

Aditya Birla Fashion & Retail

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Q2 miss due to growth investments; medium-term prospects remain healthy

ABFRL's Q2 EBITDA was 13-15% lower than our estimates. While revenue was 1-2% ahead of estimates, the full EoSS impact for Pantaloons and higher investments in marketing/Ethnic caused the miss on EBITDA margin. Management seems more confident about beating its FY26 topline target of Rs210bn, which implies a strong 27% FY22-26E CAGR. However, ABFRL indicated a need for higher near-term investments in Ethnic (Tasva) and Innerwear, till both segments achieve critical mass. Among other segments, Lifestyle is already generating surplus FCF and Pantaloons should be able to sustain the strong growth targets on its own. We cut FY24/25E EBITDA by 5-8%, led by 110-160bps reduction in our margin estimates on higher near-term investments. However, we remain confident about ABFRL's FY25-35 growth potential and increase medium-term growth expectations by 300bps, as margin improvement will now be relatively back-ended vs. earlier expectations. We maintain BUY with a Dec-23 TP of Rs380/share, based on 30x Dec-24 EBITDA (Pre-IndAS) vs. 25x earlier.

Result Summary: ABFRL's 3Y revenue CAGR stood at ~9%, led by CAGR of 10% in Lifestyle and of 6% in Pantaloons. Within Lifestyle, the retail/others (incl. online) channels saw higher CAGR, at 22-24%, while the wholesale channel saw slower recovery, at ~80%, due to shut-down of central stores (Future group). Retail channel's 22% CAGR was led by a ~7% CAGR in the retail area, with the balance growth led by a notable gain in rev./sqft. The strong growth was attributed to share gains and lesser impact of inflation on premium consumers. Pantaloons' lower CAGR was owing to a higher inflation-impact on value consumers. Innerwear sales saw robust growth, of 24% on 3Y CAGR basis, led by distribution expansion and brand building. Ethnic business posted sales of Rs1.1bn, albeit EBITDA loss of Rs0.4bn. With Rs7.7bn equity raised from GIC Singapore, net debt reduced to Rs2.4bn vs. Rs6.5bn at Q1-end. Pantaloons saw an addition of 21 stores in Q2 and ABFRL maintained its FY23 target of ~70 additions for both, Pantaloons and Tasva, in FY23. EBITDA margin declined 240bps, owing to the full EoSS impact for Pantaloons and higher investments in marketing/Ethnic.

Earnings-call KTAs: i) In Q2, marketing spends were higher by ~Rs1bn vs. last year. ii) E-com sales sustained and grew 24%. iii) Financials of Reebok will be consolidated w.e.f. Q3FY23. iv) With the recent capital raise, ABFRL plans to ramp up Innerwear/Ethnic (Tasva). v) ABFRL's new value format 'Style-up' is currently in the pilot phase. Company plans to expand this format initially in large towns. vi) Current private label mix for Pantaloons is below ABFRL's expectations. Focus is to increase the private label mix with category expansion (Home/Saree) and the launch of new brands like Marigold Lane. vii) Capex for FY23 is expected at Rs7bn, with Pantaloons absorbing the largest component. viii) D2C: ABFRL plans 8-10 investments by FY23-end, aimed at acquiring majority stake in early-stage ventures.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	52,489	81,362	1,26,106	1,49,950	1,78,089
EBITDA	5,548	10,999	18,594	23,445	28,120
EBITDA Margin (%)	10.6	13.5	14.7	15.6	15.8
APAT	(6,725)	(1,087)	3,440	5,919	8,372
EPS (Rs)	(7.3)	(1.2)	3.6	6.2	8.8
EPS (% chg)	0.0	0.0	0.0	72.1	41.4
ROE (%)	(36.1)	(4.0)	10.3	14.1	17.1
P/E (x)	(44.8)	(284.1)	90.8	52.7	37.3
EV/EBITDA (x)	55.2	28.5	16.9	13.2	10.8
P/BV (x)	11.4	11.1	8.0	7.0	5.9

Source: Company, Emkay Research

CMP	Target Price
Rs 329 as of (November 4, 2022)	Rs 380 (▲) 12 months
Rating	Upside
BUY (■)	15.4 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	-30/-21
Target Price change (%)	5.6
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates		
	FY23E	FY24E
Emkay	3.6	6.2
Consensus	2.7	4.5
Mean Consensus TP (12M)	Rs 351	

Stock Details

Bloomberg Code	ABFRL IN
Face Value (Rs)	10
Shares outstanding (mn)	949
52 Week H/L	360 / 221
M Cap (Rs bn/USD bn)	312 / 3.79
Daily Avg Volume (nos.)	27,00,662
Daily Avg Turnover (USD mn)	10.3

Shareholding Pattern Sep '22

Promoters	56.1%
FIIIs	14.1%
DIIIs	19.4%
Public and Others	10.4%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(1)	20	18	14
Rel. to Nifty	(6)	15	9	12

Relative price trend



Source: Bloomberg

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Exhibit 1: Actual vs. Estimates (Q2FY23)

Rs mn	Actual	Estimates		Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Sales	30,746	30,214	30,608	1.8%	0.5%	Revenue was better than our/street estimates
EBITDA	3,967	4,547	4,658	-12.8%	-14.8%	Higher investments in Ethnic/marketing led to lower EBITDA
EBITDA margin	12.9%	15.0%	15.2%	-215	-231	
PAT	377	946	861	-60.2%	-56.2%	EBITDA miss led to lower PAT

Source: Company, Emkay Research

Exhibit 2: Quarterly performance (Consolidated)

Y/E, March (Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	YoY (%)	QoQ (%)	FY22TD	FY23TD	YoY (%)
Revenue	20,543	29,871	22,828	28,748	30,746	49.7	7.0	28,663	59,494	107.6
Expenditure	17,408	24,050	19,098	24,063	26,779	53.8	11.3	27,215	50,842	86.8
Consumption of RM	9,565	13,529	10,109	12,694	13,803	44.3	8.7	13,564	26,498	95.4
as % of sales	46.6%	45.3%	44.3%	44.2%	44.9%			47.3%	44.5%	
Other expenditure	7,844	10,521	8,989	11,369	12,976	65.4	14.1	13,651	24,345	78.3
as % of sales	38.2%	35.2%	39.4%	39.5%	42.2%			47.6%	40.9%	
EBITDA	3,135	5,821	3,730	4,684	3,967	26.5	-15.3	1,448	8,652	497.5
Depreciation	2,416	2,509	2,668	2,703	2,907	20.3	7.5	4,793	5,609	17.0
EBIT	720	3,312	1,062	1,982	1,061	47.4	-46.5	-3,345	3,042	
Other Income	252	243	267	311	220	-12.6	-29.3	495	531	7.3
Interest	876	884	895	944	1,036	18.3	9.7	1,728	1,980	14.6
PBT	96	2,671	435	1,349	245	155.8	-81.8	-4,578	1,593	
Total Tax	37	727	127	411	-56	-253.0	-113.7	-1,120	354	
Reported PAT	59	1,944	308	938	301	411.2	-67.9	-3,459	1,239	
(Profit)/loss from JVs/Ass/MI	-8	24	11	6	-7			-12	-1	
APAT after MI	55	1,893	436	975	377	586.5	-61.3	-3,417	1,352	
Extra ordinary items	0	0	0	0	0			0	0	
Adjusted PAT	55	1,893	436	975	377	586.5	-61.3	-3,417	1,352	
Adjusted EPS (Rs)	0.1	2.0	0.5	1.0	0.4	578.4	-61.7	-3.7	1.4	
Margins (%)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	(bps)	(bps)	FY22TD	FY23TD	YoY (%)
EBITDA	15.3	19.5	16.3	16.3	12.9	-240.0	-340.0	5.1	14.5	950
EBIT	3.5	11.1	4.7	6.9	3.4	-10.0	-340.0	-11.7	5.1	
EBT	0.5	8.9	1.9	4.7	0.8	30.0	-390.0	-16.0	2.7	
PAT	0.3	6.3	1.9	3.4	1.2	100.0	-220.0	-11.9	2.3	
Effective Tax rate	38.5	27.2	29.3	30.4	-23.0			24.5	22.2	-220

Source: Company, Emkay Research

Exhibit 3: Segment-wise revenue performance

Particulars (Rs mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Segment Revenue													
Madura Fashion (Standalone)	14,630	15,320	12,290	2,370	7,060	12,460	12,170	5,550	13,910	18,760	15,590	18,010	19,870
<i>YoY Growth</i>	<i>16%</i>	<i>14%</i>	<i>-7%</i>	<i>-80%</i>	<i>-52%</i>	<i>-19%</i>	<i>-1%</i>	<i>134%</i>	<i>97%</i>	<i>51%</i>	<i>28%</i>	<i>225%</i>	<i>43%</i>
[A] Lifestyle brands	12,540	12,950	10,720	1,900	5,310	10,260	10,030	4,350	11,560	15,890	13,420	15,190	16,800
<i>YoY Growth</i>	<i>15%</i>	<i>14%</i>	<i>-5%</i>	<i>-81%</i>	<i>-58%</i>	<i>-21%</i>	<i>-6%</i>	<i>129%</i>	<i>118%</i>	<i>55%</i>	<i>34%</i>	<i>249%</i>	<i>45%</i>
[B] Others (Intl./Innerwear)	2,090	2,370	1,570	470	1,750	2,200	2,140	1,200	2,350	2,870	2,170	2,820	3,070
<i>YoY Growth</i>	<i>149%</i>	<i>124%</i>	<i>47%</i>	<i>-77%</i>	<i>-16%</i>	<i>-7%</i>	<i>36%</i>	<i>155%</i>	<i>34%</i>	<i>30%</i>	<i>1%</i>	<i>135%</i>	<i>31%</i>
Pantaloon	9,150	10,830	6,260	822	3,690	8,110	5,970	2,200	6,650	10,660	6,750	10,270	10,940
<i>YoY Growth</i>	<i>16%</i>	<i>13%</i>	<i>-1%</i>	<i>-91%</i>	<i>-60%</i>	<i>-25%</i>	<i>-5%</i>	<i>168%</i>	<i>80%</i>	<i>31%</i>	<i>13%</i>	<i>367%</i>	<i>65%</i>
Less: Inter-segmental revenues	810	520	380	-11	560	-20	300	10	600	700	520	550	1,280
Net Revenues (Standalone)	22,970	25,630	18,170	3,203	10,190	20,590	17,840	7,740	19,960	28,720	21,820	27,730	29,530
<i>YoY Growth</i>	<i>15%</i>	<i>12%</i>	<i>-5%</i>	<i>-85%</i>	<i>-56%</i>	<i>-20%</i>	<i>-2%</i>	<i>142%</i>	<i>96%</i>	<i>39%</i>	<i>22%</i>	<i>258%</i>	<i>48%</i>
Ethnic business	110	192	148	30	100	170	380	380	580	1,140	1,010	1,010	1,090
<i>YoY Growth</i>					<i>-9%</i>	<i>-12%</i>	<i>157%</i>	<i>1167%</i>	<i>480%</i>	<i>571%</i>	<i>166%</i>	<i>166%</i>	<i>88%</i>
Net Revenue (Consol.)	23,080	25,822	18,318	3,233	10,290	20,760	18,220	8,120	20,540	29,860	22,830	28,740	30,620
<i>YoY Growth</i>				<i>-84%</i>	<i>-55%</i>	<i>-20%</i>	<i>-1%</i>	<i>151%</i>	<i>100%</i>	<i>44%</i>	<i>25%</i>	<i>254%</i>	<i>49%</i>

Source: Company, Emkay Research

Exhibit 4: Segment-wise margin performance; Margins were better pre-covid levels across segments except for Pantaloon

Post IndAS-116													
Particulars (Rs mn)	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Segment EBITDA													
Madura Fashion (Standalone)	2,410	2,230	1,210	-1,040	650	2,170	1,880	-790	2,120	3,640	3,080	2,890	2,920
<i>YoY Growth</i>	<i>113%</i>	<i>121%</i>	<i>-14%</i>	<i>-165%</i>	<i>-73%</i>	<i>-3%</i>	<i>55%</i>	<i>-24%</i>	<i>226%</i>	<i>68%</i>	<i>64%</i>	<i>-466%</i>	<i>38%</i>
<i>Margins</i>	<i>16.5%</i>	<i>14.6%</i>	<i>9.8%</i>	<i>-43.9%</i>	<i>9.2%</i>	<i>17.4%</i>	<i>15.4%</i>	<i>-14.2%</i>	<i>15.2%</i>	<i>19.4%</i>	<i>19.8%</i>	<i>16.0%</i>	<i>14.7%</i>
[A] Lifestyle brands	2,180	2,240	1,640	-670	390	1,920	1,760	-570	1,880	3,460	3,120	2,660	2,860
<i>YoY Growth</i>	<i>56%</i>	<i>70%</i>	<i>-3%</i>	<i>-135%</i>	<i>-82%</i>	<i>-14%</i>	<i>7%</i>	<i>-15%</i>	<i>382%</i>	<i>80%</i>	<i>77%</i>	<i>-567%</i>	<i>52%</i>
<i>Margins</i>	<i>17.4%</i>	<i>17.3%</i>	<i>15.3%</i>	<i>-35.3%</i>	<i>7.3%</i>	<i>18.7%</i>	<i>17.5%</i>	<i>-13.1%</i>	<i>16.3%</i>	<i>21.8%</i>	<i>23.2%</i>	<i>17.5%</i>	<i>17.0%</i>
[B] Others (Intl./Innerwear)	230	-10	-430	-370	260	250	120	-220	240	180	-40	230	60
<i>YoY Growth</i>	<i>-235%</i>	<i>-95%</i>	<i>79%</i>	<i>23%</i>	<i>13%</i>	<i>-2600%</i>	<i>-128%</i>	<i>-41%</i>	<i>-8%</i>	<i>-28%</i>	<i>-133%</i>	<i>-205%</i>	<i>-75%</i>
Pantaloon	1,450	1,970	560	-720	710	1,900	860	-550	1,250	2,160	820	2,180	1,760
<i>YoY Growth</i>	<i>179%</i>	<i>124%</i>	<i>331%</i>	<i>-144%</i>	<i>-51%</i>	<i>-4%</i>	<i>54%</i>	<i>-24%</i>	<i>76%</i>	<i>14%</i>	<i>-5%</i>	<i>-496%</i>	<i>41%</i>
<i>Margins</i>	<i>15.8%</i>	<i>18.2%</i>	<i>8.9%</i>	<i>-87.6%</i>	<i>19.2%</i>	<i>23.4%</i>	<i>14.4%</i>	<i>-25.0%</i>	<i>18.8%</i>	<i>20.3%</i>	<i>12.1%</i>	<i>21.2%</i>	<i>16.1%</i>
Elimination	230	-30	40	-20	-30	-190	-20	30	0	20	-70	30	30
Total EBITDA (Standalone)	3,630	4,230	1,730	-1,740	1,390	4,260	2,760	-1,370	3,370	5,780	3,970	5,040	4,650
<i>YoY Growth</i>	<i>125%</i>	<i>127%</i>	<i>16%</i>	<i>-153%</i>	<i>-62%</i>	<i>1%</i>	<i>60%</i>	<i>-21%</i>	<i>142%</i>	<i>36%</i>	<i>44%</i>	<i>-468%</i>	<i>38%</i>
<i>Margins</i>	<i>15.8%</i>	<i>16.5%</i>	<i>9.5%</i>	<i>-54.3%</i>	<i>13.6%</i>	<i>20.7%</i>	<i>15.5%</i>	<i>-17.7%</i>	<i>16.9%</i>	<i>20.1%</i>	<i>18.2%</i>	<i>18.2%</i>	<i>15.7%</i>
Ethnic Business	-70	-10	-50	-80	-40	-30	-240	-70	10	310	50	-40	-470
Total EBITDA (Consol.)	3,560	4,220	1,680	-1,820	1,350	4,230	2,520	-1,440	3,380	6,090	4,020	5,000	4,180
<i>Margins</i>	<i>15.4%</i>	<i>16.3%</i>	<i>9.2%</i>	<i>-56.3%</i>	<i>13.1%</i>	<i>20.4%</i>	<i>13.8%</i>	<i>-17.7%</i>	<i>16.5%</i>	<i>20.4%</i>	<i>17.6%</i>	<i>17.4%</i>	<i>13.7%</i>

Source: Company, Emkay Research

Exhibit 5: Changes in estimates

Rs mn	FY23E			FY24E			FY25E		
	Earlier	Revised	% Change	Earlier	Revised	% Change	Earlier	Revised	% Change
Revenue	1,25,209	1,26,106	0.7	1,48,450	1,49,950	1.0	1,75,993	1,78,089	1.2
Comparable EBITDA*	20,014	18,594	-7.1	24,788	23,445	-5.4	30,641	28,120	-8.2
EBITDA Margin (%)	16.0	14.7	-120 bps	16.7	15.6	-110 bps	17.4	15.8	-160 bps
PAT	4,912	3,440	-30.0	7,494	5,919	-21.0	10,934	8,372	-23.4
EPS (Rs)	5.2	3.6	-30.0	7.9	6.2	-21.0	11.5	8.8	-23.4

Source: Company, Emkay Research, **Post IndAS116 EBITDA****Exhibit 6: Peer Comparison**

Companies	Price (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	EPS (Rs)			P/E (x)			EV / EBITDA (x)*		
					FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
ABFRL	329	312	Buy	380	3.6	6.2	8.8	90.8	52.7	37.3	16.9	13.4	11.2
Jubilant FoodWorks	606	400	Hold	595	8.7	10.9	13.5	70.0	55.8	45.0	29.1	24.4	20.8
Page Industries	49,642	554	Hold	47,800	687.6	814.7	954.0	72.2	60.9	52.0	48.7	41.6	35.8
Titan Company	2,770	2,459	Buy	3,000	39.0	47.9	59.3	71.1	57.8	46.7	47.7	39.1	31.7
Westlife Development	760	118	Buy	650	7.3	11.2	14.0	104.6	67.9	54.3	29.7	23.8	20.1
TCNS Clothing	595	37	Buy	800	14.1	21.7	27.3	42.1	27.4	21.8	13.0	9.6	7.9
Devyani International	188	226	Buy	210	2.4	2.9	3.8	79.1	64.9	49.4	31.0	23.7	19.0
Sapphire Foods	1,431	91	Buy	1,500	22.1	36.4	41.4	64.7	39.3	34.6	18.8	13.8	10.8
Ethos	1,042	24	Buy	1,400	20.5	31.6	43.0	50.8	33.0	24.2	20.1	14.6	11.4

Source: Company, Emkay Research, **Post IndAS116 EBITDA****Exhibit 7: ABFRL growth build-up (on the demand front)**

				Comments	CAGR (%)	CAGR (%)	CAGR (%)
	FY20	FY25E	FY35E		FY20-35E	FY25E-35E	FY35E+
Per capita spend or PCS (USD)	48	71	200	In-line, with similar-size economies	8.1	10.9	6.0
India population (bn)	1.37	1.42	1.52		0.7	0.7	0.3
Organized market share (%)	33.0	35.0	45.0	Expect organized market share to improve	1.2	2.5	1.0
ABFRL market share (%)	5.6	7.1	7.9	Ethnic scale-up should lead the share gains for ABFRL	4.6	1.1	0.2
ABFRL Revenues (Rs bn)	87	178	771		15.3	15.8	7.6
ABFRL EBITDA margin (%)*	5.3	7.1	10.0	Expect stable margins post FY35E	5.9	3.5	0.0
ABFRL EBITDA (Rs bn)	4.7	12.7	77.1		22.1	19.8	7.6
Depreciation (Rs bn)	2.5	4.1	11.6				
Depreciation (% of EBITDA)	53.4	32.4	15.0				
ABFRL EBIT (Rs bn)	2.2	8.6	65.6	Expect 22% CAGR over FY25-35E	31.6	22.6	7.6
ABFRL EBIT margin (%)	2.5	4.8	8.5				

Source: Company, Emkay Research, ***Pre IndAS116 EBITDA**

Exhibit 8: ABFRL (Rs bn): Target EV/EBITDA multiple derived from a two-stage growth model

Revenue CAGR [FY22E-25E] (%)	30
EBITDA CAGR [FY22E-25E] (%)	61
Net debt-to-EV (%)	0
Adj. beta vs Nifty	0.92
Stage-1: FY25E-35E	
Proportionate EBITDA in Yr-0 [FY25E]	12.7
Proportionate EBITDA in Yr-1	15.4
EBITDA CAGR (%)	22.0
Years of growth [n]	10.0
Incremental RoIC (%)	35.0
WACC (%)	12.000
Tax rate (%)	25.2
Sustainable D&A-to-EBITDA (%)	15.0
Net debt to EV (%)	0
Implied FCFF ratio (%)	37
Revenues in FY35E	1,301

Terminal stage

Terminal EBITDA growth (%)	7.5
Incremental RoIC (%)	35.0
Implied FCFF ratio (%)	79
Fair value EV/EBITDA in Mar-25E (x)	26.2
EV in Mar'25E	404
Dec'23 NPV of FCFFs	7
Dec-23E EV	358
Adj. net debt	1.4
Fair value of Equity in Dec-23E (x)	356
Premium applied on fair value [a] (%)	0.0
Fair value of Equity in Dec-23E (x)	356
Dec-24E EBITDA	12.1
Implied fair value EV/EBITDA in Dec-23E (x)	30
Shares outstanding (mn)	948.5
Target price in Dec-23E (Rs/share)	380

Source: Emkay Research; [a] PI note we have reduced front-loading premium to 0% from 5%, to account for back-ended growth vs. earlier expectations

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	52,489	81,362	1,26,106	1,49,950	1,78,089
Expenditure	46,942	70,363	1,07,512	1,26,505	1,49,969
EBITDA	5,548	10,999	18,594	23,445	28,120
Depreciation	9,628	9,970	11,738	13,510	15,343
EBIT	(4,080)	1,029	6,856	9,935	12,776
Other Income	734	1,006	1,500	1,000	1,500
Interest expenses	5,026	3,507	4,164	3,498	3,627
PBT	(8,372)	(1,473)	4,192	7,437	10,649
Tax	(1,015)	(266)	1,006	1,874	2,684
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	(638)	(73)	(302)	(256)	(266)
Reported Net Income	(6,725)	(1,087)	3,440	5,919	8,372
Adjusted PAT	(6,725)	(1,087)	3,440	5,919	8,372

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	9,151	9,383	9,485	9,485	9,485
Reserves & surplus	17,287	18,350	29,388	35,307	43,679
Net worth	26,438	27,733	38,873	44,792	53,164
Minority Interest	325	152	(102)	(458)	(864)
Loan Funds	11,364	12,323	5,000	0	0
Net deferred tax liability	(3,588)	(4,033)	(4,033)	(4,033)	(4,033)
Total Liabilities	34,538	36,176	39,738	40,301	48,267
Net block	29,496	29,779	32,823	33,680	34,679
Investment	4,198	6,860	0	0	0
Current Assets	39,422	51,568	68,584	73,783	89,792
Cash & bank balance	2,618	1,205	3,596	1,929	7,505
Other Current Assets	10,939	13,416	14,757	16,233	18,668
Current liabilities & Provision	38,954	53,057	62,695	68,188	77,230
Net current assets	468	(1,489)	5,890	5,595	12,562
Misc. exp	0	0	0	0	0
Total Assets	34,538	36,176	39,738	40,301	48,267

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	(8,372)	(1,473)	4,192	7,437	10,649
Other Non-Cash items	0	0	0	0	0
Chg in working cap	11,425	544	(4,988)	(1,372)	(1,391)
Operating Cashflow	16,350	11,365	12,599	20,199	24,045
Capital expenditure	(9,420)	(3,509)	(7,000)	(4,500)	(4,500)
Free Cash Flow	6,929	7,855	5,599	15,699	19,545
Investments	(3,443)	(2,638)	6,081	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(11,185)	(5,165)	1,360	(3,500)	(3,000)
Equity Capital Raised	22,470	2,618	7,700	0	0
Loans Taken / (Repaid)	(16,399)	960	(7,323)	(5,000)	0
Dividend paid (incl tax)	0	0	0	0	0
Other Financing Cash Flow	(8,492)	(9,825)	(11,253)	(13,165)	(15,469)
Financing Cashflow	(5,198)	(7,612)	(11,569)	(18,365)	(15,469)
Net chg in cash	(33)	(1,412)	2,390	(1,667)	5,576
Opening cash position	2,651	2,618	1,205	3,596	1,929
Closing cash position	2,618	1,205	3,596	1,929	7,505

Source: Company, Emkay Research

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Key Ratios

Profitability (%)	FY21	FY22	FY23E	FY24E	FY25E
EBITDA Margin	10.6	13.5	14.7	15.6	15.8
EBIT Margin	(7.8)	1.3	5.4	6.6	7.2
Effective Tax Rate	12.1	18.0	24.0	25.2	25.2
Net Margin	(14.0)	(1.5)	2.5	3.7	4.5
ROCE	(9.4)	5.8	22.0	27.3	32.2
ROE	(36.1)	(4.0)	10.3	14.1	17.1
RoIC	(12.1)	3.1	16.8	20.5	24.8

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	(7.3)	(1.2)	3.6	6.2	8.8
CEPS	3.2	9.5	16.0	20.5	25.0
BVPS	28.9	29.6	41.0	47.2	56.0
DPS	0.0	0.0	0.0	0.0	0.0

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	(44.8)	(284.1)	90.8	52.7	37.3
P/CEPS	103.8	34.8	20.6	16.1	13.2
P/BV	11.4	11.1	8.0	7.0	5.9
EV / Sales	5.8	3.9	2.5	2.1	1.7
EV / EBITDA	55.2	28.5	16.9	13.2	10.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Gearing Ratio (x)	FY21	FY22	FY23E	FY24E	FY25E
Net Debt/ Equity	0.2	0.2	0.0	0.0	(0.1)
Net Debt/EBIDTA	1.0	0.5	0.1	(0.1)	(0.3)
Working Cap Cycle (days)	(14.9)	(12.1)	6.6	8.9	10.4

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	(40.4)	55.0	55.0	18.9	18.8
EBITDA	(57.0)	98.3	69.0	26.1	19.9
EBIT	(198.5)	0.0	566.3	44.9	28.6
PAT	0.0	0.0	0.0	72.1	41.4

Quarterly (Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Revenue	20,543	29,871	22,828	28,748	30,746
EBITDA	3,135	5,821	3,730	4,684	3,967
EBITDA Margin (%)	15.3	19.5	16.3	16.3	12.9
PAT	55	1,893	436	975	377
EPS (Rs)	0.1	2.0	0.5	1.0	0.4

Source: Company, Emkay Research

Shareholding Pattern (%)	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
Promoters	56.1	56.1	56.1	56.1	56.1
FII	13.8	13.5	13.2	13.2	14.1
DII	17.8	18.8	19.5	19.6	19.4
Public and Others	12.3	11.6	11.2	11.1	10.4

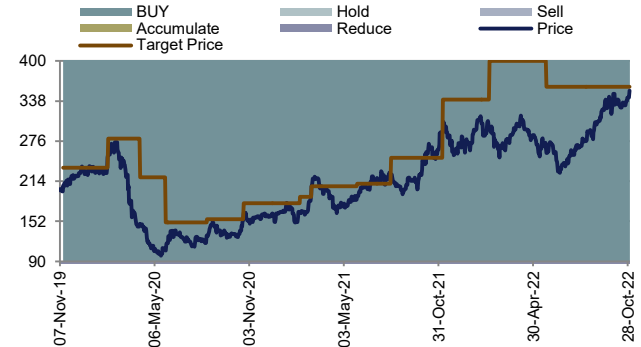
Source: Capitaline

RECOMMENDATION HISTORY (Rs/share)

Date	Closing Price	TP	Period	Rating	Analyst
22-Jun-22	232	360	12m	Buy	Ashit Desai
25-May-22	258	360	12m	Buy	Ashit Desai
08-Apr-22	308	400	12m	Buy	Ashit Desai
05-Feb-22	296	400	12m	Buy	Ashit Desai
14-Dec-21	283	340	12m	Buy	Ashit Desai
25-Nov-21	277	340	12m	Buy	Ashit Desai
08-Nov-21	289	340	12m	Buy	Ashit Desai
25-Aug-21	198	250	12m	Buy	Ashit Desai
01-Aug-21	224	250	12m	Buy	Ashit Desai
28-May-21	191	210	12m	Buy	Ashit Desai
02-Mar-21	206	206	12m	Buy	Ashit Desai
08-Feb-21	164	190	12m	Buy	Ashit Desai
06-Nov-20	153	180	12m	Buy	Ashit Desai
23-Oct-20	165	180	12m	Buy	Ashit Desai
14-Aug-20	129	155	12m	Buy	Ashit Desai
27-May-20	107	150	12m	Buy	Ashit Desai
14-Apr-20	143	220	12m	Buy	Ashit Desai
08-Apr-20	147	220	12m	Buy	Ashit Desai
07-Feb-20	257	280	12m	Buy	Ashit Desai
25-Dec-19	225	235	12m	Buy	Ashit Desai
13-Nov-19	207	235	12m	Buy	Ashit Desai

Source: Company, Emkay Research

RECOMMENDATION HISTORY (Rs/share)



Source: Bloomberg, Company, Emkay Research

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SELL	Below -5%

Completed Date: 06 Nov 2022 20:56:33 (SGT)
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