

UPL

Refer to important disclosures at the end of this report

Higher-than-expected growth in Q3, positive Q4 outlook

CMP	Target Price
Rs 785 as of (February 1, 2022)	Rs 910 (■) 12 months
Rating	Upside
BUY (■)	15.9 %

- UPLL delivered an all-round Q3 beat. Topline/EBITDA/PAT exceeded consensus estimates by 11%/6%/13% on the back of robust broad-based growth across the regions, except India, which remained flat YoY. Revenue growth of 24% YoY was driven by 11%/13% YoY growth in volume and pricing. Operating margins, however, contracted by 250bps YoY to 21.6% owing to inflationary trends in RM, coupled with elevated fuel and freight costs. Earnings grew by 18% YoY to Rs9.4bn, driven by lower interest outgo.
- Buoyant commodity prices, in-house manufacturing of key AIs and effective RM sourcing aided the Q3 performance. UPLL did its first registration through its Meiji collaboration for Flupyrinim for rice protection in India through its Meiji collaboration, with more registrations planned in Southeast Asia.
- Based on the 9MFY22 performance and expectations of a strong performance in Q4, UPL management expects to outperform their earlier FY22E guidance of revenue/EBITDA growth of 7-10%/12-15%. We believe that UPL's focus on innovation will drive growth through differentiated offerings in high-growth markets, along with product introductions from its collaborations with Meiji and FMC. Based on Q3 numbers, we have marginally increased our FY23E/FY24E revenue by ~4% and EBITDA by ~2% and lowered earnings by ~3% due to rising depreciation and higher interest outgo. We maintain Buy with an unchanged Mar'23E TP of Rs910, based on a two-stage growth model.

- What we liked?** 1) Resilient top-line growth across geographies driven by growth in volumes, which benefitted from favorable pricing; 2) Robust and efficient supply chain enabling wider reach despite a challenging environment; 3) Gross margin improvement backed by effective RM sourcing and in-house manufacturing of key AIs despite steep RM inflation and challenges in availability; 4) First registration for Meiji's Flupyrinim and FMC product rollout; 5) Working capital reduction; and 6) Debt reduction.
- What we didn't like?** 1) Flat performance in the domestic market.

Management expects to outperform FY22E guidance: UPLL's 9MFY22 growth was driven by a mix of healthy 11% YoY volume growth and a 6% YoY increase in prices. Given high crop and agri commodity prices across the regions and seasonal factors, management expects a strong Q4 performance. Despite high net debt of Rs238bn as of Dec'21, management reiterated its Net debt-to-EBITDA guidance of less than 2x by FY22-end. Collaborations with Meiji and FMC have started yielding results with initial product registrations. Growth in product rollouts is expected to accelerate further in coming years.

- Valuation and Outlook:** We believe UPLL's strategy to expand its Differentiated and Sustainable (D&S) solutions offerings is expected to drive sustainable growth along with margin expansion. Our Mar'23E TP of Rs910 implies FY24E EV/EBITDA at 8.6x. Key assumptions: 1) 11.50% WACC; 2) 6% EBITDA CAGR in FY26E; 3) FY25E exit EBITDA of Rs132bn; and 4) terminal growth rate of 4% starting FY35E.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Agri Input & Chemicals \(Page 10\)](#)

Financial Snapshot (Consolidated)

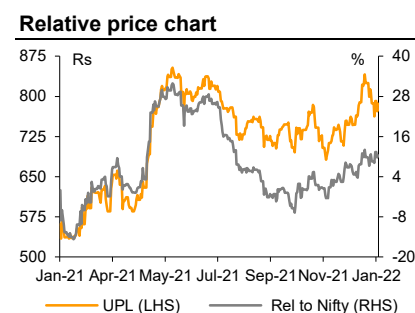
(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	3,57,560	3,86,940	4,47,068	4,81,641	5,19,454
EBITDA	67,730	83,520	97,252	1,08,252	1,20,842
EBITDA Margin (%)	18.9	21.6	21.8	22.5	23.3
APAT	23,990	31,090	38,972	45,185	54,525
EPS (Rs)	31.4	40.6	50.9	59.1	71.3
EPS (% chg)	(17.6)	29.6	25.4	15.9	20.7
ROE (%)	14.1	15.5	17.4	17.6	18.4
P/E (x)	25.0	19.3	15.4	13.3	11.0
EV/EBITDA (x)	12.1	9.4	8.2	6.9	5.8
P/BV (x)	3.1	2.9	2.5	2.2	1.9

Source: Company, Emkay Research

Change in Estimates		
EPS Chg FY22E/FY23E (%)	-2.2/-3	
Target Price change (%)	-	
Target Period (Months)	12	
Previous Reco	BUY	
Emkay vs Consensus		
EPS Estimates		
	FY22E	FY23E
Emkay	50.9	59.1
Consensus	51.2	61.6
Mean Consensus TP (12M)	Rs 948	
Stock Details		
Bloomberg Code	UPLL IN	
Face Value (Rs)	2	
Shares outstanding (mn)	764	
52 Week H/L	865 / 510	
M Cap (Rs bn/USD bn)	600 / 8.02	
Daily Avg Volume (nos.)	2,707,325	
Daily Avg Turnover (US\$ mn)	27.5	

Shareholding Pattern Dec '21	
Promoters	28.2%
FIIIs	34.3%
DIIIs	18.7%
Public and Others	18.9%

Price Performance				
(%)	1M	3M	6M	12M
Absolute	5	9	(3)	47
Rel. to Nifty	4	11	(13)	19



Source: Bloomberg

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Q3Y22 Concall Highlights – First product registered in India from Meiji collaboration; FMC products launched in some geographies incl. Brazil; expects to outperform FY22E guidance

Market and Business Update – Benefitted from product mix despite freight/logistics challenges

- In-house manufacturing of key AIs, effective RM sourcing reflected in better performance
- Meiji collaboration – Flupyrimin, first registration done in India for rice protection, to start commercializing in next few months
- Brazil – To introduce nematicide, a combination product
- Expects to outperform FY22 guidance on revenues and EBITDA
- Q4 strong demand for herbicide and continued price actions, accelerated growth from NPP biosolutions and differentiated solutions
- Digitization investment – Rs530mn in Q3, Rs1.99n in 9MFY22
- No supply chain-related concerns expected in Q4; only issue on ocean freight/containers; however, demonstrated volume growth during 9M despite supply chain issues
- No apprehensions on financial performance from rating agencies
- Receivables factoring – undertaken about 10 years ago, to derisk business, expects US\$1.3bn receivable securitization by FY22-end; US\$945mn till 9MFY22 (Rs45.70bn) vs. US\$625mn during 9MFY21.
- Investment in digital platform till now – ~US\$50mn
- Hotspots in Brazil, Paraguay and Argentina under drought – unlikely to impact Q4 as farmers are able to break-even from the crops
- FMC supplies – operations expected to commence from Q4FY23; expects supplies to start in Q1FY24
- FMC product – Launched in some geographies, including in Brazil, initially standalone products, many mixtures coming
- Some product prices from China expected to remain at high levels
- Biosolutions – introduced in all 138 countries
- OpenAg collaborations – 70 projects under evaluation with different organizations
- Expects FY22-end inventories lower than that of last year

Q3 Financial Performance – Healthy volume growth

- Q3 overall revenue growth 24% YoY – Volume growth 11%, price increases 13%, currency tailwinds 0%
- Gross margin – down 102bps YoY, impacted by freight charges, favorable regional mix and higher proportion of differentiated portfolio
- EBITDA margin – down 126bps YoY, improved realizations and efficient supply chain management offset by a sharp rise in input costs and freight charges
- Q3 exceptional item Rs520mn – cost related to restructuring in Europe, litigation, insurance claims, and severance related expenses
- Net WC – 108 days (117 days), expects at 90 days at the end of the year, focus on reducing inventories, reducing overdue collections
- Gross debt – Rs274.33bn, net debt Rs237.68bn, net debt/EBITDA below 2x by FY22-end
- Expected FY22E debt repayment – US\$350-400mn, ~US\$125mn (Rs94bn) debt prepaid in Jan'22
- 9M Capex – Rs16.69bn
- CF from operations – Rs60.24bn

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- Prepaid debt of Rs94bn in Jan'22
- Insurance in Africa – expect claims by Q4FY22-end

FY22E Guidance – Expects to achieve high end of guidance

- Revenue growth – 7-10%
- EBITDA growth – 12-15%
- Net debt-to-EBITDA – <2x by FY22-end, maintained at that level
- Net WC days – 90 days by FY22-end
- Capex – budgeted US\$330mn, expects to spend a bit lower, US\$300-325mn capex runrate, 60% for product registration, 40% for fixed assets
- Effective tax rate – 15-18%, expected to be at the lower end of guidance.

Summary of Quarterly results

Exhibit 1: Quarterly Snapshot

Rs. Mn	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	YoY%	QoQ%
Sales	42,570	49,210	85,250	79,060	78,170	88,920	1,11,410	78,330	89,390	91,260	1,27,960	85,150	1,05,670	1,12,970	23.8	6.9
Cost of Raw Material	18,760	22,230	49,660	42,750	38,650	44,270	62,480	35,490	45,090	41,170	69,210	37,030	52,210	51,540	25.2	(1.3)
as % of sales	44.07	45.17	58.25	54.07	49.44	49.79	56.08	45.31	50.44	45.11	54.09	43.49	49.41	45.62		
Employee expenses	4,670	5,040	6,700	8,610	8,310	7,310	9,680	8,700	9,240	9,520	9,660	10,300	10,790	11,660	22.5	8.1
as % of sales	10.97	10.24	7.86	10.89	10.63	8.22	8.69	11.11	10.34	10.43	7.55	12.10	10.21	10.32		
Other Expenses	11,270	12,560	15,980	15,300	16,740	16,320	20,210	15,820	18,390	18,550	22,580	20,080	23,360	25,330	36.5	8.4
as % of sales	26.47	25.52	18.74	19.35	21.41	18.35	18.14	20.20	20.57	20.33	17.65	23.58	22.11	22.42		
Total Expenditure	34,700	39,830	72,340	66,660	63,700	67,900	92,370	60,010	72,720	69,240	1,01,450	67,410	86,360	88,530	27.9	2.5
EBITDA	7,870	9,380	12,910	12,400	14,470	21,020	19,040	18,320	16,670	22,020	26,510	17,740	19,310	24,440	11.0	26.6
Depreciation	1,810	1,820	3,420	5,770	4,760	4,950	5,950	5,220	5,330	5,420	5,760	5,510	5,660	6,000		
EBIT	6,060	7,560	9,490	6,630	9,710	16,070	13,090	13,100	11,340	16,600	20,750	12,230	13,650	18,440	11.1	35.1
Other Income	320	370	480	390	240	200	210	670	750	670	490	480	470	700		
Interest cost	1,810	2,020	4,050	3,980	3,810	5,150	1,870	5,510	3,430	7,450	4,210	6,070	3,590	5,290	(29.0)	47.4
PBT	4,570	5,910	5,920	3,040	6,140	11,120	11,430	8,260	8,660	9,820	17,030	6,640	10,530	13,850	41.0	31.5
Total Tax	1,160	280	20	120	990	1,990	2,110	1,430	1,120	1,090	3,220	(1,520)	2,490	1,670	53.2	(32.9)
PAT before Minority Interest	3,410	5,630	5,900	2,920	5,150	9,130	9,320	6,830	7,540	8,730	13,810	8,160	8,040	12,180	39.5	51.5
PAT before extra	3,410	5,630	5,900	2,920	5,150	9,130	9,320	6,830	7,540	8,730	13,810	8,160	8,040	12,180	39.5	51.5
Exceptional Items	570	910	2,990	720	3,050	750	1,710	250	2,110	(780)	800	630	400	530		
Reported PAT	2,840	4,720	2,910	2,200	2,100	8,380	7,610	6,580	5,430	9,510	13,010	7,530	7,640	11,650	22.5	52.5
Minority Interest	60	70	690	380	360	1,290	1,670	1,020	740	1,500	2,980	720	1,400	2,430		
Share of Profit/(loss) from asso.	(80)	(40)	280	(40)	(80)	(80)	230	(50)	(60)	(70)	600	(40)	100	140		
Reported Consolidated PAT	2,700	4,610	2,500	1,780	1,660	7,010	6,170	5,510	4,630	7,940	10,630	6,770	6,340	9,360	17.9	47.6
Adj. Consolidated PAT	3,270	5,520	5,490	2,500	4,710	7,760	7,880	5,760	6,740	7,160	11,430	7,400	6,740	9,890	38.1	46.7

Margins (%)	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	bps	bps
EBIDTA	18.5	19.1	15.1	15.7	18.5	23.6	17.1	23.4	18.6	24.1	20.7	20.8	18.3	21.6	(249)	336
EBIT	14.2	15.4	11.1	8.4	12.4	18.1	11.7	16.7	12.7	18.2	16.2	14.4	12.9	16.3	(187)	341
PBT	10.7	12.0	6.9	3.8	7.9	12.5	10.3	10.5	9.7	10.8	13.3	7.8	10.0	12.3	150	229
PAT	8.0	11.4	6.9	3.7	6.6	10.3	8.4	8.7	8.4	9.6	10.8	9.6	7.6	10.8	122	317
Effective Tax rate	25.4	4.7	0.3	3.9	16.1	17.9	18.5	17.3	12.9	11.1	18.9	-22.9	23.6	12.1	96	(1,159)

Source: Company, Emkay Research

Rs. Mn	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	YoY%	QoQ%
India	10770	4860	5088	11930	11950	7490	6920	15110	14090	9060	8510	7490	14830	9070	0.1	(38.8)
Latin America	17420	22840	26717	24000	37670	42040	33930	20150	42330	38490	47670	42040	50880	46830	21.7	(8.0)
Europe	3670	5110	22490	16870	9070	8610	22040	17030	10220	11200	25770	8610	13360	14060	25.5	5.2
ROW	6690	7740	17459	14310	13280	17900	23220	15780	15030	18990	20630	17900	17020	21850	15.1	28.4
North America	4020	8660	17455	11950	6210	12880	25310	10270	7730	13520	25390	12880	9580	21170	56.6	121.0
Total	42,570	49,210	89,208	79,060	78,180	88,920	1,11,420	78,340	89,400	91,260	1,27,970	88,920	1,05,670	1,12,980	23.8	6.9

%	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	YoY%	QoQ%
India	25.3	9.9	5.7	15.1	15.3	8.4	6.2	19.3	15.8	9.9	6.6	8.4	14.0	8.0	-190	-601
Latin America	40.9	46.4	29.9	30.4	48.2	47.3	30.5	25.7	47.3	42.2	37.3	47.3	48.1	41.4	-73	-670
Europe	8.6	10.4	25.2	21.3	11.6	9.7	19.8	21.7	11.4	12.3	20.1	9.7	12.6	12.4	17	-20
ROW	15.7	15.7	19.6	18.1	17.0	20.1	20.8	20.1	16.8	20.8	16.1	20.1	16.1	19.3	-147	323
North America	9.4	17.6	19.6	15.1	7.9	14.5	22.7	13.1	8.6	14.8	19.8	14.5	9.1	18.7	392	967
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		

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Exhibit 2: Quarterly Result Summary

Rs. Mn	Q3FY22	Q3FY21	YoY%	Q2FY22	QoQ%	9MFY22	9MFY21	Ch%
Sales	1,12,970	91,260	23.8	1,05,670	6.9	3,03,790	2,58,980	17.3
Cost of Raw Material	51,540	41,170	25.2	52,210	(1.3)	1,40,780	1,21,750	15.6
as % of sales	45.62	45.11		49.41	-	46.34	47.01	
Employee expenses	11,660	9,520	22.5	10,790	8.1	32,750	27,460	19.3
as % of sales	10.32	10.43		10.21	-	10.78	10.60	
Other Expenses	25,330	18,550	36.5	23,360	8.4	68,770	52,760	30.3
as % of sales	22.42	20.33		22.11	-	22.64	20.37	
Total Expenditure	88,530	69,240	27.9	86,360	2.5	2,42,300	2,01,970	20.0
EBITDA	24,440	22,020	11.0	19,310	26.6	61,490	57,010	7.9
Depreciation	6,000	5,420		5,660	-	17,170	15,970	
EBIT	18,440	16,600	11.1	13,650	35.1	44,320	41,040	8.0
Other Income	700	670		470	-	1,650	2,090	
Interest cost	5,290	7,450	(29.0)	3,590	47.4	14,950	16,390	(8.8)
PBT	13,850	9,820	41.0	10,530	31.5	31,020	26,740	16.0
Total Tax	1,670	1,090	53.2	2,490	(32.9)	2,640	3,640	(27.5)
PAT before Minority Interest	12,180	8,730	39.5	8,040	51.5	28,380	23,100	22.9
Minority Interest	-	-		-				
P&L from associate/JV	-	-		-				
PAT before extra	12,180	8,730	39.5	8,040	51.5	28,380	23,100	22.9
Exceptional Items	530	(780)		400	-	1,560	1,580	
Reported PAT	11,650	9,510	22.5	7,640	52.5	26,820	21,520	24.6
Minority Interest	2,430	1,500	-	1,400	-	4,550	3,260	-
Share of Profit/(loss) from asso.	140	(70)	-	100	-	200	(180)	-
Reported Consolidated PAT	9,360	7,940	17.9	6,340	47.6	22,470	18,080	24.3
Adj. Consolidated PAT	9,890	7,160	38.1	6,740	46.7	24,030	19,660	22.2

Margins (%)	Q3FY22	Q3FY21	bps	Q2FY22	bps	9MFY22	9MFY21	bps
EBIDTA	21.6	24.1	(249)	18.3	336	20.2	22.0	(177)
EBIT	16.3	18.2	(187)	12.9	341	14.6	15.8	(126)
PBT	12.3	10.8	150	10.0	229	10.2	10.3	(11)
PAT	10.8	9.6	122	7.6	317	9.3	8.9	42
Effective Tax rate	12.1	11.1	96	23.6	(1,159)	8.5	13.6	(510)

Source: Company, Emkay Research

Exhibit 3: Actual vs. Estimates

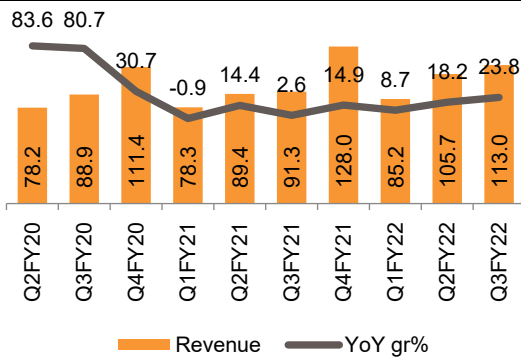
(in Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Revenue	1,12,970	-	1,01,653	-	11.1	-
EBITDA	24,440	-	23,139	-	5.6	-
Adj. PAT	9,890	-	8,721	-	13.4	-

Source: Emkay Research, Company

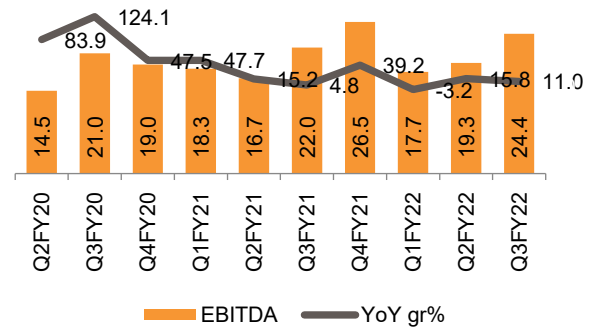
Exhibit 4: Changes in estimates

Rs mn	FY22E			FY23E			FY24E		
	Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	4,27,313	4,47,068	4.6	4,61,071	4,81,641	4.5	4,99,483	5,19,454	4.0
EBITDA	96,329	97,252	1.0	1,06,481	1,08,252	1.7	1,18,547	1,20,842	1.9
Adj. PAT	39844	38972	-2.2	46607	45185	-3.1	56075	54525	-2.8
EPS	52.1	50.9	-2.2	60.9	59.1	-3.0	73.3	71.3	-2.8

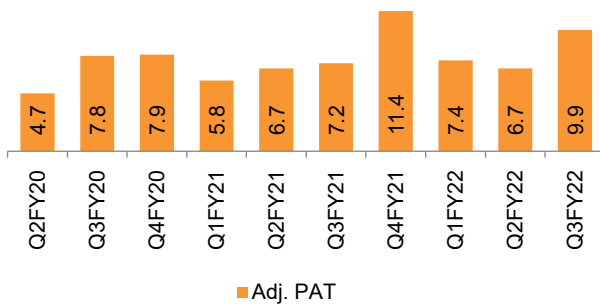
Source: Emkay Research, Company

Exhibit 5: Revenue (Rsbn) growth at 24% YoY in Q3FY22

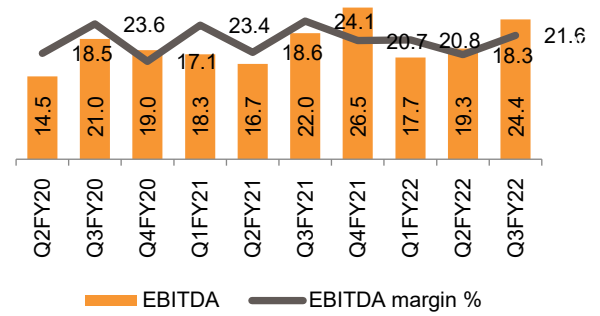
Source: Emkay Research, Company

Exhibit 6: EBITDA (Rsbn) growth of 11% YoY, beating consensus estimates

Source: Emkay Research, Company

Exhibit 7: Earnings (Rsbn) grew by 38% YoY in Q3FY22

Source: Emkay Research, Company

Exhibit 8: Margin contraction in operating margin on YoY basis

Source: Emkay Research, Company

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	3,57,560	3,86,940	4,47,068	4,81,641	5,19,454
Expenditure	2,89,830	3,03,420	3,49,815	3,73,389	3,98,613
EBITDA	67,730	83,520	97,252	1,08,252	1,20,842
Depreciation	20,120	21,730	23,290	24,113	25,740
EBIT	47,610	61,790	73,962	84,139	95,101
Other Income	1,040	2,580	2,141	2,248	2,473
Interest expenses	14,810	20,600	20,479	15,691	11,824
PBT	33,840	43,770	55,625	70,697	85,751
Tax	5,860	6,860	8,773	12,765	16,339
Extraordinary Items	6,230	2,380	2,000	0	0
Minority Int./Income from Assoc.	4,020	6,240	8,080	12,966	15,130
Reported Net Income	17,760	28,710	36,972	45,185	54,525
Adjusted PAT	23,990	31,090	38,972	45,185	54,525

Balance Sheet

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity share capital	1,530	1,530	1,530	1,530	1,530
Reserves & surplus	1,91,290	2,07,340	2,36,917	2,73,066	3,16,685
Net worth	1,92,820	2,08,870	2,38,447	2,74,596	3,18,215
Minority Interest	33,120	36,930	45,010	57,976	73,106
Loan Funds	2,86,690	2,35,600	2,30,100	1,84,600	1,39,100
Net deferred tax liability	11,220	9,960	9,960	9,960	9,960
Total Liabilities	5,23,850	4,91,360	5,23,517	5,27,131	5,40,381
Net block	3,53,210	3,47,650	3,47,610	3,47,909	3,49,022
Investment	5,580	6,180	6,180	6,180	6,180
Current Assets	3,04,760	3,12,650	3,45,070	3,59,430	3,83,645
Cash & bank balance	67,520	48,530	30,871	31,752	34,435
Other Current Assets	27,320	31,120	40,540	40,540	40,540
Current liabilities & Provision	1,60,430	1,96,290	1,96,513	2,07,558	2,19,637
Net current assets	1,44,330	1,16,360	1,48,557	1,51,872	1,64,008
Misc. exp	0	0	0	0	0
Total Assets	5,23,850	4,91,360	5,23,517	5,27,131	5,40,381

Cash Flow

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
PBT (Ex-Other income) (NI+Dep)	32,800	41,190	53,483	68,448	83,278
Other Non-Cash items	0	0	0	0	0
Chg in working cap	29,080	7,720	(49,856)	(2,434)	(9,453)
Operating Cashflow	87,390	72,120	38,623	93,053	95,050
Capital expenditure	(50,920)	(10,860)	(23,250)	(24,413)	(26,854)
Free Cash Flow	36,470	61,260	15,373	68,641	68,196
Investments	1,500	(600)	0	0	0
Other Investing Cash Flow	20,450	(11,530)	0	0	0
Investing Cashflow	(26,430)	(21,010)	(21,109)	(22,164)	(24,380)
Equity Capital Raised	510	0	0	0	0
Loans Taken / (Repaid)	(1,920)	(51,090)	(5,500)	(45,500)	(45,500)
Dividend paid (incl tax)	(3,280)	(4,580)	(7,394)	(9,037)	(10,905)
Other Financing Cash Flow	(2,250)	9,140	0	0	0
Financing Cashflow	(21,750)	(67,130)	(33,373)	(70,228)	(68,228)
Net chg in cash	39,210	(16,020)	(15,859)	661	2,441
Opening cash position	28,260	67,240	47,970	30,311	31,192
Closing cash position	67,520	48,530	30,871	31,752	34,435

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY20	FY21	FY22E	FY23E	FY24E
EBITDA Margin	18.9	21.6	21.8	22.5	23.3
EBIT Margin	13.3	16.0	16.5	17.5	18.3
Effective Tax Rate	17.3	15.7	15.8	18.1	19.1
Net Margin	7.8	9.5	10.5	12.0	13.4
ROCE	9.6	12.7	15.0	16.4	18.3
ROE	14.1	15.5	17.4	17.6	18.4
RoIC	11.1	14.6	16.8	18.0	20.1

Per Share Data (Rs)	FY20	FY21	FY22E	FY23E	FY24E
EPS	31.4	40.6	50.9	59.1	71.3
CEPS	57.7	69.0	81.4	90.6	104.9
BVPS	252.1	273.0	311.7	358.9	416.0
DPS	4.3	6.0	9.7	11.8	14.3

Valuations (x)	FY20	FY21	FY22E	FY23E	FY24E
PER	25.0	19.3	15.4	13.3	11.0
P/CEPS	13.6	11.4	9.6	8.7	7.5
P/BV	3.1	2.9	2.5	2.2	1.9
EV / Sales	2.3	2.0	1.8	1.6	1.4
EV / EBITDA	12.1	9.4	8.2	6.9	5.8
Dividend Yield (%)	0.5	0.8	1.2	1.5	1.8

Gearing Ratio (x)	FY20	FY21	FY22E	FY23E	FY24E
Net Debt/ Equity	1.1	0.9	0.8	0.5	0.3
Net Debt/EBIDTA	3.2	2.2	2.0	1.4	0.8
Working Cap Cycle (days)	78.4	64.0	96.1	91.0	91.0

Growth (%)	FY20	FY21	FY22E	FY23E	FY24E
Revenue	63.7	8.2	15.5	7.7	7.9
EBITDA	77.6	23.3	16.4	11.3	11.6
EBIT	62.3	29.8	19.7	13.8	13.0
PAT	19.1	61.7	28.8	22.2	20.7

Quarterly (Rs mn)	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Revenue	91,260	1,27,960	85,150	1,05,670	1,12,970
EBITDA	22020	26510	17740	19310	24440
EBITDA Margin (%)	24.1	20.7	20.8	18.3	21.6
PAT	7160	11430	7400	6740	9890
EPS (Rs)	10.4	13.9	8.8	8.3	12.2

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
Promoters	27.9	28.0	28.0	28.0	28.2
FII	35.4	37.8	37.9	35.1	34.3
DII	16.3	15.8	16.2	18.0	18.7
Public and Others	20.5	18.4	18.0	19.0	18.9

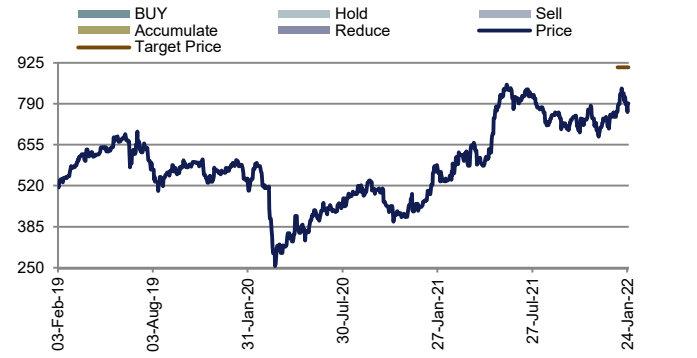
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
05-Jan-22	765	910	12m	Buy	Rohit Nagraj

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Agri Input & Chemicals



Analyst: Rohit Nagraj

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Sector

Agri Input & Agrochemicals and
Speciality Chemicals

Analyst bio

Rohit holds MMS in Finance and B. Tech. in Chemical Engineering. He has more than 20 years of experience with 15 years in equity research.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
Agri Input & Chemicals	0.78	0.77	-1%	-1	100.00	
Bayer CropScience*	0.07	0.04	-42%	-3	4.97	0
Coromandel International*	0.09	0.03	-66%	-6	4.06	0
Dhanuka Agritech	0.00	0.07	NA	7	9.63	0
PI Industries	0.19	0.15	-21%	-4	19.58	0
Rallis India	0.00	0.04	NA	4	4.64	0
UPL	0.42	0.43	3%	1	56.10	0
Cash	0.00	0.01	NA	1	1.01	0

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	29-Jan-21	30-Jul-21	29-Oct-21	31-Dec-21	31-Jan-22
EAP - Agri Input & Chemicals	100.0	118.7	161.6	150.1	153.0	147.9
BSE200 Neutral Weighted Portfolio (ETF)	100.0	114.5	155.4	145.9	146.2	141.7

*Performance measurement base date 1st April 2019

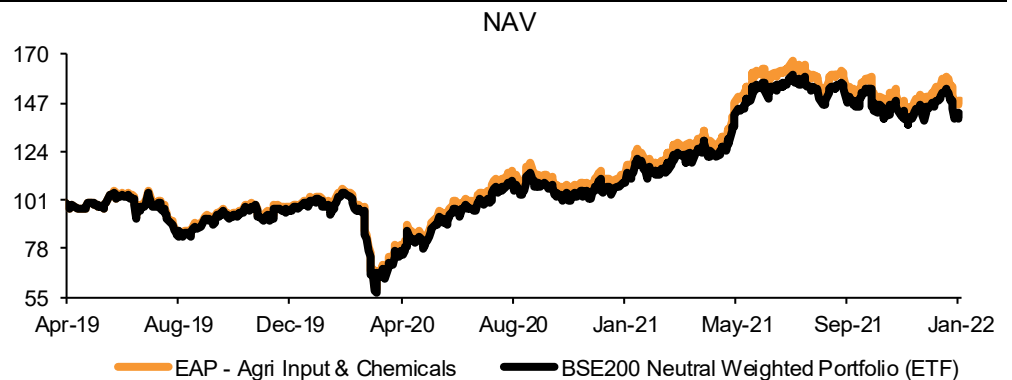
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Agri Input & Chemicals	-3.3%	-1.5%	-8.5%	24.6%
BSE200 Neutral Weighted Portfolio (ETF)	-3.1%	-2.9%	-8.8%	23.8%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 01 Feb 2022 23:36:22 (SGT)

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