

CONSUMER STAPLES

26 September 2025

GST changes and Macro refresh

- GST cuts shift packaged food and personal care to 5%, improving affordability; homecare and alcohol remain unchanged
- Rural demand supported by above avg monsoon, rising crop sowings and MSPs; urban recovery on easing CPI, personal income tax cuts
- Britannia, Nestlé India, Dabur, leading beneficiaries; Marico and Tata
 Consumer moderate, United Breweries unaffected

Lokesh Gusain Research Analyst research@bobcaps.in

Summary: The combination of GST reset, easing inflation, above average monsoon, higher MSPs and personal income tax cuts, is creating a favourable demand backdrop for FY26. Sector valuations are at a premium to long-term averages – volume delivery over FY26 needs to be closely monitored.

GST cuts and implications: Most packaged foods and personal care products have shifted to 5% GST from the current 12%-18%. FMCG companies with high India sales exposure are positioned to benefit. Home care remains unchanged at 18% and alcohol under state excise – status quo for United Breweries. FMCG companies are passing through GST benefits via lower MRPs or higher grammage, supporting consumption.

Rural and Urban drivers: Rural demand is supported by a second consecutive above average monsoon, higher crop sowings (+3% YoY overall), and rising MSPs, with income gains likely to reflect from October harvest payouts. Urban recovery is aided by easing CPI trends, personal income tax cuts (benefits started May 2025), and GST rationalisation. These drivers collectively improve purchasing power and reduce downtrading pressures, positioning branded FMCG volumes for an improving demand outlook though the remainder of FY26.

Commodity update: Commodity inflation is easing with key ingredients of palm oil, sugar, wheat, and tea either stable or down YoY. Input cost relief, coupled with operating leverage from higher demand, should support profitability improvement through FY26.

Key beneficiaries: Britannia and Nestlé India are leading beneficiaries due to large exposure to India in packaged foods. Dabur and HUL should see gains in personal care and juices, even as their homecare portfolio remains in status quo. Marico and Tata Consumer benefit to a lesser extent given part of their portfolio was already in the 5% GST bracket. ITC's non-cigarette FMCG exposure is modest, and United Breweries remains unaffected. Companies with strong rural penetration are best placed to leverage on GST cuts and macro recovery.





GST changes and Macro refresh

The GST rationalisation effective 22 September 2025 has resulted in most packaged food and personal care items moving from 18% / 12% slabs to 5%, directly lowering consumer prices. Companies such as Britannia, Nestlé India, Dabur stand to benefit most due to high exposure in these categories. Home care remains at 18% GST, and alcoholic beverages continue under state excise, leaving United Breweries unaffected. FMCG players have committed to passing on benefits via lower MRPs or higher grammage – this can drive consumption recovery and scale-driven margin accretion.

The macro backdrop remains conducive to rising demand. An above average Southwest monsoon for the second consecutive year has lifted crop sowings (+3% YoY overall; rice +7%). This, along with rising MSPs, is improving purchasing power in rural. In urban markets, personal income tax cut benefits since May 2025, easing CPI trends, and GST rationalisation collectively reduce financial pressure on consumers. Commodity inflation has softened after FY25's spike, limiting the need for price hikes and allowing GST-led volume growth to flow through to margins.

Potential upside from the GST changes

What are the GST changes? Which categories have undergone a change in GST and what is the change?

The GST rationalisation (effective 22 Sep 2025) reclassified many packaged food and personal-care items from 18% / 12% to 5%; staples largely remained at 5% and alcoholic beverages continue to be taxed under state excise.

Fig 1 - GST changes

Change in GST %	Examples	Old GST (%)	New GST (%)	Change (ppt)
18% to 5%	Personal Care (soaps, shampoos, toothpaste, creams), nutraceuticals, confectionery	18	5	(13)
12% to 5%	Instant noodles, pasta, sauces, soups, cereals, juices, snacks	12	5	(7)
5% to 5%	Staples (salt, spices, tea)	5	5	0
n/a	Alcoholic beverages (beer, spirits)	n/a	n/a	n/a

Source: Company, Bloomberg, BOBCAPS Research

What is the potential impact on FMCG companies?

Volume gains are likely in categories which have moved to 5% from 18% OR 12%. Food, beverages and personal care have largely moved to 5%. Homecare (detergents, utensil-wash, insecticides) remain unchanged at 18%.

What is the productwise exposure of our companies?

Companies with high exposure to India in food and personal care categories are likely to benefit the most. We summarise company wise exposure to FMCG categories in figure 2 below.



Fig 2 - Key categories

Company	Key FMCG categories
Dabur	Fruit juices; Ayurvedic / nutraceuticals; Honey; Digestives; Hair oils; Oral care; Skincare; Homecare
Britannia	Biscuits & cookies; Cakes; Rusks & breads; Dairy & cheese
Marico	Edible & cooking oils; Hair oils & haircare; Breakfast & health foods; Grooming / premium personal care
HUL	Personal wash; Shampoos & conditioners; Other personal care, Toothpaste; Ice cream; other packaged food; Dishwash; Laundry
Nestlé India	Noodles & sauces; Coffee; Cereals; Chocolates; Condensed milk; Health drinks and nutrition
ITC (FMCG Others)	Staples; biscuits; noodles; RTE; Beverages, Stationary
Tata Consumer	Tea; Coffee; water; Salt; Noodles, Spices, pulses, Organic/wellness.
Godrej Consumer	Personal wash, Hair colour; Personal care, Household insecticides
United Breweries	Beer & non alcoholic beverages

Source: Company, Bloomberg, BOBCAPS Research

What are the challenges in transition?

Inventory that is already manufactured or in the distribution chain is the typical key challenge in such transitions. The GST council has been largely supportive. We highlight key adjustments / relaxations in trading

- Already produced stock need not be taken back
- It is not mandatory to re-sticker the old packaging on products. However, retailer and consumers need to be well informed
- Old packaging material with old prices can be used on shelves until 31 March,
 2026

Who are the key beneficiaries?

In figure 3, we show likely potential impact on sales for our coverage due to GST rationalisation. Britannia is a leading beneficiary due to its high India sales exposure along with exposure to biscuits where GST has moved from 18% to 5%.

Fig 3 - Potential benefit from GST cuts

Company	Sales impact
HUL	Low to mid
Britannia	High
Nestlé India	High
Dabur	Mid to high
Marico	Low
ITC	Low
Tata Consumer	Low
Godrej Consumer	Low
United Breweries	No change

 $Source: Company, Bloomberg, BOBCAPS \ Research \\$



What are the FMCG manufacturers saying about GST rationalisation?

FMCG companies are passing through the benefits of lower GST to consumers and expect a demand boost. This has come as a positive surprise given gross margin restoration from the inflationary FY25 has still not happened. Even then, the increased demand driven scale benefits will be margin accretive and consumer spending shift from unbranded to branded can be a structural boost to demand.

Below we show GST related company comments in media or respective company website news articles / exchange filings.

Dabur

- "Companies will definitely pass on the goods and services tax (GST) rate cut benefits to the consumers as that will lead to an uptick in consumption." – Mr Mohit Malhotra, Dabur CEO
- "Dabur India has announced that the company is committed to passing on the benefits of reduced GST rates to its customers, making essential goods more affordable and boosting consumption." – Mr Mohit Malhotra, Dabur CEO
- "We estimate a 500–600 basis points boost in demand from this shift alone" Mr
 Mohit Malhotra, Dabur CEO
- ""We expect at least 300 basis points increase in overall consumption, with urban demand catching up" – Mr Mohit Malhotra, Dabur CEO

Britannia

- On being asked whether Britannia will pass on the benefits to consumers, Berry said: "Yes! Of course." "It will take at least one and a half months for consumers to get this benefit." – Mr Varun Berry, Managing Director and CEO
- "Britannia expects volume growth to accelerate to high single or double digits, aided by GST rate cuts, stabilising commodity costs, and improving consumer demand." – Mr Varun Berry MD and CEO.

Marico

"The GST rate cut is 'game changing' and by making essential consumer products more affordable, especially in the run-up to the festival season, these reforms will play a pivotal role in stimulating economic momentum and building long-term growth in the FMCG sector. We believe this will further empower households, foster consumption-led growth, and act as a catalyst for inclusive economic growth." – Mr Saugata Gupta, MD & CEO.

Hindustan Unilever

- "We will pass on the benefit of this rate rationalisation to consumers," Priya Nair, Managing Director and CEO, Hindustan Unilever.
- "For price-point packs, we've opted to increase weight or volume as applicable to avoid odd pricing and coinage-related challenges... This means consumers will



now receive more product at the same price, effectively lowering the price per gram or millilitre." - HUL spokesperson (on passing GST benefit via grammage).

Nestlé India

"Nestlé India welcomes the recent amendments in the Goods and Services Tax (GST) rates announced by the Government of India. It will pass on the benefits directly to consumers, from September 22, 2025 onwards." – Mr Manish Tiwary, Chairman and Managing Director

ITC

"At ITC, we will pass on the full benefits of the GST rationalisation across applicable products. The GST rate rationalisation across various sectors will surely bring relief to consumers through enhanced affordability, boosting consumption, and strengthening investments, growth and employment." – Mr B Sumant, Executive Director

Godrej Consumer

"This is a positive trigger for demand and a strong driver of volume growth. This
move will ultimately contribute to overall economic momentum. We are fully
committed to ensuring that the GST rates reduction benefits are passed on to
consumers." – Aasif Malbari, CFO

Tata Consumer

"Tata Consumer Products wholeheartedly welcomes the recent GST reforms announced by the Government of India. ... As a responsible FMCG company, we are fully committed to ensuring that the benefits of these reforms reach you directly. Beginning September 22, 2025, our products where GST rates have been reduced will reflect lower Maximum Retail Prices (MRPs) or higher grammage across all channels." (company release re: revised MRPs effective 22 Sep 2025).

United Breweries

"GST reforms may increase alcoholic beverage consumption... I think it should help in consumption of Alco-Bev because consumers will spend money on coming together, connecting together, going outside, eating food" – Vivek Gupta, MD & CEO

How is the macro holding up? Drivers in rural and urban – monsoon, sowings, CPI, changes in personal tax rates and commodity inflation

Rise in cost of living on a stagnant to deteriorating economic environment in urban was a key reason for slowing urban demand across the FMCG category. Downtrading to local / unbranded / loose FMCG products adversely impacted overall branded FMCG sales. However, a slowing rate of inflation, rising income backdrop due to personal income tax rationalisation, along with GST cuts, effectively increases the purchasing power of urban consumers in FY26.



In rural, while income was improving in FY25, demand impact on branded FMCG was not in sync. A slow agri year, such as FY24, disrupts rural income and spending on "packaged essentials" given the low rural per capita income. It then requires at least a moderate to good cropping season to fix the rural household balance sheet, before consumption can return.

For rural India, as we are now almost to the close of the FY26 SouthWest Monsoon, the potential income and demand backdrop appears favourable across indicators including monsoon, river basin storage and crop sowing progress.

How are the building blocks for agriculture / rural demand progressing?

The SouthWest Monsoon is favourable for the second consecutive year which bodes well for agricultural output and rural income. For the Kharif 2025 season, crop sowings are up on a YoY basis and so are minimum support prices.

Southwest Monsoon and river basin levels for FY26

We show cumulative rainfall in SWM 2025 vs normal rainfall for SWM in figure 4 followed by river basin levels in FY26 compared with prior years in figure 5.

CUMULATIVE RAINFALL (mm) OVER THE COUNTRY AS A WHOLE (2025) 1000 900 CUMULATIVE ACTUAL (TILL SEP.24): 904.4 mm 800 700 -CUMULATIVE NORMAL (1971-2020) TILL SEP.24: 843.2 mm (mm) 600 500 RAINFALL 400 300 200 100 0 16-Jun 04-Jul 07-Jul 10-Jul 13-Jul 16-Jul 19-Jul 22-Jul 25-Jul 28-Jul 31-Jul 19-Jun 22-Jun 25-Jun 01-Jul

Fig 4 – The Southwest monsoon has consistently remained at or above LPA for the bulk of monsoon season

Source: Company, Bloomberg, BOBCAPS Research

In FY22, SWM was down 9% but real Agri GVA was +4%. Consistently above LPA rains in FY18-FY21 drove river basins storage at 32% above LPA at the beginning of FY22 Kharif. Prior year rains helped soil moisture while basin storage drove irrigation efficiency – these cushioned the impact from below LPA SWM in FY22.

For FY26, pre SWM river basins are 33% above LPA vs FY25 at 6% below LPA and FY24 at 4% above LPA.

Fig 5 - River basin levels are at a high assuring efficient irrigation for the non-Kharif season

(%)	F	/22	FY	′24	F	/25		FY26E	
SW Monsoon (vs LPA)	(9)	(4	4)		8		6	_
Agri GVA - YoY (constant prices)		4		1		4		-	
Storage levels as on =>	1-Jun	30-Sep	1-Jun	5-Oct	1-Jun	22-Sep	1-Jun	3-Jul	18-Sep
Storage status of water reservoirs (% of "Normal")	132	104	121	94	94	118	125	175	182

Source: Company, Bloomberg, BOBCAPS Research



Crop sowing progress

Crop sowing progress is tracking southwest monsoon. Rice, the main MSP crop, is up 7% YoY with overall sowings up 3% YoY. The rise in crop output along with a broad-based increase in Minimum Support Prices, increases potential purchasing power of the farmer. The kharif harvest starts in the end of September to early October, which is when the farmers get a payout. We expect rural demand to get a boost in the December 2025 quarter.

We show sowing progress for the FY26 Kharif crops in figure 6 below.

Fig 6 - Karif crop sowings (FY26 vs FY25)

Kharif Sowing	Area sown in 2024-25 (lakh ha)	Area sown in 2025- 26 (Lakh ha)	Growth (YoY %)
Coarse Cereals	178.5	189.7	6
Rice	405.3	432.0	7
Pulses	113.5	114.5	1
Oilseeds	190.3	185.2	(3)
Cotton	111.4	108.8	(2)
Sugarcane	55.7	57.3	3
Jute and Mesta	5.7	5.5	(3)
All Crops	1060.4	1092.9	3

Source: Company, Bloomberg, BOBCAPS Research

How are inflationary trends in urban and rural?

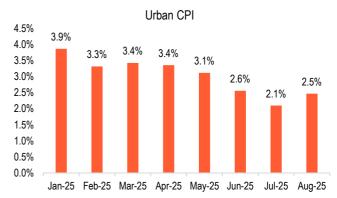
Overall inflation trends in both urban and rural have remained similar through calendar year 2025. Overall rate of inflation has consistently eased. This eases financial pressure on both rural and urban households and increases the effective purchasing power.

We show monthly overall CPI trend for CY 2025 in figure 7 for rural and in figure 8 for urban.

Fig 7 – Monthly rural overall CPI (January 2025 to August 2025)

Rural CPI 5.0% 4.6% 4.5% 3.8% 4.0% 3.3% 3.5% 2.9% 3.0% 2.6% 2.5% 1.7% 1.7% 2.0% 1.2% 1.5% 1.0% 0.5% 0.0% Jan-25 Feb-25 Mar-25 Apr-25 May-25 Jun-25 Jul-25 Aug-25 Source: Company, Bloomberg, BOBCAPS Research

Fig 8 – Monthly urban CPI (January 2025 to August 2025)



Source: Company, Bloomberg, BOBCAPS Research

Given the low per capita income, the overall essential budget gets squeezed during period of high food inflation. For branded FMCG, this magnifies the depressed demand as consumers start trading down to unbranded / loose essential products. This



phenomenon is more prominent in rural due to a lower income per capita and a resulting stretched balance sheet.

For both urban and rural, food inflation has shown a negative / reversal trend over the past three months i.e. June 2025 to August 2025. During high inflation, the trend of downtrading was evident in the mass segment. We expect some relief in this trend for the branded FMCG companies with a deflationary trend in food CPI.

We show monthly Food CPI trend for CY 2025 in figure 9 for rural and in figure 10 for urban.

Fig 9 – Monthly rural food CPI (January 2025 to August 2025)

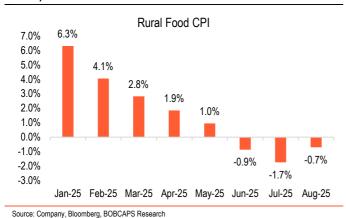
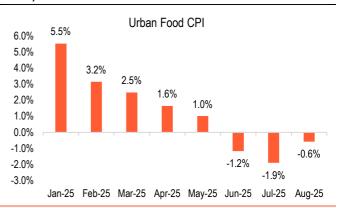


Fig 10 – Monthly urban Food CPI (January 2025 to August 2025)



Source: Company, Bloomberg, BOBCAPS Research

Personal income tax cuts are a positive for the urban consumer

Personal income tax cuts that translated into a higher "take home" salary starting May 2025 are a positive for overall FMCG consumption. While volume growth may not be that drastic given the incremental "take home" starts above INR5lacs/annum – the income group that is likely already purchasing packaged FMCG. However, there can potentially be a shift from unbranded to branded at the lower end of income and premiumisation at the upper end of income.

What is the update on commodities?

FY25 was a period of intense inflation as gross margins deteriorated across the FMCG sector. So far, the FMCG majors have taken pricing to only partially offset inflation. However, most FMCG companies indicated no further pricing actions post the Juine 2025 quarter as commodities were already receding from the highs. Additional pricing was also less practical to implement as volumes were already getting scaled back on elasticity or grammage reductions.

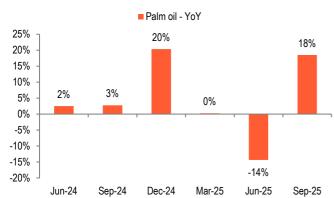
In the current scenario, commodity inflation remains slow and the need to price up for FMCG majors may be limited. The recently implemented GST cuts will also likely enable volume gains which should lead to scale driven benefits flow through to the profit line.

We show the key FMCG commodity prices in figure 11 to figure 16. Most commodities are either in deflation or are moving onwards a slower rate of inflation as of September 2025. For palm oil, while prices have come off the lows of the June 2025 quarter, they



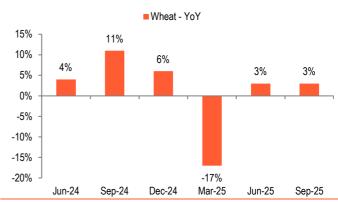
remain lower compared to spike that happened in the September to December 2024. On a YoY basis, if current prices sustain in palm oil, it will be deflationary on a YoY basis in the subsequent quarters.

Fig 11 - Quarterly average palm oil prices - YoY



Source: Company, Bloomberg, BOBCAPS Research

Fig 12 - Quarterly average wheat prices - YoY



Source: Company, Bloomberg, BOBCAPS Research

Fig 13 - Quarterly average sugar prices - YoY



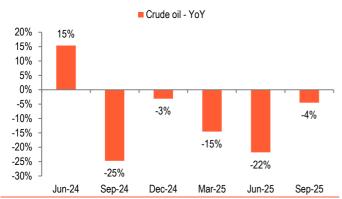
Source: Company, Bloomberg, BOBCAPS Research

Fig 14 - Quarterly average tea prices - YoY



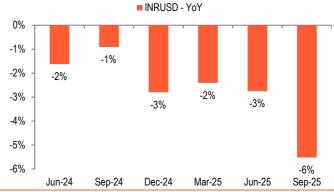
Source: Company, Bloomberg, BOBCAPS Research

Fig 15 - Quarterly average crude oil prices - YoY



Source: Company, Bloomberg, BOBCAPS Research

Fig 16 - Quarterly average INRUSD cross rate - YoY



Source: Company, Bloomberg, BOBCAPS Research



Where does our FMCG coverage stand in terms of valuation?

Assuming GST flows through the MRPs, the consistent industry wide price cuts can potentially increase demand in India due to current low consumption per capita and penetration levels.

The current 1Yr forward valuation multiples for FMCG stocks are at a premium to both 5Yr and 10Yr averages. Over the next two quarters, we need to closely monitor the volume performance to see how consumers are responding to the combination of grammage increase and pricing cuts due to GST rationalisation.

Fig 17 - FMCG P/E valuation - 1Yr forward (Current vs 5Yr vs 10Yr)

Componico	1Yr forward P/E				
Companies —	Current	5Yr average	10Yr average		
Dabur	45.1x	46.6x	43.0x		
Britannia	53.6x	48.5x	46.6x		
Marico	48.9x	44.8x	42.0x		
Tata Consumer	57.5x	55.3x	40.5x		
Godrej Consumer	51.6x	45.9x	42.2x		
United Breweries	66.3x	63.8x	60.5x		
Hindustan Unilever	54.7x	53.0x	50.2x		
ITC	23.1x	20.3x	21.4x		
Nestle India	61.2x	65.2x	59.6x		

Source: Company, Bloomberg, BOBCAPS Research

CONSUMER STAPLES



NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: BOB Capital Markets Limited

Registered office Address: 1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051

SEBI Research Analyst Registration No: INH000000040 valid till 03 February 2025

Brand Name: BOBCAPS

Trade Name: www.barodaetrade.com CIN: U65999MH1996GOI098009

Logo:



Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

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

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY - Expected return >+15%

HOLD - Expected return from -6% to +15%

SELL - Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

CONSUMER STAPLES



Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd) ("MSL") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as "MAYBANK"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.