIE Research

Exhibit 9: Quarterly EBITDA margin trend

	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27E
ITC	33%	34%	35%	32%	34%	34%	39%	27%	24%
HUL	24%	24%	24%	23%	24%	24%	23%	23%	23%
Nestlé	23%	23%	25%	22%	22%	21%	26%	24%	24%
Britannia	17%	18%	18%	16%	20%	20%	18%	17%	19%
GCPL	21%	21%	22%	19%	20%	22%	22%	19%	19%
Dabur	18%	20%	15%	20%	18%	21%	15%	20%	18%
Marico	20%	19%	17%	20%	16%	17%	16%	21%	18%
Colgate	31%	31%	34%	32%	31%	30%	32%	30%	32%
Emami	28%	32%	23%	24%	22%	33%	20%	22%	20%
Honasa Consumer	(7%)	5%	5%	8%	9%	11%	12%	13%	12%
Bikaji	15%	8%	12%	15%	15%	12%	12%	13%	12%
Gopal Snacks	12%	4%	1%	5%	6%	8%	8%	7%	5%

Source: Company, HSIE Research

Exhibit 10: Quarterly Adj. PAT growth trend

	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27E	3 Yrs. CAGR
ITC		(8%)	3%	5%	2%	12%	7%	(24%)	(24%)	
HUL	(2%)	0%	5%	(6%)	(1%)	4%	4%	10%	8%	2%
Nestlé	(8%)	(5%)	(4%)	(11%)	(2%)	6%	30%	49%	37%	8%
Britannia	(10%)	4%	4%	(1%)	23%	17%	4%	14%	10%	7%
GCPL	12%	(14%)	(15%)	0%	(2%)	13%	10%	10%	10%	7%
Dabur	(17%)	2%	(8%)	3%	6%	10%	15%	15%	9%	(1%)
Marico	10%	4%	8%	9%	8%	13%	14%	25%	31%	16%
Colgate	4%	(2%)	(8%)	(11%)	(7%)	(4%)	2%	8%	21%	5%
Emami	16%	6%	8%	8%	(32%)	18%	(15%)	(4%)	4%	(6%)
Honasa Consumer	(163%)	0%	(18%)	3%	(311%)	93%	177%	118%	68%	31%
Bikaji	15%	(40%)	(66%)	1%	18%	124%	40%	2%	(15%)	5%
Gopal Snacks	6%	(70%)	(117%)	(91%)	(67%)	189%	(487%)	458%	(24%)	(35%)

Source: Company, HSIE Research

Exhibit 11: Quarterly FMCG sector growth trend

Q2FY27E Earnings Preview	All India (Urban + Rural)			Unit	Volume growth		Volume growth		Channel volume growth	
	Value	Price	Volume	Growth	Urban	Rural	Home and personal care	Food	General trade	Modern trade
1QFY23	11	12	(1)		1	(2)	(6)	2	(2)	8
2QFY23	9	10	(1)		2	(4)	(7)	2	(2)	14
3QFY23	8	8	(0)		2	(3)	(5)	2	(2)	13
4QFY23	10	7	3		5	0	0	4	2	15
1QFY24	12	4	8		10	4	5	9	6	21
2QFY24	10	1	9		11	6	9	9	7	25
3QFY24	7	0	6	5	8	5	9	6	5	20
4QFY24	7	0	6	2	5	7	11	4	5	15
1QFY25	3	1	3	2	1	5	7	1	2	7
2QFY25	5	2	4	3	2	6	6	3	4	4
3QFY25	10	4	6	6	4	9	7	6	7	(2)
4QFY25	11	6	5	6	2	8	6	5	6	(4)
1QFY26	14	7	6	8	4	8	7	6	7	0
2QFY26	13	7	6	8	4	8	6	6	6	5
3QFY26	8	5	3	4	2	3	2	3	1	15
4QFY26	3	2	1	(1)	2	(1)	0	1	(2)	23
1QFY27	(2)	2	(4)	(5)	(3)	(5)	(6)	(3)	(6)	18
2Y CAGR	6	5	1	1	1	1	1	1	(0)	9
4Y CAGR	7	3	3	1	3	3	3	3	2	11
5Y CAGR	7	5	2	1	3	2	1	3	1	11

Source: Nielsen, HSIE Research

ITC: Focus on cigarettes profit recovery; margin stress to hurt earnings

- ITC is likely to see 74% growth in the cigarette gross revenue, which after surge in excise is likely to lead to 20% decline in net sales. We see 8% volume decline in Q2FY27. The company has achieved 75-80% price hikes, which is likely to help company achieve EBIT/Stick neutrality. The company has also series of new product launches to address volume. We see EBIT margin to remain stressed. We see consolidated segment EBIT to see 20% decline YoY.
- We see other FMCG businesses see 12% revenue growth YoY. Segment margin is likely to be at ~6.5%, down 60-70bps YoY and QoQ.
- Agri business on a low base should see 10% growth, but performance could be weaker given limitations in international supplies. After West Asia war, logistics costs have seen sharp surge, and at same time container availability is also an issue. We see EBIT margins at 6% vs 11% last year.
- Paper business is likely to see organic business growing at 8%, while M&A aid overall growth at 35%. We expect Century Pulp & Paper business integration for two months in Q2FY27. Given the weaker mix of M&A, we see 20bps YoY and 140bps QoQ in Q2FY27E.
- Overall, we see 7% revenue growth for the company, while EBITDA to decline 24%, affected by weaker margins across segments.

Exhibit 12: ITC (Consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	195,016	191,144	208,161	7%	9%
Gross margin	58.3%	53.5%	48.3%	-1000 bps	-520 bps
EBITDA	66,947	51,809	50,940	(24%)	(2%)
EBITDA margin	34.3%	27.1%	24.5%	-990 bps	-260 bps
PBT	68,906	54,550	52,340	(24%)	(4%)
Adj. PAT	50,380	39,883	38,455	(24%)	(4%)
Adj. EPS (INR/Share)	4.02	3.18	3.06	(24%)	(4%)

Source: Company, HSIE Research

Hindustan Unilever: Low base to aid double digit revenue growth

- HUL is likely to post decent topline delivery on a low base. We expect 11% revenue growth in Q2FY27E, with 6% volume growth. Growth is likely to be led by home care growth of ~14%. We see Beauty and Wellbeing and Personal Care to see 10% and 11% growth, respectively. For Foods, we see 8% revenue growth YoY.
- EBITDA is likely to see 7% growth YoY, with ~80bps contraction in margin to 23%. We see gross margin pressure of ~200bps YoY to 49.5%, like Q1FY27. From segment perspective, we see home care to have 140bps contraction in EBIT margin to 17.7%. Beauty and wellbeing are likely to see flat YoY EBIT margin at 28.5%. Personal care is likely to feel pinch of inflationary palm derivative prices, we see 60bps YoY contraction in segment EBIT margin to 19.7%. We see Adj PAT growth at 8% YoY in Q2FY27E.
- We see EBITDA growth of 7% YoY, while adjusted PAT is likely to see 8% growth YoY in Q2FY27E.

Exhibit 13: Hindustan Unilever (Consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	159,190	173,410	176,687	11%	2%
Gross margin	51.5%	49.5%	50.0%	-150 bps	50 bps
EBITDA	37,850	39,470	40,344	7%	2%
EBITDA margin	23.8%	22.8%	22.8%	-90 bps	10 bps
PBT	34,860	37,070	37,944	9%	2%
Adj. PAT	25,720	27,240	27,889	8%	2%
Adj. EPS (INR/Share)	49.00	50.94	52.15	6%	2%

Source: Company, HSIE Research

Nestlé India: Robust execution to help healthy earnings delivery

- Revenue for the quarter is likely to see 21% growth YoY and 7% QoQ. We see domestic revenue growth at 20%, with volume growth at ~10%. Real internal growth is likely to be ~14% with 4% mix driven growth. We see domestic price growth to be at ~6% for Q2. For international we see another quarter of healthy growth of 35% YoY.
- Gross margin is likely to see 130bps expansion YoY to 55.5%. Inflationary headwinds are being navigated with pricing and improving sales mix. We see EBITDA margins at 23.7%, up 170bps YoY and down 50bps QoQ.
- EBITDA is likely to see 30% growth YoY. Adjusted PAT is likely to see 37% growth YoY in Q2FY27E.

Exhibit 14: Nestlé India (Standalone) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	56,436	63,782	68,092	21%	7%
Gross margin	54.3%	57.2%	55.6%	130 bps	-160 bps
EBITDA	12,366	15,381	16,080	30%	5%
EBITDA margin	21.9%	24.1%	23.6%	170 bps	-50 bps
PBT	10,285	13,306	14,080	37%	6%
Adj. PAT	7,532	9,797	10,349	37%	6%
Adj. EPS (INR/Share)	3.91	5.08	5.37	37%	6%

Source: Company, HSIE Research

Britannia: Low base to help improve performance

- We see 13.5% net sales growth for Britannia in Q2FY27E (on a low base of 3.7%), with 10% volume growth (on a low base of -3% in Q2FY26). Amid inflationary setting we see company focusing on price hikes and mix improvements to enhance its realization s growth.
- We see gross margin pressure of 70bps YoY to 41% in Q2FY27E. The company has seen inflationary pressures amid key raw materials like spot sugar prices are up 19% YoY and QoQ, RBD Palmolein prices are up 20% YoY, though flat QoQ. With covers and inventory position, we see inflation impact to be relatively lower on consumption inventory.
- We see EBITDA margins at 18.7%, down 110bps YoY.
- EBITDA is likely to see 6% growth YoY, Adj PAT is likely to see ~10% growth YoY.

Exhibit 15: Britannia Industries (Consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	48,406	50,000	54,337	12%	9%
Gross margin	41.7%	41.5%	41.0%	-70 bps	-50 bps
EBITDA	9,545	8,401	10,141	6%	21%
EBITDA margin	19.7%	16.8%	18.7%	-110 bps	190 bps
PBT	8,869	7,991	9,641	9%	21%
Adj. PAT	6,557	5,914	7,193	10%	22%
Adj. EPS (INR/Share)	27.22	24.55	29.86	10%	22%

Source: Company, HSIE Research

Godrej Consumer Product: Low base and currency to aid topline

- We see domestic revenue to grow at ~13%, with mid-teen growth in home care segment, low double-digit growth in personal care. Inorganic actions continue to be ~1% of domestic revenue. We lower our overall domestic growth by 100bps to factor destocking
- International revenue is likely to see healthy 23% revenue growth; we see currency driven growth to be in low double digits. Indonesia on a low base is likely to see mid teen revenue growth. Africa clusters are likely to see 30% revenue growth. LATM growth to be in in high teens.
- We see Gross margins at 49% YoY, down 160bps YoY and 90bps QoQ. EBITDA margin is likely to see 60bps YoY contraction to 19.1%.
- EBITDA is likely to see 14% growth YoY, while Adj PAT is likely to see ~10% growth YoY in Q2FY27E.

Exhibit 16: Godrej Consumer Products (Consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	37,086	42,255	43,585	18%	3%
Gross margin	50.6%	48.1%	49.0%	-160 bps	90 bps
EBITDA	7,331	8,014	8,344	14%	4%
EBITDA margin	19.8%	19.0%	19.1%	-60 bps	20 bps
PBT	6,544	6,921	7,299	12%	5%
Adj. PAT	4,890	5,201	5,401	10%	4%
Adj EPS (INR/share)	4.78	5.08	5.28	10%	4%

Source: Company, HSIE Research

Dabur: Navigating inflationary headwinds crucial for earnings

- We see Dabur India to post 9% domestic revenue growth in Q2FY27, with 10% growth in home and personal care, 6% growth in health care and 10% growth in foods business.
- In international, we see 17% YoY growth, aided by relatively better control in the business vs sequential quarter, though operations turn expensive. We also see currency benefits in the performance. Consolidated revenue is likely to see 11% growth YoY.
- Gross margin is likely to see contraction of 140bps YoY to 48%. We see EBITDA margins at ~18% YoY, down 50bps YoY. EBITDA and adjusted PAT is likely to see growth of 8% and 9%, respectively.

Exhibit 17: Dabur India (Consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	31,913	37,644	35,539	11%	(6%)
Gross margin	49.4%	47.3%	48.0%	-140 bps	70 bps
EBITDA	5,881	7,414	6,366	8%	(14%)
EBITDA margin	18.4%	19.7%	17.9%	-50 bps	-180 bps
PBT	5,950	7,780	6,541	10%	(16%)
Adj. PAT	4,636	6,019	5,042	9%	(16%)
Adjusted EPS (INR/Share)	2.61	3.39	2.84	9%	(16%)

Source: Company, HSIE Research

Marico: Healthy topline, better margins to aid earnings

- For the domestic business we see ~12% revenue growth on a high base of 35% growth in Q2FY26. Volume growth is likely to be ~10% YoY in Q2FY27E. Parachute portfolio is likely to see 5% sales growth YoY, where price cuts of 10% in 85% of portfolio offset in 13% volume growth. We see VAHO portfolio to sustain healthy growth momentum with 20% YoY growth. Edible oil is likely to see mid-single digit revenue growth; we see volume to be stressed given management focus on profitability. Food portfolio to see healthy growth with low double-digit growth in organic business.
- International business is likely to see ~23% growth YoY. We see constant currency growth at ~13%, while currency benefits to be at ~10%. Bangladesh is to have muted constant currency growth on high base of 22%, where high price for coconut portfolio is now in the base. Rest of the regions are likely to pull overall international growth. Consolidated revenue is likely to see 16% YoY growth.
- With easing in copra prices, we see gross margin improvement of 290bps YoY to 45% in Q2FY27E. This recovery in gross margins to aid EBITDA margin by 150bps YoY to 17.7%. Consolidated EBITDA and Adj PAT are likely to see 26% and 31% growth YoY, respectively. Adj PAT growth acceleration is at the back of lower effective tax rate, in Q2FY27 to be at ~18% vs 21.5% in Q2FY26.

Exhibit 18: Marico (Consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	34,500	39,570	39,972	16%	1%
Gross margin	42.1%	46.6%	45.0%	290 bps	-160 bps
EBITDA	5,600	8,190	7,071	26%	(14%)
EBITDA margin	16.2%	20.7%	17.7%	150 bps	-300 bps
PBT	5,500	7,900	6,831	24%	(14%)
Adj. PAT	4,200	6,300	5,502	31%	(13%)
Adj EPS (INR/Share)	3.25	4.88	4.26	31%	(13%)

Source: Company, HSIE Research

Colgate: Low base to aid healthy growth in Q2FY27E

- On a low base of Q2FY26, we see 16% revenue growth. Growth to be driven by 12% volume growth on a 2 year CAGR is at 4% (4 year CAGR at 2%).
- We see gross margin expansion of ~50bps YoY to 70%. EBITDA margin is likely to see 90bps expansion YoY to 31.6% YoY
- EBITDA is likely to see 20% growth YoY, while adjusted PAT is likely to grow 21% YoY.

Exhibit 19: Colgate Palmolive (Standalone) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	15,195	16,033	17,634	16%	10%
Gross margin	69.5%	70.0%	70.0%	50 bps	0 bps
EBITDA	4,654	4,830	5,569	20%	15%
EBITDA margin	30.6%	30.1%	31.6%	90 bps	150 bps
PBT	4,423	4,655	5,334	21%	15%
Adj. PAT	3,275	3,464	3,974	21%	15%
Adj EPS (INR/Share)	12.04	12.74	14.61	21%	15%

Source: Company, HSIE Research

Emami: Low base to help drive healthy revenue, margin stressed

- On a low base of 10% decline in Q2FY26, Emami is likely to see 20% consolidated revenue growth for Q2FY27E. Domestic revenue is likely to see 29% growth YoY, on a low base of 16% decline in Q2FY26. Domestic volume growth is likely to be 24% YoY. We expect the organic business to see 16% growth YoY, on a low base of 16% decline in Q2FY26. Inorganic business will aid 18% to domestic revenue. International business is likely to see 12% decline YoY, affected by weakness in the Middle East.
- We expect gross margin contraction of 380bps YoY to 67.3% YoY. EBITDA margin is likely to see 240bps contraction to 20%. EBITDA is likely to grow by 7% YoY, while adj PAT should grow 4% YoY.

Exhibit 20: Emami (consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	7,985	10,392	9,581	20%	(8%)
Gross margin	71.0%	65.8%	67.3%	-380 bps	140 bps
EBITDA	1,785	2,262	1,913	7%	(15%)
EBITDA margin	22.4%	21.8%	20.0%	-240 bps	-180 bps
PBT	1,750	2,151	1,838	5%	(15%)
Adj. PAT	1,394	1,658	1,451	4%	(13%)
Adj EPS (INR/Share)	3.19	3.80	3.33	4%	(13%)

Source: Company, HSIE Research

Honasa Consumer: Healthy momentum to sustain

- We expect healthy growth momentum to sustain for Honasa, with 28% overall revenue growth. For the organic business, we expect 25% revenue growth. From this quarter, Flipkart-related accounting adjustments are in the base.
- We expect gross margin contraction of 50bps YoY to 70%. EBITDA margin is likely to see 310bps expansion YoY to 11.9% YoY.
- EBITDA and adj PAT are likely to see healthy growth YoY at 72% and 68%, respectively.

Exhibit 21: Honasa Consumer (consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	5,381	7,559	6,887	28%	(9%)
Gross margin	70.5%	69.7%	70.0%	-50 bps	30 bps
EBITDA	476	989	821	72%	(17%)
EBITDA margin	8.9%	13.1%	11.9%	310 bps	-120 bps
PBT	527	1,078	886	68%	(18%)
Adj. PAT	392	902	660	68%	(27%)
Adjusted EPS (INR/Share)	1.21	2.76	2.02	67%	(27%)

Source: Company, HSIE Research

Bikaji Foods: High base of sweets to hurt revenue growth

- For Bikaji, we expect healthy growth for ethnic snacks with 18% YoY growth. For packaged sweets, we see 5% revenue decline YoY, on a high base of last year when festival period started early. Western snacks are likely to see 35% growth YoY. Papad amid weak season is likely to see supply constraint, leading to flat sales. For the core business, we see 13.5% revenue growth.
- Retail operations are likely to see 60% growth YoY with 63% growth in The Hazelnut Factory (addition of one store to 22 stores now) and 56% growth in Bikaji Retail (addition of one store to eight stores now). Due to a shift in season, the company is likely to clock gift pack sales largely in Q3, vs part concentration in Q2, last year.
- We see overall revenue growth reduced to 11%, with 6% volume and 5% realization growth. With shift in season, we expect Q3FY27 to be better at ~18.5%.
- Gross margin adjusted for PLI is likely to see 215bps contraction YoY to 31.6%. EBITDA margin adjusted for PLI is likely to see 365bps contraction to 10.6%.
- We expect reported EBITDA and PAT to see 16% and 15% decline, respectively. Adjusted for PLI, EBITDA and PAT should decline by 17% each.

Exhibit 22: Bikaji Foods (Consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	8,303	7,343	9,228	11%	26%
Gross margin	35.0%	35.7%	32.5%	-250 bps	-320 bps
EBITDA	1,282	990	1,074	(16%)	8%
EBITDA margin	15.4%	13.5%	11.6%	-380 bps	-180 bps
PBT	1,117	807	924	(17%)	14%
Adj. PAT	808	595	688	(15%)	16%
Adj. EPS (INR/Share)	3.18	2.40	2.75	(14%)	15%

Source: Company, HSIE Research

Gopal Snacks: Revenue growth to be healthy, managing inflation key

- On a low base, we believe net sales growth at 22% for Q2FY27E, with broad-based growth across categories. Monthly revenue is likely to see INR1.5bn.
- Gross margin is likely to see 140bps contraction YoY to 25%, amid inflationary palm and crude prices. EBITDA margin is likely to see 140bps contraction to 5%.
- We see 5% EBITDA decline, while adj PAT is likely to see 24% decline YoY.

Exhibit 23: Gopal Snacks (consolidated) – Q2FY27E expectations

(INR mn)	Q2FY26	Q1FY27	Q2FY27E	YoY (%)	QoQ (%)
Revenue	3,757	4,223	4,514	20%	7%
Gross margin	26.4%	26.9%	25.0%	-140 bps	-190 bps
EBITDA	241	315	229	(5%)	(27%)
EBITDA margin	6.4%	7.4%	5.1%	-140 bps	-240 bps
PBT	134	186	99	(27%)	(47%)
Adj. PAT	97	128	73	(24%)	(43%)
Adj. EPS (INR/Share)	0.77	1.03	0.59	(24%)	(43%)

Source: Company, HSIE Research

Valuation de-rating continues

Exhibit 24: Changes to HSIE FMCG coverage recommendations

	CMP (Rs/sh)	Recommendation		Valuation multiple (P/E)			Old TP Sep'27	New TP Jun-27	Upside (%)	TP Change (%)
		Old	New	Old	New	Change (%)				
ITC	256	ADD	ADD	SOTP	SOTP		300	300	17%	0%
HUL	1,836	REDUCE	REDUCE	40	36	(10%)	2,100	1,925	5%	(8%)
Nestlé India	1,308	ADD	BUY	66	60	(9%)	1,600	1,555	19%	(3%)
Britannia	4,778	BUY	BUY	50	45	(10%)	6,200	6,000	26%	(3%)
Godrej Consumer	840	BUY	BUY	37	35	(5%)	1,100	1,000	19%	(9%)
Dabur	374	ADD	ADD	35	32	(9%)	465	425	14%	(9%)
Marico	830	ADD	ADD	47	45	(4%)	950	925	11%	(3%)
Colgate-Palmolive	1,735	REDUCE	REDUCE	35	31	(11%)	2,000	1,800	4%	(10%)
Emami	373	BUY	BUY	25	24	(4%)	530	500	34%	(6%)
Bikaji	504	BUY	BUY	50	45	(10%)	750	700	39%	(7%)
Honasa Consumer	428	BUY	BUY	5x sales	5x sales		550	550	28%	(0%)
Gopal Snacks	255	BUY	BUY	35	30	(14%)	360	335	32%	(7%)

Source: Bloomberg, Company, HSIE Research

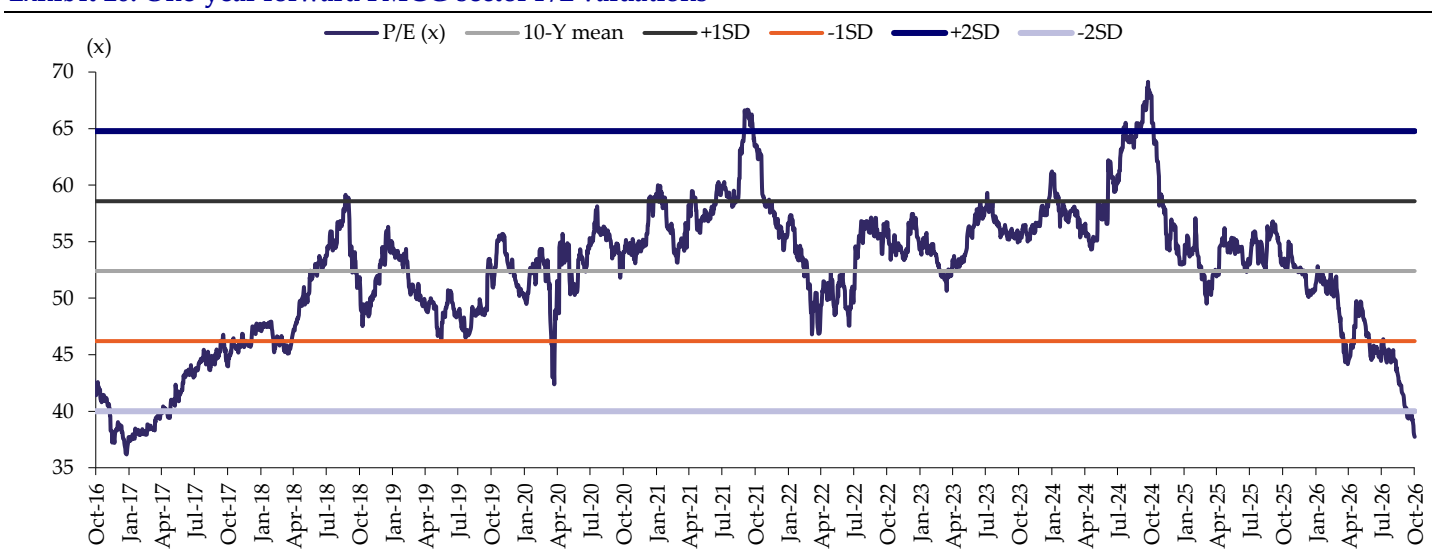
Note: Based on closing price on 1 Oct 2026

Exhibit 25: HSIE's FMCG coverage valuations

	Rating	TP (INR/sh)	Upside	Mcap (USD bn)	P/E (x)			EV/EBITDA			EV/Sales		
					FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
HUL	REDUCE	1,925	5%	44.8	39	36	33	27	24	22	6.1	5.7	5.3
ITC	ADD	300	17%	33.3	19	15	14	13	10	9	3.6	3.3	3.0
Nestlé India	BUY	1,555	19%	26.2	62	54	47	40	35	31	9.4	8.5	7.6
Britannia Industries	BUY	6,000	26%	11.9	43	38	34	30	27	23	5.4	4.9	4.4
Marico	ADD	925	11%	10.5	48	42	39	37	32	29	6.9	6.3	5.8
Godrej Consumer	BUY	1,000	19%	8.9	36	31	28	25	21	19	5.0	4.5	4.2
Dabur	ADD	425	14%	6.9	32	30	27	22	20	18	4.0	3.7	3.5
Colgate-Palmolive	REDUCE	1,800	4%	5.1	33	31	29	23	21	20	7.0	6.6	6.2
Emami	BUY	500	34%	1.7	20	18	17	13	12	10	3.2	2.8	2.5
Bikaji	BUY	700	39%	1.3	39	36	29	25	23	19	3.6	3.1	2.7
Honasa Consumer	BUY	550	28%	1.3	49	40	33	38	31	25	4.5	3.9	3.4
Gopal Snacks	BUY	335	32%	0.3	65	29	19	29	17	11	1.7	1.5	1.3

Source: Bloomberg, Company, HSIE Research

Note: Based on closing price on 1 Oct 2026

Exhibit 26: One-year forward FMCG sector P/E valuations


Source: Bloomberg, Company, HSIE Research

Exhibit 27: HSIE FMCG coverage – returns profile and dividend yield

	ROE (%)			ROCE (%)			Dividend pay-out (%)			Dividend yield (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
HUL	22	24	26	29	32	35	97	98	99	2.5	2.7	3.0
ITC	24	29	31	27	34	36	105	90	91	5.7	6.0	6.6
Nestlé India	72	73	73	98	99	99	86	79	83	1.4	1.5	1.8
Britannia Industries	50	51	52	53	58	60	90	92	88	2.1	2.4	2.6
Marico	47	48	45	42	44	44	75	75	80	1.6	1.8	2.0
Godrej Consumer	19	21	24	19	23	26	100	97	99	2.7	3.1	3.6
Dabur	17	18	19	17	18	19	77	77	76	2.4	2.6	2.8
Colgate-Palmolive	92	90	89	113	110	109	90	92	93	2.8	3.0	3.2
Emami	24	22	21	33	29	28	59	58	60	3.0	3.2	3.5
Bikaji	17	17	18	17	17	18	16	21	23	0.5	0.7	0.9
Honasa Consumer	19	21	24	19	21	24	45	56	61	0.8	1.2	1.6
Gopal Snacks	10	20	26	13	25	33	39	30	29	0.6	1.0	1.6

Source: Bloomberg, Company, HSIE Research

Note: Based on closing price on 1 Oct 2026

Exhibit 28: HSIE FMCG coverage – assessing free cash flow conversion and yield for coverage companies

	FCF per share			FCF/EBITDA (%)			FCF/PAT (%)			FCF yield		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
HUL	37	47	51	54	64	63	79	92	91	2	3	3
ITC	13	13	15	72	59	62	96	79	83	5	5	6
Nestlé India	22	27	29	80	83	79	105	112	105	2	2	2
Britannia Industries	126	128	146	80	73	73	113	103	103	3	3	3
Marico	15	19	19	67	75	69	86	96	91	2	2	2
Godrej Consumer	21	29	31	62	73	69	93	109	102	3	3	4
Dabur	8	9	12	56	54	65	71	70	85	2	2	3
Colgate-Palmolive	37	57	60	50	72	72	70	101	100	2	3	3
Emami	18	23	25	74	86	86	96	111	116	5	6	7
Bikaji	8	9	12	40	41	47	61	61	69	2	2	3
Honasa Consumer	10	10	12	96	73	72	119	91	90	2	2	2
Gopal Snacks	5	3	8	51	20	37	116	35	59	2	1	3

Source: Bloomberg, Company, HSIE Research

Note: Based on closing price on 1 Oct 2026

Exhibit 29: Key forward multiples vs historical averages and HSIE valuation

	P/E (x)			Average historical forward PER (x)			FY28E PER vs.		HSIE valuation	
	FY27E	FY28E	FY29E	3Y	5Y	10Y	5Y avg P/E	10Y avg P/E	P/E (x)	Vs. 5Y avg
HUL	39	36	33	49	51	51	(29%)	(29%)	36	(29%)
ITC	19	15	14	22	21	21	(30%)	(29%)	SoTP	NA
Nestlé India	62	54	47	66	66	61	(17%)	(11%)	60	(9%)
Britannia Industries	43	38	34	50	49	48	(22%)	(20%)	45	(8%)
Marico	48	42	39	47	46	43	(9%)	(4%)	45	(1%)
Godrej Consumer	36	31	28	48	46	43	(32%)	(28%)	35	(24%)
Dabur	32	30	27	43	44	43	(33%)	(32%)	32	(28%)
Colgate-Palmolive	33	31	29	45	42	41	(27%)	(26%)	31	(26%)
Emami	20	18	17	27	26	29	(31%)	(38%)	24	(8%)
Bikaji	39	36	29	56	NA	NA	NA	NA	45	NA
Honasa Consumer	49	40	33	NA	NA	NA	NA	NA	5x sales	NA
Gopal Snacks	65	29	19	NA	NA	NA	NA	NA	30	NA

Source: Bloomberg, Company, HSIE Research

Note: Based on closing price on 1 Oct 2026

Exhibit 30: Changes to revenue estimates

(INR mn)	New estimates			Old estimates			Changes to our estimates		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
ITC	819,297	908,613	979,274	815,624	911,512	982,702	0%	(0%)	(0%)
HUL	697,509	747,594	800,548	695,588	746,659	800,708	0%	0%	(0%)
Nestlé India	265,094	293,584	325,366	257,947	286,391	317,101	3%	3%	3%
Britannia Industries	208,983	230,216	251,446	205,675	224,821	245,380	2%	2%	2%
Godrej Consumer	175,965	192,294	209,598	171,855	187,772	204,629	2%	2%	2%
Dabur	144,502	154,210	164,280	144,289	153,987	164,047	0%	0%	0%
Marico	154,284	168,480	183,035	152,942	167,596	182,296	1%	1%	0%
Colgate-Palmolive	65,699	69,612	73,912	65,699	69,612	73,912	0%	0%	0%
Emami	44,347	47,897	51,376	44,623	48,193	51,692	(1%)	(1%)	(1%)
Bikaji	34,390	39,255	45,064	34,403	39,316	45,134	(0%)	(0%)	(0%)
Honasa Consumer	29,369	34,146	39,191	29,369	34,146	39,191	0%	0%	0%
Gopal Snacks	18,122	21,394	24,736	18,072	21,326	24,638	0%	0%	0%

Source: Company, HSIE Research

Exhibit 31: HSIE revenue estimate vs consensus

(INR mn)	HSIE estimates			Consensus Estimate			HSIE est vs Consensus		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
ITC	819,297	908,613	979,274	761,300	839,708	895,830	8%	8%	9%
HUL	697,509	747,594	800,548	703,955	762,438	825,285	(1%)	(2%)	(3%)
Nestlé India	265,094	293,584	325,366	268,358	299,908	334,109	(1%)	(2%)	(3%)
Britannia Industries	208,983	230,216	251,446	211,348	232,910	255,868	(1%)	(1%)	(2%)
Godrej Consumer	175,965	192,294	209,598	174,037	191,315	210,144	1%	1%	(0%)
Dabur	144,502	154,210	164,280	144,701	157,070	169,943	(0%)	(2%)	(3%)
Marico	154,284	168,480	183,035	152,506	169,518	187,502	1%	(1%)	(2%)
Colgate-Palmolive	65,699	69,612	73,912	66,079	71,219	76,863	(1%)	(2%)	(4%)
Emami	44,347	47,897	51,376	42,698	46,472	50,486	4%	3%	2%
Bikaji	34,390	39,255	45,064	34,410	39,169	44,855	(0%)	0%	0%
Honasa Consumer	29,369	34,146	39,191	29,207	33,859	38,917	1%	1%	1%
Gopal Snacks	18,122	21,394	24,736	18,265	21,564	24,263	(1%)	(1%)	2%

Source: Bloomberg, Company, HSIE Research

Exhibit 32: Changes to EBITDA estimates

(INR mn)	New estimates			Old estimates			Changes to our estimates		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
ITC	229,793	286,724	315,518	231,085	288,155	315,069	(1%)	(0%)	0%
HUL	158,953	174,024	190,319	161,353	176,053	190,680	(1%)	(1%)	(0%)
Nestlé India	62,703	71,268	80,982	58,915	69,415	78,425	6%	3%	3%
Britannia Industries	37,782	42,245	48,089	37,925	43,186	48,725	(0%)	(2%)	(1%)
Godrej Consumer	35,678	40,752	45,562	36,982	40,994	46,585	(4%)	(1%)	(2%)
Dabur	26,570	28,951	31,796	27,666	29,799	32,130	(4%)	(3%)	(1%)
Marico	28,628	32,999	36,212	29,036	32,692	36,858	(1%)	1%	(2%)
Colgate-Palmolive	20,335	21,494	22,788	20,335	21,494	22,788	0%	0%	0%
Emami	10,585	11,714	12,735	10,808	11,859	12,891	(2%)	(1%)	(1%)
Bikaji	4,898	5,319	6,372	4,852	5,365	6,313	1%	(1%)	1%
Honasa Consumer	3,543	4,321	5,294	3,475	4,321	5,294	2%	0%	0%
Gopal Snacks	1,110	1,878	2,704	1,323	1,923	2,809	(16%)	(2%)	(4%)

Source: Company, HSIE Research

Exhibit 33: HSIE EBITDA estimate vs consensus

(INR mn)	HSIE estimates			Consensus Estimate			HSIE est vs Consensus		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
ITC	229,793	286,724	315,518	235,671	267,337	287,043	(2%)	7%	10%
HUL	158,953	174,024	190,319	161,053	177,029	194,756	(1%)	(2%)	(2%)
Nestlé India	62,703	71,268	80,982	64,526	73,015	81,856	(3%)	(2%)	(1%)
Britannia Industries	37,782	42,245	48,089	38,739	43,826	48,778	(2%)	(4%)	(1%)
Godrej Consumer	35,678	40,752	45,562	35,310	40,397	45,392	1%	1%	0%
Dabur	26,570	28,951	31,796	27,193	29,895	34,223	(2%)	(3%)	(7%)
Marico	28,628	32,999	36,212	28,593	32,901	36,956	0%	0%	(2%)
Colgate-Palmolive	20,335	21,494	22,788	20,046	21,951	23,898	1%	(2%)	(5%)
Emami	10,585	11,714	12,735	10,568	11,799	13,078	0%	(1%)	(3%)
Bikaji	4,898	5,319	6,372	4,718	5,326	6,311	4%	(0%)	1%
Honasa Consumer	3,543	4,321	5,294	3,532	4,337	5,281	0%	(0%)	0%
Gopal Snacks	1,110	1,878	2,704	1,461	2,190	2,723	(24%)	(14%)	(1%)

Source: Bloomberg, Company, HSIE Research

Exhibit 34: Changes to Adj. PAT estimates

(INR mn)	New estimates			Old estimates			Changes to our estimates		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
ITC	174,108	215,082	237,217	175,078	216,296	237,029	(1%)	(1%)	0%
HUL	109,388	119,892	131,230	110,850	121,052	131,130	(1%)	(1%)	0%
Nestlé India	40,419	46,367	53,559	37,622	45,053	51,737	7%	3%	4%
Britannia Industries	26,864	30,020	34,197	26,859	30,720	34,671	0%	(2%)	(1%)
Godrej Consumer	23,646	27,469	31,000	24,774	27,972	32,114	(5%)	(2%)	(3%)
Dabur	20,863	22,481	24,350	21,493	23,073	24,703	(3%)	(3%)	(1%)
Marico	22,419	25,873	27,609	22,629	24,933	27,493	(1%)	4%	0%
Colgate-Palmolive	14,510	15,401	16,318	14,510	15,401	16,318	0%	0%	0%
Emami	8,134	9,013	9,463	8,311	9,128	9,584	(2%)	(1%)	(1%)
Bikaji	3,200	3,535	4,324	3,131	3,530	4,272	2%	0%	1%
Honasa Consumer	2,862	3,458	4,233	2,811	3,458	4,233	2%	0%	0%
Gopal Snacks	485	1,088	1,699	644	1,122	1,777	(25%)	(3%)	(4%)

Source: Company, HSIE Research

Exhibit 35: HSIE Adj. PAT estimate vs consensus

(INR mn)	HSIE estimates			Consensus Estimate			HSIE est vs Consensus		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
ITC	174,108	215,082	237,217	181,072	204,023	219,069	(4%)	5%	8%
HUL	109,388	119,892	131,230	112,235	124,072	137,337	(3%)	(3%)	(4%)
Nestlé India	40,419	46,367	53,559	41,549	47,859	54,577	(3%)	(3%)	(2%)
Britannia Industries	26,864	30,020	34,197	27,297	31,084	34,926	(2%)	(3%)	(2%)
Godrej Consumer	23,646	27,469	31,000	23,592	27,623	31,555	0%	(1%)	(2%)
Dabur	20,863	22,481	24,350	21,061	23,202	25,733	(1%)	(3%)	(5%)
Marico	22,419	25,873	27,609	22,004	25,199	28,067	2%	3%	(2%)
Colgate-Palmolive	14,510	15,401	16,318	14,435	15,857	17,303	1%	(3%)	(6%)
Emami	8,134	9,013	9,463	7,692	8,752	9,683	6%	3%	(2%)
Bikaji	3,200	3,535	4,324	3,039	3,541	4,318	5%	(0%)	0%
Honasa Consumer	2,862	3,458	4,233	2,846	3,452	4,191	1%	0%	1%
Gopal Snacks	485	1,088	1,699	731	1,161	1,777	(34%)	(6%)	(4%)

Source: Bloomberg, Company, HSIE Research

Exhibit 36: Currency movement

Currency	Companies impacted	Average rate					Change YoY %				
		Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Euro	Dabur,	102.1	103.7	107.1	110.2	110.0	11%	15%	17%	13%	8%
USD	All Companies	87.3	89.1	91.5	94.7	95.6	4%	6%	6%	11%	9%
SL	GCPL, Marico, Dabur	0.3	0.3	0.3	0.3	0.3	4%	1%	1%	2%	-1%
Bangladesh	GCPL, Marico, Dabur	0.7	0.7	0.7	0.8	0.8	2%	3%	5%	10%	8%
Nepal	Dabur	0.6	0.6	0.6	0.6	0.6	0%	0%	0%	0%	0%
Indonesia	GCPL	0.5	0.5	0.5	0.5	0.5	0%	0%	2%	4%	0%
Malaysia	Marico, GCPL/HUL (Palm oil imports)	20.7	21.5	23.1	23.7	23.5	10%	12%	19%	19%	14%
Vietnam	Marico	0.3	0.3	0.3	0.4	0.4	-1%	1%	3%	9%	10%
South Africa	GCPL, Marico	5.0	5.2	5.6	5.7	5.9	6%	10%	19%	23%	18%
Nigeria	GCPL, Dabur	0.1	0.1	0.1	0.1	0.1	10%	18%	16%	28%	23%
Kenya	GCPL	0.7	0.7	0.7	0.7	0.7	4%	5%	6%	11%	9%
Turkey	Dabur	2.1	2.1	2.1	2.1	2.0	-14%	-14%	-12%	-6%	-7%
Egypt	Marico, Dabur	1.8	1.9	1.9	1.8	1.9	4%	10%	9%	7%	5%
Middle East	GCPL, Marico, Dabur	23.8	24.3	24.9	25.8	26.0	4%	5%	6%	11%	9%
Argentina	GCPL	0.1	0.1	0.1	0.1	0.1	-26%	-26%	-21%	-10%	-3%
Uruguay	GCPL	2.2	2.2	2.3	2.4	2.4	5%	13%	16%	15%	9%
Chile	GCPL	0.9	1.0	1.0	1.1	1.0	1%	9%	15%	16%	13%

Source: Bloomberg, Company, HSIE Research

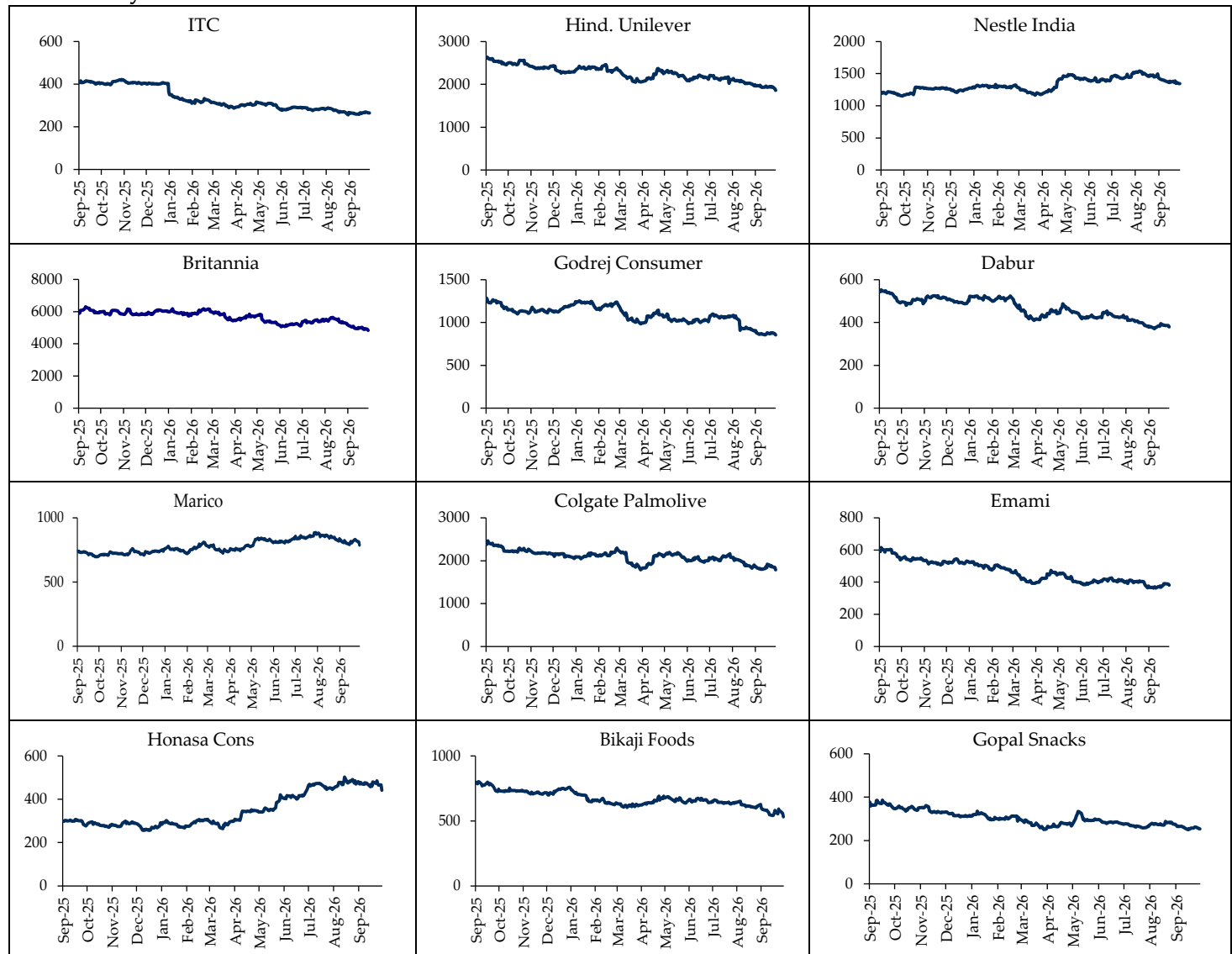
Based on closing price as of 1-Oct-2026

Exhibit 37: Key raw material prices

Commodity	Units	Spot price	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY Chg	QoQ Chg
Food staple raw material											
Barley	INR/Quintal	3,100	2,454	2,394	2,443	2,429	2,349	2,485	2,711	11%	9%
Wheat	INR/Quintal	2,965	3,140	2,702	2,822	2,808	2,739	2,671	2,872	2%	8%
Sugar	INR/Quintal	4,340	3,688	3,765	3,837	3,742	3,704	3,810	4,592	20%	21%
Chana	INR/Quintal	6,825	6,006	5,666	5,957	5,632	5,532	5,635	6,163	3%	9%
Soy Bean	INR/Quintal	5,849	4,300	4,449	4,626	4,600	5,531	6,706	6,601	43%	(2%)
Maize	INR/Quintal	2,500	2,558	2,263	2,358	2,163	1,958	2,045	2,386	1%	17%
Crude Palm oil	INR/10kg	1,340	1,292	1,157	1,140	1,151	1,210	1,362	1,381	21%	1%
Refined Soybean oil	INR/Quintal	1,395	1,276	1,204	1,212	1,233	1,358	1,469	1,436	18%	(2%)
Crude Sunflower oil	INR/Quintal	1,510	1,328	1,308	1,316	1,401	1,536	1,585	1,614	23%	2%
RBD Palmolein	INR/Quintal	1,415	1,344	1,198	1,209	1,231	1,323	1,449	1,456	20%	0%
Vanaspati oil	INR/tin	2,380	2,269	2,184	1,937	1,963	2,018	2,266	2,392	23%	6%
Soybean oil	INR/Quintal	14,500	12,976	12,524	12,533	12,763	13,886	15,076	14,848	18%	(2%)
Sunflower oil	INR/mt	152,000	132,328	130,508	130,939	140,790	153,135	157,016	164,484	26%	5%
Liquid Milk	INR/Liter	64	54	58	60	58	58	59	62	3%	5%
Coconut oil	INR/100kg	25,900	23,798	29,818	46,019	46,111	46,201	46,292	46,384	1%	0%
Copra - MRCO/Coconut board	INR/100kg	15,900	15,597	19,803	23,512	21,207	17,509	14,686	15,859	(33%)	8%
Tea (Tea Board)	INR/kg	202	152	167	184	187	161	182	201	9%	11%
Coffee – Arabica	USD/Kg	8	9	8	8	9	7	7	8	(1%)	13%
Non-food staple raw material											
Menthe Oil	INR/kg	1,450	1,021	1,007	1,062	1,103	1,168	1,172	1,423	16%	21%
Crude	US\$/barrel	104	75	67	68	63	78	97	91	34%	(6%)
Soda Ash	INR/50kg	1,640	1,652	1,654	1,641	1,620	1,629	1,661	1,636	(0%)	(2%)
PKFAD	USD/MT	1,750	1,575	1,604	1,661	1,608	1,665	1,912	1,748	5%	(9%)
Palm Fatty Acid Distillate (PFAD)	USD/MT	1,068	1,038	902	970	1,016	1,054	1,070	1,079	11%	1%
Caustic Soda	INR/50kg	3,200	2,348	2,609	2,543	2,186	2,530	2,858	3,040	20%	6%

Source: Bloomberg, Company, HSIE Research

Price History



Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: >10% Downside return potential

Disclosure:

We, **Nitin Kumar Gupta, CA & Ishant Lalwani, B.Com (Hons)**, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does have/does not have any material conflict of interest.

Any holding in the stock - NO

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. "This report may have been refined using AI tools to enhance clarity and readability."

Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

Please note that HDFC Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg(East), Mumbai 400 042 Tel.: +91-22-30753400 Fax: +91-22-30753435 www.hdfcsec.com
 Compliance Officer: Murli V Karkera, Contact: +91 022-69151436, Email: complianceofficer@hdfcsec.com, For any complaints / grievance: services@hdfcsec.com

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475. BSE Enlistment Number: 5159; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

SEBI Registration & Disclaimer <https://www.hdfcsec.com/article/disclaimer-1795>.

HDFC Securities

Institutional Equities

Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,
 Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
 Board: +91-22-6171-7330 www.hdfcsec.com