

November 5, 2020

Q2FY21 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

| | Current | | Previous | |
|----------------|------------|--------|------------|--------|
| | FY22E | FY23E | FY22E | FY23E |
| Rating | ACCUMULATE | | ACCUMULATE | |
| Target Price | 587 | | 513 | |
| Sales (Rs. m) | 74,850 | 81,988 | 75,321 | 81,846 |
| % Chng. | (0.6) | 0.2 | | |
| EBITDA (Rs. m) | 7,089 | 7,866 | 6,486 | 7,159 |
| % Chng. | 9.3 | 9.9 | | |
| EPS (Rs.) | 20.5 | 23.3 | 18.1 | 20.6 |
| % Chng. | 13.3 | 12.7 | | |

Key Financials - Consolidated

| Y/e Mar | FY20 | FY21E | FY22E | FY23E |
|----------------|--------|--------|--------|--------|
| Sales (Rs. m) | 69,641 | 65,696 | 74,850 | 81,988 |
| EBITDA (Rs. m) | 4,885 | 5,925 | 7,089 | 7,866 |
| Margin (%) | 7.0 | 9.0 | 9.5 | 9.6 |
| PAT (Rs. m) | 3,062 | 3,222 | 3,946 | 4,467 |
| EPS (Rs.) | 15.9 | 16.8 | 20.5 | 23.3 |
| Gr. (%) | 8.6 | 5.2 | 22.5 | 13.2 |
| DPS (Rs.) | 5.5 | 5.5 | 6.0 | 6.5 |
| Yield (%) | 1.1 | 1.1 | 1.2 | 1.3 |
| RoE (%) | 17.6 | 16.6 | 18.3 | 18.4 |
| RoCE (%) | 15.2 | 17.2 | 20.5 | 22.3 |
| EV/Sales (x) | 1.5 | 1.6 | 1.3 | 1.2 |
| EV/EBITDA (x) | 21.3 | 17.4 | 14.2 | 12.5 |
| PE (x) | 32.0 | 30.5 | 24.9 | 22.0 |
| P/BV (x) | 5.3 | 4.8 | 4.3 | 3.8 |

Key Data

CODE.BO | GOAGRO IN

| | |
|---------------------|---------------------|
| 52-W High / Low | Rs.598 / Rs.265 |
| Sensex / Nifty | 41,340 / 12,120 |
| Market Cap | Rs.98bn / \$ 1,319m |
| Shares Outstanding | 192m |
| 3M Avg. Daily Value | Rs.171.53m |

Shareholding Pattern (%)

| | |
|-------------------------|-------|
| Promoter's | 70.07 |
| Foreign | 15.35 |
| Domestic Institution | 1.95 |
| Public & Others | 12.63 |
| Promoter Pledge (Rs bn) | - |

Stock Performance (%)

| | 1M | 6M | 12M |
|----------|-------|-------|-------|
| Absolute | 0.3 | 31.2 | 2.1 |
| Relative | (5.4) | (0.2) | (0.6) |

Prashant Biyani

prashantbiyani@plindia.com | 91-22-66322260

Getting its mojo back

Quick Pointers:

- Margin expansion across key segments
- Astec Lifescience consistent on its structural growth trajectory
- Opening up of economy to increase out-of-home consumption

GOAGRO's results were largely in line with our estimates. Topline declined by 7% (PLe (5%)) YoY driven by pressure on volumes in feed, palm oil, standalone CP and dairy business. EBITDA growth of 45% (PLe 42%) was driven by benefit of low RM cost in feed, 37% YoY increase in palm oil price and operating leverage benefits in Astec Lifesciences. GOAGRO is getting its mojo back with (a) margin expansion across key segments (b) expected build up in volumes in dairy, poultry & feed business with reopening of HORECA (Hotels, Restaurants and Café) and (c) Astec (subsidiary) being consistent on structural growth trajectory. We have increased EBITDA/ APAT estimates by 5%/5% for FY21E, 9%/13% for FY22E and 10%/13% for FY23E respectively to mainly factor better than anticipated margins in Animal Feed, higher than expected Int'l palm oil price. Maintain ACCUMULATE with revised target price of Rs 587 (Previous TP 513) based on SoTP (Table in Exhibit 1; Implied P/E 29x).

Improved profitability in feed business despite 16% volume decline: Feed segment continued to enjoy the benefit of lower raw material costs. With reduced competition from unorganised players, GOAGRO was able to hold on feed selling prices despite declining RM prices leading to 31% jump in EBIT/ton @ Rs1702 and segment EBIT growth of 11% YoY to Rs476mn. Feed volumes declined 16% due to continued muted demand for end-protein products like milk, chicken & eggs and lingering impact of ~25-50% decline in broiler & layer population in 4QFY20. Broiler & layer population may take another 6-9 months to reach their earlier size. Decline in broiler and layer feed volumes were higher than cattle feed segment while shrimp feed volumes grew by 4%.

Higher prices and improved yields aided palm oil performance: Fresh fruit bunches (FFB) arrival was down by ~23% YoY due to white fly attack on the plantations but higher yields and ~38% YoY increase in CPO prices aided growth and margins. Margins expanded by 197 bps to 14.1%.

Astec consistent on its structural growth trajectory: Astec Lifesciences reported topline & EBIT growth of 11% & 141x to Rs1.6bn & Rs231mn respectively. While triazoles global market size is relatively small at USD3.2bn, the market is expanding and fungicide has not developed any resistance which augurs well for the company. On upcoming herbicides plant, Astec has garnered additional projects and management indicated achieving optimum capacity utilisation in 2-3 years of commencement.

The company is also working on new generation chemistries that will be introduced in 2-3 years leading to substantial business growth. Ground breaking for new R&D facility is expected to materialize in December while the facility is likely to start functioning by January 2022. This facility will substantially increase Astec's capability to roll out new products. The management indicated of committing large capex to leverage additional capabilities post commencement of R&D facility.

Opening up of economy to increase out of home consumption: Opening up of consumption centres, eateries, etc. will increase out-of-home consumption which augurs well for segments like Poultry, Dairy, Feed, etc. We expect QoQ improvement in performance of these segments going forward with reopening of these places.

Other highlights: (a) Cash collection stood at Rs4.3bn in 1H v/s Rs3bn YoY (b) Standalone agrochem business was impacted by continuous rainfall in August & September which reduced application opportunities for agrochemical products. New launches in 1H were Delete Aqua & Impool-X, both herbicides. (c) In poultry segment, market share in the non-vegetarian frozen food segment & vegetarian frozen food segment stood at 28.5% & 7.9% respectively in H1FY21 (23.0% and 5.6% respectively in FY20).

Exhibit 1: SOTP Table

| Segment (Rs Mn) | Sep'22 EBITDA | Multiple | EV |
|-----------------------|---------------|----------|------------|
| Animal Feed | 1,831 | 18 | 32,960 |
| Oil Palm | 1,512 | 14 | 21,162 |
| Crop Protection | 3,603 | 15 | 54,049 |
| Dairy | 265 | 8 | 2,123 |
| Others (Incl Poultry) | 305 | 8 | 2,437 |
| Company EV | | | 1,12,731 |
| FY23 Net Debt | | | (30) |
| M.Cap | | | 1,12,762 |
| O/s shares | | | 192 |
| Target Price | | | 587 |

Source: Company, PL

Exhibit 2: Margin expansion across key segments

| Y/e March | Q2FY21 | Q2FY20 | YoY gr. (%) | Q1FY21 | QoQ gr. (%) | H1FY21 | H1FY20 | YoY gr. (%) |
|-----------------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|--------------|
| Net Sales | 17,239 | 18,511 | (6.9) | 15,542 | (9.8) | 32,781 | 35,537 | (7.8) |
| Expenditure | | | | | | | | |
| Raw Materials | 12,622 | 14,497 | (12.9) | 11,319 | (10.3) | 23,940 | 27,464 | (12.8) |
| <i>% of Net Sales</i> | <i>73.2</i> | <i>78.3</i> | | <i>72.8</i> | | | | |
| Employee Cost | 987 | 943 | 4.7 | 923 | (6.5) | 1,910 | 1,837 | 4.0 |
| <i>% of Net Sales</i> | <i>5.7</i> | <i>5.1</i> | | <i>5.9</i> | | | | |
| Other Expenses | 1,899 | 1,874 | 1.3 | 1,641 | (13.6) | 3,539 | 3,620 | (2.2) |
| <i>% of Net Sales</i> | <i>11.0</i> | <i>10.1</i> | | <i>10.6</i> | | | | |
| Total Expenditure | 15,508 | 17,314 | (10.4) | 13,882 | (10.5) | 29,390 | 32,921 | (10.7) |
| EBITDA | 1,732 | 1,197 | 44.6 | 1,659 | (4.2) | 3,391 | 2,616 | 29.6 |
| <i>Margin (%)</i> | <i>10.0</i> | <i>6.5</i> | | <i>10.7</i> | | <i>10.3</i> | <i>7.4</i> | |
| Depreciation | 391 | 375 | 4.3 | 366 | (6.3) | 757 | 726 | 4.3 |
| EBIT | 1,341 | 823 | 63.0 | 1,293 | (3.6) | 2,634 | 1,890 | 39.3 |
| Interest | 96 | 125 | (23.3) | 128 | 33.3 | 224 | 227 | (1.1) |
| Other Income | 83 | 113 | (26.7) | 83 | (0.6) | 166 | 216 | (23.1) |
| Exceptional | - | - | NA | - | NA | - | - | NA |
| PBT | 1,328 | 811 | 63.8 | 1,248 | (6.0) | 2,576 | 1,879 | 37.1 |
| Tax | 345 | -222 | (255.3) | 338 | (2.2) | 683 | 134 | 411.4 |
| <i>Tax Rate (%)</i> | <i>26.0</i> | <i>-27.4</i> | | <i>27.1</i> | | <i>26.5</i> | <i>7.1</i> | |
| RPAT | 983 | 1,033 | (4.9) | 910 | (7.4) | 1,893 | 1,746 | 8.4 |
| APAT | 1,070 | 1,050 | 2.0 | 885 | (17.3) | 1,956 | 1,810 | 8.0 |
| Adj. EPS | 5.6 | 5.5 | 2.0 | 4.6 | (17.3) | 10.2 | 9.4 | 8.0 |

Source: Company, PL

Exhibit 3: Animal Feed, Crop Protection and Poultry segment performed well

| Segment Financials | Q1FY21 | Q1FY20 | YoY gr. (%) | Q4FY20 | QoQ gr. (%) | H1FY21 | H1FY20 | YoY gr. (%) |
|------------------------------|----------|----------|-------------|----------|-------------|----------|----------|-------------|
| Animal feed | | | | | | | | |
| Revenue | 7,623 | 9,387 | -18.8 | 7,480 | (1.9) | 15,103 | 18,237 | (17.2) |
| Volume (MT) | 2,79,906 | 3,32,301 | -15.8 | 2,67,749 | (4.3) | 5,47,655 | 6,56,336 | (16.6) |
| Realisations | 27,235 | 28,247 | -3.6 | 27,937 | 2.6 | 55,172 | 55,559 | (0.7) |
| EBIT | 476 | 431 | 10.6 | 481 | 0.9 | 957 | 854 | 12.0 |
| Margin (%) | 6.2 | 4.6 | | 6.4 | | 6.3 | 4.7 | |
| Net Cap Employed | 4,557 | 2,674 | 70.4 | 6,541 | 43.5 | | | |
| RoCE (%) | 10.5 | 16.1 | | 7.4 | | | | |
| Oil Palm | | | | | | | | |
| Revenue | 2932 | 2366 | 23.9 | 1574 | (46.3) | 4,505 | 3,820 | 17.9 |
| EBIT | 414 | 288 | 44.0 | 65 | (84.4) | 479 | 414 | 15.6 |
| Margin (%) | 14.1 | 12.2 | | 4.1 | | 10.6 | 10.8 | |
| Net Cap Employed | 2,889 | 3,726 | -22.5 | 2,966 | 2.7 | | | |
| RoCE (%) | 14.3 | 7.7 | | 2.2 | | | | |
| Crop Protection | | | | | | | | |
| Revenue | 3328 | 3416 | -2.6 | 3208 | (3.6) | 6,537 | 6,282 | 4.0 |
| EBIT | 745 | 678 | 9.9 | 844 | 13.3 | 1,589 | 1,446 | 10.0 |
| Margin (%) | 22.4 | 19.8 | | 26.3 | | 24.3 | 23.0 | |
| Net Cap Employed | 7,891 | 8,248 | -4.3 | 8,068 | 2.2 | | | |
| RoCE (%) | 9.4 | 8.2 | | 10.5 | | | | |
| Dairy | | | | | | | | |
| Revenue | 2,590 | 3,063 | -15.4 | 2,365 | (8.7) | 4,955 | 6,267 | (20.9) |
| EBIT | 41 | (2) | -2388.9 | 33 | (19.7) | 74 | 65 | 15.0 |
| Margin (%) | 1.6 | (0.1) | | 1.4 | | 1.5 | 1.0 | |
| Net Cap Employed | 4,692 | 4,757 | -1.4 | 4,713 | 0.5 | | | |
| RoCE (%) | 0.9 | (0.0) | | 0.7 | | | | |
| Others (Incl Poultry) | | | | | | | | |
| Revenue | 1,478 | 1,140 | 29.7 | 1,823 | 23.3 | 3,301 | 2,646 | 24.7 |
| EBIT | 16 | (174) | -109.4 | 195 | 1,095.1 | 211 | -149 | (242.2) |
| Margin (%) | 1.1 | (15.2) | | 10.7 | | 6.4 | (5.6) | |
| Net Cap Employed | 348 | 4,048 | -91.4 | 382 | 9.9 | | | |
| RoCE (%) | - | (4.3) | | - | | | | |

Source: Company, PL

Exhibit 4: Animal Feed and CP are major topline and profit contributors

| | Q2FY21 | Q2FY20 | Q1FY21 | 1HFY21 | 1HFY20 |
|------------------------|--------|--------|--------|--------|--------|
| Revenue Mix (%) | | | | | |
| Animal Feed | 42.5 | 48.5 | 45.5 | 43.9 | 49.0 |
| Oil Palm | 16.3 | 12.2 | 9.6 | 13.1 | 10.3 |
| Crop Protection | 18.5 | 17.6 | 19.5 | 19.0 | 16.9 |
| Dairy | 14.4 | 15.8 | 14.4 | 14.4 | 16.8 |
| Others (Incl Poultry) | 8.2 | 5.9 | 11.1 | 9.6 | 7.1 |
| EBIT Mix | | | | | |
| Animal Feed | 28.1 | 35.3 | 29.7 | 28.9 | 32.5 |
| Oil Palm | 24.5 | 23.6 | 4.0 | 14.5 | 15.8 |
| Crop Protection | 44.0 | 55.5 | 52.2 | 48.0 | 55.0 |
| Dairy | 2.4 | (0.1) | 2.0 | 2.2 | 2.5 |
| Others (Incl Poultry) | 1.0 | (14.2) | 12.0 | 6.4 | (5.6) |

Source: Company, PL

Financials

Income Statement (Rs m)

| Y/e Mar | FY20 | FY21E | FY22E | FY23E |
|-------------------------------|---------------|---------------|---------------|---------------|
| Net Revenues | 69,641 | 65,696 | 74,850 | 81,988 |
| YoY gr. (%) | 18.6 | (5.7) | 13.9 | 9.5 |
| Cost of Goods Sold | 53,761 | 50,114 | 56,983 | 62,315 |
| Gross Profit | 15,880 | 15,582 | 17,867 | 19,672 |
| Margin (%) | 22.8 | 23.7 | 23.9 | 24.0 |
| Employee Cost | 3,541 | 3,416 | 3,892 | 4,263 |
| Other Expenses | 7,454 | 6,241 | 6,886 | 7,543 |
| EBITDA | 4,885 | 5,925 | 7,089 | 7,866 |
| YoY gr. (%) | 19.5 | 21.3 | 19.6 | 11.0 |
| Margin (%) | 7.0 | 9.0 | 9.5 | 9.6 |
| Depreciation and Amortization | 1,481 | 1,624 | 1,795 | 1,931 |
| EBIT | 3,404 | 4,300 | 5,294 | 5,936 |
| Margin (%) | 4.9 | 6.5 | 7.1 | 7.2 |
| Net Interest | 416 | 426 | 345 | 186 |
| Other Income | 468 | 421 | 453 | 487 |
| Profit Before Tax | 3,357 | 4,295 | 5,402 | 6,236 |
| Margin (%) | 4.8 | 6.5 | 7.2 | 7.6 |
| Total Tax | 481 | 1,082 | 1,361 | 1,572 |
| Effective tax rate (%) | 14.3 | 25.2 | 25.2 | 25.2 |
| Profit after tax | 2,877 | 3,213 | 4,041 | 4,665 |
| Minority interest | (56) | 315 | 406 | 524 |
| Share Profit from Associate | 129 | 324 | 311 | 327 |
| Adjusted PAT | 3,062 | 3,222 | 3,946 | 4,467 |
| YoY gr. (%) | 8.6 | 5.2 | 22.5 | 13.2 |
| Margin (%) | 4.4 | 4.9 | 5.3 | 5.4 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 3,062 | 3,222 | 3,946 | 4,467 |
| YoY gr. (%) | 8.6 | 5.2 | 22.5 | 13.2 |
| Margin (%) | 4.4 | 4.9 | 5.3 | 5.4 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 3,062 | 3,222 | 3,946 | 4,467 |
| Equity Shares O/s (m) | 192 | 192 | 192 | 192 |
| EPS (Rs) | 15.9 | 16.8 | 20.5 | 23.3 |

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

| Y/e Mar | FY20 | FY21E | FY22E | FY23E |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Non-Current Assets | | | | |
| Gross Block | 23,422 | 26,427 | 28,427 | 30,427 |
| Tangibles | 22,461 | 25,466 | 27,466 | 29,466 |
| Intangibles | 961 | 961 | 961 | 961 |
| Acc: Dep / Amortization | 4,506 | 6,131 | 7,925 | 9,856 |
| Tangibles | 4,181 | 5,805 | 7,600 | 9,530 |
| Intangibles | 325 | 325 | 325 | 325 |
| Net fixed assets | 18,916 | 20,296 | 20,501 | 20,571 |
| Tangibles | 18,280 | 19,660 | 19,866 | 19,935 |
| Intangibles | 636 | 636 | 636 | 636 |
| Capital Work In Progress | 1,752 | 747 | 747 | 747 |
| Goodwill | 2,649 | 2,649 | 2,649 | 2,649 |
| Non-Current Investments | 1,562 | 1,554 | 1,591 | 1,620 |
| Net Deferred tax assets | (1,473) | (1,473) | (1,473) | (1,473) |
| Other Non-Current Assets | 520 | 591 | 674 | 738 |
| Current Assets | | | | |
| Investments | - | - | - | - |
| Inventories | 8,858 | 9,062 | 10,304 | 11,268 |
| Trade receivables | 8,539 | 8,280 | 9,433 | 10,333 |
| Cash & Bank Balance | 508 | 515 | 695 | 1,258 |
| Other Current Assets | 1,525 | 1,629 | 1,775 | 1,889 |
| Total Assets | 47,000 | 47,111 | 50,368 | 53,236 |
| Equity | | | | |
| Equity Share Capital | 1,920 | 1,920 | 1,920 | 1,920 |
| Other Equity | 16,460 | 18,415 | 20,879 | 23,758 |
| Total Network | 18,380 | 20,336 | 22,800 | 25,678 |
| Non-Current Liabilities | | | | |
| Long Term borrowings | 428 | 428 | 428 | 428 |
| Provisions | 83 | 78 | 89 | 97 |
| Other non current liabilities | 422 | 410 | 438 | 459 |
| Current Liabilities | | | | |
| ST Debt / Current of LT Debt | 5,757 | 4,757 | 3,000 | 800 |
| Trade payables | 12,885 | 12,082 | 13,738 | 15,024 |
| Other current liabilities | 3,460 | 3,130 | 3,579 | 3,929 |
| Total Equity & Liabilities | 47,000 | 47,111 | 50,368 | 53,236 |

Source: Company Data, PL Research

Cash Flow (Rs m)

| Y/e Mar | FY20 | FY21E | FY22E | FY23E |
|--------------------------------------|----------------|----------------|----------------|----------------|
| PBT | 3,486 | 4,295 | 5,402 | 6,236 |
| Add. Depreciation | 1,481 | 1,624 | 1,795 | 1,931 |
| Add. Interest | 416 | 426 | 345 | 186 |
| Less Financial Other Income | 468 | 421 | 453 | 487 |
| Add. Other | 188 | (421) | (453) | (487) |
| Op. profit before WC changes | 5,571 | 5,925 | 7,089 | 7,866 |
| Net Changes-WC | (2,204) | (803) | (747) | (584) |
| Direct tax | (969) | (1,082) | (1,361) | (1,572) |
| Net cash from Op. activities | 2,398 | 4,039 | 4,980 | 5,711 |
| Capital expenditures | (2,634) | (2,000) | (2,000) | (2,000) |
| Interest / Dividend Income | 28 | - | - | - |
| Others | 55 | 421 | 453 | 487 |
| Net Cash from Inv. activities | (2,552) | (1,579) | (1,547) | (1,513) |
| Issue of share cap. / premium | 2 | - | - | - |
| Debt changes | 2,311 | (1,000) | (1,757) | (2,200) |
| Dividend paid | (1,076) | (1,056) | (1,152) | (1,248) |
| Interest paid | (390) | (426) | (345) | (186) |
| Others | (367) | - | - | - |
| Net cash from Fin. activities | 480 | (2,483) | (3,254) | (3,634) |
| Net change in cash | 326 | (22) | 180 | 564 |
| Free Cash Flow | (236) | 2,039 | 2,980 | 3,711 |

Source: Company Data, PL Research

Quarterly Financials (Rs m)

| Y/e Mar | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Net Revenue | 17,827 | 16,277 | 15,542 | 17,239 |
| YoY gr. (%) | 22.6 | 21.1 | (8.7) | (6.9) |
| Raw Material Expenses | 14,179 | 12,116 | 11,319 | 12,622 |
| Gross Profit | 3,647 | 4,161 | 4,223 | 4,617 |
| Margin (%) | 20.5 | 25.6 | 27.2 | 26.8 |
| EBITDA | 1,007 | 1,263 | 1,659 | 1,732 |
| YoY gr. (%) | (0.3) | 68.7 | 17.0 | 44.6 |
| Margin (%) | 5.6 | 7.8 | 10.7 | 10.0 |
| Depreciation / Depletion | 371 | 384 | 366 | 391 |
| EBIT | 636 | 878 | 1,293 | 1,341 |
| Margin (%) | 3.6 | 5.4 | 8.3 | 7.8 |
| Net Interest | 108 | 82 | 128 | 96 |
| Other Income | 93 | 159 | 83 | 83 |
| Profit before Tax | 622 | 857 | 1,248 | 1,328 |
| Margin (%) | 3.5 | 5.3 | 8.0 | 7.7 |
| Total Tax | 168 | 161 | 338 | 345 |
| Effective tax rate (%) | 27.1 | 18.8 | 27.1 | 26.0 |
| Profit after Tax | 453 | 696 | 910 | 983 |
| Minority interest | (5) | (54) | 121 | 85 |
| Share Profit from Associates | 59 | 4 | 96 | 173 |
| Adjusted PAT | 517 | 853 | 885 | 1,070 |
| YoY gr. (%) | 26.3 | 235.9 | 16.4 | 2.0 |
| Margin (%) | 2.9 | 5.2 | 5.7 | 6.2 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 517 | 754 | 885 | 1,070 |
| YoY gr. (%) | 26.3 | (33.7) | 16.4 | 2.0 |
| Margin (%) | 2.9 | 4.6 | 5.7 | 6.2 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 517 | 754 | 885 | 1,070 |
| Avg. Shares O/s (m) | 192 | 192 | 192 | 192 |
| EPS (Rs) | 2.7 | 4.4 | 4.6 | 5.6 |

Source: Company Data, PL Research

Key Financial Metrics

| Y/e Mar | FY20 | FY21E | FY22E | FY23E |
|----------------------------|-------|-------|-------|-------|
| Per Share(Rs) | | | | |
| EPS | 15.9 | 16.8 | 20.5 | 23.3 |
| CEPS | 23.7 | 25.2 | 29.9 | 33.3 |
| BVPS | 95.7 | 105.9 | 118.7 | 133.7 |
| FCF | (1.2) | 10.6 | 15.5 | 19.3 |
| DPS | 5.5 | 5.5 | 6.0 | 6.5 |
| Return Ratio(%) | | | | |
| RoCE | 15.2 | 17.2 | 20.5 | 22.3 |
| ROIC | 13.3 | 13.1 | 15.7 | 17.5 |
| RoE | 17.6 | 16.6 | 18.3 | 18.4 |
| Balance Sheet | | | | |
| Net Debt : Equity (x) | 0.3 | 0.2 | 0.1 | - |
| Net Working Capital (Days) | 24 | 29 | 29 | 29 |
| Valuation(x) | | | | |
| PER | 32.0 | 30.5 | 24.9 | 22.0 |
| P/B | 5.3 | 4.8 | 4.3 | 3.8 |
| P/CEPS | 21.6 | 20.2 | 17.1 | 15.3 |
| EV/EBITDA | 21.3 | 17.4 | 14.2 | 12.5 |
| EV/Sales | 1.5 | 1.6 | 1.3 | 1.2 |
| Dividend Yield (%) | 1.1 | 1.1 | 1.2 | 1.3 |

Source: Company Data, PL Research

Price Chart

Recommendation History

| No. | Date | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|------------|----------|-------------------|
| 1 | 10-Oct-20 | Accumulate | 513 | 533 |
| 2 | 25-Aug-20 | Accumulate | 513 | 491 |
| 3 | 03-Aug-20 | Accumulate | 513 | 470 |
| 4 | 07-Jul-20 | Sell | 461 | 466 |
| 5 | 13-May-20 | BUY | 461 | 387 |
| 6 | 16-Apr-20 | BUY | 467 | 401 |
| 7 | 06-Feb-20 | BUY | 659 | 559 |
| 8 | 24-Jan-20 | BUY | 659 | 555 |

Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (Rs) | Share Price (Rs) |
|---------|--------------------------|------------|---------|------------------|
| 1 | Bayer Cropscience | BUY | 6,421 | 5,707 |
| 2 | Coromandel International | Reduce | 676 | 733 |
| 3 | Dhanuka Agritech | Accumulate | 868 | 735 |
| 4 | Godrej Agrovet | Accumulate | 513 | 533 |
| 5 | Insecticides India | BUY | 612 | 458 |
| 6 | P.I. Industries | Hold | 2,026 | 2,161 |
| 7 | Rallis India | Hold | 275 | 262 |
| 8 | Sharda Cropchem | BUY | 358 | 270 |
| 9 | Sumitomo Chemical India | Hold | 295 | 283 |
| 10 | UPL | BUY | 606 | 453 |

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 |

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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