India Equity Research | Telecommunications
April 20, 2023
Result Update

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Tata Communications

Investment to fuel growth

CMP	Target Price
Rs 1,232 as of (April 20, 2023)	Rs 1,470 12 months
Rating	**Upside**
BUY	19.2 %

- TCOM posted 7.2% YoY/0.9% QoQ revenue growth in Q4FY23, with EBITDA margin at 22.6%, which was below consensus/our estimate. The Data segment delivered double-digit revenue growth for the third quarter in a row (+11.2%YoY).
- Growth in digital platforms was strong at 15.9%YoY, while core connectivity grew by 7.4%YoY. Cloud, Hosting and Security witnessed strong YoY growth.
- Net Debt reduced to Rs57.1bn in Q4 vs. Rs62.7bn in the previous quarter, as FCF increased to Rs6.3 bn in Q4FY23 vs. Rs3.3bn in Q3FY23.
- We expect the investment in new capability build-up and manpower addition to fuel double-digit growth in the data segment in FY24-25. TCOM would clock consol. revenue/EBITDA CAGR of ~8% each over FY23-25E and margin at 23.6%/24.2% in FY24E/FY25E. We resume coverage with a BUY rating and TP of Rs1,470/share (10x Mar-25E EBITDA).

Double-digit growth in Data; miss on revenue/margin: TCOM's revenue grew 7.2% YoY and 0.9% QoQ, coming in 0.9% below consensus/our estimates. The miss on revenue was led by a steeper sequential decline in Voice revenue (-8.6%QoQ/-13.9%YoY). Data segment revenue was in-line, delivering double-digit growth for the third quarter in a row (up 11.2% YoY). Digital Platforms & Services growth was strong (+15.9%YoY/+2.3%QoQ), while core connectivity grew by 7.4%YoY/1.7%QoQ. The Incubation segment posted robust growth (+65%YoY/+9.4%QoQ). EBITDA declined by 4%QoQ/1.1% YoY, as employee cost jumped by 8.6% QoQ, while other operating expenses were down 2% QoQ. EBITDA margin of 22.6% was lower than consensus/our estimate of 23.9%/23.2% amid higher employee cost. Net debt in Q4 fell to Rs57.1bn from Rs62.7bn in Q3FY23, as FCF increased to Rs6.3bn in Q4FY23 vs. Rs3.3bn in Q3FY23. Total capex for Q4FY23 was Rs5.3bn as against Rs3.9bn in Q3FY23.

Outlook: TCOM Management has been focusing on a product to platform shift, investment in the front-end sales-force and building new capabilities across the portfolio. TCOM has added ~1,000 employees in FY23, in the product & engineering division, feet-on-street and delivery. We expect such efforts to fuel double-digit growth in the data segment over FY24-25. Moreover, Management commentary around the order book and funnel addition remains positive. TCOM is also witnessing significant jump in large deals (>Rs1mn) in both, the Indian and international markets. Also, Company is not seeing any pullback in discussion with international customers, despite macro headwinds. We expect TCOM to log revenue/EBITDA CAGR of ~8% over FY23-25E. Full impact of higher costs from the employee addition will reflect in FY24, leading to margin coming in at the lower end of the guided range of 23-25% in FY24. However, we expect margins to improve to 24.2% by FY25E, on operating leverage benefits. We resume coverage on TCOM with a BUY recommendation and TP of Rs1,470/share (10x Mar-25E EBITDA). **Key risks:** 1) higher impact on margin from elevated employee costs; 2) inability to close large deals; 3) delay in revenue pick-up despite high investments; and 4) higher competitive intensity.

Financial Snapshot (Consolidated)

(Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Total Revenue	1,71,000	1,67,247	1,78,383	1,91,009	2,08,090
EBITDA	42,607	42,267	43,182	44,992	50,293
EBITDA Margin (%)	24.9	25.3	24.2	23.6	24.2
APAT	13,254	14,758	17,164	15,421	19,438
EPS (Rs)	46.5	51.8	60.2	54.1	68.2
EPS (% chg)	335.2	11.3	16.3	(10.2)	26.1
ROE (%)	(191.5)	417.0	164.9	82.0	66.1
P/E (x)	26.5	23.8	20.5	22.8	18.1
EV/EBITDA (x)	10.2	9.9	9.5	9.0	7.8
P/BV (x)	(3,383.5)	48.9	25.8	14.6	10.1

Source: Company, Emkay Research

Change in Estimates	
EPS Chg FY24E/FY25E (%)	-/
Target Price change (%)	NA
Target Period (Months)	12
Previous Reco	NA

Emkay vs Consensus

EPS Estimates	FY24E	FY25E
Emkay	54.1	68.2
Consensus	61.7	76.6
Mean Consensus TP (12M)		Rs 1,443

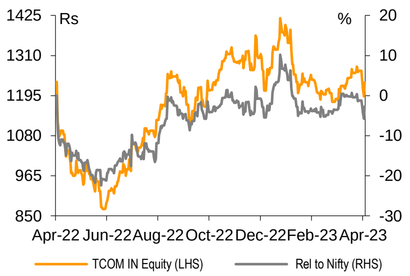
Stock Details	
Bloomberg Code	TCOM IN
Face Value (Rs)	10
Shares outstanding (mn)	285
52 Week H/L	1,431 / 856
M Cap (Rs bn/USD bn)	351 / 4.27
Daily Avg Volume (nos.)	3,15,634
Daily Avg Turnover (USD mn)	4.8

Shareholding Pattern Dec '22	
Promoters	58.9%
FIIs	17.3%
DIIs	13.9%
Public and Others	9.9%

Price Performance

(%)	1M	3M	6M	12M
Absolute	4	(8)	2	(6)
Rel. to Nifty	1	(6)	2	(9)

Relative price trend



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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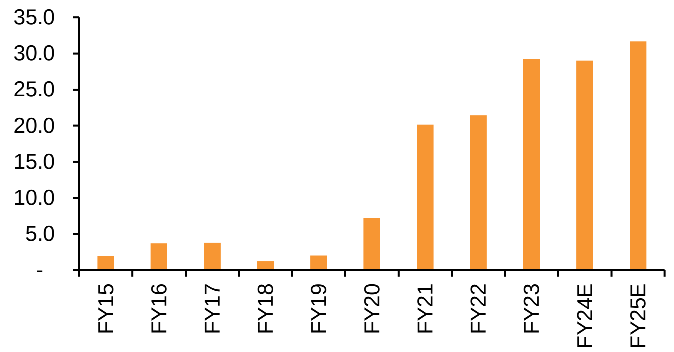
Exhibit 1: Summary of quarterly financials

(Rs mn)	Q4Y22	Q1Y23	Q2Y23	Q3Y23	Q4Y23	YoY (%)	QoQ (%)
Total Sales	42,630	43,105	44,307	45,283	45,687	7.2	0.9
Network cost	15,404	15,580	15,629	16,160	16,387	6.4	1.4
as % of sales	*36.1*	*36.1*	*35.3*	*35.7*	*35.9*		
Employee Cost	7,684	8,067	8,704	9,208	9,996	30.1	8.6
as % of sales	*18.0*	*18.7*	*19.6*	*20.3*	*21.9*		
Other operating expenses	9,089	8,688	8,679	9,142	8,962	(1.4)	(2.0)
as % of sales	*21.3*	*20.2*	*19.6*	*20.2*	*19.6*		
Total Expenditure	32,177	32,335	33,011	34,510	35,344	9.8	2.4
EBITDA	10,453	10,770	11,296	10,774	10,342	(1.1)	(4.0)
Depreciation	5,887	5,369	5,516	5,548	6,185	5.1	11.5
EBIT	4,566	5,402	5,780	5,225	4,157	(9.0)	(20.4)
Other Income	2,635	2,340	366	308	618	(76.6)	100.9
Interest	898	799	978	1,227	1,321	47.2	7.7
PBT	6,304	6,943	5,168	4,306	3,454	(45.2)	(19.8)
Tax	2,433	1,591	659	436	281	(88.5)	(35.6)
PAT before MI	3,871	5,351	4,510	3,870	3,174	(18.0)	(18.0)
Minority interest	(12)	86	50	68	87		
PAT	3,859	5,438	4,559	3,939	3,260	(15.5)	(17.2)
Exceptional item	209	-	(764)	-	-		
PAT from continued operations	3,651	5,438	5,323	3,939	3,260	(10.7)	(17.2)
Margins (%)						**(bps)**	**(bps)**
EBITDA	24.5	25.0	25.5	23.8	22.6	(188)	(115)
EBIT	10.7	12.5	13.0	11.5	9.1	(161)	(244)
EBT	14.8	16.1	11.7	9.5	7.6	(723)	(195)
PAT	9.1	12.6	10.3	8.7	7.1	(192)	(156)
Effective Tax rate	38.6	22.9	12.7	10.1	8.1	(3,047)	(200)

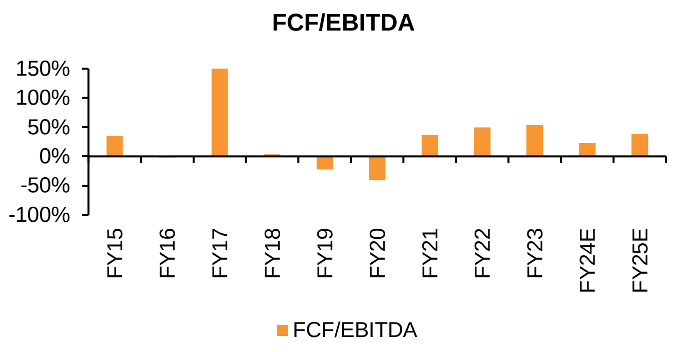
Source: Company, Emkay Research

Exhibit 2: RoIC expected to expand



Source: Company, Emkay Research

Exhibit 3: FCF/EBITDA likely to remain range-bound



Source: Company, Emkay Research

Data segment

Gross revenue for the segment stood at Rs36.7bn, up 2.2% QoQ and 11.2% YoY. QoQ revenue growth has moderated from that of 2.9% in Q3FY23. EBITDA stood at Rs8.8bn, down 6.9% QoQ/8.8%YoY. Data segment margin was down 233bps QoQ/526bps YoY, led by increase in operating expense (+8.8%QoQ).

Exhibit 4: Financials of data segment

Data (Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Gross revenues	33,014	33,397	34,926	35,929	**36,703**	11.2	2.2
Less: Direct Costs	9,511	9,347	10,241	10,893	**10,949**	15.1	0.5
Net revenues	23,504	24,051	24,685	25,036	**25,754**	9.6	2.9
Less: Operating Exp	13,831	14,358	14,615	15,561	**16,929**	22.4	8.8
EBITDA	9,673	9,693	10,070	9,475	**8,825**	(8.8)	(6.9)
EBITDA margin (%)	*29.3%*	*29.0%*	*28.8%*	*26.4%*	***24.0%***	*-526 bps*	*-233 bps*
Less: Depreciation	5,450	5,031	5,218	5,179	**5,805**	6.5	12.1
EBIT	4,223	4,662	4,852	4,297	**3,020**	(28.5)	(29.7)
EBIT margin (%)	12.8%	14.0%	13.9%	12.0%	**8.2%**	-456 bps	-373 bps

Source: Company, Emkay Research

- **Core Connectivity:** Revenue saw an increase of 7.4% YoY and 1.7% QoQ to Rs24.6bn.
- **Digital Platform & Services:** Revenue stood at Rs10.8bn, up 15.9% YoY and 2.3% QoQ.
- **Incubation Services:** Revenue grew 65.3% YoY and 9.4% QoQ to Rs1.3bn.

Exhibit 5: Sub-segments of the Data segment

Core Connectivity (Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Gross revenue	22,885	23,107	23,739	24,149	24,569	7.4	1.7
Less: Direct Costs	4,101	4,271	4,445	4,684	4,779	16.5	2.0
Net revenue	18,784	18,836	19,294	19,465	19,789	5.4	1.7

Digital Platform and Services	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Gross revenue	9,321	9,402	9,979	10,559	10,799	15.9	2.3
Less: Direct Costs	4,930	4,543	5,146	5,825	5,635	14.3	(3.3)
Net revenue	4,391	4,859	4,833	4,734	5,164	17.6	9.1

Incubation Services	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Gross Revenue	808	888	1,208	1,221	1,335	65.3	9.4
Less: Direct Costs	480	533	650	385	535	11.4	39.1
Net revenues	328	355	558	836	800	144.0	(4.3)

Source: Company, Emkay Research

Voice segment – Revenue decline; margins improve QoQ

Gross revenue stood at Rs4.6bn, down 8.6% sequentially (was down 3.6% QoQ in Q3). ILD minutes fell, from 2.7bn in Q3FY23 to 2.4bn in Q4FY23 (down 9% QoQ). EBITDA stood at Rs906mn, with margin of 19.6% in 4Q vs 17.3% in 3Q.

Exhibit 6: Voice segment performance

Voice (Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Gross revenues	5,369	5,614	5,245	5,058	4,624	(13.9)	(8.6)
Less: Direct Costs	4,302	4,562	3,788	3,673	3,407	(20.8)	(7.2)
Net revenues	1,067	1,052	1,457	1,385	1,217	14.0	(12.1)
Less: Opex	693	434	447	512	311	(55.2)	(39.3)
EBITDA	374	617	1,010	873	906	142.5	3.8
EBITDA margin (%)	*7.0%*	*11.0%*	*19.3%*	*17.3%*	*19.6%*	*1,264 bps*	*234 bps*
Less: Depreciation	174	93	89	94	117	(32.8)	24.4
EBIT	200	524	920	779	790	294.7	1.4
EBIT margin (%)	*3.7%*	*9.3%*	*17.5%*	*15.4%*	*17.1%*	*1,335 bps*	*167 bps*
Volumes (bn mins)							
ILD	3.1	3.2	2.8	2.7	2.4	(21.2)	(9.0)
NLD	0.1	0.1	0.1	0.1	0.1	(11.0)	4.9
Total	3.2	3.3	2.9	2.8	2.5	(20.8)	(8.5)
Net realization per min (Rs)	0.3	0.3	0.5	0.5	0.5	44.1	(3.9)
EBITDA per min (Rs)	0.1	0.2	0.3	0.3	0.4	206.4	13.5

Source: Company, Emkay Research

Subsidiaries

- **Transformation services:** For 4Q, Revenue stood at Rs3.4bn, up 2.7% QoQ, while EBITDA was Rs131mn vs 149mn in the last quarter.
- **Payment services:** Top-line declined by 7.4% sequentially, while EBITDA stood at Rs210mn in 4Q vs. Rs19mn in the last quarter, due to a one-off event.

Exhibit 7: Tata Communications Transformation Services (TCTSL)

(Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Gross Revenue	3337	3170	3215	3333	3424	2.6	2.7
Less: Direct Costs	2732	2671	2808	2795	2857	4.6	2.2
Net revenues	604	499	407	538	567	-6.1	5.5
Less: Opex	530	343	355	389	436	-17.7	12.3
EBITDA	74	156	52	149	131	76.1	-12.1
EBITDA margin (%)	*2%*	*5%*	*2%*	*4%*	*4%*	*160 bps*	*-64 bps*

Source: Company, Emkay Research

Exhibit 8: Tata Communications Payments Solutions (TCPSL)

(Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)
Gross Revenue	425	440	458	496	459	8.0	-7.4
Less: Direct Costs	297	336	347	355	183	-38.4	-48.5
Net revenues	129	104	111	142	277	115.1	95.5
Less: Opex	97	92	128	123	67	-31.2	-45.8
EBITDA	32	12	-17	19	210	560.1	1,019.6
EBITDA margin (%)	*7%*	*3%*	*-4%*	*4%*	*46%*	*3,825 bps*	*4,195 bps*

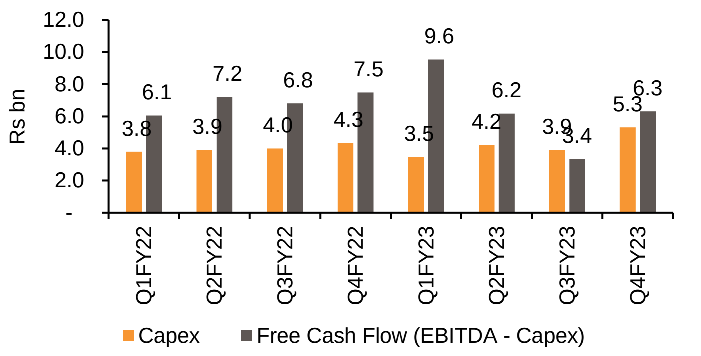
Source: Company, Emkay Research

Cash generation, capex and debt profile

- Capex for Q4FY23 was Rs5.3bn as against Rs4.3bn in Q4FY22 and Rs3.9bn in Q3FY23.
- FCF increased to Rs 6.3 bn in Q4FY23 vs. Rs3.3bn in Q3FY23.
- Net Debt stood at Rs57.1bn vs. Rs62.7bn in the previous quarter.

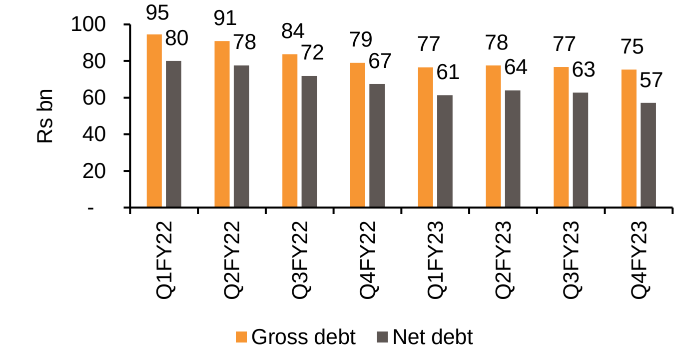
Weighted average cost of debt increased to 5.88% in Q4FY23 vs 5.08% in Q3FY23 due to rise in interest rates.

Exhibit 9: FCF and capex increased in 4QFY23



Source: Company, Emkay Research

Exhibit 10: Net debt continue to trend lower



Source: Company, Emkay Research

Con-call Highlights

- Company is focusing on: i) a product to platform shift; ii) investment in the front-end sales-force, particularly in the international market; and iii) building new capabilities across the portfolio which has started reflecting in the numbers.
- **Order book:** Funnel addition was the highest in FY23 and recorded more than 50% growth in the large-deal segment. Order book is up and the company has seen a significant jump in large deals (>Rs1mn) in both, India and internationally. Digital portfolio is 40% of the funnel booking. Company is not seeing any pullback from customers, in discussion with international customers.
- **Outlook:** i) Digital revenue, including incubation, is currently 32% of the total data revenue and Company aims to improve digital revenue to 50% of the data revenue in the next 3 years. ii) Margin guidance of 23-25%. iii) Capex guidance of USD250-300mn.
- Company has added ~1,000 employees in both, the Indian and International markets; this has helped drive growth for the company. Most additions were in product and engineering, feet-on-street and delivery. Most of the attrition is behind for the company.
- Full impact of higher costs from the employee addition will reflect in FY24 which may lead to margin coming in at the lower-end of the guided range in FY24.
- There was a one-off of Rs400mn in depreciation, related to correction in cable life.
- Effective tax rate (ETR) will be lower in coming quarters due to tax assets with the company.
- All approvals for Switch expected to be received soon, and integration will start from Q1. We expect Switch numbers to start reflecting in TCOM's numbers from Q2FY24.
- Tata Communications has launched two products in Q4: **1) Jamvee,** a cloud-based voice-calling solution that provides more control to enterprise in unified communication and has the ability to address 80% of the PPx market, which is growing in a high single-digit. **2) Cloud SIM,** a software-only SIM that offers on-demand connectivity with ability to provide private network connectivity for a short period

Valuation

Exhibit 11: SoTP-based valuation

Particulars	Mar-25E
Voice segment	
EBITDA (Rs mn)	1,917
EV/EBITDA (x)	2.0
Enterprise value (Rs mn)	3,834
Data segment	
EBITDA (Rs mn)	48,376
EV/EBITDA (x)	10.0
Enterprise value (Rs mn)	4,83,761
Total Enterprise Value (Rs mn)	4,87,595
Net debt (Rs mn)	68,553
Implied market cap (Rs mn)	4,19,042
Value from core business (Rs/share)	1,462
Add: 26% stake in data center (Rs/share)	63
Less: Potential AGR liability (Rs/share)	56
Target price (Rs/share)	1,470

Source: Company, Emkay Research

Exhibit 12: Summary financials

Consol. (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Revenue	1,71,000	1,67,247	1,78,383	1,91,009	2,08,090
EBITDA	42,607	42,267	43,182	44,992	50,293
Margin	25%	25%	24.2%	23.6%	24.2%

Revenue break-up (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Voice	27,903	22,862	20,542	17,914	15,977
Data	1,25,992	1,27,788	1,40,955	1,55,954	1,74,632
Others (Subsidiaries + Real Estate)	17,100	16,595	16,886	17,142	17,482
Share of revenue					
Voice	16.3%	13.7%	11.5%	9.4%	7.7%
Data	73.7%	76.4%	79.0%	81.6%	83.9%
Others (Subsidiaries + Real Estate)	10.0%	9.9%	9.5%	9.0%	8.4%

Data (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Revenue	1,25,992	1,27,788	1,40,955	1,55,954	1,74,632
EBITDA	39,728	39,899	38,063	40,423	46,547
Margin	32%	31%	27%	26%	27%

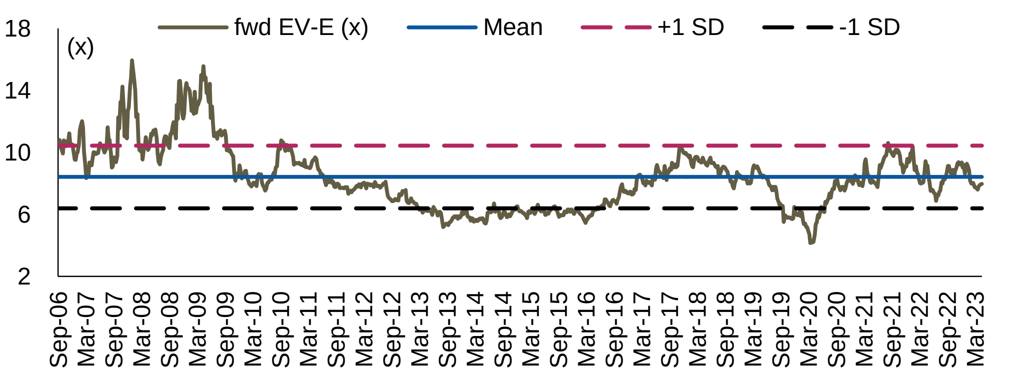
Data break-up (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Core Connectivity	89,147	90,377	95,565	1,00,343	1,05,360
Digital Platforms and Services	35,564	35,264	40,738	48,911	59,672
Incubation Services	1,281	2,148	4,652	6,700	9,600
Total	**1,25,992**	**1,27,788**	**1,40,955**	**1,55,954**	**1,74,632**

Data break-up (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Core Connectivity	70.8%	70.7%	67.8%	64.3%	60.3%
Digital Platforms and Services	28.2%	27.6%	28.9%	31.4%	34.2%
Incubation Services	1.0%	1.7%	3.3%	4.3%	5.5%

Voice (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Revenue	27,903	22,862	20,542	17,914	15,977
EBITDA	1,722	1,516	3,406	2,760	1,917
Margin	6.2%	6.6%	16.6%	15.4%	12.0%

Source: Company, Emkay Research

Exhibit 13: EV/EBITDA (1 year forward)



Source: Bloomberg

Key Financials (Consolidated)

Income Statement

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Total Revenue	**1,71,000**	**1,67,247**	**1,78,383**	**1,91,009**	**2,08,090**
Expenditure	**1,28,393**	**1,24,980**	**1,35,200**	**1,46,017**	**1,57,797**
EBITDA	**42,607**	**42,267**	**43,182**	**44,992**	**50,293**
Depreciation	23,139	22,061	22,001	23,363	24,782
EBIT	**19,468**	**20,206**	**21,181**	**21,630**	**25,512**
Other Income	1,568	3,321	3,632	2,000	3,000
Interest expenses	4,202	3,603	4,974	4,846	4,243
PBT	**16,834**	**19,924**	**19,839**	**18,784**	**24,269**
Tax	3,549	5,221	2,966	3,381	4,854
Extraordinary Items	(747)	60	764	0	0
Minority Int./Income from Assoc.	9	13	49	46	60
Reported Net Income	**12,507**	**14,818**	**17,927**	**15,421**	**19,438**
Adjusted PAT	**13,254**	**14,758**	**17,164**	**15,421**	**19,438**

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Equity share capital	2,850	2,850	2,850	2,850	2,850
Reserves & surplus	(1,696)	5,810	12,333	21,127	32,015
Net worth	**1,154**	**8,660**	**15,183**	**23,977**	**34,865**
Minority Interest	**282**	**285**	**303**	**257**	**197**
Loan Funds	**1,13,936**	**91,215**	**85,766**	**80,766**	**75,766**
Net deferred tax liability	(2,824)	(1,868)	(1,659)	(1,659)	(1,659)
Total Liabilities	**1,12,548**	**98,292**	**99,593**	**1,03,342**	**1,09,170**
Net block	**1,14,034**	**1,09,164**	**1,07,405**	**1,08,043**	**1,05,261**
Investment	**22,334**	**15,652**	**19,506**	**19,506**	**19,506**
Current Assets	**66,469**	**58,832**	**62,263**	**65,651**	**76,131**
Cash & bank balance	9,270	6,820	9,352	7,885	13,713
Other Current Assets	28,420	23,491	21,641	24,919	27,147
Current liabilities & Provision	**97,639**	**95,557**	**1,02,610**	**1,01,338**	**1,03,209**
Net current assets	**(31,169)**	**(36,725)**	**(40,347)**	**(35,687)**	**(27,078)**
Misc. exp	1,258	1,478	1,549	0	0
Total Assets	**1,12,548**	**98,292**	**99,593**	**1,03,342**	**1,09,170**

Cash Flow

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	**15,266**	**16,604**	**16,207**	**16,784**	**21,269**
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(7,823)	4,062	6,363	(6,126)	(2,782)
Operating Cashflow	**27,751**	**40,724**	**46,237**	**34,160**	**41,377**
Capital expenditure	(12,095)	(19,823)	(23,000)	(24,000)	(22,000)
Free Cash Flow	**15,656**	**20,901**	**23,237**	**10,160**	**19,377**
Investments	(6,703)	6,681	(3,853)	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	**(17,230)**	**(9,820)**	**(23,222)**	**(22,000)**	**(19,000)**
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(10,199)	(22,721)	(5,449)	(5,000)	(5,000)
Dividend paid (incl tax)	(1,140)	(5,900)	(5,985)	(7,125)	(8,550)
Other Financing Cash Flow	5,206	(2,425)	11,566	2,571	2,034
Financing Cashflow	**(10,335)**	**(34,647)**	**(4,842)**	**(14,400)**	**(15,759)**
Net chg in cash	**186**	**(3,744)**	**18,173**	**(2,241)**	**6,619**
Opening cash position	9,084	9,270	6,820	9,352	7,885
Closing cash position	**9,270**	**5,526**	**24,994**	**7,111**	**14,504**

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY21	FY22	FY23	FY24E	FY25E
EBITDA Margin	24.9	25.3	24.2	23.6	24.2
EBIT Margin	11.4	12.1	11.9	11.3	12.3
Effective Tax Rate	21.1	26.2	15.0	18.0	20.0
Net Margin	7.8	8.8	9.5	8.1	9.3
ROCE	19.2	22.6	25.5	23.5	26.8
ROE	(191.5)	417.0	164.9	82.0	66.1
RoIC	20.2	21.4	29.2	29.0	31.7

Per Share Data (Rs)	FY21	FY22	FY23	FY24E	FY25E
EPS	46.5	51.8	60.2	54.1	68.2
CEPS	127.7	129.2	137.4	136.1	155.2
BVPS	(0.4)	25.2	47.8	84.1	122.3
DPS	4.0	20.7	21.0	25.0	30.0

Valuations (x)	FY21	FY22	FY23	FY24E	FY25E
PER	26.5	23.8	20.5	22.8	18.1
P/CEPS	9.7	9.5	9.0	9.1	7.9
P/BV	(3,383.5)	48.9	25.8	14.6	10.1
EV / Sales	2.5	2.5	2.3	2.1	1.9
EV / EBITDA	10.2	9.9	9.5	9.0	7.8
Dividend Yield (%)	0.3	1.7	1.7	2.0	2.4

Gearing Ratio (x)	FY21	FY22	FY23	FY24E	FY25E
Net Debt/ Equity	(793.2)	9.6	4.2	2.2	1.2
Net Debt/EBIDTA	1.9	1.6	1.3	1.2	0.8
Working Cap Cycle (days)	(86.3)	(95.0)	(101.7)	(83.3)	(71.5)

Growth (%)	FY21	FY22	FY23	FY24E	FY25E
Revenue	0.2	(2.2)	6.7	7.1	8.9
EBITDA	29.5	(0.8)	2.2	4.2	11.8
EBIT	109.1	3.8	4.8	2.1	17.9
PAT	0.0	18.5	21.0	(14.0)	26.1

Quarterly (Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Revenue	42,630	43,105	44,307	45,283	46,107
EBITDA	10,453	10,770	11,296	10,774	10,696
EBITDA Margin (%)	**24.5**	**25.0**	**25.5**	**23.8**	**23.2**
PAT	3,651	5,438	5,323	3,939	3,465
EPS (Rs)	**12.8**	**19.1**	**18.7**	**13.8**	**12.2**

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Promoters	58.9	58.9	58.9	58.9	58.9
FIIs	21.6	19.4	17.9	17.0	17.3
DIIs	8.8	11.5	12.9	13.9	13.9
Public and Others	10.7	10.3	10.3	10.2	9.9

Source: Capitaline

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