

UltraTech Cement

Estimate change



TP change



Rating change



Motilal Oswal values your support in the Asiamoney Brokers Poll 2022 for India Research, Sales, Corporate Access and Trading team. We request your ballot.



Bloomberg	UTCEM IN
Equity Shares (m)	288
M.Cap.(INRb)/(USD\$b)	1863.2 / 23.3
52-Week Range (INR)	8267 / 5158
1, 6, 12 Rel. Per (%)	11/-7/-20
12M Avg Val (INR M)	2859

Financial Snapshot (INR b)

Y/E MARCH	FY22	FY23E	FY24E
Sales	526	602	636
EBITDA	115	107	128
Adj. PAT	57	51	64
EBITDA Margin (%)	22	18	20
Adj. EPS (INR)	196	178	222
EPS Gr. (%)	3	(9)	25
BV/Sh. (INR)	1,747	1,887	2,069

Ratios

Net D:E	0.1	0.0	(0.0)
RoE (%)	12.0	9.8	11.2
RoCE (%)	12.7	9.1	10.5
Payout (%)	15.3	21.3	18.0

Valuations

P/E (x)	32.9	36.2	29.1
P/BV (x)	3.7	3.4	3.1
EV/EBITDA(x)	16.6	17.6	14.5
EV/ton (USD)	209	181	178
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	2.0	2.1	2.5

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	60.0	60.0	60.0
DII	18.2	16.4	14.4
FII	13.2	14.1	16.7
Others	8.6	9.5	9.0

FII Includes depository receipts

CMP: INR6,455
TP: INR7,210 (+12%)
Buy

Cementing its leadership position

EBITDA outperformance on better cost management and higher volumes

- UTCEM beat the street and our EBITDA estimate, led by higher sales volumes and better cost management (standalone variable cost increased by INR135/t v/s our estimate of INR210/t). Consolidated EBITDA stood at INR31b (v/s Bloomberg/our estimate of INR25.7-28b/INR28b). OPM stood at 20.4% (est. 19.2%). Adjusted PAT stood at INR16b (est. INR14b).
- Given the better demand scenario, the management remained optimistic about the industry's long-term growth prospects. Though there could be a fall in margin in 2Q due to lower cement prices (Jun-exit price down 3-5% v/s 1QFY23 average) and cost inflation (full impact of higher energy prices), we expect margin to gradually recover from 3QFY23.
- We raise our FY23/FY24 EBITDA/EPS estimate by 6-7%/8-9%. The management aims to achieve a capacity of 200mtpa by FY29-30 (v/s its earlier plans of achieving a capacity of 160mtpa by FY23E). We maintain our Buy rating on the stock.

Realization increased better than peers; EBITDA/t at INR1,236

- Consolidated revenue/EBITDA/adjusted PAT stood at INR152b/INR31b/INR16b (+28%/-6%/-7% YoY and +5%/+11%/+15% v/s our estimates). Sales volume grew 16% YoY to 25mt (4% above our estimate). Blended realization rose 10% YoY and 6% QoQ.
- Grey Cement realization rose 7% each YoY and QoQ (v/s a 4% QoQ increase reported by ACC and ACEM). The gap between its trade and non-trade products is narrowing (at INR15-20/bag from over INR20/bag earlier).
- OPEX/t increased by 22% YoY and 5% QoQ, led by a sharp rise in variable costs (up 40% YoY and 4% QoQ). Average fuel consumption cost stood at USD184/t v/s USD164/t in 4QFY22. Freight cost/t grew 7% YoY and 5% QoQ on higher diesel prices. Other cost/t increased by 12% YoY and 8% QoQ, led by higher fixed costs and inflationary impact.
- Higher costs led to a 6% YoY decline in EBITDA and 7.6pp YoY drop in OPM. EBITDA/t fell 20% YoY, but rose 11% QoQ to INR1,236 (est. INR1,148/t). Other operating income stood lower at INR63/t v/s INR76/t in 4QFY22.
- Consolidated net debt stood at INR55.6b v/s INR39b in Mar'22, with a net debt/EBITDA ratio of 0.49x v/s 0.34x in Jun'22 (on a 12M trailing EBITDA).

Highlights from the management commentary

- The momentum in cement demand continued after a robust 4QFY22. Demand is expected to grow at 8% CAGR over the next five years.
- Cement prices grew by over 10% QoQ in North and Central India and by 5-6% in western and eastern regions. Prices remained flat QoQ in South India. Exit cement prices in Jun'22 was 3-5% lower v/s its 1QFY23 average.
- Input costs have been consistently increasing. Fuel cost is expected to remain at elevated levels over the next few quarters.

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- The recently announced capacity expansion plan of 22.6mtpa has been a part of its earlier growth plan of 50mt. It aims to achieve 200mtpa capacity by FY29-30.

Capacity expansion and better cost management should help; reiterate Buy

- UTCEM's capacity expansion plans, along with scope for an improvement in utilization of existing capacities, offer strong growth visibility. We expect a growth of ~9% in sales volumes in FY23-24.
- Increase in WHRS/solar capacities (green power usage to increase to 36% by FY25 v/s 18% in FY22), along with scope for reducing lead distance (with better capacity planning), will help it to structurally improve its cost structure.
- Continuous improvement in leverage (to become net cash positive in FY24E v/s a net debt/EBITDA of 3x in FY19) will help it to pursue growth opportunities in the future. We expect it to trade at higher-than-historical multiples, given its leadership position and strong growth opportunities.
- We maintain our Buy rating, valuing the stock at 16x FY24E EV/EBITDA (v/s 15x earlier). We raise our FY23/FY24 EPS by 8%/9% given its strong 1QFY23 performance. Our TP of INR7,210 offers an upside of 12% from its CMP.

Consolidated quarterly performance

(INR m)

	FY22				FY23				FY22	FY23E	FY23 Var.	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	(%)	
Net Sales	1,18,298	1,20,168	1,29,849	1,57,673	1,51,640	1,37,825	1,44,838	1,67,481	5,25,988	6,01,784	1,44,713	5
YoY Change (%)	54.2	15.7	5.9	9.5	28.2	14.7	11.5	6.2	17.6	14.4	22.3	
Total Expenditure	85,224	93,021	1,05,656	1,26,945	1,20,691	1,18,272	1,20,906	1,34,592	4,10,845	4,94,462	1,16,889	3
EBITDA	33,075	27,147	24,194	30,728	30,949	19,553	23,932	32,889	1,15,144	1,07,322	27,825	11
Margins (%)	28.0	22.6	18.6	19.5	20.4	14.2	16.5	19.6	21.9	17.8	19.2	
Depreciation	6,598	6,774	6,742	7,034	6,952	7,102	7,252	7,994	27,148	29,300	6,900	1
Interest	3,261	2,300	1,823	2,063	2,158	2,060	1,960	1,748	9,447	7,926	2,050	5
Other Income	2,049	1,401	705	924	1,087	937	1,037	1,025	5,078	4,086	800	36
PBT before EO expense	25,265	19,474	16,334	22,555	22,926	11,328	15,758	24,171	83,627	74,183	19,675	17
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT after EO Expense	25,265	19,474	16,334	22,555	22,926	11,328	15,758	24,171	83,627	74,183	19,675	17
Tax	8,269	6,371	-760	-1,980	7,114	3,512	4,885	7,392	11,901	22,902	5,902	21
Rate (%)	32.7	32.7	-4.7	-8.8	31.0	31.0	31.0	30.6	14.2	30.9	30.0	
Reported PAT	16,995	13,103	17,094	24,535	15,812	7,816	10,873	16,779	71,726	51,281	13,772	15
Minority Interest	-31	-33	17	-71	-75	-11	-11	-29	118	-125	11	
Adj PAT	17,026	13,135	11,725	14,779	15,887	7,827	10,884	16,808	56,665	51,406	13,783	15
YoY Change (%)	91.7	8.0	-25.7	-18.5	-6.7	-40.4	-7.2	13.7	3.1	-9.3	-19.0	
Income Statement (INR/t)												
Volume (mt)	21.53	21.64	23.13	27.69	25.04	23.57	24.69	29.13	93.99	102.43	24.15	4
YoY Change (%)	47.0	7.9	-3.1	-0.3	16.3	8.9	6.8	5.2	8.8	9.0	12.2	
Realization (incl RMC)	5,495	5,553	5,614	5,694	6,056	5,847	5,865	5,750	5,596	5,875	5,992	1
YoY Change (%)	4.9	7.2	9.3	9.8	10.2	5.3	4.5	1.0	8.1	5.0	9.1	
RM Cost	674	799	891	984	912	956	963	815	847	907	957	(5)
Power & Fuel	1,127	1,165	1,393	1,433	1,603	1,753	1,653	1,636	1,291	1,659	1,683	(5)
Staff Cost	272	314	278	227	254	273	267	232	270	255	266	(4)
Freight & Forwarding	1,230	1,235	1,256	1,256	1,314	1,276	1,276	1,261	1,246	1,274	1,252	5
Other Expenditure	656	785	750	685	737	781	765	668	717	732	687	7
Total Expenditure	3,958	4,299	4,568	4,585	4,820	5,037	4,923	4,612	4,371	4,827	4,845	(1)
EBITDA	1,536	1,254	1,046	1,110	1,236	810	942	1,138	1,225	1,048	1,148	8

Source: MOFSL, Company



Highlights from the management commentary

Demand and pricing outlook

- Cement demand remains good, and consumption gradually saw an improvement every month in 1Q. Demand for urban housing has picked up, with unsold inventory at 17 months – the lowest since CY11. The number of project launches has also improved. Infra demand remains consistent (road, metro, ports, and airports).
- Realization growth was driven by price hikes across the region (except South India, where price remained flat QoQ). Cement prices grew over 10% QoQ in the North and Central India and by 5-6% in eastern and western regions. However, the exit cement price in Jun'22 was 3-5% lower v/s its 1QFY23 average and there have been a further price decline in Jul'22. Realization growth in 1QFY23 was supported by narrowing of the price gap between the trade v/s non-trade (INR15-20/bag from over INR20/bag earlier).

Operational highlights

- White Cement volumes/revenue grew 33%/38% YoY to 0.37mt/INR5b in 1QFY23. RMC revenue increased by 77% YoY and 6% QoQ to INR9b. The company had 171 operational RMC plants at the end of 1QFY23.
- Trade sales accounted for 67% of total volumes in 1QFY23 v/s 66% in 4QFY22. The share of Blended Cement stood at 70%.
- Input costs have been consistently increasing. However, procurement efficiency, better planning, and mix partly offset the higher costs impact. China's domestic coal production is increasing, which will increase coal availability there. The removal of import tariffs on coal from 3-6% earlier may result in higher imports into China.
- Petcoke prices have started to soften (fell 10% in the last one month). The company has ~50 days of fuel inventory. The management expects input costs to remain elevated over the next few quarters. In 1QFY23, its fuel mix stood at 52% petcoke, 37% imported coal, 5% domestic coal, and the balance was AFR. Average fuel cost stood at INR2.2/kcal in 1Q.
- Green energy (solar and WHRS) met 18.9% of its power requirements (up 1pp YoY). Its WHRS capacity rose to 185MW (additions of 18MW) in 1QFY23. The same is expected to increase to 250MW by FY23-end. Other renewable power capacity (solar and wind) stood at 286MW at the end of 1QFY23.
- Clinker-to-cement conversion ratio (C:C) stood at 1.4x, which is likely to increase with higher Blended Cement sales.
- The company has ~3,000 UBS outlets, which contributes ~15% to total cement volumes.
- The currency depreciation in its In Sri Lankan operations stood at INR380m, which was accounted for. This impacted the performance of its subsidiary companies.

Expansion plans

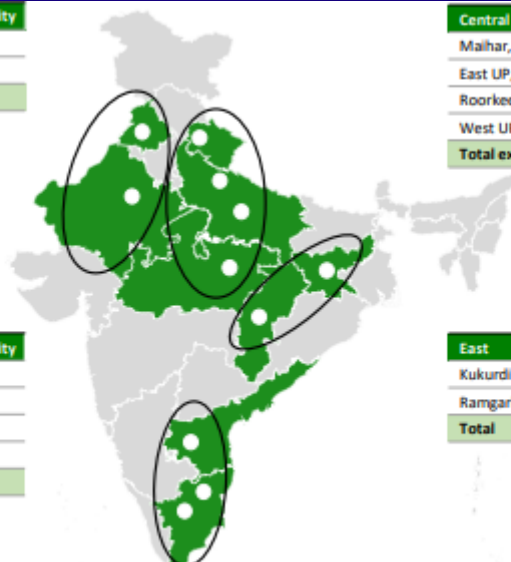
- The Super Dalla project is stuck due to NGT-related issues and the last leg of forest clearance is awaited. The company held back payment of INR6.5b, which will be released after all clearances and land acquisition is completed.

- It commissioned its Hirmi (Chhattisgarh) clinker capacity in 1Q, while Pali, Rajasthan, and Dhar clinker capacities are expected to be commissioned in 3QFY23. Grinding capacities of 9.6mtpa/5.8mtpa are expected in 3Q/4QFY23.
- The recently announced capacity expansion plan of 22.6mtpa has been a part of its earlier growth plan of 50mt. The announcement of the same got delayed by a month. UTCEM has already placed an order for main equipment and advance payments have been released. The target is to generate 15% of IRR from this expansion, which implies an EBITDA/t of INR1,500-1,600. The expansion will be funded through internal accruals.
- After completion of this phase of expansion (153mtpa), UTCEM aims to achieve a capacity of 200mtpa by FY29-30 via the organic and inorganic route. Land acquisition is a continuous process, which results in a lower execution time for new capacities.
- The announced cement capacities will have 50-60MW of WHRS capacity, apart from solar power plants. The company is not putting up any thermal power plants and is focusing on renewable energy. Green power usage is expected to increase to 36% by FY25 v/s 18% in FY22, while thermal power usage should reduce to 50% by FY25 from 65% in FY22.
- The company is participating in limestone auctions to fuel its long-term growth plans. There are some mining rights and land acquisition issues at Nawalgarh (Rajasthan), which are being sorted.
- The management does not expect accelerated capacity addition by industry players, and believes that incremental demand will exceed capacity expansions.

Story in charts

Exhibit 1: Phase II expansion plan of 22.6mtpa at a capex/t of USD76...

North	Unit	Project	Capacity
Rajpura, Himachal Pradesh	GU	G	2.6
Kotputli, Rajasthan	IU	B	1.8
Total			4.4



Central	Unit	Project	Capacity
Maihar, Madhya Pradesh	IU	B	4.5
East UP, Uttar Pradesh	BT	G	1.8
Roorkee, Uttar Pradesh	GU	B	1.0
West UP, Uttar Pradesh	GU	B	1.8
Total excl BT			7.3

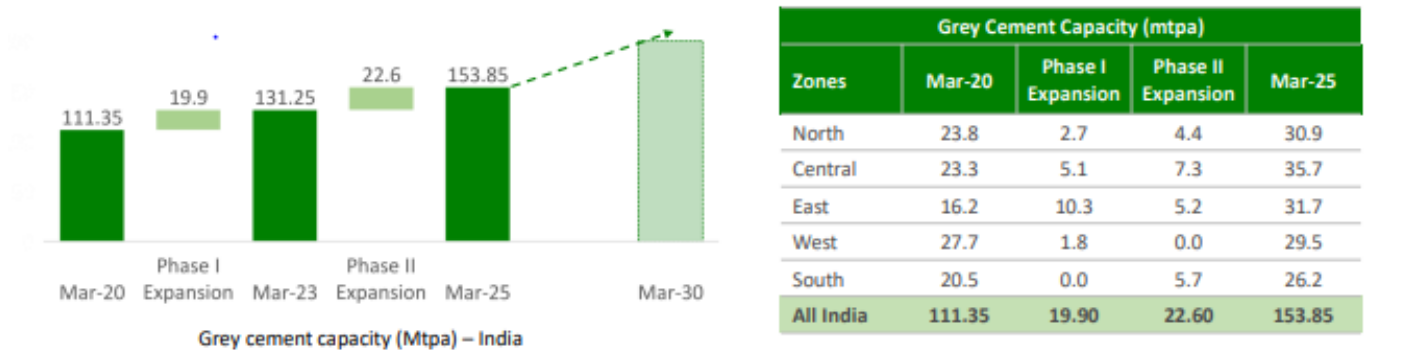
South	Unit	Project	Capacity
APCW, Andhra Pradesh	IU	B	1.8
Karur, Tamil Nadu	GU	G	2.7
Arakkonam, Tamil Nadu	GU	B	1.2
Bangalore, Karnataka	BT	B	1.0
Total excl BT			5.7

East	Unit	Project	Capacity
Kukurdih, Chhattisgarh	IU	G	2.7
Ramgarh, Jharkhand	GU	G	2.5
Total			5.2

Capacity mentioned in million tons per annum

Source: MOFSL, Company; Note: GU – Grinding unit, IU – Integrated unit, BT – Bulk Terminal (not additional capacity), G – Greenfield expansion, B – Brownfield expansion

Exhibit 2: ...will help it achieve capacities of 153.9mtpa by FY25; aims to grow further



Source: MOFSL, Company

Exhibit 3: Expect strong demand to sustain over the next few years

FY23 – FY27				Demand growth drivers and rationale
Region	I	H	C	
North	↑	↑	↑	<ul style="list-style-type: none"> ✓ National Capital Region (NCR) would require bulk cement with expected increase in Real Estate. Kotputli is suitably located to serve the region within average lead of <125 kms ✓ Delhi Metro; Jaipur Metro, Smart cities in Rajasthan and Delhi, Eastern peripheral expressway/ six-laning of NH8, dam project
Central	↑	↑	↑	<ul style="list-style-type: none"> ✓ Lucknow + Kanpur are amongst the top 20 growing cities in India and expected to grow at a CAGR of ~10% on back of infrastructure and real estate development. Proposed expansion will also reduce overall lead distance ✓ Several metro projects, Upper Ganga Expressway, irrigation (Ken-Betwa), smart cities (Indore, Bhopal, Lucknow..)
East	↑	↑	↑	<ul style="list-style-type: none"> ✓ Entry for UltraTech in Jharkhand for manufacturing. Jharkhand expected to grow at ~9% over next 5 years ✓ Reduction in current lead distance ✓ Metro projects in Patna, Kolkata, EDFC, north-east (several road and rail connectivity projects) ✓ Capacity to service North-East markets of Assam and Meghalaya
South	↑	↑	↑	<ul style="list-style-type: none"> ✓ UltraTech presence is negligible currently in South Tamil Nadu. ✓ Commercial & industrial and real estate growth will lead to higher requirement of bulk volume mainly in Chennai & Salem/ Coimbatore region, which can be serviced from Arakkonam economically ✓ Vizag IT City Project in Andhra Pradesh, irrigation projects in Telangana.

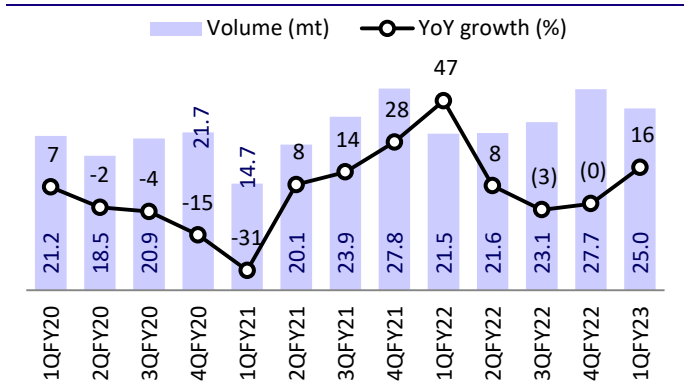
Source: MOFSL, Company; Note I: Infrastructure, H: Housing, C: Commercial

Exhibit 4: Changes to our consolidated estimates

(INR m)	Revised estimate		Old estimate		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Net sales	6,01,784	6,36,431	5,87,121	6,19,731	2.5	2.7
EBITDA	1,07,322	1,27,703	1,00,906	1,19,628	6.4	6.8
Net profit	51,398	64,131	47,598	58,869	8.0	8.9
EPS (INR)	178.1	222.2	164.9	203.9	8.0	8.9

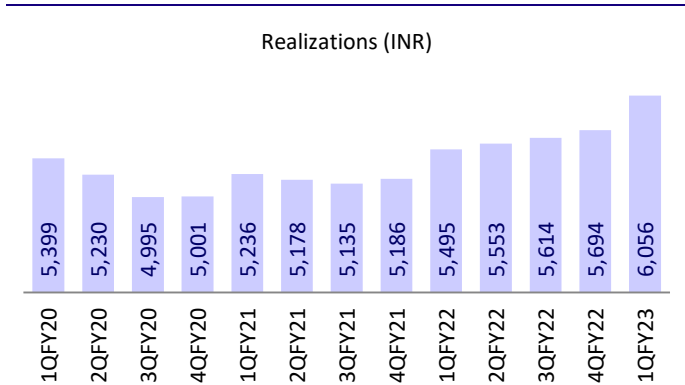
Source: MOFSL Estimate

Exhibit 5: Sales volume grew 16% YoY



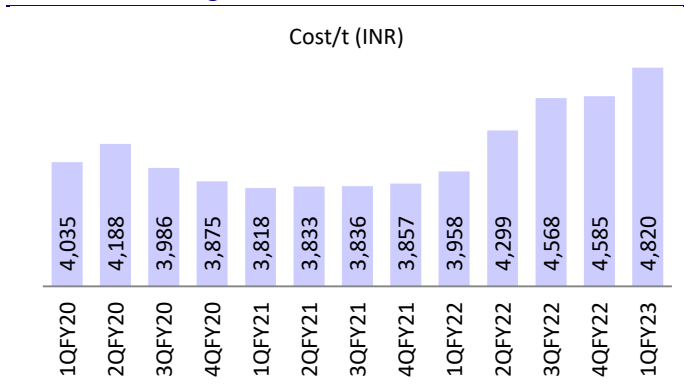
Source: Company, MOFSL

Exhibit 6: Blended realization grew 10% YoY and 6% QoQ



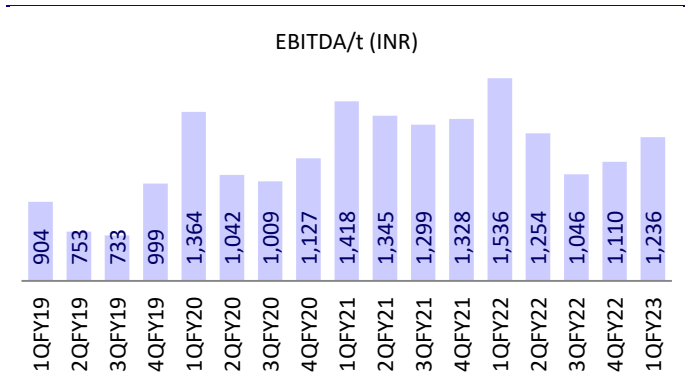
Source: Company, MOFSL

Exhibit 7: OPEX/t grew 22% YoY and 5% QoQ in 1QFY23



Source: Company, MOFSL

Exhibit 8: EBITDA/t fell 20% YoY, but rose 11% QoQ



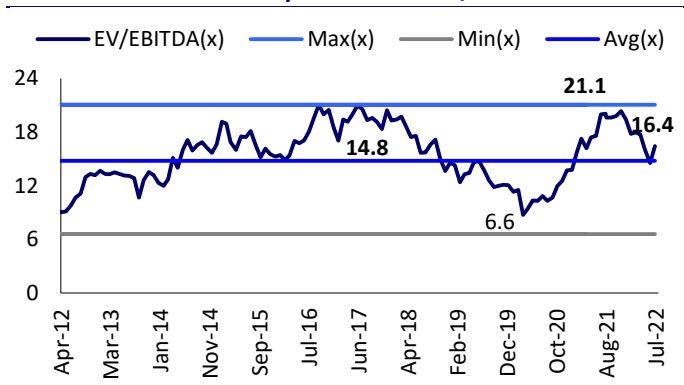
Source: Company, MOFSL

Exhibit 9: Trend in key operating parameters

INR/t	1QFY23	1QFY22	YoY (%)	4QFY22	QoQ (%)
Realization	6,056	5,495	10%	5,694	6%
RM cost	912	674	35%	984	-7%
Power and fuel	1,603	1,127	42%	1,433	12%
Staff cost	254	272	-6%	227	12%
Freight and forwarding	1,314	1,230	7%	1,256	5%
Other expenditure	737	656	12%	685	8%
Total expenditure	4,820	3,958	22%	4,585	5%
EBITDA	1,236	1,536	-20%	1,110	11%

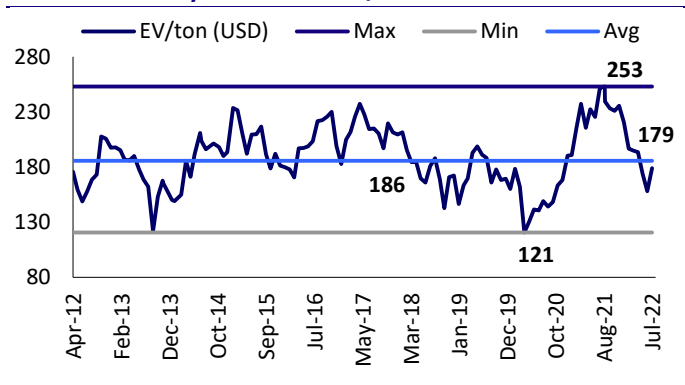
Source: Company, MOFSL

Exhibit 10: Trend in one-year forward EV/EBITDA ratio



Source: Company, MOFSL

Exhibit 11: One-year forward EV/t trend



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement								(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Total Income from Operations	2,53,749	3,09,786	4,16,088	4,24,299	4,47,258	5,25,988	6,01,784	6,36,431
Change (%)	0.9	22.1	34.3	2.0	5.4	17.6	14.4	5.8
Raw Materials	44,926	52,888	69,831	65,181	70,858	79,650	92,873	1,05,300
Employees Cost	15,223	18,102	22,911	25,199	23,530	25,347	26,133	27,914
Other Expenses	1,41,476	1,77,344	2,49,877	2,40,141	2,37,191	3,05,848	3,75,456	3,75,514
Total Expenditure	2,01,625	2,48,335	3,42,619	3,30,520	3,31,579	4,10,845	4,94,462	5,08,728
As a percentage of Sales	79.5	80.2	82.3	77.9	74.1	78.1	82.2	79.9
EBITDA	52,124	61,452	73,469	93,779	1,15,679	1,15,144	1,07,322	1,27,703
Margin (%)	20.5	19.8	17.7	22.1	25.9	21.9	17.8	20.1
Depreciation	13,484	18,479	24,507	27,227	27,002	27,148	29,300	32,048
EBIT	38,640	42,972	48,962	66,552	88,677	87,996	78,022	95,655
Int. and Finance Charges	6,401	12,376	17,779	19,917	14,857	9,447	7,926	7,418
Other Income	6,481	5,886	4,634	6,511	7,342	5,078	4,086	4,595
PBT bef. EO Exp.	38,721	36,482	35,818	53,146	81,162	83,627	74,183	92,832
EO Items	0	-3,466	-1,139	19,788	-2,607	0	0	0
PBT after EO Exp.	38,721	33,016	34,679	72,934	78,555	83,627	74,183	92,832
Total Tax	11,586	10,770	10,681	15,413	25,387	11,901	22,902	28,818
Tax Rate (%)	29.9	32.6	30.8	21.1	32.3	14.2	30.9	31.0
Minority Interest	-14	24	-37	-32	-34	-118	-125	-118
Reported PAT	27,149	22,222	24,035	57,553	53,202	71,844	51,406	64,131
Adjusted PAT	27,149	24,557	24,823	41,946	54,967	56,665	51,406	64,131
Change (%)	9.6	-9.5	1.1	69.0	31.0	3.1	-9.3	24.8
Margin (%)	10.7	7.9	6.0	9.9	12.3	10.8	8.5	10.1

Consolidated Balance Sheet								(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	2,745	2,746	2,746	2,886	2,887	2,887	2,887	2,887
Total Reserves	2,41,171	2,61,066	3,34,738	3,88,269	4,38,860	5,01,466	5,41,895	5,94,479
Net Worth	2,43,916	2,63,812	3,37,484	3,91,155	4,41,747	5,04,353	5,44,781	5,97,366
Minority Interest	97	160	122	75	57	-31	-148	-266
Total Loans	84,745	1,94,802	2,53,370	2,28,979	2,04,878	1,02,028	97,028	77,028
Deferred Tax Liabilities	27,824	31,827	63,856	49,120	60,407	60,332	67,572	76,655
Capital Employed	3,56,582	4,90,601	6,54,832	6,69,329	7,07,089	6,66,683	7,09,233	7,50,783
Gross Block	2,74,135	4,30,455	5,71,407	6,02,798	6,14,319	6,41,922	7,08,589	7,70,270
Less: Accum. Deprn.	25,943	43,665	68,172	95,399	1,22,401	1,49,549	1,78,848	2,10,896
Net Fixed Assets	2,48,192	3,86,790	5,03,235	5,07,400	4,91,918	4,92,374	5,29,741	5,59,374
Goodwill on Consolidation	10,851	10,363	62,989	62,525	62,199	62,502	62,502	62,502
Capital WIP	9,215	15,112	11,486	9,095	16,867	47,847	31,582	30,582
Current Investment	54,110	39,491	15,165	42,437	1,08,939	49,633	49,633	49,633
Non-current Investment	12,795	14,978	14,048	16,850	12,842	13,725	13,725	13,725
Curr. Assets, Loans, and Adv.	86,926	1,04,677	1,58,335	1,44,307	1,59,034	1,71,938	2,01,794	2,18,208
Inventory	24,006	32,676	40,990	41,483	40,180	55,956	61,922	65,279
Account Receivables	17,571	22,206	27,870	22,383	25,717	30,716	34,933	36,718
Cash and Bank Balance	22,488	2,191	7,397	5,392	20,076	3,592	23,602	35,214
Loans and Advances	22,861	47,604	82,079	75,049	73,061	81,674	81,336	80,997
Curr. Liability and Prov.	65,605	80,904	1,10,548	1,19,152	1,52,307	1,71,595	1,80,004	1,83,504
Account Payables	18,573	23,849	31,671	35,014	46,993	58,628	67,077	70,939
Other Current Liabilities	42,453	50,526	71,206	76,240	96,441	1,04,309	1,04,263	1,03,894
Provisions	4,579	6,529	7,671	7,898	8,873	8,658	8,665	8,672
Net Current Assets	21,321	23,773	47,787	25,155	6,727	343	21,789	34,704
Deferred Tax assets	98	94	121	60	72	164	166	168
Net Assets held for sale	0	0	0	5,808	7,526	95	95	95
Appl. of Funds	3,56,582	4,90,601	6,54,832	6,69,329	7,07,089	6,66,683	7,09,233	7,50,783

E: MOFSL estimates

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)								
EPS	98.9	89.4	90.4	145.3	190.4	196.3	178.1	222.2
Cash EPS	148.0	156.7	179.6	239.7	284.0	290.3	279.6	333.2
BV/Share	888.6	960.7	1,228.8	1,355.2	1,530.4	1,747.2	1,887.2	2,069.4
DPS	9.4	9.5	10.5	11.5	37.0	38.0	38.0	40.0
Payout (%)	11.5	14.0	14.5	6.6	20.1	15.3	21.3	18.0
Valuation (x)								
P/E ratio			71.4	44.4	33.9	32.9	36.3	29.1
Cash P/E ratio			35.9	26.9	22.7	22.2	23.1	19.4
P/BV ratio			5.3	4.8	4.2	3.7	3.4	3.1
EV/Sales ratio			4.8	4.8	4.3	3.6	3.1	2.9
EV/t (USD)			229.5	230.0	218.2	208.9	180.5	177.5
EV/EBITDA ratio			27.3	21.8	16.8	16.6	17.6	14.5
Dividend Yield (%)			0.2	0.2	0.6	0.6	0.6	0.6
FCF per share			156.8	249.4	369.4	127.4	137.9	159.3
Return Ratios (%)								
RoE	11.7	9.7	8.3	11.5	13.2	12.0	9.8	11.2
RoCE	9.7	8.4	7.1	9.5	10.3	12.7	9.1	10.5
RoIC	9.7	8.2	6.4	8.5	10.2	13.4	9.2	10.6
Working Capital Ratios								
Inventory (Days)	35	38	36	36	33	39	38	37
Debtor (Days)	25	26	24	19	21	21	21	21
Creditor (Days)	27	28	28	30	38	41	41	41
Leverage Ratio (x)								
Current Ratio	1.3	1.3	1.4	1.2	1.0	1.0	1.1	1.2
Interest Coverage Ratio	6.0	3.5	2.8	3.3	6.0	9.3	9.8	12.9
Net Debt/Equity ratio	0.0	0.6	0.7	0.5	0.2	0.1	0.0	0.0

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	38,721	33,015	34,685	52,423	78,576	83,627	74,183	92,832
Depreciation	13,484	18,479	24,507	27,022	27,002	27,148	29,300	32,048
Interest and Finance Charges	5,822	12,376	17,779	19,917	14,857	9,447	7,926	7,418
Direct Taxes Paid	-7,437	-8,429	-7,101	-8,914	-12,910	-15,549	-15,665	-19,738
(Inc.)/Dec. in WC	5,176	-12,554	-6,957	4,503	23,289	-4,730	-1,436	-1,303
CF from Operations	55,765	42,888	62,913	94,949	1,30,814	99,943	94,307	1,11,257
Others	-8	-4,010	-3,356	-5,929	-5,785	-7,110	-4,086	-4,595
CF from Operations incl. EO	55,756	38,877	59,557	89,020	1,25,030	92,832	90,221	1,06,662
(Inc.)/Dec. in FA	-13,557	-18,828	-16,482	-17,037	-18,414	-56,062	-50,402	-60,681
Free Cash Flow	42,199	20,050	43,075	71,983	1,06,616	36,771	39,819	45,981
(Pur.)/Sale of Investments	-11,209	16,246	26,614	-26,266	-70,949	76,888	0	0
Others	0	21,197	1,007	1,210	773	1,744	4,086	4,595
CF from Investments	-24,766	18,616	11,138	-42,093	-88,590	22,570	-46,316	-56,086
Issue of Shares	66	157	52	27	70	44	0	0
Inc./Dec. in Debt	-22,297	-42,069	-46,482	-26,663	-25,149	-1,12,232	-5,000	-20,000
Interest Paid	0	-12,099	-16,850	-19,445	-14,805	-2,227	-7,926	-7,418
Dividend Paid	-3,119	-3,340	-3,462	-3,800	-3,748	-10,650	-10,969	-11,547
Others	0	0	-827	-31	68	87	0	0
CF from Fin. Activity	-25,350	-57,351	-67,568	-49,911	-43,565	-1,24,979	-23,895	-38,965
Inc./Dec. in Cash	5,640	142	3,127	-2,984	-7,125	-9,577	20,010	11,611
Opening Balance	33,203	38,843	38,986	42,113	39,129	32,003	22,427	42,437
Closing Balance	38,843	38,986	42,113	39,129	32,003	22,427	42,437	54,048

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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