

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR150 TP: INR200 (+33%) Buy**

**Margin remains under pressure; sequential improvement visible**

**Earnings above our estimate**

Bloomberg	EPLL IN
Equity Shares (m)	316
M.Cap.(INRb)/(USD\$)	47.4 / 0.6
52-Week Range (INR)	230 / 147
1, 6, 12 Rel. Per (%)	-14/-20/-32
12M Avg Val (INR M)	66

- EPLL reported a subdued operating performance (a contraction of 270bp YoY), led by input cost pressures and a currency devaluation, while revenue improved by 9% on back of strong demand and price hikes across regions.
- We largely maintain our FY23/FY24 earnings estimate and maintain our Buy rating with a TP of INR200.

**Broad based revenue growth offset by a weak margin**

**Financials & Valuations (INR b)**

Y/E Mar	2022	2023E	2024E
Sales	34.3	37.7	43.8
EBITDA	5.8	6.2	7.9
PAT	2.1	2.1	3.2
EBITDA (%)	16.8	16.5	18.1
EPS (INR)	6.8	6.7	10.2
EPS Gr. (%)	-16.0	-0.9	51.1
BV/Sh. (INR)	57.7	59.9	65.1

**Ratios**

Net D/E	0.3	0.3	0.2
RoE (%)	12.2	11.4	16.3
RoCE (%)	11.0	10.5	14.6
Payout (%)	63.4	67.2	49.2

**Valuations**

P/E (x)	22.1	22.3	14.8
EV/EBITDA (x)	9.1	8.5	6.5
Div Yield (%)	2.9	3.0	3.3
FCF Yield (%)	0.9	2.8	7.0

- Revenue grew 9% YoY to INR9.5b (est. INR9.1b) on the back of broad based growth across all regions, except EAP (up 1%). EBITDA margin contracted by 270bp YoY to 15.7% (est. 16.1%) on higher input cost and impact from the currency devaluation. EBITDA fell 7% YoY to INR1.5b (est. INR1.5b). Adjusted PAT declined by 9% YoY to INR462m (est. INR429m).

- Revenue from AMESA/EAP/Americas/Europe grew 17%/1%/20%/9% YoY to INR3.6b/INR2.2b/INR2.2b/INR2.1b on the back of strong price action. EBIT margin contracted by 220bp/430bp/60bp YoY to 9.3%/4.8%/3.4% for AMESA/Americas/Europe, while the same for EAP expanded by 90bp to 17.4%. Margin was impacted by continuing raw material inflation and currency devaluation.

- The Oral Care/Personal care segment grew 17%/31% YoY in 2QFY23, with the share of Personal care segment improving by 260bp YoY to ~48%.
- Revenue grew 7% YoY to INR17.8b, while EBITDA/adjusted PAT fell 10%/26% to INR2.7b/INR807m in 1HFY23. CFO stood ~INR2.1b v/s INR1.8b in 1HFY22.

**Shareholding pattern (%)**

	Sep-22	Jun-22	Sep-21
Promoter	51.9	51.9	51.9
DII	15.9	13.9	14.8
FII	12.2	14.7	14.7
Others	20.0	19.5	18.6

Note: FII includes depository receipts

**Highlights from the management commentary**

- **Guidance:** EPLL is targeting double-digit revenue growth in FY23, led by a robust pipeline. Gross margin is expected to improve sequentially, with the softening of raw material prices, a better EBITDA margin, aggressive price hikes, and cost optimization measures.
- The management expects an improvement in the EAP region going forward. However, China's zero tolerance policy towards COVID-19 cases will be a hurdle. It expects a huge operating leverage once the region normalizes.
- Its **Brazil** project is on track, with the first commercial delivery expected by the end of FY23. Apart from the anchor customer, many local and global players are showing interest in this supply base.

**Valuation and view**

- With the softening of raw material prices and price hikes taken across regions in recent months, we expect a sequential recovery in margin witnessed in 2QFY23 to continue going forwards.
- We expect a revenue/EBITDA/adjusted PAT CAGR of 13%/17%/22% over FY22-24.
- We largely maintain our FY23/FY24 earnings estimate. We value the stock at 20x FY24E EPS to arrive at TP of INR200. We maintain our Buy rating.

## Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY22				FY23				FY22	FY23E	FY23E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Gross Sales</b>	<b>7,991</b>	<b>8,701</b>	<b>8,834</b>	<b>8,802</b>	<b>8,318</b>	<b>9,481</b>	<b>10,078</b>	<b>9,804</b>	<b>34,328</b>	<b>37,682</b>	<b>9,083</b>	<b>4</b>
YoY Change (%)	7.8	13.0	14.9	8.6	4.1	9.0	14.1	11.4	11.1	9.8	4.4	
Total Expenditure	6,542	7,107	7,447	7,471	7,062	7,995	8,354	8,049	28,567	31,460	7,617	
<b>EBITDA</b>	<b>1,449</b>	<b>1,594</b>	<b>1,387</b>	<b>1,331</b>	<b>1,256</b>	<b>1,486</b>	<b>1,724</b>	<b>1,756</b>	<b>5,761</b>	<b>6,222</b>	<b>1,466</b>	<b>1</b>
Margins (%)	18.1	18.3	15.7	15.1	15.1	15.7	17.1	17.9	16.8	16.5	16.1	
Depreciation	619	622	642	631	652	664	680	702	2,514	2,698	660	
Interest	89	97	103	114	122	157	150	145	403	574	110	
Other Income	53	14	31	22	42	68	35	25	120	170	15	
<b>PBT before EO expense</b>	<b>794</b>	<b>889</b>	<b>673</b>	<b>608</b>	<b>524</b>	<b>733</b>	<b>929</b>	<b>934</b>	<b>2,964</b>	<b>3,120</b>	<b>711</b>	
Extra-Ord expense	0	0	0	0	11	0	0	0	0	11	0	
<b>PBT</b>	<b>794</b>	<b>889</b>	<b>673</b>	<b>608</b>	<b>513</b>	<b>733</b>	<b>929</b>	<b>934</b>	<b>2,964</b>	<b>3,109</b>	<b>711</b>	
Tax	189	297	82	107	141	249	251	252	675	893	192	
Rate (%)	23.8	33.4	12.2	17.6	27.5	34.0	27.0	27.0	22.8	28.7	27.0	
MI & Profit/Loss of Asso. Cos.	-26	-85	-20	-14	-38	-22	-24	-17	-145	-101	-90	
<b>Reported PAT</b>	<b>579</b>	<b>507</b>	<b>571</b>	<b>487</b>	<b>334</b>	<b>462</b>	<b>654</b>	<b>664</b>	<b>2,144</b>	<b>2,115</b>	<b>429</b>	
<b>Adj PAT</b>	<b>579</b>	<b>507</b>	<b>571</b>	<b>487</b>	<b>345</b>	<b>462</b>	<b>654</b>	<b>664</b>	<b>2,144</b>	<b>2,126</b>	<b>429</b>	<b>8</b>
YoY Change (%)	-4.3	-24.3	-19.5	-14.3	-40.4	-8.9	14.6	36.4	-16.0	-0.8	-15.4	
Margins (%)	7.2	5.8	6.5	5.5	4.1	4.9	6.5	6.8	6.2	5.6	4.7	

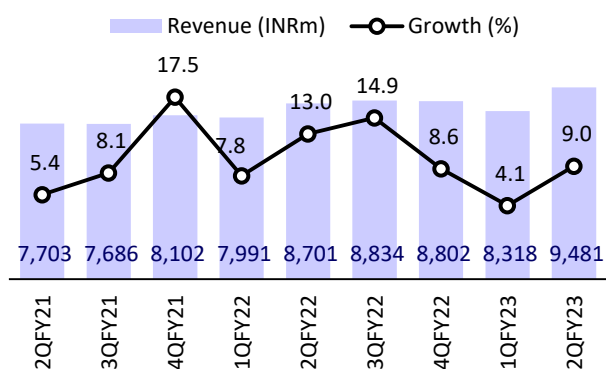
## Exhibit 1: Key performance indicators

Y/E March	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
<b>Segment Revenue Gr. (%)</b>									
AMESA	6	-6	28	29	19	36	14	13	17
EAP	9	17	37	2	12	20	7	-6	1
Americas	-7	19	2	9	22	9	12	20	20
Europe	11	9	6	-10	-3	-2	4	11	9
<b>Segment EBIT Margin (%)</b>									
AMESA	15	13	8	11	11	11	9	10	9
EAP	21	19	12	17	17	17	8	13	17
Americas	10	12	12	7	9	3	10	5	5
Europe	8	6	9	6	4	-1	5	2	3
<b>Cost Break-up as a percentage of sales</b>									
RM Cost	42	40	43	42	43	45	46	44	46
Employee Cost	19	20	19	19	19	19	18	20	18
Other Cost	17	19	20	20	19	20	20	21	20
Gross Margin (%)	58	60	57	58	57	55	54	56	54
EBITDA Margin (%)	22	21	17	18	18	16	15	15	16
EBIT Margin (%)	14	13	10	10	11	8	8	7	9

Source: Company, MOFSL

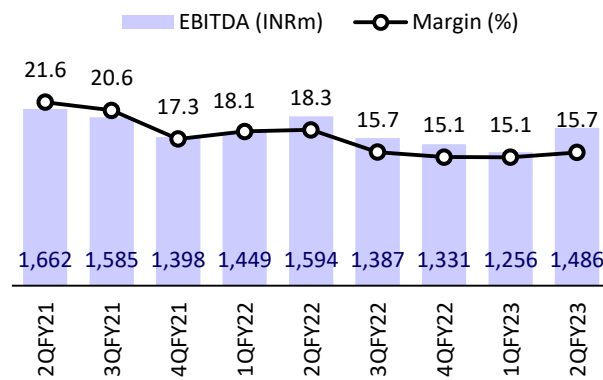
## Key exhibits

**Exhibit 2: Consolidated revenue trend**



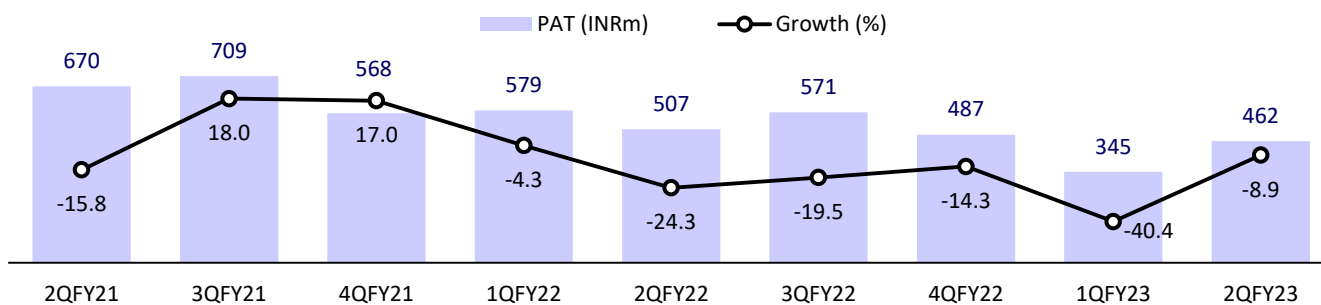
Source: Company, MOFSL

**Exhibit 3: Consolidated EBITDA trend**



Source: Company, MOFSL

**Exhibit 4: Consolidated adjusted PAT trend**



Source: Company, MOFSL

**Exhibit 5: AMESA region**

	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Revenue (INR m)	2,590	2,376	2,766	2,819	3,075	3,225	3,140	3,197	3,595
Growth (%)	6	-6	28	29	19	36	14	13	17
EBIT (INR m)	384	315	224	311	352	353	277	309	333
Margin (%)	15	13	8	11	11	11	9	10	9
Growth (%)	49	-15	-7	94	-8	12	24	-1	-5

Source: Company, MOFSL

**Exhibit 6: EAP region**

	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Revenue (INR m)	1,908	2,043	1,849	2,060	2,136	2,459	1,971	1,928	2,166
Growth (%)	9	17	37	2	12	20	7	-6	1
EBIT (INR m)	395	385	216	345	353	419	160	247	377
Margin (%)	21	19	12	17	17	17	8	13	17
Growth (%)	15	18	45	-21	-11	9	-26	-28	7

Source: Company, MOFSL

**Exhibit 7: Americas region**

	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Revenue (INR m)	1,528	1,736	1,749	1,639	1,860	1,899	1,964	1,973	2,226
Growth (%)	-7	19	2	9	22	9	12	20	20
EBIT (INR m)	155	201	202	119	168	53	189	105	106
Margin (%)	10	12	12	7	9	3	10	5	5
Growth (%)	-37	-7	-32	-23	8	-74	-6	-12	-37

Source: Company, MOFSL

## Exhibit 8: Europe region

	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Revenue (INR m)	1,939	1,768	2,002	1,784	1,882	1,732	2,086	1,972	2,050
Growth (%)	11	9	6	-10	-3	-2	4	11	9
EBIT (INR m)	158	99	189	99	75	-22	104	34	70
Margin (%)	8	6	9	6	4	-1	5	2	3
Growth (%)	35	2	40	-45	-53	-122	-45	-66	-7

Source: Company, MOFSL



## Highlights from the management commentary

### Geographical Segment

- The **Americas** business saw strong growth in topline led by hire realization and strong demand; however, margins were impacted majorly due to higher wage cost along with higher input cost.
- Labor availability is still an issue in that region hurting margins.
- EPLL have taken price hikes in Q2 which will be reflected in Q3
- The management believes the EAP region to improve going forward however the zero tolerance policy for covid-19 in China will be a hurdle. The management expects the company to get a huge operating leverage once the region normalizes.
- Brazil project is on track for first commercial delivery by end of FY23.
- Several Local and global players are sowing interest in the Brazil supply base.
- Capex Commitment of INR1.38b for FY23 in Brazil.

### Oral and Non Oral Segment

- **Oral care** segment grew by 5% YoY in 1HFY23 to INR8.7b with wallet share gain with marquee global consumer companies.
- Partial recovery of travel and sample tubes leading to Oral care growth in Americas
- Also, EPLL commercialized five brands with sustainable Platina tubes globally under oral care category.
- 'Personal Care & beyond' category has grown at a 15.3% CAGR over the last 12 years and continues to be the major growth driver for EPL in FY23.
- The personal care and beyond segment grew by 17.7% YoY in 1HFY23 with revenue contribution improvement by 260bp to 48%.

### Customer Concentration

- Under Oral care there are four major customers having majority of the market share globally.
- In some regions EPLL is bigger supplier to them and in some they will be second but overall in most of the regions EPLL is the market leader.
- Under Personal Care & beyond there are many customers as it is fragmented market.

### Costs

- The consumption cost (includes Polymer, aluminum and other costs) peaked in 2QFY23 with all the raw material prices touching their peak. Since there all the prices have softened. This will lead to consumption cost to come down sequentially. The management indicated that there will be some inventory loss in 3QFY23.

- Currency devaluation against USD impacted the overall margins across regions as the company buys majority of its polymer requirement from China in USD. Devaluation of other currencies against USD results in increase in the landed cost of polymers.
- Majority of the region's currency witnessed devaluation against USD.
- Freight cost has declined in 2QFY23 and will be positive for the company.
- The management guided improvement in EBITDA/tube going forward.
- EPLL has a comprehensive plan in place to control and recover costs through price increases for contractual and non-contractual customers, improvement in mix focusing on VAP contribution, increased in-house manufacturing for caps and closures (benefit of which has already started to accrue), and through a further reduction of scrap and waste.

#### Other key highlights

- **Capex:** The management has stuck to its earlier capex guidance of FY23, which will be around the average of last three-to-four year's depreciation.
- **Price increases:** EPLL took continuous price hikes each month and has successfully been able to increase its intensity on undertaking price hikes.
- Innovation - EPLL continues to lead the industry in innovation and design destruction.
- The company received the first commercial order for Neon seam - Minimizing Visual Impact of Side Seam tubes.
- EPLL received approval from Association of Plastics Recyclers (APR) for Platina Pro ME and Platina Pro Vision. Pro Me provides a metallic look while vision provides a transparent look.
- In addition to five oral brands globally, two more brands in 'Personal Care & beyond' category embrace Platina solution. The company is on track to double Platina volume in FY23.
- The company has continued its focus on customer conversion to sustainable solutions.
- Albea are larger player in the western part of the world while EPLL is largest in Asia market. In western part EPLL's share in oral care is largest but Albea have larger share in B&C segment.

#### Guidance

- EPLL is expects a double digit revenue growth with margin recovery led by continued focus on margin improvement plan.
- The company will look to be aggressive on looking for new business along with cost control measures in place.

### Valuation and view

- We expect EPLL's earnings momentum to improve, led by: a) growing revenue contribution from B&C and the Pharma segment, b) a gradual shift to laminated tubes from aluminum tubes and rigid packaging, c) customer additions across geographies as well as greater cross-selling opportunities, d) its entry into the Brazil market, and e) a focus on sustainability, which will propel double-digit profitable growth.
- With the softening of raw material prices and aggressive price hikes in recent months, we expect a sequential recovery in margin witnessed in 2QFY23 to continue going onwards.
- We expect a revenue/EBITDA/adjusted PAT CAGR of 13%/17%/22% over FY22-24E. We largely maintain our FY23/FY24 earnings estimate. We value the stock at 20x FY24E EPS to arrive at TP of INR200. We maintain our Buy rating.

#### Exhibit 9: Change in our estimates

(INR m)	Old estimate		New estimate		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Revenue	36,770	41,869	37,681	43,756	2	5
EBITDA	6,193	8,074	6,222	7,909	0	-2
Adj. PAT	2,159	3,358	2,126	3,212	-2	-4

Source: Company, MOFSL

## Financials and valuations

Consolidated - Income Statement									(INRm)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Total Income from Operations</b>	<b>21,275</b>	<b>23,023</b>	<b>24,239</b>	<b>27,069</b>	<b>27,614</b>	<b>30,916</b>	<b>34,328</b>	<b>37,681</b>	<b>43,756</b>
Change (%)	-8.4	8.2	5.3	11.7	2.0	12.0	11.0	9.8	16.1
Raw material cost	9,235	10,079	10,366	11,648	11,581	12,934	15,176	16,067	18,378
Employees Cost	3,744	4,052	4,338	5,006	5,311	6,064	6,500	6,898	7,876
Other Expenses	4,258	4,673	4,886	5,424	5,147	5,807	6,891	8,495	9,594
<b>Total Expenditure</b>	<b>17,237</b>	<b>18,804</b>	<b>19,590</b>	<b>22,078</b>	<b>22,039</b>	<b>24,805</b>	<b>28,567</b>	<b>31,460</b>	<b>35,848</b>
% of Sales	81.0	81.7	80.8	81.6	79.8	80.2	83.2	83.5	81.9
<b>EBITDA</b>	<b>4,038</b>	<b>4,219</b>	<b>4,649</b>	<b>4,991</b>	<b>5,575</b>	<b>6,111</b>	<b>5,761</b>	<b>6,222</b>	<b>7,909</b>
Margin (%)	19.0	18.3	19.2	18.4	20.2	19.8	16.8	16.5	18.1
Depreciation	1,232	1,415	1,671	1,861	2,298	2,346	2,514	2,698	2,977
<b>EBIT</b>	<b>2,806</b>	<b>2,804</b>	<b>2,978</b>	<b>3,130</b>	<b>3,277</b>	<b>3,765</b>	<b>3,247</b>	<b>3,524</b>	<b>4,932</b>
Int. and Finance Charges	609	581	550	613	556	429	403	574	553
Other Income	238	353	264	285	133	145	120	170	175
<b>PBT bef. EO Exp.</b>	<b>2,435</b>	<b>2,576</b>	<b>2,691</b>	<b>2,802</b>	<b>2,854</b>	<b>3,481</b>	<b>2,964</b>	<b>3,120</b>	<b>4,554</b>
EO Items	23	157	-50	31	-94	-161	0	-11	0
<b>PBT after EO Exp.</b>	<b>2,459</b>	<b>2,732</b>	<b>2,642</b>	<b>2,833</b>	<b>2,760</b>	<b>3,320</b>	<b>2,964</b>	<b>3,109</b>	<b>4,554</b>
Total Tax	776	787	889	932	638	868	675	893	1,229
Tax Rate (%)	31.6	28.8	33.7	32.9	23.1	26.1	22.8	28.7	27.0
Profit/loss from associates	48.4	10.5	-10.4	53.2	-6.0	-9.0	-76	-39	-43
Minority Interest	30	53	26	29	43	52	69	62	69
<b>Reported PAT</b>	<b>1,701</b>	<b>1,903</b>	<b>1,716</b>	<b>1,925</b>	<b>2,073</b>	<b>2,391</b>	<b>2,144</b>	<b>2,115</b>	<b>3,212</b>
<b>Adjusted PAT</b>	<b>1,678</b>	<b>1,747</b>	<b>1,766</b>	<b>1,895</b>	<b>2,167</b>	<b>2,552</b>	<b>2,144</b>	<b>2,126</b>	<b>3,212</b>
Change (%)	24.2	4.1	1.1	7.3	14.4	17.8	-16.0	-0.9	51.1
Margin (%)	7.9	7.6	7.3	7.0	7.8	8.3	6.2	5.6	7.3

### Consolidated - Balance Sheet

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	314	314	315	631	631	631	632	632	632
Total Reserves	9,334	10,076	12,191	13,249	14,695	16,350	17,613	18,306	19,938
<b>Net Worth</b>	<b>9,648</b>	<b>10,390</b>	<b>12,506</b>	<b>13,880</b>	<b>15,326</b>	<b>16,981</b>	<b>18,245</b>	<b>18,938</b>	<b>20,570</b>
Minority Interest	81	57	43	52	86	333	336	336	336
Total Loans	7,014	7,924	7,299	6,313	6,432	5,536	6,572	6,572	5,072
Deferred Tax Liabilities	305	317	357	510	475	543	619	619	619
<b>Capital Employed</b>	<b>17,048</b>	<b>18,688</b>	<b>20,204</b>	<b>20,754</b>	<b>22,319</b>	<b>23,393</b>	<b>25,772</b>	<b>26,465</b>	<b>26,597</b>
Gross Block	10,470	15,637	17,691	20,495	22,434	25,500	27,236	29,536	33,136
Less: Accum. Deprn.	1,229	3,984	5,992	7,564	9,862	12,208	14,722	17,420	20,396
<b>Net Fixed Assets</b>	<b>9,242</b>	<b>11,652</b>	<b>11,699</b>	<b>12,931</b>	<b>12,572</b>	<b>13,292</b>	<b>12,514</b>	<b>12,116</b>	<b>12,739</b>
Goodwill on Consolidation	0	142	142	142	142	1,159	1,159	1,159	1,159
Capital WIP	571	193	417	413	352	273	1,466	2,766	1,466
<b>Total Investments</b>	<b>304</b>	<b>153</b>	<b>131</b>	<b>168</b>	<b>160</b>	<b>149</b>	<b>72</b>	<b>72</b>	<b>72</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>10,073</b>	<b>10,254</b>	<b>12,032</b>	<b>11,547</b>	<b>14,833</b>	<b>15,241</b>	<b>17,715</b>	<b>18,248</b>	<b>20,352</b>
Inventory	1,987	2,460	2,864	3,234	3,692	4,149	5,941	6,292	6,875
Account Receivables	3,312	3,766	4,590	4,934	4,903	5,891	6,367	7,020	8,152
Cash and Bank Balance	844	1,028	1,735	1,344	3,715	2,414	1,927	1,356	1,168
Loans and Advances	3,930	3,000	2,843	2,035	2,523	2,787	3,480	3,580	4,157
<b>Curr. Liability &amp; Prov.</b>	<b>3,141</b>	<b>3,707</b>	<b>4,217</b>	<b>4,447</b>	<b>5,740</b>	<b>6,721</b>	<b>7,154</b>	<b>7,896</b>	<b>9,191</b>
Account Payables	1,282	1,473	1,884	2,065	3,538	4,222	4,547	4,999	5,696
Other Current Liabilities	1,603	1,834	2,037	2,113	1,942	2,163	2,268	2,525	3,063
Provisions	257	400	295	269	260	336	339	372	432
<b>Net Current Assets</b>	<b>6,932</b>	<b>6,547</b>	<b>7,815</b>	<b>7,100</b>	<b>9,093</b>	<b>8,520</b>	<b>10,561</b>	<b>10,352</b>	<b>11,160</b>
<b>Appl. of Funds</b>	<b>17,048</b>	<b>18,688</b>	<b>20,204</b>	<b>20,754</b>	<b>22,319</b>	<b>23,393</b>	<b>25,772</b>	<b>26,465</b>	<b>26,597</b>



## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>							-16%	-1%	51%
<b>EPS</b>	<b>5.3</b>	<b>5.5</b>	<b>5.6</b>	<b>6.0</b>	<b>6.9</b>	<b>8.1</b>	<b>6.8</b>	<b>6.7</b>	<b>10.2</b>
Cash EPS	9.2	10.0	10.9	11.9	14.1	15.5	14.7	15.3	19.6
BV/Share	30.5	32.9	39.6	43.9	48.5	53.7	57.7	59.9	65.1
DPS	0.8	1.1	1.2	1.2	3.3	4.1	4.3	4.5	5.0
Payout (%)	17.8	21.8	26.4	23.6	56.7	54.2	63.4	67.2	49.2
<b>Valuation (x)</b>									
P/E	28.2	27.1	26.8	25.0	21.9	18.6	22.1	22.3	14.8
Cash P/E	16.3	15.0	13.8	12.6	10.6	9.7	10.2	9.8	7.7
P/BV	4.9	4.6	3.8	3.4	3.1	2.8	2.6	2.5	2.3
EV/Sales	2.5	2.4	2.2	1.9	1.8	1.6	1.5	1.4	1.2
EV/EBITDA	13.3	12.9	11.4	10.5	9.0	8.3	9.1	8.5	6.5
Dividend Yield (%)	0.5	0.7	0.8	0.8	2.2	2.7	2.9	3.0	3.3
FCF per share	5.2	5.1	6.5	1.8	9.0	5.8	1.4	4.2	10.6
<b>Return Ratios (%)</b>									
RoE	19.5	17.4	15.4	14.4	14.8	15.8	12.2	11.4	16.3
RoCE	12.4	12.9	11.3	11.5	12.5	13.0	11.0	10.5	14.6
RoIC	12.7	12.2	11.2	11.4	13.6	14.4	11.7	11.3	15.6
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	2.0	1.5	1.4	1.3	1.2	1.2	1.3	1.3	1.3
Asset Turnover (x)	1.2	1.2	1.2	1.3	1.2	1.3	1.3	1.4	1.6
Inventory (Days)	34	39	43	44	49	49	63	61	57
Debtor (Days)	57	60	69	67	65	70	68	68	68
Creditor (Days)	22	23	28	28	47	50	48	48	48
<b>Leverage Ratio (x)</b>									
Current Ratio	3.2	2.8	2.9	2.6	2.6	2.3	2.5	2.3	2.2
Interest Cover Ratio	4.6	4.8	5.4	5.1	5.9	8.8	8.1	6.1	8.9
Net Debt/Equity	0.6	0.7	0.4	0.4	0.2	0.2	0.3	0.3	0.2

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	2,507	2,743	2,631	2,886	2,854	3,311	2,888	3,120	4,554
Depreciation	1,232	1,415	1,671	1,861	2,298	2,346	2,514	2,698	2,977
Interest & Finance Charges	320	284	277	380	423	381	355	404	378
Direct Taxes Paid	-833	-764	-816	-901	-638	-866	-776	-893	-1,229
(Inc)/Dec in WC	475	494	-488	-404	-127	-380	-2,217	-362	-996
<b>CF from Operations</b>	<b>3,701</b>	<b>4,172</b>	<b>3,276</b>	<b>3,821</b>	<b>4,811</b>	<b>4,792</b>	<b>2,764</b>	<b>4,967</b>	<b>5,683</b>
Others	-93	-485	159	-257	-100	432	353	-50	-43
<b>CF from Operating incl EO</b>	<b>3,608</b>	<b>3,687</b>	<b>3,435</b>	<b>3,564</b>	<b>4,711</b>	<b>5,224</b>	<b>3,117</b>	<b>4,917</b>	<b>5,640</b>
(Inc)/Dec in FA	-1,959	-2,069	-1,375	-3,003	-1,878	-3,396	-2,668	-3,600	-2,300
<b>Free Cash Flow</b>	<b>1,650</b>	<b>1,618</b>	<b>2,060</b>	<b>561</b>	<b>2,833</b>	<b>1,828</b>	<b>449</b>	<b>1,317</b>	<b>3,340</b>
(Pur)/Sale of Investments	0	98	1	2	8	5	4	0	0
Others	1,230	-769	184	1,122	680	586	22	170	175
<b>CF from Investments</b>	<b>-729</b>	<b>-2,740</b>	<b>-1,189</b>	<b>-1,879</b>	<b>-1,190</b>	<b>-2,805</b>	<b>-2,642</b>	<b>-3,430</b>	<b>-2,125</b>
Issue of Shares	0	7	510	53	0	7	50	0	0
Inc/(Dec) in Debt	-1,760	546	-1,199	-1,028	119	-1,219	1,031	0	-1,500
Interest Paid	-498	-392	-372	-485	-556	-321	-278	-574	-553
Dividend Paid	-341	-414	-478	-478	-1,176	-1,341	-1,380	-1,422	-1,580
Others	-600	-508	-1	-138	469	-317	-377	-62	-69
<b>CF from Fin. Activity</b>	<b>-3,200</b>	<b>-762</b>	<b>-1,539</b>	<b>-2,076</b>	<b>-1,143</b>	<b>-3,191</b>	<b>-954</b>	<b>-2,058</b>	<b>-3,703</b>
<b>Inc/Dec of Cash</b>	<b>-320</b>	<b>184</b>	<b>706</b>	<b>-391</b>	<b>2,377</b>	<b>-772</b>	<b>-479</b>	<b>-571</b>	<b>-188</b>
Opening Balance	1,164	844	1,028	1,735	1,344	3,116	2,414	1,927	1,356
<b>Closing Balance</b>	<b>844</b>	<b>1,028</b>	<b>1,735</b>	<b>1,344</b>	<b>3,715</b>	<b>2,414</b>	<b>1,927</b>	<b>1,356</b>	<b>1,168</b>



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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