

Estimate change

TP change

Rating change



**CMP: INR436**

**TP: INR500 (+15%)**

**Buy**

## Revenue in line; EBITDA miss led by higher input costs

	HNDL IN
Bloomberg	
Equity Shares (m)	2247
M.Cap.(INRb)/(USD\$b)	980.3 / 12
52-Week Range (INR)	504 / 309
1, 6, 12 Rel. Per (%)	2/4/-10
12M Avg Val (INR M)	4019
Free float (%)	65.4

### Financials & Valuations (INR b)

Y/E MARCH	2023E	2024E	2025E
Sales	2,237	2,190	2,366
EBITDA	230	267	288
Adj. PAT	102	111	124
EBITDA Margin (%)	10	12	12
Cons. Adj. EPS (INR)	46	49	55
EPS Gr. (%)	-26	8	12
BV/Sh. (INR)	280	324	374

### Ratios

Net D:E	0.6	0.4	0.3
RoE (%)	17.4	16.3	15.8
RoCE (%)	11.5	13.0	13.8
Payout (%)	14.1	13.1	11.7

### Valuations

P/E (x)	9.6	8.9	7.9
P/BV (x)	1.6	1.4	1.2
EV/EBITDA(x)	5.8	4.8	4.4
Div. Yield (%)	1.3	1.3	1.3
FCF Yield (%)	9.1	9.4	8.4

### Long-term EBITDA/t guidance unchanged at USD525

- Novelis (HNDL)'s 4QFY23 revenue was down 9% YoY but up 5% QoQ at USD4.4b (8% above our estimate) driven by improved product mix and increased product pricing offset by lower volumes.
- Adjusted EBITDA was down 6% YoY but up 18% QoQ at USD403m (11% below estimate). The miss was due to less favorable metal benefits from recycling, higher energy cost, inflationary pressure and lower volumes. EBITDA/t was flat YoY but up 15% QoQ at USD431 during the quarter.
- APAT dipped 13% YoY but up 36% QoQ at USD197m, which was 20% above our estimate of USD164m, supported by lower tax outgo.
- Shipments stood at 936kt (down 5% YoY/up 3% QoQ), in line with our estimate of 975kt. Shipments from North America/Europe/Asia/South America stood at 363kt/248kt/187kt/144kt (-4%/ +2%/ +33%/ -11% QoQ).
- For FY23, HNDL's revenue stood at USD18.5b (+8% YoY), Adjusted EBITDA came in USD1.8b (-10% YoY) and APAT came in at USD859m (-9% YoY). Volumes were down 2% YoY at 3.79mt in FY23.
- Management expects headwinds from destocking in Beverage Can vertical and softening in construction sector to continue for the next couple of quarters; however, we note that these are temporary headwinds that are not likely to dent the structural margin improvement trend of HNDL.
- Net debt stood at USD4.1b in 4QFY23, lower by USD310m YoY. Leverage remained comfortable at 2.3x, while total liquidity was at USD2.6b.

### Long-term EBITDA/t guidance maintained at USD525

- HNDL's EBITDA was hit by a number of factors such as inflationary pressure, lower beverage can shipments, softer demand for specialty products, less favorable metal benefit, higher energy cost, weaker macroeconomic scenario, non-recurring tax litigation settlement in Brazil, etc.
- Management expects the beverage can debottlenecking to continue in 1QFY24 and will start to ebb from 2QFY24 onwards.
- Though HNDL might witness some short-term headwinds, management is confident of achieving EBITDA/t of over USD525 by 4QFY24E.
- Management also highlighted that as contracts get reset they are at a higher rate than the prevailing spot prices, which will help the company improve margins and push for higher EBITDA/t.

### Valuation and view

- Management has guided for a healthy OCF in FY24 and it will follow a disciplined approach of managing cash.
- Both capex projects at Bay Minette and Guthrie are on track and will be funded through internal accruals.

- We note that the stock now fully prices in: 1) a weak macro economy, 2) pressure from beverage can destocking, and 3) rising inflation reflected in higher input costs. As a result, we believe that HNDL reflects strongly on long-term opportunities rather than focusing on just one or two quarters of headwinds.
- We remain confident on the long-term opportunities and considering its leadership in both beverage can and automotive markets, **we reiterate our BUY rating on HNDL with an SoTP-based TP of INR500. The stock is trading at 4.8x FY24E EV/EBITDA and 1.4x FY24E P/B.**

## Quarterly performance (Novelis)

(USD m)

Y/E March	FY22				FY23				FY22	FY23	FY23 4QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Sales (000 tons)</b>	<b>973</b>	<b>968</b>	<b>930</b>	<b>987</b>	<b>962</b>	<b>984</b>	<b>908</b>	<b>936</b>	<b>3,858</b>	<b>3,790</b>	<b>975</b>	<b>-4.0</b>
Change (YoY %)	24.6	4.9	-0.3	0.4	-1.1	1.7	-2.4	-5.2	6.6	-1.8	-1.2	
Change (QoQ %)	-1.0	-0.5	-3.9	6.1	-2.5	2.3	-7.7	3.1	0.0	0.0	7.4	
<b>Net Sales</b>	<b>3,855</b>	<b>4,119</b>	<b>4,326</b>	<b>4,849</b>	<b>5,089</b>	<b>4,799</b>	<b>4,201</b>	<b>4,397</b>	<b>17,149</b>	<b>18,486</b>	<b>4,055</b>	<b>8.4</b>
Change (YoY %)	58.9	38.3	33.5	33.5	32.0	16.5	-2.9	-9.3	39.7	7.8	-16.4	
Change (QoQ %)	6.2	6.8	5.0	12.1	4.9	-5.7	-12.5	4.7	0.0	0.0	-3.5	
<b>EBITDA (adjusted)</b>	<b>508</b>	<b>553</b>	<b>506</b>	<b>430</b>	<b>561</b>	<b>502</b>	<b>341</b>	<b>403</b>	<b>1,997</b>	<b>1,807</b>	<b>452</b>	<b>-10.9</b>
Change (YoY %)	100.8	21.5	6.3	-14.9	10.4	-9.2	-32.6	-6.3	18.2	-9.5	5.2	
Change (QoQ %)	0.6	8.9	-8.5	-15.0	30.5	-10.5	-32.1	18.2	0.0	0.0	32.7	
<b>EBITDA per ton (USD)</b>	<b>522</b>	<b>571</b>	<b>544</b>	<b>436</b>	<b>583</b>	<b>510</b>	<b>376</b>	<b>431</b>	<b>518</b>	<b>477</b>	<b>464</b>	
Interest	56	59	54	54	58	65	69	70	223	262	69	
Depreciation	134	134	137	145	138	134	133	135	550	540	149	
<b>PBT (before EO item)</b>	<b>318</b>	<b>360</b>	<b>315</b>	<b>231</b>	<b>365</b>	<b>303</b>	<b>139</b>	<b>198</b>	<b>1,224</b>	<b>1,005</b>	<b>234</b>	
Extra-ordinary Income	30	(44)	36	(10)	28	(55)	(133)	(41)	12	(201)	-	
<b>PBT (after EO item)</b>	<b>348</b>	<b>316</b>	<b>351</b>	<b>221</b>	<b>393</b>	<b>248</b>	<b>6</b>	<b>157</b>	<b>1,236</b>	<b>804</b>	<b>234</b>	
Total Tax	108	79	89	5	87	65	-6	1	281	147	70	
% Tax	31.0	25.0	25.4	2.3	22.1	26.2	-100.0	0.6	22.7	18.3	30.0	
<b>Reported PAT</b>	<b>240</b>	<b>237</b>	<b>262</b>	<b>217</b>	<b>307</b>	<b>183</b>	<b>12</b>	<b>156</b>	<b>956</b>	<b>658</b>	<b>164</b>	
Change (YoY %)	-404	-741	47	23	28	-23	-95	-28	303	-31	-24	
<b>Adjusted PAT</b>	<b>210</b>	<b>281</b>	<b>226</b>	<b>227</b>	<b>279</b>	<b>238</b>	<b>145</b>	<b>197</b>	<b>944</b>	<b>859</b>	<b>164</b>	<b>20.2</b>
Change (YoY %)	116.5	58.8	14.7	26.1	32.9	-15.3	-35.8	-13.2	45.0	-9.0	-27.8	
Change (QoQ %)	16.7	33.8	-19.6	0.4	22.9	-14.7	-39.1	35.9			13.0	

Volumes -Rolled products (in kt)	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
North America	358	375	358	376	386	386	380	363
Europe	268	251	248	274	272	268	242	248
Asia	190	196	167	203	185	208	141	187
South America	157	146	157	156	148	162	162	144
Elimination	-13	0	-10	-22	-29	-40	-17	-6
<b>Total Third Party Shipments</b>	<b>960</b>	<b>968</b>	<b>920</b>	<b>987</b>	<b>962</b>	<b>984</b>	<b>908</b>	<b>936</b>
<b>Adj. EBITDA (USD m)</b>								
North America	172	172	181	105	227	191	124	131
Europe	102	102	71	73	85	73	38	91
Asia	88	88	76	96	94	113	60	72
South America	146	193	178	156	156	127	124	115
<b>Adj. EBITDA per ton (USD)</b>								
North America	480	459	506	279	588	495	326	361
Europe	381	406	286	266	313	272	157	367
Asia	463	449	455	473	508	543	426	385
South America	930	1,322	1,134	1,000	1,054	784	765	799

Source: MOFSL, Company



## Conference call takeaways

### Guidance for FY24

- Management guided for a healthy OCF in FY24 and will follow a disciplined approach for managing cash.
- It has guided for EBITDA/t of USD525 by 4QFY24.
- Destocking in beverage can segment will take one more quarter to normalize and it will start to ebb from 2QFY24 onwards.
- As 1Q and 2Q will face headwinds from construction and beverage can segment and 3Q is usually a seasonally slower quarter, volume pick-up should happen only from 4QFY24.
- The growth targets for beverage can segment and auto segment are kept unchanged at 3% and 11%, respectively.
- The new hedges will be done over the spot prices, which would help the company improve margins and push for higher EBITDA/t.
- Net leverage for FY24 will not surpass 3x.
- Quarterly run-rate of 1mt can be achieved by 4QFY24.
- The company has a total 1mt of manufacturing capacity that caters to automotive sector and it is currently operational at 75% capacity utilization. As the demand for light weight-fuel efficient vehicles increases, the capacity utilization is expected to improve.
- Long-term FRP demand fundamentals remain intact.

### Capex

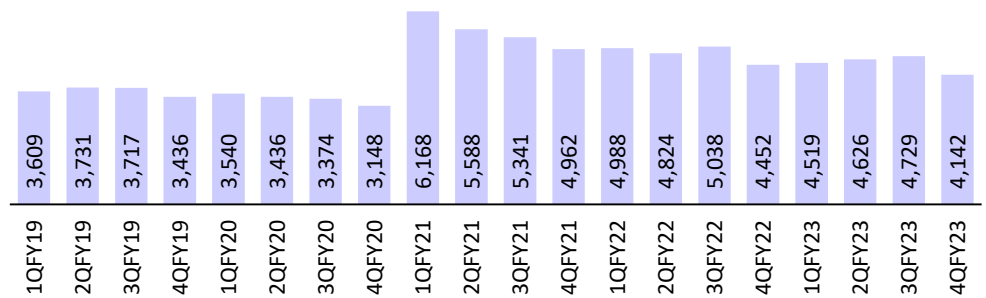
- Management has guided for a total capex of USD1.6-1.9b for FY24 (including USD300m of maintenance capex)
- The entire capex will be funded by internal accruals; though debt would rise in short term, the company expects to normalize the debt by 2HFY24.
- The USD3.3b capex plan over next two years is spread across three major verticals: 1) USD2.5b fully-integrated rolling and recycling facility at Bay Minette (US), 2) USD415m recycling facilities at Guthrie (US) and Ulsan (South Korea) as well as 3) USD350m debottlenecking at various locations.
- The Bay Minette facility will add 600kt of finished capacity that will cater to the beverage can market and the project is on track. The Bay Minette facility will be highly effective and will help achieve the company's long-term FRP target in a sustainable manner.
- The Guthrie facility will cater to automotive recycling and the high-return deep debottlenecking projects undertaken across the US, South Korea and Brazil are expected to be commissioned by FY25.

### Demand

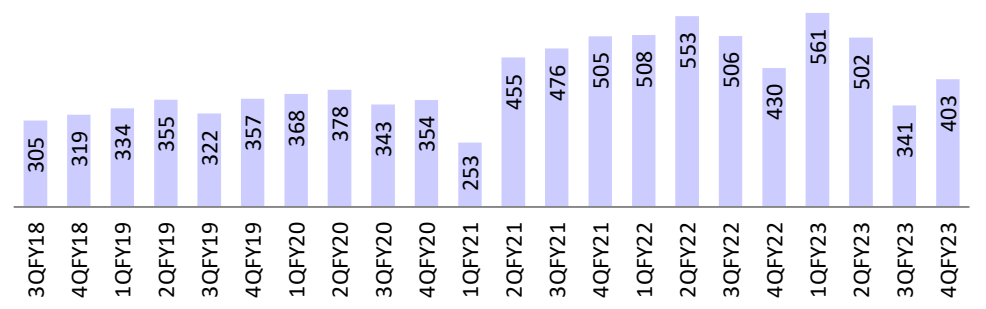
- **Beverage Can:** The sector had witnessed destocking in 3QFY23 and went under structural shift following a decline in home consumption demand after people resumed offices post-Covid lockdowns, especially in Asian countries. However, the impact of destocking has been gradually reducing and is expected to fade from 2QFY24 onwards. The long-term growth target for beverage can remains intact at 3%. As the Bay Minette (US) rolling and recycling facility gets commissioned in FY25, HNDL will achieve its long-term FRP target in a sustainable manner.

- Automobiles:** The demand for automobiles has been rising aided by pent up demand seen across different geographies, lower dealer inventory and shift towards greener transportation. As the world moves towards lighter and more durable vehicles to improve the car performance and curb emissions, the demand for aluminium in transportation sector increases. Management expects strong growth from this segment and projects a CAGR of 11% in demand. With healthy demand for light weight vehicles, an increase in the number of EV launches and improved fuel efficiencies, the demand for aluminium is expected to remain high. The company expects no slowdown in this sector.
- Speciality:** This segment is directly linked to the macro economy and housing demand of the country. The company is witnessing some softness in this segment and expects it to continue until 3QFY24. Management expects the demand to pick up in 4QFY24.
- Aerospace:** This is a low-volume and high-value segment. The company expects robust demand from this segment as the air traffic increases.

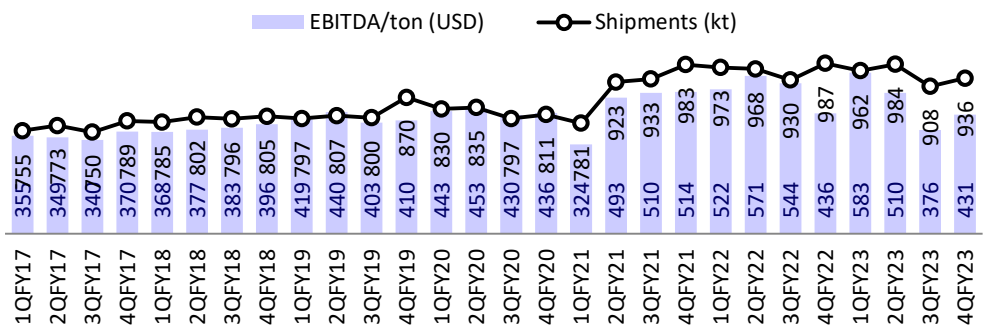
**Exhibit 1: Net debt (USD m) drops QoQ**



**Exhibit 2: EBITDA (USD m) impacted by headwinds across geographies**



**Exhibit 3: Shipments are up QoQ**



Source: MOFSL, Company

**Exhibit 4: Key assumptions and changes to our estimates**

		FY23E			FY24E			FY25E		
		New	Old	% change	New	Old	% change	New	Old	% change
<b>Volumes</b>										
Aluminium	kt	1,348	1,348	0.0	1,397	1,397	0.0	1,397	1,397	0.0
Copper	kt	429	429	0.0	414	414	0.0	410	410	0.0
Novelis	kt	3,790	3,829	-1.0	4,051	4,180	-3.1	4,380	4,380	0.0
<b>EBITDA/t</b>										
Aluminium (incl Utkal)	USD/t	820	820	0.0	743	743	0.0	827	827	0.0
Copper	"	630	630	0.0	545	545	0.0	564	564	0.0
Novelis	"	477	485	-1.7	499	501	-0.4	503	509	-1.3
<b>Consolidated Results</b>										
Revenue	INR b	2,237	2,209	1.3	2,190	2,216	-1.2	2,366	2,364	0.1
<b>EBITDA</b>	"	230	234	-1.8	267	274	-2.2	288	290	-0.9
- India	"	85	85	-0.2	97	97	0.0	104	104	0.0
- Novelis	"	146	150	-2.7	171	177	-3.5	183	186	-1.3
Consol PAT	"	102	100	2.8	111	115	-4.1	124	126	-1.7

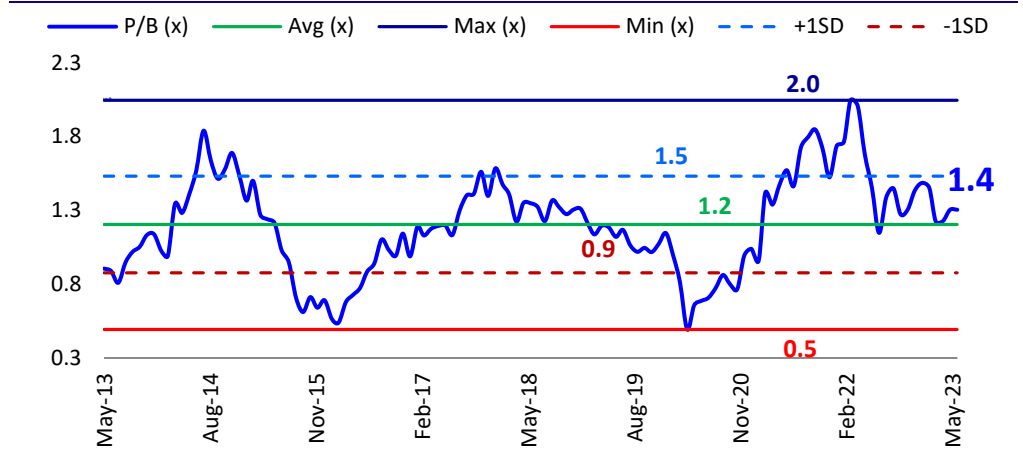
Source: MOFSL

**Exhibit 5: SoTP valuation**

Y/E March	UoM	2024E
<b>Hindalco - India</b>		
<b>Aluminum</b>		
Volumes	kt	1,397
EBITDA	INR/t	62,688
EBITDA	USD/t	743
<b>EBITDA</b>	<b>INR m</b>	<b>79,391</b>
<b>Copper</b>		
Volumes	kt	414
EBITDA	INR/t	46,007
EBITDA	USD/t	545
<b>EBITDA</b>	<b>INR m</b>	<b>19,047</b>
<b>EBITDA Others</b>	<b>INR m</b>	<b>-1,559</b>
<b>EBITDA Hindalco - India</b>	<b>INR m</b>	<b>96,879</b>
EV/EBITDA (x)	x	5.0
Target EV	INR m	4,89,239
<b>Novelis</b>		
Volumes	kt	4,051
EBITDA	USD/t	499
USD/INR	x	84.4
<b>EBITDA</b>	<b>INR m</b>	<b>1,70,603</b>
EV/EBITDA (x)	x	5.0
Target EV	INR m	8,61,541
<b>Target EV - Group</b>	<b>INR m</b>	<b>13,50,780</b>
Net Debt	INR m	3,07,773
Equity Value	INR m	10,43,007
Equity Value	INR/sh	464
Investments (quoted)	INR m	85,560
Investments (quoted)	INR/sh	38
<b>Target Price</b>	<b>INR/sh</b>	<b>500</b>

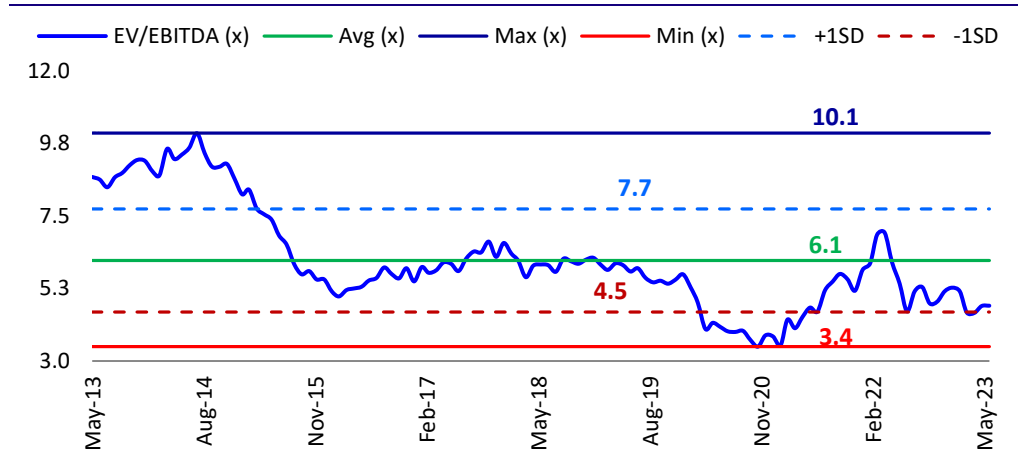
Source: MOFSL

**Exhibit 6: P/B remains marginally above historical average...**



Source: Company, MOFSL

**Exhibit 7: ...however, EV/EBITDA remains below LTA of 6.1x**



Source: Company, MOFSL

**Exhibit 8: Global comparable valuation**

Company	M-Cap USD m	P/E (x)			EV/EBITDA (x)			P/B (x)			RoE (%)		
		CY21/ FY22	CY22/ FY23	CY23/ FY24	CY21/ FY22	CY22/ FY23	CY23/ FY24	CY21/ FY22	CY22/ FY23	CY23/ FY24	CY21/ FY22	CY22/ FY23	CY23/ FY24
Hindalco*	12,230	7.1	9.6	8.9	4.9	5.8	4.8	1.8	1.6	1.4	28.0	17.4	16.3
Nalco*	1,843	5.2	12.3	7.9	2.5	5.6	4.0	1.2	1.2	1.1	25.4	9.6	14.0
Alcoa	6,449	9.7	78.4	7.1	3.6	7.0	3.5	1.2	1.3	1.2	14.1	2.9	12.7
Norsk Hydro	14,894	6.5	11.5	9.8	3.9	5.7	5.0	1.4	1.5	1.4	26.4	12.5	14.1
CHALCO	14,880	12.6	14.6	10.8	8.3	6.9	5.6	1.2	1.2	1.1	9.1	9.0	11.2
RUSAL	6,602	2.7	2.7	3.6	3.2	NA	NA	0.5	0.4	0.4	25.3	17.5	11.5
Alumina	2,977	27.0	46.6	15.5	21.3	30.7	12.1	1.8	1.9	1.7	7.9	3.7	11.6

Source: MOFSL, Company, Bloomberg (\*) denotes MOFSL estimates

## Financials and valuations

Consolidated Income Statement							(INR b)		
Y/E March	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>Net sales</b>	<b>1,002</b>	<b>1,152</b>	<b>1,305</b>	<b>1,181</b>	<b>1,318</b>	<b>1,951</b>	<b>2,237</b>	<b>2,190</b>	<b>2,366</b>
Change (%)	1.4	15.0	13.3	-9.5	11.6	48.0	14.7	-2.1	8.0
Total Expenses	877	1,014	1,150	1,039	1,144	1,667	2,007	1,922	2,078
<b>EBITDA</b>	<b>124</b>	<b>138</b>	<b>155</b>	<b>142</b>	<b>174</b>	<b>283</b>	<b>230</b>	<b>267</b>	<b>288</b>
% of Net Sales	12.4	12.0	11.9	12.0	13.2	14.5	10.3	12.2	12.2
Deprn. & Amortization	45	45	48	51	65	67	69	72	75
<b>EBIT</b>	<b>80</b>	<b>93</b>	<b>107</b>	<b>91</b>	<b>109</b>	<b>216</b>	<b>161</b>	<b>196</b>	<b>213</b>
Net Interest	57	39	38	42	37	38	36	35	36
Other income	11	10	11	12	12	11	10	3	6
<b>PBT before EO</b>	<b>33</b>	<b>64</b>	<b>81</b>	<b>61</b>	<b>83</b>	<b>190</b>	<b>135</b>	<b>163</b>	<b>183</b>
EO income (exp)	0	18	0	-2	-4	6	-3	0	0
<b>PBT after EO</b>	<b>33</b>	<b>82</b>	<b>81</b>	<b>59</b>	<b>79</b>	<b>196</b>	<b>132</b>	<b>163</b>	<b>183</b>
Current tax	13	16	19	15	19	38	27	52	59
Deferred tax (net)	1	5	7	6	8	16	5	0	0
Tax	14	21	26	22	27	54	33	52	59
Rate (%)	42.9	25.4	32.0	36.4	34.5	27.5	24.7	32.1	32.1
<b>Reported PAT</b>	<b>19</b>	<b>61</b>	<b>55</b>	<b>38</b>	<b>52</b>	<b>142</b>	<b>99</b>	<b>111</b>	<b>124</b>
Minority interests	0	0	0	0	0	0	0	0	0
Share of asso.	0	-1	0	0	0	0	0	0	0
<b>Adjusted PAT</b>	<b>19</b>	<b>42</b>	<b>55</b>	<b>39</b>	<b>55</b>	<b>136</b>	<b>102</b>	<b>111</b>	<b>124</b>
Change (%)	-22.9	120.7	30.6	-29.2	40.7	147.8	-24.9	8.2	12.1

Balance Sheet							(INR b)		
Y/E March	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Share Capital	2	2	2	2	2	2	2	2	2
Reserves	458	546	573	581	663	780	867	965	1,077
<b>Net Worth</b>	<b>461</b>	<b>549</b>	<b>575</b>	<b>583</b>	<b>665</b>	<b>782</b>	<b>869</b>	<b>967</b>	<b>1,079</b>
Minority Interest	0	0	0	0	0	0	0	0	0
Total Loans	638	520	524	674	660	632	584	534	484
Deferred Tax Liability	20	31	37	38	36	44	50	50	50
<b>Capital Employed</b>	<b>1,118</b>	<b>1,100</b>	<b>1,136</b>	<b>1,295</b>	<b>1,361</b>	<b>1,459</b>	<b>1,503</b>	<b>1,551</b>	<b>1,613</b>
Gross Block	1,041	1,083	1,131	1,200	1,343	1,470	1,517	1,517	1,517
Less: Accum. Deprn.	365	410	458	509	574	641	710	782	857
<b>Net Fixed Assets</b>	<b>676</b>	<b>673</b>	<b>673</b>	<b>691</b>	<b>770</b>	<b>829</b>	<b>807</b>	<b>735</b>	<b>660</b>
Goodwill	171	178	186	201	233	240	240	240	240
Capital WIP	18	21	41	77	102	49	77	205	332
Investments	62	69	52	31	77	87	87	87	87
<b>Working capital Assets</b>	<b>530</b>	<b>530</b>	<b>567</b>	<b>686</b>	<b>706</b>	<b>1,014</b>	<b>1,119</b>	<b>1,100</b>	<b>1,150</b>
Inventory	183	216	222	224	307	445	521	510	551
Account Receivables	83	100	115	93	130	211	239	234	253
Cash and Bank Balance	172	120	136	278	182	228	229	226	217
Others (incl. LT)	92	94	94	90	88	130	130	130	130
<b>Working capital liability</b>	<b>338</b>	<b>370</b>	<b>383</b>	<b>391</b>	<b>527</b>	<b>760</b>	<b>827</b>	<b>816</b>	<b>856</b>
Account Payables	179	204	207	183	283	442	509	498	538
Others (incl. LT)	160	166	175	208	244	318	318	318	318
<b>Net Working Capital</b>	<b>191</b>	<b>160</b>	<b>185</b>	<b>295</b>	<b>180</b>	<b>254</b>	<b>292</b>	<b>284</b>	<b>294</b>
<b>Appl. of Funds</b>	<b>1,118</b>	<b>1,100</b>	<b>1,136</b>	<b>1,295</b>	<b>1,361</b>	<b>1,459</b>	<b>1,503</b>	<b>1,551</b>	<b>1,613</b>



## Financials and valuations

### Cash Flow Statement

(INR b)

Y/E March	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
EBITDA	124	138	155	142	174	283	230	267	288
XO Exp. (income)	4	3	0	-3	-3	15	-3	0	0
tax paid	-8	-14	-19	-1	-13	-38	-27	-52	-59
Change in WC	7	-18	-17	-12	14	-92	-38	5	-20
<b>CF from Op. Activity</b>	<b>127</b>	<b>109</b>	<b>120</b>	<b>127</b>	<b>172</b>	<b>168</b>	<b>162</b>	<b>220</b>	<b>209</b>
(Inc)/Dec in FA + CWIP	-29	-30	-60	-68	-56	-54	-73	-128	-127
<b>Free Cash Flow to firm</b>	<b>97</b>	<b>79</b>	<b>60</b>	<b>59</b>	<b>117</b>	<b>114</b>	<b>89</b>	<b>92</b>	<b>83</b>
(Pur)/Sale of Inv. & yield	6	25	7	7	9	0	10	3	6
Others & M&A	4	8	5	10	-173	0	0	0	0
<b>CF from Inv. Activity</b>	<b>-20</b>	<b>3</b>	<b>-48</b>	<b>-51</b>	<b>-220</b>	<b>-55</b>	<b>-63</b>	<b>-126</b>	<b>-121</b>
Equity raised/(repaid)	33	0	-1	0	0	-1	0	0	0
Debt raised/(repaid)	-25	-123	-14	109	-10	-28	-50	-50	-50
Interest	-61	-38	-36	-40	-37	-33	-36	-35	-36
Dividend (incl. tax)	-2	-3	-3	-3	-2	-7	-12	-12	-12
<b>CF from Fin. Activity</b>	<b>-56</b>	<b>-164</b>	<b>-55</b>	<b>66</b>	<b>-49</b>	<b>-68</b>	<b>-98</b>	<b>-97</b>	<b>-98</b>
<b>(Inc)/Dec in Cash</b>	<b>51</b>	<b>-53</b>	<b>17</b>	<b>142</b>	<b>-96</b>	<b>46</b>	<b>1</b>	<b>-3</b>	<b>-10</b>
Add: Opening Balance	121	172	120	136	278	182	228	229	226
<b>Closing Balance</b>	<b>172</b>	<b>120</b>	<b>136</b>	<b>278</b>	<b>182</b>	<b>228</b>	<b>229</b>	<b>226</b>	<b>217</b>

### Ratios

Y/E March	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>8.6</b>	<b>18.9</b>	<b>24.7</b>	<b>17.5</b>	<b>24.6</b>	<b>61.3</b>	<b>45.5</b>	<b>49.3</b>	<b>55.2</b>
Cash EPS	28.6	47.6	46.2	39.8	52.5	94.3	75.0	81.3	88.6
BV/Share (adj.)	129.9	166.1	175.0	171.8	194.3	244.3	280.0	323.8	373.5
DPS	1.1	1.4	1.2	1.2	3.5	4.0	5.5	5.5	5.5
Payout (%)	15.0	8.7	5.7	8.0	16.7	7.6	14.1	13.1	11.7
<b>Valuation (x)</b>									
P/E	51.2	23.2	17.7	25.1	17.8	7.1	9.6	8.9	7.9
Cash P/E	15.3	9.2	9.5	11.0	8.3	4.6	5.8	5.4	4.9
P/BV	3.4	2.6	2.5	2.5	2.3	1.8	1.6	1.4	1.2
EV/Sales	1.4	1.2	1.0	1.2	1.1	0.7	0.6	0.6	0.5
EV/EBITDA	11.6	10.0	8.8	9.6	8.4	4.9	5.8	4.8	4.4
Dividend Yield (%)	0.3	0.3	0.3	0.3	0.8	0.9	1.3	1.3	1.3
<b>Return Ratios (%)</b>									
EBITDA Margins (%)	12.4	12.0	11.9	12.0	13.2	14.5	10.3	12.2	12.2
Net Profit Margins (%)	1.9	3.7	4.2	3.3	4.1	7.0	4.6	5.1	5.2
RoE	7.1	12.8	14.5	10.1	13.4	28.0	17.4	16.3	15.8
RoCE (pre-tax)	8.2	9.3	10.6	8.5	9.1	16.1	11.5	13.0	13.8
RoIC (pre-tax)	9.1	10.8	11.9	10.3	11.5	21.6	14.6	18.2	21.2
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	1.0	1.1	1.2	1.0	1.0	1.3	1.5	1.4	1.6
Asset Turnover (x)	0.9	1.0	1.1	0.9	1.0	1.3	1.5	1.4	1.5
Debtor (Days)	30	32	32	29	36	39	39	39	39
Inventory (Days)	67	69	62	69	85	83	85	85	85
Payable (Days)	65	65	58	56	78	83	83	83	83
<b>Leverage Ratio (x)</b>									
Current Ratio	1.6	1.4	1.5	1.8	1.3	1.3	1.4	1.3	1.3
Interest Cover Ratio	1.4	2.4	2.8	2.2	2.9	5.7	4.5	5.6	6.0
Debt/Equity	1.6	1.1	1.0	1.0	1.1	0.7	0.6	0.4	0.3

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Explanation of Investment Rating	
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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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