



In line numbers; focus on capex cycle...

About the stock: Narayana Hrudayalaya operates a chain of multispecialty, tertiary & primary healthcare facilities that initially focused on cardiac & renal but expanded to cancer, neurology, neurosurgery, orthopaedics & gastroenterology facilities.

- NHL's network comprises 21 hospitals (including two managed hospitals), four heart centres, 18 primary care facilities (including clinics and information centres) and a multi-speciality hospital in Cayman Islands)
- Revenue mix FY22 – India: ₹ 2965.5 crore; (Bengaluru:31%, Southern Peripheral:7%, Kolkata:27%, Eastern Peripheral: 5%, Western: 16%, Northern: 13%); Cayman Islands: US\$91.9 million

Q1FY23 Results: NHL reported in line numbers aided by good overall traction.

- Revenues were up 20.2% YoY to ₹ 1033.4 crore
- EBITDA was at ₹ 192 crore, up 43.6% YoY with margins at 18.6%
- Adjusted PAT was at ₹ 110.6 crore (up 45.1% YoY)

What should investors do? NHL's share price has grown by ~2.2x over the past five years (from ~₹ 300 in August 2017 to ~₹ 681 levels in August 2022).

- We maintain **BUY** due to 1) pick-up in occupancy levels and ramp-up in new hospitals, 2) consistent performance at Cayman Islands and 3) judicious plan to expand at existing hospitals nearing full utilisation

Target Price and Valuation: We value Narayana at an SOTP of ₹ 800 by valuing matured India & Cayman hospitals at 14x FY24E EV/EBITDA, heart centres at 10x FY24E EV/EBITDA and other business at 1x FY23E EV/sales.

Key triggers for future price performance:

- With Covid in the background, increase in footfalls is expected to lead flagship hospitals on a steady growth path amid better returns
- New hospitals (SRCC, Gurugram, Dharamshila) are likely to see reduction in losses and turn profitable in near term with ramp up in occupancies
- Improvement in numbers on the back of judicious case mix identification (more focus on oncology, transplants and non-invasive procedures)
- Expansion at Cayman Islands in oncology while being margin dilutive in near term is likely to provide significant additional operating leverage

Alternate Stock Idea: Apart from NHL, in our healthcare coverage we like Apollo.

- Apollo Hospitals is an integrated healthcare provider undergoing an optical transformation towards creating an omni-channel healthcare platform while turning the new hospitals profitable on the back of a judicious case mix

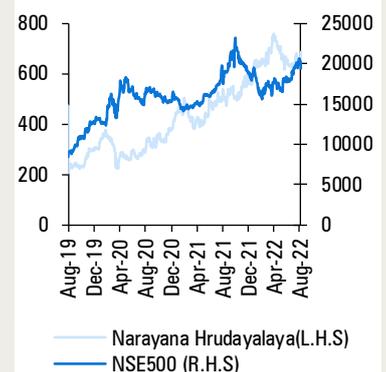
Particulars

Particular	Amount
Market Capitalisation	₹ 13917 crore
Debt (FY22)	₹ 723 crore
Cash (FY22)	₹ 172 crore
EV	₹ 14468 crore
52 week H/L (₹)	775/466
Equity capital	₹ 204.4 crore
Face value	₹ 10

Shareholding pattern

(in %)	Sep-21	Dec-21	Mar-22	Jun-22
Promoter	63.9	63.9	63.9	63.9
Others	36.2	36.2	36.2	36.2

Price Chart



Recent Event & Key risks

- Announced greenfield expansion in Kolkata
- Key Risk:** (i) Delay in Capex plans (ii) Delayed break-even for new hospitals

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Key Financial Summary

Key Financials (₹ Crore)	FY20	FY21	FY22	5 year CAGR (FY17-22)	FY23E	FY24E	2 year CAGR (FY22-24E)
Revenues	3127.8	2582.3	3700.4	14.5	4342.7	4810.5	14.0
EBITDA	422.9	182.1	652.6	23.3	808.8	939.4	20.0
EBITDA Margins (%)	13.5	7.1	17.6		18.6	19.5	
Adjusted PAT	129.8	-14.3	341.9	32.3	420.3	463.6	16.4
EPS (₹)	6.4	-0.7	16.7		20.6	22.7	
PE (x)	107.2	NA	40.7		33.1	30.0	
EV to EBITDA (x)	34.7	79.6	22.0		18.2	15.4	
Price to book (x)	12.3	12.4	9.3		7.4	6.0	
RoE (%)	11.4	-1.3	23.0		22.3	19.9	
RoCE (%)	11.0	1.2	20.5		19.6	19.7	

Key takeaways of recent quarter & conference call highlights

Q1FY23 Results: Robust performance in normalised quarter

- Narayana's quarterly result was in-line with I-direct estimates. Revenues grew 10% QoQ to ₹ 1033 crore with hospitals growing 10% QoQ and heart centre revenues growing 14% QoQ while Cayman Island revenues declined 7% QoQ to US\$22.7 million. On the EBITDA front, margins were flat QoQ at 18.6% while EBITDA grew 10% QoQ to ₹ 192 crore. Profit for the quarter was up 60% QoQ to ₹ 111 crore, mainly due to lower tax and interest expense
- Narayana's Indian operations witnessed a full normalised quarter post Covid disruptions in Q4. The margin performance has remained robust amid better operating leverage from hospitals. The improvement in numbers over the last few quarters is on the back of judicious case mix identification (more focus on oncology, transplants and non-invasive procedures). We continue to believe in the long term prospects of the company on the back of an asset-right model and affordability philosophy.

Q1FY23 Earnings Conference Call highlights

- Cayman Islands – Operating revenue Q1FY23: US\$22.7 million. EBITDA for Cayman in Q1FY23: US\$8 million. St. Lucia contributed ₹ 10 million EBITDA loss in Q1FY23. Cayman operations were impacted due to Covid restrictions at the island and margins and revenues are likely to return from Q2FY23
- India – Operating revenue Q1FY23: ₹ 852.4 crore. EBITDA: 137.9 crore, margins at 16.2%. Margins for mature hospitals at 30% while for new hospitals margins at 6.5% in Q1FY23. International patient mix was at 6.5% and the management does not expect this to increase to pre-Covid levels of 10-12% in the near to medium term
- Revenue break-up: Bengaluru – 34%, Southern Peripheral – 6%, Kolkata – 26%, Eastern Peripheral – 10%, Western – 6%, Northern – 18%
- Cluster wise ARPOB (₹ crore): Bengaluru – 1.45, Southern Peripheral – 0.99, Kolkata – 1.2, Eastern Peripheral – 0.95, Western – 1.05, Northern – 1.43
- Cluster wise EBITDAR margins: Bengaluru – 32.8%, Southern Peripheral – 22.4%, Kolkata – 23.1%, Eastern Peripheral – 18.8%, Western – (0.6%), Northern – 10.4%
- Cost Structure: Consumable – 25%, manpower – 41.4% (doctors + nurse – 29.3%), overhead – 18.1% (rental/revenue share – 2.4%)
- Capex guidance for ₹ 1000 crore in FY23. The management is looking at brownfield expansion in Bengaluru health city and expansion in Kolkata. The company is also open to merger and acquisition opportunities

Exhibit 1: Variance Analysis

	Q1FY23	Q1FY23E	Q1FY22	YoY (%)	Q4FY22	QoQ (%)	Comments
Revenue	1,033.4	992.1	859.8	20.2%	940.7	9.9%	QoQ growth as Hospitals in India growing by 10% QoQ and Heart Centre revenues growing by 14% QoQ while Cayman Island revenues declined by 7% QoQ
Raw Material Expenses	241.9	243.1	215.4	12.3%	219.9	10.0%	
Employee Expenses	214.9	206.0	190.6	12.8%	196.1	9.6%	
Other Expenditure	384.6	358.7	320.1	20.2%	349.7	10.0%	
Operating Profit (EBITDA)	192.0	184.3	133.7	43.6	175.1	9.7	
EBITDA (%)	18.6%	18.6%	15.5%	303 bps	18.6%	-3 bps	New Hospitals posted positive EBITDA margins of 6.5% in Q1FY23
Interest	15.1	23.4	17.1	-11.9%	16.3	-7.4%	
Depreciation	47.5	61.0	44.7	6.1%	46.8	1.5%	
Other Income	8.0	9.9	6.7	19.8%	9.8	-18.1%	
PBT before EO & Forex	137.5	109.8	78.6	75.0	121.8	12.8	
Forex & EO	0.0	0.0	0.0	0.0	0.0	0.0	
PBT after Exceptional Items	137.5	109.8	78.6	75.0	121.8	12.8	
Tax	26.7	22.0	0.9	2,953.6	50.3	-47.0	
PAT before MI	110.8	87.9	77.7	42.6	71.5	54.9	
MI	0.1	0.0	0.1	6.8	0.0	110.0	
Adjusted Net Profit	110.6	86.4	76.2	45.1	68.9	60.4	
Key Metrics							
Owned/Operated Hospitals	993.5	961.4	830.2	19.7%	900.1	10.4%	QoQ improvement mainly due to strong numbers led by flagship hospitals
Heart Centres	34.1	30.7	20.4	66.8%	29.8	14.2%	QoQ improvement due to easing of travel restrictions

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

₹ Crore)	FY23E			FY24E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	4,241.9	4,342.7	2.4	4,736.9	4,810.5	1.6	
EBITDA	789.1	808.8	2.5	923.8	939.4	1.7	
EBITDA Margin (18.6	18.6	2 bps	19.5	19.5	3 bps	Changed mainly due to better than expected margins in new hospitals
PAT	386.3	420.3	8.8	440.8	463.6	5.2	
EPS (₹)	18.9	20.6	8.8	21.6	22.7	5.2	

Source: ICICI Direct Research

Exhibit 3: Assumptions

₹ crore)	Current			Earlier				Comments
	FY20	FY21	FY22	FY23E	FY24E	FY23E	FY24E	
Owned/Operated Hospital:	2,991.0	2,478.2	3,521.5	4,184.4	4,646.9	4,097.3	4,582.0	Hospitals to ramp up contribution with increasing maturity profile
Heart Centres	108.1	78.9	118.6	137.2	148.2	129.2	139.6	
Other businesses	26.6	21.6	15.4	15.4	15.4	15.4	15.4	

Source: ICICI Direct Research

Exhibit 4: Financial Summary

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoE	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY21	2582.3	13.2%	-0.7	-128.0%	-973.1	79.6	-1.3	1.2
FY22	3700.4	43.3%	16.7	-2490.7%	40.7	22.0	23.0	20.5
FY23E	4342.7	17.4%	20.6	22.9%	33.1	18.2	22.3	19.6
FY24E	4810.5	10.8%	22.7	10.3%	30.0	15.4	19.9	19.7

Source: ICICI Direct Research

Exhibit 5: Trends in Quarterly Performance

(₹ Crore)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	YoY (%)	QoQ (%)
Total Operating Income	777.4	822.3	785.2	742.9	393.5	600.7	750.4	837.8	859.8	940.3	959.6	940.7	1033.4	20.2	9.9
Raw Material Expenses	190.3	191.5	184.8	178.8	110.5	161.6	198.8	206.9	215.4	237.5	236.4	219.9	241.9	12.3	10.0
% of revenue	24.5	23.3	23.5	24.1	28.1	26.9	26.5	24.7	25.1	25.3	24.6	23.4	23.4		
Gross Profit	587.0	630.8	600.4	564.2	283.0	439.1	551.5	630.8	644.4	702.8	723.3	720.8	791.5	22.8	9.8
Gross Profit Margin (%)	75.5	76.7	76.5	75.9	71.9	73.1	73.5	75.3	74.9	74.7	75.4	76.6	76.6	164.6	-3.5
Employee Expenses	165.7	176.0	171.7	168.0	152.9	147.6	156.7	169.6	190.6	189.3	192.5	196.1	214.9	12.8	9.6
% of revenue	21.3	21.4	21.9	22.6	38.9	24.6	20.9	20.2	22.2	20.1	20.1	20.8	20.8		
Other Manufacturing Expens	318.5	333.1	326.1	300.5	221.0	264.8	289.9	319.8	320.1	344.6	355.8	349.7	384.6	20.2	10.0
% of revenue	41.0	40.5	41.5	40.4	56.2	44.1	38.6	38.2	37.2	36.6	37.1	37.2	37.2		
Total Expenditure	674.6	700.6	682.5	647.2	484.5	574.0	645.4	696.4	726.1	771.4	784.6	765.6	841.5	15.9	9.9
% of revenue	86.8	85.2	86.9	87.1	123.1	95.5	86.0	83.1	84.5	82.0	81.8	81.4	81.4		
EBITDA	102.8	121.7	102.7	95.7	-91.0	26.8	104.9	141.4	133.7	168.9	175.0	175.1	192.0	43.6	9.7
EBITDA Margins (%)	13.2	14.8	13.1	12.9	-23.1	4.5	14.0	16.9	15.5	18.0	18.2	18.6	18.6	302.8	-3.4
Depreciation	41.4	42.9	46.4	55.1	46.4	46.2	46.5	44.5	44.7	45.9	46.1	46.8	47.5	6.1	1.5
Interest	22.2	21.7	20.6	20.8	19.7	19.4	18.6	18.2	17.1	16.7	16.3	16.3	15.1	-11.9	-7.4
Other Income	4.8	6.4	5.5	7.0	4.7	10.4	4.6	8.5	6.7	12.1	6.9	9.8	8.0	19.8	-18.1
PBT before forex & EO	44.0	63.4	41.2	26.9	-152.4	-28.5	44.5	87.2	78.6	118.5	119.5	121.8	137.5	75.0	12.8
Forex & EO	0.0	0.0	0.0	10.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	44.0	63.4	41.2	16.0	-152.4	-28.5	44.5	87.2	78.6	118.5	119.5	121.8	137.5	75.0	12.8
Total Tax	13.0	16.8	8.8	3.6	-33.7	-26.1	0.8	17.2	0.9	16.8	19.6	50.3	26.7	2,953.6	-47.0
Tax rate (%)	29.5	26.5	21.4	22.4	22.1	NA	1.8	19.8	1.1	14.2	16.4	41.3	19.4		
PAT after MI	30.3	45.3	31.4	12.0	-119.7	-3.4	40.8	68.0	76.2	99.3	97.5	68.9	110.6	45.1	60.4
Adjusted PAT	30.3	45.3	31.4	22.8	-119.7	-3.4	40.8	68.0	76.2	99.3	97.5	68.9	110.6	45.1	60.4
EPS (₹)	1.5	2.2	1.5	1.1	-5.9	-0.2	2.0	3.3	3.7	4.9	4.8	3.4	5.4	45.1	60.4

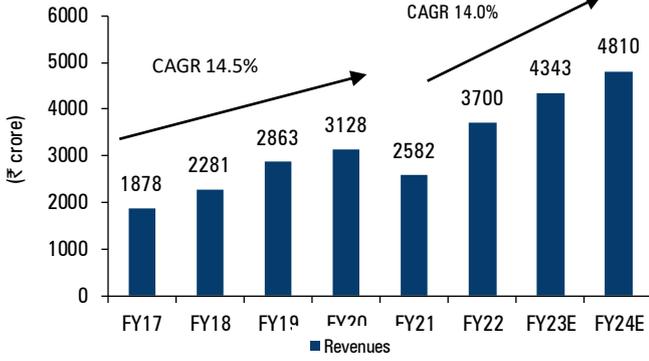
Source: ICICI Direct Research

Exhibit 6: Valuation

Particulars	FY24E (₹ cr)	Valuation Matrix	Multiple (x)	Enterprise value (₹ cr)
India (Owned/Operated)	874.4	EV/EBITDA	14.0	12241.3
Cayman	313.7	EV/EBITDA	14.0	4392.3
Heart Centres	43.7	EV/EBITDA	10.0	437.2
Other Business	15.4	EV/Sales	1.0	15.4
Net Debt FY24E (₹ cr)				725.7
EV (₹ cr)				16360.4
No of shares (cr)				20.4
Per Share Value (₹)				800.0

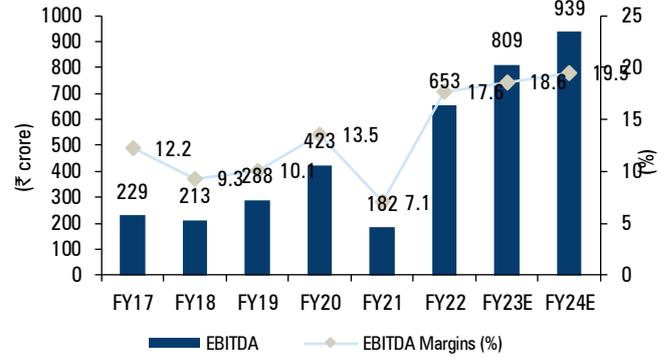
Source: ICICI Direct Research

Exhibit 7: Revenue to grow at CAGR of 14% over FY22-24E



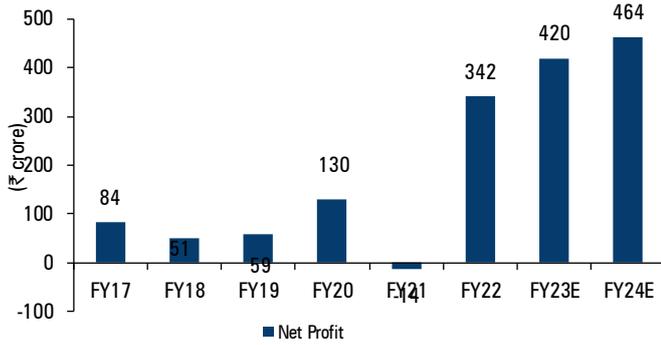
Source: ICICI Direct Research, Company

Exhibit 8: EBITDA & EBITDA margins trend



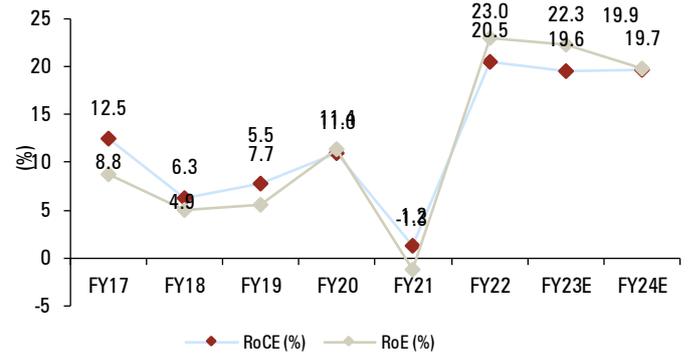
Source: ICICI Direct Research, Company

Exhibit 9: PAT to grow at CAGR of 16% over FY22-24E



Source: ICICI Direct Research, Company

Exhibit 10: RoE & RoCE trend



Source: ICICI Direct Research, Company

Exhibit 11: ICICI Direct Coverage Universe (Healthcare)

Company	I-Direct Code	CMP (₹)	TP (₹)	Rating	M Cap (₹ cr)	EPS (₹)				PE(x)				RoCE (%)				RoE (%)			
						FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E
Hospitals																					
Apollo Hospitals	APOHOS	4439	4,500	Buy	63826	7.9	59.1	80.9	107.4	564.7	75.1	54.9	41.3	6.3	15.1	16.7	19.3	2.5	15.1	17.7	19.9
Narayana Hrudalaya	NARHRU	682	800	Buy	13938	-0.7	16.7	20.6	22.7	NA	40.8	33.2	30.1	1.2	20.5	19.6	19.7	-1.3	23.0	22.3	19.9
Shalby	SHALIM	120	150	Buy	1296	3.9	5.4	7.5	9.9	30.6	22.1	16.0	12.1	6.5	8.4	11.7	14.3	5.1	6.7	8.6	10.4
Aster DM	ASTDM	232	270	Buy	11591	3.0	10.5	14.4	18.4	78.5	22.0	16.1	12.6	5.4	9.0	11.4	12.9	4.4	13.3	15.4	16.4
Healthcare Global	HEAGLO	283	345	Buy	3927	-13.9	3.9	4.5	8.8	-13.9	73.1	62.1	32.0	-0.9	5.0	9.4	12.1	-0.9	5.0	6.8	11.6
MNC Pharma																					
Abbott India	ABBIND	19067	20,560	Buy	40516	325.0	375.9	439.8	514.0	58.7	50.7	43.4	37.1	33.8	36.6	37.9	36.3	26.5	28.3	29.5	28.1
P&G Health	MERLIM	4368	4,955	Hold	7251	106.5	121.5	130.5	141.6	41.0	35.9	33.5	30.9	32.2	37.3	34.7	32.8	25.1	29.3	27.0	25.4
Sanofi India	SANOFI	6420	6,885	Hold	14786	207.4	410.1	270.5	264.8	31.0	15.7	23.7	24.2	32.3	33.3	41.1	50.7	24.5	25.9	31.2	38.7
Pfizer	PFIZER	4207	4,480	Hold	19248	108.8	133.9	140.4	149.3	38.7	31.4	30.0	28.2	27.6	26.1	22.4	21.8	20.8	21.4	17.9	17.7
Pharma																					
Ajanta Pharma	AJAPHA	1276	1,495	Buy	16352	51.0	55.6	60.1	71.1	25.0	22.9	21.2	17.9	29.0	27.0	24.4	24.5	21.8	21.8	19.9	19.9
Alembic Pharma	ALEMPHA	650	590	Reduce	12777	62.8	27.8	15.3	26.9	10.4	23.4	42.5	24.2	25.1	10.6	6.5	10.5	24.1	10.4	5.6	9.1
Aurobindo Pharma	AURPHA	575	610	Hold	33665	55.0	47.4	45.6	51.0	10.4	12.1	12.6	11.3	16.9	12.9	12.5	13.1	14.7	11.3	9.9	10.0
Biocon	BIOCON	315	320	Hold	37795	6.3	5.7	5.5	11.3	50.3	55.3	57.8	27.8	7.7	7.5	4.1	6.5	9.9	8.1	2.8	5.5
Zydus Lifesciences	CADHEA	375	475	Hold	38375	23.3	21.0	20.2	24.0	16.1	17.9	18.6	15.6	13.8	12.0	11.2	12.4	18.4	12.6	11.0	11.7
Cipla	CIPLA	1039	1,135	Buy	83850	29.9	32.9	38.6	45.8	34.8	31.6	26.9	22.7	16.3	16.7	17.9	19.0	13.1	12.7	13.3	14.1
Dr Reddy's Labs	DRREDD	4258	4,750	Buy	70864	117.3	126.9	203.4	191.0	36.3	33.5	20.9	22.3	13.1	13.0	19.1	18.1	11.1	11.0	15.4	13.0
Glenmark Pharma	GLEPHA	391	460	Hold	11020	32.9	42.7	41.0	48.3	11.9	9.1	9.5	8.1	13.9	14.8	14.5	15.4	13.1	13.2	11.4	11.9
Ipca Laboratories	IPCLAB	1012	1,000	Hold	25670	44.9	34.8	32.7	39.9	22.5	29.0	30.9	25.3	27.1	17.4	16.2	17.4	24.2	16.1	13.4	14.4
Jubilant Pharmova	JUBLIF	352	340	Reduce	5608	37.4	26.0	15.9	26.1	9.4	13.5	22.2	13.5	13.7	9.0	6.1	8.6	12.6	7.8	4.6	7.0
Lupin	LUPIN	685	610	Reduce	31142	26.9	11.9	11.8	27.7	25.5	57.7	58.2	24.7	9.6	3.4	5.8	10.9	8.8	4.4	4.2	9.2
Natco Pharma	NATPHA	640	820	Hold	11677	24.2	9.3	28.3	33.2	26.5	68.7	22.6	19.3	13.1	4.6	13.3	14.1	10.7	4.0	11.0	11.6
Sun Pharma	SUNPHA	919	1,125	Buy	220499	30.0	32.0	34.8	40.1	30.6	28.8	26.4	22.9	14.2	18.2	18.0	18.7	15.5	16.0	15.2	15.2
Torrent Pharma	TORPHA	1541	1,800	Buy	52149	37.0	32.0	43.7	54.6	41.7	48.1	35.3	28.2	17.6	19.7	24.7	29.4	21.4	18.2	20.9	21.8
Indoco Remedies	INDREM	377	525	Buy	3470	10.1	16.8	21.6	29.2	37.3	22.4	17.4	12.9	11.7	17.5	17.6	23.9	12.1	17.1	18.6	20.6
Caplin Point	CAPPOI	807	1,000	Buy	6116	81.7	85.3	70.4	73.0	9.9	9.5	11.5	11.1	25.3	23.7	22.6	0.0	20.4	20.2	18.7	17.5
Advanced Enzymes	ADVENZ	265	265	Reduce	2966	13.1	10.7	8.5	12.1	20.3	24.8	31.3	22.0	19.4	14.3	10.2	13.2	15.1	11.0	8.1	10.4
Hester Biosciences	HESPHA	2273	2,445	Hold	1934	44.4	45.7	41.3	63.2	51.2	49.7	55.0	36.0	16.2	10.9	9.9	13.4	16.5	15.0	12.2	16.3
API/CRAMS																					
Divi's Lab	DIVLAB	3946	4,655	Buy	104754	74.7	111.5	105.7	122.5	52.8	35.4	37.3	32.2	27.6	30.2	25.8	25.5	21.3	25.2	20.3	20.0
Hikal	HIKCHE	265	340	Buy	3267	10.8	13.0	11.1	19.0	24.5	20.4	23.9	14.0	15.1	13.6	10.9	16.3	14.3	15.0	11.5	16.8
Syngene Int.	SYNINT	583	710	Buy	23412	10.1	9.9	11.5	14.6	57.6	59.2	50.6	40.0	11.5	11.7	12.8	15.2	13.5	12.9	12.4	13.7
Granules India	GRANUL	304	375	Buy	7547	22.2	16.6	21.9	26.8	13.7	18.3	13.9	11.4	24.0	15.6	18.6	20.5	25.3	16.0	17.6	17.9
Laurus Labs	LAULAB	563	675	Buy	30226	18.3	15.4	20.7	27.0	30.7	36.5	27.1	20.9	31.7	21.3	23.6	26.0	37.9	24.7	25.6	25.6
Suven Pharmaceuticals	SUVPH	451	530	Hold	11469	14.2	17.8	17.0	17.6	31.7	25.3	26.5	25.5	31.2	37.5	28.7	25.0	30.7	29.7	23.0	20.0

Source: ICICI Direct Research

Financial Summary

Exhibit 12: Profit and loss statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Revenues	2,582.3	3,700.4	4,342.7	4,810.5
Growth (%)	-17.4	43.3	17.4	10.8
Raw Material Expenses	677.9	909.2	1,016.7	1,126.2
Employee Expenses	626.8	768.5	903.0	1,000.3
Other Manufacturing Expenses	1,095.6	1,370.1	1,614.2	1,744.6
Total Operating Expenditure	2,400.2	3,047.8	3,533.9	3,871.1
EBITDA	182.1	652.6	808.8	939.4
Growth (%)	-56.9	258.4	23.9	16.1
Interest	76.0	66.3	85.4	85.4
Depreciation	183.5	183.5	229.2	272.3
Other Income	28.2	35.5	41.1	48.1
PBT before Exceptional Items	-49.2	438.3	535.3	629.8
Less: Forex & Exceptional Items	0.0	0.0	0.0	0.0
PBT	-49.2	438.3	535.3	629.8
Total Tax	-41.8	87.7	106.2	157.5
PAT before MI	-7.5	350.6	429.1	472.4
Minority Interest	0.0	0.2	0.2	0.3
PAT	-14.3	341.9	420.3	463.6
Adjusted PAT	-14.3	341.9	420.3	463.6
Growth (%)			22.9	10.3
EPS	-0.7	16.7	20.6	22.7
EPS (Adjusted)	-0.7	16.7	20.6	22.7

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Profit/(Loss) after taxation	-14.3	341.9	420.3	463.6
Add: Depreciation & Amortization	183.5	183.5	229.2	272.3
Net Increase in Current Assets	-20.8	-182.5	-88.3	-68.1
Net Increase in Current Liabilities	83.5	72.0	61.8	63.2
Others	76.0	66.3	85.4	85.4
CF from operating activities	307.9	481.2	708.4	816.4
(Inc)/dec in Fixed Assets	-47.5	-219.3	-1,000.0	-500.0
(Inc)/dec in Investments	-34.0	-12.0	0.0	0.0
Others	-6.6	-20.8	6.1	6.4
CF from investing activities	-88.1	-252.1	-993.9	-493.6
Inc / (Dec) in Equity Capital	0.0	0.0	0.0	0.0
Inc / (Dec) in Debt	-126.5	-102.3	300.0	0.0
Dividend & Dividend Tax	0.0	-20.4	-20.4	-20.4
Others	-76.0	-66.3	-85.4	-85.4
CF from financing activities	-202.5	-189.0	194.2	-105.8
Net Cash flow	17.3	40.1	-91.4	216.9
Opening Cash	114.8	132.1	172.2	80.8
Closing Cash	132.1	172.2	80.8	297.7
Free Cash Flow	260.3	262.0	-291.6	316.4

Source: Company, ICICI Direct Research

Exhibit 14: Balance Sheet				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Equity Capital	204.4	204.4	204.4	204.4
Reserve and Surplus	915.9	1,284.3	1,684.1	2,127.3
Total Shareholders fund	1,120.3	1,488.6	1,888.5	2,331.6
Total Debt	825.7	723.4	1,023.4	1,023.4
Deferred Tax Liability	13.0	51.0	53.5	56.2
Minority Interest	0.5	0.7	0.8	0.8
Other liabilities	259.5	242.9	255.0	267.8
Source of Funds	2,219.0	2,506.6	3,221.2	3,679.8
Gross Block - Fixed Assets	2,916.4	3,088.7	4,038.7	4,538.7
Accumulated Depreciation	1,013.7	1,167.0	1,396.2	1,668.5
Net Block	1,902.8	1,921.7	2,642.5	2,870.2
Capital WIP	19.9	66.9	116.9	116.9
Net Fixed Assets	1,922.7	1,988.7	2,759.5	2,987.1
Goodwill on Consolidation	58.1	58.1	58.1	58.1
Investments	120.3	132.4	132.4	132.4
Inventory	47.9	59.4	66.4	73.5
Cash	132.1	172.2	80.8	297.7
Debtors	278.5	436.9	512.7	567.9
Loans & Advances & Other CA	96.7	109.4	114.8	120.6
Total Current Assets	555.2	777.8	774.7	1,059.8
Creditors	410.3	449.0	502.1	556.2
Provisions & Other CL	140.8	174.0	182.7	191.9
Total Current Liabilities	551.1	623.1	684.9	748.1
Net Current Assets	4.1	154.7	89.9	311.7
LT L& A, Other Assets	111.9	171.4	179.9	188.9
Deferred Tax Assets	1.8	1.4	1.4	1.5
Application of Funds	2,219.0	2,506.6	3,221.2	3,679.8

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios				
(Year-end March)	FY21	FY22	FY23E	FY24E
Per share data (₹)				
EPS	-0.7	16.7	20.6	22.7
Cash EPS	8.3	24.7	30.8	35.0
BV	54.8	72.8	92.4	114.1
DPS	0.0	1.0	1.0	1.0
Cash Per Share	49.6	57.1	68.3	81.6
Operating Ratios (%)				
EBITDA margins	7.1	17.6	18.6	19.5
Net Profit margins	-0.6	9.2	9.7	9.6
Cash Conversion cycle	-155.8	-113.3	-113.3	-113.3
Asset Turnover	0.9	1.2	1.1	1.1
Return Ratios (%)				
RoE	-1.3	23.0	22.3	19.9
RoCE	1.2	20.5	19.6	19.7
RoIC	-0.1	22.5	20.4	21.7
Valuation Ratios (x)				
P/E	-973.1	40.7	33.1	30.0
EV / EBITDA	79.6	22.0	18.2	15.4
EV / Revenues	5.6	3.9	3.4	3.0
Market Cap / Revenues	5.4	3.8	3.2	2.9
Price to Book Value	12.4	9.3	7.4	6.0
Solvency Ratios				
Net Debt / Equity	0.6	0.4	0.5	0.4
Net Debt / EBITDA	3.2	0.6	1.0	0.6
Current Ratio	0.8	1.0	1.0	1.0

Source: Company, ICICI Direct Research

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