

14<sup>th</sup> Aug 2025

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## Q1FY26 Result Highlights

- EPL Limited commenced FY26 on a strong note, delivering robust performance across key financial and operational metrics. Revenue growth was broad-based, with Europe (+15.5%), Americas (+13.2%), and East Asia Pacific (EAP) (+9.6%) delivering strong double-digit growth. Growth in the AMESA region was modest at 1.7%.
- Consolidated revenue rose to ₹11,079mn in Q1FY26, up from ₹10,074mn in Q1FY25, marking a solid 10.0% YoY increase.
- EBITDA improved to ₹2,268mn in Q1FY26 from ₹1,921mn in the prior-year quarter, reflecting 22% YoY growth, driven by operational efficiencies and favorable product mix.
- EBITDA margin expanded by 203 bps YoY to 20.5%, compared to 18.4% in Q1FY25. This marks the 12th straight quarter of EBITDA margin expansion, supported by consistent double-digit EBITDA growth and four consecutive quarters with margins exceeding 20%.
- Profit After Tax surged by 54% YoY, reaching ₹1,014mn in Q1FY26, up from ₹657mn in Q1FY25, underscoring strong bottom-line leverage.
- ROCE improved by 299 bps YoY, reaching 18.9%, reflecting enhanced capital efficiency and improved profitability.
- Net Debt to EBITDA ratio improved significantly to 0.45x in Q1FY26, compared to 0.67x in Q1FY25, indicating strengthened balance sheet health and reduced financial risk.
- Personal Care & Beyond segment, encompassing Beauty & Cosmetics, Pharma, and related categories, posted a robust 27.9% YoY growth. Notably, Beauty & Cosmetics alone grew by 35% YoY, contributing significantly to the segment's performance.
- Raw material costs constituted approximately 43% of revenue, employee benefit expenses were 20.3%, and other operating expenses stood at 19.4%, reflecting a stable and well-managed cost base.

## Important Statistics

<b>Nifty</b>	24,619
<b>Sensex</b>	80,540
<b>Close*</b>	229
<b>MCAP (₹ bn)</b>	73.39
<b>52 Week H/L (₹)</b>	290/175
<b>NSE Code</b>	EPL
<b>BSE Code</b>	500135
<b>Bloomberg Code</b>	ESEL:IN

Close\* as on 13<sup>th</sup> Aug 25

<b>Shareholding Pattern (%)</b>	<b>Jun'24</b>	<b>Sep'24</b>	<b>Dec'24</b>	<b>Mar'24</b>	<b>Jun'25</b>
Promoter	51.5	51.5	51.5	51.3	26.4
FII	11.4	13.4	14.9	16.5	17.2
DII	11.6	11.2	11.6	11	10.4
Public & Others	25.6	23.9	22	21.2	45.9

## Financials

	(₹ mn)			
<b>Particulars</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>
Revenue	39,161	42,133	46,625	51,398
EBITDA	7,143	8,359	9,527	10,598
EBITDA (%)	18.2	19.8	20.4	20.6
Net Profit	2,101	3,554	4,198	4,941
EPS (₹)	8.5	11.2	13.2	15.5
DPS (₹)	4.3	2.5	6	6.6
P/E (x)	20.7	17.3	17.2	14.6
EV/EBITDA (x)	8.7	9.4	8.2	7.4
P/BV (x)	3	3.1	2.8	2.6
RoE (%)	10	16	17.1	18.3
RoA (%)	9.3	9.2	13	14.2

Source: Company, Way2Wealth

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## Relative Performance

### Segment Performance:

- EPL Limited's consolidated revenue growth in Q1FY26 was primarily driven by strong double-digit performance across three of its four operating regions.
- **Europe:** Revenue grew by 15.5% YoY, supported by strategic initiatives including structural cost optimization, enhanced sales capabilities, and targeted market share expansion.
- **Americas:** Delivered 13.2% YoY growth, bolstered by Brazil's continued momentum and the completion of capacity expansion towards the end of the quarter, enabling onboarding of new customers.
- **East Asia Pacific (EAP):** Achieved 9.6% YoY growth, reflecting steady demand and regional execution.
- **AMESA (Africa, Middle East, South Asia):** Growth was modest at 1.7% YoY, impacted by macroeconomic challenges and subdued FMCG demand, particularly in India's oral care segment. However,

<b>Return (%)</b>	<b>1Yr</b>	<b>3Yr</b>	<b>5Yr</b>
<b>EPL</b>	-6	39	-14
<b>Nifty 50</b>	2	40	121
<b>Sensex</b>	2	23	113

Source: Company, Way2Wealth

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early signs of recovery are visible, with expectations of a rebound in H2FY26.

- **Category Performance:** The 'Personal Care & Beyond' segment, which includes Beauty & Cosmetics and Pharma, continued its strong trajectory with 27.9% YoY growth. Within this, Beauty & Cosmetics posted an impressive 35% YoY increase, now contributing 54% of total tube revenue. Growth was driven by aggressive customer acquisition, product innovation (e.g., Neo-seam technology), strategic investments in talent and backend capabilities, and focused execution.
- Oral Care revenue declined by 2.7% YoY, primarily due to softness in AMESA and select other markets. However, a recovery is anticipated in the second half of the fiscal year.
- **Growth Outlook:** EPL's management has articulated a confident growth trajectory, targeting double-digit revenue expansion for the full year. Notably, they aim for EBITDA to outpace revenue growth, with PAT expected to grow even faster—reflecting strong operating leverage. This optimism is underpinned by robust momentum in the Beauty & Cosmetics segment, strategic scaling in high-growth markets like Brazil, the upcoming Thailand facility, and the company's positioning of sustainability as a key commercial differentiator. A continued emphasis on margin enhancement and capital efficiency remains central to achieving these ambitious goals.
- **Sustainability Focus:** Sustainability remains central to EPL's strategy, with eco-friendly tube formats contributing 38% of Q1 sales. Continued leadership in ESG, supported by top CDP ratings, is helping EPL win competitive bids and align with global brand commitments..

## View

EPL Limited delivered a strong first quarter, showcasing double-digit revenue growth (10%) and robust EBITDA expansion (18.1%) with margins reaching 20.5%. The Beauty & Cosmetics segment surged 35%, proving a key growth driver, and is expected to sustain high momentum. Strategic initiatives like Brazil's capacity expansion and the upcoming Thailand greenfield plant by H2FY26 are set to fuel further growth in high-potential markets. While AMESA's oral care was soft, a H2 recovery is anticipated. Sustainability remains a core strength, contributing 38% of sales and enhancing competitiveness. With a strong balance sheet (0.45x Net Debt/EBITDA), the company is actively pursuing M&A opportunities in B&C, signalling aggressive expansion plans. This proactive strategy positions EPL for consistent long-term value creation, demonstrating a clear path for sustained performance. We recommend to **Accumulate** the stock on dips, as it currently trades at 15x FY27E P/E – significantly below its 5-year historical average of 27x.

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## FINANCIAL & OPERATING PERFORMANCE

(₹ mn)														
Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY	QoQ	FY25	FY24	YoY
Revenue	9,102	10,016	9,751	10,292	10,074	10,862	10,143	11,054	11,079	10.0	0.2	42,133	39,161	7.6
EBITDA	1,590	1,810	1,834	1,909	1,858	2,205	2,016	2,280	2,268	22.1	(0.5)	8,359	7,143	17.0
EBITDA (%)	17.5	18.1	18.8	18.5	18.4	20.3	19.9	20.6	20.5	203	(15)	19.8	18.2	160
Net Profit	543	505	861	151	657	883	941	1,157	1,014	54.3	(12.4)	3,638	2,060	76.6

Source: Company, Way2Wealth

## Geography wise Revenue mix (%)

Region	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
AMESA	37	38	36	34	36	36	35	32	34
EAP	24	25	26	22	24	25	25	22	24
Americas	24	25	26	26	26	25	27	28	26
Europe	23	22	21	25	23	24	22	24	24

AMESA (India &amp; Egypt); EAP (China, Philippines); Americas (US, Mexico &amp; Columbia); Europe (Poland, Germany &amp; Russia)

Source: Company, Way2Wealth

## Geography-wise Performance

AMESA	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue (₹ mn)	3,358	3,791	3,500	3,536	3,677	3,931	3,535	3,552	3,739
YoY Growth (%)	5.0	5.5	(0.6)	4.6	9.5	3.7	1.0	0.5	1.7
EBIT (₹ mn)	365	446	392	414	430	440	341	396	420
Margin (%)	10.9	11.8	11.2	11.7	11.7	11.2	9.6	11.1	11.2
YoY Growth (%)	18.1	33.9	(3.0)	(2.1)	17.8	(1.3)	(13.0)	(4.3)	(2.3)

EAP	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue (₹ mn)	2,149	2,454	2,524	2,229	2,448	2,667	2,500	2,424	2,682
YoY Growth (%)	11.5	13.3	11.5	4.1	13.9	8.7	(1.0)	8.7	9.6
EBIT (₹ mn)	351	428	412	271	392	431	379	313	426
Margin (%)	16.3	17.4	16.3	12.2	16.0	16.2	15.2	12.9	15.9
YoY Growth (%)	42.1	13.5	12.9	9.3	11.7	0.7	(8.0)	15.5	8.7

Source: Company, Way2Wealth

Americas	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue (₹ mn)	2,178	2,519	2,528	2,664	2,589	2,757	2,713	3,044	2,930
YoY Growth (%)	10.4	13.2	11.9	15.9	18.9	9.4	7.3	14.3	13.2
EBIT (₹ mn)	24	91	175	240	169	260	292	334	305
Margin (%)	1.1	3.6	6.9	9.0	6.5	9.4	10.8	11.0	10.4
YoY Growth (%)	(77.1)	(14.2)	60.6	306.8	604.2	185.7	66.9	39.2	80.5

Europe	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue (₹ mn)	2,125	2,163	2,076	2,563	2,316	2,617	2,257	2,697	2,674
YoY Growth (%)	7.8	5.5	8.6	2.4	9.0	21.0	8.7	5.2	15.5
EBIT (₹ mn)	79	46	23	99	135	258	232	280	277
Margin (%)	3.7	2.1	1.1	3.9	5.8	9.9	10.3	10.4	10.4
YoY Growth (%)	132.4	(34.3)	163.9	(26.1)	70.9	460.9	908.7	182.8	105.2

Source: Company, Way2Wealth

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**FINANCIALS & VALUATIONS**

(₹ mn)

Particulars	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	FY25	FY24	YoY (%)
Revenue	11,079	10,074	10.0	11,054	0.2	42,133	39,161	7.6
Matl Cost	4,786	4,196	14.1	4,254	12.5	17,527	17,055	2.8
Inventory Changes	(375)	(117)	221	426	(188.0)	(172)	(485)	(64.5)
Employee Exps	2,246	2,090	7.5	2,091	7.4	8,324	7,725	7.8
Other Exps	2,154	2,047	5.2	2,003	7.5	8,095	7,723	4.8
EBITDA	2,268	1,858	22.1	2,280	(0.5)	8,359	7,143	17.0
EBITDA Margin (%)	20.5	18.4	203	20.6	(15)	19.8	18.2	160
Other Income	80	65	23.1	104	(23.1)	436	594	(26.6)
Depreciation	896	836	7.2	876	2.3	3,427	3,328	3.0
Finance Cost	281	290	(3.1)	284	(1.1)	1,139	1,156	(1.5)
PBT	1,173	796	47.4	1,266	(7.3)	4,251	3,279	29.6
Tax	159	139	14.4	73	117.8	577	582	(0.9)
Net Profit	1,014	657	54.3	1,157	(12.4)	3,638	2,697	34.9
EPS adj (₹)	3.13	2.0	55.0	3.58	(12.6)	11.4	8.5	34.5
As % of Sales			BPS		BPS			BPS
Raw Matl Cost	39.8	40.5	(68)	42.3	(252)	41.2	42.3	(112)
Employee Exps	20.3	20.7	(47)	18.9	136	19.8	19.7	3
Other Exps	19.4	20.3	(88)	18.1	132	19.2	19.7	(51)

Source: Company, Way2Wealth

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Name of the Security	EPL Ltd.
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained	
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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