

**HPCL reported a sizable 20% SA EBITDA beat to our estimate, at Rs46.6bn in Q4FY23, led by better GRMs at USD14/bbl (Emkay: USD8/bbl) and lower opex at Rs53bn (Emkay: Rs56bn). PBT further increased to Rs43.9bn, on jump in Other Income and lower interest-D/A. Debt was flat QoQ at Rs645bn, despite year-end excise funding. HPCL ended the year with Rs90bn net loss (marketing margin: -Rs1.2/kg) and BVPS eroding to Rs195 from Rs273, as no bailout was provided (Mgmt expects capital support in FY24). However, HPCL announced a spin-off of its lucrative lube business into a 100% subsidiary, with plans of value unlocking. It will also create a separate unit for its new energy businesses. We have a constructive view on such monetization opportunities, as pure lube players like Castrol trade at ~8x forward EV/EBITDA vs OMCs at <6x. We raise HPCL's FY24E EBITDA by 30%, building-in the recouping of FY23 losses, though FY25E EBITDA is up ~3% on lower opex. We raise FY25E blended multiple, from 5.5x to 5.8x, factoring-in the lube gains with some increase in the marketing-segment multiple. HPCL's near-term outlook is positive, with rangebound crude prices and healthy marketing margins, though the refining stabilization and the debt scenario are key monitorables for further rerating. We retain **HOLD**, with revised TP of Rs270/sh.**

<b>HPCL: Financial Snapshot (Standalone)</b>					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Revenue	23,29,968	34,96,829	43,47,860	44,82,541	40,49,503
EBITDA	1,59,254	1,01,759	(1,13,306)	1,67,244	1,56,195
Adj. PAT	1,05,310	59,162	(1,32,046)	72,411	51,182
Adj. EPS (Rs)	72.5	41.7	(93.1)	51.0	36.1
EBITDA margin (%)	6.8	2.9	(2.6)	3.7	3.9
EBITDA growth (%)	165.6	(36.1)	NM	NM	(6.6)
Adj. EPS growth (%)	324.3	(38.7)	NM	NM	(29.3)
RoE (%)	32.3	15.8	(39.8)	24.1	15.0
RoIC (%)	19.1	9.4	(33.7)	13.3	8.7
P/E (x)	3.6	6.3	(2.8)	5.1	7.2
EV/EBITDA (x)	4.7	7.7	(8.8)	6.0	6.4
P/B (x)	1.0	1.0	1.3	1.1	1.0
FCFF yield (%)	8.7	6.6	(12.3)	4.1	4.0

Source: Company, Emkay Research

**Result Highlights**

HPCL's Q4 core GRM is likely to be USD13-14/bbl vs ~USD11 in Q3. Refinery volume was up 6% YoY, at 5.0mmt, with a healthy 113% utilization. Blended marketing margin came in at ~Rs4.9/kg (an 18% miss, likely due to non-auto-fuel segments). Domestic marketing sales grew 6% YoY vs. 5% industry growth, while overall sales growth was at 4%, on lower exports. Petrol/diesel sales volume growth was 14/11% YoY for HPCL vs. 10/7% for the industry. Company's Pipeline volumes were up 15% YoY; Other Expenditure was up 16% YoY/21% QoQ to Rs44.8bn (6% below our estimate). Depreciation fell 6% QoQ, while interest fell 23% QoQ to Rs5.2bn. Other Income was up 20% YoY at Rs11.6bn. Share of associate/JV profits rose to Rs7.8bn (vs. Rs2.9bn in Q3), driven by MRPL. For FY23, SA EBITDA/RPAT turned negative at Rs113bn/Rs90bn, due to sizable auto-fuel marketing losses despite reported GRMs rising, from USD7.2/bbl to USD12.1/bbl. Total capex stood at ~Rs140bn in FY23 (vs. ~Rs160bn in FY22).

**Management KTAs**

HPCL maintained its stronghold across all lube segments as well as the leadership position in finished lubes, with 16% growth and 2.48% MS gains in FY23 YoY (0.63mmt). It commissioned the 697km Vijayawada-Dharmapuri products and the 650km Hassan-Cherlapalli LPG pipelines, with 5,132km of network now, with two more lines under execution. The new 9mmtpa CDU, as part of the Vizag refinery expansion, has been commissioned in Mar-23. The Chhara LNG terminal was mechanically completed by FY23-end, with pipeline connectivity and port facilities in the advanced stages. It commissioned 1,161 ROs in FY23 (21.2k ROs in total) and three LPG plants (0.36mmtpa capacity). CGD capex would be Rs100bn in 23 GAs. EV charging/CNG facilities are at 2,037/1,387 ROs.

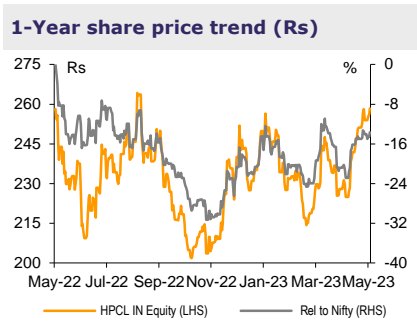
**Valuation and Outlook**

We value HPCL on SOTP-EV/EBITDA methodology, with investments at a 30% holdco discount. Key risks: Adverse commodity prices & downstream margins; currency movement; government policies; project issues.

Target Price – 12M	Mar-24
<b>Change in TP (%)</b>	<b>17.5</b>
Current Reco.	HOLD
Previous Reco.	HOLD
Upside/(Downside) (%)	3.5
CMP (12-May-23) (Rs)	260.8

Stock Data	Ticker
52-week High (Rs)	267
52-week Low (Rs)	200
Shares outstanding (mn)	1,418.5
Market-cap (Rs bn)	370
Market-cap (USD mn)	4,501
Net-debt, FY24E (Rs mn)	6,25,728
ADTV-3M (mn shares)	4
ADTV-3M (Rs mn)	867.9
ADTV-3M (USD mn)	10.6
Free float (%)	45.0
Nifty-50	18,315
INR/USD	82.2
<b>Shareholding, Mar-23</b>	
Promoters (%)	54.9
FPIs/MFs (%)	14.4/21.4

<b>Price Performance</b>			
(%)	1M	3M	12M
Absolute	13.4	12.0	(0.7)
Rel. to Nifty	10.3	9.2	(14.3)



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## Exhibit 1: Actuals vs. Estimates (Q4FY23)

(Rs bn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	1,079.3	1,041.0	1,020.3	4%	6%	
Adjusted EBITDA	46.6	38.6	45.3	20%	3%	Higher GRMs and lower opex
EBITDA margin	4.3%	3.7%	4.4%	60bps	-73bps	
Adjusted Net Profit	32.2	18.0	23.2	79%	39%	Higher other income and lower finance costs & D/A

Source: Company, Emkay Research

## Exhibit 2: Quarterly Summary

(Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY	QoQ	FY22	FY23	YoY
Revenue	9,75,727	11,44,547	10,28,003	10,96,032	10,79,278	11%	-2%	34,96,829	43,47,860	24%
COGS	9,01,413	12,13,482	10,45,509	10,31,258	9,79,939	9%	-5%	32,20,157	42,70,188	33%
<b>Gross Profit</b>	<b>74,315</b>	<b>(68,935)</b>	<b>(17,507)</b>	<b>64,774</b>	<b>99,339</b>	<b>34%</b>	<b>NM</b>	<b>2,76,673</b>	<b>77,672</b>	<b>-72%</b>
Opex	46,121	46,557	47,611	44,027	52,783	14%	20%	1,73,328	1,90,978	10%
Total Expenditure	9,47,534	12,60,039	10,93,120	10,75,284	10,32,722	9%	-4%	33,93,485	44,61,165	31%
<b>EBITDA</b>	<b>28,194</b>	<b>(1,15,492)</b>	<b>(65,118)</b>	<b>20,748</b>	<b>46,556</b>	<b>65%</b>	<b>NM</b>	<b>1,03,344</b>	<b>(1,13,306)</b>	<b>NM</b>
Depreciation	10,832	10,945	10,809	11,105	10,442	-4%	-6%	39,691	43,300	9%
Interest	3,283	3,327	5,950	6,817	5,226	59%	-23%	9,727	21,319	119%
Other Income	9,644	3,397	2,805	2,889	11,600	20%	301%	27,153	20,691	-24%
Exceptional Items*	-	-	56,170	-	-	-	-	-	56,170	
Forex Gain/(Losses)	(872)	(9,454)	(6,031)	(4,031)	1,430	NM	NM	958	(18,087)	NM
<b>PBT</b>	<b>22,850</b>	<b>(1,35,820)</b>	<b>(28,932)</b>	<b>1,684</b>	<b>43,918</b>	<b>92%</b>	<b>NM</b>	<b>82,037</b>	<b>(1,19,149)</b>	<b>NM</b>
Tax	4,897	(33,850)	(7,211)	(40)	11,692	139%	NM	18,211	-29,409	NM
<b>PAT</b>	<b>17,953</b>	<b>(1,01,969)</b>	<b>(21,721)</b>	<b>1,724</b>	<b>32,226</b>	<b>80%</b>	<b>NM</b>	<b>63,826</b>	<b>-89,740</b>	<b>NM</b>
Adjusted PAT	17,953	(1,01,969)	(63,656)	1,724	32,226	80%	NM	63,826	(1,31,675)	NM
Adjusted EPS (Rs)	13	(72)	(45)	1	23	80%	NM	45	(93)	NM
Tax Rate	21%	25%	25%	-2%	27%			22%	25%	
Core EBITDA^	(1,00,907)	(1,07,592)	(38,118)	32,748	45,566	NM	39%	(21,456)	(67,395)	NM
Core PAT^	(78,823)	(88,612)	(38,949)	13,251	31,041	NM	134%	(32,703)	(83,269)	NM
Core EPS (Rs)^	(55.6)	(62.5)	(27.5)	9.3	21.9	NM	134%	(23.1)	(58.7)	NM
Refining Volumes (mmt)	4.7	4.8	4.5	4.8	5.0	6%	3%	14.0	19.1	37%
<b>Reported GRM (USD/bbl)</b>	<b>12.4</b>	<b>16.7</b>	<b>8.4</b>	<b>9.1</b>	<b>14.0</b>	<b>13%</b>	<b>53%</b>	<b>7.2</b>	<b>12.1</b>	<b>70%</b>
Core GRM (USD/bbl)^	6.4	14.7	13.4	11.1	13.7	113%	23%	3.9	13.2	240%
Adjusted Refining EBITDA^	23,287	36,325	12,846	17,220	32,197	38%		25,567	98,588	286%
<b>Marketing Volumes (mmt)</b>	<b>10.7</b>	<b>10.7</b>	<b>10.4</b>	<b>11.3</b>	<b>11.1</b>	<b>4%</b>	<b>-1%</b>	<b>39.1</b>	<b>43.5</b>	<b>11%</b>
Diesel	4.4	4.9	4.3	5.1	4.9	11%	-3%	16.6	19.3	16%
Petrol	1.9	2.1	2.2	2.2	2.2	14%	-2%	7.5	8.7	16%
<b>Marketing Margin (Rs/mt)^</b>	<b>-6,963</b>	<b>-9,714</b>	<b>-2,740</b>	<b>3,681</b>	<b>4,884</b>	<b>NM</b>	<b>33%</b>	<b>2,838</b>	<b>-846</b>	<b>NM</b>
Adjusted Marketing EBITDA^	2,240	-1,54,545	-80,623	681	11,330	NM	NM	67,880	-2,23,157	NM
Marketing Inventory Gain/(Losses)^	1,13,600	-13,300	-14,000	-6,300	-10	NM	NM	99,900	-33,610	NM
Pipeline Volumes (mmt)	5.3	5.8	5.5	5.8	6.1	15%	5%	19.9	23.3	17%
Implied Pipeline EBITDA	2,666	2,728	2,660	2,847	3,028	14%	6%	9,898	11,264	14%
Gross Debt	4,31,930	4,72,830	6,85,460	6,42,450	6,45,170	49%	0%	4,31,930	6,45,170	49%
<b>Implied Net Debt</b>	<b>3,77,950</b>	<b>4,18,945</b>	<b>6,31,669</b>	<b>5,86,527</b>	<b>5,87,114</b>	<b>55%</b>	<b>0%</b>	<b>3,77,950</b>	<b>5,87,114</b>	<b>55%</b>
Net Under-recovery	-	-	-	-	-	-	-	-	-	-

Source: Company, Emkay Research; Note: i) ^OMCs have largely discontinued reporting inventory gain/loss figures; hence, these numbers are assumed; segmental EBITDA is also computed; ii) \* Rs56.2bn of LPG subsidy assumed as exceptional, being one-time

**Exhibit 3: Change in assumptions**

	FY24E			FY25E		
	Previous	Revised	Variance	Previous	Revised	Variance
GRM (USD/bbl)	8.0	8.0	0%	8.5	8.5	0%
Marketing Margin (Rs/mt)	4,449	5,201	17%	4,800	4,814	0%
Growth	-537.8%	-519.2%	NM	7.9%	-7.4%	NM
Marketing Sales (mmt)	45	45	-1%	47	46	-1%
Growth	3.2%	3.2%	-bps	3.2%	3.2%	-bps

Source: Company, Emkay Research

**Exhibit 4: Change in estimates**

(Rs bn)	FY24E			FY25E		
	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	3,970	4,483	13%	3,638	4,050	11%
EBITDA	129	167	30%	152	156	3%
EBITDA margin	3.2%	3.7%	48bps	4.2%	3.9%	31bps
PAT	39	72	85%	46	51	11%
EPS (Rs)	27.6	51.0	85%	32.6	36.1	11%

Source: Company, Emkay Research

**Exhibit 5: SOTP-based valuation (Mar-24E)**

Components	Basis	Mar'25E EBITDA	Multiple (x)	EV (Rs bn)	EV/Sh (Rs)	Comments
Refining - Standalone	EV/EBITDA	88	5.5	482	340	
Pipelines - Standalone	EV/EBITDA	14	5.5	74	52	
Petrochemicals - Standalone	EV/EBITDA	-	-	-	-	
Marketing - Standalone	EV/EBITDA	55	6.4	351	247	
<b>Core Business EV</b>		<b>156</b>	<b>5.8</b>	<b>907</b>	<b>640</b>	<b>Blended multiple at 5.8x</b>
Less: Adj. Net Debt (Mar'24 End)				600	423	
<b>Core Business Valuation</b>				<b>307</b>	<b>216</b>	
Value of HMEL Stake	P/E			56	39	
Value of Listed Investments	TP/CMP			20	14	At 30% HoldCo Discount
<b>Target Price - Fair Value</b>					<b>270</b>	

Source: Company, Emkay Research

**Exhibit 6: Schedule and Value of Listed Investments**

Listed	Type	Basis of Valuation	TP/CMP (Rs/sh)	Equity Value (Rs bn)	HPCL Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contr. to SOTP (Rs bn)	Per Share Value (Rs)
MRPL	Financial	CMP*1.12x	70	123	17.0%	21	30%	15	10.3
Oil India	Financial	TP (Emkay)	290	314	2.5%	8	30%	5	3.8
Total Listed						29		20	14

Source: Company, Emkay Research; \*1.12x is taken as 1 year forward over CMP

**Exhibit 7: Value of HMEL-stake**

Components	Basis	Mar-25E PAT (Rs bn)	Multiple (x)	Equity value	HPCL stake	Pro-rata value	Holdco Disc.	Contr. To SOTP	Per-Share value (Rs)
HPCL Mittal Energy (HMEL)	P/E	20	8.0	160	50%	80	30%	56	39

Source: Company, Emkay Research

**Exhibit 8: Implied valuation of core business ex-Lubes business**

<b>Rs bn</b>	<b>FY25E</b>
EBITDA	156
Existing Tgt Mcap ex Lube Spinoff	362
Investment Value	76
Core S/A Business Value	286
Implied EV/EBITDA (x)	5.7

Source: Company, Emkay Research

**Exhibit 9: Value accretion from the Lube business**

<b>(Rs bn)</b>	<b>EBITDA</b>	<b>Target EV/EBITDA (x)</b>	<b>EV</b>
Overall FY25E	156	5.8	907
Lube Business	14	7.2	97
R&M Business	143	5.7	810
Net Debt			600
Revised Target MCap			382
Difference to Existing			21
<b>Per-Share Value (Rs)</b>			<b>15</b>
<b>Final Target Price (Rs)</b>			<b>270</b>

Source: Company, Emkay Research

## HPCL: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
<b>Revenue</b>	<b>23,29,968</b>	<b>34,96,829</b>	<b>43,47,860</b>	<b>44,82,541</b>	<b>40,49,503</b>
Revenue growth (%)	(13.3)	50.1	24.3	3.1	(9.7)
<b>EBITDA</b>	<b>1,59,254</b>	<b>1,01,759</b>	<b>(1,13,306)</b>	<b>1,67,244</b>	<b>1,56,195</b>
EBITDA growth (%)	165.6	(36.1)	(211.3)	0.0	(6.6)
Depreciation & Amortization	35,527	39,691	43,300	53,599	64,349
<b>EBIT</b>	<b>1,23,728</b>	<b>62,067</b>	<b>(1,56,605)</b>	<b>1,13,645</b>	<b>91,846</b>
EBIT growth (%)	359.5	(49.8)	(352.3)	0.0	(19.2)
Other operating income	0	0	0	0	0
Other income	16,004	22,743	20,691	21,565	23,195
Financial expense	9,147	9,727	21,319	38,404	46,616
<b>PBT</b>	<b>1,30,584</b>	<b>75,083</b>	<b>(1,57,232)</b>	<b>96,806</b>	<b>68,425</b>
Extraordinary items	1,775	5,996	56,170	0	0
Taxes	35,829	18,211	(29,409)	24,395	17,243
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
<b>Reported PAT</b>	<b>1,06,639</b>	<b>63,826</b>	<b>(89,740)</b>	<b>72,411</b>	<b>51,182</b>
PAT growth (%)	304.4	(40.1)	(240.6)	0.0	(29.3)
<b>Adjusted PAT</b>	<b>1,05,310</b>	<b>59,162</b>	<b>(1,32,046)</b>	<b>72,411</b>	<b>51,182</b>
<b>Diluted EPS (Rs)</b>	<b>72.5</b>	<b>41.7</b>	<b>(93.1)</b>	<b>51.0</b>	<b>36.1</b>
Diluted EPS growth (%)	324.3	(38.7)	(240.6)	0.0	(29.3)
<b>DPS (Rs)</b>	<b>22.7</b>	<b>14.0</b>	<b>0.0</b>	<b>17.9</b>	<b>12.6</b>
<b>Dividend payout (%)</b>	<b>31.0</b>	<b>31.1</b>	<b>0.0</b>	<b>35.0</b>	<b>35.0</b>
EBITDA margin (%)	6.8	2.9	(2.6)	3.7	3.9
EBIT margin (%)	5.3	1.8	(3.6)	2.5	2.3
Effective tax rate (%)	28.5	30.5	(8.2)	25.2	25.2
<b>NOPLAT (pre-IndAS)</b>	<b>88,521</b>	<b>43,158</b>	<b>(1,69,451)</b>	<b>85,006</b>	<b>68,701</b>
Shares outstanding (mn)	1,452.4	1,418.9	1,418.9	1,418.9	1,418.9

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
<b>PBT</b>	<b>1,30,584</b>	<b>75,083</b>	<b>(1,57,232)</b>	<b>96,806</b>	<b>68,425</b>
Others (non-cash items)	38,425	39,195	73,292	70,438	87,770
Taxes paid	(31,852)	(14,511)	(1,598)	(9,921)	(10,006)
Change in NWC	28,182	52,176	13,860	3,713	3,498
<b>Operating cash flow</b>	<b>1,77,223</b>	<b>1,58,898</b>	<b>(33,595)</b>	<b>1,61,036</b>	<b>1,49,687</b>
Capital expenditure	(1,11,770)	(1,07,642)	(88,877)	(1,20,000)	(1,10,000)
Acquisition of business	0	0	0	0	0
Interest & dividend income	6,938	9,040	10,206	21,565	23,195
<b>Investing cash flow</b>	<b>(1,27,282)</b>	<b>(1,25,653)</b>	<b>(1,10,977)</b>	<b>(1,00,556)</b>	<b>(88,947)</b>
Equity raised/(repaid)	(19,135)	(10,404)	0	0	0
Debt raised/(repaid)	5,693	28,150	2,05,732	30,000	3,000
Payment of lease liabilities	0	0	0	0	0
Interest paid	(15,644)	(16,712)	(31,101)	(38,404)	(46,616)
Dividend paid (incl tax)	(14,844)	(32,229)	(19,857)	(25,344)	(17,914)
Others	(4,770)	(3,112)	(7,775)	0	0
<b>Financing cash flow</b>	<b>(48,700)</b>	<b>(34,306)</b>	<b>1,46,999</b>	<b>(33,748)</b>	<b>(61,530)</b>
Net chg in Cash	1,241	(1,062)	2,427	26,732	(790)
OCF	1,77,223	1,58,898	(33,595)	1,61,036	1,49,687
Adj. OCF (w/o NWC chg.)	1,49,041	1,06,722	(47,455)	1,57,323	1,46,189
FCFF	65,453	51,255	(1,22,472)	41,036	39,687
FCFE	63,244	50,568	(1,33,584)	24,197	16,266
OCF/EBITDA (%)	111.3	156.2	29.6	96.3	95.8
FCFE/PAT (%)	59.3	79.2	148.9	33.4	31.8
<b>FCFF/NOPLAT (%)</b>	<b>73.9</b>	<b>118.8</b>	<b>72.3</b>	<b>48.3</b>	<b>57.8</b>

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Share capital	14,524	14,189	14,189	14,189	14,189
Reserves & Surplus	3,47,337	3,72,581	2,62,945	3,10,012	3,43,280
<b>Net worth</b>	<b>3,61,861</b>	<b>3,86,770</b>	<b>2,77,134</b>	<b>3,24,201</b>	<b>3,57,470</b>
Minority interests	0	0	0	0	0
Deferred tax liability (net)	55,111	59,783	30,110	44,584	51,821
<b>Total debt</b>	<b>4,29,159</b>	<b>4,65,906</b>	<b>6,80,051</b>	<b>7,10,051</b>	<b>7,13,051</b>
<b>Total liabilities &amp; equity</b>	<b>8,46,131</b>	<b>9,12,459</b>	<b>9,87,295</b>	<b>10,78,836</b>	<b>11,22,342</b>
Net tangible fixed assets	4,55,765	5,20,442	6,24,492	8,27,709	9,28,088
Net intangible assets	6,397	8,223	8,223	8,223	8,223
Net ROU assets	36,844	42,671	42,671	42,671	42,671
Capital WIP	2,42,335	2,67,660	2,28,028	91,211	36,484
Goodwill	0	0	0	0	0
Investments [JV/Associates]	95,752	1,25,722	1,60,418	1,62,022	1,63,643
<b>Cash &amp; equivalents</b>	<b>56,548</b>	<b>55,025</b>	<b>57,075</b>	<b>84,323</b>	<b>84,055</b>
Current assets (ex-cash)	4,18,893	4,81,868	4,23,943	4,36,141	3,98,806
Current Liab. & Prov.	4,66,403	5,89,152	5,57,555	5,73,465	5,39,629
<b>NWC (ex-cash)</b>	<b>(47,509)</b>	<b>(1,07,284)</b>	<b>(1,33,612)</b>	<b>(1,37,324)</b>	<b>(1,40,822)</b>
<b>Total assets</b>	<b>8,46,131</b>	<b>9,12,459</b>	<b>9,87,295</b>	<b>10,78,836</b>	<b>11,22,342</b>
Net debt	3,72,611	4,10,881	6,22,976	6,25,728	6,28,996
Capital employed	8,46,131	9,12,459	9,87,295	10,78,836	11,22,342
<b>Invested capital</b>	<b>4,51,496</b>	<b>4,64,052</b>	<b>5,41,774</b>	<b>7,41,279</b>	<b>8,38,159</b>
BVPS (Rs)	249.1	272.6	195.3	228.5	251.9
Net Debt/Equity (x)	1.0	1.1	2.2	1.9	1.8
Net Debt/EBITDA (x)	2.3	4.0	(5.5)	3.7	4.0
Interest coverage (x)	0.1	0.1	(0.2)	0.3	0.4
<b>RoCE (%)</b>	<b>17.2</b>	<b>9.6</b>	<b>(14.3)</b>	<b>13.1</b>	<b>10.5</b>

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
P/E (x)	3.6	6.3	(2.8)	5.1	7.2
P/CE(x)	2.7	3.7	(4.2)	2.9	3.2
P/B (x)	1.0	1.0	1.3	1.1	1.0
EV/Sales (x)	0.3	0.2	0.2	0.2	0.2
EV/EBITDA (x)	4.7	7.7	(8.8)	6.0	6.4
EV/EBIT(x)	6.1	12.6	(6.3)	8.8	10.9
EV/IC (x)	1.7	1.7	1.8	1.3	1.2
FCFF yield (%)	8.7	6.6	(12.3)	4.1	4.0
FCFE yield (%)	16.7	13.7	(36.1)	6.5	4.4
Dividend yield (%)	8.7	5.4	0.0	6.8	4.8
<b>DuPont-RoE split</b>					
Net profit margin (%)	4.5	1.7	(3.0)	1.6	1.3
Total asset turnover (x)	2.9	4.0	4.6	4.3	3.7
Assets/Equity (x)	2.5	2.3	2.9	3.4	3.2
<b>RoE (%)</b>	<b>32.3</b>	<b>15.8</b>	<b>(39.8)</b>	<b>24.1</b>	<b>15.0</b>
<b>DuPont-RoIC</b>					
NOPLAT margin (%)	3.8	1.2	(3.9)	1.9	1.7
IC turnover (x)	0.0	0.0	0.0	0.0	0.0
<b>RoIC (%)</b>	<b>19.1</b>	<b>9.4</b>	<b>(33.7)</b>	<b>13.3</b>	<b>8.7</b>
<b>Operating metrics</b>					
Core NWC days	27.8	15.1	11.7	9.8	9.8
<b>Total NWC days</b>	<b>27.8</b>	<b>15.1</b>	<b>11.7</b>	<b>9.8</b>	<b>9.8</b>
Fixed asset turnover	3.6	4.8	5.1	4.3	3.2
Opex-to-revenue (%)	7.1	5.0	4.4	4.8	5.7

Source: Company, Emkay Research

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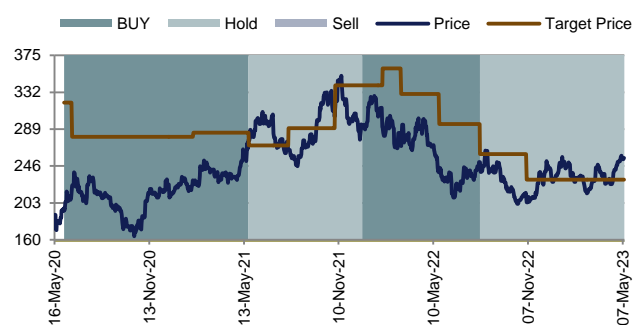
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Date	CMP (INR)	TP (INR)	Rating	Analyst
10-Feb-23	233	230	Hold	Sabri Hazarika
06-Dec-22	224	230	Hold	Sabri Hazarika
04-Nov-22	204	230	Hold	Sabri Hazarika
07-Sep-22	244	260	Hold	Sabri Hazarika
07-Aug-22	251	260	Hold	Sabri Hazarika
15-Jul-22	240	295	Buy	Sabri Hazarika
28-Jun-22	222	295	Buy	Sabri Hazarika
22-May-22	244	295	Buy	Sabri Hazarika
21-May-22	244	295	Buy	Sabri Hazarika
09-Mar-22	269	330	Buy	Sabri Hazarika
02-Feb-22	291	360	Buy	Sabri Hazarika
25-Dec-21	292	340	Buy	Sabri Hazarika
23-Nov-21	319	340	Hold	Sabri Hazarika
03-Nov-21	314	340	Hold	Sabri Hazarika
06-Aug-21	265	290	Hold	Sabri Hazarika
26-Jul-21	274	270	Hold	Sabri Hazarika
23-Jun-21	300	270	Hold	Sabri Hazarika
29-May-21	281	270	Hold	Sabri Hazarika
22-May-21	276	270	Hold	Sabri Hazarika
23-Apr-21	234	285	Buy	Sabri Hazarika
23-Mar-21	239	285	Buy	Sabri Hazarika
18-Mar-21	234	285	Buy	Sabri Hazarika
05-Feb-21	225	285	Buy	Sabri Hazarika
06-Jan-21	221	280	Buy	Sabri Hazarika
26-Nov-20	213	280	Buy	Sabri Hazarika
05-Nov-20	205	280	Buy	Sabri Hazarika
28-Sep-20	184	280	Buy	Sabri Hazarika
23-Sep-20	177	280	Buy	Sabri Hazarika
08-Aug-20	214	280	Buy	Sabri Hazarika
18-Jun-20	223	280	Buy	Sabri Hazarika
03-Jun-20	197	320	Buy	Sabri Hazarika

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

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