

July 20, 2021

## Q1FY22 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

|                | Current  |          | Previous |          |
|----------------|----------|----------|----------|----------|
|                | FY22E    | FY23E    | FY22E    | FY23E    |
| Rating         | BUY      |          | BUY      |          |
| Target Price   | 3,511    |          | 3,136    |          |
| Sales (Rs. m)  | 2,76,853 | 3,11,318 | 2,70,916 | 3,04,638 |
| % Chng.        | 2.2      | 2.2      |          |          |
| EBITDA (Rs. m) | 53,955   | 66,851   | 58,458   | 68,588   |
| % Chng.        | (7.7)    | (2.5)    |          |          |
| EPS (Rs.)      | 38.4     | 48.4     | 41.6     | 49.8     |
| % Chng.        | (7.7)    | (2.6)    |          |          |

### Key Financials - Consolidated

| Y/e Mar        | FY20     | FY21     | FY22E    | FY23E    |
|----------------|----------|----------|----------|----------|
| Sales (Rs. m)  | 2,02,113 | 2,17,130 | 2,76,853 | 3,11,318 |
| EBITDA (Rs. m) | 41,618   | 48,152   | 53,955   | 66,851   |
| Margin (%)     | 20.6     | 22.2     | 19.5     | 21.5     |
| PAT (Rs. m)    | 27,023   | 31,315   | 36,819   | 46,472   |
| EPS (Rs.)      | 28.2     | 32.6     | 38.4     | 48.4     |
| Gr. (%)        | 25.5     | 15.9     | 17.6     | 26.2     |
| DPS (Rs.)      | 18.2     | 17.9     | 22.5     | 26.5     |
| Yield (%)      | 0.6      | 0.6      | 0.7      | 0.8      |
| RoE (%)        | 27.6     | 27.3     | 28.3     | 32.6     |
| RoCE (%)       | 32.9     | 34.1     | 34.0     | 39.4     |
| EV/Sales (x)   | 14.9     | 13.8     | 10.8     | 9.6      |
| EV/EBITDA (x)  | 72.6     | 62.2     | 55.5     | 44.6     |
| PE (x)         | 112.1    | 96.8     | 82.3     | 65.2     |
| P/BV (x)       | 29.9     | 23.7     | 23.0     | 19.8     |

### Key Data

ASPN.BO | APNT IN

|                     |                         |
|---------------------|-------------------------|
| 52-W High / Low     | Rs.3,179 / Rs.1,682     |
| Sensex / Nifty      | 52,199 / 15,632         |
| Market Cap          | Rs.3,030bn / \$ 40,610m |
| Shares Outstanding  | 959m                    |
| 3M Avg. Daily Value | Rs.8039.43m             |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 52.79 |
| Foreign                 | 20.72 |
| Domestic Institution    | 7.26  |
| Public & Others         | 19.23 |
| Promoter Pledge (Rs bn) | 9.03  |

### Stock Performance (%)

|          | 1M  | 6M   | 12M  |
|----------|-----|------|------|
| Absolute | 3.7 | 17.1 | 80.4 |
| Relative | 4.0 | 11.7 | 29.3 |

### Amnish Aggarwal

amnishaggarwal@plindia.com | 91-22-66322233

### Heet Vora

heetvora@plindia.com | 91-22-66322381

### Rashi Vora

rashivora@plindia.com |

## Strong Momentum, margin pressure peaked out

### Quick pointers

- Domestic volumes up 106%, led by Metros, Tier1 and Tier 2 centers
- High input cost inflation, undertook price increase of 2.85% effective 1<sup>st</sup> May and 1.25% effective 1<sup>st</sup> July.
- 2Q/3Q growth at risk due to high margins in base and 3<sup>rd</sup> covid wave possibility

**We are cutting FY22/F23 EPS by 7.7%/2.6% on near term input cost pressures although we remain positive on long term growth drivers. We expect APNT to sustain double digit volume growth led by 1) Market share gains from both organized and unorganized players due to strong focus on economy segment 2) rising innovation in Paints and coatings 3) Encouraging growth across waterproofing/ construction aids and extending presence in adhesives 4) strong penetration opportunity in small towns and rural India and 5) foray into designer tiles and home décor business allowing APNT to emerge as a complete home solution company.**

**We believe worst seems over and expect QoQ margin recovery to set in from 1Q levels of 16.4%, however PAT growth might remain subdued given 2Q/3Q FY21 EBIDTA margin of 23.6% and 26.3%. Possibility of third Covid wave during the festive season remains a risk to FY22 numbers. We retain long term Buy on the stock with DCF based target price of Rs3511 (Rs3136 earlier). We expect back ended returns given near term margin pressures and valuations at 61.5x FY23 EPS.**

**Consol sales up 91.1%, Volumes grew 106%:** • Consol sales grew 91.1% to Rs 55.85bn (Rs45.59bn E) as volumes doubled across decorative, industrial and home improvement segments. Gross margins contracted by 630 bps to 38.4% (PLE 43.5%) due to steep input cost inflation. EBIDTA grew by 88.7% to Rs 9.13bn (Est Rs 8.89bn), EBIDTA at 16.4% were down 20bps YoY but 340bps QoQ (Est 19.5%) due to strategic sourcing and cost optimisation. Adj. PAT grew 161.0% to Rs 5.74bn (Est Rs 5.36bn) due to 90.3% higher other income. Standalone sales increased 95.6% to Rs 47.85bn, Gross margins contracted by 680bps to 39.6% and EBIDTA margins contracted by 70bps to 18.4%. Adj. PAT up 136.6% to Rs 5.96bn. Imputed sub sales grew by 67.9%, EBIDTA grew 82.6%.

**Concall Takeaways:** 1) Stellar Volume/Value growth of 106%/95% in 1Q FY21 led by higher growth in Metros and Tier1/2 cities. 2) Tier1/2 cities have a revenue share of 40-45% in total sales of the company 3) Demand in tier3/4 towns impacted due to ingress of covid 4) Economy & luxury segment lead growth whereas premium and middle end products saw muted sales 5) Price hike of 2.85% taken in 1Q & 1.25% in July. 6) PBDIT to be maintained in the range of 19%-21% and gross margins to be back calculated from there 7) Current capacity utilization at 70-75% and capex done wherever required. 8) New product launches, innovations, patents, new technologies & processes to drive future growth and act as differentiator for the company 9) sustained investments in new avenues in kitchen, bath, décor and furniture segment

**Exhibit 1: Q1FY22 Results- Consolidated (Rs mn): Revenues grew 91.1% EBIDA margins at 16.4%, Adj PAT grew 161.0%**

| Consolidated        | 1QFY22        | 1QFY21        | YoY %        | 4QFY21        | FY21            | FY20            | YoY %       |
|---------------------|---------------|---------------|--------------|---------------|-----------------|-----------------|-------------|
| <b>Net Sales</b>    | <b>55,854</b> | <b>29,227</b> | <b>91.1</b>  | <b>66,514</b> | <b>2,17,128</b> | <b>2,02,113</b> | <b>7.4</b>  |
| Gross Profit        | 21,464        | 13,077        | 64.1         | 28,721        | 96,156          | 88,278          | 8.9         |
| <i>% of NS</i>      | <i>38.4</i>   | <i>44.7</i>   | <i>-6.3</i>  | <i>43.2</i>   | <i>44.3</i>     | <i>43.7</i>     | <i>0.6</i>  |
| Other Expenses      | 12,329        | 8,234         | 49.7         | 15,539        | 47,600          | 46,660          | 2.0         |
| <i>% of NS</i>      | <i>22.1</i>   | <i>28.2</i>   |              | <i>23.4</i>   | <i>21.9</i>     | <i>23.1</i>     |             |
| <b>EBITDA</b>       | <b>9,136</b>  | <b>4,843</b>  | <b>88.7</b>  | <b>13,183</b> | <b>48,556</b>   | <b>41,618</b>   | <b>16.7</b> |
| <i>Margins %</i>    | <i>16.4</i>   | <i>16.6</i>   | <i>-0.2</i>  | <i>19.8</i>   | <i>22.4</i>     | <i>20.6</i>     | <i>1.8</i>  |
| Depreciation        | 2,006         | 1,912         | 4.9          | 2,134         | 7,913           | 7,805           | 1.4         |
| Interest            | 215           | 201           | 6.7          | 299           | 916             | 1,023           | -10.5       |
| Other Income        | 896           | 471           | 90.3         | 754           | 3,031           | 3,043           | -0.4        |
| <b>PBT</b>          | <b>7,811</b>  | <b>3,200</b>  | <b>144.1</b> | <b>11,505</b> | <b>42,757</b>   | <b>35,833</b>   | <b>19.3</b> |
| Tax                 | 2,043         | 862           | 137.1        | 2,864         | 10,976          | 8,549           | 28.4        |
| <i>Tax rate %</i>   | <i>26.2</i>   | <i>26.9</i>   |              | <i>24.9</i>   | <i>25.7</i>     | <i>23.9</i>     |             |
| <b>Adjusted PAT</b> | <b>5,743</b>  | <b>2,200</b>  | <b>161.0</b> | <b>8,699</b>  | <b>31,520</b>   | <b>27,078</b>   | <b>16.4</b> |

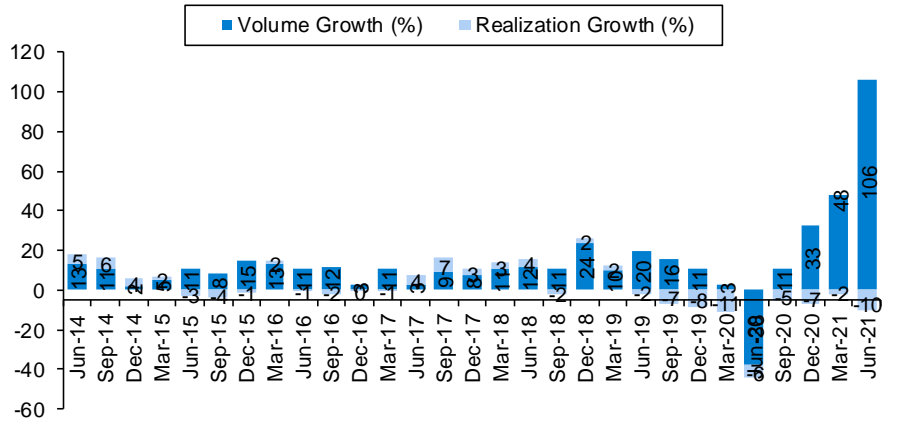
Source: Company Data, PL Research

**Exhibit 2: Q1FY22 Results - Standalone (Rs mn): Revenues up 95.6%, EBITDA margins at 18.4%, PAT grew 136.6%**

| Standalone          | 1QFY22        | 1QFY21        | YoY %        | 4QFY21        | FY21            | FY20            | YoY %       |
|---------------------|---------------|---------------|--------------|---------------|-----------------|-----------------|-------------|
| <b>Net Sales</b>    | <b>47,859</b> | <b>24,466</b> | <b>95.6</b>  | <b>56,708</b> | <b>1,85,169</b> | <b>1,71,941</b> | <b>7.7</b>  |
| Gross Profit        | 18,934        | 11,337        | 67.0         | 25,352        | 84,343          | 76,879          | 9.7         |
| <i>% of NS</i>      | <i>39.6</i>   | <i>46.3</i>   | <i>-6.8</i>  | <i>44.7</i>   | <i>45.5</i>     | <i>44.7</i>     | <i>0.8</i>  |
| Other Expenses      | 10,113        | 6,668         | 51.7         | 13,128        | 39,411          | 38,309          | 2.9         |
| <i>% of NS</i>      | <i>21.1</i>   | <i>27.3</i>   |              | <i>23.1</i>   | <i>21.3</i>     | <i>22.3</i>     |             |
| <b>EBITDA</b>       | <b>8,820</b>  | <b>4,670</b>  | <b>88.9</b>  | <b>12,224</b> | <b>44,932</b>   | <b>38,570</b>   | <b>16.5</b> |
| <i>Margins %</i>    | <i>18.4</i>   | <i>19.1</i>   | <i>-0.7</i>  | <i>21.6</i>   | <i>24.3</i>     | <i>22.4</i>     | <i>1.8</i>  |
| Depreciation        | 1,764         | 1,669         | 5.7          | 1,929         | 6,975           | 6,900           | 1.1         |
| Interest            | 164           | 149           | 9.8          | 246           | 717             | 784             | -8.6        |
| Other Income        | 1,056         | 518           | 103.8        | 986           | 3,663           | 3,575           | 2.5         |
| <b>PBT</b>          | <b>7,949</b>  | <b>3,370</b>  | <b>135.9</b> | <b>11,035</b> | <b>40,904</b>   | <b>34,462</b>   | <b>18.7</b> |
| Tax                 | 1,988         | 851           | 133.6        | 2,839         | 10,379          | 7,591           | 36.7        |
| <i>Tax rate %</i>   | <i>25.0</i>   | <i>25.3</i>   |              | <i>25.7</i>   | <i>25.4</i>     | <i>22.0</i>     |             |
| <b>Adjusted PAT</b> | <b>5,961</b>  | <b>2,519</b>  | <b>136.6</b> | <b>8,196</b>  | <b>30,525</b>   | <b>26,872</b>   | <b>13.6</b> |

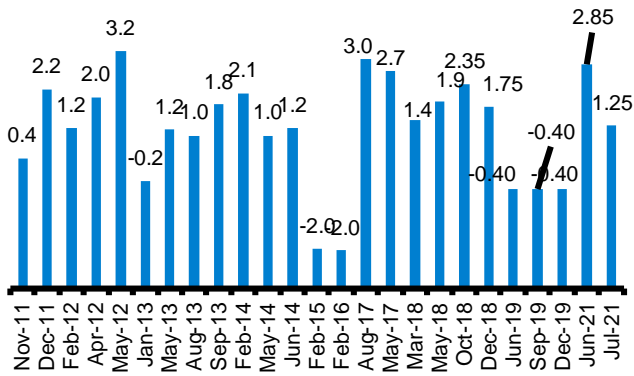
Source: Company Data, PL Research

Exhibit 3: Stellar volume growth in 1Q, up 106%



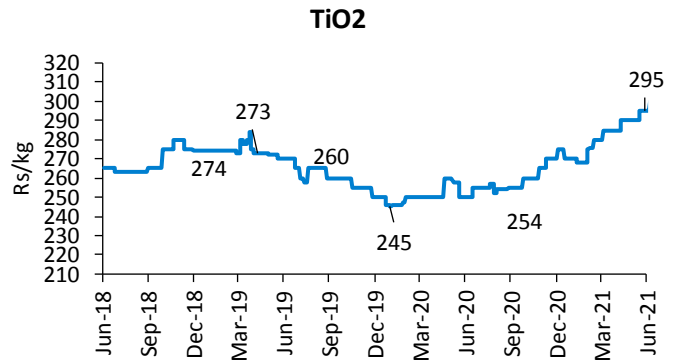
Source: Company, PL

Exhibit 4: Price increase of 2.85%/1.25% in June/ July21



Source: Company, PL

Exhibit 5: Tio2 prices up 5.5% QoQ and 13.8% YoY



Source: Company, PL

## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY20            | FY21            | FY22E           | FY23E           |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net Revenues</b>           | <b>2,02,113</b> | <b>2,17,130</b> | <b>2,76,853</b> | <b>3,11,318</b> |
| YoY gr. (%)                   | 5.0             | 7.4             | 27.5            | 12.4            |
| Cost of Goods Sold            | 1,13,835        | 1,21,380        | 1,66,785        | 1,80,481        |
| Gross Profit                  | 88,278          | 95,750          | 1,10,068        | 1,30,837        |
| Margin (%)                    | 43.7            | 44.1            | 39.8            | 42.0            |
| Employee Cost                 | 13,661          | 15,407          | 17,339          | 20,215          |
| Other Expenses                | 32,999          | 32,191          | 38,774          | 43,771          |
| <b>EBITDA</b>                 | <b>41,618</b>   | <b>48,152</b>   | <b>53,955</b>   | <b>66,851</b>   |
| YoY gr. (%)                   | 10.5            | 15.7            | 12.1            | 23.9            |
| Margin (%)                    | 20.6            | 22.2            | 19.5            | 21.5            |
| Depreciation and Amortization | 7,805           | 7,913           | 8,528           | 9,369           |
| <b>EBIT</b>                   | <b>33,813</b>   | <b>40,239</b>   | <b>45,426</b>   | <b>57,483</b>   |
| Margin (%)                    | 16.7            | 18.5            | 16.4            | 18.5            |
| Net Interest                  | 1,023           | 916             | 880             | 823             |
| Other Income                  | 3,043           | 3,258           | 4,796           | 5,831           |
| <b>Profit Before Tax</b>      | <b>35,833</b>   | <b>42,582</b>   | <b>49,342</b>   | <b>62,491</b>   |
| Margin (%)                    | 17.7            | 19.6            | 17.8            | 20.1            |
| Total Tax                     | 8,549           | 10,976          | 12,681          | 16,060          |
| Effective tax rate (%)        | 23.9            | 25.8            | 25.7            | 25.7            |
| <b>Profit after tax</b>       | <b>27,284</b>   | <b>31,606</b>   | <b>36,661</b>   | <b>46,431</b>   |
| Minority interest             | 769             | 577             | 413             | 579             |
| Share Profit from Associate   | 507             | 286             | 570             | 620             |
| <b>Adjusted PAT</b>           | <b>27,023</b>   | <b>31,315</b>   | <b>36,819</b>   | <b>46,472</b>   |
| YoY gr. (%)                   | 25.5            | 15.9            | 17.6            | 26.2            |
| Margin (%)                    | 13.4            | 14.4            | 13.3            | 14.9            |
| Extra Ord. Income / (Exp)     | (50)            | -               | -               | -               |
| <b>Reported PAT</b>           | <b>26,973</b>   | <b>31,315</b>   | <b>36,819</b>   | <b>46,472</b>   |
| YoY gr. (%)                   | 25.6            | 16.1            | 17.6            | 26.2            |
| Margin (%)                    | 13.3            | 14.4            | 13.3            | 14.9            |
| Other Comprehensive Income    | 583             | (57)            | (46)            | (26)            |
| Total Comprehensive Income    | 27,556          | 31,258          | 36,773          | 46,447          |
| <b>Equity Shares O/s (m)</b>  | <b>959</b>      | <b>959</b>      | <b>959</b>      | <b>959</b>      |
| <b>EPS (Rs)</b>               | <b>28.2</b>     | <b>32.6</b>     | <b>38.4</b>     | <b>48.4</b>     |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY20            | FY21            | FY22E           | FY23E           |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Non-Current Assets</b>             |                 |                 |                 |                 |
| <b>Gross Block</b>                    | <b>83,568</b>   | <b>85,813</b>   | <b>92,513</b>   | <b>99,213</b>   |
| Tangibles                             | 79,350          | 81,438          | 87,938          | 94,438          |
| Intangibles                           | 4,218           | 4,375           | 4,575           | 4,775           |
| <b>Acc: Dep / Amortization</b>        | <b>33,246</b>   | <b>38,710</b>   | <b>44,475</b>   | <b>50,666</b>   |
| Tangibles                             | 31,702          | 36,674          | 41,925          | 47,578          |
| Intangibles                           | 1,544           | 2,036           | 2,550           | 3,088           |
| <b>Net fixed assets</b>               | <b>50,322</b>   | <b>47,103</b>   | <b>48,038</b>   | <b>48,547</b>   |
| Tangibles                             | 47,648          | 44,764          | 46,013          | 46,859          |
| Intangibles                           | 2,675           | 2,340           | 2,025           | 1,688           |
| Capital Work In Progress              | 1,402           | 1,830           | 3,000           | 3,000           |
| Goodwill                              | 3,200           | 3,026           | 3,200           | 3,200           |
| Non-Current Investments               | 18,229          | 20,637          | 23,943          | 25,604          |
| Net Deferred tax assets               | (4,270)         | (4,013)         | (3,752)         | (3,424)         |
| Other Non-Current Assets              | 12,383          | 10,691          | 10,715          | 10,748          |
| <b>Current Assets</b>                 |                 |                 |                 |                 |
| Investments                           | 5,125           | 32,671          | 30,375          | 40,145          |
| Inventories                           | 33,898          | 37,986          | 47,027          | 51,176          |
| Trade receivables                     | 17,994          | 26,022          | 30,340          | 34,117          |
| Cash & Bank Balance                   | 7,829           | 6,108           | 7,707           | 10,071          |
| Other Current Assets                  | 2,856           | 5,372           | 5,814           | 6,538           |
| <b>Total Assets</b>                   | <b>1,61,549</b> | <b>2,03,696</b> | <b>2,20,340</b> | <b>2,44,301</b> |
| <b>Equity</b>                         |                 |                 |                 |                 |
| Equity Share Capital                  | 959             | 959             | 959             | 959             |
| Other Equity                          | 1,00,343        | 1,27,104        | 1,30,955        | 1,51,797        |
| <b>Total Networkth</b>                | <b>1,01,302</b> | <b>1,28,063</b> | <b>1,31,915</b> | <b>1,52,757</b> |
| <b>Non-Current Liabilities</b>        |                 |                 |                 |                 |
| Long Term borrowings                  | 186             | 145             | 140             | 120             |
| Provisions                            | 1,808           | 2,152           | 2,125           | 2,477           |
| Other non current liabilities         | 46              | 45              | 45              | 45              |
| <b>Current Liabilities</b>            |                 |                 |                 |                 |
| ST Debt / Current of LT Debt          | 3,215           | 3,257           | 3,650           | 3,324           |
| Trade payables                        | 21,366          | 33,787          | 43,410          | 45,491          |
| Other current liabilities             | 19,224          | 22,214          | 26,412          | 29,011          |
| <b>Total Equity &amp; Liabilities</b> | <b>1,61,549</b> | <b>2,03,696</b> | <b>2,20,339</b> | <b>2,44,301</b> |

Source: Company Data, PL Research

**Cash Flow (Rs m)**

| Y/e Mar                              | FY20            | FY21           | FY22E           | FY23E           |
|--------------------------------------|-----------------|----------------|-----------------|-----------------|
| PBT                                  | 35,833          | 42,354         | 49,342          | 62,491          |
| Add. Depreciation                    | 7,805           | 7,913          | 8,528           | 9,369           |
| Add. Interest                        | 1,023           | 916            | 880             | 823             |
| Less Financial Other Income          | 3,043           | 3,258          | 4,796           | 5,831           |
| Add. Other                           | (82)            | (98)           | (108)           | (119)           |
| Op. profit before WC changes         | 44,579          | 51,085         | 58,642          | 72,564          |
| Net Changes-WC                       | (421)           | (35,498)       | (3,735)         | (21,411)        |
| Direct tax                           | (8,549)         | (10,976)       | (12,681)        | (16,060)        |
| <b>Net cash from Op. activities</b>  | <b>35,609</b>   | <b>4,610</b>   | <b>42,226</b>   | <b>35,093</b>   |
| Capital expenditures                 | (4,868)         | (4,202)        | (10,296)        | (9,290)         |
| Interest / Dividend Income           | -               | -              | -               | -               |
| Others                               | (616)           | 653            | (1,983)         | (626)           |
| <b>Net Cash from Inv. activities</b> | <b>(5,484)</b>  | <b>(3,549)</b> | <b>(12,279)</b> | <b>(9,916)</b>  |
| Issue of share cap. / premium        | 249             | 12,552         | (11,628)        | (579)           |
| Debt changes                         | (5,532)         | 2,292          | 5,125           | 2,243           |
| Dividend paid                        | (20,940)        | (17,122)       | (21,582)        | (25,419)        |
| Interest paid                        | (1,023)         | (916)          | (880)           | (823)           |
| Others                               | -               | (41)           | (62)            | (93)            |
| <b>Net cash from Fin. activities</b> | <b>(27,246)</b> | <b>(3,235)</b> | <b>(29,027)</b> | <b>(24,670)</b> |
| <b>Net change in cash</b>            | <b>2,879</b>    | <b>(2,174)</b> | <b>920</b>      | <b>507</b>      |
| Free Cash Flow                       | 30,741          | 408            | 31,930          | 25,803          |

Source: Company Data, PL Research

**Key Financial Metrics**

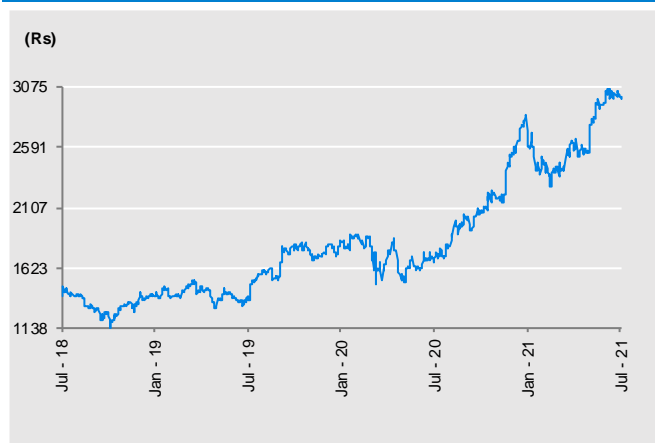
| Y/e Mar                    | FY20  | FY21  | FY22E | FY23E |
|----------------------------|-------|-------|-------|-------|
| <b>Per Share(Rs)</b>       |       |       |       |       |
| EPS                        | 28.2  | 32.6  | 38.4  | 48.4  |
| CEPS                       | 36.3  | 40.9  | 47.3  | 58.2  |
| BVPS                       | 105.6 | 133.5 | 137.5 | 159.3 |
| FCF                        | 32.0  | 0.4   | 33.3  | 26.9  |
| DPS                        | 18.2  | 17.9  | 22.5  | 26.5  |
| <b>Return Ratio(%)</b>     |       |       |       |       |
| RoCE                       | 32.9  | 34.1  | 34.0  | 39.4  |
| ROIC                       | 28.7  | 37.7  | 35.3  | 44.6  |
| RoE                        | 27.6  | 27.3  | 28.3  | 32.6  |
| <b>Balance Sheet</b>       |       |       |       |       |
| Net Debt : Equity (x)      | (0.1) | (0.3) | (0.3) | (0.3) |
| Net Working Capital (Days) | 55    | 51    | 45    | 47    |
| <b>Valuation(x)</b>        |       |       |       |       |
| PER                        | 112.1 | 96.8  | 82.3  | 65.2  |
| P/B                        | 29.9  | 23.7  | 23.0  | 19.8  |
| P/CEPS                     | 87.0  | 77.2  | 66.8  | 54.3  |
| EV/EBITDA                  | 72.6  | 62.2  | 55.5  | 44.6  |
| EV/Sales                   | 14.9  | 13.8  | 10.8  | 9.6   |
| Dividend Yield (%)         | 0.6   | 0.6   | 0.7   | 0.8   |

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

| Y/e Mar                           | Q2FY21        | Q3FY21        | Q4FY21        | Q1FY22        |
|-----------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenue</b>                | <b>53,502</b> | <b>67,885</b> | <b>66,514</b> | <b>55,854</b> |
| YoY gr. (%)                       | 5.9           | 25.2          | 43.5          | 91.1          |
| Raw Material Expenses             | 29,745        | 37,285        | 37,793        | 34,389        |
| Gross Profit                      | 23,758        | 30,600        | 28,721        | 21,464        |
| Margin (%)                        | 44.4          | 45.1          | 43.2          | 38.4          |
| <b>EBITDA</b>                     | <b>12,652</b> | <b>17,879</b> | <b>13,183</b> | <b>9,136</b>  |
| YoY gr. (%)                       | 32.5          | 50.3          | 53.4          | 88.7          |
| Margin (%)                        | 23.6          | 26.3          | 19.8          | 16.4          |
| Depreciation / Depletion          | 1,936         | 1,932         | 2,134         | 2,006         |
| <b>EBIT</b>                       | <b>10,716</b> | <b>15,947</b> | <b>11,049</b> | <b>7,130</b>  |
| Margin (%)                        | 20.0          | 23.5          | 16.6          | 12.8          |
| Net Interest                      | 205           | 211           | 299           | 215           |
| Other Income                      | 826           | 979           | 754           | 896           |
| <b>Profit before Tax</b>          | <b>11,337</b> | <b>16,715</b> | <b>11,505</b> | <b>7,811</b>  |
| Margin (%)                        | 21.2          | 24.6          | 17.3          | 14.0          |
| Total Tax                         | 2,936         | 4,314         | 2,864         | 2,043         |
| Effective tax rate (%)            | 25.9          | 25.8          | 24.9          | 26.2          |
| <b>Profit after Tax</b>           | <b>8,401</b>  | <b>12,401</b> | <b>8,640</b>  | <b>5,768</b>  |
| Minority interest                 | 170           | -             | -             | -             |
| Share Profit from Associates      | 118           | 253           | 59            | (25)          |
| <b>Adjusted PAT</b>               | <b>8,349</b>  | <b>12,654</b> | <b>8,699</b>  | <b>5,743</b>  |
| YoY gr. (%)                       | 1.8           | 62.3          | 81.1          | 161.0         |
| Margin (%)                        | 15.6          | 18.6          | 13.1          | 10.3          |
| Extra Ord. Income / (Exp)         | -             | -             | -             | -             |
| <b>Reported PAT</b>               | <b>8,349</b>  | <b>12,654</b> | <b>8,699</b>  | <b>5,743</b>  |
| YoY gr. (%)                       | 1.8           | 62.3          | 81.1          | 161.0         |
| Margin (%)                        | 15.6          | 18.6          | 13.1          | 10.3          |
| Other Comprehensive Income        | 381           | 607           | (552)         | 79            |
| <b>Total Comprehensive Income</b> | <b>8,730</b>  | <b>13,260</b> | <b>8,147</b>  | <b>5,822</b>  |
| Avg. Shares O/s (m)               | 959           | 959           | 959           | 959           |
| <b>EPS (Rs)</b>                   | <b>8.7</b>    | <b>13.2</b>   | <b>9.1</b>    | <b>6.0</b>    |

Source: Company Data, PL Research

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


| No. | Date      | Rating     | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|------------|----------|-------------------|
| 1   | 05-Jul-21 | BUY        | 3,136    | 3,005             |
| 2   | 12-May-21 | BUY        | 3,136    | 2,556             |
| 3   | 07-Apr-21 | Hold       | 2,829    | 2,622             |
| 4   | 21-Jan-21 | Hold       | 2,829    | 2,740             |
| 5   | 07-Jan-21 | UR         | -        | 2,805             |
| 6   | 22-Oct-20 | Hold       | 2,000    | 2,100             |
| 7   | 08-Oct-20 | Accumulate | 2,032    | 2,089             |
| 8   | 24-Jul-20 | Accumulate | 1,829    | 1,717             |

**Analyst Coverage Universe**

| Sr. No. | Company Name                          | Rating     | TP (Rs) | Share Price (Rs) |
|---------|---------------------------------------|------------|---------|------------------|
| 1       | Asian Paints                          | BUY        | 3,136   | 3,005            |
| 2       | Avenue Supermarts                     | BUY        | 3,686   | 3,378            |
| 3       | Bajaj Electricals                     | Hold       | 1,084   | 1,050            |
| 4       | Britannia Industries                  | Accumulate | 3,755   | 3,545            |
| 5       | Burger King India                     | BUY        | 250     | 158              |
| 6       | Colgate Palmolive                     | Accumulate | 1,794   | 1,690            |
| 7       | Crompton Greaves Consumer Electricals | BUY        | 454     | 450              |
| 8       | Dabur India                           | UR         | -       | 590              |
| 9       | Emami                                 | BUY        | 579     | 564              |
| 10      | Havells India                         | Hold       | 1,066   | 1,022            |
| 11      | Hindustan Unilever                    | BUY        | 2,562   | 2,487            |
| 12      | ITC                                   | BUY        | 258     | 202              |
| 13      | Jubilant FoodWorks                    | Accumulate | 3,371   | 3,146            |
| 14      | Kansai Nerolac Paints                 | Accumulate | 620     | 587              |
| 15      | Marico                                | UR         | -       | 520              |
| 16      | Nestle India                          | Accumulate | 18,450  | 17,602           |
| 17      | Pidilite Industries                   | UR         | -       | 2,179            |
| 18      | Titan Company                         | Accumulate | 1,869   | 1,763            |
| 19      | Voltas                                | Hold       | 955     | 1,015            |
| 20      | Westlife Development                  | BUY        | 572     | 496              |

**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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### **Prabhudas Lilladher Pvt. Ltd.**

**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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