30 January 2023

3QFY23 Results Update | Sector: Automobile

# Exide

| | |
|---|---|
| Estimate changes | ↑ |
| TP change | ↔ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | EXID IN |
| Equity Shares (m) | 850 |
| M.Cap.(INRb)/(USDb) | 150 / 1.8 |
| 52-Week Range (INR) | 194 / 130 |
| 1, 6, 12 Rel. Per (%) | 0/9/-3 |
| 12M Avg Val (INR M) | 463 |

**Financials & Valuations (INR b)**

| Y/E MARCH | FY23E | FY24E | FY25E |
|---|---|---|---|
| Net Sales | 148.3 | 166.5 | 185.6 |
| EBITDA | 16.6 | 18.7 | 22.2 |
| Adj. PAT | 9.8 | 11.1 | 13.3 |
| Adj. EPS (INR) | 11.5 | 13.0 | 15.7 |
| EPS Gr. (%) | 16.2 | 13.5 | 20.4 |
| BV/Sh. (INR) | 133.0 | 142.9 | 155.3 |
| **Ratio** | | | |
| RoE (%) | 8.6 | 9.1 | 10.1 |
| RoCE (%) | 9.1 | 9.6 | 10.7 |
| Payout (%) | 27.9 | 24.6 | 20.4 |
| **Valuations** | | | |
| P/E (x) | 15.8 | 13.9 | 11.6 |
| P/BV (x) | 1.4 | 1.3 | 1.2 |
| Div Yield (%) | 1.8 | 1.8 | 1.8 |
| FCF Yield (%) | 7.9 | 6.6 | 8.3 |

**Shareholding pattern (%)**

| As On | Dec-22 | Sep-22 | Dec-21 |
|---|---|---|---|
| Promoter | 46.0 | 46.0 | 46.0 |
| DII | 19.6 | 17.8 | 20.6 |
| FII | 11.0 | 10.5 | 9.6 |
| Others | 23.5 | 25.7 | 23.8 |

FII Includes depository receipts

**CMP: INR176 TP: INR215 (+22% ) Buy**

## Benefits of softening RM offset by operating deleverage

### Captive smelter to aid gross margin despite a rise in lead prices

- Exide (EXID)'s 3QFY23 revenue growth was below our estimate largely led by weaker mix. Softening lead prices benefitted gross margin but operating deleverage restricted margin expansion. We, however, expect a sustained recovery, fueled by OEM production and after-market growth, with a continuous shift from the unorganized to the organized segment. However, disruption from new chemistries is evolving at a much faster face and will influence both auto and industrial businesses.
- We raise our FY23E EPS to factor in the benefit from benign RM costs thus aiding margins while maintaining our FY24E EPS. Valuing the stock at ~12x standalone Dec'24E EPS + INR36/share for a stake in HDFC Life Insurance (@ 40% Holdco discount), we retain our **BUY** rating with a TP of ~INR215.

### EBITDA margin expansion limited due to operating deleverage

- EXID's 3QFY23 revenue/EBITDA/Adj. PAT grew 6.5%/7.5%/9% YoY to INR34.05b/INR4.0b/INR2.2b, respectively. Its revenue growth was lower than AMRJ, which grew 11.5% YoY during the quarter. EXID's revenue/EBITDA/Adj. PAT grew 23%/15%/23% YoY in 9MFY23.
- Gross margin improved 120bp YoY (170bp QoQ) to 32.2% (est. 29.5%) due to benefits of softening RM basket.
- Further, operating deleverage offset the benefits of better growth margins resulting in an EBITDA margin expansion of just 10bp YoY (+70bp QoQ) to 11.8% (v/s 15% for AMRJ). EXID's EBITDA improved 7.5% YoY to INR4b (v/s est. INR3.9b).
- Adj. PAT grew 9% YoY to INR2.2b (v/s est. INR2.3b) in 3QFY23.

### Highlights from the management interaction

- Growth during the quarter was largely driven by volume growth as there were no price hikes taken during the quarter. Industrial and Auto OEM segments' growth has outperformed the replacement segment. Moreover, exports declined during the quarter. Industrial segment witnessed healthy recovery in 9MFY23.
- Auto OEMs/industrials segments would be taking price hikes with a quarter lag but the overall replacement market has not seen any price hikes over the last few months.
- Exide Integra (Li-ion based UPS) has seen a good initial response with the full benefit of the product to be visible from Feb-Mar'23 onwards.
- No benefits of operating leverage were visible in 3QFY23 due to tepid revenue growth that led to higher other expenses/employee expenses (as a % of sales). These offset the benefits of better gross margin.
- FY23 capex would be INR4.0-4.5b for the standalone business wherein Li-ion business capex would be INR35-40b over the next two years.

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## Valuation and view

- EXID would see a lower impact of lead price inflation due to its captive smelter. It should have a better mix, fueled by a higher after-market share. We prefer EXID as it offers superior risk-reward considering its market leadership, technological alliances, backward integration, better mix, and a strong balance sheet – post-sale of the Insurance business to support the new Li-ion cell plant.
- Lithium batteries pose a risk to the 2W and 3W segments (~15% of revenue) and the Industrial segment (~26% of revenue) as well.
- The stock trades at 13.9x/11.6x FY23E/FY24E standalone EPS. Valuing it at ~12x standalone Dec'24E EPS + INR36/share for a stake in HDFC life Insurance (@ 40% Holdco discount), **we maintain our BUY rating with TP of ~INR215.**

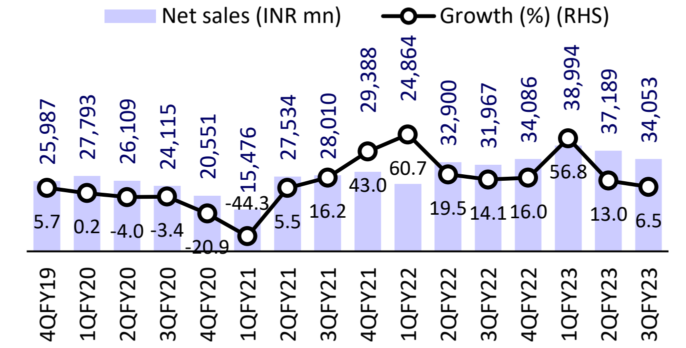
**S/A Quarterly Performance** **(INR m)**

| Y/E March | FY22 | | | | FY23E | | | | FY22 | FY23E | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 3QE |
| **Net Sales** | **24,864** | **32,900** | **31,967** | **34,086** | **38,994** | **37,189** | **34,053** | **38,095** | **1,23,817** | **1,48,330** | **37,081** |
| Growth YoY (%) | 60.7 | 19.5 | 14.1 | 16.0 | 56.8 | 13.0 | 6.5 | 11.8 | 23.3 | 19.8 | 16.0 |
| **Gross operating income** | **24,864** | **32,900** | **31,967** | **34,086** | **38,994** | **37,189** | **34,053** | **38,095** | **1,23,817** | **1,48,330** | **37,081** |
| Growth YoY (%) | 60.7 | 19.5 | 14.1 | 16.0 | 56.8 | 13.0 | 6.5 | 11.8 | 23.3 | 19.8 | 16 |
| RM (%) | 68.5 | 67.2 | 69.0 | 72.0 | 72.1 | 69.5 | 67.8 | 68.4 | 69.3 | 69.5 | 70.5 |
| Employee cost (%) | 7.4 | 6.5 | 6.4 | 5.6 | 5.5 | 5.9 | 6.2 | 5.8 | 6.4 | 5.9 | 5.9 |
| Other Exp (%) | 13.6 | 13.8 | 13.0 | 12.2 | 12.5 | 13.5 | 14.2 | 13.7 | 13.1 | 13.5 | 13.0 |
| Total Cost | 22,258 | 28,767 | 28,240 | 30,596 | 35,127 | 33,065 | 30,048 | 33,482 | 1,09,861 | 1,31,722 | 33,163 |
| **EBITDA** | **2,606** | **4,134** | **3,726** | **3,490** | **3,866** | **4,124** | **4,005** | **4,612** | **13,956** | **16,608** | **3,918** |
| EBITDA Margin (%) | 10.5 | 12.6 | 11.7 | 10.2 | 9.9 | 11.1 | 11.8 | 12.1 | 11.3 | 11.2 | 10.6 |
| Change (%) | 75.5 | 5.4 | -7.5 | -15.4 | 48.4 | -0.2 | 7.5 | 32.2 | 3.0 | 19.0 | 5 |
| Non-Operating Income | 152 | 109 | 150 | 392 | 322 | 356 | 234 | 317 | 803 | 1,228 | 350 |
| Interest | 109 | 86 | 83 | 106 | 64 | 62 | 80 | 75 | 384 | 280 | 70 |
| Depreciation | 1,009 | 1,012 | 1,041 | 1,065 | 1,091 | 1,120 | 1,151 | 1,142 | 4,126 | 4,504 | 1,135 |
| **PBT after EO Exp** | **1,640** | **3,145** | **2,753** | **49,649** | **3,034** | **3,298** | **3,008** | **3,713** | **57,186** | **13,053** | **3,063** |
| Effective Tax Rate (%) | 23.5 | 25.5 | 25.8 | 17.0 | 25.4 | 25.3 | 25.8 | 24.8 | 18.1 | 25.3 | 25.3 |
| **Adj. PAT** | **1,254** | **2,344** | **2,041** | **2,755** | **2,263** | **2,462** | **2,232** | **2,793** | **8,394** | **9,751** | **2,288** |
| Change (%) | 185.4 | 2.4 | -15.5 | 12.9 | 80.5 | 5.1 | 9.3 | 1.4 | 10.7 | 16.2 | 12.1 |
| **Key performance indicators** | | | | | | | | | | | |
| **Cost Break-up** | | | | | | | | | | | |
| RM (%) | 68.5 | 67.2 | 69.0 | 72.0 | 72.1 | 69.5 | 67.8 | 68.4 | 69.3 | 69.5 | 70.5 |
| Employee cost (%) | 7.4 | 6.5 | 6.4 | 5.6 | 5.5 | 5.9 | 6.2 | 5.8 | 6.4 | 5.9 | 5.9 |
| Other Exp (%) | 13.6 | 13.8 | 13.0 | 12.2 | 12.5 | 13.5 | 14.2 | 13.7 | 13.1 | 13.5 | 13.0 |
| Gross Margin (%) | 31.5 | 32.8 | 31.0 | 28.0 | 27.9 | 30.5 | 32.2 | 31.6 | 30.7 | 30.5 | 29.5 |
| EBITDA Margin (%) | 10.5 | 12.6 | 11.7 | 10.2 | 9.9 | 11.1 | 11.8 | 12.1 | 11.3 | 11.2 | 10.6 |
| EBIT Margin (%) | 6.4 | 9.5 | 8.4 | 7.1 | 7.1 | 8.1 | 8.4 | 9.1 | 7.9 | 8.2 | 7.5 |
| **Lead Price (INR/Kg)** | **156.2** | **172.8** | **174.3** | **175.0** | **169.2** | **157.6** | **173.6** | | **169.6** | **137.3** | |
| Change (%) | 22.6 | 24.1 | 24.3 | 19.3 | 8.4 | -8.8 | -0.4 | | 22.5 | -19.0 | |

E: MOFSL Estimates

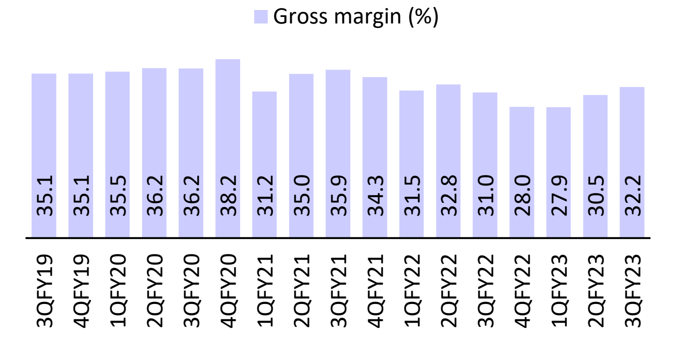
## Key exhibits

**Exhibit 1: Trends in revenue and growth**



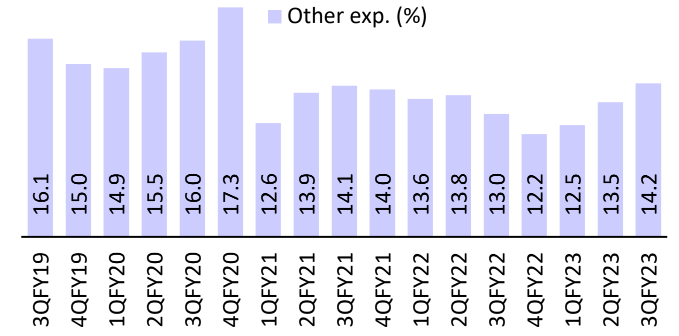

Source: Company, MOFSL

**Exhibit 2: Trend in gross margin**



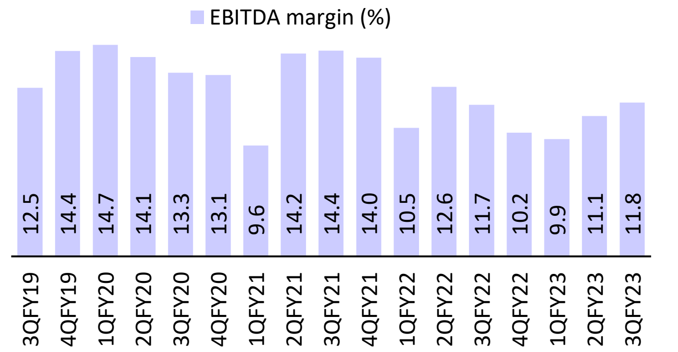

Source: Company, MOFSL

**Exhibit 3: Trend in other expenses as a percentage of sales**



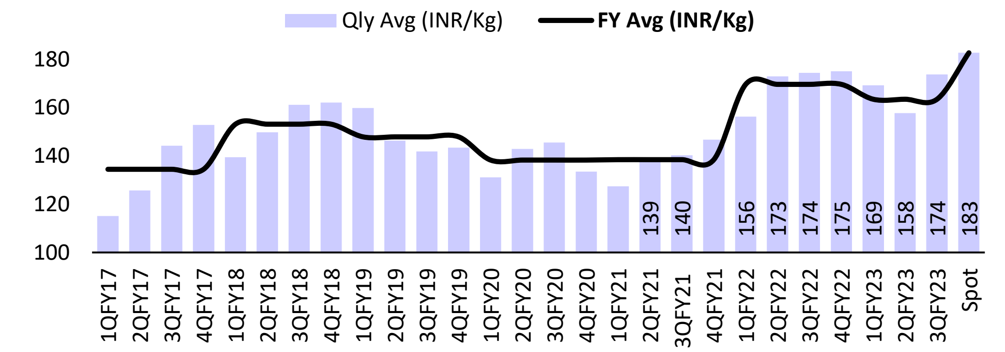

Source: Company, MOFSL

**Exhibit 4: Trend in EBITDA margin**




Source: Company, MOFSL

**Exhibit 5: Lead prices likely to soften from 2QFY23**




Source: Company, MOFSL

## Valuation and view

- **Industry structure remains duopoly; EXID leads:** While the industry structure remains largely a duopoly, EXID is the largest lead acid battery manufacturer in India, with leadership in auto OEMs and the Replacement segment. EXID has largely caught up with competitors by investing in technology and being more proactive in customer service and plugging the gaps in its product portfolio.
- **EXID to defend top position:** With demand recovery in auto OEMs and the Industrial segment, EXID should improve its market share. OEM demand saw a strong recovery from end-Jun'21, after the gradual opening of markets that

were shut due to Covid-induced lockdowns imposed by states. We expect value migration from unorganized to organized players, such as EXID and AMRJ, in the Replacement segment, driven by tax reforms such as GST and lower corporate tax rates. Healthy replacement demand would lead to better capacity utilization and margins.

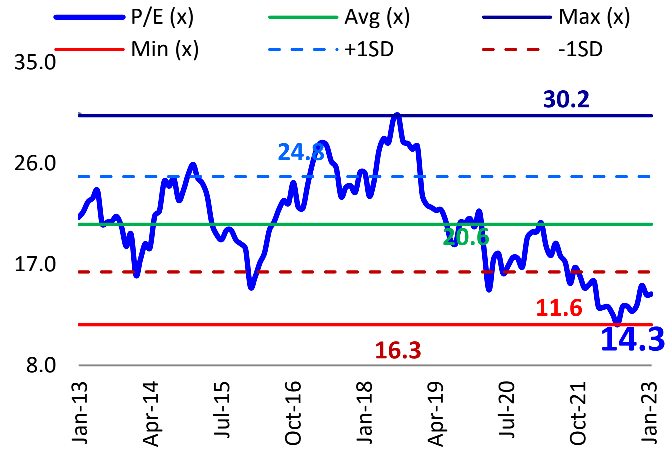
- **Electrification of 2Ws/3Ws a risk for lead acid battery players but new Li-ion battery plant a step in the right direction**: The government is pushing for the electrification of 3Ws/2Ws from CY23/CY25. The incentives offered by the government (FAME-2), coupled with the recently announced EV policies of the states, have brought e-2W prices almost at similar levels as its ICE counterparts. Unlike e-cars, e-2Ws/e-3Ws do not require a lead acid battery as an auxiliary battery. This would impact 15–20% of the revenue of lead acid battery players. Lithium further poses a risk to industrial batteries (~26% of revenue). Some concrete steps in this direction would potentially lead to the de-rating of the P/E multiple (due to decline in terminal growth). Its phase-1 6GWh Li-ion battery plant in Karnataka would be ready in the next 24-27 months and further capacities would be added, which is a step in the right direction.
- **Stake sale in Insurance business boosts EXID's balance sheet**: Over INR60b worth of stake in HDFC Life would be at its disposal after a lock-in period of one year. With EXID possibly looking to invest in lithium-ion cell manufacturing under the PLI scheme, this monetization of the Insurance business could not have come at a better time.
- **Valuation and view:** We raise our FY23E EPS to factor in the benefit from benign RM costs thus aiding margins while maintaining our FY24E EPS. EXID would see a lesser impact of lead prices inflation (v/s AMRJ) due to its captive smelter. EXID should have a better mix owing to a higher after-market share. We prefer EXID as it offers a superior risk-reward considering its market leadership, technological alliances, backward integration, better mix, and sizable war chest available to support the new proposed Li-ion cell plant. The stock trades at 13.9x/11.6x FY23E/FY24E standalone EPS. Valuing it at ~12x standalone Dec'24E EPS + INR36/share for a stake in HDFC life Insurance (@ 40% Holdco discount), **we maintain our BUY rating with TP of ~INR215.**

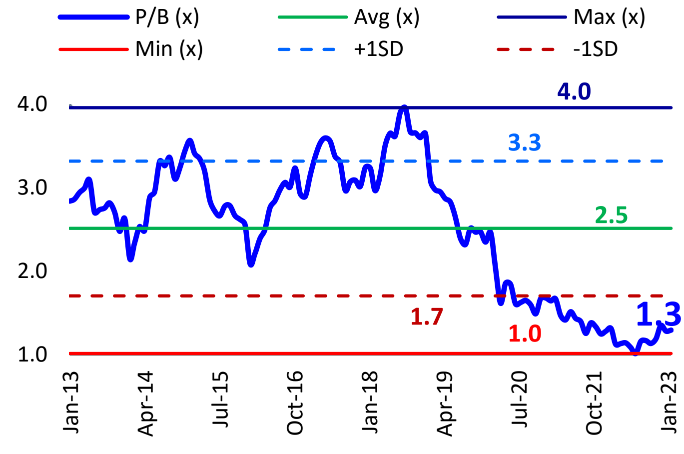
**Exhibit 6: Revised estimates**

| (INR m) | FY23E | | | FY24E | | |
|---|---|---|---|---|---|---|
| | Rev | Old | Chg (%) | Rev | Old | Chg (%) |
| Net Sales | 1,48,330 | 1,51,427 | -2.0 | 1,66,453 | 1,70,111 | -2.2 |
| **EBITDA Margin (%)** | **11.2** | **10.6** | **60bp** | **11.3** | **11.2** | **0bp** |
| PAT | 9,751 | 9,404 | 3.7 | 11,064 | 11,336 | -2.4 |
| **EPS (INR)** | 11.5 | **11.1** | **3.7** | 13.0 | **13.3** | **-2.4** |

Source: MOFSL

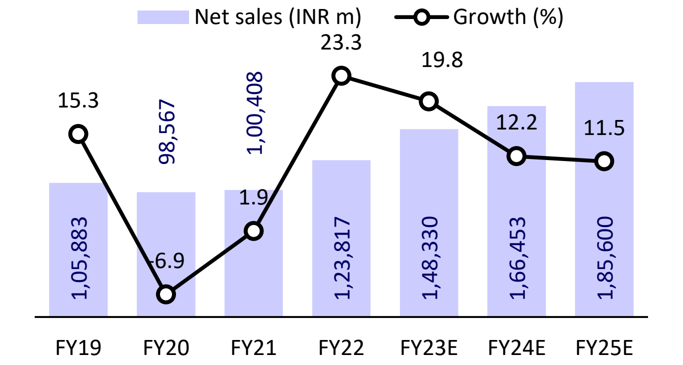
**Exhibit 7: Valuations – P/E and P/B trading bands**



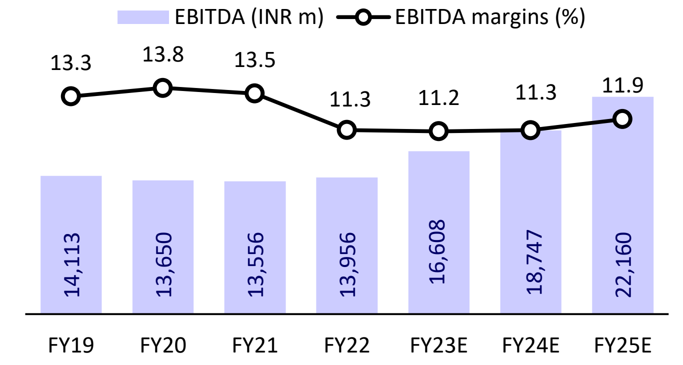
## Story in charts

**Exhibit 8: Trends in revenue and growth**



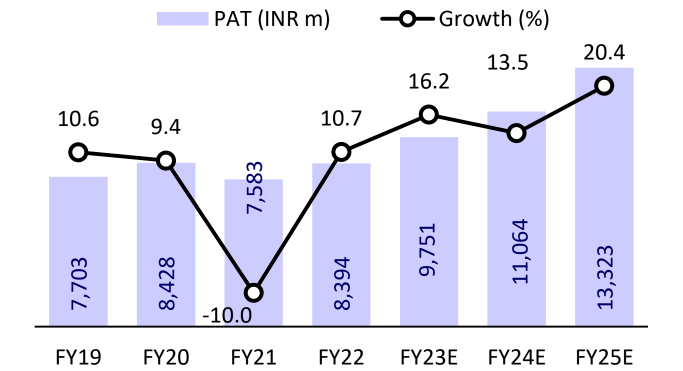

Source: Company, MOFSL

**Exhibit 9: Trends in EBITDA and EBITDA margin**



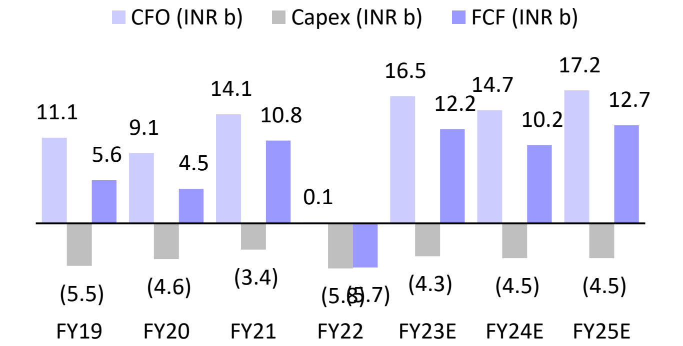

Source: Company, MOFSL

**Exhibit 10: PAT and PAT growth trends**



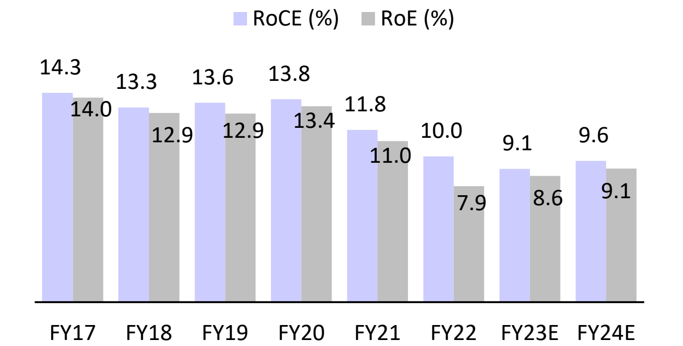

Source: Company, MOFSL

**Exhibit 11: Strong FCF driven by healthy CFO**



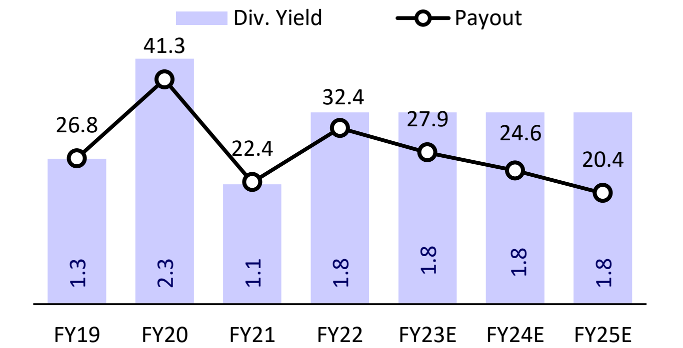

Source: Company, MOFSL

**Exhibit 12: Trend in return ratios**




Source: Company, MOFSL

**Exhibit 13: Dividend yield and dividend payout (%) trends**




Source: Company, MOFSL

# Financials and valuations

| Income Statement | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY19** | **FY20** | **FY21** | **FY22** | **FY23E** | **FY24E** | **FY25E** |
| **Net Sales** | **1,05,883** | **98,567** | **1,00,408** | **1,23,817** | **1,48,330** | **1,66,453** | **1,85,600** |
| Change (%) | 15.3 | -6.9 | 1.9 | 23.3 | 19.8 | 12.2 | 11.5 |
| **EBITDA** | **14,113** | **13,651** | **13,557** | **13,957** | **16,609** | **18,748** | **22,161** |
| EBITDA Margins (%) | 13.3 | 13.8 | 13.5 | 11.3 | 11.2 | 11.3 | 11.9 |
| Change (%) | 13.7 | -3.3 | -0.7 | 3.0 | 19.0 | 12.9 | 18.2 |
| Depreciation | 3,135 | 3,626 | 3,794 | 4,126 | 4,504 | 4,873 | 5,274 |
| **EBIT** | **10,978** | **10,025** | **9,763** | **9,831** | **12,106** | **13,874** | **16,888** |
| Interest Charges | 61 | 94 | 238 | 384 | 280 | 325 | 325 |
| Other Income | 385 | 639 | 654 | 803 | 1,228 | 1,302 | 1,322 |
| EO Exp/(Inc) | (1,083) | 217 | - | (46,938) | - | - | - |
| **PBT** | **12,386** | **10,352** | **10,179** | **57,186** | **13,053** | **14,851** | **17,883** |
| Tax | 3,945 | 2,097 | 2,596 | 10,351 | 3,302 | 3,787 | 4,560 |
| Effective Rate (%) | 31.9 | 20.3 | 25.5 | 18.1 | 25.3 | 25.5 | 25.5 |
| **Rep. PAT** | **8,440** | **8,255** | **7,583** | **46,835** | **9,751** | **11,064** | **13,323** |
| Change (%) | 26.3 | -2.2 | -8.1 | 517.7 | -79.2 | 13.5 | 20.4 |
| **Adj. PAT** | **7,703** | **8,428** | **7,583** | **8,394** | **9,751** | **11,064** | **13,323** |
| Change (%) | 10.6 | 9.4 | -10.0 | 10.7 | 16.2 | 13.5 | 20.4 |

| Balance Sheet | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY19** | **FY20** | **FY21** | **FY22** | **FY23E** | **FY24E** | **FY25E** |
| Share Capital | 850 | 850 | 850 | 850 | 850 | 850 | 850 |
| Reserves | 59,020 | 62,111 | 68,085 | 1,05,206 | 1,12,236 | 1,20,580 | 1,31,183 |
| **Net Worth** | **59,870** | **62,961** | **68,935** | **1,06,056** | **1,13,086** | **1,21,430** | **1,32,033** |
| Loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Tax Liability | 1,751 | 1,019 | 771 | -584 | -584 | -584 | -584 |
| **Capital Employed** | **61,621** | **63,980** | **69,706** | **1,05,472** | **1,12,503** | **1,20,846** | **1,31,449** |
| **Application of Funds** | | | | | | | |
| Gross Fixed Assets | 32,069 | 36,039 | 42,740 | 48,132 | 52,506 | 57,006 | 61,506 |
| Less: Depreciation | 9,097 | 12,645 | 16,361 | 20,447 | 24,950 | 29,823 | 35,097 |
| **Net Fixed Assets** | **22,973** | **23,394** | **26,379** | **27,686** | **27,556** | **27,183** | **26,409** |
| Capital WIP | 2,549 | 2,969 | 2,008 | 3,124 | 3,000 | 3,000 | 3,000 |
| Investments | 21,994 | 21,050 | 30,924 | 60,765 | 61,237 | 71,237 | 71,237 |
| **Curr. Assets** | **34,208** | **35,008** | **36,978** | **41,273** | **53,780** | **56,205** | **71,500** |
| Inventory | 18,040 | 21,923 | 23,462 | 24,585 | 25,196 | 28,274 | 31,527 |
| Sundry Debtors | 10,812 | 8,154 | 8,875 | 11,925 | 14,223 | 15,961 | 17,797 |
| Cash & Bank Balance | 736 | 1,546 | 914 | 1,612 | 10,286 | 7,398 | 17,078 |
| Loans & Advances | 322 | 322 | 383 | 223 | 566 | 635 | 708 |
| Other Current Assets | 4,299 | 3,064 | 3,345 | 2,929 | 3,509 | 3,938 | 4,391 |
| **Current Liab. & Prov.** | **20,103** | **18,441** | **26,582** | **27,376** | **33,070** | **36,778** | **40,696** |
| Sundry Creditors | 11,428 | 10,361 | 16,483 | 16,175 | 19,378 | 21,745 | 24,247 |
| Other Liabilities | 5,539 | 4,478 | 6,856 | 8,009 | 8,940 | 10,033 | 11,187 |
| Provisions | 3,136 | 3,602 | 3,244 | 3,191 | 4,752 | 5,000 | 5,262 |
| **Net Current Assets** | **14,105** | **16,567** | **10,396** | **13,898** | **20,710** | **19,427** | **30,804** |
| **Application of Funds** | **61,621** | **63,980** | **69,706** | **1,05,472** | **1,12,503** | **1,20,847** | **1,31,450** |

E: MOFSL Estimates

# Financials and valuations

| Ratios | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY19** | **FY20** | **FY21** | **FY22** | **FY23E** | **FY24E** | **FY25E** |
| **Basic (INR)** | | | | | | | |
| **EPS** | **9.1** | **9.9** | **8.9** | **9.9** | **11.5** | **13.0** | **15.7** |
| Cash EPS | 12.8 | 14.2 | 13.4 | 14.7 | 16.8 | 18.7 | 21.9 |
| Book Value per Share | 70.4 | 74.1 | 81.1 | 124.8 | 133.0 | 142.9 | 155.3 |
| DPS | 2.4 | 4.1 | 2.0 | 3.2 | 3.2 | 3.2 | 3.2 |
| Payout (Incl. Div. Tax) % | 26.8 | 41.3 | 22.4 | 32.4 | 27.9 | 24.6 | 20.4 |
| **Valuation (x)** | | | | | | | |
| P/E | 20.0 | 18.3 | 20.3 | 18.4 | 15.8 | 13.9 | 11.6 |
| Cash P/E | 14.2 | 12.8 | 13.5 | 12.3 | 10.8 | 9.7 | 8.3 |
| EV/EBITDA | 9.3 | 9.6 | 9.0 | 6.6 | 5.0 | 4.0 | 3.0 |
| EV/Sales | 1.2 | 1.3 | 1.2 | 0.7 | 0.6 | 0.5 | 0.4 |
| Price to Book Value | 2.6 | 2.4 | 2.2 | 1.5 | 1.4 | 1.3 | 1.2 |
| Dividend Yield (%) | 1.3 | 2.3 | 1.1 | 1.8 | 1.8 | 1.8 | 1.8 |
| **Profitability Ratios (%)** | | | | | | | |
| RoE | 12.9 | 13.4 | 11.0 | 7.9 | 8.6 | 9.1 | 10.1 |
| RoCE | 13.6 | 13.8 | 11.8 | 10.0 | 9.1 | 9.6 | 10.7 |
| RoIC | 21.8 | 21.4 | 19.6 | 21.2 | 23.2 | 26.8 | 31.7 |
| **Turnover Ratios** | | | | | | | |
| Debtors (Days) | 37 | 30 | 32 | 35 | 35 | 35 | 35 |
| Inventory (Days) | 62 | 81 | 85 | 72 | 62 | 62 | 62 |
| Creditors (Days) | 39 | 38 | 60 | 48 | 48 | 48 | 48 |
| Working Capital (Days) | 60 | 73 | 58 | 60 | 49 | 49 | 49 |
| Gross Fixed Asset Turnover (x) | 3.3 | 2.7 | 2.3 | 2.6 | 2.8 | 2.9 | 3.0 |
| **Leverage Ratio** | | | | | | | |
| Net Debt/Equity (x) | -0.1 | 0.0 | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 |

| Cash Flow Statement | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY19** | **FY20** | **FY21** | **FY22** | **FY23E** | **FY24E** | **FY25E** |
| OP/(Loss) before Tax | 12,386 | 10,352 | 10,179 | 57,186 | 12,105 | 13,873 | 16,887 |
| Interest/Dividends Received | -217 | -429 | -362 | -224 | 1,228 | 1,302 | 1,322 |
| Depreciation & Amortisation | 3,135 | 3,626 | 3,794 | 4,126 | 4,504 | 4,873 | 5,274 |
| Direct Taxes Paid | -3,733 | -2,494 | -2,721 | -10,475 | -3,302 | -3,787 | -4,560 |
| (Inc)/Dec in Working Capital | -468 | -2,155 | 3,044 | -3,525 | 1,940 | -1,606 | -1,697 |
| Other Items | 18 | 237 | 200 | -46,966 | 0 | 0 | 0 |
| **CF from Oper. Activity** | **11,121** | **9,137** | **14,134** | **122** | **16,474** | **14,656** | **17,225** |
| (Inc)/Dec in FA+CWIP | -5,510 | -4,646 | -3,384 | -5,812 | -4,250 | -4,500 | -4,500 |
| **Free Cash Flow** | **5,611** | **4,491** | **10,750** | **-5,690** | **12,224** | **10,156** | **12,725** |
| (Pur)/Sale of Invest. | -2,147 | 1,397 | -9,385 | 8,542 | -472 | -10,000 | 0 |
| **CF from Inv. Activity** | **-7,656** | **-3,249** | **-12,769** | **2,730** | **-4,722** | **-14,500** | **-4,500** |
| Interest Rec./(Paid) | -61 | -100 | -289 | -443 | -280 | -325 | -325 |
| Dividends Paid | -2,459 | -4,986 | -1,700 | -1,700 | -2,720 | -2,720 | -2,720 |
| **CF from Fin. Activity** | **-2,520** | **-5,086** | **-1,989** | **-2,143** | **-3,000** | **-3,045** | **-3,045** |
| **Inc/(Dec) in Cash** | **-138** | **802** | **-623** | **709** | **8,752** | **-2,889** | **9,680** |
| Add: Beginning Balance | 785 | 647 | 1,449 | 826 | 1,534 | 10,286 | 7,398 |
| **Closing Balance** | **647** | **1,449** | **826** | **1,534** | **10,286** | **7,398** | **17,078** |

E: MOFSL Estimates

| 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 |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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