

May 9, 2023

Q4FY23 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	850		1,050	
Sales (Rs. m)	5,79,724	6,24,503	5,89,462	6,37,417
% Chng.	(1.7)	(2.0)		
EBITDA (Rs. m)	1,21,742	1,36,142	1,34,987	1,47,243
% Chng.	(9.8)	(7.5)		
EPS (Rs.)	58.1	70.7	69.2	80.4
% Chng.	(16.1)	(12.1)		

Key Financials - Consolidated

Y/e Mar	FY22	FY23	FY24E	FY25E
Sales (Rs. m)	4,62,400	5,35,760	5,79,724	6,24,503
EBITDA (Rs. m)	1,01,650	1,11,600	1,21,742	1,36,142
Margin (%)	22.0	20.8	21.0	21.8
PAT (Rs. m)	38,917	37,094	43,554	53,005
EPS (Rs.)	50.9	49.5	58.1	70.7
Gr. (%)	26.9	(2.8)	17.4	21.7
DPS (Rs.)	10.0	10.0	10.0	10.0
Yield (%)	1.4	1.4	1.4	1.4
RoE (%)	19.7	15.3	15.3	16.5
RoCE (%)	16.4	16.7	17.6	19.7
EV/Sales (x)	1.7	1.4	1.2	1.1
EV/EBITDA (x)	7.5	6.6	5.8	5.0
PE (x)	14.1	14.5	12.3	10.1
P/BV (x)	2.5	2.0	1.8	1.6

Key Data

UPLL.BO | UPLL IN

52-W High / Low	Rs.828 / Rs.608
Sensex / Nifty	61,764 / 18,264
Market Cap	Rs.537bn/ \$ 6,564m
Shares Outstanding	751m
3M Avg. Daily Value	Rs.1284.29m

Shareholding Pattern (%)

Promoter's	32.34
Foreign	38.69
Domestic Institution	14.39
Public & Others	14.54
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(1.5)	(4.4)	(9.1)
Relative	(4.6)	(5.5)	(19.8)

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Lacklustre operating performance; outlook bleak

Quick Pointers:

- Volume/price/exchange growth of 1%/-3%/6% YoY respectively.
- Net debt stood at Rs198.9bn (including perpetual bond of Rs29.8bn), down Rs10.6bn QoQ and Rs20.04bn YoY.

We trim our FY24E/25E estimates by 16%/12% and target multiple from 14x earlier to 12x currently, to factor in subdued growth and margin outlook in the near term primarily led by a) high inventory levels in key regions; b) adverse weather conditions impacting demand; and c) falling RM cost scenario exerting pressure on realizations & margins. UPL reported weak set of numbers below our and consensus estimates with Revenue/EBITDA/PAT of Rs165.7bn/Rs30.1bn/ Rs8.2bn (+5%/-16%/-46% YoY). Citing bleak demand environment globally coupled with pressure on realizations & margins, UPL has guided for 6-10% revenue growth and 8-12% EBITDA growth in FY24E. Management has not provided debt repayment guidance for FY24, stating debt to be at comfortable levels. We expect Revenue/PAT CAGR of 8%/20% over FY23-25E. Maintain 'BUY' with revised TP of INR850 (earlier Rs1050) based on 12X FY25E EPS.

- All geographies barring NAFTA posted positive growth:** Consolidated revenues at Rs165.7bn (+5% YoY) were below our and consensus estimates of Rs175.4bn and Rs172.4bn. Volume were up 1% YoY primarily led by lower demand in NAFTA due to delayed sowing & channel destocking in few regions. But negative price variance of 3% YoY and positive 6% exchange resulted in an overall 5% YoY revenue growth in 4Q'23. All regions barring NAFTA (down14% YoY) posted positive growth with LATAM/ Europe/Row/India recording 12%/7%/6%/15% YoY growth. Performance in 4Q'23 was largely impacted by sharp decline in NAFTA region (decline in glufosinate prices-highest revenue contributor from the region) coupled with pressure on realizations in generic molecules in key geographies thus exerting margin pressures.
- High cost inventory provision with low fixed cost led to margin contraction:** UPL reported 890bps YoY contraction in gross margins to 40.7% (Rs67.5bn, down Rs11.1bn) primarily led by a) Rs3.5bn on account of decline in realization; b) Rs2.5bn due to unutilized plant capacities and c) Rs6bn led by inferior product and geographical mix (higher contribution of LATAM to the overall revenues- which is a lower margin region) resulting in EBITDA margins contraction of 450bps YoY to 18.2% (PLe 22.3%). Forex loss and other income stood at Rs2.3bn during 4QFY23 vs Rs400mn in same quarter last year. Adjusted PAT came in at Rs8.2bn (PLe Rs14.7bn). Exceptional item of Rs290mn (net of tax Rs238mn) is towards loss on account of fire in plant, restructuring cost in Europe, litigation cost.
- Net debt declined Rs10.6bn QoQ:** As on 31stMar-23 net debt stood at Rs198.9bn (incl. perpetual bond of Rs29.9bn, considered as equity), down Rs20.04bn YoY and down Rs10.6bn sequentially. In 4Q'23, UPL sold receivable of Rs115bn as against Rs121bn in the same period last year. Management alluded that company's average cost of debt is 6% currently. Going forward, UPL has not provided any debt reduction guidance for FY24E citing it at comfortable levels. UPL's long term goal is to achieve Net debt/ EBITDA to 1x as against 1.3x in FY23 (excl. perpetual bond).

Other Key Highlights

UPL Global Corp Protection- Muted growth

- UPL posted 4% YoY growth (price/volume/Fx of -3%/+1%/+6%) to Rs137bn in 4Q'23. Subdued revenue growth was largely on the back of rapid decline in post patent products, due to increased supplies from China and delayed planting season leading to headwind in product placements. EBITDA margins were down 530bps YoY to 17.7% led by a) decline in post patented products and clearance of higher cost inventory; b) unfavorable product and region mix (higher contribution of low margins LATAM revenues as against NAFTA and Europe); and c) conscious decision of the management to conserve cash and improve working capital resulting into lower utilization at plants, thus lower absorption of fixed cost.
- In FY23, revenue stood at Rs420bn up by 16% YoY, while EBITDA was up 9% YoY to Rs83bn with margins at 19.7% (down 120bps YoY). Revenue growth was largely driven by 22%/12%/7%/13% YoY growth in LATAM/NAFA/Europe/RoW.
- Performance from new product launches in the last year have been satisfactory with Feroce/Evolution/Shenzi contributing to Rs4.0/7.1/2.0bn revenues in FY23.
- For FY23, ITI index (Innovation turnover index) stood at 14%. Going forward, management intends to improve it to 24% in FY27 aided by new product launches.
- Contribution of post patent/differentiated solutions stood at 72%/28% in FY23. Further, UPL targets for USD2.5bn of annual sales from differentiated products by FY27 with revenue contribution reaching to 50% in FY27.

Region-wise performance commentary:

- LATAM-Decent growth amid challenging environment:** UPL reported revenue of Rs62.1bn in 4Q'23 +13% YoY primarily driven by higher volumes and improved pricing in herbicide and insecticides segment in Brazil and Mexico markets. However, it was partially offset by adverse weather conditions in Argentina. For FY23, revenues stood at Rs219.8bn as against Rs180.4bn in FY22 up 22% YoY.
- Europe-Positive growth despite several challenges in the region:** UPL posted muted revenue growth of 7% YoY in the European region at Rs26.3bn in 4QFY23, primarily due to a) devaluation of currency in the region; b) product banned; and c) ongoing geopolitical tensions between Russia and Ukraine impacting overall performance in the region partially mitigated by strong growth in differentiated products primarily led by insecticides and fungicides portfolio. During FY23, company reported revenue of Rs73.2bn, up 7% YoY.
- North America-Higher channel inventory and delayed sowing impacted sales:** UPL posted revenues of Rs30.1bn in 4Q'23, down 14% YoY primarily led by a) lower product placements particularly in insecticides and herbicides grades due to delayed spring and b) rapid decline in glufosinate prices led by

excess supply from China. For FY23, revenue stood at Rs87.4bn, up by 12% YoY.

- **RoW- Better growth reported from SE Asian countries:** UPL posted 8% YoY growth in the RoW region primarily led by growth in herbicides, partially offset by insecticides segment. Performance in the region has been satisfactory despite higher channel inventory, pricing pressure from China and unfavorable market economies. For FY23 revenues stood at Rs90bn, up by 15% YoY.
- **UPL SAS (Domestic crop protection business)- Outperformed during 4Q'23:** UPL SAS reported 16% YoY in 4Q'23 driven by higher volumes in key herbicides, insecticides and bio solutions. Stable fixed costs coupled with higher realizations led by differentiated and sustainable products have resulted in EBITDA margin expansion of 190bps YoY to 16.5%. For FY23, Revenue/EBITDA grew by 10%/13% YoY to Rs43.2bn/Rs7.3bn respectively. Nurture platform for FY23 reported revenue of Rs0.7bn and EBITDA loss of Rs2.8bn. Going forward with continuous increase in share of differentiated and sustainable portfolio, UPL remains confident of achieving Revenue/EBITDA growth of 12-16%/14-18% for FY24. Further, management guided that nurture platform is expected to breakeven at EBITDA level by FY25.
- **Advanta Seeds- Robust traction in revenue and EBITDA:** Advanta seeds reported 12% (Price/Vol/Fx of +10%/-4%/6%) YoY in revenues to Rs8.5bn in 4Q'23, primarily driven by higher volumes and improved realizations in corn and sunflower portfolios partially offset by lower volumes in vegetable portfolio. Asia/America/Australia/Europe recorded a growth of +23%/-6%/+11%/+29% YoY. Lower volumes in vegetable portfolio coupled with high fixed overheads has resulted in EBITDA margin contraction of 310bps YoY to 17.1%. For FY23 revenue stood at INR35.6bn, +26% YoY (Price/Vol/Fx of +10%/+11%/+5%) led by higher volumes and realizations in field corn, sunflower, canola and sorghum. Asia/America/Australia/Europe recorded a growth of 23%/27%/36%/13% YoY. Better volume growth and favorable product mix has more than offset high fixed overheads, reported EBITDA of INR9.2bn up 29% YoY and margin expansion of 125bps YoY to 25.9%. Going forward, management remains positive and guided revenue/EBITDA growth of 11-15% and 14-18% for FY24.
- **Net working capital:-** NWC has decreased by 5 days YoY to 64 days led by a) better focus on cash collection; b) better inventory management; and c) lower procurement.
- **Guidance:** UPL (consolidated entity) has given revenue/ EBITDA growth guidance of 6%-10%/ 8%-12% YoY for FY24. Capex guidance at USD350mn for FY24; while ROCE to improve by 125-175bps in FY24E.
- **For UPL Corp-** Revenue/ EBITDA growth guidance is at 4-8%/6-10%.
- **For UPL SAS-** Revenue/ EBITDA growth guidance is at 12-16%/14-18%.
- **For Adanta Seeds-** Revenue/ EBITDA growth guidance is at 11-15%/14-18%.
- **For specialty chemicals and manufacturing-** Revenue/ EBITDA growth guidance is at 10-14%/12-16%.

Exhibit 1: Q4FY23 Result Overview (Rs mn)

Y/e March	4QFY23	4QFY22	YoY gr. (%)	3QFY23	QoQ gr. (%)	FY23	FY22	YoY gr. (%)
Revenue	1,65,690	1,58,610	4.5	1,36,790	21.1	5,35,760	4,62,400	15.9
Raw material costs	98,210	79,940	22.9	64,540	52.2	2,72,810	2,20,720	23.6
Gross profit	67,480	78,670	(14.2)	72,250	(6.6)	2,62,950	2,41,680	8.8
Employee costs	12,580	13,470	(6.6)	13,210	(4.8)	50,560	46,220	9.4
Other expenses	24,750	29,280	(15.5)	28,700	(13.8)	1,00,790	93,810	7.4
Total operating expenses	37,330	42,750	(12.7)	41,910	(10.9)	1,51,350	1,40,030	8.1
EBITDA	30,150	35,920	(16.1)	30,340	(0.6)	1,11,600	1,01,650	9.8
Depreciation	7,270	6,420	13.2	6,240	16.5	25,470	23,590	8.0
EBIT	22,880	29,500	(22.4)	24,100	(5.1)	86,130	78,060	10.3
Less: Interest Expense	9,060	8,000	13.3	8,940	1.3	29,630	22,950	29.1
Add: Other income	-820	-960	NA	-350	NA	-4,870	-3,550	NA
Profit Before Tax	13,000	20,540	(36.7)	14,810	(12.2)	51,630	51,560	0.1
Less: Provision for Tax	3,162	2,952	7.1	1,386	128.2	7,666	5,873	30.5
Less: Minority Interest	1,680	2,420	(30.6)	2,390	(29.7)	6,870	6,770	1.5
Adjusted Profit	8,158	15,168	(46.2)	11,034	(26.1)	37,094	38,917	(4.7)
Add: Exceptional items (net of tax)	238	1,378	(82.7)	164	45.0	1,394	2,657	(47.5)
Reported Profit	7,920	13,790	(42.6)	10,870	(27.1)	35,700	36,260	(1.5)
Adjusted EPS	10.7	19.8	(46.2)	14.4	(26.1)	49.5	50.9	(2.8)
As % of revenues								
COGS	59.3	50.4		47.2		50.9	47.7	
Gross profit	40.7	49.6		52.8		49.1	52.3	
Employee costs	7.6	8.5		9.7		9.4	10.0	
Other expenses	14.9	18.5		21.0		18.8	20.3	
Total operating expenses	22.5	27.0		30.6		28.2	30.3	
EBITDA	18.2	22.6		22.2		20.8	22.0	
Net profit	4.9	9.6		8.1		6.9	8.4	

Source: Company, PL

Exhibit 2: Flat volumes + lower realizations = Muted growth

	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Volume growth	18	6	15	11	3	6	(7)	1	1
Realization impact	1	2	3	13	19	18	21	13	(3)
Forex impact	(4)	1	0	0	2	3	4	7	6
Total (%)	15	9	18	24	24	27	18	21	4

Source: Company, PL

Exhibit 3: All geographies barring NAFTA posted positive revenue growth

Geography	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
NAFTA	25,390	12,210	9,580	21,170	35,120	17,960	11,850	27,450	30,090
India	8,510	19,140	14,830	9,070	13,840	20,670	18,080	10,750	15,880
Europe	25,770	15,220	13,360	14,060	26,290	17,280	13,540	14,440	28,000
ROW	20,640	13,500	17,020	21,850	25,750	17,650	20,670	24,410	27,280
LATAM	47,660	25,070	50,880	46,830	57,610	34,640	60,920	59,740	64,440
Total Sales	1,27,970	85,140	1,05,670	1,12,980	1,58,610	1,08,200	1,25,060	1,36,790	1,65,690
NAFTA	4.0	18.9	23.9	56.6	38.3	47.1	23.7	29.7	(14.3)
India	23.2	26.7	5.3	0.1	62.6	8.0	21.9	18.5	14.7
Europe	16.9	(10.6)	30.7	25.5	2.0	13.5	1.3	2.7	6.5
ROW	(14.4)	(14.4)	13.2	15.1	24.8	30.7	21.4	11.7	5.9
LATAM	40.5	24.4	20.2	21.7	20.9	38.2	19.7	27.6	11.9

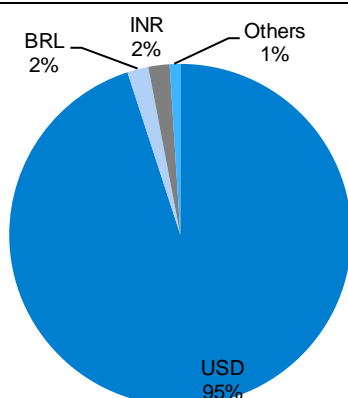
Source: Company, PL

Exhibit 4: Rs8.1bn of working capital release in 4QFY23

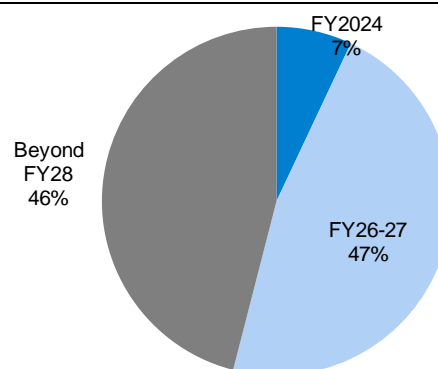
Cash Flow Metrics	1QFY23	2QFY23	3QFY23	4QFY23	FY23
Sources					
PAT + Depreciation	14,650	14,220	17,110	15,190	61,170
Increase in Debt	75,740	20,320	(9,840)	(1,06,260)	(20,040)
Total Sources	90,390	34,540	7,270	(91,070)	41,130
Application					
Working Capital	56,080	28,849	3,830	(81,179)	7,580
Capex	9,410	2,140	7,450	7,370	26,370
Dividend paid	13,550	7,550	-	(20)	21,080
Investment in subsidiaries	-	-	-	-	-
Miscellaneous	11,350	(3,999)	(4,010)	(17,241)	(13,900)
Total Utilisations	90,390	34,540	7,270	-91,070	41,130

Source: Company, PL

Note: Negative figures indicate debt repaid and working capital deployment

Exhibit 5: Debt Profile of UPL- By Currency


Source: Company, PL

Exhibit 6: Debt Profile of UPL- By Maturity


Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
Net Revenues	4,62,400	5,35,760	5,79,724	6,24,503
YoY gr. (%)	19.5	15.9	8.2	7.7
Cost of Goods Sold	2,20,720	2,72,810	2,81,166	2,99,762
Gross Profit	2,41,680	2,62,950	2,98,558	3,24,742
Margin (%)	52.3	49.1	51.5	52.0
Employee Cost	46,220	50,560	57,972	62,450
Other Expenses	74,520	1,00,790	1,01,452	1,07,415
EBITDA	1,01,650	1,11,600	1,21,742	1,36,142
YoY gr. (%)	18.8	9.8	9.1	11.8
Margin (%)	22.0	20.8	21.0	21.8
Depreciation and Amortization	23,590	25,470	28,614	30,535
EBIT	78,060	86,130	93,129	1,05,606
Margin (%)	16.9	16.1	16.1	16.9
Net Interest	22,950	29,630	30,100	28,400
Other Income	(3,550)	(4,870)	(2,050)	(2,500)
Profit Before Tax	51,560	51,630	60,979	74,706
Margin (%)	11.2	9.6	10.5	12.0
Total Tax	5,873	7,666	9,147	11,206
Effective tax rate (%)	11.4	14.8	15.0	15.0
Profit after tax	45,687	43,964	51,832	63,500
Minority interest	8,110	8,440	9,848	12,065
Share Profit from Associate	1,340	1,570	1,570	1,570
Adjusted PAT	38,917	37,094	43,554	53,005
YoY gr. (%)	26.9	(4.7)	17.4	21.7
Margin (%)	8.4	6.9	7.5	8.5
Extra Ord. Income / (Exp)	2,657	1,394	2,000	2,000
Reported PAT	41,574	38,488	45,554	55,005
YoY gr. (%)	27.5	(7.4)	18.4	20.7
Margin (%)	9.0	7.2	7.9	8.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	41,574	38,488	45,554	55,005
Equity Shares O/s (m)	765	750	750	750
EPS (Rs)	50.9	49.5	58.1	70.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
Non-Current Assets				
Gross Block	3,00,470	3,38,840	3,66,840	3,91,480
Tangibles	1,89,790	2,25,180	2,53,180	2,77,820
Intangibles	1,10,680	1,13,660	1,13,660	1,13,660
Acc: Dep / Amortization	1,09,010	1,34,480	1,63,094	1,93,629
Tangibles	1,09,010	1,34,480	1,63,094	1,93,629
Intangibles	-	-	-	-
Net fixed assets	1,91,460	2,04,360	2,03,746	1,97,851
Tangibles	80,780	90,700	90,086	84,191
Intangibles	1,10,680	1,13,660	1,13,660	1,13,660
Capital Work In Progress	11,840	11,970	11,970	11,970
Goodwill	1,83,640	1,98,980	1,98,980	1,98,980
Non-Current Investments	10,820	15,780	15,780	15,780
Net Deferred tax assets	(3,990)	1,990	1,990	1,990
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	8,400	460	460	460
Inventories	1,30,780	1,39,850	1,42,509	1,51,934
Trade receivables	1,53,340	1,82,240	1,97,195	2,12,426
Cash & Bank Balance	61,200	60,970	53,896	61,762
Other Current Assets	-	-	-	-
Total Assets	8,26,790	8,85,770	8,97,924	9,26,890
Equity				
Equity Share Capital	1,530	1,500	1,500	1,500
Other Equity	2,15,220	2,67,080	2,99,596	3,41,564
Total Networkth	2,16,750	2,68,580	3,01,096	3,43,064
Non-Current Liabilities				
Long Term borrowings	2,45,910	2,31,300	2,01,300	1,71,300
Provisions	-	-	-	-
Other non current liabilities	10,950	12,880	12,880	12,880
Current Liabilities				
ST Debt / Current of LT Debt	42,610	28,550	28,550	28,550
Trade payables	1,65,520	1,76,140	1,81,025	1,92,997
Other current liabilities	73,830	87,850	92,603	97,629
Total Equity & Liabilities	8,26,790	8,85,770	8,97,924	9,26,890

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY22	FY23	FY24E	FY25E
PBT	49,660	51,500	60,979	74,706
Add. Depreciation	23,590	25,470	28,614	30,535
Add. Interest	22,950	29,840	30,100	28,400
Less Financial Other Income	(3,550)	(4,870)	(2,050)	(2,500)
Add. Other	(3,530)	(2,990)	(8,228)	(9,995)
Op. profit before WC changes	92,670	1,03,820	1,11,464	1,23,647
Net Changes-WC	(17,670)	(13,690)	(10,204)	(9,997)
Direct tax	(10,040)	(12,620)	(9,147)	(11,206)
Net cash from Op. activities	64,960	77,510	92,114	1,02,444
Capital expenditures	(25,650)	(22,890)	(28,000)	(24,640)
Interest / Dividend Income	2,870	2,050	(2,050)	(2,500)
Others	(15,410)	5,940	-	-
Net Cash from Invt. activities	(38,190)	(14,900)	(30,050)	(27,140)
Issue of share cap. / premium	-	-	-	-
Debt changes	96,840	32,210	(30,000)	(30,000)
Dividend paid	(9,220)	(21,050)	(9,038)	(9,038)
Interest paid	(19,410)	(23,450)	(30,100)	(28,400)
Others	(87,420)	(49,980)	-	-
Net cash from Fin. activities	(19,210)	(62,270)	(69,138)	(67,438)
Net change in cash	7,560	340	(7,074)	7,866
Free Cash Flow	38,080	53,910	64,114	77,804

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Net Revenue	1,08,210	1,25,070	1,36,790	1,65,690
YoY gr. (%)	27.1	18.4	21.1	4.5
Raw Material Expenses	46,640	57,810	64,540	98,210
Gross Profit	61,570	67,260	72,250	67,480
Margin (%)	56.9	53.8	52.8	40.7
EBITDA	23,430	27,680	30,340	30,150
YoY gr. (%)	25.8	35.4	13.8	(16.1)
Margin (%)	21.7	22.1	22.2	18.2
Depreciation / Depletion	5,880	6,080	6,240	7,270
EBIT	17,550	21,600	24,100	22,880
Margin (%)	16.2	17.3	17.6	13.8
Net Interest	6,070	5,190	9,810	8,450
Other Income	(360)	(3,710)	520	(1,430)
Profit before Tax	11,120	12,700	14,810	13,000
Margin (%)	10.3	10.2	10.8	7.8
Total Tax	730	2,387	1,386	3,162
Effective tax rate (%)	6.6	18.8	9.4	24.3
Profit after Tax	10,390	10,313	13,424	9,838
Minority interest	980	1,820	2,390	1,680
Share Profit from Associates	-	-	-	-
Adjusted PAT	9,410	8,493	11,034	8,158
YoY gr. (%)	29.1	27.4	12.7	(46.2)
Margin (%)	8.7	6.8	8.1	4.9
Extra Ord. Income / (Exp)	(640)	(353)	(164)	(238)
Reported PAT	8,770	8,140	10,870	7,920
YoY gr. (%)	29.5	28.4	16.1	(42.6)
Margin (%)	8.1	6.5	7.9	4.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8,770	8,140	10,870	7,920
Avg. Shares O/s (m)	765	765	765	765
EPS (Rs)	12.3	11.1	14.4	10.7

Source: Company Data, PL Research

Key Financial Metrics

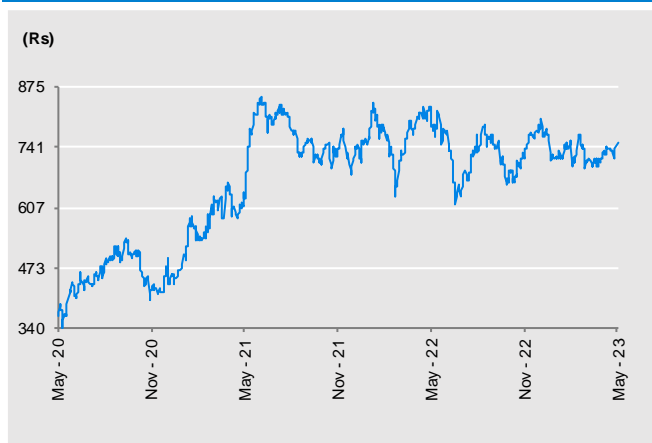
Y/e Mar	FY22	FY23	FY24E	FY25E
Per Share(Rs)				
EPS	50.9	49.5	58.1	70.7
CEPS	81.7	83.4	96.2	111.4
BVPS	283.3	358.1	401.5	457.4
FCF	49.8	71.9	85.5	103.7
DPS	10.0	10.0	10.0	10.0
Return Ratio(%)				
RoCE	16.4	16.7	17.6	19.7
ROIC	17.0	16.1	16.7	18.9
RoE	19.7	15.3	15.3	16.5
Balance Sheet				
Net Debt : Equity (x)	1.0	0.7	0.6	0.4
Net Working Capital (Days)	94	99	100	100
Valuation(x)				
PER	14.1	14.5	12.3	10.1
P/B	2.5	2.0	1.8	1.6
P/CEPS	8.8	8.6	7.4	6.4
EV/EBITDA	7.5	6.6	5.8	5.0
EV/Sales	1.7	1.4	1.2	1.1
Dividend Yield (%)	1.4	1.4	1.4	1.4

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY22	FY23	FY24E	FY25E
Revenues	4,62,400	5,35,750	5,79,724	6,24,503
India	56,900	65,390	71,929	79,122
LAtAM	1,80,400	2,19,750	2,43,923	2,68,315
Europe	68,900	73,240	77,634	81,516
Rest of World	78,100	90,020	94,521	99,247
North America	78,100	87,350	91,718	96,303

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	11-Apr-23	BUY	1,070	735
2	31-Jan-23	BUY	1,070	757
3	05-Jan-23	BUY	1,070	720
4	01-Nov-22	BUY	1,070	717
5	23-Oct-22	BUY	1,020	700
6	04-Oct-22	BUY	1,020	665
7	02-Aug-22	BUY	1,020	767
8	04-Jul-22	BUY	1,010	644
9	10-May-22	BUY	1,010	778

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bayer Cropscience	Accumulate	5,630	4,125
2	Chambal Fertilizers & Chemicals	BUY	360	279
3	Coromandel International	BUY	1,350	934
4	Dhanuka Agritech	BUY	940	639
5	Godrej Agrovet	Accumulate	570	430
6	Insecticides India	Accumulate	700	491
7	P.I. Industries	BUY	4,530	3,385
8	Rallis India	Hold	200	191
9	Sharda Cropchem	BUY	660	470
10	Sumitomo Chemical India	BUY	590	428
11	UPL	BUY	1,070	735

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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