

January 30, 2021

## Q3FY21 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY22E	FY23E	FY22E	FY23E
<b>Rating</b>	<b>ACCUMULATE</b>		<b>BUY</b>	
<b>Target Price</b>	<b>601</b>		<b>606</b>	
Sales (Rs. m)	4,08,257	4,40,918	4,13,584	4,46,671
% Chng.	(1.3)	(1.3)		
EBITDA (Rs. m)	88,592	98,325	89,334	99,384
% Chng.	(0.8)	(1.1)		
EPS (Rs.)	47.5	56.6	48.7	58.0
% Chng.	(2.6)	(2.4)		

### Key Financials - Consolidated

Ye Mar	FY20	FY21E	FY22E	FY23E
Sales (Rs. m)	3,57,560	3,79,718	4,08,257	4,40,918
EBITDA (Rs. m)	67,730	79,741	88,592	98,325
Margin (%)	18.9	21.0	21.7	22.3
PAT (Rs. m)	23,990	30,587	36,263	43,232
EPS (Rs.)	31.4	40.0	47.5	56.6
Gr. (%)	(17.5)	27.5	18.6	19.2
DPS (Rs.)	6.0	9.7	9.7	11.5
Yield (%)	1.1	1.7	1.7	2.1
RoE (%)	14.1	15.4	17.2	19.5
RoCE (%)	10.4	12.2	14.4	16.9
EV/Sales (x)	1.8	1.6	1.5	1.3
EV/EBITDA (x)	9.6	7.8	6.8	5.9
PE (x)	17.9	14.0	11.8	9.9
P/BV (x)	2.2	2.1	2.0	1.9

### Key Data

UPLL.BO | UPLL IN

52-W High / Low	Rs.601 / Rs.240
Sensex / Nifty	46,286 / 13,635
Market Cap	Rs.428bn/ \$ 5,872m
Shares Outstanding	764m
3M Av g. Daily Value	Rs.10699.1m

### Shareholding Pattern (%)

Promoter's	27.85
Foreign	35.35
Domestic Institution	16.34
Public & Others	20.46
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	23.3	21.4	3.4
Relative	26.8	(0.1)	(8.0)

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## Operationally inline; elevated finance cost makes a dent on profit

### Quick Pointers:

- Strong demand across all key geographies except LatAM
- Targeting 24-25% EBITDA margins in the next few years

**Due to sharp run up in stock price, we downgrade the stock to ACCUMULATE (from Buy) with revised target price of Rs 601 (Previous Rs 606) based on 7x Sep'22 EV/EBITDA (Implied P/E- 11.5x). We have marginally reduced (between 1-2%) our topline, EBITDA and PAT estimates for FY21-23. UPL reported operationally inline set of results, but higher finance cost led to disappointing APAT @ Rs 7.2 bn, down 8% YoY (PLe Rs 9.5 bn). Finance cost @ Rs 7.5 bn (PLe Rs 4.3 bn) was higher due to one-time interest outgo of Rs 750 mn on early redemption of bonds and Rs 2 bn of forex loss. The company saw strong volume in all geographies except LatAM. Price hikes were taken across geographies on account of rising raw material cost globally. Given the current orders in hand, healthy demand, market share gains and rising prices, 4Q is expected to be strong. According to the management, new launches to fill the gap in marketplace, increased sale of differentiated products & sustainable solutions, backward integration, etc. are expected to catapult margins ~24-25% in the next 2-3 years. While they have maintained 6-8% topline growth and 10-12% EBITDA growth guidance, we expect UPL to beat the same on EBITDA front (PLe FY21 EBITDA growth @ 17.7%).**

**Strong demand across all key geographies except LatAM:** UPL is witnessing strong demand in all geographies due to increase in grain commodity prices, recent rains and strong agronomic conditions. Farmers' margins are expected to be very solid at prevailing agro-commodity prices.

**Management confident of continued strong growth in Europe:** 30% growth in EU was a result improved mix, sale of differentiated & sustainable solutions and new launches. The company has been trying to bridge gap created by molecule bans through new launches. UPL's new launch, "Agros", a sustainable solution product, saw strong demand.

**Supportive weather and market share gains in NAFTA:** Increased demand for Glufosinate ammonium due to robust ramp up of resistant-traits acres, strong growth of differentiated & sustainable solutions portfolio drove topline growth and margin expansion. The company saw strong growth in brands like Vigilant, Everest, Manzate and Interline.

**21% growth in India driven by higher wheat acreages:** UPL clocked strong growth in wheat herbicide for phalaris minor weed. Ferio and sweep power brands clocked healthy volume growth. Excess rains in South reduced market demand in the region.

**RoW demand driven by Glufosinate:** Africa, New Zealand and Australia saw double digit growth courtesy normalised season. Growth in South East Asia was driven by continued preference for Glufosinate ammonium. UPL's growth in China is being driven by on-ground sales force addition and acquisition of Yolo.

**Drought in Q3 impacted LatAM demand:** Drought in Brazil and Argentina impacted sales in Q3. While we expect some demand to get deferred to 4Q, much of it may be lost due to adverse weather. In LatAM, UPL clocked volume growth in Argentina, South Cone and Andean regions. UPL continues to see market share gains in Brazil as combined portfolio (complete in Soy, corn, cane, cotton) allows it to offer complete solutions, have more presence among distributors, launch new products and leverage on market footprint synergy.

**Exhibit 1 : Elevated finance cost makes a dent on profit**

Y/e March (Rs mn)	Q3FY21	Q3FY20	YoY gr. (%)	Q2FY21	QoQ gr. (%)	9MFY21	9MFY20	YoY gr. (%)
<b>Net Sales</b>	<b>98,191</b>	<b>88,920</b>	<b>10.4</b>	<b>89,390</b>	<b>10.4</b>	<b>2,65,911</b>	<b>2,46,150</b>	<b>8.0</b>
<b>Expenditure</b>								
Raw Materials	47,868	44,270	8.1	45,090	8.1	1,28,448	1,24,950	2.8
<i>% of Net Sales</i>	<i>48.8</i>	<i>49.8</i>		<i>50.4</i>		<i>48.3</i>	<i>50.8</i>	
Employee Cost	8,150	7,310	11.5	9,240	11.5	26,090	24,230	7.7
<i>% of Net Sales</i>	<i>8.3</i>	<i>8.2</i>		<i>10.3</i>		<i>9.8</i>	<i>9.8</i>	
Other Expenses	19,236	16,320	17.9	18,390	17.9	53,446	48,360	10.5
<i>% of Net Sales</i>	<i>19.6</i>	<i>18.4</i>		<i>20.6</i>		<i>20.1</i>	<i>19.6</i>	
Total Expenditure	75,254	67,900	10.8	72,720	10.8	2,07,984	1,97,540	5.3
<b>EBITDA</b>	<b>22,937</b>	<b>21,020</b>	<b>9.1</b>	<b>16,670</b>	<b>9.1</b>	<b>57,927</b>	<b>48,610</b>	<b>19.2</b>
<i>Margin (%)</i>	<i>23.4</i>	<i>23.6</i>		<i>18.6</i>		<i>21.8</i>	<i>19.7</i>	
Depreciation	5,544	4,950	12.0	5,330	12.0	16,094	14,170	13.6
<b>EBIT</b>	<b>17,393</b>	<b>16,070</b>	<b>8.2</b>	<b>11,340</b>	<b>8.2</b>	<b>41,833</b>	<b>34,440</b>	<b>21.5</b>
Interest	4,274	5,150	(17.0)	3,430	(17.0)	13,214	12,940	2.1
Other Income	240	200	20.0	750	20.0	1,660	830	100.0
<b>PBT before EOI</b>	<b>13,359</b>	<b>11,120</b>	<b>20.1</b>	<b>8,660</b>	<b>20.1</b>	<b>30,279</b>	<b>22,330</b>	<b>35.6</b>
EOI Gain/(Loss)	(1,336)	(750)	78.1	(2,110)	78.1	(3,696)	(4,520)	(18.2)
<b>PBT after EOI</b>	<b>12,023</b>	<b>10,370</b>	<b>15.9</b>	<b>6,550</b>	<b>15.9</b>	<b>26,583</b>	<b>17,810</b>	<b>49.3</b>
Tax	2,405	1,990	20.8	1,120	20.8	4,955	3,750	32.1
<i>Tax Rate (%)</i>	<i>18.0</i>	<i>17.9</i>		<i>12.9</i>		<i>16.4</i>	<i>16.8</i>	
<b>RPAT</b>	<b>9,618</b>	<b>8,380</b>	<b>14.8</b>	<b>5,430</b>	<b>14.8</b>	<b>21,628</b>	<b>14,060</b>	<b>53.8</b>
Minority interest	1,443	1,290	11.8	740	11.8	3,203	2,330	37.5
Profit from Associate	(60)	(80)	(25.0)	(60)	(25.0)	(170)	(200)	(15.0)
<b>APAT</b>	<b>9,451</b>	<b>7,760</b>	<b>21.8</b>	<b>6,740</b>	<b>21.8</b>	<b>21,951</b>	<b>16,050</b>	<b>36.8</b>
<b>EPS</b>	<b>12.4</b>	<b>10.2</b>	<b>21.8</b>	<b>8.8</b>	<b>21.8</b>	<b>28.7</b>	<b>21.0</b>	<b>36.8</b>

Source: Company, PL

**Exhibit 2: UPL, among its peers in both innovators and generics, continues to trade at attractive levels**

Peer Comparison	Currency	CY2020/FY21			CY2021/FY22			CY2022/FY23			
		Sales	EBITDA	PAT	Sales	EBITDA	PAT	Sales	EBITDA	PAT	
<b>INNOVATORS</b>											
BAYER AG	EUR	41,790	7,844	6,158	41,749	11,101	6,023	43,337	12,292	6,702	
CORTEVA INC	USD	13,997	1,975	1,005	14,709	2,379	1,337	15,351	2,653	1,529	
BASF SE	EUR	58,342	6,885	2,465	61,511	8,600	3,385	63,839	9,321	4,013	
<b>GENERICIS</b>											
FMC CORP	USD	4,645	1,260	799	4,976	1,398	931	5,253	1,508	1,030	
NUFARMLTD	AUS \$	2,997	349	31	3,105	393	64	3,211	411	90	
UPLL	INR	3,79,718	79,741	30,587	4,08,257	88,592	36,263	4,40,918	98,325	43,232	
	Revenue	CY20-22 CAGR			CY2020/FY21		CY2021/FY22		CY2022/FY23		CY2020/FY21
		EBITDA	PAT	P/E	EV/EBITDA	P/E	EV/EBITDA	P/E	EV/EBITDA	Net Debt: Equity	
<b>INNOVATORS</b>											
BAYER AG	2%	25%	4%	7.9	9.8	8.1	6.9	7.3	6.6	0.8	
CORTEVA INC	5%	16%	23%	28.7	15.3	21.9	12.7	18.3	10.5	-0.0	
BASF SE	5%	16%	28%	22.5	10.9	16.0	8.7	13.8	7.8	0.5	
<b>GENERICIS</b>											
FMC CORP	6%	9%	14%	17.4	13.6	15.0	12.4	13.2	10.9	1.2	
NUFARMLTD	3%	9%	71%	58.4	7.3	28.2	6.4	23.8	6.0	0.2	
UPLL	8%	15%	25%	14.0	6.9	12.4	7.6	10.2	6.6	0.8	

Source: Bloomberg, PL

**Exhibit 3: Drag of 5% on topline due to adverse currency effects**

Revenue growth Break up	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Volume growth	8%	8%	6%	7%	5%	15%	10%	29%	0%	19%	7%
Price Increase	1%	4%	7%	5%	1%	-1%	-1%	-2%	-1%	-1%	1%
Exchange Impact	3%	2%	5%	3%	1%	-3%	-2%	-2%	0%	-4%	-5%

Source: Company, PL

**Exhibit 4: Growth in all geographies except LatAM**

Revenue growth across geographies	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
India	15.6%	12.8%	-13.7%	10.2%	-8.2%	6.2%	41.5%	36.0%	26.7%	17.9%	21.0%
LA tAM	160.4%	118.8%	91.7%	50.8%	23.6%	24.3%	21.4%	27.0%	-18.0%	12.4%	-8.4%
Europe	187.7%	147.4%	182.4%	115.2%	-1.4%	1.0%	-27.4%	-2.0%	0.9%	6.2%	30.1%
Rest of World	129.9%	118.5%	155.7%	55.6%	-14.3%	-3.8%	7.2%	33.0%	10.3%	27.2%	6.1%
North America	65.6%	60.3%	105.9%	34.3%	33.2%	-1.4%	-12.3%	45.0%	-14.1%	8.7%	5.0%

Source: Company, PL

**Exhibit 5: Share of LatAM is lower due to drought in Brazil**

Sales Mix	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
India	17%	16%	6%	6%	15%	15%	8%	6%	19%	16%	10%
LA tAM	26%	43%	42%	30%	30%	48%	47%	30%	26%	47%	42%
Europe	23%	13%	13%	24%	21%	12%	9%	19%	22%	11%	12%
Rest of World	19%	20%	21%	21%	15%	17%	21%	22%	20%	17%	21%
North America	15%	9%	18%	20%	19%	8%	14%	23%	13%	9%	15%

Source: Company, PL

**Exhibit 6: Downward trajectory in Net Working Capital days to continue**

Working Capital	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Inventory Days	114	111	111	106	107	109	111	81	106	105	119
Receivables days	112	141	124	135	122	121	139	118	116	124	120
Payable days	134	132	109	123	113	114	124	119	138	123	120
<b>Net working Capital</b>	<b>92</b>	<b>120</b>	<b>126</b>	<b>118</b>	<b>116</b>	<b>116</b>	<b>126</b>	<b>80</b>	<b>84</b>	<b>106</b>	<b>117</b>

Source: Company, PL

**Exhibit 7: Sales Mix largely same YoY in Q3 except in LatAM**

Geography	Q3FY21		Q3FY20		Q2FY21	
	Revenue	Sales Mix	Revenue	Sales Mix	Revenue	Sales Mix
India	9,060	10%	7,490	8%	14,090	16%
Latin America	38,490	42%	42,040	47%	42,330	47%
Europe	11,200	12%	8,610	10%	10,220	11%
North America	18,990	21%	17,900	20%	15,030	17%
Rest of World	13,520	15%	12,880	14%	7,730	9%

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
<b>Net Revenues</b>	<b>3,57,560</b>	<b>3,79,718</b>	<b>4,08,257</b>	<b>4,40,918</b>
YoY gr. (%)	63.7	6.2	7.5	8.0
Cost of Goods Sold	1,87,430	1,87,961	2,00,046	2,13,845
Gross Profit	1,70,130	1,91,758	2,08,211	2,27,073
Margin (%)	47.6	50.5	51.0	51.5
Employee Cost	33,910	37,972	40,009	42,769
Other Expenses	68,490	74,045	79,610	85,979
<b>EBITDA</b>	<b>67,730</b>	<b>79,741</b>	<b>88,592</b>	<b>98,325</b>
YoY gr. (%)	77.6	17.7	11.1	11.0
Margin (%)	18.9	21.0	21.7	22.3
Depreciation and Amortization	20,120	22,148	23,926	25,486
<b>EBIT</b>	<b>47,610</b>	<b>57,593</b>	<b>64,666</b>	<b>72,839</b>
Margin (%)	13.3	15.2	15.8	16.5
Net Interest	14,810	18,063	14,853	13,148
Other Income	1,040	2,288	2,471	2,669
<b>Profit Before Tax</b>	<b>33,840</b>	<b>41,818</b>	<b>52,284</b>	<b>62,360</b>
Margin (%)	9.5	11.0	12.8	14.1
Total Tax	5,860	5,959	8,658	10,327
Effective tax rate (%)	17.3	14.3	16.6	16.6
<b>Profit after tax</b>	<b>27,980</b>	<b>35,859</b>	<b>43,626</b>	<b>52,033</b>
Minority interest	4,020	5,373	7,463	8,901
Share Profit from Associate	30	100	100	100
<b>Adjusted PAT</b>	<b>23,990</b>	<b>30,587</b>	<b>36,263</b>	<b>43,232</b>
YoY gr. (%)	23.5	27.5	18.6	19.2
Margin (%)	6.7	8.1	8.9	9.8
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>23,990</b>	<b>30,587</b>	<b>36,263</b>	<b>43,232</b>
YoY gr. (%)	23.5	27.5	18.6	19.2
Margin (%)	6.7	8.1	8.9	9.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	23,990	30,587	36,263	43,232
<b>Equity Shares O/s (m)</b>	<b>764</b>	<b>764</b>	<b>764</b>	<b>764</b>
<b>EPS (Rs)</b>	<b>31.4</b>	<b>40.0</b>	<b>47.5</b>	<b>56.6</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY20	FY21E	FY22E	FY23E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>2,77,570</b>	<b>3,03,160</b>	<b>3,23,160</b>	<b>3,43,160</b>
Tangibles	1,12,760	1,16,118	1,30,640	1,30,905
Intangibles	1,64,810	1,87,042	1,92,520	2,12,255
<b>Acc: Dep / Amortization</b>	<b>1,06,770</b>	<b>1,28,918</b>	<b>1,52,843</b>	<b>1,78,329</b>
Tangibles	50,390	62,735	72,134	86,780
Intangibles	56,380	66,183	80,709	91,549
<b>Net fixed assets</b>	<b>1,70,800</b>	<b>1,74,242</b>	<b>1,70,317</b>	<b>1,64,831</b>
Tangibles	62,370	53,383	58,505	44,125
Intangibles	1,08,430	1,20,859	1,11,811	1,20,705
Capital Work In Progress	20,730	15,140	15,140	15,141
Goodwill	1,82,410	1,82,410	1,82,410	1,82,410
Non-Current Investments	8,380	9,377	9,663	9,989
Net Deferred tax assets	(11,220)	(11,220)	(11,220)	(11,220)
Other Non-Current Assets	7,650	6,777	8,412	9,573
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	78,500	83,226	89,481	97,847
Trade receivables	1,20,570	1,19,637	1,25,273	1,36,503
Cash & Bank Balance	67,520	62,027	49,886	38,620
Other Current Assets	18,800	32,276	34,702	37,478
<b>Total Assets</b>	<b>7,00,828</b>	<b>7,09,195</b>	<b>7,09,894</b>	<b>7,17,607</b>
<b>Equity</b>				
Equity Share Capital	1,528	1,528	1,528	1,528
Other Equity	1,91,290	2,03,949	2,13,460	2,27,416
<b>Total Network</b>	<b>1,92,818</b>	<b>2,05,477</b>	<b>2,14,988</b>	<b>2,28,944</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	2,73,710	2,43,710	2,13,710	1,83,710
Provisions	240	255	274	296
Other non current liabilities	5,860	5,860	5,860	5,860
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	12,980	11,980	10,980	9,980
Trade payables	1,02,330	1,19,637	1,28,629	1,38,919
Other current liabilities	51,550	55,634	61,319	66,831
<b>Total Equity &amp; Liabilities</b>	<b>7,00,828</b>	<b>7,09,195</b>	<b>7,09,894</b>	<b>7,17,607</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY20	FY21E	FY22E	FY23E
PBT	33,840	41,818	52,284	62,360
Add. Depreciation	20,120	22,148	23,926	25,486
Add. Interest	14,810	18,063	14,853	13,148
Less Financial Other Income	1,040	2,288	2,471	2,669
Add. Other	(3,690)	(4,449)	(6,625)	(7,625)
Op. profit before WC changes	65,080	77,580	84,438	93,368
Net Changes-WC	30,500	3,799	(2,838)	(9,235)
Direct tax	(8,190)	(8,939)	(12,987)	(15,490)
<b>Net cash from Op. activities</b>	<b>87,390</b>	<b>72,440</b>	<b>68,613</b>	<b>68,643</b>
Capital expenditures	(19,350)	(20,000)	(20,000)	(20,001)
Interest / Dividend Income	-	-	-	-
Others	(7,080)	258	1,734	1,755
<b>Net Cash from Inv. activities</b>	<b>(26,430)</b>	<b>(19,742)</b>	<b>(18,266)</b>	<b>(18,246)</b>
Issue of share cap. / premium	379	-	-	-
Debt changes	1,170	(31,000)	(31,000)	(31,000)
Dividend paid	(4,570)	(5,084)	(7,909)	(7,879)
Interest paid	(16,460)	(18,063)	(14,853)	(13,148)
Others	(2,120)	(4,423)	(8,727)	(9,637)
<b>Net cash from Fin. activities</b>	<b>(21,601)</b>	<b>(58,570)</b>	<b>(62,488)</b>	<b>(61,663)</b>
<b>Net change in cash</b>	<b>39,359</b>	<b>(5,872)</b>	<b>(12,141)</b>	<b>(11,266)</b>
Free Cash Flow	67,590	52,440	48,613	48,642

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

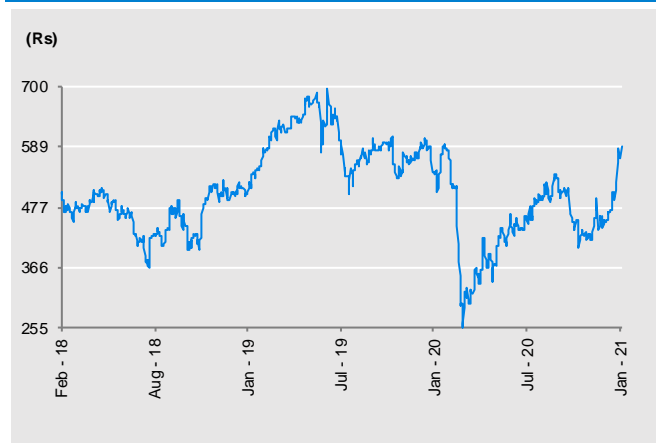
Y/e Mar	Q4FY20	Q1FY21	Q2FY21	Q3FY21
<b>Net Revenue</b>	<b>1,11,410</b>	<b>78,330</b>	<b>89,390</b>	<b>98,191</b>
YoY gr. (%)	30.7	(0.9)	14.4	10.4
Raw Material Expenses	62,480	35,490	45,090	47,868
Gross Profit	48,930	42,840	44,300	50,323
Margin (%)	43.9	54.7	49.6	51.3
<b>EBITDA</b>	<b>19,040</b>	<b>18,320</b>	<b>16,670</b>	<b>22,937</b>
YoY gr. (%)	47.5	39.6	15.2	9.1
Margin (%)	17.1	23.4	18.6	23.4
Depreciation / Depletion	5,950	5,220	5,330	5,544
<b>EBIT</b>	<b>13,090</b>	<b>13,100</b>	<b>11,340</b>	<b>17,393</b>
Margin (%)	11.7	16.7	12.7	17.7
Net Interest	1,870	5,510	3,430	4,274
Other Income	210	670	750	240
<b>Profit before Tax</b>	<b>9,720</b>	<b>8,010</b>	<b>6,550</b>	<b>12,023</b>
Margin (%)	8.7	10.2	7.3	12.2
Total Tax	2,110	1,430	1,120	2,405
Effective tax rate (%)	21.7	17.9	17.1	20.0
<b>Profit after Tax</b>	<b>7,610</b>	<b>6,580</b>	<b>5,430</b>	<b>9,618</b>
Minority interest	1,670	1,020	740	1,443
Share Profit from Associates	230	(50)	(60)	(60)
<b>Adjusted PAT</b>	<b>7,880</b>	<b>5,760</b>	<b>6,740</b>	<b>9,451</b>
YoY gr. (%)	43.5	61.3	42.8	21.8
Margin (%)	7.1	7.4	7.5	9.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>7,880</b>	<b>5,760</b>	<b>6,740</b>	<b>9,451</b>
YoY gr. (%)	43.5	61.3	42.8	21.8
Margin (%)	7.1	7.4	7.5	9.6
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>7,880</b>	<b>5,760</b>	<b>6,740</b>	<b>9,451</b>
Av g. Shares O/s (m)	764	764	764	764
<b>EPS (Rs)</b>	<b>10.3</b>	<b>7.5</b>	<b>8.8</b>	<b>12.4</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY20	FY21E	FY22E	FY23E
<b>Per Share(Rs)</b>				
EPS	31.4	40.0	47.5	56.6
CEPS	57.7	69.0	78.8	89.9
BVPS	252.4	268.9	281.4	299.7
FCF	88.5	68.6	63.6	63.7
DPS	6.0	9.7	9.7	11.5
<b>Return Ratio(%)</b>				
RoCE	10.4	12.2	14.4	16.9
ROIC	10.1	12.1	13.5	15.5
RoE	14.1	15.4	17.2	19.5
<b>Balance Sheet</b>				
Net Debt : Equity (x)	1.1	0.9	0.8	0.7
Net Working Capital (Days)	99	80	77	79
<b>Valuation(x)</b>				
PER	17.9	14.0	11.8	9.9
P/B	2.2	2.1	2.0	1.9
P/CEPS	9.7	8.1	7.1	6.2
EV/EBITDA	9.6	7.8	6.8	5.9
EV/Sales	1.8	1.6	1.5	1.3
Dividend Yield (%)	1.1	1.7	1.7	2.1

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	11-Jan-21	BUY	606	497
2	31-Oct-20	BUY	606	453
3	10-Oct-20	BUY	606	497
4	25-Aug-20	BUY	606	492
5	2-Aug-20	BUY	606	478
6	7-Jul-20	BUY	498	451
7	23-May-20	BUY	497	371
8	16-Apr-20	BUY	542	363
9	7-Feb-20	BUY	740	543

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bayer Cropscience	BUY	6,090	5,747
2	Coromandel International	Reduce	676	810
3	Dhanuka Agritech	Accumulate	868	791
4	Godrej Agrovet	Accumulate	587	533
5	Insecticides India	BUY	595	469
6	P.I. Industries	Hold	2,026	2,332
7	Rallis India	Accumulate	321	285
8	Sharda Cropchem	BUY	383	275
9	Sumitomo Chemical India	Hold	307	324
10	UPL	BUY	606	497

**PL's Recommendation Nomenclature (Absolute Performance)**

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

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