

November 1, 2022

Q2FY23 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	1,070		1,020	
Sales (Rs. m)	5,83,213	6,30,359	5,73,953	6,20,333
% Chng.	1.6	1.6		
EBITDA (Rs. m)	1,31,806	1,44,983	1,32,009	1,42,677
% Chng.	(0.2)	1.6		
EPS (Rs.)	70.7	82.0	72.9	82.1
% Chng.	(2.9)	(0.1)		

Key Financials - Consolidated

Y/e Mar	FY22	FY23E	FY24E	FY25E
Sales (Rs. m)	4,62,400	5,39,982	5,83,213	6,30,359
EBITDA (Rs. m)	1,01,650	1,21,496	1,31,806	1,44,983
Margin (%)	22.0	22.5	22.6	23.0
PAT (Rs. m)	38,917	46,644	54,119	62,762
EPS (Rs.)	50.9	61.0	70.7	82.0
Gr. (%)	26.9	19.9	16.0	16.0
DPS (Rs.)	10.0	10.0	10.0	10.0
Yield (%)	1.4	1.4	1.4	1.4
RoE (%)	19.7	19.9	19.8	19.6
RoCE (%)	16.4	19.0	20.4	21.8
EV/Sales (x)	1.7	1.4	1.2	1.1
EV/EBITDA (x)	7.5	6.3	5.4	4.6
PE (x)	14.1	11.8	10.1	8.7
P/BV (x)	2.5	2.2	1.9	1.6

Key Data

UPLL.BO | UPLL IN

52-W High / Low	Rs.848 / Rs.608
Sensex / Nifty	61,121 / 18,145
Market Cap	Rs.538bn/ \$ 6,507m
Shares Outstanding	751m
3M Avg. Daily Value	Rs.1784.22m

Shareholding Pattern (%)

Promoter's	28.96
Foreign	35.57
Domestic Institution	17.19
Public & Others	18.28
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	6.7	(12.9)	(0.4)
Relative	0.2	(18.7)	(2.0)

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UPL (UPLL IN)

Rating: BUY | CMP: Rs717 | TP: Rs1,070

Robust operating performance; debt repayment remains key

Quick Pointers:

- Volume/price/exchange growth of -7%/+21%/+4% YoY respectively
- Net debt stood at Rs314.9bn (including perpetual bond of Rs29.8bn) up Rs20.3bn QoQ and Rs42.3bn YoY

Citing positive demand scenario globally coupled with better realizations, UPL maintained its revenue and EBITDA growth guidance to 12-15% and 15-18% in FY23E, with growth to be largely driven by focus on differentiated solutions and new product launches. While, the company expects to reduce debt by USD650mn (earlier USD400mn) in FY23E led by recent restructuring of business verticals resulting into inflow of USD259mn. We broadly maintain our FY23/24 estimates. We expect UPL to clock Revenue/PAT CAGR of 11%/17% over FY22-25E. We introduce and roll forward our valuations to FY25E. Maintain 'BUY' with a revised TP of INR1070 (earlier Rs1020) based on 14xSeptember FY24E EPS.

UPL reported 2QFY23 revenue/EBITDA/PAT of Rs125.0bn/Rs27.6bn/Rs8.5bn (+18%/+35%/+27% YoY). Results were ahead of our and consensus estimates. Key highlights are: (1) Volume and price growth of -7% and +21% YoY respt. Fx up +4% YoY; (2) LATAM/ Europe/ NAFTA/ RoW/ India posted +20%/+1%/+24%/+21%/+22% YoY growth in2QFY23; (3) NWC has increased by 10 days YoY to 124 days led by a) robust growth of 22% in sales, b) short-term inventory build-up due to strong demand and uncertainties in supply-chain; (4) Net debt stood at Rs314.9bn (including perpetual bond of Rs29.8bn) up Rs20.3bn QoQ and Rs42.3bn YoY; (5) Maintained Guidance for FY23E expect to achieve revenue growth of 12-15% and EBITDA growth of 15-18% earlier citing robust demand scenario globally. While Debt repayment guidance now stands at USD650mn for FY23 (largely led by recent restructuring of business verticals) vs earlier USD300-400mn.

- All geographies barring Europe posted double digit growth:** Consolidated revenues at Rs125.0bn (+18% YoY) were ahead of our and consensus estimates of Rs121bn and Rs120.5bn respectively. Volume declined by 7% YoY, while positive price variance of 21% YoY and positive 4% FX has resulted into 18% YoY growth in 2QFY23. All the regions posted positive growth with LATAM/ NAFTA/ Europe/ Row/India recording 20%/24%/1%/21%/22% YoY growth respectively. Growth was primarily driven by (a) strong growth in herbicide and insecticides segment; (b) better price realizations led by healthy demand and comfortable channel inventory; (c)accelerated growth in differentiated products across regions.

- **Margin surprise positively despite inflationary RM cost environment:**
Gross Margins were up 320bps YoY led by price hikes taken in the recent past to mitigate the inflated RM cost and higher contribution of differentiated products. While, lower employee and higher other expenses down 30bps and up 80bps YoY has resulted into EBITDA margins expansion of 270 bps YoY to 22.1% (Our/Consensus estimates of 18.4%/19.7%). Forex loss in finance cost and other income stood at Rs4.49bn during 2QFY23 vs Rs810mn in same quarter last year. Adjusted PAT came in at Rs8.4bn (PLe Rs7.5bn). Exceptional item of Rs430mn (net of tax Rs353mn) is largely towards loss on account of fire in a plant, restructuring cost in Europe, litigation cost and severance related charges.
- **Debt on the higher side led by higher WC and seasonality of business:**
As on September 30, 2022 Net debt stood at Rs314.9bn (including perpetual bond of Rs29.9bn, considered as equity), up Rs42.3bn YoY/ Rs20.3bn QoQ. Increase in debt was largely led by increase in working capital (WC) primarily led by a) higher revenue growth of 22% YoY; b) short-term inventory build-up due to strong demand in 2HFY23 and uncertainties in supply-chain. While the company has done higher factoring of receivables of Rs66.7bn as against Rs51.4bn in the same period last year coupled with adverse FX impact in order to have a lesser impact of forex on interest cost has resulted into higher debt. Going forward, the management alluded that receivables factoring is likely to flat on a YoY basis at USD1.6bn. Despite inflated WC, UPL remained confident to achieve its debt reduction guidance of USD650mn during FY23E.
- **Recent Business restructuring to unlock value in the long term:** UPL announced strategic corporate realignment of its existing business by creating 4 distinct business verticals in the consolidated entity 1) India Agrtech (crop protection + Digital); 2) Global crop protection (Excl. India business); 3) Global seeds; 4) Manufacturing and specialty chemicals + others business through investments by marquee investors (ADIA, TPG, Brookfield and KKR) investing a total of USD500mn in two of these business platforms (valuing these entities at ~USD4.5bn which is equally split between the two; implying a deal multiple of ~26x FY22 EBITDA). While, ADIA and TPG will receive USD241mn for their exit from Non-crop protection in UPL Corp. (material subsidiary) business (valuation at 11x FY22 EBITDA) resulting into net proceeds of USD259mn to UPL Ltd. **We believe, with net proceeds of USD259mn (~Rs 20 bn) (<1% of EBITDA dilution) is likely to be utilized towards debt reduction and working capital requirement of the company and would not meaningfully impact earnings profile in the near term. While, on a longer term basis, it is a positive move in terms of unlocking fair value of each of the business segments.**

Other Key Highlights

- **LATAM:** UPL posted 20% YoY growth in the LATAM revenues primarily driven by strong growth led by pricing in herbicide and insecticides segment in Brazil and Argentina markets. The company posted strong double digit growth in NPP Bio solutions in the Mexican and Andean region. While better volumes of its newly launched fungicide Evolution has supported the overall performance.

- **Europe:** UPL posted flat YoY growth (+1% YoY) in the European region primarily led by devaluation of currency in the region. However, the company has posted growth in Euro terms. Growth in the region was impacted by a) regulatory issues in the region led to ban of products; b) escalated geo-political tensions between Russia-Ukraine and c) currency devaluation (Euro/INR depreciated by 7% YoY in 1QFY23). Strong growth in DACH (Germany, Austria and Switzerland) was led by NPP Bio solutions. While central Europe witnessed a good mix of higher volumes and improved pricing leading to better growth from the region. Strong performance driven by fungicides, herbicides and Bio-solutions segment aided to offset the loss from the region. Going ahead, UPL has guided for mid-single digit sort of growth from the region to be backed by better product mix supported by strong sales of differentiated & sustainable solutions (higher growth and better margin products).
- **North America:** UPL posted 24% YoY growth in the NAFTA regions primarily led by higher volume growth and superior price realizations in glufosinate from the region. Improved commodity prices coupled with tight supply of key products has in turn resulted into an overall healthy performance from the region. Going forward, the company remains upbeat led by better traction from the Non-selective herbicides supported by better price realizations. However, dry weather conditions coupled with higher channel inventory led by heavy stocking of herbicides amid supply issues remains a concern.
- **India:** UPL posted 22% YoY growth in the domestic market primarily led by better traction from Glufosinate products. Growth in 2Q23 was largely led by better performance from herbicide segment and healthy demand from newly launched products (Shenzi, Triskele, and Trishuk). Further, favorable commodity prices have helped to fetch better realizations.
- **RoW:** UPL posted 21% YoY growth in the RoW region during 2QFY23 primarily led by improved pricing, better product mix supported by healthy volume growth. Strong growth recorded despite higher channel inventory, pricing pressure from China and unfavorable market economies. While better growth witnessed in South Africa led by healthy growth in the herbicide segment.
- **Advanta Seeds- Robust traction in revenue and EBITDA:** Advanta seeds reported 30% YoY in revenues to Rs9.82bn primarily driven by strong growth in a) field corn in ASEAN, South Asia and LATAM (Excl. Brazil); b) Renewal of Sunflower portfolio in Argentina and c) Traction in Grain Sorghum in Australia. However, Contribution margin declined by 100 bps as compared to last year largely led by weather related challenges in Argentina, Thailand and Indonesia resulting into lower seed yields (higher per unit cost). While, robust growth in contribution profit coupled with lower SGA (29% in 2QFY23 as against 30% in 2QFY22) led faster EBITDA growth with 10 bps YoY expansion in margins.
- **Interest Expenses:** Interest expense were up 32% on YoY on account of a) higher borrowing cost amid rising interest cost scenario up Rs2.7bn (up 61% YoY). The company had Mark to market (MTM) loss of Rs1.25bn in respect of advance sales orders as compared to net exchange gain of Rs330mn in 2QFY22.

- **Net working capital:** NWC has increased by 10 days YoY to 108 days led by a) robust growth of 22% in sales, b) short-term inventory build-up due to strong demand and uncertainties in supply-chain.
- **Guidance:** Citing positive demand scenario globally, UPL maintained its revenue and EBITDA growth guidance to 12-15% and 15-18% in FY23E), with growth to be driven by focus on differentiated solutions and new product launches. While Debt repayment guidance now stands at USD650mn for FY23 (largely led by recent restructuring of business verticals) vs earlier USD300-400mn. Further, better operating leverage coupled with synergy benefits and price hike in local currency is likely to support margins going forward.

Exhibit 1: Q2FY23 Result Overview (Rs mn)

Y/e March	2QFY23	2QFY22	YoY gr. (%)	1QFY23	QoQ gr. (%)	H1FY23	H1FY22	YoY gr. (%)
Revenue	1,25,070	1,05,670	18.4	1,08,210	15.6	2,33,280	1,90,820	22.3
Raw material costs	57,810	52,210	10.7	46,640	23.9	1,04,450	89,240	17.0
Gross profit	67,260	53,460	25.8	61,570	9.2	1,28,830	1,01,580	26.8
Employee costs	12,330	10,790	14.3	12,440	(0.9)	24,770	21,090	17.4
Other expenses	27,250	22,220	22.6	25,700	6.0	52,950	41,410	27.9
Total operating expenses	39,580	33,010	19.9	38,140	3.8	77,720	62,500	24.4
EBITDA	27,680	20,450	35.4	23,430	18.1	51,110	39,080	30.8
Depreciation	6,080	5,660	7.4	5,880	3.4	11,960	11,170	7.1
EBIT	21,600	14,790	46.0	17,550	23.1	39,150	27,910	40.3
Less: Interest Expense	6,440	3,590	79.4	5,190	24.1	11,630	9,660	20.4
Add: Other income	-2,460	-670	NA	-1,240	NA	-3,700	-1,080	NA
Profit Before Tax	12,700	10,530	20.6	11,120	14.2	23,820	17,170	38.7
Less: Provision for Tax	2,387	2,562	(6.8)	730	226.9	3,118	1,155	169.8
Less: Minority Interest	1,820	1,300	40.0	980	85.7	2,800	2,060	35.9
Adjusted Profit	8,493	6,668	27.4	9,410	(9.7)	17,902	13,955	28.3
Add: Exceptional items (net of tax)	353	328	7.5	640	(44.9)	992	845	17.5
Reported Profit	8,140	6,340	28.4	8,770	(7.2)	16,910	13,110	29.0
Adjusted EPS	11.1	8.7	27.4	12.3	(9.7)	23.4	18.2	28.3
As % of revenues								
COGS	46.2	49.4		43.1		44.8	46.8	
Gross profit	53.8	50.6		56.9		55.2	53.2	
Employee costs	9.9	10.2		11.5		10.6	11.1	
Other expenses	21.8	21.0		23.8		22.7	21.7	
Total operating expenses	31.6	31.2		35.2		33.3	32.8	
EBITDA	22.1	19.4		21.7		21.9	20.5	
Net profit	6.8	6.3		8.7		7.7	7.3	

Source: Company, PL

Exhibit 2: Robust growth driven by higher realizations

	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Volume growth	19	7	18	6	15	11	3	6	(7)
Realization impact	(1)	1	1	2	3	13	19	18	21
Forex impact	(4)	(5)	(4)	1	0	0	2	3	4
Total (%)	14	3	15	9	18	24	24	27	18

Source: Company, PL

Exhibit 3: All geographies barring India posted double digit revenue growth

Geography	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
NAFTA	7,730	13,520	25,390	12,210	9,580	21,170	35,120	17,960	11,850
India	14,090	9,060	8,510	19,140	14,830	9,070	13,840	20,670	18,080
Europe	10,220	11,200	25,770	15,220	13,360	14,060	26,290	17,280	13,540
ROW	15,030	18,990	20,640	13,500	17,020	21,850	25,750	17,650	20,670
LATAM	42,330	38,490	47,660	25,070	50,880	46,830	57,610	34,640	60,920
Total Sales	89,400	91,260	1,27,970	85,140	1,05,670	1,12,980	1,58,610	1,08,200	1,25,060
NAFTA	8.7	5.0	4.0	18.9	23.9	56.6	38.3	47.1	23.7
India	17.9	21.0	23.2	26.7	5.3	0.1	62.6	8.0	21.9
Europe	6.2	30.1	16.9	(10.6)	30.7	25.5	2.0	13.5	1.3
ROW	27.2	6.1	(14.4)	(14.4)	13.2	15.1	24.8	30.7	21.4
LATAM	12.4	(8.4)	40.5	24.4	20.2	21.7	20.9	38.2	19.7

Source: Company, PL

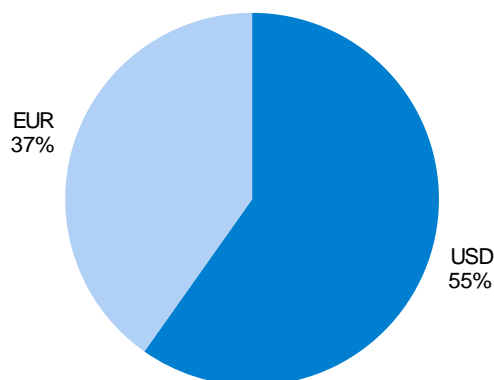
Exhibit 4: Quarterly Debt Movement

Cash Flow Metrics	1QFY23	2QFY23
Sources		
PAT + Depreciation	14,650	14,220
Increase in Debt	75,740	20,320
Total Sources	90,390	34,540
Application		
Working Capital	56,080	28,870
Capex	9,410	5,290
Dividend paid	13,550	7,550
Investment in subsidiaries	0	0
Miscellaneous	11,350	-7,170
Total Utilisations	90,390	34,540

Source: Company, PL

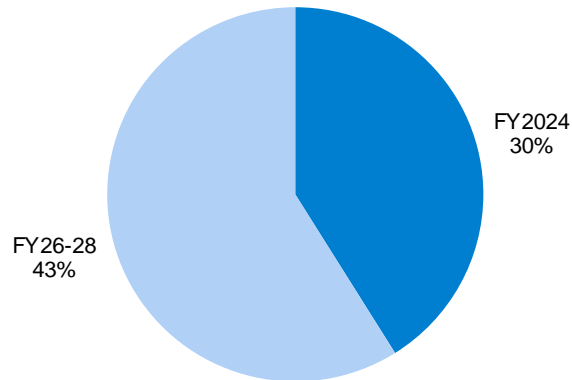
Note: Negative figures indicate debt repaid and working capital deployment

Exhibit 5: Debt Profile of UPL- By Currency



Source: Company, PL

Exhibit 6: Debt Profile of UPL- By Maturity



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Net Revenues	4,62,400	5,39,982	5,83,213	6,30,359
YoY gr. (%)	19.5	16.8	8.0	8.1
Cost of Goods Sold	2,20,720	2,52,172	2,75,277	2,96,269
Gross Profit	2,41,680	2,87,810	3,07,937	3,34,090
Margin (%)	52.3	53.3	52.8	53.0
Employee Cost	46,220	54,538	59,488	64,297
Other Expenses	74,520	95,577	99,146	1,05,270
EBITDA	1,01,650	1,21,496	1,31,806	1,44,983
YoY gr. (%)	18.8	19.5	8.5	10.0
Margin (%)	22.0	22.5	22.6	23.0
Depreciation and Amortization	23,590	26,034	28,706	30,726
EBIT	78,060	95,462	1,03,100	1,14,256
Margin (%)	16.9	17.7	17.7	18.1
Net Interest	22,950	26,600	22,625	20,425
Other Income	(3,550)	200	(20)	(200)
Profit Before Tax	51,560	69,062	80,455	93,631
Margin (%)	11.2	12.8	13.8	14.9
Total Tax	5,873	13,812	16,091	18,726
Effective tax rate (%)	11.4	20.0	20.0	20.0
Profit after tax	45,687	55,249	64,364	74,905
Minority interest	8,110	9,945	11,586	13,483
Share Profit from Associate	1,340	1,340	1,340	1,340
Adjusted PAT	38,917	46,644	54,119	62,762
YoY gr. (%)	26.9	19.9	16.0	16.0
Margin (%)	8.4	8.6	9.3	10.0
Extra Ord. Income / (Exp)	2,657	2,500	2,500	2,500
Reported PAT	41,574	49,144	56,619	65,262
YoY gr. (%)	27.5	18.2	15.2	15.3
Margin (%)	9.0	9.1	9.7	10.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	41,574	49,144	56,619	65,262
Equity Shares O/s (m)	765	765	765	765
EPS (Rs)	50.9	61.0	70.7	82.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Non-Current Assets				
Gross Block	3,00,470	3,25,430	3,50,070	3,74,710
Tangibles	1,89,790	2,14,750	2,39,390	2,64,030
Intangibles	1,10,680	1,10,680	1,10,680	1,10,680
Acc: Dep / Amortization	1,09,010	1,35,044	1,63,750	1,94,476
Tangibles	1,09,010	1,35,044	1,63,750	1,94,476
Intangibles	-	-	-	-
Net fixed assets	1,91,460	1,90,386	1,86,320	1,80,234
Tangibles	80,780	79,706	75,640	69,554
Intangibles	1,10,680	1,10,680	1,10,680	1,10,680
Capital Work In Progress	11,840	11,840	11,840	11,840
Goodwill	1,83,640	1,83,640	1,83,640	1,83,640
Non-Current Investments	10,820	10,820	10,820	10,820
Net Deferred tax assets	(3,990)	(3,990)	(3,990)	(3,990)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	8,400	8,400	8,400	8,400
Inventories	1,30,780	1,31,267	1,35,753	1,46,105
Trade receivables	1,53,340	1,84,985	1,99,795	2,15,946
Cash & Bank Balance	61,200	26,697	44,274	60,547
Other Current Assets	-	-	-	-
Total Assets	8,26,790	8,26,073	8,61,743	9,01,440
Equity				
Equity Share Capital	1,530	1,530	1,530	1,530
Other Equity	2,15,220	2,50,146	2,92,547	3,43,591
Total Network	2,16,750	2,51,676	2,94,077	3,45,121
Non-Current Liabilities				
Long Term borrowings	2,45,910	2,05,910	1,75,910	1,45,910
Provisions	-	-	-	-
Other non current liabilities	10,950	10,950	10,950	10,950
Current Liabilities				
ST Debt / Current of LT Debt	42,610	42,610	42,610	42,610
Trade payables	1,65,520	1,65,811	1,84,775	1,98,865
Other current liabilities	73,830	77,896	82,202	86,764
Total Equity & Liabilities	8,26,790	8,26,073	8,61,743	9,01,440

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
PBT	49,660	69,062	80,455	93,631
Add. Depreciation	23,590	26,034	28,706	30,726
Add. Interest	22,950	26,600	22,625	20,425
Less Financial Other Income	(3,550)	200	(20)	(200)
Add. Other	(3,530)	(11,305)	(12,726)	(14,443)
Op. profit before WC changes	92,670	1,10,391	1,19,061	1,30,340
Net Changes-WC	(17,670)	(30,503)	1,110	(10,857)
Direct tax	(10,040)	(13,812)	(16,091)	(18,726)
Net cash from Op. activities	64,960	66,076	1,04,080	1,00,756
Capital expenditures	(25,650)	(24,960)	(24,640)	(24,640)
Interest / Dividend Income	2,870	200	(20)	(200)
Others	(15,410)	-	-	-
Net Cash from Invt. activities	(38,190)	(24,760)	(24,660)	(24,840)
Issue of share cap. / premium	-	-	-	-
Debt changes	96,840	(40,000)	(30,000)	(30,000)
Dividend paid	(9,220)	(9,218)	(9,218)	(9,218)
Interest paid	(19,410)	(26,600)	(22,625)	(20,425)
Others	(87,420)	-	-	-
Net cash from Fin. activities	(19,210)	(75,818)	(61,843)	(59,643)
Net change in cash	7,560	(34,503)	17,576	16,273
Free Cash Flow	64,960	66,076	1,04,080	1,00,756

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Net Revenue	1,12,970	1,58,610	1,08,210	1,25,070
YoY gr. (%)	23.8	24.0	27.1	18.4
Raw Material Expenses	51,540	79,940	46,640	57,810
Gross Profit	61,430	78,670	61,570	67,260
Margin (%)	54.4	49.6	56.9	53.8
EBITDA	26,650	35,920	23,430	27,680
YoY gr. (%)	20.7	26.5	25.8	35.4
Margin (%)	23.6	22.6	21.7	22.1
Depreciation / Depletion	6,000	6,420	5,880	6,080
EBIT	20,650	29,500	17,550	21,600
Margin (%)	18.3	18.6	16.2	17.3
Net Interest	5,210	6,280	6,070	5,190
Other Income	(1,590)	(2,680)	(360)	(3,710)
Profit before Tax	13,850	20,540	11,120	12,700
Margin (%)	12.3	13.0	10.3	10.2
Total Tax	1,765	2,952	730	2,387
Effective tax rate (%)	12.7	14.4	6.6	18.8
Profit after Tax	12,085	17,588	10,390	10,313
Minority interest	2,290	2,420	980	1,820
Share Profit from Associates	-	-	-	-
Adjusted PAT	9,795	15,168	9,410	8,493
YoY gr. (%)	35.0	34.4	29.1	27.4
Margin (%)	8.7	9.6	8.7	6.8
Extra Ord. Income / (Exp)	(435)	(1,378)	(640)	(353)
Reported PAT	9,360	13,790	8,770	8,140
YoY gr. (%)	17.9	29.7	29.5	28.4
Margin (%)	8.3	8.7	8.1	6.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	9,360	13,790	8,770	8,140
Avg. Shares O/s (m)	765	765	765	765
EPS (Rs)	12.8	19.8	12.3	11.1

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY22	FY23E	FY24E	FY25E
Per Share(Rs)				
EPS	50.9	61.0	70.7	82.0
CEPS	81.7	95.0	108.3	122.2
BVPS	283.3	329.0	384.4	451.1
FCF	84.9	86.4	136.1	131.7
DPS	10.0	10.0	10.0	10.0
Return Ratio(%)				
RoCE	16.4	19.0	20.4	21.8
ROIC	17.0	16.3	18.2	20.1
RoE	19.7	19.9	19.8	19.6
Balance Sheet				
Net Debt : Equity (x)	1.0	0.8	0.6	0.3
Net Working Capital (Days)	94	102	94	94
Valuation(x)				
PER	14.1	11.8	10.1	8.7
P/B	2.5	2.2	1.9	1.6
P/CEPS	8.8	7.5	6.6	5.9
EV/EBITDA	7.5	6.3	5.4	4.6
EV/Sales	1.7	1.4	1.2	1.1
Dividend Yield (%)	1.4	1.4	1.4	1.4

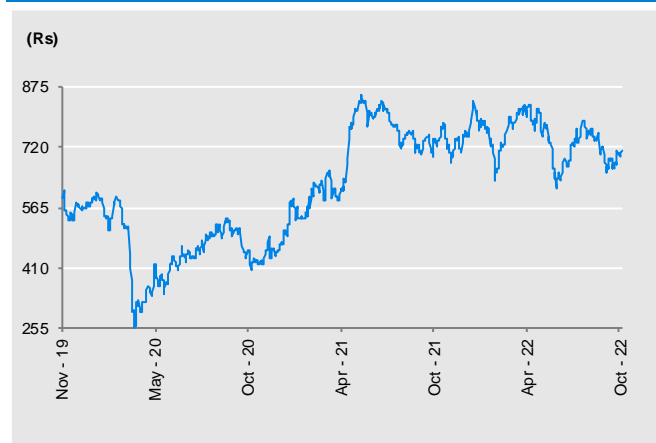
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY22	FY23E	FY24E	FY25E
Revenues	4,62,400	5,39,982	5,83,213	6,30,359
India	56,900	64,866	71,353	78,488
LAAtAM	1,80,400	2,16,480	2,40,293	2,66,725
Europe	68,900	75,101	78,856	82,799
Rest of World	78,100	91,377	95,946	1,00,743
North America	78,100	92,158	96,766	1,01,604

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	23-Oct-22	BUY	1,020	700
2	04-Oct-22	BUY	1,020	665
3	02-Aug-22	BUY	1,020	767
4	04-Jul-22	BUY	1,010	644
5	10-May-22	BUY	1,010	778
6	08-Apr-22	BUY	990	803
7	31-Jan-22	BUY	980	777
8	12-Jan-22	BUY	910	822
9	27-Dec-21	BUY	910	747

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bayer Cropscience	Accumulate	5,650	4,803
2	Chambal Fertilizers & Chemicals	BUY	480	320
3	Coromandel International	BUY	1,200	973
4	Dhanuka Agritech	BUY	850	658
5	Godrej Agrovet	Accumulate	570	520
6	Insecticides India	Hold	920	701
7	P.I. Industries	BUY	3,450	2,956
8	Rallis India	BUY	250	226
9	Sharda Cropchem	BUY	660	446
10	Sumitomo Chemical India	BUY	610	493
11	UPL	BUY	1,020	700

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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