MOTILAL OSWAL
Investment Services

9 November 2022
2QFY23 Results Update | Sector: Midcaps

APL Apollo Tubes

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	APAT IN
Equity Shares (m)	250
M.Cap.(INRb)/(USDb)	264.9 / 3.3
52-Week Range (INR)	1177 / 771
1, 6, 12 Rel. Per (%)	-13/6/19
12M Avg Val (INR M)	501

Financials & Valuations (INR b)

Y/E Mar	2022	2023E	2024E
Sales	130.6	157.6	186.4
EBITDA	9.5	10.8	14.9
PAT	5.6	7.1	10.1
EBITDA (%)	7.2	6.8	8.0
EPS (INR)	20.1	25.5	36.3
EPS Gr. (%)	54.7	27.0	42.2
BV/Sh. (INR)	81.7	107.9	139.2
Ratios			
Net D/E	0.1	0.0	-0.1
RoE (%)	28.2	27.0	29.4
RoCE (%)	25.8	23.2	26.6
Payout (%)	17.4	15.7	13.8
Valuations			
P/E (x)	52.6	41.4	29.1
EV/EBITDA (x)	31.5	27.3	19.3
Div Yield (%)	0.3	0.4	0.5
FCF Yield (%)	0.2	1.0	2.4

Shareholding pattern (%)

As on	Sep-22	Jun-22	Sep-21
Promoter	34.5	34.5	36.8
DII	10.9	11.2	8.4
FII	24.7	24.6	25.2
Others	29.9	29.7	29.5

Note: FII includes depository receipts

CMP: INR1,059 TP: INR1,340 (+27%) Buy

Adverse sales mix and channel destocking hurt earnings

Earnings below our estimates

- APAT reported a weak operating performance, with an 18%/26% YoY decline in gross profit/EBITDA per MT in 2QFY23. Margin was adversely impacted by an adverse sales mix (8pp YoY decline in VAP mix), channel destocking, and higher cost of the Raipur plant.
- We retain our FY23E/FY24 earnings estimate on the back of a higher margin, with an increasing share of VAP and a ramp up of Raipur plant. We maintain our Buy rating.

Higher volume growth drives revenue

- Consolidated revenue grew 29% YoY to INR39.7b (in line) in 2QFY23, led by robust volume growth (up 41%) on the back of an aggressive sales push (by offering higher discounts).
- Gross profit/MT declined by 18% YoY and 22% QoQ to INR8,211, while EBITDA/MT contracted by 26% YoY and 16% QoQ to INR3,850 in 2QFY23 due to a lower mix of value-added products (down 8pp YoY to 54%), channel destocking, and higher cost of the new Raipur plant. EBITDA grew 4% YoY to INR2.3b (est. INR2.5b) in 2QFY23.
- Adjusted PAT grew 3% YoY to INR1.5b (est. INR1.5b considering minority interest, however, excluding minority interest on account of Apollo Tricoat merger, est. Adjuted PAT was INR1.67b)
- Revenue grew 32% YoY to INR74.1b in 1HFY23. EBITDA/PAT in the same period declined by 11%/8% YoY to INR4.3b/INR2.7b.
- Cash flow from operations stood at INR4.3b v/s INR2.6b in 1HFY22.

Highlights from the management commentary

- **Capex**: Planned cumulative capex stood at INR5b till FY25. This consists of residual capex at Raipur and setting up of a new factory in Dubai and Kolkata, which will boost capacity to ~4.5MMT.
- **Margin**: The management expects EBITDA/MT ~INR5,000 from its existing plant going forward. The same from Raipur/Dubai/Kolkata plant is guided at INR7,000-7,500/over INR10,000/~INR5,000.
- **Guidance**: It expects a blended EBITDA/MT of ~INR5,000/~INR4,500 in 2H/FY23. The management maintained its volume target of ~4MMT by FY25 (30% CAGR over FY22-25).

Valuation and view

- The addition of high- margin products from the Raipur unit and growing share of VAP is likely to result in an improvement in margin.
- We expect a revenue/EBITDA/PAT CAGR of 19%/26%/34% over FY22-24.
- We largely maintain our earnings estimates for FY23/FY24 on the back of a higher margin, with an increasing share of VAP and a ramp up at the Raipur plant. We **maintain our Buy** rating and value the stock at 33x Sep'24E EPS to arrive at our TP of INR1,340.

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Consolidated: Quarterly Earning **(INR m)**

Y/E March	FY22				FY23				FY22	FY23E	FY23E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	%
Gross Sales	**25,343**	**30,839**	**32,304**	**42,147**	**34,386**	**39,692**	**39,562**	**43,948**	**130,633**	**157,588**	**39,113**	**1**
YoY Change (%)	128.4	40.0	24.2	62.9	35.7	28.7	22.5	4.3	53.7	20.6	26.8	
Total Expenditure	22,796	28,617	30,281	39,486	32,446	37,373	36,480	40,515	1,21,181	1,46,815	36,582	
EBITDA	**2,547**	**2,222**	**2,023**	**2,661**	**1,939**	**2,319**	**3,083**	**3,432**	**9,453**	**10,773**	**2,532**	**-8**
Margins (%)	10.0	7.2	6.3	6.3	5.6	5.8	7.8	7.8	7.2	6.8	6.5	
Depreciation	265	273	272	279	294	276	300	320	1,090	1,190	310	
Interest	128	107	109	101	100	136	130	130	445	496	110	
Other Income	102	114	79	110	83	116	87	121	405	407	125	
PBT before EO expense	**2,256**	**1,956**	**1,721**	**2,391**	**1,629**	**2,023**	**2,740**	**3,103**	**8,323**	**9,495**	**2,237**	
PBT	**2,256**	**1,956**	**1,721**	**2,391**	**1,629**	**2,023**	**2,740**	**3,103**	**8,323**	**9,495**	**2,237**	
Tax	572	495	442	625	422	521	690	782	2,133	2,415	564	
Rate (%)	25.3	25.3	25.7	26.1	25.9	25.7	25.2	25.2	25.6	25.4	25.2	
MI & Profit/Loss of Asso. Cos.	211	0	123	136	0	0	0	0	469	0	152*	
Reported PAT	**1,474**	**1,461**	**1,156**	**1,630**	**1,207**	**1,502**	**2,049**	**2,321**	**5,721**	**7,079**	**1,521***	
Adj PAT	**1,474**	**1,461**	**1,156**	**1,630**	**1,207**	**1,502**	**2,049**	**2,321**	**5,721**	**7,079**	**1,521***	**-1**
YoY Change (%)	778.1	58.6	-12.4	36.7	-18.1	2.8	77.2	42.4	58.8	23.7	4.1	
Margins (%)	5.8	4.7	3.6	3.9	3.5	3.8	5.2	5.3	4.4	4.5	3.9	

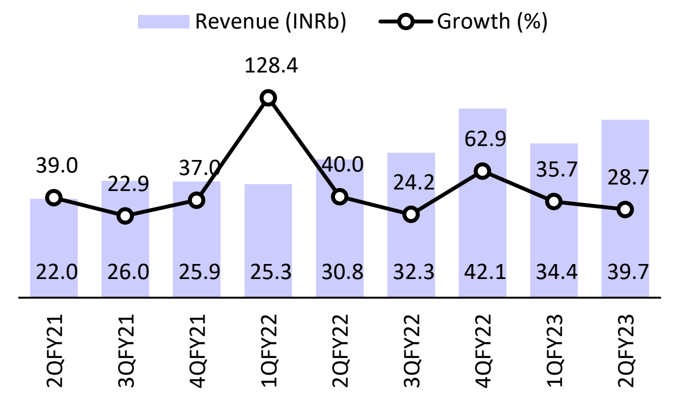
*The company received final order for merger of Apollo Tricoat on 15th October'22 post that minority interest (MI) has been eliminated. Eliminating the MI, estimated PAT stood at INR1.67b thereby missing by 10% to actuals.

Key performance indicators

Y/E March	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Segment Volumes (MT)									
Apollo Structural									
Heavy Structures	21,000	26,814	38,000	18,897	26,464	35,143	40,129	32,987	41,104
Light Structures	63,000	82,969	58,000	39,955	51,378	47,250	59,895	50,108	76,954
General Structures	2,26,000	1,94,231	1,73,000	1,23,700	1,60,955	1,39,360	2,23,204	1,65,269	2,76,292
Apollo Z									
Rust-proof structures	85,000	81,943	70,000	84,792	90,317	91,140	1,02,624	80,120	78,114
Rust-proof sheets	6,000	6,071	10,000	29,768	21,245	19,043	34,905	20,195	21,126
Apollo Galv	18,000	20,947	19,000	16,666	15,980	17,109	25,840	17,551	26,602
Apollo Tricoat	61,000	72,604	66,000	59,346	61,048	53,684	64,746	49,095	70,046
Apollo Build/ New Raipur							380	7,463	12,045
Segment EBITDA/MT (INR/MT)									
Apollo Structural									
Heavy Structures	4,200	5,000	5,012	8,000	6,240	7,531	7,835	7,028	6,926
Light Structures	4,000	5,100	5,106	6,300	5,137	4,721	5,074	4,375	4,155
General Structures	1,380	1,993	1,996	3,125	2,194	1,524	1,955	1,614	1,388
Apollo Z									
Rust-proof structures	6,236	7,654	7,708	8,990	8,083	7,714	7,942	7,015	6,914
Rust-proof sheets	4,556	4,760	4,804	6,000	5,136	4,554	4,746	4,105	3,920
Apollo Galv	5,655	6,950	6,981	7,257	6,353	6,051	6,230	5,005	4,966
Apollo Tricoat	6,137	7,872	7,671	11,716	8,172	7,999	7,149	9,194	8,219
Apollo Build/ New Raipur							5,040	5,001	0
Cost Break-up									
RM Cost (% of sales)	84%	84%	85%	82%	86%	87%	87%	87%	88%
Employee Cost (% of sales)	2%	1%	1%	1%	1%	1%	1%	1%	1%
Other Cost (% of sales)	7%	6%	6%	7%	6%	6%	5%	6%	5%
Gross Margins (%)	16%	16%	15%	18%	14%	13%	13%	13%	12%
EBITDA Margins (%)	8%	9%	8%	10%	7%	6%	6%	6%	6%

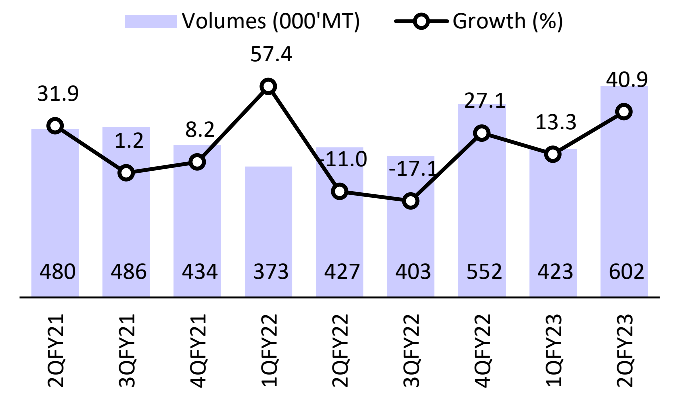
Key exhibits

Exhibit 1: Consolidated revenue trend



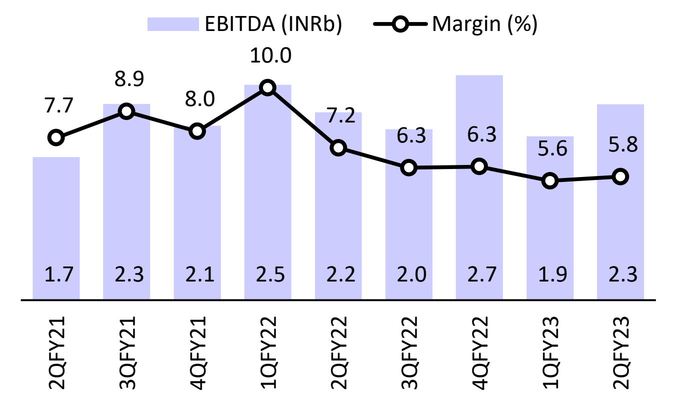
Source: Company, MOFSL

Exhibit 2: Volume trend



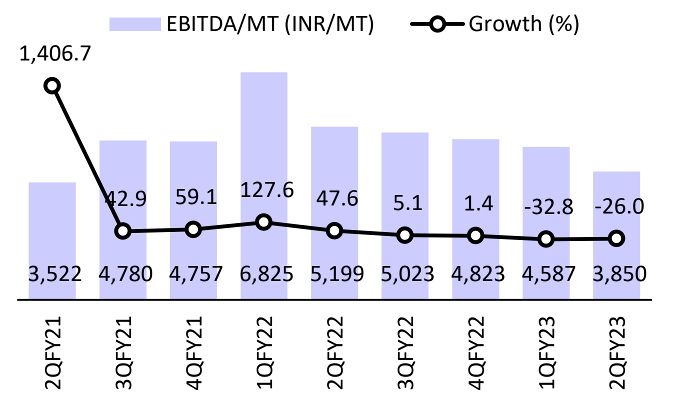
Source: Company, MOFSL

Exhibit 3: Consolidated EBITDA trend



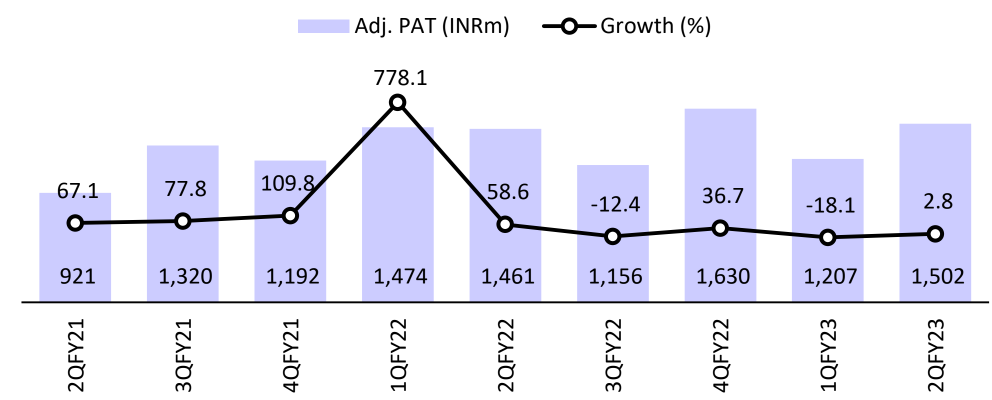
Source: Company, MOFSL

Exhibit 4: EBITDA/MT trend



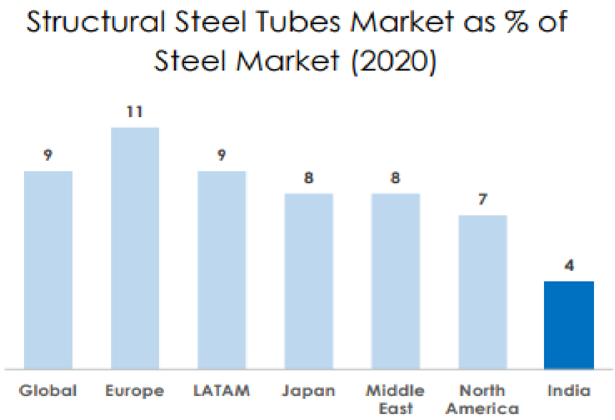
Source: Company, MOFSL

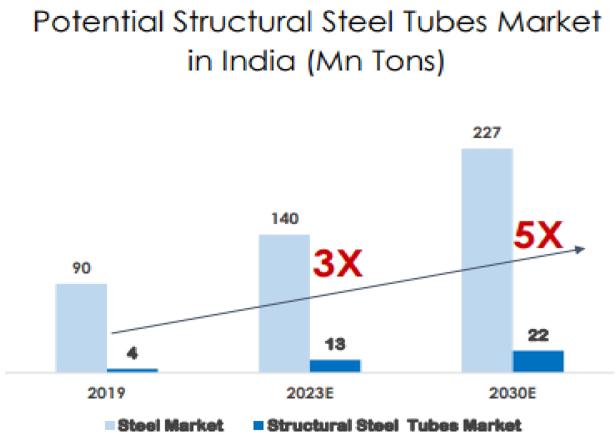
Exhibit 5: Consolidated Adj. PAT trend



Source: Company, MOFSL

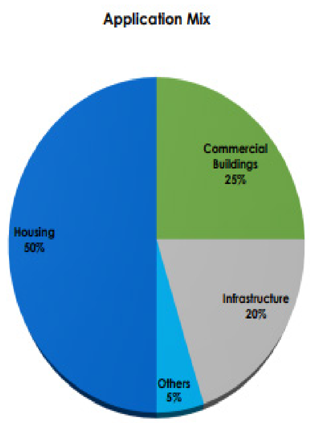
Exhibit 6: India has a huge structural steel tubes-based construction potential





Source: Company, MOSL

Exhibit 7: Structural Steel Tube Applications



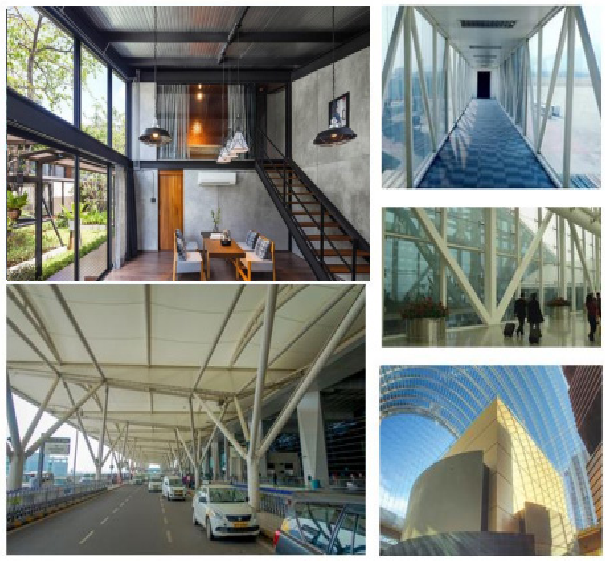


Exhibit 8: Market creation by APAT

Conventional Construction Products	Applications	Why Structural Steel Tube replaces these products?
Steel Angle/Channels	Structural support, Towers infrastructure	Uniform Strength, Lower steel consumption
Wood	Furniture, Door Frames, Planks	Cost Effective, Termite Proof, Environmental Friendly
Aluminum Profiles	Facades & Glazing	Cost Effective, Higher Strength
Reinforced Cement Concrete	Construction of Buildings	Faster Construction Environmental Friendly
Fabricated Metal Sheet	Pre-Engineered Steel Buildings	Lower steel consumption Reduces overall project cost

How we replaced the conventional products..

Low Diameter Steel Tubes/Low Load Bearing

High Diameter Steel Tubes/High Load Bearing

Exhibit 9: APAT Product Portfolio

Value added products contributed 54% of total sales in Q2

Product Category	Application	Q2FY22			Q3FY22			Q4FY22			Q1FY23			Q2FY23		
		Sales Mix (%)	Volume (KTon)	EBITDA /Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA /Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/ Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA/ Ton (Rs)	Sales Mix (%)	Volume (KTon)	EBITDA /Ton (Rs)
Apollo Structural	Heavy Structures	6	26	6,240	9	35	7,531	7	40	7,835	8	33	7,028	7	41	6,926
	Light Structures	12	51	5,137	12	47	4,721	11	60	5,074	12	50	4,375	13	77	4,155
	General Products	38	161	2,194	35	139	1,524	40	223	1,955	39	165	1,614	46	276	1,388
Apollo Z	Rust-proof structures	21	90	8,083	23	91	7,714	19	103	7,942	19	80	7,015	13	78	6,914
	Rust-proof sheet	5	21	5,136	5	19	4,554	6	35	4,746	5	20	4,105	4	21	3,920
Apollo Tricoat	Home Improvement	14	61	8,172	13	54	7,999	12	65	7,149	12	49	9,194	12	70	8,219
Apollo Galv	Agri/Industrial	4	16	6,353	4	17	6,051	5	26	6,230	4	18	5,005	4	27	4,966
Total (ex Raipur)		**100**	**427**	**5,199**	**100**	**403**	**5,023**	**100**	**552**	**4,820**	**98**	**416**	**4,579**	**98**	**590**	**3,928**
Apollo Build/ New Raipur	Coated Products	-	-	-	-	-	-	0	0.4	5,040	2	7	5,001	2	12	-
Total		**100**	**427**	**5,199**	**100**	**403**	**5,023**	**100**	**552**	**4,823**	**100**	**423**	**4,587**	**100**	**602**	**3,850**

Standard products with EBITDA around Rs 2,000/ Ton

Value added products with EBITDA more than Rs 4,000/Ton

Source: Company, MOFSL

Exhibit 10: Hospital work at Delhi

Source: MOSL, Company

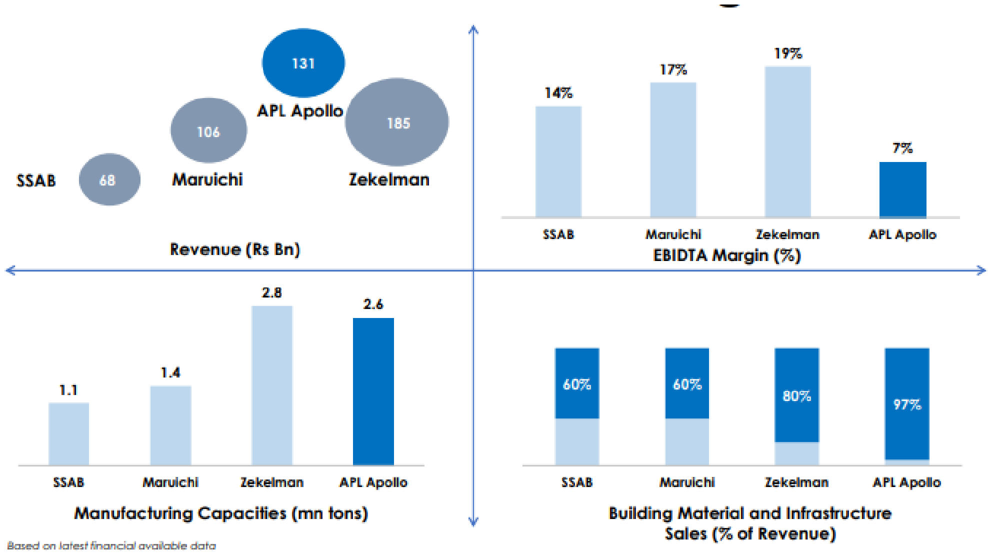
Exhibit 11: Raipur plant update

HIGHLIGHTS

- Upcoming 400 Acre Raipur plant progressing on expected lines
- Project to commence in phases starting H2FY23
- 100% value added products
- Total capex **Rs8-10bn; c80%** already incurred

Source: Company, MOFSL

Exhibit 12: Global peer benchmarking



Source: Company, MOSL

Highlights from the management commentary

Raipur plant update

- All lines of the plant are expected to be commissioned by 4QFY23.
- EBITDA for the quarter was ~INR4,000/ton excluding the volumes and cost incurred for the Raipur plant. Currently Raipur plant is at EBITDA breakeven level.
- Major Volumes from Raipur will be seeing from Nov/Dec'22 onwards with expected volume of ~75,000MT in 3QFY23 and ~100,000MT in 4QFY23
- Raipur plant is expected to manufacture ~0.6-0.7MMT in FY24 which can be further ramped up to ~1MMT by FY25. Further, the plant can be ramped up to ~1.5MMT by FY26 with some additional machineries and debottlenecking

Capex plans

- APAT has planned for a total capex of INR5b till FY25 which will take the total capacity of the company to ~4.5m tons.
- APAT will complete the residual capex for Raipur plant and will set up two new plants (one each in Kolkata and in Dubai)

Margins

- EBITDA/MT was adversely impacted due to higher contribution (46% of sales) from low margin products, i.e, general structures (EBITDA reduction of ~INR300/MT). Further, aggressive sales push (higher discounting) due to destocking in some channels (EBITDA reduction of ~INR337/MT) and high cost in Raipur plant (EBITDA reduction of ~INR100/MT) adversely impacted the margins
- As market was opening after heavy destocking, management focused on getting higher market shares as they believes the margin profile can be improved once the company has good market share.

Advertising spends

- Advertising spends are ~INR80-100m per quarter. Company is comfortable with ~INR300m annual run rate.
- Next year ad spends is expected to increase due to advertising of new Raipur products. However, the incremental volumes will lead to similar expense per ton. The ad spend is expected to be ~INR200/MT going ahead
- Company is targeting lot of influencers and is doing one seminar/event per week to promote its innovative products
- Company is able to create the market for the product and expect quick ramp-up of capacity utilization

Guidance

- Management maintains its volume guidance for FY25, thereby enabling 30% volume CAGR over FY22-25. For FY23, earlier guided volume of ~2.2-2.3MMT is comfortably achievable.
- Company is targeting blended EBITDA per MT of ~INR5,000/MT in 2HFY23 and ~ INR4,500/MT in FY23.
- Considering longer term view, management targets EBITDA per MT of ~INR5000/MT for APL (existing plant), ~INR7000-8000/MT for Raipur plant, INR10,000/MT for Dubai, INR5,000/MT for Kolkata and blended EBITDA of ~INR6,000/MT by FY25

Market Share

- APAT commoditized segment (which has ~40% contribution to total revenue) has market share of ~10%-20%
- Value added segment (~40% contribution) accounts for those products which were innovated by company and competition has entered in the segment recently. Company have ~60-70% market share in the segment
- APAT enjoys 100% market share in super value added segment (~20% contribution). These are innovative products launched recently by the company with no competition in the market

- Company plans to gain market share on overall basis by improving the mix (i.e, higher contribution from value added and super value added segment)

Other Highlights

- Net Working Capital days for 1HFY23 stood at 5 days v/s 7 days for FY22
- Valued added sales stood at 54% for 2QFY23 v/s 63% for FY22.
- Net debt increased to INR2.9b in 2QFY23 v/s INR2b in FY22.
- Operating Cash flow to EBITDA stood at 102% in 1HFY23 vs 69% in FY22

Valuation and View

- We believe the earnings momentum of APAT would continue with: a) growing demand across segments, b) increased product penetration, having a robust distribution network, c) an increase in the share of VAP, thus driving margins, d) the introduction of Apollo Mart, and e) its market leadership position.
- Kicking-in of operating leverage, growing share of VAP and addition of high margin products from Raipur unit is expected to lead to an improvement in margin and higher cash generation.
- We expect Revenue/EBITDA/PAT CAGR of 19%/26%/34% over FY22–24.
- We largely maintain our earnings estimates for FY23/FY24 on back of higher margins with increasing share of VAP and ramp up of Raipur plant. We **maintain BUY** rating by valuing the stock at 33x Sep'24E EPS to arrive at our TP of INR1,340.

Exhibit 13: Changes to our estimates

Earnings change	Old		New		Change	
(INR m)	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	1,54,186	1,61,383	1,57,588	1,86,396	2%	15%
EBITDA	10,976	14,460	10,773	14,922	-2%	3%
Adj. PAT	6,917	9,671	7,079	10,064	2%	4%

Financials and valuations

Consolidated – Income Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Total Income from Operations	**42,136**	**39,239**	**53,348**	**71,523**	**77,232**	**84,998**	**1,30,633**	**1,57,588**	**1,86,396**
Change (%)	34.3	-6.9	36.0	34.1	8.0	10.1	53.7	20.6	18.3
RM Cost	35,546	32,324	45,483	63,077	65,786	71,648	1,12,231	1,36,898	1,60,300
Employees Cost	629	754	862	1,079	1,422	1,296	1,530	1,894	2,237
Other Expenses	3,145	2,832	3,292	3,439	5,252	5,266	7,419	8,023	8,937
Total Expenditure	**39,319**	**35,909**	**49,637**	**67,595**	**72,459**	**78,210**	**1,21,181**	**1,46,815**	**1,71,474**
% of Sales	93.3	91.5	93.0	94.5	93.8	92.0	92.8	93.2	92.0
EBITDA	**2,817**	**3,330**	**3,710**	**3,928**	**4,773**	**6,787**	**9,453**	**10,773**	**14,922**
Margin (%)	6.7	8.5	7.0	5.5	6.2	8.0	7.2	6.8	8.0
Depreciation	341	509	534	643	959	1,028	1,090	1,190	1,460
EBIT	**2,476**	**2,821**	**3,176**	**3,286**	**3,814**	**5,759**	**8,363**	**9,583**	**13,462**
Int. and Finance Charges	695	720	813	1,134	1,073	661	445	496	480
Other Income	103	60	80	117	222	359	405	407	466
PBT bef. EO Exp.	**1,883**	**2,160**	**2,443**	**2,269**	**2,963**	**5,458**	**8,323**	**9,495**	**13,448**
EO Items	-253	0	0	0	0	0	0	0	0
PBT after EO Exp.	**1,630**	**2,160**	**2,443**	**2,269**	**2,963**	**5,458**	**8,323**	**9,495**	**13,448**
Total Tax	624	639	862	787	403	1,381	2,133	2,415	3,383
Tax Rate (%)	38.3	29.6	35.3	34.7	13.6	25.3	25.6	25.4	25.2
Minority Interest	0	0	0	0	180	475	617	0	0
Reported PAT	**1,006**	**1,521**	**1,581**	**1,482**	**2,380**	**3,602**	**5,573**	**7,079**	**10,064**
Adjusted PAT	**1,259**	**1,521**	**1,581**	**1,482**	**2,380**	**3,602**	**5,573**	**7,079**	**10,064**
Change (%)	97.5	20.8	4.0	-6.2	60.5	51.3	54.7	27.0	42.2
Margin (%)	3.0	3.9	3.0	2.1	3.1	4.2	4.3	4.5	5.4

Consolidated - Balance Sheet

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	234	236	237	239	249	250	501	554	554
Total Reserves	5,441	6,798	8,141	9,402	13,313	16,697	22,139	29,336	38,015
Net Worth	**5,676**	**7,034**	**8,379**	**9,641**	**13,562**	**16,947**	**22,640**	**29,890**	**38,569**
Minority Interest	0	0	0	0	954	1,383	2,000	0	0
Total Loans	6,498	5,944	7,751	8,581	8,338	5,203	5,806	5,806	4,006
Deferred Tax Liabilities	859	813	994	1,200	1,012	1,112	1,187	1,187	1,187
Capital Employed	**13,033**	**13,790**	**17,124**	**19,422**	**23,865**	**24,644**	**31,633**	**36,883**	**43,762**
Gross Block	7,291	6,922	9,617	11,626	17,246	18,568	20,677	26,207	29,963
Less: Accum. Deprn.	1,058	454	988	1,548	2,507	3,535	4,625	5,815	7,275
Net Fixed Assets	**6,233**	**6,468**	**8,628**	**10,078**	**14,738**	**15,033**	**16,053**	**20,392**	**22,688**
Goodwill on Consolidation	429	230	230	230	1,375	1,375	1,375	2,796	2,796
Capital WIP	320	1,224	460	275	101	1,077	5,037	2,507	2,251
Total Investments	**131**	**4**	**11**	**494**	**15**	**15**	**913**	**2,863**	**5,363**
Current Investments	0	0	0	0	0	0	50	2,000	4,500
Curr. Assets, Loans&Adv.	**9,491**	**10,519**	**12,483**	**16,663**	**16,431**	**16,491**	**21,147**	**23,967**	**28,974**
Inventory	5,944	4,696	5,915	7,835	7,842	7,599	8,472	10,458	12,215
Account Receivables	2,201	2,949	4,321	5,433	4,764	1,306	3,417	4,317	5,107
Cash and Bank Balance	14	16	68	478	456	3,579	3,764	2,888	4,197
Loans and Advances	1,333	2,859	2,179	2,917	3,370	4,006	5,494	6,304	7,456
Curr. Liability & Prov.	**3,572**	**4,656**	**4,688**	**8,317**	**8,796**	**9,345**	**12,891**	**15,642**	**18,310**
Account Payables	2,581	4,039	3,793	6,989	7,644	7,859	10,595	12,871	15,033
Other Current Liabilities	506	459	814	1,220	979	1,310	2,113	2,549	3,015
Provisions	484	157	81	108	173	177	184	222	262
Net Current Assets	**5,920**	**5,864**	**7,795**	**8,346**	**7,636**	**7,145**	**8,256**	**8,325**	**10,664**
Appl. of Funds	**13,033**	**13,790**	**17,124**	**19,422**	**23,865**	**24,644**	**31,633**	**36,883**	**43,762**

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)									
EPS	**4.5**	**5.5**	**5.7**	**5.3**	**8.6**	**13.0**	**20.1**	**25.5**	**36.3**
Cash EPS	5.8	7.3	7.6	7.7	12.0	16.7	24.0	29.8	41.6
BV/Share	20.5	25.4	30.2	34.8	48.9	61.1	81.7	107.9	139.2
DPS	0.8	1.0	1.2	1.2	0.0	0.0	3.5	4.0	5.0
Payout (%)	28.0	22.5	25.3	27.7	0.0	0.0	17.4	15.7	13.8
Valuation (x)									
P/E	233.0	192.9	185.5	197.9	123.3	81.5	52.6	41.4	29.1
Cash P/E	183.4	144.5	138.7	138.0	87.9	63.4	44.0	35.5	25.5
P/BV	51.7	41.7	35.0	30.4	21.6	17.3	13.0	9.8	7.6
EV/Sales	7.1	7.6	5.6	4.2	3.9	3.5	2.3	1.9	1.5
EV/EBITDA	106.5	89.9	81.1	76.7	63.3	43.7	31.5	27.3	19.3
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.0	0.0	0.3	0.4	0.5
FCF per share	0.9	11.6	3.5	4.7	-5.4	24.1	1.6	10.8	25.3
Return Ratios (%)									
RoE	23.7	23.9	20.5	16.5	20.5	23.6	28.2	27.0	29.4
RoCE	14.5	16.1	14.5	12.9	17.4	20.8	25.8	23.2	26.6
RoIC	13.6	15.8	14.1	12.4	15.9	19.9	29.7	28.3	33.3
Working Capital Ratios									
Fixed Asset Turnover (x)	5.8	5.7	5.5	6.2	4.5	4.6	6.3	6.0	6.2
Asset Turnover (x)	3.2	2.8	3.1	3.7	3.2	3.4	4.1	4.3	4.3
Inventory (Days)	51	44	40	40	37	33	24	24	24
Debtor (Days)	19	27	30	28	23	6	10	10	10
Creditor (Days)	22	38	26	36	36	34	30	30	29
Leverage Ratio (x)									
Current Ratio	2.7	2.3	2.7	2.0	1.9	1.8	1.6	1.5	1.6
Interest Cover Ratio	3.6	3.9	3.9	2.9	3.6	8.7	18.8	19.3	28.0
Net Debt/Equity	1.1	0.8	0.9	0.8	0.6	0.1	0.1	0.0	-0.1

Consolidated - Cash Flow Statement **(INR m)**

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	1,630	2,160	2,443	2,269	2,963	5,458	8,323	9,495	13,448
Depreciation	341	509	534	0	959	1,028	1,090	1,190	1,460
Interest & Finance Charges	669	711	789	0	851	302	40	88	14
Direct Taxes Paid	-432	-629	-602	-673	-403	-1,381	-2,133	-2,415	-3,383
(Inc)/Dec in WC	-2,335	330	-2,342	287	725	3,577	-802	-945	-1,030
CF from Operations	**-127**	**3,082**	**823**	**1,884**	**5,096**	**8,983**	**6,517**	**7,412**	**10,509**
Others	240	72	91	1,693	0	0	0	0	0
CF from Operating incl EO	**113**	**3,154**	**914**	**3,576**	**5,096**	**8,983**	**6,517**	**7,412**	**10,509**
(Inc)/Dec in FA	149	61	48	-2,261	-6,591	-2,298	-6,070	-4,421	-3,500
Free Cash Flow	**261**	**3,215**	**961**	**1,316**	**-1,495**	**6,685**	**447**	**2,991**	**7,009**
(Pur)/Sale of Investments	-18	2	2	-390	479	0	-898	-1,950	-2,500
Others	-1,227	-1,761	-1,703	13	1,763	-4,171	1,666	403	466
CF from Investments	**-1,096**	**-1,697**	**-1,654**	**-2,639**	**-4,349**	**-6,468**	**-5,301**	**-5,968**	**-5,534**
Issue of Shares	0	106	100	56	10	1	251	1,284	0
Inc/(Dec) in Debt	1,673	-554	1,807	830	-244	-3,135	603	0	-1,800
Interest Paid	-695	-725	-772	-1,014	-1,073	-661	-445	-496	-480
Dividend Paid	-141	-234	-283	-400	0	0	-970	-1,109	-1,386
Others	-28	-47	-59	0	538	4,403	-470	-2,000	0
CF from Fin. Activity	**809**	**-1,454**	**792**	**-528**	**-768**	**609**	**-1,031**	**-2,321**	**-3,666**
Inc/Dec of Cash	**-175**	**2**	**52**	**410**	**-22**	**3,123**	**185**	**-876**	**1,309**
Opening Balance	188	14	16	68	478	456	3,579	3,764	2,888
Closing Balance	**13**	**16**	**68**	**478**	**456**	**3,579**	**3,764**	**2,888**	**4,197**

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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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