

Rating: ACCUMULATE | CMP: Rs489 | TP: Rs571

February 4, 2026

Q3FY26 Result Update

Change in Estimates | Target | Reco

Change in Estimates

Rating	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE	ACCUMULATE		
Target Price	571	582		
Sales (Rs. m)	42,353	45,977	42,483	46,123
% Chng.	(0.3)	(0.3)		
EBITDA (Rs. m)	11,306	12,307	11,022	12,042
% Chng.	2.6	2.2		
EPS (Rs.)	19.8	21.8	21.2	22.3
% Chng.	(6.5)	(2.1)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	38,092	39,092	42,353	45,977
EBITDA (Rs. m)	10,261	10,231	11,306	12,307
Margin (%)	26.9	26.2	26.7	26.8
PAT (Rs. m)	8,075	8,207	8,660	9,508
EPS (Rs.)	18.5	18.8	19.8	21.8
Gr. (%)	10.7	1.6	5.5	9.8
DPS (Rs.)	8.0	10.0	13.0	14.0
Yield (%)	1.6	2.0	2.7	2.9
RoE (%)	31.4	28.5	26.9	26.9
RoCE (%)	32.2	28.5	29.4	29.8
EV/Sales (x)	5.5	5.2	4.7	4.3
EV/EBITDA (x)	20.4	19.9	17.7	16.0
PE (x)	26.4	26.0	24.7	22.5
P/BV (x)	7.9	7.0	6.3	5.8

Key Data

	EMAM.BO HMN IN
52-W High / Low	Rs.653 / Rs.470
Sensex / Nifty	83,818 / 25,776
Market Cap	Rs.214bn/ \$ 2,362m
Shares Outstanding	437m
3M Avg. Daily Value	Rs.318.69m

Shareholding Pattern (%)

Promoter's	54.84
Foreign	10.93
Domestic Institution	25.01
Public & Others	9.21
Promoter Pledge (Rs bn)	12.06

Stock Performance (%)

	1M	6M	12M
Absolute	(6.4)	(20.0)	(16.1)
Relative	(4.2)	(22.7)	(21.3)

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Demand outlook cautiously optimistic

Quick Pointers:

- Strong winters and trade inventory normalization boosted volumes in 3Q
- HMN expects 8-9% growth in 4QFY26 led by demand revival and focus on small SKU's

HMN reported a growth of ~9.8%/9% in sales/volumes on strong winters, and normalization of channel inventory post GST led to disruption. Near-term outlook remains optimistic given 1) Healthy demand outlook for Q4 led by prolonged winters 2) Revival in rural demand with focus on small SKUs in shampoos and skin creams and 3) initial gains from revamp and relaunch of Kesh King, with a new proposition, packaging and formulation. Although prolonged winter might delay summer portfolio loading, overall revival in demand augurs well in coming quarters, sans seasonal and climatic variations. We have cut EPS estimates for FY27/FY28 by 4.4%/4.1% as we anticipate overall tax rate to increase to 18.3/20% in FY27/28. We estimate a sales/EBIDTA/EPS CAGR of 8.4/9.7/7.7% over FY26–28. We value the stock at 27x Dec'27 EPS, assigning target price of Rs571 (Rs582 earlier). Maintain Accumulate.

Revenue grew by 9.8%, while volumes grew by 9%: Revenues grew by 9.8% YoY to Rs11.5bn (PLe: Rs11.6bn). Domestic revenues increased by 11% driven by 9% volume growth, international business grew by 9%. Gross margins expanded by 34bps YoY to 70.6% (Ple: 70%). EBITDA grew by 13.4% YoY to Rs3.8bn (PLe:Rs.3.7bn); Margins expanded by 108bps YoY to 33.4% (PLe:32.0%). Adj. PAT increased by 14.5% YoY to Rs3.19bn (PLe:Rs. 3.12bn). HMN declared interim dividend of Rs6/share. Boroplus grew 16%, KK 10%, Health care 7% and pain management grew by 8%. New strategic subs recorded a growth of 31%.

Concall takeaways: 1) 3Q saw a revival in demand aided by GST rate cuts and favorable winter season. 2) Management anticipates that brands previously growing 4-5% should now achieve 8-9% growth, driven by new customer additions and focus on rural market with small SKU's 3) Reduction in GST rates to 5% for 88% of the portfolio is expected to drive growth and revive rural markets. 4) Post Budget FY26-27, the applicable income tax rate for standalone entity to reduce to ~25% from 35%. This would lead to overall consolidated tax rate of ~20%, after adjusting for MAT credit. 5) Management indicated to shift their focus on small SKU's like shampoo sachets and expect to be a significant growth driver. 6) International markets like Bangladesh, SEA, Russia showed double digit growth while markets like MENA and North America are facing pressure. 7) Post GST rate cut the trade inventory levels have normalized and there is no excess inventory in the system. 8) Rural market is witnessing some green shoots and company is planning to shift focus on rural markets for next few quarters 9) New digital communications which account for 50% of the overall media spends, Q-comm contributes 20% to overall E-comm business. 10) Smart and Handsome brand has shown subdued growth despite best efforts, HMN plans to focus on small sachets to revive growth in this segment

Exhibit 1: Revenues increased by 9.8%, EBITDA margin expanded by 108bps YoY to 33.4%.

Y/e March	3QFY26	3QFY25	YoY gr. (%)	2QFY26	9MFY26	9MFY25	YoY gr. (%)
Net Sales	11,518	10,495	9.8	7,985	28,544	28,461	0.3
Gross Profit	8,136	7,377	10.3	5,671	20,083	19,803	1.4
% of NS	70.6	70.3	0.3	71.0	70.4	69.6	0.8
Other Expenses	4,294	3,990	7.6	3,886	12,314	11,747	4.8
% of NS	37.3	38.0	(0.7)	48.7	43.1	41.3	1.9
EBITDA	3,842	3,387	13.4	1,785	7,770	8,057	-3.6
Margins %	33.4	32.3	1.1	22.4	27.2	28.3	-1.1
Depreciation	453	456	-0.6	453	1,351	1,347	0.3
Interest	29	22	34.6	26	80	66	21.6
Other Income	190	149	27.1	214	619	470	31.9
PBT	3,474	3,059	13.6	1,520	6,958	7,114	-2.2
Tax	282	224	25.9	18	525	596	-11.9
Tax rate %	8.1	7.3	0.8	1.2	7.5	8.4	-0.8
Adjusted PAT	3,195	2,789	14.5	2,789	6,472	6,443	0.5

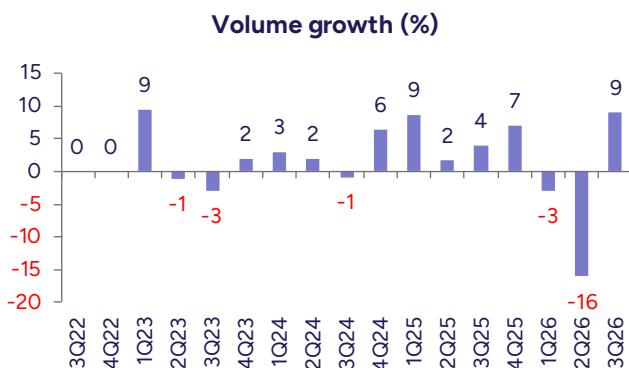
Source: Company, PL

Exhibit 2: 7 Oils in one, Boroplus and Kesh King witnessed high growth

Brand/segments	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Navratna	7	1	27	10	15	16	-5	-33	1
Boroplus	-9	33	4	2	20	27	-5	-30	16
Pain Management	3	9	-7	5	3	1	17	-4	8
7 Oils in one	NA	NA	9	-3	NA	NA	NA	-12	41
Kesh King	7	-9	-15	-9	-10	-1	-5	-23	10
Male Grooming	-6	-2	-5	-13	-4	7	-9	-9	4
Health Care	0	10	11	11	13	13	4	1	7

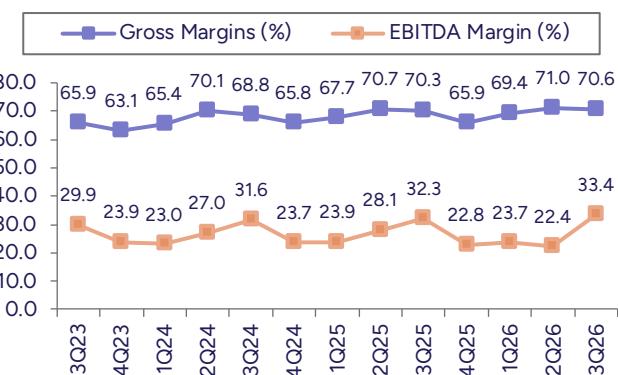
Source: Company, PL

Exhibit 3: 3Q26 volumes increased by 9%



Source: Company, PL

Exhibit 4: EBITDAM expanded by 108bps YoY to 33.4%



Source: Company, PL

Exhibit 5: HMN new products and variant launches in 3QFY26.

New Launches in Q3



Kesh King Gold Advanced Hair Growth Serum

With 21% Growth Actives Blend (highest in the category)

- 3% Anagain - Improves scalp health & stimulates growth
- 3% Redensyl - Reactivates stem cells at the hair root
- 3% Procapsil - Reduces thinning & nourishes from within
- 5% Koxepil Aqua - Boosts blood circulation & extends growth phase
- 21 Ayurvedic Herbs Blend

BoroPlus Deeply Moisturising Lip Balm

- Everyday lip essential with 5-in-one benefits
- With Bakuchiol and Wheat Germ oil



Zandu Good Gut Constipation Relief Tablets

- Launched on Zanducare - Clinically proven overnight relief



Zandu Apple Cider Vinegar Effervescent Tablets

Variant Launches in Q3



BoroPlus Intense moisture body lotion

- Addressing the gap in the market identified through demand spaces



BoroPlus Soft Ultra Light Gel

For Oily & Combination Skin



BoroPlus Daily Glow body lotion

- Addressing the all season usage need with a winning formulation



BoroPlus Soft Daily UV Protection

UV Protection for all skin types



BoroPlus Sandal Jasmine body lotion

- Addressing specific south market and the fragrant lotion need for consumers.



BoroPlus Soft Intense Moisturiser

For dry to very dry skin

Source: Company, PL

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Exhibit 6: New launches for international markets and marketing initiatives

New Launches: Q3FY26



Smart and Handsome Beard Care Range (Facewash and Beard & Face Oils)



Navratna Cooling Hair Tonic & Scalp Conditioner

Consumer Connect Initiatives



AI Film for Creme 21 Xtra Bright Vitamin C Range



Navratna Digital campaign across GCC



Local Influencer marketing



Navratna Beat the Heat @45° campaign across GCC



POSM and in store promoter activations



Program Branding for 7 Oils in One in Bangladesh



Digitl & Press Ad's

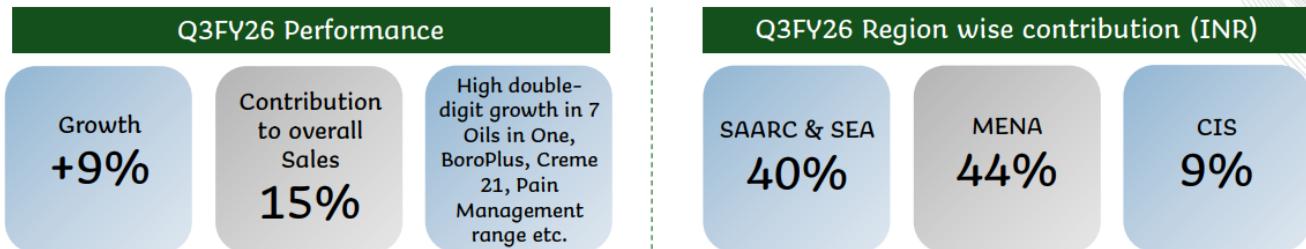


YouTube Campaign

Source: Company, PL

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Exhibit 7: IBD grew by 9% YoY with good performance in SAARC and MENA



- Implemented high frequency salience campaigns around news channels & entertainment programs in Bangladesh
- Rolled out a sharp new-launch POSM and in-store visibility drive for 7 Oils in One in Bangladesh
- Ran high-impact brand experiences like Navratna Champi activations to direct product trials in GCC
- Actively partnering with relevant, high-reach influencers to drive sharp, benefit-led messaging in GCC, Iraq and Egypt

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	38,092	39,092	42,353	45,977
YoY gr. (%)	6.5	2.6	8.3	8.6
Cost of Goods Sold	11,933	12,034	13,212	14,296
Gross Profit	26,159	27,058	29,141	31,681
Margin (%)	68.7	69.2	68.8	68.9
Employee Cost	4,470	4,917	5,409	5,950
Other Expenses	1,656	1,604	1,695	1,814
EBITDA	10,261	10,231	11,306	12,307
YoY gr. (%)	8.1	(0.3)	10.5	8.8
Margin (%)	26.9	26.2	26.7	26.8
Depreciation and Amortization	1,782	1,836	1,668	1,599
EBIT	8,478	8,395	9,639	10,708
Margin (%)	22.3	21.5	22.8	23.3
Net Interest	93	92	94	96
Other Income	681	833	1,072	1,302
Profit Before Tax	9,066	9,136	10,616	11,913
Margin (%)	23.8	23.4	25.1	25.9
Total Tax	911	914	1,937	2,383
Effective tax rate (%)	10.1	10.0	18.3	20.0
Profit after tax	8,155	8,222	8,679	9,531
Minority interest	38	34	31	28
Share Profit from Associate	(118)	(50)	(50)	(50)
Adjusted PAT	8,075	8,207	8,660	9,508
YoY gr. (%)	10.7	1.6	5.5	9.8
Margin (%)	21.2	21.0	20.4	20.7
Extra Ord. Income / (Exp)	(694)	(614)	(413)	(289)
Reported PAT	7,999	8,138	8,598	9,453
YoY gr. (%)	9.5	1.7	5.7	9.9
Margin (%)	21.0	20.8	20.3	20.6
Other Comprehensive Income	(301)	-	-	-
Total Comprehensive Income	7,736	8,172	8,629	9,481
Equity Shares O/s (m)	437	437	437	437
EPS (Rs)	18.5	18.8	19.8	21.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	36,021	37,178	38,343	39,517
Tangibles	12,720	13,777	14,842	15,916
Intangibles	23,301	23,401	23,501	23,601
Acc: Dep / Amortization	27,143	28,760	30,174	31,487
Tangibles	6,764	7,563	8,426	9,353
Intangibles	20,379	21,197	21,748	22,134
Net fixed assets	8,878	8,418	8,169	8,029
Tangibles	5,956	6,214	6,416	6,562
Intangibles	2,922	2,204	1,753	1,467
Capital Work In Progress	150	157	165	173
Goodwill	682	682	682	682
Non-Current Investments	2,636	1,953	1,963	1,974
Net Deferred tax assets	5,155	3,544	3,535	3,525
Other Non-Current Assets	414	692	822	956
Current Assets				
Investments	4,240	10,000	12,600	16,000
Inventories	3,081	3,465	3,704	3,971
Trade receivables	4,513	4,820	5,222	5,668
Cash & Bank Balance	1,075	856	1,066	696
Other Current Assets	1,432	1,661	1,779	1,908
Total Assets	35,332	38,920	42,556	46,715
Equity				
Equity Share Capital	437	437	437	437
Other Equity	26,511	30,285	33,208	36,550
Total Networth	26,948	30,721	33,645	36,987
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	193	212	233	257
Other non current liabilities	129	175	228	287
Current Liabilities				
ST Debt / Current of LT Debt	621	621	621	621
Trade payables	4,356	4,509	4,836	5,214
Other current liabilities	2,812	2,382	2,663	2,987
Total Equity & Liabilities	35,332	38,920	42,556	46,715

Source: Company Data, PL Research

Cash Flow (Rs m)					Key Financial Metrics				
Y/e Mar	FY25	FY26E	FY27E	FY28E	Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	9,057	9,136	10,616	11,913	Per Share(Rs)				
Add. Depreciation	1,478	1,617	1,414	1,313	EPS	18.5	18.8	19.8	21.8
Add. Interest	93	92	94	96	CEPS	22.6	23.0	23.7	25.4
Less Financial Other Income	681	833	1,072	1,302	BVPS	61.7	70.4	77.1	84.7
Add. Other	(621)	(774)	(1,005)	(1,227)	FCF	18.7	19.8	17.5	18.5
Op. profit before WC changes	10,008	10,071	11,119	12,095	DPS	8.0	10.0	13.0	14.0
Net Changes-WC	(683)	887	(238)	(324)	Return Ratio(%)				
Direct tax	(911)	(914)	(1,937)	(2,383)	RoCE	32.2	28.5	29.4	29.8
Net cash from Op. activities	8,414	10,044	8,944	9,389	ROIC	28.2	29.9	33.4	35.7
Capital expenditures	(260)	(1,417)	(1,290)	(1,301)	RoE	31.4	28.5	26.9	26.9
Interest / Dividend Income	598	740	974	1,199	Balance Sheet				
Others	288	681	-	-	Net Debt : Equity (x)	(0.2)	(0.3)	(0.4)	(0.4)
Net Cash from Inv. activities	626	4	(315)	(102)	Net Working Capital (Days)	31	35	35	35
Issue of share cap. / premium	(2,275)	(50)	(50)	(50)	Valuation(x)				
Debt changes	(36)	-	-	-	PER	26.4	26.0	24.7	22.5
Dividend paid	(3,492)	(4,365)	(5,675)	(6,111)	P/B	7.9	7.0	6.3	5.8
Interest paid	(93)	(92)	(94)	(96)	P/CEPS	21.7	21.3	20.7	19.2
Others	-	-	-	-	EV/EBITDA	20.4	19.9	17.7	16.0
Net cash from Fin. activities	(5,896)	(4,507)	(5,819)	(6,257)	EV/Sales	5.5	5.2	4.7	4.3
Net change in cash	3,144	5,541	2,810	3,030	Dividend Yield (%)	1.6	2.0	2.7	2.9
Free Cash Flow	8,154	8,627	7,654	8,088	Source: Company Data, PL Research				

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	9,631	9,041	7,985	11,518
YoY gr. (%)	8.1	(0.2)	(10.3)	9.8
Raw Material Expenses	3,284	2,765	2,314	3,383
Gross Profit	6,346	6,276	5,671	8,136
Margin (%)	65.9	69.4	71.0	70.6
EBITDA	2,194	2,142	1,785	3,842
YoY gr. (%)	4.1	(1.1)	(28.7)	13.4
Margin (%)	22.8	23.7	22.4	33.4
Depreciation / Depletion	435	445	453	453
EBIT	1,759	1,697	1,333	3,389
Margin (%)	18.3	18.8	16.7	29.4
Net Interest	28	24	26	29
Other Income	212	216	214	190
Profit before Tax	1,943	1,889	1,520	3,549
Margin (%)	20.2	20.9	19.0	30.8
Total Tax	315	225	18	282
Effective tax rate (%)	16.2	11.9	1.2	7.9
Profit after Tax	1,628	1,664	1,502	3,268
Minority interest	-	-	-	-
Share Profit from Associates	(6)	(21)	(18)	3
Adjusted PAT	1,622	1,642	1,484	3,270
YoY gr. (%)	8.9	7.6	(30.2)	17.2
Margin (%)	16.8	18.2	18.6	28.4
Extra Ord. Income / (Exp)	-	-	-	(76)
Reported PAT	1,622	1,642	1,484	3,195
YoY gr. (%)	8.9	7.6	(30.2)	14.5
Margin (%)	16.8	18.2	18.6	27.7
Other Comprehensive Income	(218)	137	(27)	(42)
Total Comprehensive Income	1,404	1,779	1,456	3,304
Avg. Shares O/s (m)	445	439	437	445
EPS (Rs)	3.6	3.7	3.4	7.4

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-26	Accumulate	582	526
2	10-Nov-25	Accumulate	608	525
3	08-Oct-25	Accumulate	608	552
4	31-Jul-25	Accumulate	683	601
5	09-Jul-25	Accumulate	697	573
6	19-May-25	Accumulate	697	636
7	09-Apr-25	Accumulate	709	584

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,464	2,628
2	Avenue Supermarts	Hold	3,783	3,801
3	Britannia Industries	BUY	6,761	6,185
4	Colgate Palmolive	Hold	2,319	2,113
5	Dabur India	Hold	525	510
6	Emami	Accumulate	582	526
7	Hindustan Unilever	Accumulate	2,669	2,399
8	ITC	Reduce	314	319
9	Jubilant FoodWorks	BUY	666	537
10	Kansai Nerolac Paints	Accumulate	255	238
11	Marico	Accumulate	801	746
12	Metro Brands	Hold	1,181	1,026
13	Mold-tek Packaging	Accumulate	746	608
14	Nestle India	Hold	1,394	1,333
15	Pidilite Industries	BUY	1,714	1,515
16	Restaurant Brands Asia	Accumulate	81	64
17	Titan Company	BUY	4,600	4,273
18	Westlife Foodworld	Hold	579	525

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

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We/I, Mr. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Mr. Parth Thakker- BFM, Passed CFA Level II Research Analysts, 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. 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.

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