

Aditya Birla Fashion & Retail

Refer to important disclosures at the end of this report

Expects to beat FY26E target with fund raise; maintain Buy

- ABFRL has approved a Rs22bn capital raise from GIC Singapore through a mix of fresh equity (Rs3bn) and convertible warrants (Rs19bn) at Rs289/share. GIC will pay Rs7.7bn for fresh equity + a premium for warrant subscription now (~25%), followed by Rs14.3bn within the next 18 months. After the investment, ABFRL will see a 7.5% equity dilution.
- With this raise, ABFRL has strengthened its balance sheet for the medium term and expects to beat its earlier stated target of Rs210bn top-line by FY26 (~15% FY20-26E CAGR). A majority of the funds would go toward ramping up Pantaloons/Ethnic/Innerwear.
- Q4 EBITDA was 35-70% ahead of estimates, led by strong traction in Lifestyle (rev/sqft up ~15% vs. pre-covid). Pantaloons recovery was slower at 90%. It expects ~400/80/70 store additions in Lifestyle/Pantaloons/Ethnic after modest additions in FY22 due to challenges.
- We largely maintain FY24 estimates. The FY26E top-line target is factored in, but we remain conservative on margins by ~150bps. Retain Buy with TP of Rs360 (Rs400 earlier) on 26x Jun'24 pre-IndAS EBITDA (28x earlier). Multiple cut is led by 50bps higher WACC.

Robust expansion plans aided by fund raise: Top-line grew ~22%, led by 34% growth in Lifestyle and 13% growth in Pantaloons. Lifestyle growth was led by 71% growth in the wholesale channel, while physical retail/other channels delivered a healthy 25%/16% growth. In line with recent trends, Lifestyle EBOs saw strong traction with Rev/sqft ~15% higher than pre-Covid levels despite operational challenges in the first half of Q4. While store additions picked up in Pantaloons with 16 new additions, rev/sqft was still ~10% below pre-covid levels. However, ABFRL expects to get back to near pre-Covid levels in FY23. Compared to recent trends, Innerwear growth was slower at ~15% in Q4 and 33% in FY22. Ethnic business reported sales of Rs1bn (up 2.5x), with an annual run rate of Rs4bn. Going ahead, it expects store additions to pick up with ~400/80/70 additions expected in Lifestyle/Pantaloons/Ethnic segments in FY23E vs. 143/31 store additions for Lifestyle/Pantaloons in FY22. Capex is expected to be ~Rs7bn in FY23E for new store additions, back-end infra and digital capabilities. ABFRL had a net debt of Rs5bn as of FY22-end.

Lifestyle segment led margin gains: EBITDA margins improved ~260bps to 17%, led by a 570bps gain in Lifestyle and a ~230bps decline in Pantaloons. Strong SSG reflected in strong margin gains for lifestyle, while weaker SSG led to a margin decline in Pantaloons. ABFRL expects a pick-up in discretionary expenses and strong expansion to impact margins from ~19% in H2. We remain conservative with 17-18% margin expectations over FY22-25E.

Stronger franchise; maintain Buy: Strong recovery trends, aggressive expansion plans and an improving margin profile should drive healthy revenue/EBITDA CAGRs of 15%/28% over FY20-25E. RoIC (ex-goodwill) is expected to improve to ~30% by FY25. Retain Buy with a revised TP of Rs360 (26x Jun'24E pre-IndAS116 EBITDA vs. 28x FY24E earlier). The reduction in multiple is due to 3M roll-over and higher WACC.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	52,489	81,362	1,20,367	1,45,921	1,74,685
EBITDA	5,548	10,999	20,179	25,136	31,156
EBITDA Margin (%)	10.6	13.5	16.8	17.2	17.8
APAT	(6,725)	(1,087)	4,776	7,359	10,510
EPS (Rs)	(7.3)	(1.2)	5.0	7.8	11.1
EPS (% chg)	0.0	0.0	0.0	54.1	42.8
ROE (%)	(36.1)	(4.0)	14.1	16.8	19.9
P/E (x)	(36.3)	(230.2)	53.0	34.4	24.1
EV/EBITDA (x)	44.9	23.2	12.5	9.9	7.8
P/BV (x)	9.2	9.0	6.3	5.3	4.4

Source: Company, Emkay Research

CMP	Target Price
Rs 267 as of (May 25, 2022)	Rs 360 (▼) 12 months
Rating	Upside
BUY (■)	35.0 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	(8)/(3)
Target Price change (%)	(10.0)
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY23E	FY24E
Emkay	5.0	7.8
Consensus	3.2	5.4
Mean Consensus TP (12M)	Rs 340	

Stock Details

Bloomberg Code	ABFRL IN
Face Value (Rs)	10
Shares outstanding (mn)	938
52 Week H/L	322 / 182
M Cap (Rs bn/USD bn)	250 / 3.23
Daily Avg Volume (nos.)	2,684,722
Daily Avg Turnover (US\$ mn)	9.8

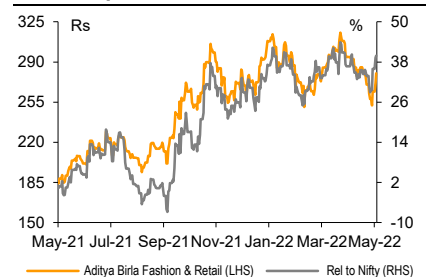
Shareholding Pattern Mar '22

Promoters	56.1%
FIIIs	13.2%
DIIIs	19.5%
Public and Others	11.2%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(6)	6	(2)	39
Rel. to Nifty	-	7	6	31

Relative price chart



Source: Bloomberg

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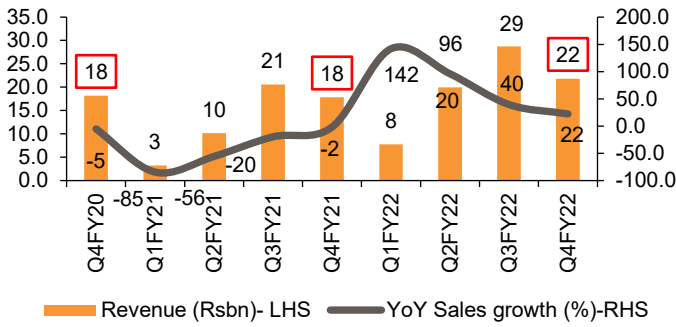
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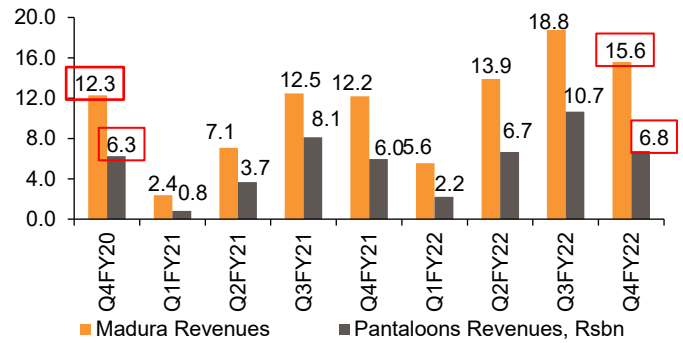
Story in Charts

Exhibit 1: Q4 saw strong revenue growth of 22%, led by robust performance in lifestyle (up 34%) and 13% growth in Pantaloons



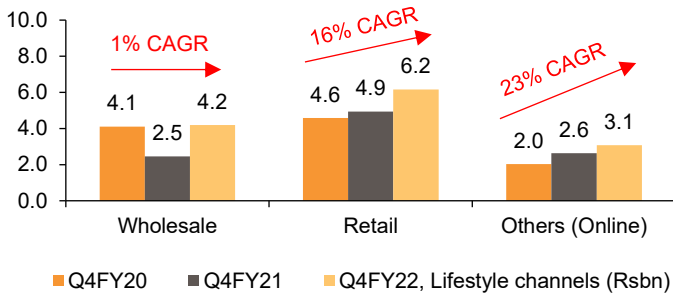
Source: Company, Emkay Research

Exhibit 2: Madura revenues grew strongly vs. pre-covid while Pantaloons grew relatively slower



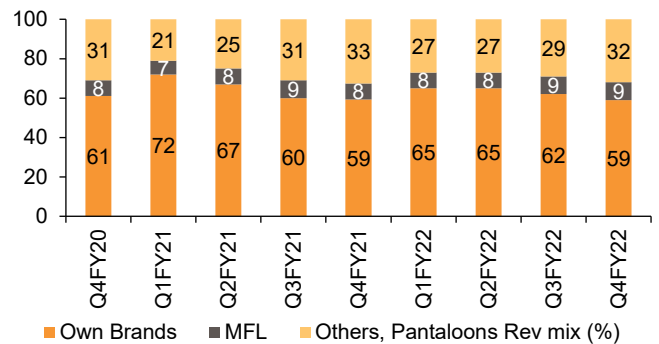
Source: Company, Emkay Research

Exhibit 3: Others (E-com) and Retail channels in Lifestyle saw strong growth vs. pre-covid, while wholesale recovered fully in Q4



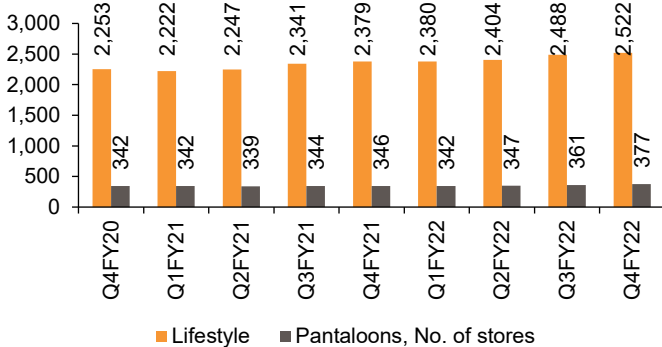
Source: Company, Emkay Research

Exhibit 4: Contribution of own brands remained stable while other brands contribution declined due to operating challenges



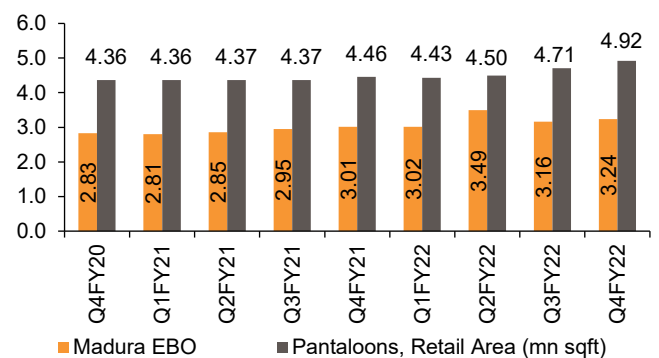
Source: Company, Emkay Research

Exhibit 5: Pantaloons added 16/31 stores in Q4/FY22; Expects ~80/400/70 store additions for Pantaloons/Lifestyle/Ethnic in FY23E



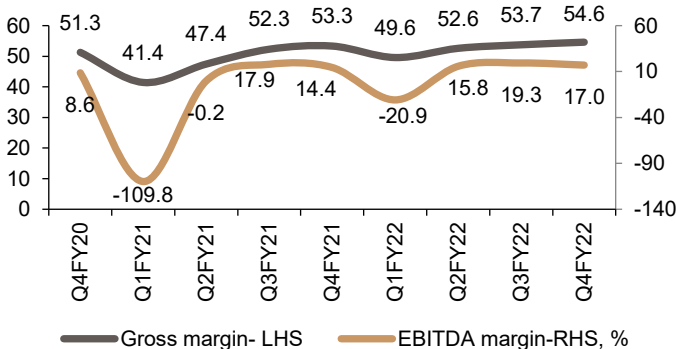
Source: Company, Emkay Research

Exhibit 6: Retail space addition was also healthy in both Lifestyle business as well as Pantaloons in Q4FY22



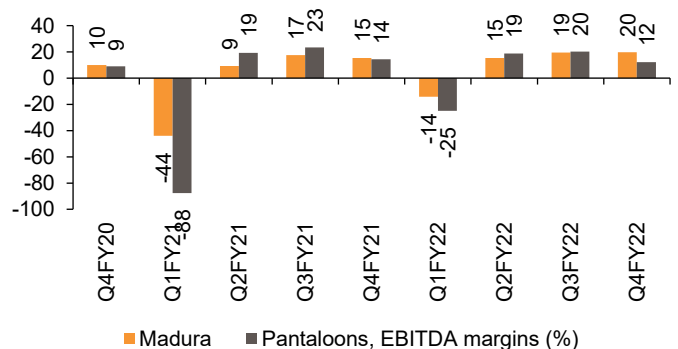
Source: Company, Emkay Research

Exhibit 7: Gross margins were better due to higher fresh sales mix and lower discounted sales in wedding season



Source: Company, Emkay Research, *Post-IndAS116 EBITDA Margins

Exhibit 8: Madura saw healthy EBITDA margin gains in Q4, while Pantaloons EBITDA margin declined due to lower revenue recovery



Source: Company, Emkay Research, *Post-IndAS116 EBITDA Margins

Exhibit 9: Actual vs. Estimates (Q4FY22)

Rs mn	Actual	Estimates		% variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	21,814	20,977	21,296	4.0%	2.4%	Strong traction in Lifestyle led to higher revenues
EBITDA	3,713	2,190	2,761	69.5%	34.5%	Higher margins in Lifestyle segment resulted in better margins
<i>EBITDA margin (%)</i>	17.0%	10.4%	13.0%	658	406	
PAT	497	-713	-334			EBITDA beat led to higher PAT

Source: Company, Emkay Research

Exhibit 10: Quarterly performance (Standalone)

Y/E, Mar (Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY (%)	QoQ (%)	FY21	FY22	Gr (%)
Revenue	17,836	7,740	19,960	28,728	21,814	22.3	-24.1	51,811	78,242	51.0
Expenditure	15,266	9,358	16,814	23,174	18,101	18.6	-21.9	49,088	67,447	37.4
Consumption of RM	8,326	3,903	9,463	13,288	9,905	19.0	-25.5	25,376	36,558	44.1
<i>as % of sales</i>	<i>46.7%</i>	<i>50.4%</i>	<i>47.4%</i>	<i>46.3%</i>	<i>45.4%</i>			<i>49.0%</i>	<i>46.7%</i>	
Employee Cost	2,204	2,287	2,593	2,881	2,673	21.3	-7.2	8,346	10,434	25.0
<i>as % of sales</i>	<i>12.4%</i>	<i>29.5%</i>	<i>13.0%</i>	<i>10.0%</i>	<i>12.3%</i>			<i>16.1%</i>	<i>13.3%</i>	
Rental Cost	869	0	510	2,014	1,382	59.1	-31.4	3,326	3,907	17.5
<i>as % of sales</i>	<i>4.9%</i>	<i>0.0%</i>	<i>2.6%</i>	<i>7.0%</i>	<i>6.3%</i>			<i>6.4%</i>	<i>5.0%</i>	
Other expenditure	3,867	3,168	4,248	4,991	4,141	7.1	-17.0	12,039	16,548	37.5
<i>as % of sales</i>	<i>21.7%</i>	<i>40.9%</i>	<i>21.3%</i>	<i>17.4%</i>	<i>19.0%</i>			<i>23.2%</i>	<i>21.1%</i>	
EBITDA	2,570	-1,618	3,147	5,553	3,713	44.5	-33.1	2,724	10,795	296.3
Depreciation	2,470	2,275	2,311	2,378	2,505	1.4	5.3	9,450	9,469	0.2
EBIT	100	-3,893	836	3,176	1,208	1,104.2	-62.0	-6,726	1,326	
Other Income	202	242	222	229	249	23.2	8.8	3,946	941	-76.2
Interest	1,196	838	860	855	849	-29.0	-0.7	4,984	3,402	-31.7
PBT	-893	-4,489	197	2,550	608		-76.2	-7,764	-1,135	
Total Tax	455	-1,137	56	642	111	-75.6	-82.7	-1,268	-328	
Reported PAT	-1,348	-3,352	141	1,908	497		-74.0	-6,496	-807	
(Profit)/loss from JV's/Ass/MI	0	0	0	0	0			0	0	
APAT after MI	-1,348	-3,352	141	1,908	497		-74.0	-6,496	-807	
Extra ordinary items	0	0	0	0	0			0	0	
Adjusted PAT	-1,348	-3,352	141	1,908	497		-74.0	-6,496	-807	
Adjusted EPS (Rs)	-1.5	-3.7	0.2	2.0	0.5		-74.0	-8.0	-1.0	
Margins (%)						(bps)	(bps)	FY21TD	FY22TD	(bps)
EBIDTA	14.4	-20.9	15.8	19.3	17.0	260.0	-230.0	5.3	13.8	850
EBIT	0.6	-50.3	4.2	11.1	5.5	500.0	-550.0	-13.0	1.7	1,470
EBT	-5.0	-58.0	1.0	8.9	2.8		-610.0	-15.0	-1.5	1,350
PAT	-7.6	-43.3	0.7	6.6	2.3		-440.0	-12.5	-1.0	1,150
Effective Tax rate	-50.9	25.3	28.6	25.2	18.3		-690.0	16.3	28.9	1,250

Source: Company, Emkay Research

Exhibit 11: Segment-wise performance

Particulars (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Segment Revenues												
Madura Fashion (Standalone)	12,110	14,630	15,320	12,290	2,370	7,060	12,460	12,170	5,550	13,910	18,760	15,590
<i>YoY Growth, %</i>	<i>10%</i>	<i>16%</i>	<i>14%</i>	<i>-7%</i>	<i>-80%</i>	<i>-52%</i>	<i>-19%</i>	<i>-1%</i>	<i>134%</i>	<i>97%</i>	<i>51%</i>	<i>28%</i>
[A] Lifestyle brands	10,060	12,540	12,950	10,720	1,900	5,310	10,260	10,030	4,350	11,560	15,890	13,420
<i>YoY Growth, %</i>	<i>6%</i>	<i>15%</i>	<i>14%</i>	<i>-5%</i>	<i>-81%</i>	<i>-58%</i>	<i>-21%</i>	<i>-6%</i>	<i>129%</i>	<i>118%</i>	<i>55%</i>	<i>34%</i>
[B] Others (Intl./Innerwear)	2,050	2,090	2,370	1,570	470	1,750	2,200	2,140	1,200	2,350	2,870	2,170
<i>YoY Growth, %</i>	<i>189%</i>	<i>149%</i>	<i>124%</i>	<i>47%</i>	<i>-77%</i>	<i>-16%</i>	<i>-7%</i>	<i>36%</i>	<i>155%</i>	<i>34%</i>	<i>30%</i>	<i>1%</i>
Pantaloons	8,900	9,150	10,830	6,260	822	3,690	8,110	5,970	2,200	6,650	10,660	6,750
<i>YoY Growth, %</i>	<i>9%</i>	<i>16%</i>	<i>13%</i>	<i>-1%</i>	<i>-91%</i>	<i>-60%</i>	<i>-25%</i>	<i>-5%</i>	<i>168%</i>	<i>80%</i>	<i>31%</i>	<i>13%</i>
Less: Inter-segmental revenues	340	810	520	380	-11	560	-20	300	10	600	700	520
Net Revenues (Standalone)	20,670	22,970	25,630	18,170	3,203	10,190	20,590	17,840	7,740	19,960	28,720	21,820
<i>YoY Growth, %</i>	<i>8%</i>	<i>15%</i>	<i>12%</i>	<i>-5%</i>	<i>-85%</i>	<i>-56%</i>	<i>-20%</i>	<i>-2%</i>	<i>142%</i>	<i>96%</i>	<i>39%</i>	<i>22%</i>
Ethnic business	0	110	192	148	30	100	170	380	380	580	1,140	1,010
<i>YoY Growth, %</i>						<i>-9%</i>	<i>-12%</i>	<i>157%</i>	<i>1167%</i>	<i>480%</i>	<i>571%</i>	<i>166%</i>
Net Revenues (Consol)	20,670	23,080	25,822	18,318	3,233	10,290	20,760	18,220	8,120	20,540	29,860	22,830
<i>YoY Growth, %</i>					<i>-84%</i>	<i>-55%</i>	<i>-20%</i>	<i>-1%</i>	<i>151%</i>	<i>100%</i>	<i>44%</i>	<i>25%</i>

Source: Company, Emkay Research

Exhibit 12: Segment-wise performance

Post IndAS 116												
Particulars (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Segment EBITDA												
Madura Fashion (Standalone)	1,600	2,410	2,230	1,210	-1,040	650	2,170	1,880	-790	2,120	3,640	3,080
<i>YoY Growth, %</i>	<i>248%</i>	<i>113%</i>	<i>121%</i>	<i>-14%</i>	<i>-165%</i>	<i>-73%</i>	<i>-3%</i>	<i>55%</i>	<i>-24%</i>	<i>226%</i>	<i>68%</i>	<i>64%</i>
<i>Margins, %</i>	<i>13.2%</i>	<i>16.5%</i>	<i>14.6%</i>	<i>9.8%</i>	<i>-43.9%</i>	<i>9.2%</i>	<i>17.4%</i>	<i>15.4%</i>	<i>-14.2%</i>	<i>15.2%</i>	<i>19.4%</i>	<i>19.8%</i>
[A] Lifestyle brands	1,900	2,180	2,240	1,640	-670	390	1,920	1,760	-570	1,880	3,460	3,120
<i>YoY Growth, %</i>	<i>147%</i>	<i>56%</i>	<i>70%</i>	<i>-3%</i>	<i>-135%</i>	<i>-82%</i>	<i>-14%</i>	<i>7%</i>	<i>-15%</i>	<i>382%</i>	<i>80%</i>	<i>77%</i>
<i>Margins, %</i>	<i>18.9%</i>	<i>17.4%</i>	<i>17.3%</i>	<i>15.3%</i>	<i>-35.3%</i>	<i>7.3%</i>	<i>18.7%</i>	<i>17.5%</i>	<i>-13.1%</i>	<i>16.3%</i>	<i>21.8%</i>	<i>23.2%</i>
[B] Others (Intl./Innerwear)	-300	230	-10	-430	-370	260	250	120	-220	240	180	-40
<i>YoY Growth, %</i>	<i>20%</i>	<i>-235%</i>	<i>-95%</i>	<i>79%</i>	<i>23%</i>	<i>13%</i>	<i>-2600%</i>	<i>-128%</i>	<i>-41%</i>	<i>-8%</i>	<i>-28%</i>	<i>-133%</i>
Pantaloons	1,650	1,450	1,970	560	-720	710	1,900	860	-550	1,250	2,160	820
<i>YoY Growth, %</i>	<i>112%</i>	<i>179%</i>	<i>124%</i>	<i>331%</i>	<i>-144%</i>	<i>-51%</i>	<i>-4%</i>	<i>54%</i>	<i>-24%</i>	<i>76%</i>	<i>14%</i>	<i>-5%</i>
<i>Margins, %</i>	<i>18.5%</i>	<i>15.8%</i>	<i>18.2%</i>	<i>8.9%</i>	<i>-87.6%</i>	<i>19.2%</i>	<i>23.4%</i>	<i>14.4%</i>	<i>-25.0%</i>	<i>18.8%</i>	<i>20.3%</i>	<i>12.1%</i>
Elimination	-60	230	-30	40	-20	-30	-190	-20	30	0	20	-70
Total EBITDA (Standalone)	3,310	3,630	4,230	1,730	-1,740	1,390	4,260	2,760	-1,370	3,370	5,780	3,970
<i>YoY Growth, %</i>	<i>171%</i>	<i>125%</i>	<i>127%</i>	<i>16%</i>	<i>-153%</i>	<i>-62%</i>	<i>1%</i>	<i>60%</i>	<i>-21%</i>	<i>142%</i>	<i>36%</i>	<i>44%</i>
<i>Margins, %</i>	<i>16.0%</i>	<i>15.8%</i>	<i>16.5%</i>	<i>9.5%</i>	<i>-54.3%</i>	<i>13.6%</i>	<i>20.7%</i>	<i>15.5%</i>	<i>-17.7%</i>	<i>16.9%</i>	<i>20.1%</i>	<i>18.2%</i>
Ethnic Business	0	-70	-10	-50	-80	-40	-30	-240	-70	10	310	50
Total EBITDA (Consol)	3,310	3,560	4,220	1,680	-1,820	1,350	4,230	2,520	-1,440	3,380	6,090	4,020
<i>Margins, %</i>	<i>16.0%</i>	<i>15.4%</i>	<i>16.3%</i>	<i>9.2%</i>	<i>-56.3%</i>	<i>13.1%</i>	<i>20.4%</i>	<i>13.8%</i>	<i>-17.7%</i>	<i>16.5%</i>	<i>20.4%</i>	<i>17.6%</i>

Source: Company, Emkay Research

Exhibit 13: Changes in estimates

Rs mn	FY23E			FY24E			FY25E
	Earlier	Revised	% Change	Earlier	Revised	% Change	Introduced
Revenues	1,22,966	1,20,367	-2.1	1,46,502	1,45,921	-0.4	1,74,685
Comparable EBITDA*	20,691	20,179	-2.5	25,256	25,136	-0.5	31,156
EBITDA Margin (%)	16.8	16.8	-10 bps	17.2	17.2	0 bps	17.8
PAT	5,157	4,776	-7.4	7,523	7,359	-2.2	10,510
EPS (Rs)	5.5	5.0	-8.5	8.0	7.8	-3.0	11.1

Source: Company, Emkay Research, Post IndAS116 EBITDA

Exhibit 14: Peer Comparison

Companies	Price (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	EPS (Rs)			P/E (x)			EV / EBITDA (x)*		
					FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
ABFRL	267	250	Buy	360	-1.2	5.0	7.8	NA	50.4	33.3	23.2	12.1	9.7
Jubilant FoodWorks	478	316	Hold	630	6.7	9.0	11.4	71.6	52.9	42.0	28.0	22.4	18.5
Page Industries	43,000	480	Buy	48,200	446.3	664.7	802.7	96.4	64.7	53.6	64.6	44.8	37.4
Titan Company	2,141	1,900	Buy	2,530	25.3	39.0	47.3	84.8	54.9	45.3	56.6	36.0	29.5
Westlife Development	462	72	Buy	650	-0.1	5.4	8.8	NA	85.1	52.6	42.8	23.2	17.6
TCNS Clothing	592	36	Buy	1,070	-1.7	18.6	27.9	NA	31.9	21.3	40.7	11.2	7.9
Devyani International	153	184	Buy	210	1.4	2.4	3.0	106.1	63.3	51.5	41.1	27.2	20.4

Source: Company, Emkay Research, Post IndAS116 EBITDA

Exhibit 15: ABFRL growth build-up (Demand-side)

	FY20	FY25E	FY35E	Comments	CAGR (%)	CAGR (%)	CAGR (%)
					FY20-35E	FY25E-35E	FY35E+
Per capita spend or PCS (USD)	48	71	200	In-line with similar sized economies	8.1	10.9	6.0
India population (bn)	1.37	1.42	1.52		0.7	0.7	0.3
Organized market share (%)	33.0	35.0	45.0	Expect organized market share to improve	1.2	2.5	1.0
ABFRL market share (%)	5.6	6.9	7.9	Ethnic Scale-up should lead share gains for ABFRL	4.2	1.3	0.2
ABFRL Revenues (Rs bn)	87	175	771		14.8	16.0	7.6
ABFRL EBITDA margin (%)*	5.3	9.2	10.5	Expect stable margins post FY35E	11.7	1.3	0.0
ABFRL EBITDA (Rs bn)	4.7	16.1	81.0		28.2	17.5	7.6
Depreciation (Rs bn)	2.5	4.0	15.4				
Depreciation (% of EBITDA)	53.4	25.0	19.0				
ABFRL EBIT (Rs bn)	2.2	12.1	65.6	Expect 18.5% CAGR FY25-35E	41.1	18.4	7.6
ABFRL EBIT margin (%)	2.5	6.9	8.5				

Source: Company, Emkay Research, *Pre IndAS116 EBITDA

Exhibit 16: ABFRL: Target EV/EBITDA multiple derived from a two-stage growth model

Revenue CAGR [FY22E-25E] (%)	29
EBITDA CAGR [FY22E-25E] (%)	75
Net debt-to-EV (%)	-0
Adj. beta vs Nifty	0.92
Stage-1: FY25E-35E	
Proportionate EBITDA in Yr-0 [FY25E]	16.1
Proportionate EBITDA in Yr-1	19.1
EBITDA CAGR (%)	18.5
Years of growth [n]	10.0
Incremental RoIC (%)	35.0
WACC (%)	12.0
Tax rate (%)	25.2
Sustainable D&A-to-EBITDA (%)	19.0
Net debt to EV (%)	-0
Implied FCFF ratio (%)	47
Revenues in FY35E	954
Terminal stage	
Terminal EBITDA growth (%)	7.5
Incremental RoIC (%)	35.0
Implied FCFF ratio (%)	79
Fair value EV/EBITDA in Mar'25E (x)	20.2
EV in Mar'25E	387
Jun'23 NPV of FCFFs	7
Jun'23E EV	324
Adj. net debt	(1.4)
Fair value of Equity in Jun'23E (x)	325
Premium applied on fair value [a] (%)	5.0
Fair value of Equity in Jun'23E (x)	342
Jun'24E EBITDA	13.0
Implied fair value EV/EBITDA in Jun'23E (x)	26
Shares outstanding (mn)	948.5
Target price in Jun'23E (Rs/share)	360

Source: Emkay Research, [a] Growth rates and thus cash flows are likely to be front-loaded.

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	52,489	81,362	1,20,367	1,45,921	1,74,685
Expenditure	46,942	70,363	1,00,189	1,20,785	1,43,529
EBITDA	5,548	10,999	20,179	25,136	31,156
Depreciation	9,628	9,970	10,943	12,543	14,217
EBIT	(4,080)	1,029	9,236	12,593	16,939
Other Income	734	1,006	506	531	764
Interest expenses	5,026	3,507	3,246	3,208	3,587
PBT	(8,372)	(1,473)	6,496	9,916	14,115
Tax	(1,015)	(266)	1,637	2,499	3,557
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	(638)	(73)	113	158	189
Reported Net Income	(6,725)	(1,087)	4,776	7,359	10,510
Adjusted PAT	(6,725)	(1,087)	4,776	7,359	10,510

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	9,151	9,383	9,485	9,485	9,485
Reserves & surplus	17,287	18,350	30,724	38,083	48,593
Net worth	26,438	27,733	40,209	47,569	58,078
Minority Interest	325	152	235	293	341
Loan Funds	11,364	12,323	5,000	5,000	5,000
Net deferred tax liability	(3,588)	(4,033)	(4,033)	(4,033)	(4,033)
Total Liabilities	34,538	36,176	41,411	48,829	59,387
Net block	29,496	29,779	34,536	36,850	38,955
Investment	4,198	6,860	0	0	0
Current Assets	39,422	51,568	69,091	79,373	95,210
Cash & bank balance	2,618	1,205	6,388	9,014	14,138
Other Current Assets	10,939	13,416	14,757	16,233	18,668
Current liabilities & Provision	38,954	53,057	63,241	68,421	75,803
Net current assets	468	(1,489)	5,850	10,953	19,406
Misc. exp	0	0	0	0	0
Total Assets	34,538	36,176	41,411	48,829	59,387

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	(8,372)	(1,473)	6,496	9,916	14,115
Other Non-Cash items	0	0	0	0	0
Chg in working cap	11,425	544	(2,156)	(2,477)	(3,329)
Operating Cashflow	16,350	11,365	16,386	20,160	24,270
Capital expenditure	(9,420)	(4,177)	(7,000)	(4,500)	(4,500)
Free Cash Flow	6,929	7,188	9,386	15,660	19,770
Investments	(3,443)	(2,638)	6,081	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(11,185)	(5,833)	365	(3,969)	(3,736)
Equity Capital Raised	22,470	2,482	7,700	0	0
Loans Taken / (Repaid)	(16,399)	960	(7,323)	0	0
Dividend paid (incl tax)	0	0	0	0	0
Other Financing Cash Flow	(8,492)	(9,128)	(11,253)	(13,165)	(15,009)
Financing Cashflow	(5,198)	(6,944)	(11,569)	(13,565)	(15,409)
Net chg in cash	(33)	(1,412)	5,182	2,626	5,125
Opening cash position	2,651	2,618	1,205	6,388	9,014
Closing cash position	2,618	1,205	6,388	9,014	14,138

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	10.6	13.5	16.8	17.2	17.8
EBIT Margin	(7.8)	1.3	7.7	8.6	9.7
Effective Tax Rate	12.1	18.0	25.2	25.2	25.2
Net Margin	(14.0)	(1.5)	4.0	5.1	6.0
ROCE	(9.4)	5.8	25.1	29.1	32.7
ROE	(36.1)	(4.0)	14.1	16.8	19.9
RoIC	(12.1)	3.1	22.6	25.9	30.5

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	(7.3)	(1.2)	5.0	7.8	11.1
CEPS	3.2	9.5	16.6	21.0	26.1
BVPS	28.9	29.6	42.4	50.2	61.2
DPS	0.0	0.0	0.0	0.0	0.0

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	(36.3)	(230.2)	53.0	34.4	24.1
P/CEPS	84.1	28.2	16.1	12.7	10.2
P/BV	9.2	9.0	6.3	5.3	4.4
EV / Sales	4.8	3.1	2.1	1.7	1.4
EV / EBITDA	44.9	23.2	12.5	9.9	7.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	0.2	0.2	0.0	(0.1)	(0.2)
Net Debt/EBIDTA	1.0	0.5	(0.1)	(0.2)	(0.3)
Working Cap Cycle (days)	(14.9)	(12.1)	(1.6)	4.9	11.0

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	(40.0)	55.0	47.9	21.2	19.7
EBITDA	(54.7)	98.3	83.5	24.6	23.9
EBIT	(217.1)	0.0	797.6	36.3	34.5
PAT	0.0	0.0	0.0	54.1	42.8

Quarterly (Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Revenue	17,836	7,740	19,960	28,728	21,814
EBITDA	2,570	(1,618)	3,147	5,553	3,713
EBITDA Margin (%)	14.4	(20.9)	15.8	19.3	17.0
PAT	(1,348)	(3,352)	141	1,908	497
EPS (Rs)	(1.5)	(3.7)	0.2	2.0	0.5

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-21	Aug-21	Sep-21	Dec-21	Mar-22
Promoters	56.1	56.1	56.1	56.1	56.1
FIIIs	13.9	13.9	13.8	13.5	13.2
DIIIs	16.6	17.4	17.8	18.8	19.5
Public and Others	13.3	12.7	12.3	11.6	11.2

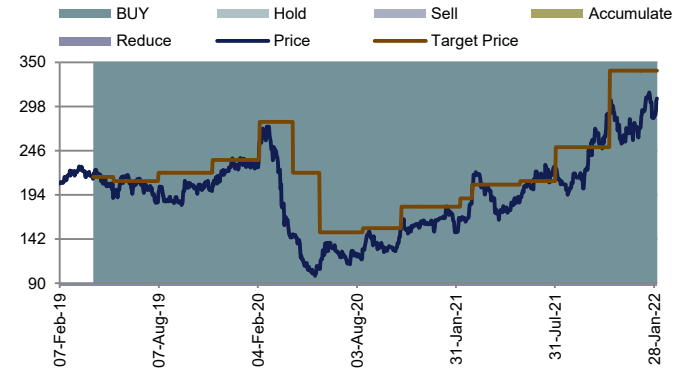
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
5-Feb-22	295	400	12m	Buy	Ashit Desai
25-Nov-21	277	340	12m	Buy	Ashit Desai
08-Nov-21	289	340	12m	Buy	Ashit Desai
25-Aug-21	198	250	12m	Buy	Ashit Desai
01-Aug-21	224	250	12m	Buy	Ashit Desai
28-May-21	191	210	12m	Buy	Ashit Desai
02-Mar-21	206	206	12m	Buy	Ashit Desai
08-Feb-21	164	190	12m	Buy	Ashit Desai
06-Nov-20	153	180	12m	Buy	Ashit Desai
23-Oct-20	165	180	12m	Buy	Ashit Desai
14-Aug-20	129	155	12m	Buy	Ashit Desai
27-May-20	107	150	12m	Buy	Ashit Desai
14-Apr-20	143	220	12m	Buy	Ashit Desai
08-Apr-20	147	220	12m	Buy	Ashit Desai
07-Feb-20	257	280	12m	Buy	Ashit Desai
25-Dec-19	225	235	12m	Buy	Ashit Desai
13-Nov-19	207	235	12m	Buy	Ashit Desai
20-Sep-19	198	220	12m	Buy	Ashit Desai
06-Aug-19	197	220	12m	Buy	Ashit Desai
16-May-19	192	210	12m	Buy	Ashit Desai
09-Apr-19	215	215	12m	Buy	Ashit Desai

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

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HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 25 May 2022 04:24:22 (SGT)

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