

HOLD Shree Cements**In-line quarter; focus on branding, market-share gains****Cement** ▶ Result Update ▶ **May 23, 2023****TARGET PRICE (Rs): 25,000**

Shree Cement's (Shree's) standalone Q4FY23 EBITDA declined 2% YoY/increased 26% QoQ to Rs8.9bn, broadly in line with our estimates. Blended EBITDA/ton reduced 11% YoY/improved ~15% QoQ to Rs1,011 (Emkay: Rs1,045). Management reiterated its guidance of attaining 80mt capacity by FY30 (8% CAGR), along with building the brand and doubling the premium-products mix (to 15% in FY24) with the aim to increase the overall realizations/margins. Benefit from fall in fuel prices would largely kick-in from Q2FY24. Management guided to volume of 36mt (+13% YoY vs 7-8% growth for the industry) and capex spend of Rs33-35bn in FY24. Shree maintains the timeline of its projects' commissioning, post which its capacity will increase to 56mt (vs 46mt now) by Q2FY25. We broadly maintain our FY24E-25E EBITDA, with unchanged Mar-24 target price of Rs25,000/share, based on 15x EV/E.

Shree Cements: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Revenue	134,763	150,096	178,523	202,927	241,209
EBITDA	40,514	37,079	29,595	42,726	54,309
Adj. PAT	22,859	23,319	12,707	21,931	29,240
Adj. EPS (Rs)	633.6	646.3	352.2	607.9	810.4
EBITDA margin (%)	30.1	24.7	16.6	21.1	22.5
EBITDA growth (%)	7.8	(8.5)	(20.2)	44.4	27.1
Adj. EPS growth (%)	48.8	2.0	(45.5)	72.6	33.3
RoE (%)	16.0	14.2	7.0	11.2	13.6
RoIC (%)	29.8	27.1	12.7	20.0	22.2
P/E (x)	38.7	38.0	69.7	40.4	30.3
EV/EBITDA (x)	20.9	22.1	27.4	19.2	15.1
P/B (x)	5.8	5.1	4.8	4.4	3.9
FCFF yield (%)	3.8	0.6	(0.9)	0.4	1.6

Source: Company, Emkay Research

Results Summary

Volume increased 10% YoY and QoQ to 8.8mt, in line with our estimates, while blended realization increased 6% YoY/7% QoQ to Rs5,420 (Emkay: Rs5,131), on better-than-expected prices in its key markets and higher power revenue. Total cost/ton increased 11% YoY/5% QoQ to Rs4,409 vs our estimate of a 2% QoQ decline owing to higher-than-expected input prices. Consolidated FCF generation stood at a negative Rs5.8bn, post working-capital blockage of Rs516mn and capex spend of Rs32.6bn. Consolidated EBITDA declined 3% YoY/rose 22% QoQ to Rs8.9bn, implying subsidiary EBITDA loss of Rs33mn vs EBITDA loss of Rs82mn/Rs188mn in Q4FY22/Q3FY23, respectively

What we liked: Strong volume-growth guidance; focus on branding, and overall improvement in realizations/margins.

What we did not like: Higher-than-expected input cost.

Key takeaways from earnings call

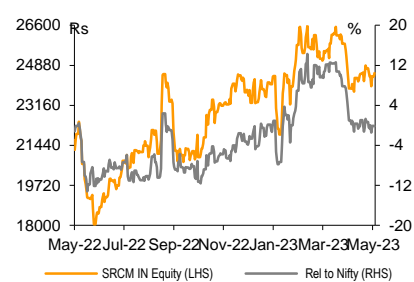
1) Shree's capacity utilization (CU) increased by 600-700bps YoY and QoQ to 78% in Q4FY23. 2) Project update: Company has maintained the timeline of its projects' commissioning, which is targeted at Q1FY24-end for the 3mt Purulia grinding unit, at Q3FY24-end for the 3.5mt Nawalgarh project, and early-FY25 for its plant in Guntur. 3) Blended fuel cost stood flat QoQ, at Rs2.53/Kcal in Q4. Management expects fuel cost to decline to Rs2.35-2.4/Kcal, and major benefits to kick-in from Q2FY24; average fuel cost stood at Rs1.69/Rs2.62 in FY22/FY23, respectively. 4) Share of premium products increased by 100bps/30bps YoY/QoQ to 7.5% in Q4FY23. Proportion of green power consumption increased by 450bps QoQ to 54.6% in Q4FY23. Company gave guidance to increase its green power consumption to >55% over FY24-25. Post commissioning of the 122MW green power capacity in FY23, Company's capacity increased to 386MW in FY23. Another 93MW of green power capacity is expected to be completed over FY24-25, along with commissioning of new project sites.

Target Price – 12M	Mar-24
Change in TP (%)	-
Current Reco.	HOLD
Previous Reco.	HOLD
Upside/(Downside) (%)	0.9
CMP (23-May-23) (Rs)	24,765.8

Stock Data	Ticker
52-week High (Rs)	27,049
52-week Low (Rs)	17,865
Shares outstanding (mn)	36.1
Market-cap (Rs bn)	894
Market-cap (USD mn)	10,791
Net-debt, FY24E (Rs mn)	-63,903
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	935.5
ADTV-3M (USD mn)	11.3
Free float (%)	37
Nifty-50	18,348
INR/USD	82.8
Shareholding, Mar-23	
Promoters (%)	62.6
FPIs/MFs (%)	12.8/11.8

Price Performance

(%)	1M	3M	12M
Absolute	3.7	(3.4)	12.9
Rel. to Nifty	(0.4)	(7.8)	(0.3)

1-Year share price trend (Rs)**Dharmesh Shah**dharmesh.shah@emkayglobal.com
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Quarterly Analysis

Exhibit 1: Actual vs. Estimates (Q4FY23)

(Rs mn)	Actual	Estimates		Variation (%)		Comment
		Emkay	Consensus	Emkay	Consensus	
Net sales	47,851	45,008	46,682	6.3	2.5	Owing to higher realization
EBITDA	8,925	9,166	9,406	(2.6)	(5.1)	Broadly in line with estimate; higher realization offset by higher cost
PAT	5,462	4,457	4,779	22.6	14.3	
Volumes (mt)	8.8	8.8		0.6		
Cement realization (Rs/ton)	5,420	5,131		5.6		
EBITDA (Rs/ton)	1,011	1,045		(3.3)		

Source: Bloomberg, Emkay Research

Exhibit 2: Standalone quarterly table

(Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)	FY22	FY23	YoY (%)
Revenue	40,988	42,027	37,809	40,688	47,851	16.7	17.6	143,059	168,375	17.7
Expenditure	31,882	33,839	32,579	33,608	38,927	22.1	15.8	106,580	138,952	30.4
Total RM	3,530	1,759	3,697	2,830	4,312	22.2	52.4	11,386	12,598	10.7
Power & Fuel	10,728	14,424	12,270	13,027	15,729	46.6	20.7	31,614	55,449	75.4
Freight	9,413	9,035	8,561	9,429	10,308	9.5	9.3	32,415	37,332	15.2
Staff cost	1,967	2,174	2,097	2,179	2,209	12.3	1.4	8,072	8,658	7.3
Other expenditure	6,245	6,447	5,955	6,143	6,369	2.0	3.7	23,094	24,915	7.9
EBITDA	9,106	8,188	5,230	7,080	8,925	(2.0)	26.1	36,478	29,423	(19.3)
Depreciation	3,013	3,279	3,628	4,136	4,419	46.6	6.9	10,365	15,462	49.2
EBIT	6,093	4,909	1,602	2,944	4,505	(26.1)	53.0	26,114	13,961	(46.5)
Other Income	1,381	(216)	1,566	1,612	1,353	(2.0)	(16.1)	5,373	4,315	(19.7)
Interest	536	573	676	714	726	35.6	1.7	2,178	2,689	23.5
PBT	6,938	4,120	2,493	3,842	5,132	(26.0)	33.6	29,309	15,586	(46.8)
Total Tax	486	964	597	1,074	(330)	(167.9)	(130.7)	5,543	2,305	(58.4)
Adjusted PAT	6,452	3,156	1,896	2,768	5,462	(15.3)	97.4	23,766	13,281	(44.1)
(Profit)/loss from JVs/Ass/MI								-	-	
PAT after MI	6,452	3,156	1,896	2,768	5,462	(15.3)	97.4	23,766	13,281	(44.1)
Extra ordinary items	-	-	-	-	-			-	-	
Reported PAT	6,452	3,156	1,896	2,768	5,462	(15.3)	97.4	23,766	13,281	(44.1)
Adjusted EPS (Rs)	178.8	87.5	52.5	76.7	151.4	(15.3)	97.4	658.7	368.1	(44.1)

(%)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (bps)	QoQ (bps)	FY22	FY23	YoY (bps)
EBITDAM	22.2	19.5	13.8	17.4	18.7	(357)	125	25.5	17.5	(802)
EBITM	14.9	11.7	4.2	7.2	9.4	(545)	218	18.3	8.3	(996)
EBTM	16.9	9.8	6.6	9.4	10.7	(620)	128	20.5	9.3	(1,123)
PATM	15.7	7.5	5.0	6.8	11.4	(433)	461	16.6	7.9	(872)
Effective Tax rate	7.0	23.4	23.9	28.0	(6.4)			18.9	14.8	(412)

Source: Company, Emkay Research

Exhibit 3: Standalone quarterly per-ton analysis

(Rs/ton)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)	FY22	FY23	YoY (%)
Cement volumes (mt)	8.0	7.5	7.5	8.0	8.8	10.0	9.9	27.7	31.8	14.7
Blended Realization	5,105	5,602	5,071	5,065	5,420	6.2	7.0	5,157	5,292	2.6
Raw Material cost	440	234	496	352	488	11.1	38.6	410	396	(3.5)
Power & Fuel cost	1,336	1,923	1,646	1,622	1,782	33.3	9.9	1,140	1,743	52.9
Freight cost	1,172	1,204	1,148	1,174	1,168	(0.4)	(0.5)	1,169	1,173	0.4
Staff cost	245	290	281	271	250	2.2	(7.7)	291	272	(6.5)
Other expenditure	778	859	799	765	721	(7.2)	(5.6)	833	783	(6.0)
Operating cost	3,971	4,511	4,369	4,184	4,409	11.0	5.4	3,842	4,367	13.7
EBITDA/ton	1,134	1,091	701	881	1,011	(10.9)	14.7	1,315	925	(29.7)

Source: Emkay Research

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Exhibit 4: Consolidated quarterly analysis

(Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (%)	QoQ (%)	FY22	FY23	YoY (%)
Revenue	43,642	44,149	40,380	42,993	51,002	16.9	18.6	150,096	178,523	18.9
Expenditure	34,455	36,140	34,953	35,725	42,110	22.2	17.9	113,017	148,928	31.8
Total RM costs	3,622	2,499	3,804	2,699	5,322	46.9	97.1	10,382	14,324	38.0
Power & Fuel cost	12,667	15,137	13,778	14,673	17,219	35.9	17.4	36,202	60,807	68.0
Freight cost	9,580	9,145	8,684	9,507	10,501	9.6	10.5	32,990	37,836	14.7
Staff cost	2,212	2,434	2,382	2,479	2,482	12.2	0.1	9,135	9,778	7.0
Other expenditure	6,374	6,925	6,305	6,368	6,586	3.3	3.4	24,308	26,183	7.7
EBITDA	9,188	8,008	5,428	7,267	8,892	(3.2)	22.4	37,079	29,595	(20.2)
Depreciation	2,967	3,497	3,956	4,426	4,728	59.3	6.8	11,459	16,607	44.9
EBIT	6,221	4,512	1,471	2,841	4,164	(33.1)	46.5	25,620	12,988	(49.3)
Other Income	1,374	(201)	1,593	1,741	1,457	6.1	(16.3)	5,459	4,591	(15.9)
Interest	522	554	660	702	713	36.7	1.6	2,161	2,629	21.6
PBT	7,072	3,756	2,405	3,881	4,908	(30.6)	26.5	28,918	14,950	(48.3)
Total Tax	482	968	572	1,063	(344)	(171.3)	(132.4)	5,552	2,259	(59.3)
Adjusted PAT	6,591	2,789	1,832	2,818	5,252	(20.3)	86.3	23,366	12,691	(45.7)
(Profit)/loss from JVs/Ass/MI	18	(6)	(1)	(2)	(6)	(130.4)	133.3	47	(16)	
PAT after MI	6,572	2,795	1,834	2,821	5,257	(20.0)	86.4	23,319	12,707	(45.5)
Extraordinary items	-	-	-	-	-			-	-	
Reported PAT	6,572	2,795	1,834	2,821	5,257	(20.0)	86.4	23,319	12,707	(45.5)
Adjusted EPS (Rs)	182.2	77.5	50.8	78.2	145.7	(20.0)	86.4	646.3	352.2	(45.5)
(%)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	YoY (bps)	QoQ (bps)	FY22	FY23	YoY (bps)
EBITDAM	21.1	18.1	13.4	16.9	17.4	(362)	53	24.7	16.6	(813)
EBITM	14.3	10.2	3.6	6.6	8.2	(609)	155	17.1	7.3	(979)
EBTM	16.2	8.5	6.0	9.0	9.6	(658)	60	19.3	8.4	(1,089)
PATM	15.1	6.3	4.5	6.6	10.3	(475)	375	15.5	7.1	(842)
Effective Tax rate	6.8	25.8	23.8	27.4	(7.0)			19.2	15.1	(409)

Source: Company, Emkay Research

Exhibit 5: Our EBITDA remains largely unchanged for FY24-25E

Earnings revision	FY24E			FY25E		
	Old	New	% chg	Old	New	% chg
Revenue (Rs mn)	202,927	204,671	(0.9)	241,209	244,218	(1.2)
EBITDA (Rs mn)	42,726	42,859	(0.3)	54,309	54,945	(1.2)
PAT (Rs mn)	21,931	22,218	(1.3)	29,240	29,465	(0.8)

Source: Emkay Research

Exhibit 6: We maintain HOLD on Shree Cements, with TP of Rs25,000/share, based on Mar-24E EV/E of 15x

EV/E valuation, backed by DCF analysis	Mar-24E
Mar-25E EBITDA (Rs bn)	54
EV/E (x)	15
Enterprise Value (Rs bn)	833
Net debt (Mar-24E; Rs bn)	(69)
Equity value (Rs bn)	902
No. of shares (mn)	36.1
Mar-24E Target Price (Rs/share)	25,000

Source: Emkay Research

Exhibit 7: Annual Financials(Consolidated)

Key Assumptions	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	CAGR (%)	
									FY18-23	FY23-25E
Capacity (mt)	35	42	44	45.4	50.4	50	57	60	7.6	9.0
Volumes (mt)	23	29	28	30	31	35	40	46	9.2	14.8
Utilization (%)	76	75	65	66	66	70	70	77		
Blended Realization (Rs/ton)	4,364	4,368	4,609	4,523	4,765	5,091	5,103	5,216	3.1	1.2
EBITDA/ton (Rs)	1,074	1,008	1,346	1,360	1,177	844	1,074	1,174	(4.7)	18.0
P&L (Rs bn)										
Revenue	98	126	129	135	150	179	203	241	12.7	16.2
EBITDA	24	29	38	41	37	30	43	54	4.1	35.5
Adj. Net Profit	13	12	15	23	23	13	22	29	(0.9)	51.7
Balance Sheet (Rs bn)										
Equity	89	97	132	154	175	186	204	227		
Net Cash	24	(1)	37	67	73	63	65	75		
Cash Flow (Rs bn)										
OCF before WC change	26	27	32	33	39	32	41	52		
Change in WC	(1)	(7)	7	9	(8)	(1)	(1)	(1)		
Capex	(25)	(19)	(15)	(11)	(22)	(33)	(35)	(36)		
FCF	(0)	1	23	31	8	(1)	6	15		
Return ratios (%)										
RoE	16.1	12.4	13.4	16.0	14.2	7.0	11.2	13.6		
RoCE	14.1	12.8	12.8	15.2	14.0	7.6	11.3	13.5		
RoIC	31.6	20.9	20.1	29.8	27.1	12.7	20.0	22.2		
Valuations (x)										
P/E			57.6	38.7	38.0	69.7	40.4	30.3		
EV/EBITDA			23.6	20.9	22.1	27.4	19.2	15.1		
EV/ton (Rs)			228	215	203	205	181	170		

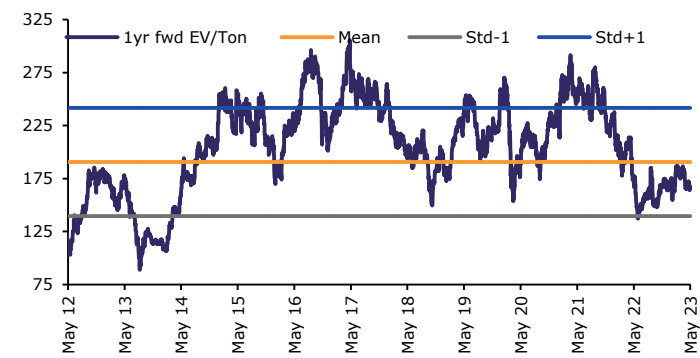
Source: Emkay Research

Exhibit 8: Annual analysis on a per-ton basis (Consolidated)

(Rs/ton)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Blended realization	4,364	4,368	4,609	4,523	4,765	5,091	5,103	5,216
% YoY	4.8	0.1	5.5	(1.8)	5.3	6.8	0.2	2.2
Raw material costs	342	354	355	359	330	408	435	441
Power & fuel costs	879	1,076	968	788	1,149	1,734	1,535	1,529
Freight costs	1,120	1,020	953	1,044	1,047	1,079	1,085	1,113
Staff costs	261	267	306	292	290	279	272	245
Other expenses	688	643	680	680	772	747	701	713
Operating costs	3,289	3,360	3,262	3,164	3,588	4,247	4,028	4,041
% YoY	11.5	2.1	(2.9)	(3.0)	13.4	18.4	(5.1)	0.3
Blended EBITDA	1,074	1,008	1,346	1,360	1,177	844	1,074	1,174
% YoY	(11.5)	(6.2)	33.6	1.0	(13.4)	(28.3)	27.3	9.3

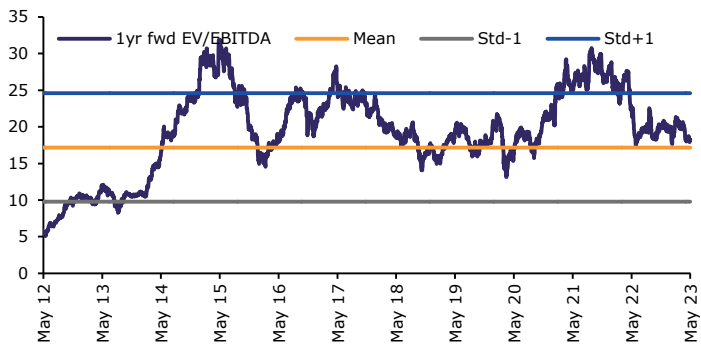
Source: Emkay Research

Exhibit 9: One-year forward EV/ton (USD)



Source: Bloomberg, Emkay Research

Exhibit 10: One-year forward EV/EBITDA (x)



Source: Bloomberg, Emkay Research

Shree Cements: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Revenue	134,763	150,096	178,523	202,927	241,209
Revenue growth (%)	4.7	11.4	18.9	13.7	18.9
EBITDA	40,514	37,079	29,595	42,726	54,309
EBITDA growth (%)	7.8	(8.5)	(20.2)	44.4	27.1
Depreciation & Amortization	12,623	11,459	16,607	19,359	22,585
EBIT	27,890	25,621	12,988	23,367	31,725
EBIT growth (%)	42.9	(8.1)	(49.3)	79.9	35.8
Other operating income	0	0	0	0	0
Other income	4,663	5,459	4,591	4,734	4,769
Financial expense	2,513	2,161	2,629	2,618	2,513
PBT	30,041	28,918	14,950	25,483	33,981
Extraordinary items	0	0	0	0	0
Taxes	7,145	5,552	2,259	3,568	4,757
Minority interest	37	47	(16)	(16)	(16)
Income from JV/Associates	0	0	0	0	0
Reported PAT	22,859	23,319	12,707	21,931	29,240
PAT growth (%)	48.8	2.0	(45.5)	72.6	33.3
Adjusted PAT	22,859	23,319	12,707	21,931	29,240
Diluted EPS (Rs)	633.6	646.3	352.2	607.9	810.4
Diluted EPS growth (%)	48.8	2.0	(45.5)	72.6	33.3
DPS (Rs)	60.0	90.0	100.0	121.6	162.1
Dividend payout (%)	9.5	13.9	28.4	20.0	20.0
EBITDA margin (%)	30.1	24.7	16.6	21.1	22.5
EBIT margin (%)	20.7	17.1	7.3	11.5	13.2
Effective tax rate (%)	23.8	19.2	15.1	14.0	14.0
NOPLAT (pre-IndAS)	21,257	20,702	11,026	20,096	27,283
Shares outstanding (mn)	36.1	36.1	36.1	36.1	36.1

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
Share capital	361	361	361	361	361
Reserves & Surplus	153,613	174,242	186,003	203,548	226,940
Net worth	153,974	174,603	186,364	203,909	227,301
Minority interests	512	503	406	414	422
Deferred tax liability (net)	(7,861)	(6,744)	(6,823)	(6,289)	(5,587)
Total debt	23,403	20,142	25,398	23,398	21,398
Total liabilities & equity	170,027	188,504	205,345	221,432	243,534
Net tangible fixed assets	57,145	67,242	69,228	91,391	112,691
Net intangible assets	603	573	573	573	573
Net ROU assets	4,415	5,008	5,008	5,008	5,008
Capital WIP	9,965	10,535	27,966	21,005	12,884
Goodwill	0	0	0	0	0
Investments [JV/Associates]	1,321	1,321	1,321	1,321	1,321
Cash & equivalents	90,768	91,902	87,120	87,301	95,524
Current assets (ex-cash)	43,055	54,164	65,301	68,607	72,047
Current Liab. & Prov.	37,244	42,241	51,171	53,774	56,514
NWC (ex-cash)	5,811	11,923	14,130	14,833	15,533
Total assets	170,027	188,504	205,345	221,432	243,534
Net debt	(67,365)	(71,760)	(61,721)	(63,903)	(74,126)
Capital employed	170,027	188,504	205,345	221,432	243,534
Invested capital	67,974	84,746	88,938	111,804	133,805
BVPS (Rs)	4,267.6	4,839.3	5,165.3	5,651.6	6,299.9
Net Debt/Equity (x)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)
Net Debt/EBITDA (x)	(1.7)	(1.9)	(2.1)	(1.5)	(1.4)
Interest coverage (x)	0.1	0.1	0.1	0.1	0.1
RoCE (%)	19.9	17.3	8.9	13.2	15.7

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24E	FY25E
PBT	30,041	28,918	14,950	25,483	33,981
Others (non-cash items)	(4,396)	(5,369)	(4,650)	(255)	(340)
Taxes paid	(7,451)	(2,013)	(3,332)	(3,568)	(4,757)
Change in NWC	9,208	(8,477)	(516)	(703)	(700)
Operating cash flow	42,538	26,680	25,687	38,216	48,528
Capital expenditure	(11,291)	(22,094)	(32,791)	(34,560)	(35,764)
Acquisition of business	(17,342)	0	0	0	0
Interest & dividend income	2,183	3,031	3,631	4,734	4,769
Investing cash flow	(29,335)	(19,894)	(22,679)	(29,826)	(30,995)
Equity raised/(repaid)	0	(8)	(9)	0	0
Debt raised/(repaid)	(9,610)	(2,552)	3,072	(2,000)	(2,000)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(2,540)	(2,091)	(2,586)	(2,618)	(2,513)
Dividend paid (incl tax)	(111)	(3,843)	(3,245)	(4,386)	(5,848)
Others	0	0	0	796	1,051
Financing cash flow	(12,261)	(8,494)	(2,767)	(8,208)	(9,310)
Net chg in Cash	941	(1,709)	241	181	8,223
OCF	42,538	26,680	25,687	38,216	48,528
Adj. OCF (w/o NWC chg.)	33,330	35,156	26,203	38,919	49,228
FCFF	31,247	4,586	(7,104)	3,655	12,764
FCFE	21,637	2,034	(4,031)	1,655	10,764
OCF/EBITDA (%)	105.0	72.0	86.8	89.4	89.4
FCFE/PAT (%)	94.7	8.7	(31.7)	7.5	36.8
FCFF/NOPLAT (%)	147.0	22.2	(64.4)	18.2	46.8

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY21	FY22	FY23	FY24E	FY25E
P/E (x)	38.7	38.0	69.7	40.4	30.3
P/CE(x)	25.0	25.5	30.2	21.4	17.1
P/B (x)	5.8	5.1	4.8	4.4	3.9
EV/Sales (x)	6.1	5.5	4.7	4.1	3.4
EV/EBITDA (x)	20.9	22.1	27.4	19.2	15.1
EV/EBIT(x)	29.3	31.8	63.4	35.2	25.6
EV/IC (x)	12.0	9.6	9.3	7.3	6.1
FCFF yield (%)	3.8	0.6	(0.9)	0.4	1.6
FCFE yield (%)	2.6	0.2	(0.5)	0.2	1.3
Dividend yield (%)	0.2	0.4	0.4	0.5	0.7
DuPont-RoE split					
Net profit margin (%)	17.0	15.5	7.1	10.8	12.1
Total asset turnover (x)	0.8	0.8	0.9	1.0	1.0
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.1
RoE (%)	16.0	14.2	7.0	11.2	13.6
DuPont-RoIC					
NOPLAT margin (%)	15.8	13.8	6.2	9.9	11.3
IC turnover (x)	1.9	2.0	2.1	2.0	2.0
RoIC (%)	29.8	27.1	12.7	20.0	22.2
Operating metrics					
Core NWC days	15.7	29.0	28.9	26.7	23.5
Total NWC days	15.7	29.0	28.9	26.7	23.5
Fixed asset turnover	1.0	1.0	1.1	1.0	1.0
Opex-to-revenue (%)	62.0	68.4	75.4	70.4	69.0

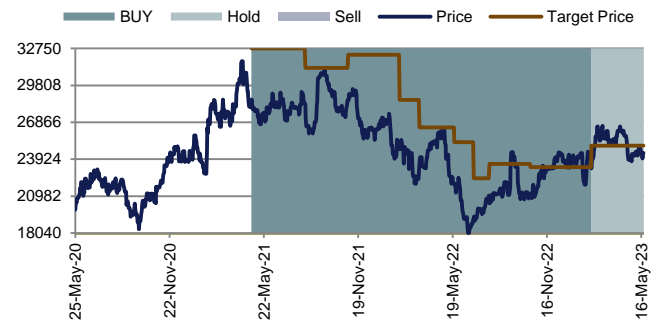
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	CMP (INR)	TP (INR)	Rating	Analyst
04-May-23	24,456	25,000	Hold	Dharmesh Shah
07-Apr-23	26,165	25,000	Hold	Dharmesh Shah
20-Mar-23	25,076	25,000	Hold	Dharmesh Shah
02-Mar-23	26,577	25,000	Hold	Dharmesh Shah
09-Feb-23	23,200	25,000	Hold	Dharmesh Shah
05-Feb-23	24,468	23,300	Buy	Dharmesh Shah
29-Dec-22	23,257	23,300	Buy	Dharmesh Shah
05-Dec-22	23,756	23,300	Buy	Dharmesh Shah
05-Nov-22	22,964	23,300	Buy	Dharmesh Shah
15-Oct-22	21,189	23,300	Buy	Dharmesh Shah
04-Oct-22	21,010	23,550	Buy	Dharmesh Shah
04-Sep-22	21,088	23,550	Buy	Dharmesh Shah
28-Jul-22	20,415	23,550	Buy	Dharmesh Shah
12-Jul-22	19,962	22,400	Buy	Dharmesh Shah
04-Jul-22	19,292	22,400	Buy	Dharmesh Shah
28-Jun-22	19,237	22,400	Buy	Dharmesh Shah
22-May-22	22,001	25,300	Buy	Dharmesh Shah
16-Mar-22	23,595	26,450	Buy	Dharmesh Shah
06-Feb-22	24,724	28,650	Buy	Dharmesh Shah
31-Dec-21	26,987	32,250	Buy	Dharmesh Shah
02-Dec-21	26,290	32,250	Buy	Dharmesh Shah
30-Oct-21	28,635	32,250	Buy	Dharmesh Shah
15-Sep-21	31,040	31,200	Buy	Dharmesh Shah
05-Sep-21	30,441	31,200	Buy	Dharmesh Shah
09-Aug-21	28,273	31,200	Buy	Dharmesh Shah
06-Aug-21	28,387	32,750	Buy	Dharmesh Shah
06-Jun-21	28,154	32,750	Buy	Dharmesh Shah
22-May-21	27,623	32,750	Buy	Dharmesh Shah
28-Apr-21	28,688	32,750	Buy	Dharmesh Shah

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

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