

# Apollo Hospitals

Estimate change



TP change



Rating change


**CMP: INR4,310**
**TP: INR5,110 (+19%)**
**Buy**

## Clocks superior realization in the Hospital segment

### Operating cost escalates at Apollo 24/7

- APHS delivered an operationally in line 1QFY23 performance. It clocked a superior margin in the Hospital segment, led by an improvement in ARPOB. It also increased its spends in Apollo 24/7 in 1QFY23.
- We reduce our FY23 EBITDA estimate for APHS by 6%, factoring in: a) a higher operating cost for Pharmacy as well as the Apollo Health & Lifestyle (AHL) segment. We continue to value APHS on a SoTP basis (22x EV/EBITDA for the Hospital segment, 30x EV/EBITDA for the Pharmacy and AHL segment, and 4x EV/sales for Apollo 24/7) to arrive at our TP of INR5110.
- We remain positive on APHS on account of: a) a robust growth outlook in the Hospital segment, b) strong foundation build-up for the Online Pharmacy segment, and c) the addition of healthcare services through AHL. **We maintain our Buy rating.**

### Increased OPEX in Apollo 24/7 and lower margin in AHL drags profitability YoY

- Revenue was steady YoY at INR38b (est. INR37.5b) in 1QFY23.
- Revenue from mature Hospitals increased by 14% YoY to INR14.5b. EBITDA margin expanded by 430bp YoY to 26.4%.
- Revenue from new Hospitals, including Proton, fell 14% YoY to INR5.8b, but EBITDA margin expanded by 90bp to 17.7%.
- Revenue from its HealthCo and Pharmacy distribution was stable YoY at INR14.8b. It posted a loss of INR0.2b due to an operating cost of INR1.3b in the 24/7 segment.
- Revenue from AHL declined by 5% YoY to INR2.9b. EBITDA margin contracted by 550bp YoY to 10%.
- Overall EBITDA margin contracted by 90bp YoY to 12.9% (est. 13%).
- EBITDA declined by 6% YoY to INR4.9b (est. INR4.9b).
- There was a one-time deferred tax adjustment as APHS has re-measured the opening balance of deferred tax liability (net) as of 1<sup>st</sup> Apr'22 and accounted for a tax credit of INR1.5b relating to the same in 1QFY23.
- Adjusted PAT fell 38% YoY to INR1.7b (est.: INR1.5b).

### Highlights from the management commentary

- APHS witnessed 35k transactions per day on its online platform v/s 25k QoQ.
- The management intends to spend INR5.5b towards Apollo 24/7 as against its earlier guidance of INR4.4b.
- It expects Offline Pharmacy sales to grow by 20-22% and overall Pharmacy sales, including Online Pharmacy, to grow by 27-28% YoY in FY23.
- The management expects GMV of Apollo 24/7 to touch INR15b in FY23 as against its earlier guidance of INR10b.
- It intends to add 650/400 beds in Gurugram/Chennai over the next two years at a total investment of INR17b.



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Bloomberg	APHS IN
Equity Shares (m)	139
M.Cap.(INRb)/(USDb)	619.7 / 7.8
52-Week Range (INR)	5931 / 3366
1, 6, 12 Rel. Per (%)	-1/-7/-4
12M Avg Val (INR M)	4039

#### Financials & Valuations (INR b)

Y/E MARCH	FY22	FY23E	FY24E
Sales	146.6	164.2	193.5
EBITDA	21.9	21.8	27.3
Adj. PAT	9.8	9.0	13.5
EBIT Margin (%)	14.9	13.3	14.1
Cons. Adj. EPS (INR)	68.1	62.7	94.0
EPS Gr. (%)	NA	-7.9	49.9
BV/Sh. (INR)	405.8	475.7	566.8

#### Ratios

Net D:E	0.4	0.1	-0.1
RoE (%)	19.1	14.7	18.6
RoCE (%)	12.5	14.2	15.7
Payout (%)	8.0	8.0	6.2

#### Valuations

P/E (x)	63.3	68.7	45.9
EV/EBITDA (x)	29.7	29.2	22.8
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	1.6	2.6	3.1
EV/Sales (x)	4.4	3.9	3.2

#### Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	29.3	29.3	29.8
DII	15.9	13.2	11.1
FII	48.5	50.8	53.2
Others	6.3	6.7	5.9

FII Includes depository receipts

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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**Consolidated - Quarterly Earning Model****(INR m)**

Y/E March	FY22				FY23E				FY22	FY23E	FY23E	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Gross Sales</b>	<b>37,602</b>	<b>37,171</b>	<b>36,389</b>	<b>35,464</b>	<b>37,956</b>	<b>40,568</b>	<b>42,175</b>	<b>43,477</b>	<b>146,626</b>	<b>164,177</b>	<b>37,538</b>	<b>1.1</b>
YoY Change (%)	73.2	34.6	31.9	23.7	0.9	9.1	15.9	22.6	38.9	12.0	-0.2	
Total Expenditure	32,403	31,021	30,519	30,832	33,049	35,376	36,566	37,351	124,775	142,342	32,658	
<b>EBITDA</b>	<b>5,199</b>	<b>6,150</b>	<b>5,870</b>	<b>4,632</b>	<b>4,908</b>	<b>5,193</b>	<b>5,609</b>	<b>6,126</b>	<b>21,851</b>	<b>21,836</b>	<b>4,880</b>	<b>0.6</b>
YoY Change (%)	1,365.2	105.1	50.4	12.5	-5.6	-15.6	-4.4	32.2	92.1	-0.1	-6.1	
Margins (%)	13.8	16.5	16.1	13.1	12.9	12.8	13.3	14.1	14.9	13.3	13.0	
Depreciation	1,406	1,448	1,490	1,664	1,478	1,490	1,510	1,619	6,007	6,097	1,575	
Interest	947	954	937	949	927	930	940	945	3,786	3,743	895	
Other Income	246	56	172	307	161	175	190	213	781	739	175	
<b>PBT before EO expense</b>	<b>3,093</b>	<b>3,805</b>	<b>3,615</b>	<b>2,327</b>	<b>2,663</b>	<b>2,948</b>	<b>3,349</b>	<b>3,775</b>	<b>12,839</b>	<b>12,735</b>	<b>2,585</b>	<b>3.0</b>
Extra-Ord expense/(Income)	-2,941	0	0	0	0	0	0	0	-2,941	0	0	
<b>PBT</b>	<b>6,034</b>	<b>3,805</b>	<b>3,615</b>	<b>2,327</b>	<b>2,663</b>	<b>2,948</b>	<b>3,349</b>	<b>3,775</b>	<b>15,780</b>	<b>12,735</b>	<b>2,585</b>	<b>3.0</b>
Tax	986	1,156	1,242	1,387	-695	766	871	980	4,770	1,922	685	
Rate (%)	16.3	30.4	34.4	59.6	-26.1	26.0	26.0	26.0	30.2	15.1	26.5	
Minority Interest & P/L of Asso.	42	-25	-60	-30	120	170	-50	10	-74	250	365	
<b>Reported PAT</b>	<b>5,007</b>	<b>2,674</b>	<b>2,433</b>	<b>970</b>	<b>3,238</b>	<b>2,012</b>	<b>2,528</b>	<b>2,785</b>	<b>11,084</b>	<b>10,563</b>	<b>1,535</b>	<b>111.0</b>
<b>Adj PAT</b>	<b>2,859</b>	<b>2,674</b>	<b>2,433</b>	<b>1,822</b>	<b>1,690</b>	<b>2,012</b>	<b>2,528</b>	<b>2,785</b>	<b>9,787</b>	<b>9,015</b>	<b>1,535</b>	<b>10.1</b>
YoY Change (%)	NA	902.8	81.3	19.5	-40.9	-24.8	3.9	52.9	NA	-7.9	-46.3	
Margins (%)	7.6	7.2	6.7	5.1	4.5	5.0	6.0	6.4	6.7	5.5	4.1	

E: MOFSL Estimates

**Key performance Indicators (Consolidated, INR m)**

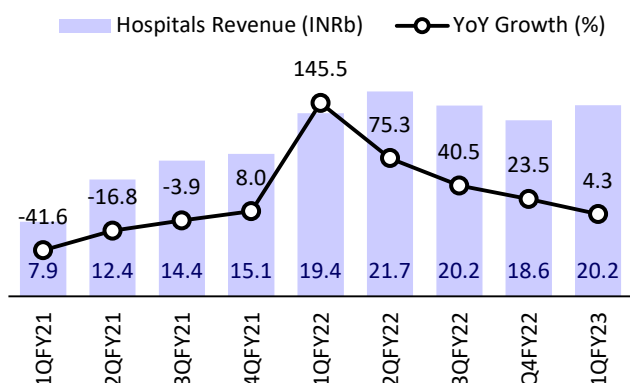
Y/E March	FY22				FY23E				FY22	FY23E	FY23E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	vs Est
<b>Hospital Revenue (Mature)</b>	<b>12,682</b>	<b>14,570</b>	<b>14,123</b>	<b>12,823</b>	<b>14,466</b>	<b>15,299</b>	<b>15,394</b>	<b>14,015</b>	<b>54,198</b>	<b>59,173</b>	<b>12,682</b>	<b>14.1</b>
YoY Growth (%)	133.6	70.3	39.8	21.0	14.1	5.0	9.0	9.3	56.3	9.2	0.0	
<b>Hospital Revenue (New)</b>	<b>6,271</b>	<b>6,637</b>	<b>5,586</b>	<b>5,321</b>	<b>5,263</b>	<b>5,907</b>	<b>6,480</b>	<b>7,437</b>	<b>23,816</b>	<b>25,087</b>	<b>5,832</b>	<b>-9.8</b>
YoY Growth (%)	175.4	83.7	40.1	18.7	-16.1	-11.0	16.0	39.8	65.9	5.3	-7.0	
<b>Proton Revenue</b>	<b>439</b>	<b>479</b>	<b>474</b>	<b>486</b>	<b>505</b>	<b>541</b>	<b>640</b>	<b>755</b>	<b>1,878</b>	<b>2,441</b>	<b>505</b>	<b>0.0</b>
YoY Growth (%)	128.6	131.4	73.0	5,300.0	15.0	13.0	35.0	55.4	91.2	30.0	15.0	
<b>Back end distribution</b>	<b>15,120</b>	<b>11,671</b>	<b>13,074</b>	<b>13,747</b>	<b>14,792</b>	<b>15,756</b>	<b>16,342</b>	<b>17,807</b>	<b>53,610</b>	<b>64,697</b>	<b>15,120</b>	<b>-2.2</b>
YoY Growth (%)	18.2	-13.7	-9.2	22.9	-2.2	35.0	25.0	29.5	9.9	20.7	0.0	
<b>AHLL Revenue</b>	<b>3,090</b>	<b>3,813</b>	<b>3,132</b>	<b>3,089</b>	<b>2,930</b>	<b>3,066</b>	<b>3,320</b>	<b>3,463</b>	<b>13,125</b>	<b>12,778</b>	<b>3,399</b>	<b>-13.8</b>
YoY Growth (%)	201.8	122.4	58.7	46.7	-5.2	-19.6	6.0	12.1	92.5	-2.6	10.0	
<b>Cost Break-up</b>												
Gross Margin (%)	45.2	49.6	49.9	48.8	48.6	48.5	48.4	48.2	48.3	48.4	48.0	
EBITDA Margin (%)	13.8	16.5	16.1	13.1	12.9	12.8	13.3	14.1	14.9	13.3	13.0	
PAT Margin (%)	7.6	7.2	6.7	5.1	4.5	5.0	6.0	6.4	6.7	5.5	4.1	

### Highlights from the management commentary

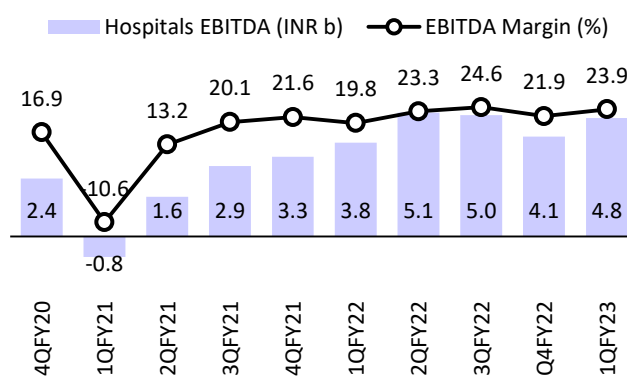
- APHS had one-time cost in the pharmacy segment to align systems with Amazon at Pan India level, impacting profitability to some extent for the quarter.
- Higher share of surgical cases, favourable case mix/walk-ins has led to considerable improvement in ARPOB for the quarter. With increased share of international patients, the ARPOB is expected to improve going forward.
- It would also put efforts to increase the overall occupancy in hospitals from 60% to 70%, thereby driving robust growth in revenue/EBITDA for hospital segment.
- The broad breakdown of expenses in Apollo 24/7 would be towards a) Product/technology (25% of the expense), adequate manpower (30-35% of the expense), marketing of digital platform (20-25% of the expense), customer acquisition (10-15% of the expenses) and remaining towards building ancillary infrastructure.
- Compared to 18% discount offered by Apollo 24/7 in 1QFY23, APHS has reduced the discount by 1% in Jul'22 and expected to reduce further by 0.5-0.75% in coming months.

### Key exhibits

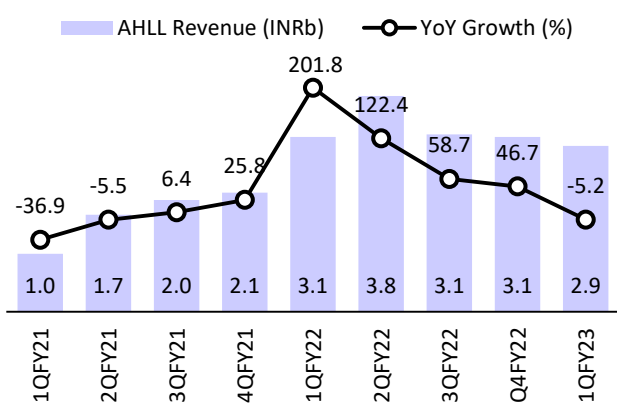
**Exhibit 1: Revenue for Hospitals grew 4% YoY in 1QFY23**



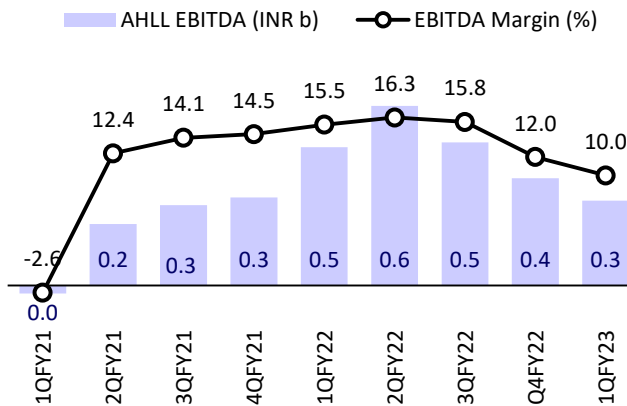
**Exhibit 2: EBITDA margin for Hospitals expanded 420bps YoY**



**Exhibit 3: AHLL: Revenue declined 5% in 1QFY23**



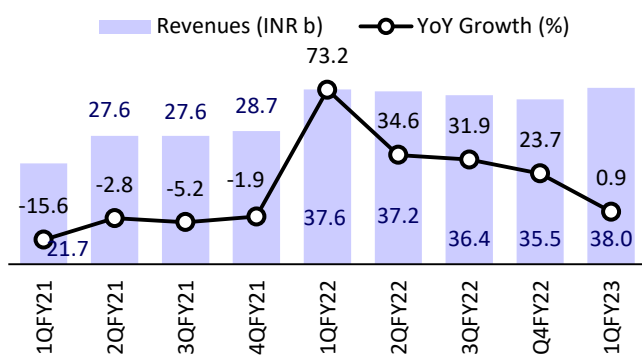
**Exhibit 4: AHLL: EBITDA margin contracted by 550bp YoY**



Source: MOFSL, Company

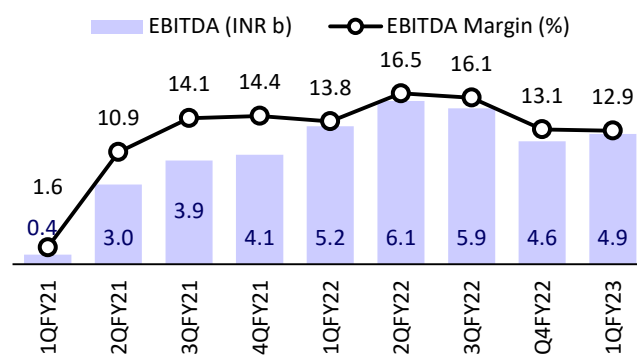
Source: MOFSL, Company

Exhibit 5: APHS: Revenue remained flat YoY in 1QFY23



Source: MOFSL, Company

Exhibit 6: APHS: EBITDA margin contracts by 90bp YoY



Source: MOFSL, Company

## Strong base across segments to drive growth

### Healthcare services on a firm footing

- APHS' ARPOB reached INR52k (+26.5% YoY) despite occupancy at 60% vs 67% YoY. ARPOB is expected to increase further due to the improvement in the footfalls for domestic patients (IPD/OPD). Moreover, due to ease of travel restrictions, treatment for international patients is expected to rise given the strong brand recall of APHS. Additionally, focus on improvement in the payer-mix/surgical mix will help drive ARPOBs higher.
- APHS is focusing on improving occupancy to 70%. The higher occupancy and cost optimization measures is expected to improve profitability as well for APHS.
- APHS is also expanding its bed capacity to cater to future demand. It intends to expand infrastructure at Chennai, wherein APHS is a dominant player. Moreover, acquisition of low cost land at Gurgaon and adding 650 beds makes it an interesting opportunity over next 2-3 years. Thus, APHS plans to add 1,050 beds with total investment of INR17b over next two years.
- We expect 12% sales CAGR in healthcare services to INR101b over FY22-24.

### Pharmacy – well placed to benefit from an ongoing transformation

- APHS' added 232 stores in 1QFY23 as compared to the average addition of ~100 stores per quarter from FY21-22. The total number of pharmacy stores now stands at 4,761. While the aggressive store addition has affected revenue per store (INR3m vs INR3.6m YoY), improved traction, increased sale of private labels would drive better outlook for this segment.
- Additionally, to further enhance its online presence, APHS is investing in digital channel with Amazon and doing backward integration to have pan-India presence. This will help APHS to expand its customer base.
- We expect 21% sales CAGR in the back-end Pharmacy segment to INR78b over FY22-24.

### AHLL – spending now to build better future growth prospects

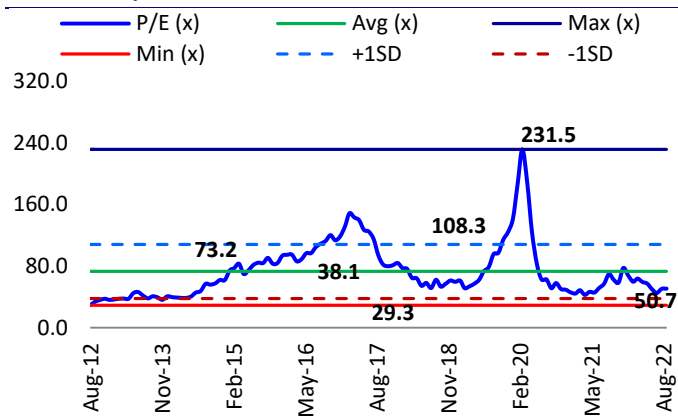
- APHS had a slightly muted performance in AHLL in 1QFY23 due to investments in diagnostics and primary care segments. These investments are expected to enhance AHLL presence and footfalls which will improve profitability in the future.

■ Given the strong brand franchise and expansion in number of centers, footfalls for Diagnostics/Primary/Secondary Care segment are expected to further improve and thus we expect 5%/14% sales/EBITDA CAGR in this segment over FY22-24.

**Maintain Buy**

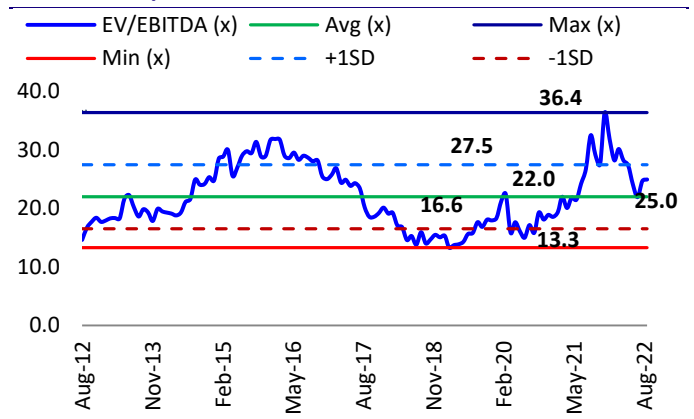
- We reduce our EBITDA estimate for APHS EBITDA by 6% for FY23, factoring a) higher operational cost for pharmacy as well as Apollo health and Lifestyle (AHLL) segment. We continue to value APHS on SOTP basis (22x EV/EBITDA for hospital segment, 30x EV/EBITDA for pharmacy/AHLL segment and 4x EV/Sales for Apollo 24/7) to arrive at price target of INR5110.
- We remain positive on APHS on account of a) robust growth outlook in hospital segment, b) strong foundation build-up for online pharmacy segment and c) adding healthcare services through AHLL. **Maintain BUY.**

**Exhibit 7: P/E chart**



Source: MOFSL, Company, Bloomberg

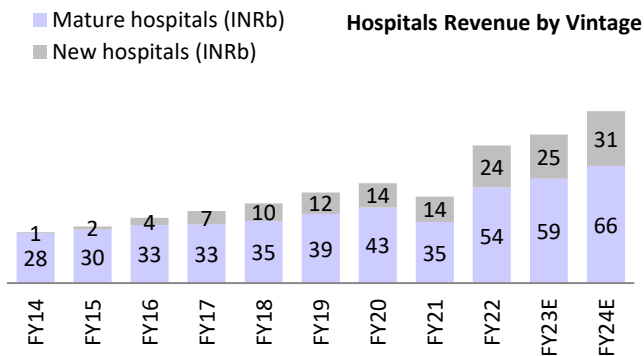
**Exhibit 8: EV/EBITDA chart**



Source: MOFSL, Company, Bloomberg

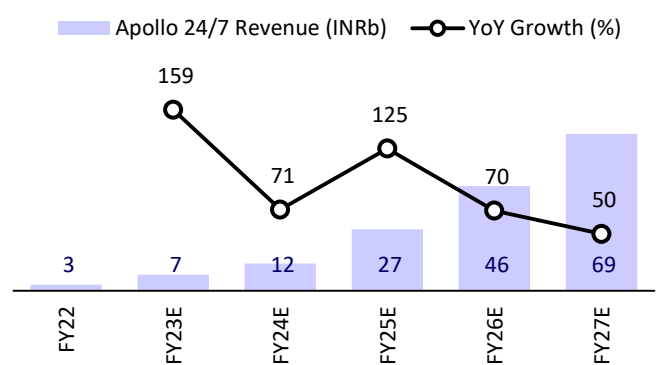
## Story in charts

**Exhibit 9: We expect 12% sales CAGR over FY22-24 in hospitals segment**



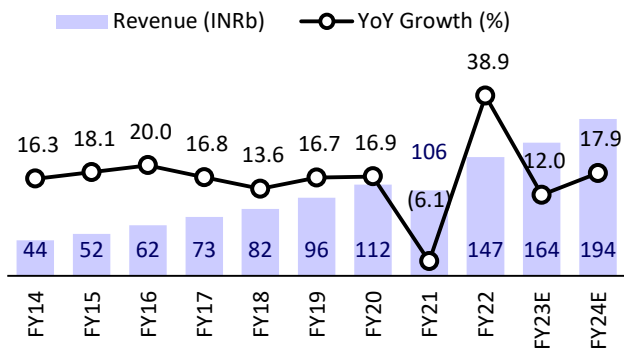
Source: Company, MOFSL

**Exhibit 10: Expect Apollo 24/7 to deliver 91% revenue CAGR over FY22-27E**



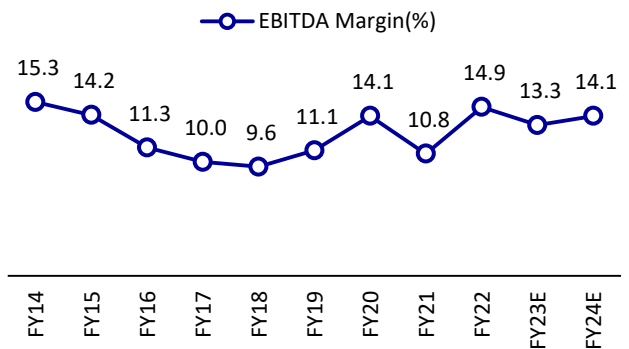
Source: Company, MOFSL

**Exhibit 11: Expect 15% overall revenue CAGR over FY22-24**



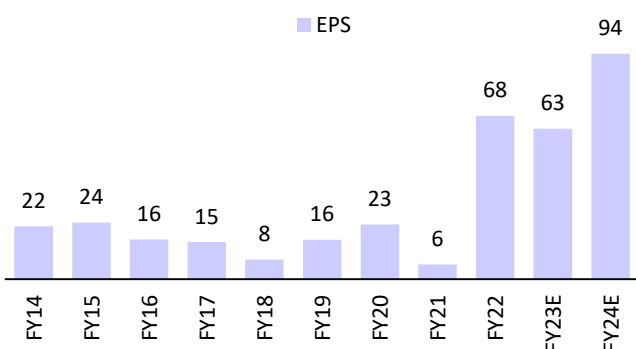
Source: Company, MOFSL

**Exhibit 12: Expect overall EBIDTA margin to remain steady**



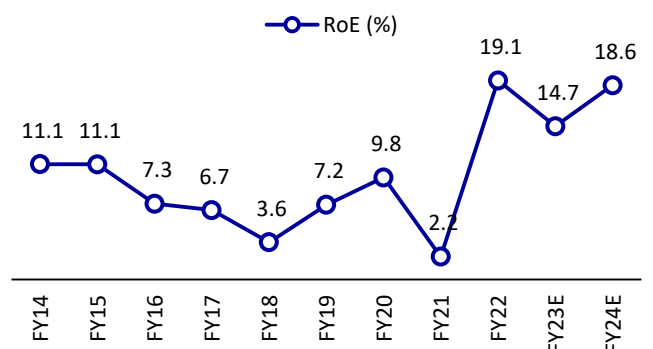
Source: Company, MOFSL

**Exhibit 13: Expect 18% EPS CAGR over FY22-24**



Source: Company, MOFSL

**Exhibit 14: Higher opex to keep ROE under check over near term**



Source: Company, MOFSL

## Financials and valuation

Consolidated - Income Statement								(INRm)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Total Income from Operations</b>	<b>72,557</b>	<b>82,435</b>	<b>96,174</b>	<b>112,468</b>	<b>105,600</b>	<b>146,626</b>	<b>164,177</b>	<b>193,525</b>
Change (%)	16.8	13.6	16.7	16.9	-6.1	38.9	12.0	17.9
<b>Total Expenditure</b>	<b>65,272</b>	<b>74,503</b>	<b>85,538</b>	<b>96,596</b>	<b>94,226</b>	<b>124,775</b>	<b>142,342</b>	<b>166,238</b>
% of Sales	90.0	90.4	88.9	85.9	89.2	85.1	86.7	85.9
<b>EBITDA</b>	<b>7,286</b>	<b>7,932</b>	<b>10,637</b>	<b>15,872</b>	<b>11,374</b>	<b>21,851</b>	<b>21,836</b>	<b>27,287</b>
Margin (%)	10.0	9.6	11.1	14.1	10.8	14.9	13.3	14.1
Depreciation	3,140	3,590	3,955	6,197	5,731	6,007	6,097	6,128
<b>EBIT</b>	<b>4,145</b>	<b>4,341</b>	<b>6,681</b>	<b>9,675</b>	<b>5,643</b>	<b>15,844</b>	<b>15,739</b>	<b>21,159</b>
Int. and Finance Charges	2,574	2,951	3,270	5,328	4,492	3,786	3,743	3,622
Other Income	649	322	324	270	450	781	739	871
<b>PBT bef. EO Exp.</b>	<b>2,221</b>	<b>1,712</b>	<b>3,736</b>	<b>4,617</b>	<b>1,601</b>	<b>12,839</b>	<b>12,735</b>	<b>18,408</b>
EO Items	0	0	0	1,952	614	2,941	0	0
<b>PBT after EO Exp.</b>	<b>2,221</b>	<b>1,712</b>	<b>3,736</b>	<b>6,569</b>	<b>2,215</b>	<b>15,781</b>	<b>12,735</b>	<b>18,408</b>
Total Tax	910	1,119	1,734	2,252	847	4,770	1,922	4,694
Tax Rate (%)	41.0	65.4	46.4	34.3	38.2	30.2	15.1	25.5
Minority Interest	-899	-579	-359	-231	-8	454	250	200
<b>Reported PAT</b>	<b>2,210</b>	<b>1,172</b>	<b>2,361</b>	<b>4,548</b>	<b>1,368</b>	<b>10,557</b>	<b>10,563</b>	<b>13,514</b>
<b>Adjusted PAT</b>	<b>2,210</b>	<b>1,172</b>	<b>2,361</b>	<b>3,265</b>	<b>870</b>	<b>9,787</b>	<b>9,015</b>	<b>13,514</b>
Change (%)	-6.5	-47.0	101.5	38.3	-73.4	1,024.9	-7.9	49.9
Margin (%)	3.0	1.4	2.5	2.9	0.8	6.7	5.5	7.0

Consolidated - Balance Sheet								(INRm)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	696	696	696	696	719	719	719	719
Total Reserves	32,402	31,819	32,639	32,695	45,306	55,733	65,455	78,127
<b>Net Worth</b>	<b>33,132</b>	<b>32,515</b>	<b>33,335</b>	<b>33,390</b>	<b>46,025</b>	<b>56,452</b>	<b>66,173</b>	<b>78,846</b>
Minority Interest	1,246	1,324	1,355	1,307	1,999	2,543	2,543	2,543
Total Loans	36,442	39,017	41,534	57,243	43,147	39,691	34,791	29,891
Deferred Tax Liabilities	2,250	2,393	2,975	2,447	2,354	5,215	5,215	5,215
<b>Capital Employed</b>	<b>73,070</b>	<b>75,250</b>	<b>79,198</b>	<b>94,387</b>	<b>93,525</b>	<b>103,900</b>	<b>108,722</b>	<b>116,495</b>
Gross Block	51,612	56,846	62,594	98,760	92,371	107,815	109,929	112,902
Less: Accum. Deprn.	9,164	12,580	16,240	27,960	28,395	34,402	40,499	46,627
<b>Net Fixed Assets</b>	<b>42,448</b>	<b>44,266</b>	<b>46,354</b>	<b>70,800</b>	<b>63,976</b>	<b>73,413</b>	<b>69,430</b>	<b>66,275</b>
Goodwill on Consolidation	3,463	3,463	3,462	3,462	3,753	9,235	9,235	9,235
Capital WIP	3,469	7,122	8,218	2,356	2,339	455	1,841	1,868
<b>Total Investments</b>	<b>4,061</b>	<b>3,520</b>	<b>4,617</b>	<b>4,631</b>	<b>13,659</b>	<b>8,063</b>	<b>8,063</b>	<b>8,063</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>27,591</b>	<b>27,586</b>	<b>29,007</b>	<b>31,639</b>	<b>30,188</b>	<b>40,893</b>	<b>52,026</b>	<b>68,422</b>
Inventory	4,669	5,658	5,848	7,378	2,495	4,318	4,926	5,752
Account Receivables	7,505	8,252	10,232	10,272	13,311	17,676	19,792	23,330
Cash and Bank Balance	5,245	4,172	3,470	4,668	7,244	10,359	17,746	28,068
Loans and Advances	10,172	9,503	9,457	9,321	7,138	8,541	9,563	11,272
<b>Curr. Liability &amp; Prov.</b>	<b>7,961</b>	<b>10,706</b>	<b>12,459</b>	<b>18,501</b>	<b>20,390</b>	<b>28,159</b>	<b>31,873</b>	<b>37,369</b>
Account Payables	5,296	7,186	8,351	9,898	12,328	16,318	18,615	21,741
Other Current Liabilities	1,659	2,655	2,961	7,271	6,746	10,420	11,667	13,752
Provisions	1,005	866	1,147	1,331	1,316	1,421	1,591	1,876
<b>Net Current Assets</b>	<b>19,630</b>	<b>16,880</b>	<b>16,548</b>	<b>13,138</b>	<b>9,798</b>	<b>12,734</b>	<b>20,153</b>	<b>31,054</b>
<b>Appl. of Funds</b>	<b>73,070</b>	<b>75,250</b>	<b>79,198</b>	<b>94,387</b>	<b>93,525</b>	<b>103,900</b>	<b>108,722</b>	<b>116,495</b>

E: MOFSL Estimates

## Financials and valuation

### Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>15.4</b>	<b>8.1</b>	<b>16.4</b>	<b>22.7</b>	<b>6.1</b>	<b>68.1</b>	<b>62.7</b>	<b>94.0</b>
Cash EPS	38.5	34.2	45.4	68.0	47.4	113.5	108.6	141.2
BV/Share	238.2	233.7	239.6	240.0	330.8	405.8	475.7	566.8
DPS	6.0	5.0	6.0	6.7	3.0	5.0	5.0	5.0
Payout (%)	44.2	69.5	42.6	22.4	31.5	8.0	8.0	6.2
<b>Valuation (x)</b>								
P/E	280.4	528.9	262.5	189.8	712.2	63.3	68.7	45.9
Cash P/E	112.1	125.9	94.9	63.4	90.8	38.0	39.7	30.5
P/BV	18.1	18.4	18.0	18.0	13.0	10.6	9.1	7.6
EV/Sales	8.7	7.7	6.6	5.8	6.2	4.4	3.9	3.2
EV/EBITDA	86.6	80.0	59.9	41.1	57.6	29.7	29.2	22.8
Dividend Yield (%)	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1
FCF per share	-3.3	-6.0	16.7	56.2	69.1	67.0	113.9	132.2
<b>Return Ratios (%)</b>								
RoE	6.7	3.6	7.2	9.8	2.2	19.1	14.7	18.6
RoCE	4.3	2.3	5.1	7.9	4.2	12.5	14.2	15.7
RoIC	4.4	2.5	5.8	8.7	4.6	14.2	16.1	19.8
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.4	1.5	1.5	1.1	1.1	1.4	1.5	1.7
Inventory (Days)	23	25	22	24	9	11	11	11
Debtor (Days)	38	37	39	33	46	44	44	44
Creditor (Days)	27	32	32	32	43	41	41	41
<b>Leverage Ratio (x)</b>								
Current Ratio	3.5	2.6	2.3	1.7	1.5	1.5	1.6	1.8
Interest Cover Ratio	1.6	1.5	2.0	1.8	1.3	4.2	4.2	5.8
Net Debt/Equity	0.8	1.0	1.0	1.4	0.5	0.4	0.1	-0.1

### Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	1,311	596	2,002	4,317	1,368	11,084	12,735	18,408
Depreciation	3,140	3,590	3,955	6,197	5,731	6,007	6,097	6,128
Interest & Finance Charges	2,451	2,766	3,125	5,155	4,274	3,786	3,004	2,751
Direct Taxes Paid	-1,336	-1,251	-1,924	-3,061	353	-2,043	-1,922	-4,694
(Inc)/Dec in WC	-785	-2,054	-458	-703	-721	-4,630	-31	-579
<b>CF from Operations</b>	<b>4,781</b>	<b>3,648</b>	<b>6,700</b>	<b>11,905</b>	<b>11,005</b>	<b>14,204</b>	<b>19,883</b>	<b>22,014</b>
Others	1,444	1,722	2,350	1,024	1,729	1,953	0	0
<b>CF from Operating incl EO</b>	<b>6,226</b>	<b>5,370</b>	<b>9,050</b>	<b>12,929</b>	<b>12,734</b>	<b>16,156</b>	<b>19,883</b>	<b>22,014</b>
(Inc)/Dec in FA	-6,687	-6,205	-6,720	-5,106	-2,804	-6,518	-3,500	-3,000
<b>Free Cash Flow</b>	<b>-462</b>	<b>-835</b>	<b>2,329</b>	<b>7,823</b>	<b>9,930</b>	<b>9,639</b>	<b>16,383</b>	<b>19,014</b>
(Pur)/Sale of Investments	-4,959	1,947	376	2,043	-6,207	-1,859	0	0
Others	2,109	209	-761	175	288	469	739	871
<b>CF from Investments</b>	<b>-9,538</b>	<b>-4,049</b>	<b>-7,106</b>	<b>-2,888</b>	<b>-8,723</b>	<b>-7,907</b>	<b>-2,761</b>	<b>-2,129</b>
Issue of Shares	6,056	83	0	0	11,520	0	0	0
Inc/(Dec) in Debt	2,057	0	0	-571	-8,985	-2,866	-4,900	-4,900
Interest Paid	-3,343	-3,178	-3,620	-5,645	-4,676	-3,764	-3,743	-3,622
Dividend Paid	0	-1,008	-837	-1,551	-383	-433	-841	-841
<b>CF from Fin. Activity</b>	<b>2,353</b>	<b>-1,085</b>	<b>-2,145</b>	<b>-9,095</b>	<b>-3,567</b>	<b>-7,677</b>	<b>-9,734</b>	<b>-9,563</b>
<b>Inc/Dec of Cash</b>	<b>-960</b>	<b>236</b>	<b>-201</b>	<b>946</b>	<b>444</b>	<b>572</b>	<b>7,388</b>	<b>10,322</b>
Opening Balance	3,788	2,829	3,064	2,862	3,808	4,252	4,824	12,211
Closing Balance	2,828	3,065	2,863	3,808	4,252	4,824	12,211	22,533
Bank Balance	2,417	1,108	606	860	2,992	5,535	5,535	5,535
<b>Total Cash and Cash Equivalent</b>	<b>5,245</b>	<b>4,172</b>	<b>3,470</b>	<b>4,668</b>	<b>7,244</b>	<b>10,359</b>	<b>17,746</b>	<b>28,068</b>



Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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