

July 30, 2022

Q1FY23 Result Update

Change in Estimates | Target | Reco

Change in Estimates

| | Current | | Previous | |
|----------------|------------|----------|--------------|----------|
| | FY23E | FY24E | FY23E | FY24E |
| Rating | ACCUMULATE | | UNDER REVIEW | |
| Target Price | 1,194 | | - | |
| Sales (Rs. m) | 1,11,359 | 1,18,090 | 1,00,800 | 1,05,504 |
| % Chng. | 10.5 | 11.9 | | |
| EBITDA (Rs. m) | 6,737 | 7,451 | 6,149 | 6,626 |
| % Chng. | 9.6 | 12.5 | | |
| EPS (Rs.) | 76.4 | 85.3 | 67.5 | 71.2 |
| % Chng. | 13.3 | 19.7 | | |

Key Financials - Consolidated

| Y/e Mar | FY21 | FY22 | FY23E | FY24E |
|----------------|--------|--------|----------|----------|
| Sales (Rs. m) | 63,880 | 93,200 | 1,11,359 | 1,18,090 |
| EBITDA (Rs. m) | 4,191 | 5,479 | 6,737 | 7,451 |
| Margin (%) | 6.6 | 5.9 | 6.0 | 6.3 |
| PAT (Rs. m) | 1,605 | 2,566 | 2,926 | 3,263 |
| EPS (Rs.) | 41.9 | 67.1 | 76.4 | 85.3 |
| Gr. (%) | 19.6 | 59.9 | 14.0 | 11.5 |
| DPS (Rs.) | 0.3 | 0.3 | 0.3 | 0.3 |
| Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| RoE (%) | 12.5 | 16.4 | 17.0 | 17.6 |
| RoCE (%) | 21.2 | 25.1 | 28.0 | 28.4 |
| EV/Sales (x) | 0.7 | 0.5 | 0.4 | 0.4 |
| EV/EBITDA (x) | 10.1 | 7.8 | 6.4 | 5.8 |
| PE (x) | 26.8 | 16.8 | 14.7 | 13.2 |
| P/BV (x) | 3.1 | 2.5 | 2.5 | 2.2 |

Key Data

APAR.BO | APR IN

| | |
|---------------------|-------------------|
| 52-W High / Low | Rs.1,145 / Rs.556 |
| Sensex / Nifty | 57,570 / 17,158 |
| Market Cap | Rs.43bn/ \$ 542m |
| Shares Outstanding | 38m |
| 3M Avg. Daily Value | Rs.370.19m |

Shareholding Pattern (%)

| | |
|-------------------------|-------|
| Promoter's | 60.64 |
| Foreign | 5.94 |
| Domestic Institution | 17.87 |
| Public & Others | 15.55 |
| Promoter Pledge (Rs bn) | - |

Stock Performance (%)

| | 1M | 6M | 12M |
|----------|------|------|------|
| Absolute | 19.6 | 39.8 | 68.0 |
| Relative | 10.1 | 38.9 | 53.6 |

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Premium products drives healthy performance

Quick Pointers:

- Better volumes growth in conductor's business led by exports and price pass through resulted in robust revenue growth in Q1FY23.
- Revenue contribution from high value products in conductor's segment increased to 47% in Q1FY23 vs 44% in Q1FY22.

Apar Industries (APR) reported a robust quarterly performance driven by strong volume growth, higher exports contribution, increasing contribution of premium products and price pass through. Conductor segment reported healthy volume growth of 63.8% YoY (on low base), while Specialty oil segment volume grew marginally by 0.8% YoY. While exports market likely to continue its strong momentum, domestic conventional conductor is likely to revive in FY23, post challenges faced during Covid years. Transformer Oil is expected to witness stable volume growth in medium term. Management guided for conductor volume to be ~1,30,000MT for FY23, with pickup in conventional conductors. Cables business (20.4% of revenue as on FY22) is likely to grow ~25-30% for FY23, driven by healthy demand for Elastomeric cables from Railways, defense & renewables and strong exports growth.

We believe APR's focus towards value added products and exports business likely to benefit in long run and aid profitability going forward. We revise upwards our EPS estimate by 13.3%/19.7% for FY23/24, factoring in increasing contribution from premium products, expanding international footprints, strong outlook for cables business and management focus on profitable growth. The stock is currently trading at PE of 14.7x/13.2x FY23/24E. Despite earnings revision, we assign 'Accumulate' rating on stock (earlier Under Review) with TP of Rs1,194, valuing it at PE of 14x FY24E, given the recent sharp rally in share price.

Healthy volume drives revenue growth: Consolidated sales grew 70.9% YoY to Rs30.9bn (PLe ~Rs23.9bn) led by growth across all segments. Conductors segment grew 127.8% led by higher volume, Cables grew 59.5% YoY driven by export growth and growth across sub-segments, Transformer & Speciality Oil grew 28.4%. Conductor volume reported a growth of 64% YoY and Specialty oil volume grew 0.8% YoY. EBITDA came in at Rs2.4bn (up83.8% YoY) (PLe ~Rs1.5bn), with EBITDA margins expanding by 54bps YoY to 7.7%, owing to better absorption of fixed overheads. PAT came in at Rs1.2bn, up 96.6% YoY (vs PLe ~Rs634mn), led by strong operational performance.

Increasing share of high value products: Revenue contribution from high value products such as HEC, Copper conductors, OPWG etc increased to 47% in Q1FY23 vs 44% in Q1FY22. Conductor segment reported an order inflow of ~Rs20.2bn up ~30% YoY. Order book as on Q1FY23 stands at Rs36.5bn, of which premium product accounts for 54%.

Exhibit 1: Healthy growth across all segments

| Y/e March | Q1FY22 | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 | YoY gr. (%) | QoQ gr. (%) | FY22 | FY21 | YoY gr. (%) |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|----------------|
| Revenue | 18,096 | 22,691 | 22,288 | 30,125 | 30,932 | 70.9 | 2.7 | 93,200 | 63,880 | 45.9 |
| Total Revenues | 18,096 | 22,691 | 22,288 | 30,125 | 30,932 | 70.9 | 2.7 | 93,200 | 63,880 | 45.9 |
| Expenditure | 16,804 | 21,415 | 21,118 | 28,389 | 28,558 | 69.9 | 0.6 | 87,721 | 59,689 | 47.0 |
| as % of sales | 92.9 | 94.4 | 94.7 | 94.2 | 92.3 | | | 94.1 | 93.4 | |
| Consumption of RM | 13,653 | 17,711 | 17,271 | 23,443 | 23,374 | 71.2 | (0.3) | 72,078 | 48,001 | 50.2 |
| as % of sales | 75.4 | 78.1 | 77.5 | 77.8 | 75.6 | | | 78.2 | 75.1 | |
| Employee Cost | 434 | 411 | 443 | 437 | 483 | 11.1 | 10.4 | 1,725 | 1,604 | 7.6 |
| as % of sales | 2.4 | 1.8 | 2.0 | 1.5 | 1.6 | | | 1.9 | 2.5 | |
| Other expenditure | 2,717 | 3,293 | 3,404 | 4,509 | 4,702 | 73.1 | 4.3 | 13,918 | 10,084 | 38.0 |
| as % of sales | 15.0 | 14.5 | 15.3 | 15.0 | 15.2 | | | 15.1 | 15.8 | |
| EBITDA | 1,292 | 1,276 | 1,171 | 1,736 | 2,374 | 83.8 | 36.8 | 5,479 | 4,191 | 30.7 |
| Depreciation | 239 | 242 | 249 | 248 | 249 | 4.2 | 0.4 | 978 | 934 | 4.7 |
| EBIT | 1,053 | 1,034 | 922 | 1,487 | 2,125 | 101.9 | 42.9 | 4,500 | 3,257 | 38.2 |
| Other Income | 121 | 47 | 73 | 89 | 45 | (63.1) | (49.4) | 325 | 186 | 74.6 |
| Interest | 383 | 310 | 256 | 458 | 613 | 60.2 | 34.0 | 1,406 | 1,360 | 3.4 |
| Extra ordinary items | - | - | - | - | - | NA | NA | - | - | |
| PBT | 791 | 771 | 739 | 1,118 | 1,556 | 96.7 | 39.2 | 3,419 | 2,083 | 64.2 |
| Total Tax | 168 | 202 | 190 | 293 | 332 | 97.3 | 13.3 | 853 | 478 | 78.5 |
| PAT | 623 | 569 | 549 | 826 | 1,225 | 96.6 | 48.3 | 2,566 | 1,605 | 59.9 |
| (Profit)/loss from JV's/Ass/MI | - | - | - | - | - | - | - | - | - | |
| PAT after JV | 623 | 569 | 549 | 826 | 1,225 | 96.6 | 48.3 | 2,566 | 1,605 | 59.9 |
| Adjusted PAT | 623 | 569 | 549 | 826 | 1,225 | 96.6 | 48.3 | 2,566 | 1,605 | 59.9 |
| Adjusted EPS | 16.3 | 14.9 | 14.4 | 21.6 | 32.0 | 96.6 | 48.2 | 67.1 | 41.9 | 59.9 |
| Margins (%) | Q1FY22 | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 | bps | bps | FY22 | FY21 | Bps |
| EBIDTA | 7.1 | 5.6 | 5.3 | 5.8 | 7.7 | 54 | 191 | 5.9 | 6.6 | (68) |
| EBIT | 5.8 | 4.6 | 4.1 | 4.9 | 6.9 | 105 | 193 | 4.8 | 5.1 | (27) |
| EBT | 4.4 | 3.4 | 3.3 | 3.7 | 5.0 | 66 | 132 | 3.7 | 3.3 | 41 |
| PAT | 3.4 | 2.5 | 2.5 | 2.7 | 4.0 | 52 | 122 | 2.8 | 2.5 | 24 |
| Effective Tax rate | 21.3 | 26.2 | 25.7 | 26.2 | 21.3 | 6 | (486) | 24.9 | 22.9 | 200 |

Source: Company, PL

Exhibit 2: Segmental Performance

| Segmental Performance | Q1FY22 | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 | YoY gr. (%) | QoQ gr. (%) | FY22 | FY21 | YoY gr. (%) |
|---------------------------------------|---------|---------|---------|---------|---------|----------------|----------------|---------|---------|----------------|
| Conductor | | | | | | | | | | |
| Volume (MT) | 21,901 | 29,191 | 22,415 | 33,850 | 35,877 | 63.8 | 6.0 | 107,357 | 128,460 | (16.4) |
| Revenue | 6,800 | 10,800 | 9,390 | 15,034 | 15,480 | 127.6 | 3.0 | 42,039 | 29,080 | 44.6 |
| EBITDA | 350 | 510 | 440 | 592 | 850 | 142.9 | 43.5 | 1,950 | 1,000 | 95.0 |
| EBITDA margin (%) | 5.1 | 4.7 | 4.7 | 3.9 | 5.5 | 34 | 155 | 4.6 | 3.4 | 120 |
| EBITDA (Rs/MT) | 15,797 | 17,303 | 19,835 | 19,227 | 23,670 | 49.8 | 23.1 | 18,131 | 7,764 | 133.5 |
| Speciality Oil & Lubricant | | | | | | | | | | |
| Volume (KL) | 114,478 | 113,981 | 116,109 | 117,021 | 115,359 | 0.8 | (1.4) | 461,589 | 399,214 | 15.6 |
| Revenue | 8,320 | 8,950 | 9,050 | 9,284 | 10,680 | 28.4 | 15.0 | 35,604 | 23,638 | 50.6 |
| EBITDA | 890 | 560 | 740 | 765 | 1,180 | 32.6 | 54.2 | 2,910 | 2,810 | 3.6 |
| EBITDA margin (%) | 10.7 | 6.3 | 8.2 | 8.2 | 11.0 | 3 | 34 | 8.2 | 11.9 | (31) |
| EBITDA (Rs/KL) | 7,814 | 4,942 | 6,401 | 6,033 | 10,238 | 31.0 | 69.7 | 6,298 | 7,043 | (10.6) |
| Cables | | | | | | | | | | |
| Revenue | 4,000 | 4,250 | 4,860 | 6,827 | 6,380 | 59.5 | (6.6) | 19,937 | 12,695 | 57.0 |
| EBITDA | 260 | 180 | 160 | 225 | 520 | 100.0 | 130.8 | 1,060 | 600 | 76.7 |
| EBITDA margin (%) | 6.5 | 4.2 | 3.3 | 3.3 | 8.2 | 25.4 | 147.0 | 5.5 | 4.8 | 14.6 |

Source: Company, PL

Conference Call Highlights

- Q1FY23, revenue growth was driven by strong volume growth, price pass through and robust exports business growth.
- Exports revenue grew 76% YoY driven by 248% increase in cable export. Export accounted for 42% in Q1FY23 vs 41% in Q1FY22 of total revenue.
- Freight cost have started falling and most of hit from freight cost has been absorb.
- Domestic conventional conductor volumes are likely to improve in FY23, on low base as it was impacted due to Covid-19 for last two years
- **Capex:** FY23 capex to be ~Rs1.5bn of which ~66% will be towards cables segment.
- **Guidance:** Management guided for conductor volume to be ~1,30,000MT for FY23 and cable business to grow ~30% for FY23. Conductor EBITDA/ton to be ~Rs17,500ton, while for Oil EBITDA/KL to be ~6000/Kl.
- **Conductors:** Volume grew 64% YoY to 35,877 MT. Revenue grew 128% YoY, owing to strong volume growth, price pass through and strong exports growth (up 120% YoY). High value products contribution increased to 47% in Q1FY23 vs 44% in Q1FY22. EBITDA per MT was at highest level at Rs21,933/MT due to better product mix.
- **Speciality Oil:** Revenue grew 28% YoY, driven by higher base oil price. Volume grew marginally by 0.8% YoY to 1,15,359 KL. EBITDA post forex adjustment came in strongly at INR 9,712 per KL. Lubricant revenue grew 36% YoY, driven by 26% volume growth.
 - Industrial volume up 31% YoY, Automotive volume up 24% YoY across the board due to lower base last year.
 - Base oil volume are expected to be impacted as customer are struggling to pass on price increase, while transformer oil is expected to report better volume going forward.
- **Cables:** Revenue grew 60% YoY, led by strong growth across sub-segment, except OFC which were impacted due to slowdown in telecom industry. Exports contributed 43% of sales in Q1FY23 vs 19% in Q1FY22. EBITDA post forex adjustment improved to 7.6% in Q1FY23 vs 6.2% in Q1FY22, owing to better product mix. Management expect volume growth momentum to continue going forward.
 - XLPE cables revenue grew 60% YoY owing to significant increase in exports. Elastomeric cables grew 84% YoY from increased business in renewable energy installations, railways & defence.
 - Management targets for revenue of Rs2bn from Anushakti wires vs Rs1bn in FY22.

Financials

Income Statement (Rs m)

| Y/e Mar | FY21 | FY22 | FY23E | FY24E |
|-------------------------------|---------------|---------------|-----------------|-----------------|
| Net Revenues | 63,880 | 93,200 | 1,11,359 | 1,18,090 |
| YoY gr. (%) | (14.0) | 45.9 | 19.5 | 6.0 |
| Cost of Goods Sold | 48,001 | 72,078 | 85,635 | 90,693 |
| Gross Profit | 15,879 | 21,122 | 25,724 | 27,397 |
| Margin (%) | 24.9 | 22.7 | 23.1 | 23.2 |
| Employee Cost | 1,604 | 1,725 | 2,116 | 2,303 |
| Other Expenses | 10,084 | 13,918 | 16,871 | 17,643 |
| EBITDA | 4,191 | 5,479 | 6,737 | 7,451 |
| YoY gr. (%) | (9.9) | 30.7 | 23.0 | 10.6 |
| Margin (%) | 6.6 | 5.9 | 6.0 | 6.3 |
| Depreciation and Amortization | 934 | 978 | 1,130 | 1,266 |
| EBIT | 3,257 | 4,500 | 5,607 | 6,186 |
| Margin (%) | 5.1 | 4.8 | 5.0 | 5.2 |
| Net Interest | 1,360 | 1,406 | 1,963 | 2,225 |
| Other Income | 186 | 325 | 267 | 402 |
| Profit Before Tax | 2,083 | 3,419 | 3,911 | 4,362 |
| Margin (%) | 3.3 | 3.7 | 3.5 | 3.7 |
| Total Tax | 478 | 853 | 986 | 1,099 |
| Effective tax rate (%) | 22.9 | 24.9 | 25.2 | 25.2 |
| Profit after tax | 1,605 | 2,566 | 2,926 | 3,263 |
| Minority interest | - | - | - | - |
| Share Profit from Associate | - | - | - | - |
| Adjusted PAT | 1,605 | 2,566 | 2,926 | 3,263 |
| YoY gr. (%) | 19.6 | 59.9 | 14.0 | 11.5 |
| Margin (%) | 2.5 | 2.8 | 2.6 | 2.8 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 1,605 | 2,566 | 2,926 | 3,263 |
| YoY gr. (%) | 18.8 | 59.9 | 14.0 | 11.5 |
| Margin (%) | 2.5 | 2.8 | 2.6 | 2.8 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 1,605 | 2,566 | 2,926 | 3,263 |
| Equity Shares O/s (m) | 38 | 38 | 38 | 38 |
| EPS (Rs) | 41.9 | 67.1 | 76.4 | 85.3 |

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

| Y/e Mar | FY21 | FY22 | FY23E | FY24E |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Non-Current Assets | | | | |
| Gross Block | 12,300 | 13,201 | 13,784 | 14,384 |
| Tangibles | 12,282 | 13,184 | 13,784 | 14,384 |
| Intangibles | 18 | 16 | - | - |
| Acc: Dep / Amortization | 3,521 | 4,387 | 5,517 | 6,783 |
| Tangibles | 3,521 | 4,387 | 5,517 | 6,783 |
| Intangibles | - | - | - | - |
| Net fixed assets | 8,779 | 8,814 | 8,267 | 7,602 |
| Tangibles | 8,761 | 8,798 | 8,267 | 7,602 |
| Intangibles | 18 | 16 | - | - |
| Capital Work In Progress | 287 | 383 | 383 | 383 |
| Goodwill | - | - | - | - |
| Non-Current Investments | 4 | 5 | 5 | 5 |
| Net Deferred tax assets | (202) | (523) | (523) | (523) |
| Other Non-Current Assets | 514 | 1,173 | 668 | 709 |
| Current Assets | | | | |
| Investments | 600 | 300 | 300 | 300 |
| Inventories | 15,627 | 21,387 | 23,492 | 25,236 |
| Trade receivables | 18,690 | 25,424 | 27,763 | 28,795 |
| Cash & Bank Balance | 2,218 | 2,666 | 2,358 | 3,037 |
| Other Current Assets | 3,199 | 5,841 | 6,125 | 6,967 |
| Total Assets | 50,087 | 66,075 | 69,696 | 73,387 |
| Equity | | | | |
| Equity Share Capital | 383 | 383 | 383 | 383 |
| Other Equity | 13,709 | 16,770 | 16,971 | 19,418 |
| Total Networkth | 14,092 | 17,152 | 17,353 | 19,800 |
| Non-Current Liabilities | | | | |
| Long Term borrowings | 1,916 | 1,954 | 2,979 | 3,429 |
| Provisions | - | - | - | - |
| Other non current liabilities | - | - | - | - |
| Current Liabilities | | | | |
| ST Debt / Current of LT Debt | 215 | 575 | - | - |
| Trade payables | 30,381 | 41,225 | 43,933 | 44,648 |
| Other current liabilities | 3,281 | 4,646 | 4,908 | 4,987 |
| Total Equity & Liabilities | 50,087 | 66,075 | 69,696 | 73,387 |

Source: Company Data, PL Research

Cash Flow (Rs m)

| Y/e Mar | FY21 | FY22 | FY23E | FY24E |
|--------------------------------------|----------------|----------------|----------------|----------------|
| PBT | 2,083 | 3,419 | 3,911 | 4,362 |
| Add. Depreciation | 935 | 979 | 1,130 | 1,266 |
| Add. Interest | 1,002 | 608 | 1,963 | 2,225 |
| Less Financial Other Income | 186 | 325 | 267 | 402 |
| Add. Other | (52) | 480 | - | - |
| Op. profit before WC changes | 3,967 | 5,486 | 7,004 | 7,853 |
| Net Changes-WC | (291) | (2,140) | (1,505) | (2,884) |
| Direct tax | 441 | 908 | 986 | 1,099 |
| Net cash from Op. activities | 3,235 | 2,438 | 4,513 | 3,870 |
| Capital expenditures | (551) | (1,293) | (584) | (600) |
| Interest / Dividend Income | - | - | - | - |
| Others | (554) | 386 | - | - |
| Net Cash from Inv. activities | (1,105) | (906) | (584) | (600) |
| Issue of share cap. / premium | - | - | - | - |
| Debt changes | (514) | (226) | 450 | 450 |
| Dividend paid | (1) | (364) | (673) | (816) |
| Interest paid | (1,103) | (474) | (1,963) | (2,225) |
| Others | (53) | - | (2,052) | - |
| Net cash from Fin. activities | (1,672) | (1,064) | (4,238) | (2,591) |
| Net change in cash | 458 | 468 | (308) | 679 |
| Free Cash Flow | 2,677 | 1,133 | 3,930 | 3,270 |

Source: Company Data, PL Research

Key Financial Metrics

| Y/e Mar | FY21 | FY22 | FY23E | FY24E |
|----------------------------|-------|-------|-------|-------|
| Per Share(Rs) | | | | |
| EPS | 41.9 | 67.1 | 76.4 | 85.3 |
| CEPS | 66.4 | 92.6 | 106.0 | 118.3 |
| BVPS | 368.2 | 448.2 | 453.4 | 517.4 |
| FCF | 70.0 | 29.6 | 102.7 | 85.4 |
| DPS | 0.3 | 0.3 | 0.3 | 0.3 |
| Return Ratio(%) | | | | |
| RoCE | 21.2 | 25.1 | 28.0 | 28.4 |
| ROIC | 20.0 | 22.5 | 24.2 | 25.1 |
| RoE | 12.5 | 16.4 | 17.0 | 17.6 |
| Balance Sheet | | | | |
| Net Debt : Equity (x) | 0.0 | 0.0 | 0.0 | - |
| Net Working Capital (Days) | 22 | 22 | 24 | 29 |
| Valuation(x) | | | | |
| PER | 26.8 | 16.8 | 14.7 | 13.2 |
| P/B | 3.1 | 2.5 | 2.5 | 2.2 |
| P/CEPS | 16.9 | 12.1 | 10.6 | 9.5 |
| EV/EBITDA | 10.1 | 7.8 | 6.4 | 5.8 |
| EV/Sales | 0.7 | 0.5 | 0.4 | 0.4 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Company Data, PL Research

Quarterly Financials (Rs m)

| Y/e Mar | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Net Revenue | 22,691 | 22,288 | 30,125 | 30,932 |
| YoY gr. (%) | 52.7 | 30.0 | 58.6 | 70.9 |
| Raw Material Expenses | 17,711 | 17,271 | 23,443 | 23,374 |
| Gross Profit | 4,980 | 5,017 | 6,682 | 7,558 |
| Margin (%) | 21.9 | 22.5 | 22.2 | 24.4 |
| EBITDA | 1,276 | 1,171 | 1,736 | 2,374 |
| YoY gr. (%) | 9.2 | (27.2) | 66.2 | 83.8 |
| Margin (%) | 5.6 | 5.3 | 5.8 | 7.7 |
| Depreciation / Depletion | 242 | 249 | 248 | 249 |
| EBIT | 1,034 | 922 | 1,487 | 2,125 |
| Margin (%) | 4.6 | 4.1 | 4.9 | 6.9 |
| Net Interest | 310 | 256 | 458 | 613 |
| Other Income | 47 | 73 | 89 | 45 |
| Profit before Tax | 771 | 739 | 1,118 | 1,556 |
| Margin (%) | 3.4 | 3.3 | 3.7 | 5.0 |
| Total Tax | 202 | 190 | 293 | 332 |
| Effective tax rate (%) | 26.2 | 25.7 | 26.2 | 21.3 |
| Profit after Tax | 569 | 549 | 826 | 1,225 |
| Minority interest | - | - | - | - |
| Share Profit from Associates | - | 1 | 1 | - |
| Adjusted PAT | 569 | 550 | 826 | 1,225 |
| YoY gr. (%) | 6.3 | (33.3) | 73.5 | 96.6 |
| Margin (%) | 2.5 | 2.5 | 2.7 | 4.0 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 569 | 550 | 826 | 1,225 |
| YoY gr. (%) | 6.3 | (33.3) | 73.5 | 96.6 |
| Margin (%) | 2.5 | 2.5 | 2.7 | 4.0 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 569 | 550 | 826 | 1,225 |
| Avg. Shares O/s (m) | 38 | 38 | 38 | 38 |
| EPS (Rs) | 14.9 | 14.4 | 21.6 | 32.0 |

Source: Company Data, PL Research

Price Chart
Recommendation History


| No. | Date | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|--------|----------|-------------------|
| 1 | 05-Jul-22 | UR | - | 941 |
| 2 | 31-May-22 | BUY | 855 | 691 |
| 3 | 08-Apr-22 | BUY | 830 | 666 |
| 4 | 11-Jan-22 | BUY | 790 | 780 |
| 5 | 05-Oct-21 | BUY | 790 | 661 |

Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (Rs) | Share Price (Rs) |
|---------|------------------------------|------------|---------|------------------|
| 1 | ABB India | Hold | 2,293 | 2,362 |
| 2 | Apar Industries | UR | - | 941 |
| 3 | Bharat Electronics | BUY | 295 | 269 |
| 4 | BHEL | Sell | 36 | 46 |
| 5 | Cummins India | Accumulate | 1,087 | 1,052 |
| 6 | Engineers India | BUY | 89 | 60 |
| 7 | GE T&D India | Hold | 102 | 101 |
| 8 | Kalpataru Power Transmission | BUY | 421 | 357 |
| 9 | KEC International | Accumulate | 451 | 397 |
| 10 | Larsen & Toubro | BUY | 2,030 | 1,751 |
| 11 | Siemens | Accumulate | 2,602 | 2,522 |
| 12 | Thermax | Accumulate | 2,181 | 2,049 |
| 13 | Triveni Turbine | BUY | 240 | 154 |
| 14 | Voltamp Transformers | UR | - | 2,972 |

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

(Indian Clients)

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