

## Lean cost, firm room rates drive profitability...

**About the stock:** Promoted by Patanjali Keswani, Lemon Tree is the largest hotel chain in the mid-priced segment in India. It operates 8,489 rooms in 87 hotels across 54 destinations in India and abroad under brands like Aurika (premium), Lemon Tree premier, Lemon Tree (midscale), RedFox (economy) and Keys.

- The favourable location of its properties in prominent business and tourist districts supports revenue growth prospects and reduces concentration risk
- Post completion of expansion, LTHL will be operating ~10,462 rooms in 105 hotels across 64 destinations, in India and abroad by FY24E

**Q2FY23 Results:** Lemon Tree's Q2FY23 performance remained ahead of our estimates bolstered by strong room rates and focus on cost optimisation.

- Revenues grew 2.4% QoQ to ₹ 196.7 crore (up 103% YoY). It was also up 29% vs. Q2FY20. ARR was up 19% while occupancy levels were down 852 bps to 66% vs. pre-Covid levels
- On an absolute basis, operating cost was broadly maintained at pre-Covid levels. This led to sharp margin expansion of 1589 bps to 47.6% (vs. our estimate: 40.6%) from pre-Covid levels. It was up 98 bps sequentially
- PAT improved to ₹ 19.3 crore in Q2FY23 vs. net loss of ₹ 33.2 crore last year and net loss of ₹ 3 crore during Q2FY20

**What should investors do?** The company remains a key branded player in the high growing mid-scale segment.

- We retain **BUY** rating on this stock

**Target Price and Valuation:** We value the company at ₹ 110/share (unchanged) on an SOTP basis (i.e. implied value at 28x FY24E EV/EBITDA).

### Key triggers for future price performance:

- Revival in foreign tourists, wedding season, G20 summit 2023 to provide further fillip to leisure and business hotel room demand, going forward
- Well positioned to capture the unorganised market share due to slowdown in the upcoming room supply in the wake of ongoing distress
- Mumbai hotel property (669 rooms i.e. 13% of owned/leased rooms) to get commissioned by the end of 2023
- LTHL's large asset base, strategic partnership, and financial flexibility to continue to support liquidity requirement for further growth

**Alternate Stock Idea:** Apart from Lemon Tree, in hotels coverage we like Indian Hotels Company.

- Key player with higher presence in the business & leisure destinations
- Maintain BUY with a target price of ₹ 380/share



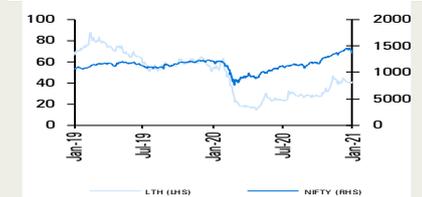
### Particulars

Particulars	Amount
Market Cap (₹ crore)	7113
Debt (FY22) (₹ crore)	1642
Cash (FY22) (₹ crore)	142
EV (₹ crore)	8613
52 week H/L	₹ 71/36
Equity Capital (FY21) (₹ crore)	789
Face Value	₹ 10

### Shareholding pattern

(in %)	Sep-21	Dec-21	Mar-22	Jun-22
Promoter	25.88	25.88	23.95	23.93
FII	20.11	22.81	28.72	27.90
DII	14.09	13.47	12.16	11.42
Others	39.92	37.84	35.17	36.75

### Price Chart



### Recent Event & Key risks

- Any further imposition of restrictions on travel could further delay the recovery
- Companies adopting work from home policy could impact business segment room demand

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### Key Financial Summary

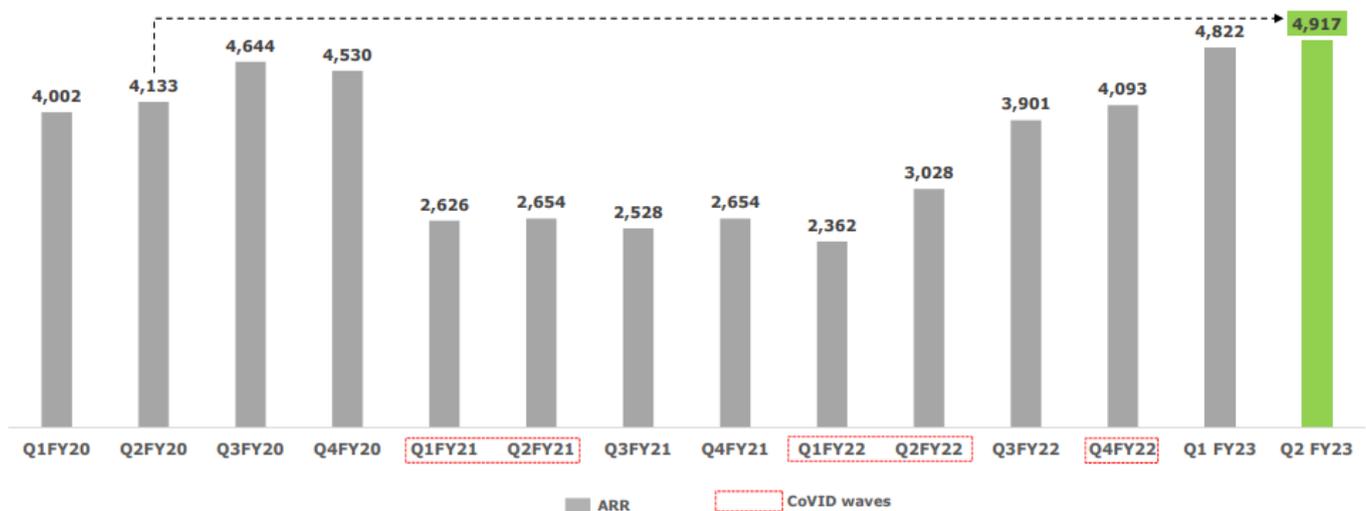
Key Financials	FY19	FY20	FY21	FY22	3 Year CAGR (%)	FY23E	FY24E	2 Year CAGR (%)
Sales	549.5	669.4	251.7	402.2	-9.9	854.6	1015.2	58.9
EBITDA	168.8	238.3	61.3	118.7	-11.1	412.7	475.1	100.1
EBITDA (%)	30.7	35.6	24.3	29.5		48.3	46.8	
PAT after MI	52.9	-9.5	-127.0	-87.4	PL	87.2	118.1	LP
EPS (₹)	0.7	-0.1	-1.6	-1.1		1.1	1.5	
EV/EBITDA	48.9	36.3	140.5	73.7		21.0	18.3	
RoNW	6.7	-1.5	-21.4	-15.7		12.8	15.9	
RoCE	5.5	5.5	-0.7	1.0		9.1	9.8	

## Key takeaways of recent quarter & conference call highlights

### Q2FY23 Results: First normal quarter post pandemic

- Average occupancy was at 66.2% on full inventory, which is an increase of 1520 bps YoY and 110 bps QoQ. Gross ARR increased 62% YoY, 2% QoQ to ₹ 4,917
- ARR were up 19% compared to pre-Covid levels while occupancy levels were down 852 bps. Overall, RevPAR was up 5% from pre-Covid levels to ₹ 3257/room
- Total operating cost was down significantly from 68% of sales in Q2FY20 (pre-Covid) to 52% of sales in Q2FY23. On absolute basis, operating cost was broadly maintained at pre-Covid levels despite 42% rise in room inventory (i.e. from 5828 rooms in Q2FY20 to 8303 rooms in Q2FY23)

Exhibit 1: ARR in Q2FY23 19% higher than pre-Covid levels



Source: Company, ICICI Direct Research

Exhibit 2: Quarterly ARR, occupancy trend



Source: Company, ICICI Direct Research

**Exhibit 3: City-wise performance**

Parameters	RevPAR (Rs.)			Occupancy Rate (%)			Average Daily Rate (Rs.)			Hotel level EBITDAR/room (Rs. Lacs)			Hotel level EBITDAR Margin %		
	Q2 FY23	Q2 FY20	Change (%)	Q2 FY23	Q2 FY20	Change (bps)	Q2 FY23	Q2 FY20	Change (%)	Q2 FY23	Q2 FY20	Change (%)	Q2 FY23	Q2 FY20	Change (bps)
By Brand (#Rooms)															
Aurika Hotels & Resorts (139)*	4682	-	-	39%	-	-	11,896	-	-	2.85	-	-	49%	-	-
Lemon Tree Premier (1,603)	4496	3824	18%	76%	75%	94	5,887	5,069	16%	2.84	1.97	44%	54%	43%	1,183
Lemon Tree Hotels (1562)	3163	2872	10%	66%	73%	-716	4,823	3,948	22%	1.77	1.24	42%	47%	35%	1253
Red Fox by Lemon Tree Hotels (952)	2496	2321	8%	68%	77%	-949	3,697	3,014	23%	1.30	1.05	23%	49%	42%	776
Keys by Lemon Tree Hotels (936)*	1771	-	-	53%	-	-	3,355	-	-	0.98	-	-	52%	-	-

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	Q2 FY23	Q2 FY20	Change (%)	Q2 FY23	Q2 FY20	Change (bps)	Q2 FY23	Q2 FY20	Change (%)	Q2 FY23	Q2 FY20	Change (%)	Q2 FY23	Q2 FY20	Change (bps)
By Region (#Rooms)															
Delhi (636)	3928	3708	6%	79%	86%	-650	4,941	4,312	15%	2.13	1.73	23%	46%	39%	760
Gurugram (529)	3005	3176	-5%	65%	78%	-1,330	4,654	4,078	14%	1.57	1.21	29%	41%	31%	958
Hyderabad (663)	4361	3593	21%	81%	84%	-279	5,390	4,293	26%	3.00	2.25	34%	61%	51%	990
Bengaluru (874)	3178	3498	-9%	68%	80%	-1,186	4,661	4,370	7%	2.07	2.08	-1%	59%	48%	1185
Mumbai (303)	5483	3130	75%	77%	50%	2,689	7,101	6,219	14%	3.62	1.26	187%	59%	37%	2286
Pune (426)	3225	2681	20%	69%	67%	198	4,703	4,026	17%	1.87	1.21	55%	51%	37%	1476
Rest of India (1,659)	2282	2259	1%	52%	68%	-1,549	4,374	3,338	31%	1.12	0.78	44%	42%	30%	1287
<b>Total (5090)</b>	<b>3257</b>	<b>3090</b>	<b>5%</b>	<b>66%</b>	<b>75%</b>	<b>-852</b>	<b>4,917</b>	<b>4,133</b>	<b>19%</b>	<b>1.91</b>	<b>1.47</b>	<b>30%</b>	<b>51%</b>	<b>39%</b>	<b>1171</b>

\* Aurika Hotels & Resorts and Keys by Lemon Tree Hotels operationalized in Q3 FY20

Trends for owned/leased rooms

Source: Company, ICICI Direct Research

**Q2FY23 – Other key highlights**

- In terms of city wise performance, occupancy across all major cities excluding Mumbai & Pune was lower vs. pre-Covid levels. However, Mumbai & Pune did exceedingly well. Both registered an increase of 2689 bps and 198 bps in occupancy from pre-Covid levels
- Low occupancy in Aurika Udaipur – 39% was mainly on account of seasonality while ARR of over ₹ 11,000/room was maintained. The management expects ARR to scale up in anticipation of strong demand coming in from foreign tourists as well
- For H2FY22, the hotel sector is expected to generate additional 20-30% revenue than reported in H1 while the growth in incremental cost would be much lower. This is expected to drive the margin expansion further in H2 from the one reported in H1
- The current employee count has reduced from 0.95/room to 0.62/room. Further, with the adoption of more technology in day to day operations, we expect the company’s operating margin to scale up over 48% (highest in the industry)
- The company plans to add 738 rooms (669 rooms in Mumbai, 69 in Shimla) over the next two years with total capex of ₹ 1006 crore. LTHL has spent ₹ 468 crore. Expect Aurika Mumbai to get launched in November-December 2023
- Gross debt is currently at ₹ 1698 crore with cost of debt at 8.28% (down 134 bps). The company is aiming to become debt free over the next four to five years

Exhibit 4: Quarterly performance (Q2FY23)

	Q2FY23	Q2FY23E	Q2FY22	YoY (%)	Q1FY23	QoQ (%)	Q2FY20	Vs pre-covid (%)	Comments
Net Sales	196.7	163.0	96.9	103.0	192.0	2.4	152.8	128.8%	ARR up 19% vs. Q2FY20, 2% QoQ. This, along with 42% rise in total room inventory led to 29% growth in revenues vs. pre-Covid levels
Other Incomes	1.7	1.5	3.6	-54.2	1.4	14.1	3.7		
Raw Material Expenses	12.3	11.9	6.5	89.7	11.6	6.0	13.2		
Employee Expenses	36.1	35.7	23.1	56.3	34.5	4.5	36.6		
Other expenses	54.7	49.3	33.5	63.6	58.3	-6.1	54.4		
Total expenses	<b>103.1</b>	96.9	63.0	63.6	<b>104.4</b>	-1.3	<b>104.3</b>	98.8%	Total cost broadly maintained at similar levels despite addition in room inventory from 5828 rooms in Q2FY20 to 8303 rooms in Q2FY22
EBITDA	93.6	66.1	33.9	LP	87.6	6.9	48.4	193.3%	
EBITDA Margin (%)	47.6%	40.6%	35.0%	263 bps	45.6%	98 bps	31.7%	1589 bps	Higher ARR, cost optimisation led to healthy margin expansion
Interest	45.5	43.7	46.3	-1.6	44.1	3.2	35.3		
Depreciation	25.0	23.5	26.3	-4.6	24.5	2.2	19.6		
PBT	24.7	0.4	-35.1	-170.5	20.5	20.8	-2.7		
Total Tax	5.6	0.1	-1.4	-492.3	7.1	-21.2	0.1		
Reported PAT	19.3	0.8	-33.2	-158.3	13.6	42.3	-3.0	LP	

Source: Company, ICICI Direct Research

Exhibit 5: Change in estimates

(₹ Crore)	FY23E			FY24E			Comments
	Old	New	% Change	Old	New	% Change	
Total Revenue	802.0	854.6	6.6	955.7	1,015.2	6.2	
EBITDA	385.2	412.7	7.1	463.4	475.1	2.5	
EBITDA Margin (%)	46.0	48.3	229 bps	48.5	46.8	-169 bps	
PAT	75.8	87.2	15.0	94.3	118.1	25.3	
EPS (₹)	1.0	1.1	15.0	1.2	1.5	25.3	

Source: Company, ICICI Direct Research

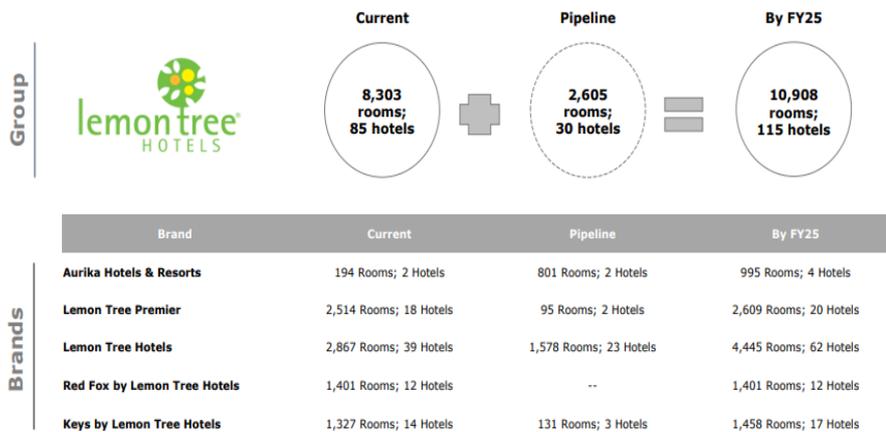
## Story in charts

Exhibit 6: Upcoming owned/leased hotels (excluding management contracts)

Particulars	Number of rooms	Ownership (%)	Expected
<b>End of FY19</b>	<b>3570</b>		
<b>Addition during the year:</b>			
LTP, Mumbai	303	58	
LTP, Kolkata	142	58	
RFH, Chandigarh	102	Leased	
Aurika, Udaipur	139	58	
<b>Total addition (Ex-Keys)</b>	<b>686</b>		
<b>Keys Hotels Inventory</b>	<b>936</b>		
<b>End of FY20</b>	<b>5192</b>		
<b>End of FY21</b>	<b>5192</b>		
<b>Future Additions</b>			
LT Mountain Resort, Shimla	69	100	NA
Aurika Mumbai	669	58	End of CY23
<b>Total (Owned/Leased) post Expansion</b>	<b>5930</b>		

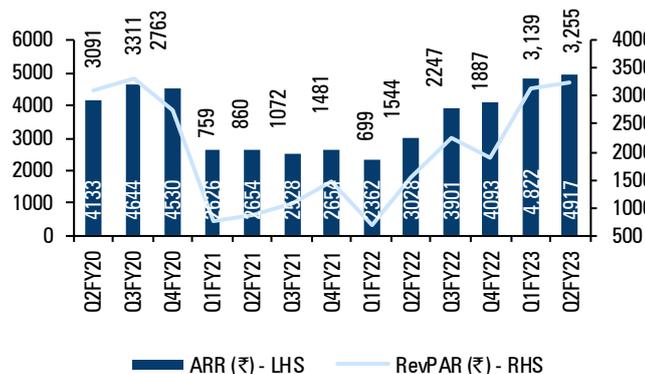
Source: Company, ICICI Direct Research

Exhibit 7: Total room portfolio (including managed)



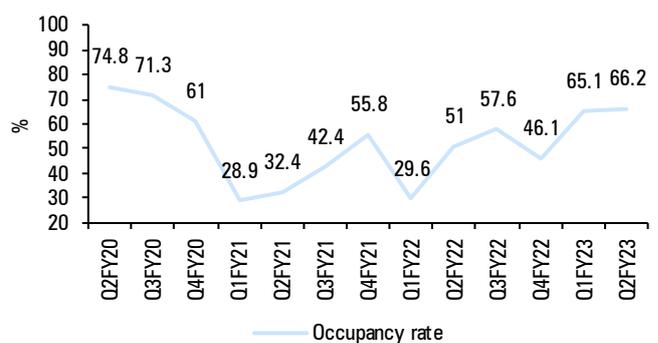
Source: Company, ICICI Direct Research

Exhibit 8: ARR remained firm, RevPAR up 5% than pre-Covid levels



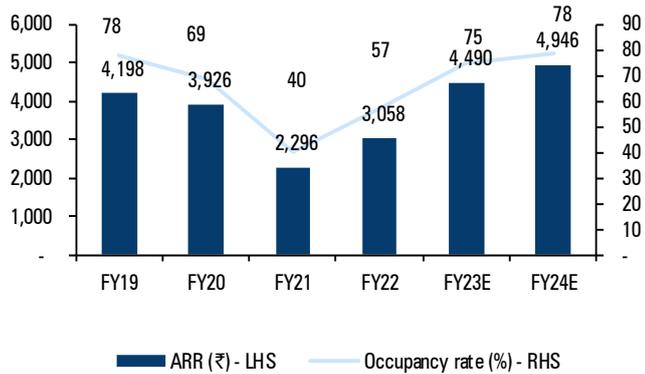
Source: Company, ICICI Direct Research

Exhibit 9: Occupancy trend (yet to cross pre-Covid levels)



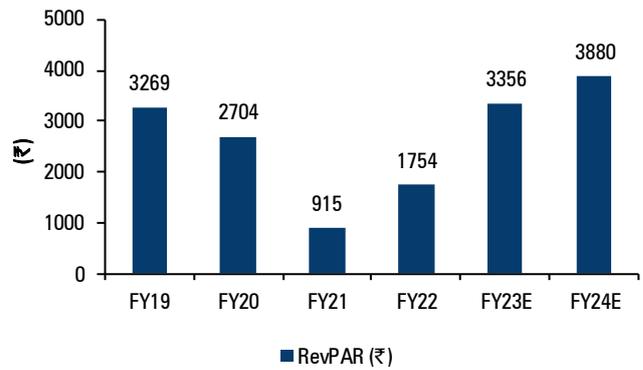
Source: Company, ICICI Direct Research

Exhibit 10: ARR to likely stay firm; to drive revenue growth



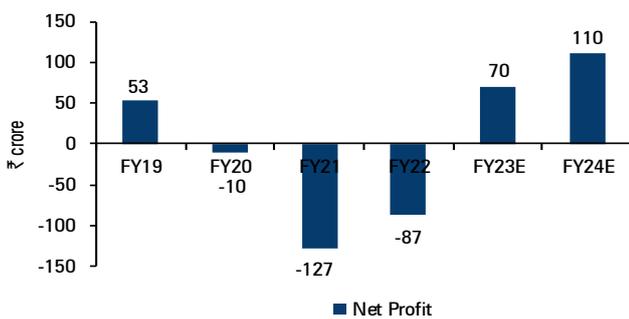
Source: Company, ICICI Direct Research

Exhibit 12: RevPAR trend



Source: Company, ICICI Direct Research

Exhibit 11: Expect profitability to improve sharply from FY23E



With full resumption of economy and improved cost efficiency, we expect the company's profitability to improve sharply from FY23 onwards

Source: Company, ICICI Direct Research

Exhibit 13: Pipeline of management contracts

#	Hotel Pipeline as of 30/09/2022 (Q2 FY23)	City	Rooms	Opening date As of 30/09/2022 (Q2 FY23)
1	Keys Lite by Lemon Tree Hotels, Sreekanya	Visakhapatnam	44	Oct-22 (Now open)
2	Lemon Tree Hotel, Kalina	Mumbai	63	Oct-22 (Now open)
3	Lemon Tree Hotel, Mukteshwar	Mukteshwar	41	Dec-22
4	Lemon Tree Hotel, Hubli	Hubli	65	Added in Q2 FY23 Feb-23
5	Lemon Tree Hotel, Rajkot	Rajkot	45	Added in Q2 FY23 Feb-23
6	Lemon Tree Hotel, Malad, Mumbai	Mumbai	93	Mar-23
7	Lemon Tree Resort, Mussoorie	Mussoorie	40	Mar-23
8	Lemon Tree Hotel, Anjuna, Goa	Goa	51	Added in Q2 FY23 Mar-23
9	Lemon Tree Hotel, Tapovan, Rishikesh	Rishikesh	102	Apr-23
10	Lemon Tree Hotel, McLeodganj	Dharamshala	39	Apr-23
11	The Spectrum, operated by Lemon Tree Hotels, Gurugram	Gurugram	260	Apr-23
12	Lemon Tree Hotel, Agra	Agra	62	Apr-23
13	Lemon Tree Hotel, Sonmarg	Sonmarg	40	Apr-23
14	Lemon Tree Premier, Biratnagar, Nepal	Biratnagar, Nepal	80	Apr-23
15	Lemon Tree Hotel, Thiruvananthapuram	Thiruvananthapuram	100	Jul-23
16	Keys Lite by Lemon Tree Hotels, Jaipur	Jaipur	47	Oct-23
17	Lemon Tree Resort, Thimphu, Bhutan	Thimphu, Bhutan	38	Oct-23
18	Keys Select by Lemon Tree Hotels, Chirang	Chirang, Assam	40	Dec-23
19	Lemon Tree Hotel, Erode	Erode, Tamil Nadu	64	Added in Q2 FY23 Dec-23
20	Lemon Tree Premier, Kanha	Kanha	15	Added in Q2 FY23 Dec-23
21	Lemon Tree Hotel, Darjeeling	Darjeeling	55	Mar-24
22	Lemon Tree Hotel, Kathmandu	Kathmandu, Nepal	75	Sep-24
23	Aurika, Rishikesh	Rishikesh	132	Mar-25
24	Lemon Tree Hotel, Kharar	Kharar	60	Apr-25
25	Lemon Tree Hotel, Gulmarg	Gulmarg	35	TBD
26	Lemon Tree Hotel, Bokaro	Bokaro	70	TBD
27	Lemon Tree Hotel, Ludhiana	Ludhiana	60	TBD
28	Bhangeri Durbar Resort, operated by Lemon Tree Hotels	Nagarkot, Nepal	51	TBD
	<b>Total</b>		<b>1867</b>	

Expansion plans – Hotels under development

Under-development hotels	Type	Rooms	Expected Opening date	Ownership (%)
Aurika, Mumbai International Airport	Owned	669	CY23	58.91%
Lemon Tree Mountain Resort, Shimla	Owned	69	TBD	100.00%
<b>Total</b>		<b>738</b>		

Source: Company, ICICI Direct Research

## Performance set to improve sharply in stabilised environment...

As the economy is now coming out of pandemic induced pain, we expect the hotel business now to recover fully in FY23E. As companies are adopting ARR led growth strategy, we now model occupancy of 71%, 75% for FY23E, FY24E vs. 78%, 81%, respectively, projected earlier. ARR is now expected to stay higher than estimated earlier. We assume ARR of ₹ 5387, ₹ 5737 for FY23E, FY24E vs. ₹ 4,946, ₹ 5,715 in FY23E, FY24E, respectively. LTHL has taken measures to curtail costs, by taking salary cuts, re-negotiating contracts, reducing repairs costs, reduction in power costs, advertisement, etc. While some measures are sustainable, we model EBITDA margins of 48.3%, 46.8% in FY23E, FY24E, respectively, vs. 29.5% in FY22 while the company has given EBITDA margin guidance of 50%+. At the PAT level, we expect the company to report PAT of ₹ 118.1 crore in FY24E.

## Valuation & Outlook

Being the largest branded hotel player in the mid segment, the company is expected to be the key beneficiary of a sharp demand revival. We expect the company to continue to gain market share due to its strong positioning across all major cities. While we expect revenue and EBITDA CAGR of 59% and 100%, respectively, during FY22-24E on a lower base of FY22, we expect the growth tempo to stay strong beyond FY24 as well on commissioning of the Mumbai property. We maintain **BUY** rating with an unchanged target price of ₹ 110 per share (SOTP based valuation, i.e. implied EV multiple of 28x FY24E EBITDA).

### Exhibit 14: Valuation matrix

Target valuations		Amount
Lemon Tree Group Enterprise value (₹ crore)		13303
Net Debt FY24E (₹ crore)		1596
<b>Lemon Tree Group Equity value (₹ crore)</b>		<b>11707</b>
Lemon Tree Equity Value - Standalone (₹ crore)	(A)	3293
Fleur Hotels Equity Value (₹ crore)	(B)	8415
Fleur Hotels Equity Value - 58% Lemon Tree share (₹ crore)	(C)	4880
<b>Lemon Tree Value (₹ crore)</b>		<b>8673</b>
Number of shares (Crore)		79
<b>Target Price (₹)</b>		<b>110</b>

Source: Company, ICICI Direct Research

## Financial summary

Exhibit 15: Profit and loss statement					
	₹ crore				
(Year-end March)	FY20	FY21	FY22	FY23E	FY24E
<b>Total operating Income</b>	<b>669.4</b>	<b>251.7</b>	<b>402.2</b>	<b>854.6</b>	<b>1015.2</b>
Growth (%)	22%	-62%	60%	112%	19%
Raw Material Expenses	57.0	17.8	27.8	70.1	83.2
Employee Expenses	155.3	70.4	97.3	141.1	182.7
Other Exp	218.8	102.2	158.4	230.7	274.1
Total Operating Expenditure	431.1	190.4	283.5	441.9	540.1
<b>EBITDA</b>	<b>238.3</b>	<b>61.3</b>	<b>118.7</b>	<b>412.7</b>	<b>475.1</b>
Growth (%)	41.2%	-74.3%	93.7%	247.7%	15.1%
Depreciation	87.2	107.6	104.3	109.3	122.5
Interest	161.6	190.4	180.9	181.2	173.6
Other Income	10.9	22.0	21.0	18.0	19.0
<b>PBT</b>	<b>0.5</b>	<b>-214.7</b>	<b>-145.6</b>	<b>140.2</b>	<b>198.0</b>
Others	0.0	0.0	0.0	0.0	0.0
Total Tax	10.9	-32.2	-7.2	29.4	44.5
<b>Reported PAT</b>	<b>-13.1</b>	<b>-186.5</b>	<b>-137.4</b>	<b>111.7</b>	<b>155.4</b>
<b>PAT after MI</b>	<b>-13.1</b>	<b>-127.0</b>	<b>-87.4</b>	<b>87.2</b>	<b>118.1</b>
Growth (%)	-1.2	8.7	NA	LP	NM
<b>Adjusted EPS (₹)</b>	<b>-0.2</b>	<b>-2.4</b>	<b>-1.7</b>	<b>1.1</b>	<b>1.5</b>

Source: Company, ICICI Direct Research

Exhibit 16: Cash flow statement				
	₹ crore			
(Year-end March)	FY21	FY22	FY23E	FY24E
Profit after Tax	-186	-137	112	155
Add: Depreciation	108	104	109	123
(Inc)/dec in W/cap	29	13	-116	0
Others	152	50	320	161
<b>CF from operating activities</b>	<b>103</b>	<b>30</b>	<b>425</b>	<b>439</b>
(Inc)/dec in Other Non-Curr Assets	0	0	0	0
(Inc)/dec in Fixed Assets	-74	-93	-398	-300
Others	18	78	42	9
<b>CF from investing activities</b>	<b>-56</b>	<b>-14</b>	<b>-356</b>	<b>-291</b>
Issue/(Buy back) of Shares	0	0	0	0
Inc/(dec) in loan funds	46	57	50	55
Dividend paid & dividend tax	0	0	0	0
Others	8	-159	-13	-155
<b>CF from financing activities</b>	<b>54</b>	<b>-103</b>	<b>37</b>	<b>-100</b>
Net Cash flow	100	-87	105	48
Opening Cash	41	141	54	160
<b>Closing Cash</b>	<b>141</b>	<b>54</b>	<b>160</b>	<b>207</b>

Source: Company, ICICI Direct Research

Exhibit 17: Balance sheet					
	₹ crore				
(Year-end March)	FY20	FY21	FY22	FY23E	FY24E
<b>Liabilities</b>					
Equity Capital	790.3	790.4	790.2	790.2	790.2
Reserve and Surplus	32.7	127.1	40.4	127.6	245.7
<b>Total Shareholders fun</b>	<b>823.0</b>	<b>917.5</b>	<b>830.7</b>	<b>917.8</b>	<b>1036.0</b>
<b>Total Debt</b>	<b>1596.0</b>	<b>1641.9</b>	<b>1698.6</b>	<b>1748.5</b>	<b>1803.5</b>
Deferred Tax Liability	0.0	0.0	2.0	0.0	0.0
Minority Interest / Others	721.8	617.4	567.6	742.1	779.4
<b>Total Liabilities</b>	<b>3459.9</b>	<b>3518.4</b>	<b>3381.0</b>	<b>3696.7</b>	<b>3908.1</b>
<b>Assets</b>					
Gross PPE	2941.3	2967.8	3011.0	3061.0	3561.0
Less: Acc Depreciation	289.5	397.1	501.4	610.7	733.2
Net PPE	2651.8	2570.8	2509.6	2450.3	2827.8
Investment Property	2.4	2.3	1.8	2.5	2.5
CWIP	189.6	241.8	294.6	644.6	444.6
<b>Total Fixed Assets</b>	<b>2843.7</b>	<b>2814.9</b>	<b>2805.9</b>	<b>3097.3</b>	<b>3274.8</b>
Intangibles	119.4	114.6	112.1	109.8	109.8
Investments	59.7	69.9	75.9	50.0	50.0
Inventory	8.2	7.2	8.1	15.0	15.0
Debtors	50.3	30.8	29.1	67.0	67.0
Loans and Advances	0.0	0.0	0.0	0.0	0.0
Other Current Assets	55.5	50.1	33.6	75.0	75.0
Cash	40.8	141.2	54.3	159.7	207.3
Total Current Assets	159.2	230.2	130.3	351.7	399.3
Creditors	42.0	78.8	58.5	93.0	93.0
Provisions & Others	115.7	89.2	49.6	131.6	131.6
Total Current Liabilities	302.8	296.3	253.3	369.6	374.6
<b>Net Current Assets</b>	<b>-143.6</b>	<b>-66.1</b>	<b>-123.0</b>	<b>-17.9</b>	<b>24.7</b>
Others Assets	580.7	585.1	510.2	457.5	448.9
<b>Application of Funds</b>	<b>3459.9</b>	<b>3518.4</b>	<b>3381.0</b>	<b>3696.7</b>	<b>3908.1</b>

Source: Company, ICICI Direct Research

Exhibit 18: Key ratios				
(Year-end March)	FY21	FY22	FY23E	FY24E
<b>Per share data (₹)</b>				
Adjusted EPS	-1.6	-1.1	1.1	1.5
Cash EPS	-1.0	-0.4	2.8	3.5
BV	11.6	10.5	11.6	13.1
DPS	0.0	0.0	0.0	0.0
Cash Per Share	1.8	0.7	2.0	2.6
<b>Operating Ratios (%)</b>				
EBITDA Margin	24.3	29.5	48.3	46.8
EBIT Margin	-9.7	8.8	37.6	36.6
PAT Margin	-74.1	-34.1	13.1	15.3
Inventory days	11.2	7.0	4.9	5.4
Debtor days	58.8	27.2	20.5	24.1
Creditor days	87.6	62.3	32.4	33.4
<b>Return Ratios (%)</b>				
RoE	-21.4	-15.7	12.8	15.9
RoCE	-0.7	1.0	9.1	9.8
<b>Valuation Ratios (x)</b>				
P/E	NM	NM	81.6	60.2
EV / EBITDA	140.5	73.7	21.0	18.3
EV / Net Sales	34.2	21.8	10.1	8.5
Market Cap / Sales	28.3	17.7	8.3	7.0
Price to Book Value	7.8	8.6	7.7	6.9
<b>Solvency Ratios</b>				
Debt/EBITDA	26.8	14.3	4.2	3.8
Debt / Equity	1.1	1.2	1.1	1.0
Current Ratio	0.8	0.5	1.0	1.1
Quick Ratio	0.8	0.5	0.9	1.0

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



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