

New capacities to keep growth momentum strong...

About the stock: With 14.7 MT grey cement capacity, JK Cement is the fourth largest player in North India, which contribute over 40% of its revenues. The company also has a presence in Gujarat, Maharashtra and Karnataka.

- It is also the second largest producer of white cement (0.6 MT) and wall putty (1.2 MT) in India
- The company is adding another 4 MT integrated cement capacity (22 MW WHRS) in the central region that will take its capacity to 18.7 MT by FY23E
- The company is aiming to reach 25 MT capacity by FY25E and has identified the Uttar Pradesh and Madhya Pradesh market for the said expansion

Q2FY23 Results: JK Cement's Q2FY23 results were ahead of our estimates.

- Revenues were up 16.7% YoY to ₹ 2141.8 crore and were above I-direct estimate: ₹ 2020.6 crore). It declined 1.1% QoQ due to monsoon impact
- EBITDA margin of 13.9% was better than our estimate of 12.6%
- Reported PAT of ₹ 124.9 crore (down 26% YoY) was also higher than estimate of ₹ 91.7 crore due to better-than-expected margins

What should investors do? Post timely commissioning of the new unit in Panna, we expect the growth momentum to accelerate from H2 onwards. Further newly announced capex at much lower cost/tonne will help in boosting ratios further.

- We now upgrade our rating from HOLD to **BUY**

Target Price & Valuation: We value the stock at ₹ 3,600 (at 15x FY24E EV/EBITDA).

Key triggers for future price performance:

- The ongoing capex of 4 MT integrated grey cement capacity at Panna MP with split grinding unit and 22 MW WHRS is well ahead of its schedule
- In the next phase, the company will be adding another 5.5 MT GU capacity with total capex of ₹ 1161 crore. On a per tonne basis, this works out to capex of only \$26/tonne. This will help boost return ratios, going forward
- Despite capex, net debt/equity to remain stable at 0.7x supported by operating cash flows and some debt repayments over FY22-24E
- Expect revenue, EBITDA CAGR of 15.6%, 17.8%, respectively, in FY22-24E led by volume CAGR of 13.3%. PAT CAGR is expected at 27.1% **only if no further impairment comes from the UAE subsidiary**

Alternate Stock Idea: In our cement coverage, we also like UltraTech Cement.

- It is a market leader with a strong brand in the retail segment and robust balance sheet
- BUY with a target price of ₹ 7,700/share



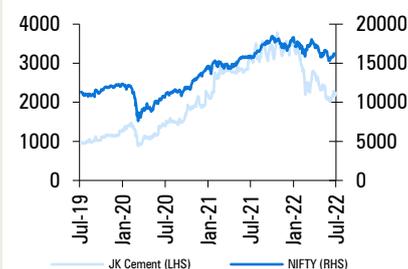
Particulars

| Particulars | Amount |
|----------------------|---------------|
| Mcap | ₹ 22640 Crore |
| Debt (FY22) | ₹ 3625 Crore |
| Cash & Invest (FY22) | ₹ 283 Crore |
| EV | ₹ 25982 Crore |
| 52 week H/L | ₹ 3838 / 2004 |
| Equity cap | ₹ 77.3 crore |
| Face value | ₹ 10 |

Shareholding Pattern

| (in %) | Dec-21 | Mar-22 | Jun-22 | Sep-22 |
|----------|--------|--------|--------|--------|
| Promoter | 51.5 | 45.8 | 45.8 | 45.8 |
| FII | 17.7 | 16.5 | 16.1 | 15.6 |
| DII | 19.8 | 20.7 | 21.1 | 21.9 |
| Others | 11.0 | 17.1 | 17.0 | 16.6 |

Price Chart



Key Risks & Events

- Volatility in prices of key inputs like petcoke remains a risk to our call
- Further impairment from UAE subsidiary may lead to lower profitability

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Key Financial Summary

| Key Financials | FY19 | FY20 | FY21 | FY22 | 3 Year CAGR (%) | FY23E | FY24E | 2 Year CAGR (%) |
|----------------|------|------|------|------|-----------------|-------|-------|-----------------|
| Net Sales | 4981 | 5464 | 6328 | 7679 | 15.5 | 9040 | 10263 | 15.6 |
| EBITDA | 810 | 1182 | 1514 | 1482 | 22.3 | 1543 | 2055 | 17.8 |
| EBITDA (%) | 16.3 | 21.6 | 23.9 | 19.3 | | 17.1 | 20.0 | |
| PAT | 324 | 400 | 603 | 631 | 24.8 | 795 | 1020 | 27.1 |
| EPS (₹) | 42.0 | 51.8 | 99.6 | 98.5 | | 102.9 | 132.0 | |
| EV/EBITDA | 29.8 | 21.1 | 16.2 | 17.4 | | 16.7 | 12.6 | |
| EV/Tonne (\$) | 263 | 210 | 191 | 186 | | 186 | 132 | |
| RoNW | 11.2 | 12.8 | 20.6 | 17.9 | | 16.1 | 17.5 | |
| RoCE | 12.5 | 16.2 | 18.6 | 15.6 | | 14.3 | 17.8 | |

Source: Company, ICICI Direct Research

Key highlights & takeaways...

Q2FY23 Results

- Revenues were up 16.7% YoY to ₹ 2141.8 crore and above I-direct estimate: ₹ 2020.6 crore). However, it declined marginally by 1.1% QoQ due to monsoon impact
- Sales volumes were at 3.64 MT (up 9.4% YoY, 2.3% QoQ). Capacity utilisation was at 84%
- Grey cement volumes were up 9.5% YoY, 1.5% QoQ to 3.22 MT. Sales of white cements including putty were up 8.5% YoY, 8.8%QoQ to 0.42 MT. Blended realisations increased 6.6% YoY to ₹ 5,878/t to offset the cost pressure. It declined 3.4% QoQ due to monsoons
- EBITDA margins were down 407 bps YoY, 461 bps QoQ to 13.9%. However, the same was better than our estimated EBITDA margin of 12.6%. Blended EBITDA/t came in at ₹ 814/t (vs. I-direct estimate ₹ 747/t). It declined 17.6% YoY, 27.5% QoQ
- Reported PAT of ₹ 124.9 crore (down 26% YoY) remained better than estimated PAT of ₹ 91.7 crore due to better-than-expected margins
- The ongoing capex programme of 4 MT integrated grey cement capacity at Panna MP is likely to be completed three months ahead of schedule

Other Highlights

- **Current price & volume trend** – Cement prices increased by ₹ 15-20 per bag in south, ₹ 10/bag in west and ₹ 10/bag in the north two to three days back. Volume growth guidance for FY23 is at 10%
- **Cost trend** – In P&F cost, high cost of procured fuel started reflecting in Q2 and will also have an impact on the Q3 performance
- **Others** – Capacity utilisation for Q2 was at 84%, 69% PPC trade. Blending ratio was at 65% (up 3%). Premium product sales as percentage of trade sales were at 9% (up 3%)
- **Capex** – The company is setting up a 4.0 MT integrated grey cement capacity at Panna MP with a split grinding unit and 22 MW WHRS in Uttar Pradesh for a capex of ₹ 2,970 crore (i.e. \$98/t). JK Cement has spent ₹ 2,544 crore towards the same so far. Target completion has now been preponed to December 2022 vs. earlier planned March 2023. We expect 50-60% capacity utilisation for Panna in the first year
- **Update Split GU** – Post Panna expansion, the company will go for 5.5 MT grinding unit (GU) expansion with total capex of ₹ 1161 crore (US\$26/tonne). This will take its total capacity to 25 MT by 2025. Cement capacity of Mangrol, Muddapur, Jharli, Aligarh units would be increased by 0.5 MTPA each by various modifications. Thus, overall capacity of existing units would be increased by 2 MT i.e. from 14.7 MT to 16.7 MT. New split grinding unit with capacity of 1.5 MT and 2.0 MT would be set up in Ujjain and Prayagraj, respectively. Clinker capacity at Panna would also be increased by 0.7 MT to meet additional clinker requirements (i.e. from ~2.5 MT to 3.3 MT)
- **Capex amount** – To incur capex of ₹ 1900 crore in FY23E and ₹ 1400 crore in FY24E
- **Update on paints business** - Got the permission for land at Mathura in Uttar Pradesh. Expect stage-I commissioning of plant by March 2024. The company has guided for total capex of ₹ 600 crore spread over five years. Total ₹ 125 crore will be spent in FY23, ₹ 200 crore in FY24 and balance ₹ 300 crore over the next three years thereafter
- **Peak debt** –The current gross debt is at ₹ 2,686 crore, down by ₹ 164 crore. The company is expecting net peak debt to be around ₹ 3,500 crore maximum

Exhibit 1: Variance Analysis (Domestic Performance)

| | Q2FY23 | Q1FY22E | Q2FY22 | YoY (%) | Q1FY23 | QoQ (%) | Comments |
|------------------------------|---------------|---------------|---------------|-----------------|--------------|-----------------|---|
| Total Operating Incon | 2141.8 | 2020.6 | 1835.5 | 16.7 | 2,166 | -1.1 | Grey cement volumes were up 9.5% YoY, 1.5% QoQ to 3.22 MT. Sales of white cements including putty were up 8.5% YoY, 8.8% QoQ to 0.42 MT. Blended realisations increased 6.6% YoY to ₹ 5,878/t to offset the cost pressure. It declined 3.4% QoQ due to monsoons |
| Other Income | 22.8 | 35.0 | 48.0 | -52.5 | 22.2 | 2.7 | |
| Raw Material Expenses | 374.6 | 330.9 | 319.8 | 17.1 | 343.9 | 8.9 | |
| Employee Expenses | 140.4 | 144.4 | 129.8 | 8.2 | 143.0 | -1.8 | |
| Power & Fuel | 550.1 | 534.3 | 343.7 | 60.1 | 485.6 | 13.3 | |
| Freight cost | 435.2 | 424.5 | 382.2 | 13.9 | 434.5 | 0.2 | |
| Others | 344.9 | 332.8 | 331.0 | 4.2 | 359.4 | -4.0 | |
| EBITDA | 296.7 | 253.7 | 329.1 | -9.8 | 400.1 | -25.8 | |
| EBITDA Margin (%) | 13.9 | 12.6 | 17.9 | -407 bps | 18.5 | -461 bps | |
| Interest | 62.5 | 61.7 | 59.1 | 5.7 | 61.7 | 1.3 | |
| Depreciation | 89.7 | 89.9 | 68.7 | 30.6 | 89.9 | -0.2 | |
| PBT before Exceptionals | 167.3 | 137.0 | 249.2 | -32.9 | 270.7 | -38.2 | |
| Total Tax | 42.5 | 45.4 | 80.3 | -47.2 | 89.6 | -52.6 | |
| PAT | 124.9 | 91.7 | 168.8 | -26.0 | 181.1 | -31.1 | |

| Key Metrics | | | | | | |
|----------------------|-------|-------|-------|-------|-------|-------|
| Volume (MT) | 3.64 | 3.40 | 3.33 | 9.4 | 3.56 | 2.3 |
| Realisation (₹) | 5,878 | 5,950 | 5,512 | 6.6 | 6,083 | -3.4 |
| EBITDA per Tonne (₹) | 814 | 747 | 988 | -17.6 | 1,124 | -27.5 |

Source: Company, ICICI Direct Research

Exhibit 2: Per tonne analysis

| Per tonne | Q2FY23 | Q1FY22E | Q2FY22 | YoY (%) | Q1FY23 | QoQ (%) |
|------------------------------|--------------|--------------|--------------|-------------|--------------|-------------|
| Net Sales realisation | 5,878 | 5,950 | 5,512 | 6.6 | 6,083 | -3.4 |
| Raw Material Expenses | 1,028 | 974 | 960 | 7.0 | 966 | 6.4 |
| Employee Expenses | 385 | 425 | 390 | -1.2 | 402 | -4.1 |
| Power and fuel | 1,509 | 1,573 | 1,032 | 46.3 | 1,363 | 10.7 |
| Freight | 1,194 | 1,250 | 1,148 | 4.1 | 1,220 | -2.1 |
| Others | 946 | 980 | 994 | -4.8 | 1,009 | -6.2 |
| Production costs | 5,063 | 5,203 | 4,524 | 11.9 | 4,960 | 2.1 |

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

| (₹ Crore) | FY23E | | | FY24E | | | Comments |
|-------------------|---------|---------|----------|---------|---------|----------|----------|
| | Old | New | % Change | Old | New | % Change | |
| Revenue | 8,770.0 | 8,735.0 | -0.4 | 9,862.5 | 9,902.0 | 0.4 | |
| EBITDA | 1,429.4 | 1,465.7 | 2.5 | 1,963.0 | 1,961.7 | -0.1 | |
| EBITDA Margin (%) | 16.3 | 16.8 | 48 bps | 19.9 | 19.8 | -9 bps | |

Source: Company, ICICI Direct Research

Key investment rationale

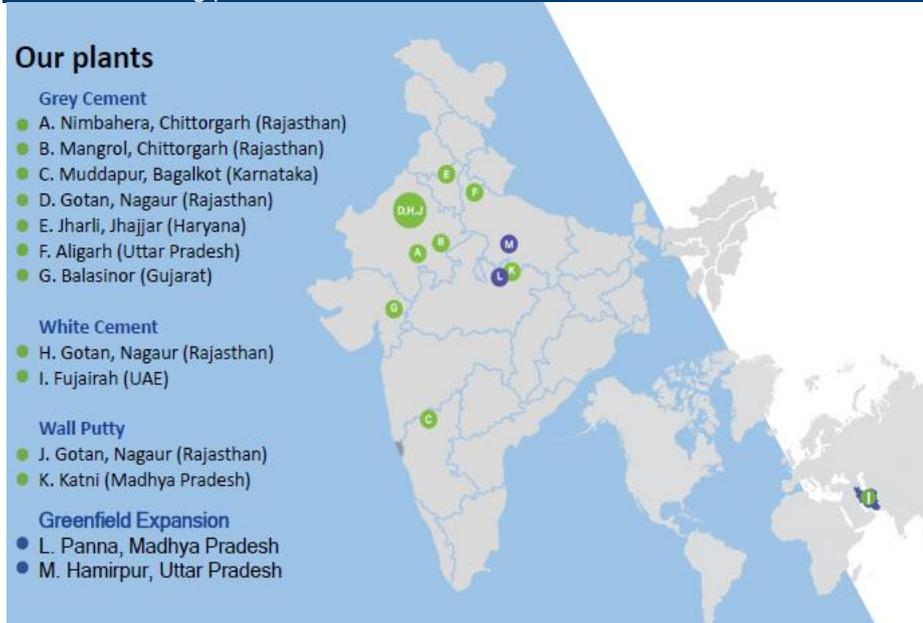
To reach 25 MT capacity by FY25E...

- The company has maintained a healthy growth trajectory in the past three years with revenue CAGR of 15.5% during FY20-22 led by phase I capacity expansion of 4.2 MT, which got commissioned in FY21
- JK Cement is adding another 4 MT integrated cement capacity (22 MW WHRS) in the central region that will take its capacity to 18.7 MT by Q4FY23E. These new capacities will cater to the markets of Madhya Pradesh and Uttar Pradesh. This expansion will make JKCL a leading player in the highly consolidated and rural demand-driven central market, increase its revenue diversification and fuel its future growth
- With the aim of reaching ~25 MT capacity by FY25E, the company has now announced further capex of ₹ 1,161 crore that will add another 5.5 MT (2 MT across existing locations, 1.5 MT GU in Ujjain and 2 MT GU at Prayagraj) along with additional clinker unit of 0.66 MT in Panna)
- Based on this announcement, capex per tonne works out to only \$26/tonne. This should help boost its return ratios, going forward

Phase-II expansion to keep debt at elevated but manageable levels

While we expect debt levels to remain higher in FY24E, improved OCF from new capacity would settle down debt/EBITDA at 1.8x from FY24E onwards after peaking at 2.4x in FY23E.

Exhibit 4: Existing plant locations of JK Cements



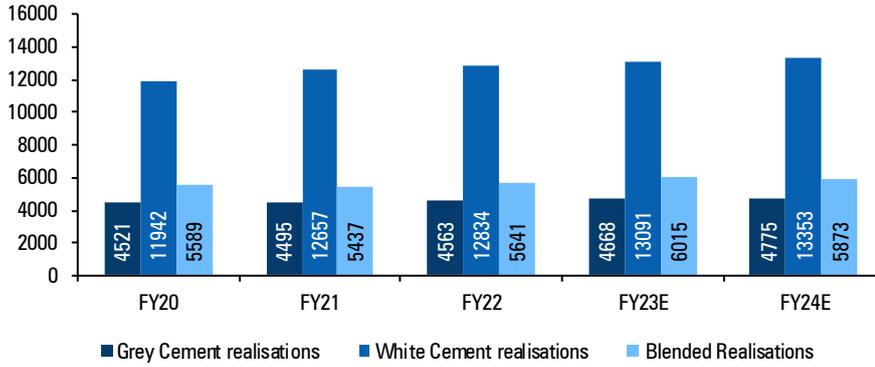
Source: Company, ICICI Direct Research

O/s liability of UAE subsidiary to likely fall into Indian entity

The Fujairah unit of the company has consistently remained loss making leading to significant net worth erosion. The management highlighted earlier that out of total investment of ₹ 972 crore for the UAE subsidiary, total impairment of ₹ 453 crore has been taken in the last three years. Hence, in our view, further impairment may come in, going forward, if the profitability of the UAE entity does not improve.

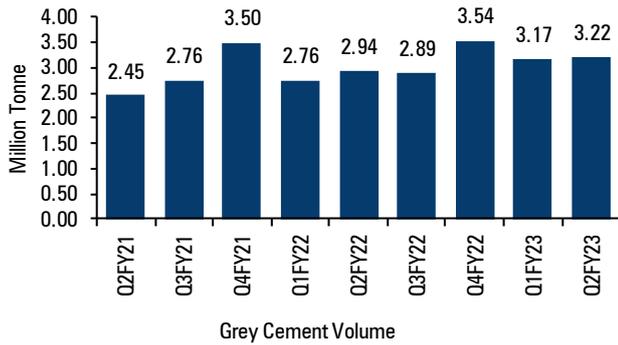
Financial story in charts

Exhibit 5: Blended realisations to remain firm



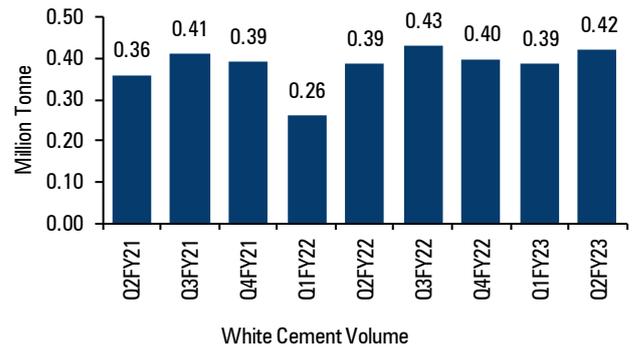
Source: Company, ICICI Direct Research

Exhibit 6: Grey cement grows 9.5% YoY



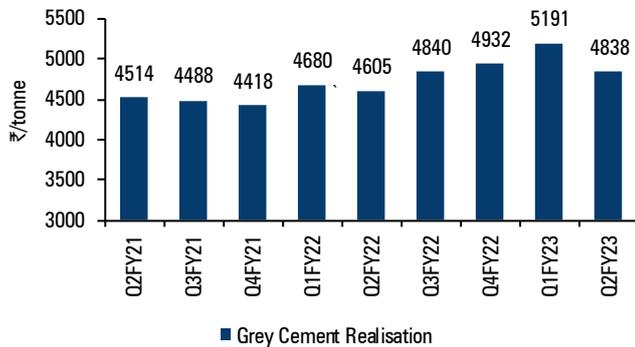
Source: Company, ICICI Direct Research

Exhibit 7: White cement volumes improve 8.7% YoY



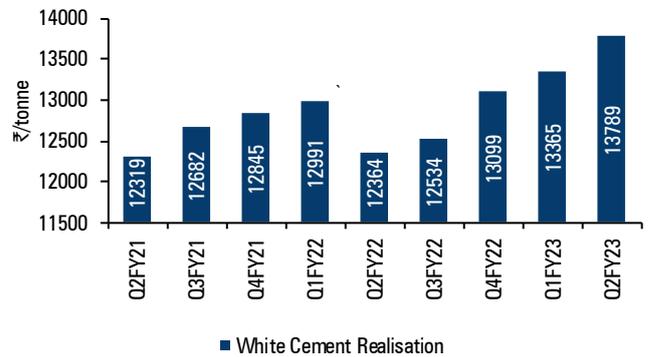
Source: Company, ICICI Direct Research

Exhibit 8: Grey cement realisations up 5.1% YoY. Declines 6.8% QoQ



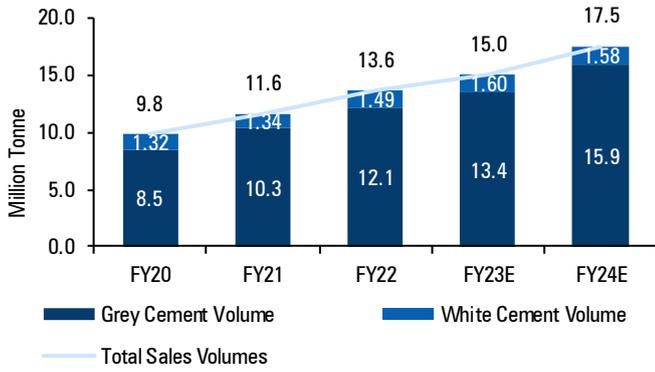
Source: Company, ICICI Direct Research

Exhibit 9: White cement realisations up 9.5% YoY, 2.5% QoQ



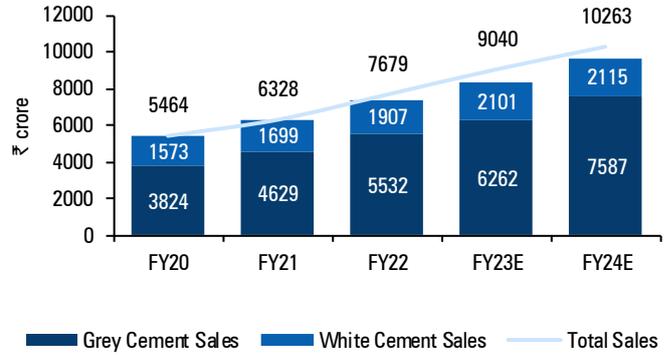
Source: Company, ICICI Direct Research

Exhibit 10: Expect volumes CAGR of 13.3% during FY22-24E



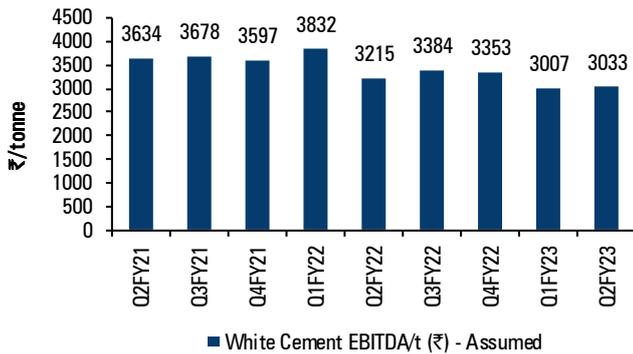
Source: Company, ICICI Direct Research

Exhibit 11: Revenues to grow at 15.6% CAGR over FY22-24E



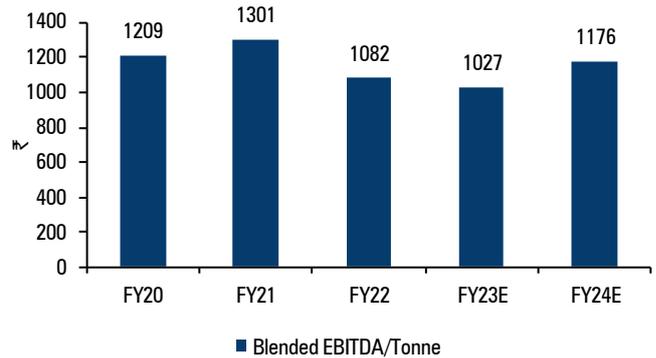
Source: Company, ICICI Direct Research

Exhibit 12: We assume white cement EBITDA of ₹ 3033/t for Q2FY23



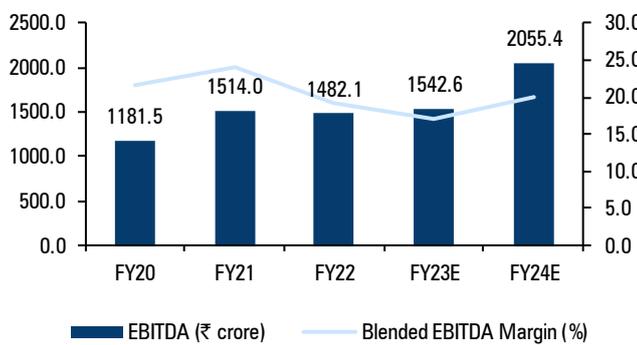
Source: Company, ICICI Direct Research

Exhibit 13: Annual EBITDA/t to stay healthy despite ongoing cost pressure



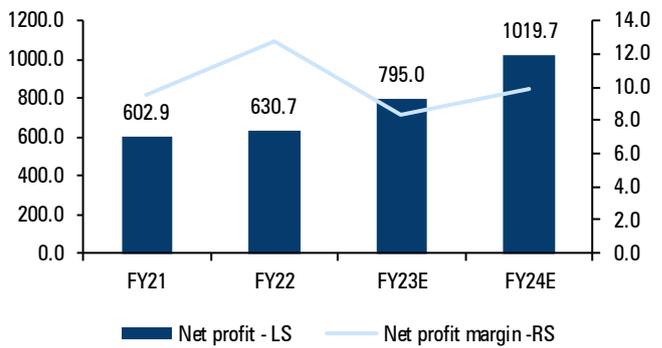
Source: Company, ICICI Direct Research

Exhibit 14: Absolute EBITDA to improve sharply from FY24 with cooling down inflation, stabilisation of new capacities



Source: Company, ICICI Direct Research

Exhibit 15: PAT growth trend



Source: Company, ICICI Direct Research

Financial summary

| Exhibit 8: Profit and loss statement | | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|-----------------|
| | ₹ crore | | | | |
| (Year-end March) | FY20 | FY21 | FY22 | FY23E | FY24E |
| Total operating Income | 5,463.8 | 6,328.3 | 7,678.6 | 9,040.0 | 10,263.2 |
| Growth (%) | 9.7 | 15.8 | 21.3 | 17.7 | 13.5 |
| Raw material cost | 860.7 | 1051.0 | 1265.3 | 1448.5 | 1590.1 |
| Employee Expenses | 390.9 | 412.1 | 504.2 | 577.7 | 606.6 |
| Power, Oil & Fuel | 1009.1 | 1103.6 | 1570.7 | 2223.6 | 2184.3 |
| Freight cost | 1032.1 | 1239.8 | 1562.0 | 1803.6 | 2096.9 |
| Other Expenses | 989.4 | 1007.8 | 1294.3 | 1444.0 | 1729.9 |
| Total Operating Exp. | 4,282.2 | 4,814.3 | 6,196.4 | 7,497.4 | 8,207.8 |
| EBITDA | 1,181.5 | 1,514.0 | 1,482.1 | 1,542.6 | 2,055.4 |
| Growth (%) | 45.8 | 28.1 | -2.1 | 4.1 | 33.2 |
| Depreciation | 214.4 | 244.7 | 282.0 | 316.7 | 368.4 |
| Interest | 222.9 | 223.2 | 249.3 | 247.6 | 302.0 |
| Other Income | 85.9 | 113.3 | 142.8 | 115.0 | 160.0 |
| Exceptional items | 178.2 | 166.9 | 130.0 | 0.0 | 0.0 |
| PBT | 652.0 | 992.6 | 963.6 | 1,093.4 | 1,545.0 |
| Total Tax | 251.6 | 389.7 | 332.9 | 298.3 | 525.3 |
| PAT | 400.4 | 602.9 | 630.7 | 795.0 | 1,019.7 |
| Growth (%) | 23.4 | 50.6 | 4.6 | 26.0 | 28.3 |
| Adjusted EPS (₹) | 51.8 | 78.0 | 81.6 | 102.9 | 132.0 |

Source: Company, ICICI Direct Research

| Exhibit 10: Balance sheet | | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|-----------------|
| | ₹ crore | | | | |
| (Year-end March) | FY20 | FY21 | FY22 | FY23E | FY24E |
| Liabilities | | | | | |
| Equity Capital | 77.3 | 77.3 | 77.3 | 77.3 | 77.3 |
| Reserve and Surplus | 3,051.6 | 3,655.8 | 4,174.4 | 4,857.6 | 5,765.5 |
| Total Shareholders funds | 3,128.9 | 3,733.0 | 4,251.7 | 4,934.9 | 5,842.7 |
| Total Debt | 2,972.0 | 3,111.3 | 3,625.1 | 3,675.1 | 3,775.1 |
| Deferred Tax Liability | 409.4 | 593.9 | 722.9 | 738.5 | 738.5 |
| Minority Interest / Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Liabilities | 6,510.3 | 7,438.2 | 8,615.3 | 9,348.5 | 10,356.3 |
| Assets | | | | | |
| Gross Block | 6,216.5 | 6,789.6 | 7,599.2 | 9,070.2 | 10,320.2 |
| Less: Acc Depreciation | 1,913.7 | 2,158.4 | 2,440.4 | 2,757.1 | 3,125.5 |
| Net Block | 4,302.7 | 4,631.2 | 5,158.7 | 6,313.1 | 7,194.6 |
| Capital WIP | 509.2 | 488.5 | 71.0 | 500.0 | 650.0 |
| Total Fixed Assets | 4,811.9 | 5,119.7 | 5,229.8 | 6,813.1 | 7,844.6 |
| Intangible Asset | 13.0 | 27.9 | 27.4 | 27.4 | 27.4 |
| Investments | 915.7 | 1,133.5 | 2,108.4 | 1,758.4 | 1,558.4 |
| Inventory | 627.2 | 686.7 | 1,113.6 | 768.7 | 749.7 |
| Debtors | 223.4 | 316.1 | 397.8 | 445.8 | 478.0 |
| Loans and Advances | 624.0 | 723.3 | 902.5 | 815.1 | 1,032.3 |
| Cash | 631.1 | 1,161.7 | 282.6 | 302.0 | 274.3 |
| Total Current Assets | 2,105.8 | 2,887.7 | 2,696.5 | 2,331.7 | 2,534.3 |
| Creditors | 452.6 | 559.2 | 669.1 | 668.7 | 759.2 |
| Provisions | 883.5 | 1,171.4 | 1,057.8 | 1,136.8 | 1,138.8 |
| Total Current Liabilities | 1,336.1 | 1,730.6 | 1,727.0 | 1,805.5 | 1,898.0 |
| Net Current Assets | 769.7 | 1,157.1 | 969.5 | 526.1 | 636.3 |
| Application of Funds | 6,510.3 | 7,438.2 | 8,615.3 | 9,348.5 | 10,356.3 |

Source: Company, ICICI Direct Research

| Exhibit 9: Cash flow statement | | | | | |
|---------------------------------|---------------|----------------|-----------------|-----------------|-----------------|
| | ₹ crore | | | | |
| (Year-end March) | FY20 | FY21 | FY22 | FY23E | FY24E |
| Profit after Tax | 400.4 | 602.9 | 630.7 | 795.0 | 1,019.7 |
| Add: Depreciation | 214.4 | 244.7 | 282.0 | 316.7 | 368.4 |
| (Inc)/dec in Current Assets | -385.3 | -251.4 | -952.5 | 425.4 | -296.4 |
| Inc/(dec) in CL and Provisions | -55.7 | 394.5 | -3.6 | 78.6 | 92.5 |
| CF from operating activi | 173.7 | 990.6 | -43.4 | 1,615.7 | 1,184.1 |
| (Inc)/dec in Investments | 393.5 | -87.2 | -116.4 | 0.0 | 0.0 |
| (Inc)/dec in Fixed Assets | -860.3 | -567.3 | -391.6 | -1,900.0 | -1,400.0 |
| Others | -14.1 | 53.9 | -729.4 | 365.5 | 200.0 |
| CF from investing activi | -480.9 | -600.7 | -1,237.4 | -1,534.5 | -1,200.0 |
| Issue/(Buy back) of Equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Inc/(dec) in loan funds | 616.7 | 139.3 | 513.8 | 50.0 | 100.0 |
| Dividend paid & dividend tax | -84.3 | -139.8 | -139.8 | -111.8 | -111.8 |
| Inc/(dec) in Sec. premium | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | -77.4 | 141.0 | 27.7 | 0.0 | 0.0 |
| CF from financing activi | 455.0 | 140.5 | 401.7 | -61.8 | -11.8 |
| Net Cash flow | 147.8 | 530.5 | -879.1 | 19.4 | -27.7 |
| Opening Cash | 483.3 | 631.1 | 1,161.7 | 282.6 | 302.0 |
| Closing Cash | 631.1 | 1,161.7 | 282.6 | 302.0 | 274.3 |

Source: Company, ICICI Direct Research

| Exhibit 11: Key ratios | | | | | |
|-----------------------------|---------|-------|-------|-------|-------|
| | ₹ crore | | | | |
| (Year-end March) | FY20 | FY21 | FY22 | FY23E | FY24E |
| Per share data (₹) | | | | | |
| Adjusted EPS | 51.8 | 78.0 | 81.6 | 102.9 | 132.0 |
| Cash EPS | 79.6 | 109.7 | 118.1 | 143.9 | 179.6 |
| BV | 404.9 | 483.1 | 550.2 | 638.7 | 756.2 |
| DPS | 9.0 | 15.0 | 15.0 | 12.0 | 0.0 |
| Cash Per Share | 81.7 | 150.3 | 36.6 | 39.1 | 35.5 |
| Operating Ratios (%) | | | | | |
| EBITDA Margin | 21.6 | 23.9 | 19.3 | 17.1 | 20.0 |
| PAT Margin | 7.3 | 9.5 | 8.2 | 8.8 | 9.9 |
| Inventory days | 40.0 | 37.9 | 42.8 | 38.0 | 27.0 |
| Debtor days | 14.9 | 18.2 | 18.9 | 18.0 | 17.0 |
| Creditor days | 30.2 | 32.3 | 31.8 | 27.0 | 27.0 |
| Return Ratios (%) | | | | | |
| RoE | 12.8 | 20.6 | 17.9 | 16.1 | 17.5 |
| RoCE | 16.2 | 18.6 | 15.6 | 14.3 | 17.8 |
| RoIC | 18.0 | 22.3 | 14.9 | 14.7 | 18.3 |
| Valuation Ratios (x) | | | | | |
| P/E | 56.5 | 37.6 | 35.9 | 28.5 | 22.2 |
| EV / EBITDA | 21.1 | 16.2 | 17.4 | 16.7 | 12.6 |
| EV / Net Sales | 4.6 | 3.9 | 3.4 | 2.9 | 2.5 |
| Market Cap / Sales | 4.1 | 3.6 | 2.9 | 2.5 | 2.2 |
| Price to Book Value | 7.2 | 6.1 | 5.3 | 4.6 | 3.9 |
| Solvency Ratios | | | | | |
| Debt/EBITDA | 2.5 | 2.1 | 2.4 | 2.4 | 1.8 |
| Debt / Equity | 0.9 | 0.8 | 0.9 | 0.7 | 0.6 |
| Current Ratio | 1.6 | 1.7 | 1.7 | 1.4 | 1.5 |
| Quick Ratio | 1.1 | 1.0 | 1.6 | 1.2 | 1.3 |

Source: Company, ICICI Direct Research

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Buy: > 15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: < -15%



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