

Maruti Suzuki

Estimate change 

TP change 

Rating change 

Bloomberg	MSIL IN
Equity Shares (m)	302
M.Cap.(INRb)/(USDb)	2868 / 34.8
52-Week Range (INR)	9548 / 6540
1, 6, 12 Rel. Per (%)	3/16/29
12M Avg Val (INR M)	6197

Financials & valuations (INR b)

Y/E MARCH	2022	2023E	2024E
Sales	883	1,151	1,387
EBITDA	57	106	152
Adj. PAT	38	71	113
Cons. Adj. EPS (INR)	128	237	378
EPS Gr. (%)	-11.6	84.4	59.6
BV/Sh. (INR)	1,790	1,964	2,219

Ratios

RoE (%)	7.0	11.9	16.9
RoCE (%)	8.7	15.6	22.1
Payout (%)	46.7	50.7	34.4

Valuations

P/E (x)	73.9	40.1	25.1
P/BV (x)	5.3	4.8	4.3
EV/EBITDA (x)	42.7	22.6	15.3
Div. Yield (%)	0.6	1.3	1.4

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	56.4	56.4	56.4
DII	18.0	16.3	15.8
FII	21.9	22.6	22.9
Others	3.7	4.8	5.0

FII Includes depository receipts

CMP: INR9,494

TP: INR11,250 (+18%)

Buy

First quarter of a volume and margin recovery...

...But the full benefit of product launches, RM, and currency is yet to accrue

- MSIL reported an inline operating performance in 2QFY23, led by strong volume growth and a favorable commodity and currency. With launches gaining traction and semiconductor shortages easing, the company is on a strong footing for a recovery in market share and margin.
- We have raised FY23 EPS estimates by 6% to reflect for Fx benefits, whereas maintain our FY24 EPS estimate. MSIL is our top pick in the Auto sector. We maintain our **Buy** rating with a TP of INR11,250.

In line margin, but higher other income leads to a PAT beat

- Revenue/EBITDA/adjusted PAT grew 46%/3.2x/4.3x YoY to ~INR299.3b/INR27.7b/INR20.6b in 2QFY23. The same grew 47%/180%/235% in 1HFY23.
- Volumes grew 36% YoY and 11% QoQ. Realizations grew 7% YoY and 2% QoQ to INR578.5k (est. INR567.7k) due to price hikes and mix.
- Gross margin improved by 150bp QoQ and 270bp YoY to 26.9% (est. 26.5%), benefiting from a lower RM cost (100bp) and a favorable INR (50bp).
- Benefit of operating leverage led to a 210bp QoQ and 510bp YoY expansion in EBITDA margin to 9.3% (est. 9.2%). EBITDA grew 45% QoQ to ~INR27.7b (est. ~INR26.9b).
- EBIT margin grew 200bp QoQ and 630bp YoY to 6.8% (est. 6.9%).
- Higher other income led to a PAT beat, with PAT doubling QoQ (up 4.3x YoY) to ~INR20.6b (est. ~INR18.9b).
- CFO improved to INR50.6b in 1HFY23 (v/s a negative INR38.8b in 1HFY22), due to an improvement in operating performance and reduction in working capital. FCFE stood at INR12.3b (v/s a negative INR53.4b in 1HFY22) as capex increased to INR38.3b (v/s INR14.7b).

Highlights from the management commentary

- **Order book stood ~412k units** at the end of Sep'22, of which ~130k units are bookings of recently launched models. Apart from the new models, pending bookings of CNG variants stood ~130k units. Grand Vitara has garnered ~75k bookings, of which 35% is for the strong hybrid variant.
- There is **no major impact yet on demand for CNG vehicles due to a rise in fuel prices**. It is in discussion with the government to address issues of rising CNG prices.
- The benefit of a favorable INR will further reflect in 2HFY23 on vendor imports (as it occurs with a one-quarter lag). Commodity benefits will reflect in 3Q, but may rise in 4QFY23 (due to an uncertain macro environment).
- **Capex for FY23** will be INR70b for: a) a new plant in Haryana, b) tooling for new models, c) R&D, and d) maintenance capex.

Valuation and view

- Strong demand and a favorable product lifecycle for MSIL augur well for market share and margin. We expect a recovery in both market share and margin in 2HFY23, led by an improvement in supplies, a favorable product lifecycle and mix, RM and currency-related benefits, and operating leverage.
- The stock trades at 40.1x/25.1x FY23E/FY24E consolidated EPS. We maintain our **Buy** rating with a TP of INR11,250 (~27x Sep'24E consolidated EPS).

S/A Quarterly Performance

Y/E March	FY22				FY23E				FY22	FY23E	(INR B)
	1Q	2Q	3Q	4QE	1Q	2Q	3QE	4QE		2QE	
Financial Performance											
Volumes ('000 units)	353.6	379.5	430.7	488.7	467.9	517.4	496.5	523.7	1,652.5	2,005.4	517.4
Change (%)	361.6	-3.5	-13.2	-0.8	32.3	36.3	15.3	7.2	13.3	21.4	36.3
Realizations (INR/car)	5,02,545	5,41,151	5,39,766	5,47,222	5,66,319	5,78,490	5,72,705	5,78,184	5,34,324	5,74,138	5,67,734
Change (%)	-6.3	13.5	14.1	12.2	12.7	6.9	6.1	5.7	10.8	7.5	4.9
Net operating revenues	177.7	205.4	232.5	267.4	265.0	299.3	284.3	302.8	883.0	1,151	294
Change (%)	332.7	9.6	-0.9	11.3	49.1	45.7	22.3	13.2	25.5	30.4	43.0
RM Cost (% of sales)	74.8	75.8	75.3	73.5	74.6	73.1	72.4	72.2	74.8	73.1	73.5
Staff Cost (% of sales)	6.0	4.7	4.2	3.8	4.4	3.8	3.9	3.9	4.6	4.0	3.7
Other Cost (% of sales)	14.6	15.3	13.8	13.5	13.8	13.9	13.8	13.7	14.2	13.8	13.6
EBITDA	8.2	8.5	15.6	24.3	19.1	27.7	28.1	30.8	57.0	106	27
EBITDA Margins (%)	4.6	4.2	6.7	9.1	7.2	9.3	9.9	10.2	6.5	9.2	9.2
Depreciation	7.4	7.6	6.4	6.5	6.5	7.2	7.3	8.4	27.9	29.4	7
EBIT	0.8	1.0	9.2	17.8	12.6	20.5	20.8	22.4	29.1	76	20
EBIT Margins (%)	0.4	0.5	4.0	6.7	4.8	6.8	7.3	7.4	3.3	6.6	6.9
Interest	0.2	0.2	0.3	0.6	0.3	0.3	0.3	0.3	1.3	1.1	0.3
Non-Operating Income	5.1	5.2	3.3	4.7	0.9	6.1	4.8	4.7	17.9	16.5	4.8
PBT	5.6	6.0	12.2	22.0	13.2	26.3	25.3	26.9	45.8	91.7	24.7
Effective Tax Rate (%)	21.8	20.7	17.2	16.3	23.4	21.6	23.5	23.8	17.8	23.0	23.7
Adjusted PAT	4.4	4.8	10.1	18.4	10.1	20.6	19.4	20.5	37.7	70.6	18.9
Change (%)	-276.7	-65.3	-47.9	57.7	129.8	333.7	91.6	11.3	-11.0	87.4	297.1

Key performance indicators

Y/E March	FY22				FY23				FY22	FY23E	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	
Dom. PV Market Share (%)	32.2	30.3	46.8	44.5	42.6	43.5			37.8		
Volumes ('000 units)	353.6	379.5	430.7	488.7	467.9	517.4	496.5	523.7	1,652.5	2,005.4	
Change (%)	361.6	-3.5	-13.2	-0.8	32.3	36.3	15.3	7.2	13.3	21.4	
Discounts (INR'000/car)	13.9	18.6	15.2	11.1	12.8	13.8			14.5		
As a percentage of net realization	2.8	3.4	2.8	2.0	2.3	2.4			2.7		
Net realization (INR'000/car)	502.5	541.2	539.8	547.2	566.3	578.5	572.7	578.2	534.3	574.1	
Change (%)	-6.3	13.5	14.1	12.2	12.7	6.9	6.1	5.7	10.8	7.5	
Cost break-up as a percentage of sales											
RM cost	74.8	75.8	75.3	73.5	74.6	73.1	72.4	72.2	74.8	73.1	
Staff cost	6.0	4.7	4.2	3.8	4.4	3.8	3.9	3.9	4.6	4.0	
Other cost	14.6	15.3	13.8	13.5	13.8	13.9	13.8	13.7	14.2	13.8	
Gross margin (%)	25.2	24.2	24.7	26.5	25.4	26.9	27.6	27.8	25.2	26.9	
EBITDA margin (%)	4.6	4.2	6.7	9.1	7.2	9.3	9.9	10.2	6.5	9.2	
EBIT margin (%)	0.4	0.5	4.0	6.7	4.8	6.8	7.3	7.4	3.3	6.6	

E: MOFSL estimates



Highlights from the management commentary

- **Order book stood ~412k units** at the end of Sep'22, of which ~130k units are bookings of recently launched models. Apart from the new models, pending bookings of CNG variants stood ~130k units. Grand Vitara has garnered ~75k bookings, of which 35% is for the strong hybrid variant.
- Supply-side issues led to **production loss of 35k units in 2QFY23**. While there is a gradual increase in supplies, the situation remains uncertain.
- There is **no major impact yet on demand for CNG vehicles due to a rise in fuel prices**. Penetration of CNG stood ~20% for MSIL, with 10 variants offered. It is in discussion with the government to address issues of rising CNG prices.
- The sequential improvement in gross margin was due to: a) a favorable INR (50bp), b) softening of RM prices (100bp), and c) cost-cutting initiatives.
- The benefit of a favorable INR will further reflect in 2HFY23 on vendor imports (as it occurs with a one-quarter lag). Commodity benefits will reflect in 3Q, but may rise in 4QFY23 (due to an uncertain macro environment).
- **Discounts grew by ~INR1.1k/unit QoQ** to INR13.8k/unit (2.4% of ASP).
- Current capacity stood at 2.25m units (including capacity at its Gujarat plant), with additional supplies accruing from Toyota. It will add capacity (100k units) at its Manesar plant by Apr'24 and the new Haryana plant will be ready by 4QFY25.
- **Capex for FY23** will be INR70b for: a) a new plant in Haryana, b) tooling for new models, c) R&D, and d) maintenance capex.

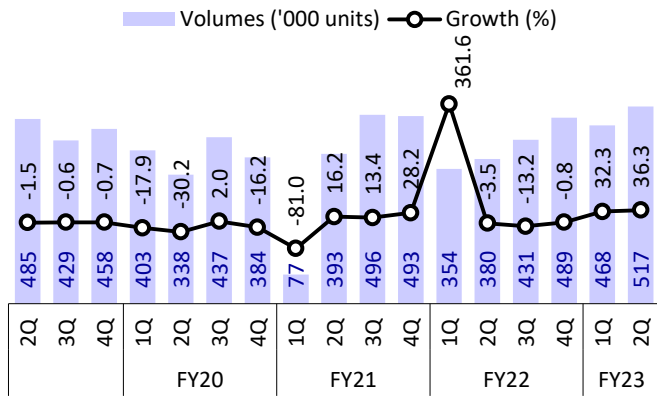
Key exhibits

Exhibit 1: Segment-wise growth and market share movement for MSIL

('000 units)	2QFY23	2QFY22	YoY (%)	1QFY23	QoQ (%)	FY23E	FY22
Mini	72.1	55.1	30.8	49.0	47.1	230.5	211.8
<i>As a percentage of total</i>	13.9	14.5		10.5		12.1	12.8
MPVs and LCVs	46.4	37.2	24.7	42.6	9.0	168.1	142.2
<i>As a percentage of total</i>	9.0	9.8		9.1		8.8	8.6
Compact including Dzire Tour	241.1	142.3	69.4	216.2	11.5	874.0	651.1
<i>As a percentage of total</i>	46.6	37.5		46.2		45.9	39.4
Mid-size	4.3	4.6	-7.1	2.7	59.2	15.7	91.8
<i>As a percentage of total</i>	0.8	1.2		0.6		0.8	5.6
UVs	90.4	81.0	11.6	88.1	2.6	350.4	317.3
<i>As a percentage of total</i>	17.5	21.3		18.8		18.4	19.2
Exports	63.2	59.4	6.4	69.4	-9.0	267.2	238.4
<i>As a percentage of total</i>	12.2	15.7		14.8		14.0	14.4
Total sales	517.4	379.5	36.3	467.9	10.6	1,905.9	1,652.5
Total domestic PV MS (%)	43.5	30.3	1,320bp	42.6	90bp		37.8

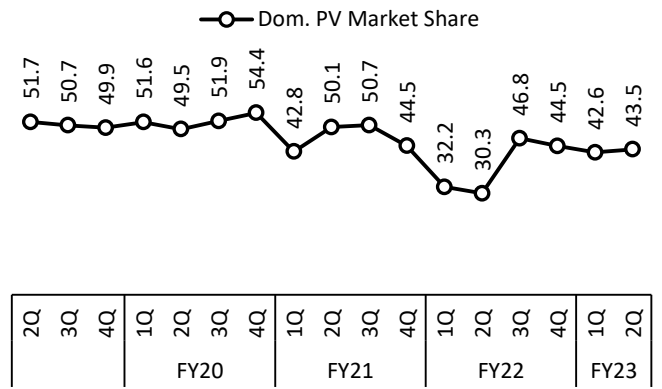
Source: Company, MOFSL

Exhibit 2: Trend in MSIL's volumes



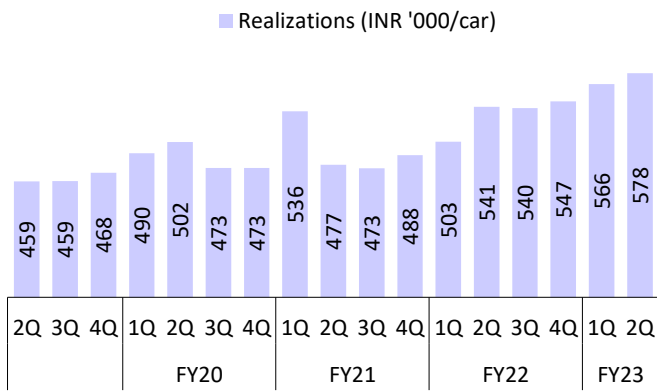
Source: Company, MOFSL

Exhibit 3: Domestic PV market share trend for MSIL (%)



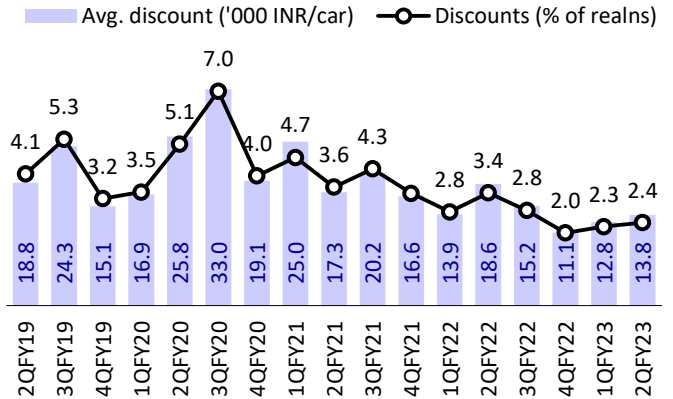
Source: Company, MOFSL

Exhibit 4: Trend in realization per unit



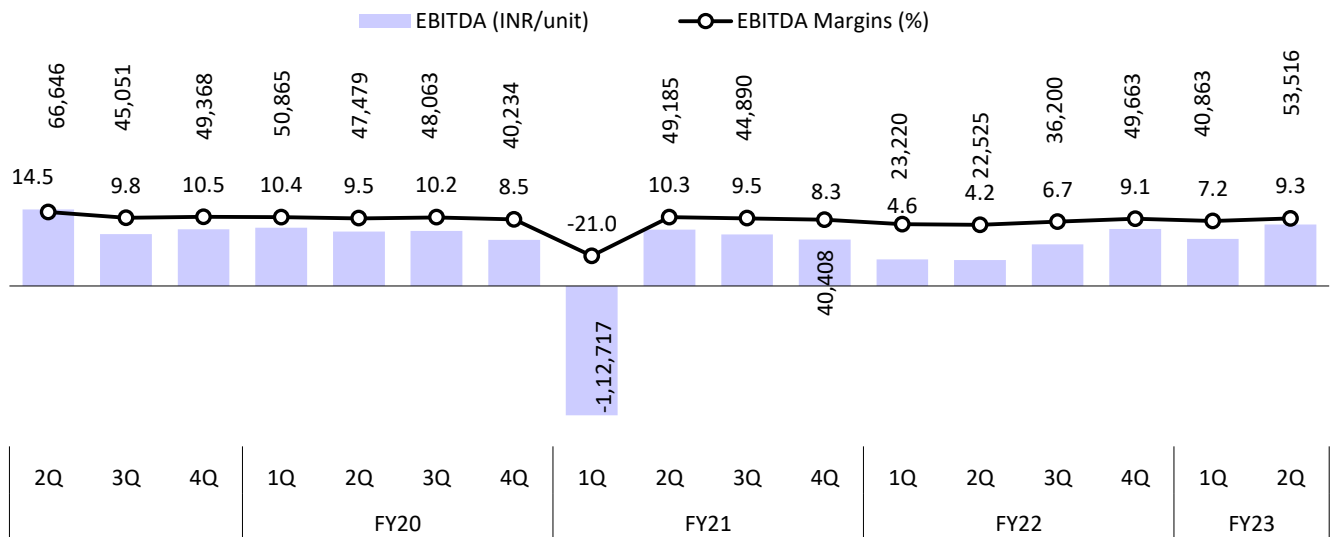
Source: Company, MOFSL

Exhibit 5: Trend in average discount per unit



Source: Company, MOFSL

Exhibit 6: Trend in EBITDA and EBITDA margin



Source: Company, MOFSL

Valuation and view

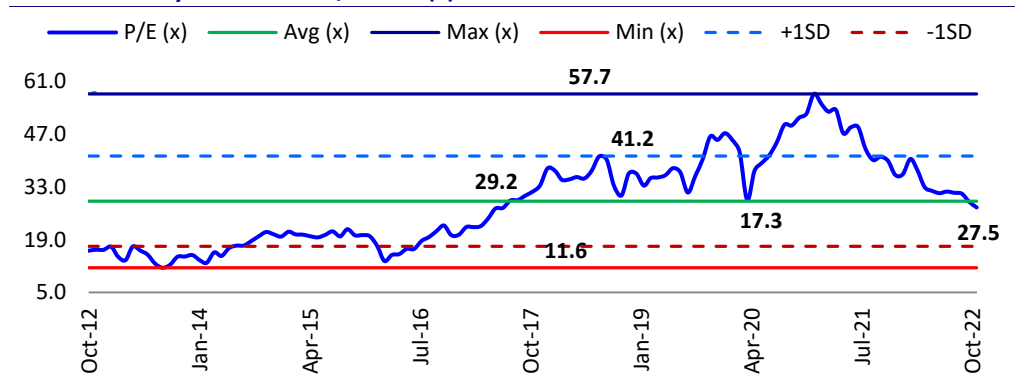
- **Our long-term view on the PV industry remains intact:** Growth in the Indian PV industry undershot our expectations for the past five years (volume CAGR of ~1.3% over FY15-20). This can be attributed to several factors, including weaker economic growth, stringent financing, regulatory impact on costs since FY19/FY20, and the COVID-19 pandemic. We expect industry volumes to recover from the low base of FY21, led by higher aspirations, improving affordability, and lower penetration (less than 30 cars per population of 1,000). We estimate a 13.5% PV industry volume CAGR over FY22-25.
- **Strong product portfolio, with numerous launches lined up over the next few years:** MSIL can emerge as the biggest beneficiary of a demand recovery once the pandemic ends, considering its stronghold in the Entry-level segment and a favorable product lifecycle. Launches like the Brezza and Grand Vitara are seeing a good customer pull. It can gain further market share, led by an expected shift towards petrol and hybrid vehicles, resulting in ~14% volume CAGR over FY22-25E. This, coupled with an improved mix and lower discounts, will drive ~20% revenue CAGR over FY22-25E.
- **Recovery in operating performance underway:** While the brunt of the COVID-19 pandemic on operations was felt in FY21, FY22 was marred by a second lockdown and semiconductor shortages. The recovery in demand will be aided by a favorable product life cycle and a continued shift towards personal mobility. EBITDA margin touched a 20-year low of 6.5% in FY22 on higher commodity costs, a weaker INR, and operating deleverage. The recovery in EBITDA margin to ~11.9% in FY25E will be led by: a) a normalization in the product lifecycle, b) lesser discounts, c) higher prices and mix improvement, d) commodity cost and currency-related benefits, e) lower royalty, and f) operating leverage.
- **Strong margin and asset-light model to result in a strong FCF generation and RoE improvement:** The Gujarat plant's arrangement with its parent Suzuki will render MSIL's business asset-light, allowing the management to focus on marketing. We expect FCF generation to improve to ~INR232b over FY23E-25 (v/s ~INR50b over FY20-22) after budgeting for a cumulative capex of ~INR170b. RoCE is expected to improve gradually to ~23.3% by FY25 from 8.7% in FY22.
- **Structural improvements in the business to support valuations:** We have raised FY23 EPS estimates by 6% to reflect for Fx benefits, whereas maintain our FY24 EPS estimate. After a gap of over two years, we expect product launches to resume, with a mix of complete product upgrades (five within the next two-to-three years) and model launches (four within the next two years). This should drive volume and market share growth. Recovery in profitability has begun and should continue, with an improvement in volumes. We see scope for a further improvement in dividend payouts and a resultant re-rating. The stock trades at 41.3x/25.1x FY23E/FY24E consolidated EPS. We value MSIL at 27x Sep'24E consolidated EPS (v/s its 10/five-year average of 29.5x/over 37x). We maintain our **Buy** rating, with a TP of INR11,250 (~27x Sep'24E consolidated EPS).

Exhibit 7: Revisions to our forecast

(INR b)	FY23E			FY24E		
	Revised	Old	Change (%)	Revised	Old	Change (%)
Total volumes ('000 units)	2,005	2,010	-0.2	2,282	2,278	0.2
Net sales	1,151	1,133	1.6	1,387	1,351	2.7
EBITDA	106	100	5.7	152	151	0.7
EBITDA margin (%)	9.2	8.8	40bp	10.9	11.1	-20bp
PAT	70.6	66.6	5.9	113.1	114.0	-0.8
Consolidated EPS (INR)	236.8	223.8	5.8	378.1	381.2	-0.8

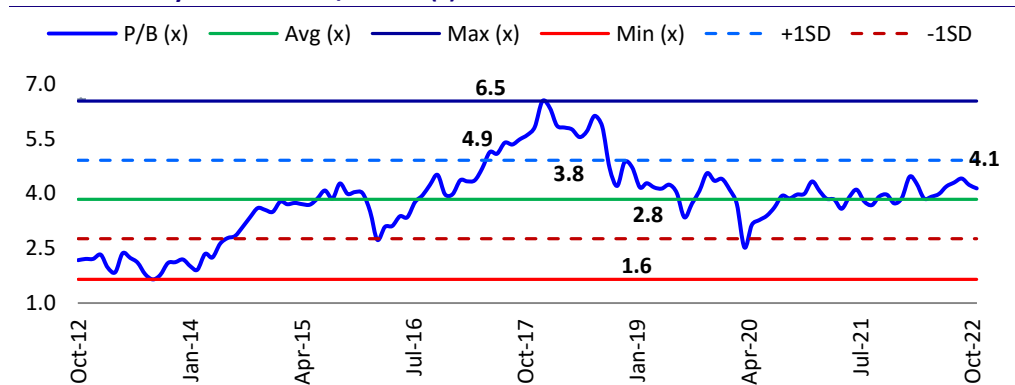
Source: Company, MOFSL

Exhibit 8: One-year forward P/E ratio (x) band



Source: MOFSL

Exhibit 9: One-year forward P/B ratio (x) band



Source: MOFSL

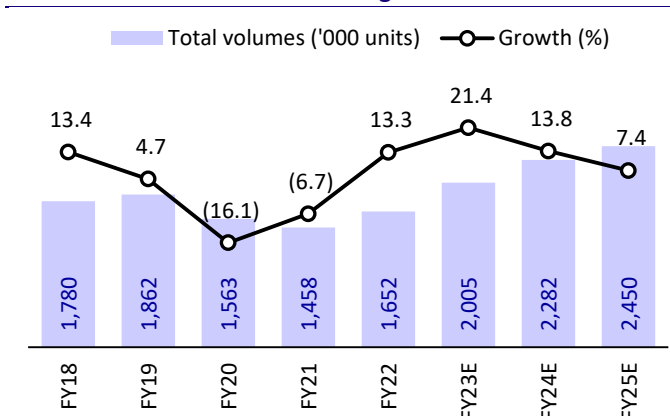
Story in charts – Expect 53% EPS CAGR over FY22-25

Exhibit 10: Market share declines (excluding Mini) due to the absence of the diesel portfolio

	FY18	FY19	FY20	FY21	FY22
Mini	71.3	72.3	79.0	84.5	88.5
Compact	52.2	56.4	57.4	54.8	55.3
Compact – Sedan	61.8	57.9	61.9	57.9	57.1
Mid-size	30	25.8	25.8	19.1	20.0
UVC	40	40.4	27.9	20.2	18.6
UV1	38.8	38.2	31.4	25.7	25.8
Domestic PV market share for MSIL (%)	50.2	51.4	51.1	47.7	43.4

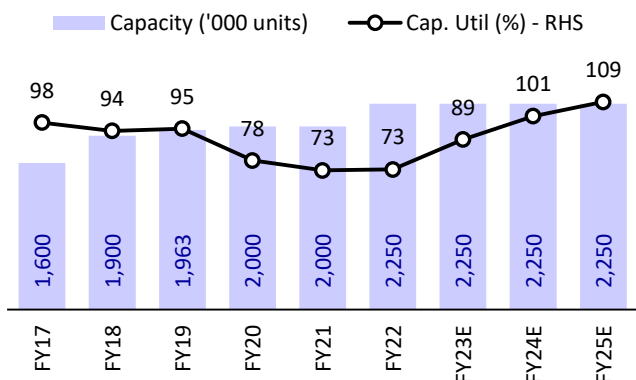
*Excluding supplies to Toyota; Source: Company, MOFSL

Exhibit 11: Trends in volume and growth over FY22-25E



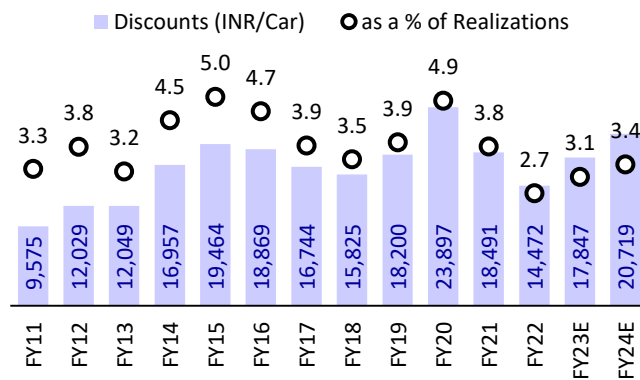
Source: Company, MOFSL

Exhibit 12: Utilization to improve materially for MSIL



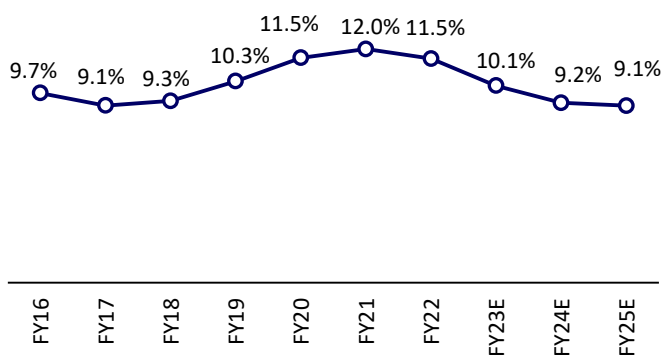
Source: Company, MOFSL

Exhibit 13: Discounts to increase from the lows of FY22



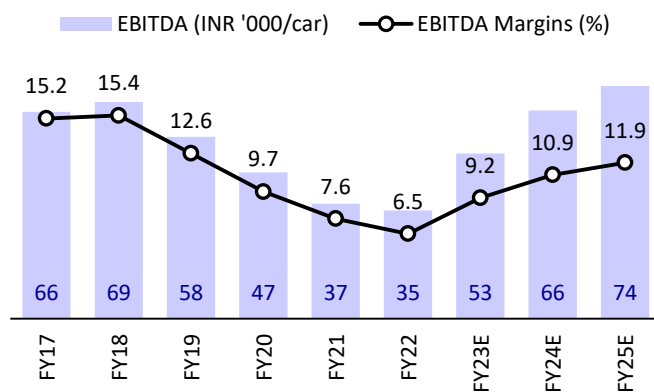
Source: Company, MOFSL

Exhibit 14: Fixed cost as a percentage of sales



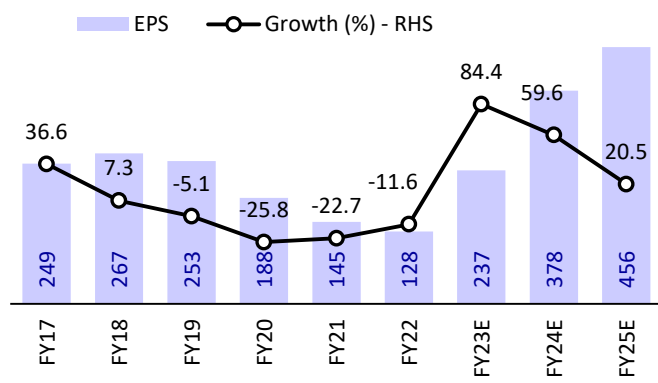
Source: Company, MOFSL

Exhibit 15: EBITDA margin and EBITDA per car



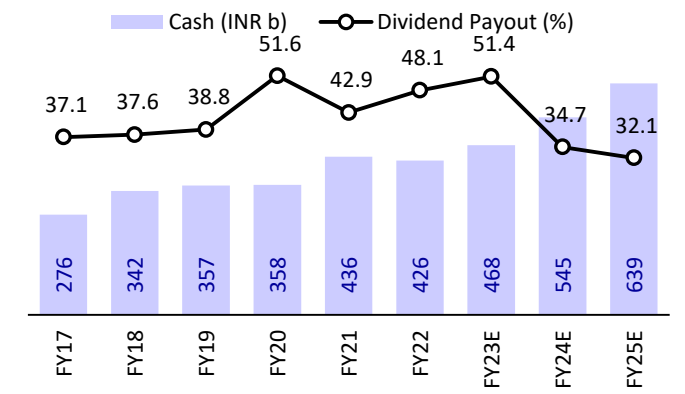
Source: Company, MOFSL

Exhibit 16: EPS (INR) and growth in EPS



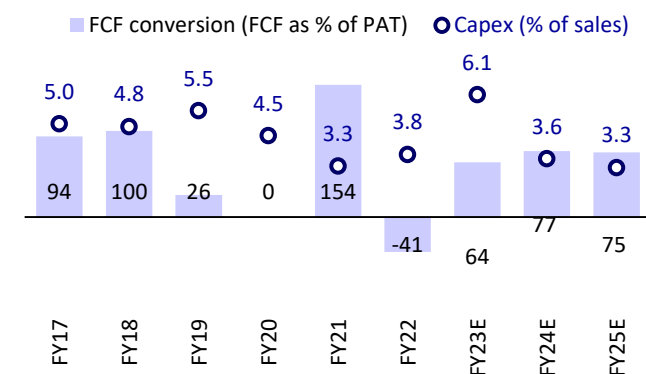
Source: MOFSL, Company

Exhibit 17: Dividend payout (%) and cash balance (INR b)



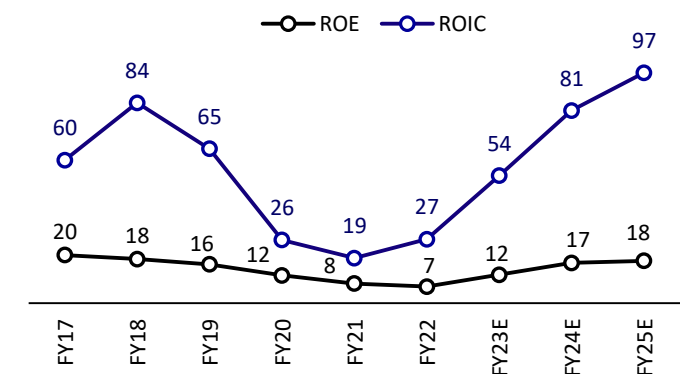
Source: MOFSL, Company

Exhibit 18: Expect a recovery in FCF conversion



Source: Company, MOFSL

Exhibit 19: RoE v/s RoIC (%)



Source: Company, MOFSL

Exhibit 20: Snapshot of the revenue model

'000 units	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
A1/LCVs	24	22	30	34	41	44	47
Growth (%)	138.0	-8.8	35.7	14.4	20.0	8.0	8.0
As a percentage of domestic volumes	1.4	1.5	2.2	2.4	2.3	2.2	2.2
MPVs (Vans)	179	118	105	108	133	141	150
Growth (%)	15.1	-33.7	-11.3	3.1	23.0	6.0	6.0
As a percentage of domestic volumes	10.2	8.1	7.7	7.7	7.7	7.1	7.0
A2 (other Hatchbacks)	987	881	840	810	986	1,035	1,089
Growth (%)	5.5	-10.8	-4.6	-3.6	21.7	5.0	5.2
As a percentage of domestic volumes	56.3	60.3	61.7	57.3	56.7	51.8	50.6
A3 (Dzire and Ciaz)	300	204	142	145	176	185	194
Growth (%)	0.3	-31.9	-30.5	1.8	21.9	5.0	5.0
As a percentage of domestic volumes	17.1	14.0	10.4	10.2	10.1	9.3	9.0
UVs (Ertiga and Compact SUVs)	264	235	245	317	402	594	672
Growth (%)	4.1	-10.9	4.3	29.3	26.8	47.5	13.1
As a percentage of domestic volumes	15.1	16.1	18.0	22.4	23.2	29.7	31.2
Total Domestic	1,754	1,460	1,362	1,414	1,738	1,999	2,152
Growth (%)	6.1	-16.7	-6.7	3.8	22.9	15.0	7.7
As a percentage of total volumes	94.2	93.5	93.4	85.6	86.7	87.6	87.8
Exports	109	102	96	238	267	283	298
Growth (%)	-14	-6	-6	148	12	6	6
As a percentage of total volumes	6	7	7	14	13	12	12
Total volumes	1,862	1,563	1,458	1,652	2,005	2,282	2,450
Growth (%)	4.7	-16.1	-6.7	13.3	21.4	13.8	7.4
ASP (INR'000/unit)	462	484	482	534	574	608	626
Growth (%)	3.0	4.8	-0.3	10.8	7.5	5.9	3.1
Net sales (INR b)	860	756	703	883	1,151	1,387	1,535
Growth (%)	8	-12	-7	26	30	20	11

Source: MOFSL, Company

Financials and valuations

Income Statement							(INR B)
Y/E March	2019	2020	2021	2022	2023E	2024E	2025E
Net Op Income	860.2	756.1	703.3	883.0	1,151.4	1,387.0	1,535.1
Change (%)	7.8	-12.1	-7.0	25.5	30.4	20.5	10.7
EBITDA	108.0	73.0	53.5	57.0	105.7	151.6	181.9
EBITDA Margins (%)	12.6	9.7	7.6	6.5	9.2	10.9	11.9
Depreciation	30.2	35.3	30.3	27.9	29.4	30.6	35.5
EBIT	77.8	37.8	23.1	29.1	76.3	120.9	146.4
EBIT Margins (%)	9.0	5.0	3.3	3.3	6.6	8.7	9.5
Interest	0.8	1.3	1.0	1.3	1.1	1.1	1.1
Other Income	25.6	34.2	29.5	17.9	16.5	27.4	32.3
EO Expense	-2.0	0.0	0.0	0.0	0.0	0.0	0.0
Def Revenue Exp. / Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	104.7	70.6	51.6	45.8	91.7	147.2	177.6
Effective tax Rate (%)	28.3	20.0	18.0	17.8	23.0	23.2	23.2
PAT	75.0	56.5	42.3	37.7	70.6	113.1	136.4
Change (%)	-2.9	-24.7	-25.1	-11.0	87.4	60.3	20.6
% of Net Sales	9.0	7.9	6.4	4.5	6.4	8.5	9.3
Adj. PAT	73.6	56.5	42.3	37.7	70.6	113.1	136.4
Change (%)	-6.8	-23.2	-25.1	-11.0	87.4	60.3	20.6

Balance Sheet							(INR B)
Y/E March	2019	2020	2021	2022	2023E	2024E	2025E
Sources of Funds							
Share Capital	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Reserves	459.9	482.9	512.2	539.4	591.8	668.7	765.8
Net Worth	461.4	484.4	513.7	540.9	593.3	670.2	767.3
Loans	1.5	1.1	4.9	3.8	3.8	3.8	3.8
Deferred Tax Liability	5.6	6.0	3.8	-2.0	-2.0	-2.0	-2.0
Capital Employed	468.6	491.4	522.4	542.7	595.1	672.0	769.1
Application of Funds							
Gross Fixed Assets	263.3	297.3	314.6	324.9	354.2	384.2	504.2
Less: Depreciation	109.2	140.2	165.0	187.7	217.1	247.7	283.3
Net Fixed Assets	154.1	157.1	149.6	137.2	137.1	136.5	220.9
Capital WIP	16.0	14.1	14.9	29.3	70.0	90.0	20.0
Investments	365.2	364.7	417.9	407.6	407.6	407.6	407.6
Curr.Assets, Loans	89.8	84.4	112.9	152.4	211.5	303.1	407.0
Inventory	33.3	32.1	30.5	35.3	50.5	60.8	67.3
Sundry Debtors	23.1	21.3	12.8	20.3	22.1	26.6	29.4
Cash & Bank Balances	1.8	0.2	30.4	30.4	72.6	149.3	243.9
Loans & Advances	5.1	5.2	6.6	0.3	0.3	0.3	0.3
Others	26.5	25.5	32.7	66.1	66.1	66.1	66.1
Current Liab & Prov.	156.5	128.8	172.9	183.8	231.2	265.2	286.5
Sundry Creditors	96.3	74.9	101.6	97.6	148.3	178.6	197.7
Others	51.1	44.9	60.3	71.1	71.1	71.1	71.1
Provisions	9.1	9.0	11.0	15.1	11.8	15.5	17.7
Net Current Assets	-66.7	-44.4	-59.9	-31.4	-19.6	37.9	120.6
Appl. of Funds	468.6	491.4	522.4	542.7	595.1	672.0	769.1

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023E	2024E	2025E
Basic (INR)							
Adjusted EPS	243.6	187.1	140.0	124.7	233.6	374.5	451.6
Consol EPS	253.3	188.0	145.3	128.4	236.8	378.1	455.7
Cash EPS	353.2	304.7	245.7	220.7	334.1	479.6	573.3
Book Value per Share	1,527	1,603	1,700	1,790	1,964	2,219	2,540
DPS	80.0	60.0	45.0	60.0	120.0	130.0	145.0
Div. payout (%)	38.8	38.5	31.0	46.7	50.7	34.4	31.8
Valuation (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consol. P/E	37.5	50.5	65.3	73.9	40.1	25.1	20.8
Cash P/E	26.9	31.2	38.6	43.0	28.4	19.8	16.6
EV/EBITDA	23.2	34.3	45.4	42.7	22.6	15.3	12.2
EV/Sales	3.0	3.5	3.6	2.9	2.2	1.7	1.5
P/BV	6.2	5.9	5.6	5.3	4.8	4.3	3.7
Dividend Yield (%)	0.8	0.6	0.5	0.6	1.3	1.4	1.5
FCF Yield (%)	0.7	0.0	2.3	-0.5	1.6	3.0	3.6
Profitability Ratios (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RoIC	64.7	26.5	18.9	26.8	53.5	80.8	96.7
RoE	16.3	11.7	8.2	7.0	11.9	16.9	17.8
RoCE	22.1	14.6	10.1	8.7	15.6	22.1	23.2
Turnover Ratios	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debtors (Days)	10	11	7	9	7	7	7
Inventory (Days)	16	17	17	16	18	18	18
Creditors (Days)	59	51	73	54	64	65	66
Work. Cap. (Days)	-33	-23	-49	-29	-39	-40	-40
Asset Turnover (x)	1.8	1.5	1.3	1.6	1.9	2.1	2.0
Leverage Ratio	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (x)	-0.8	-0.7	-0.8	-0.8	-0.8	-0.8	-0.8

Cash Flow Statement

Y/E March	2019	2020	2021	2022	2023E	2024E	2025E
Profit before Tax	104.7	70.9	51.6	45.8	91.7	147.2	177.6
Interest	0.8	1.3	1.0	1.3	1.1	1.1	1.1
Depreciation	30.2	35.3	30.3	27.9	29.4	30.6	35.5
Direct Taxes Paid	-31.4	-14.4	-10.1	-11.8	-21.1	-34.1	-41.2
(Inc)/Dec in WC	-13.2	-25.7	43.4	-28.1	30.4	19.2	11.9
Other Items	-25.0	-33.5	-27.8	-17.2	-16.5	-27.4	-32.3
CF from Oper. Activity	65.9	34.1	88.4	17.9	115.0	136.7	152.6
(Inc)/Dec in FA	-47.0	-34.0	-23.3	-33.2	-70.0	-50.0	-50.0
Free Cash Flow	18.9	0.1	65.1	-15.3	45.0	86.7	102.6
(Pur)/Sale of Invest.	11.6	29.4	-49.6	31.3	16.5	27.4	32.3
CF from Inv. Activity	-35.4	-4.6	-72.8	-1.9	-53.5	-22.6	-17.7
Change in Network	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inc/(Dec) in Debt	0.4	-0.5	3.7	-1.1	0.0	0.0	0.0
Interest Paid	-0.7	-1.3	-1.0	-1.3	-1.1	-1.1	-1.1
Dividends Paid	-29.1	-29.1	-18.1	-13.6	-18.1	-36.2	-39.3
CF from Fin. Activity	-29.5	-31.0	-15.4	-16.0	-19.2	-37.3	-40.4
Inc/(Dec) in Cash	1.1	-1.6	0.1	0.0	42.2	76.7	94.6
Add: Op. Balance	0.7	1.8	0.2	0.3	0.3	42.6	119.3
Closing Balance	1.8	0.2	0.3	0.3	42.6	119.3	213.9

E: MOFSL Estimates

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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