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Bloomberg	BJAUT IN
Equity Shares (m)	289
M.Cap.(INRb)/(USDb)	1401.5 / 17.1
52-Week Range (INR)	4989 / 3462
1, 6, 12 Rel. Per (%)	-1/20/2
12M Avg Val (INR M)	1563

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Sales	364	449	501
EBITDA	65.5	85.7	95.9
EBITDA (%)	18.0	19.1	19.1
Adj. PAT	60.6	76.6	85.9
EPS (INR)	214	271	304
EPS Gr. (%)	16.7	26.4	12.1
BV/Sh. (INR)	899	954	1,017
Ratios			
RoE (%)	23.3	29.2	30.8
RoCE (%)	21.3	27.1	28.0
Payout (%)	70.4	78.2	72.5
Valuation			
P/E (x)	22.8	18.1	16.1
P/BV (x)	5.4	5.1	4.8
Div. Yield (%)	2.9	4.1	4.5
FCF Yield (%)	3.4	4.2	4.8

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	55.0	55.0	53.8
DII	9.6	10.9	12.4
FII	13.7	12.4	11.2
Others	21.7	21.8	22.7

FII Includes depository receipts

CMP: INR4,843 TP: INR5,150 (+6%) Neutral

Miss on EBITDA margin largely led by unfavorable mix

Triumph-OB at 17k units; aims to hit a run-rate of 5k units/month by Sep'23

- Bajaj Auto (BJAUT) posted lower EBITDA margin (-30bp QoQ) at 19.0% (vs. est. 19.5%) due to unfavorable mix as the share of commuter segment rose during the marriage season in 1QFY24. Despite volume recovery and stable RM, we project EBITDA margin to remain rangebound over next few quarters due to weak mix-driven ramp-up in Chetak volumes and recovery in exports.
- We maintain our FY24E EPS while marginally upgrade our FY25E EPS by 2.6% to factor in higher other income. **We reiterate our Neutral rating with a TP of INR5,150 (based on 16x Sep'25E Consolidated EPS).**

Unfavorable product mix hurts gross margin

- BJAUT's 1QFY24 revenue/EBITDA/PAT grew 29%/51%/42% YoY to INR103.1b/INR19.5b/INR16.6b.
- Volume grew 10% YoY while ASPs rose ~17% YoY to INR100.3k/unit (vs. est. INR102.5k/unit). Net revenue jumped ~29% YoY to INR103.1b (in line).
- Gross margin expanded 30bp YoY/(-210bp QoQ) to 28.1% (vs. est. 30.0%) led by unfavorable product mix. Price hike of ~1% has offset the adverse impact of higher RM cost in early 1QFY24. Lower gross margin was partially offset by cost control measures resulting in EBITDA growth of ~51% YoY to INR19.5b (vs. est. INR20.6b).
- Thus, EBITDA margin came in at 19% (+280bp YoY/-30bp QoQ) vs. est. 19.5%.
- Weak operating performance was offset by higher other income at INR3.5b (vs. est. INR2.9b), leading to Adj. PAT growth of ~42% YoY at INR16.6b (in line).

Highlights from the management commentary

- **Exports – Cautiously optimistic outlook for 2QFY24:** Industry retails for BJAUT's foothold motorcycle market grew ~2% QoQ vs. the company's growth of ~5% QoQ. **Brazil:** Dominar 400 has been accepted well, as its market share is now at ~15% in its segment and currently has an order backlog of two months.
- **Domestic – Downward volume trend has arrested:** Stability in domestic market was fueled by improvement during the marriage season and continued momentum in the 125CC segment. BJAUT has surpassed industry growth in both marriage and non-marriage markets. **3Ws –** Monthly sales run rate stood at ~32k per month in 1QFY24 (vs. ~30k units pre-Covid). This resulted in 1QFY24 market share of 80%.
- **EVs – 2W industry volumes in Jun'23 dropped due to FAME subsidy reduction.** Average monthly sales stood at ~72k units in 1QFY24, which was similar to 4QFY23. We believe industry should continue to grow but at low double-digit rate. Further, consolidation is expected with the share of top 5-6 players in the market rising to 80% from 50% in FY23.
- **Triumph – garnered over 17k bookings from 15 centers.** By 2QFY24, the plan is to expand it to 44 towns with 50 stores (vs. 17 towns now). The company aims to hit the run rate of ~5k units/month by 2QFY24-end (likely by Sep'23).

Valuation and view

- Both domestic and export volumes are expected to recover in FY24 from the low base, driving healthy earnings recovery. We expect BJAUT to benefit from market share gains over the long term, driven by: 1) the premiumization trend, 2) the opportunity in exports, and 3) the potential sizeable position in the Scooter market via EVs. However, a large part of its India profit pool (comprising premium motorcycles and 3Ws) is vulnerable to possible disruption from electrification.
- At 18.1x/16.1x FY24E/FY25E consolidated EPS, the stock's valuation fairly reflects the expected recovery as well as the risk from EVs. BJAUT's dividend yield of 4.5-5.0% should support the stock. **We reiterate our Neutral rating with a TP of INR5,150 (based on 16x Sep'25E Consolidated EPS).**

Quarterly performance

	(INR Million)										
	FY23				FY24E				FY23	FY24E	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Volumes ('000 units)	934	1,151	983	860	1,027	1,134	1,162	1,123	3,928	4,446	1,027
Growth YoY (%)	-7.2	0.6	-16.8	-12.0	10.0	-1.5	18.1	30.6	(8.8)	13.2	10.0
Realization (INR/unit)	85,739	88,642	94,736	1,03,553	1,00,347	1,00,649	1,01,152	1,01,534	92,742	1,00,934	1,02,517
Growth YoY (%)	16.8	17.7	24.1	26.8	17.0	13.5	6.8	-1.9	21.1	8.8	19.6
Net Sales	80,050	1,02,028	93,151	89,047	1,03,098	1,14,150	1,17,510	1,14,004	3,64,276	4,48,762	1,05,327
Change (%)	8.4	18.4	3.3	11.7	28.8	11.9	26.1	28.0	10.4	23.2	31.6
EBITDA	12,970	17,587	17,768	17,166	19,539	21,853	22,527	21,810	65,491	85,730	20,571
EBITDA Margins (%)	16.2	17.2	19.1	19.3	19.0	19.1	19.2	19.1	18.0	19.1	19.5
Other Income	3,193	3,332	2,691	2,598	3,463	3,500	3,500	3,493	11,814	13,956	2,850
Interest	43	109	85	157	121	120	120	129	395	490	100
Depreciation	673	670	740	742	835	835	840	851	2,824	3,361	770
PBT after EO	15,447	20,140	19,635	18,865	22,046	24,398	25,067	24,322	74,086	95,834	22,551
Effective Tax Rate (%)	24.0	24.0	24.0	24.0	24.5	24.4	24.4	24.4	24.0	24.4	24.5
Adj. PAT	11,733	15,300	14,914	14,329	16,648	18,434	18,940	18,387	56,276	72,410	17,021
Change (%)	10.6	31.3	22.8	16.9	41.9	20.5	27.0	28.3	20.6	28.7	45.1

Key Performance Indicators

	FY23				FY24E				FY23	FY24E	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1Q
Volumes ('000 units)	934	1,151	983	860	1,027	1,134	1,162	1,123	3,928	4,446	1,027
Growth YoY (%)	-7.2	0.6	-16.8	-12.0	10.0	-1.5	18.1	30.6	-8.8	13.2	10.0
Dom. M/Cycle Mkt Sh (%)	13.1	20.7	18.0	18.1	19.8				17.7		
Realization (INR/unit)	85,739	88,642	94,736	1,03,553	1,00,347	1,00,649	1,01,152	1,01,534	92,742	1,00,934	1,02,517
Growth YoY (%)	16.8	17.7	24.1	26.8	17.0	13.5	6.8	-1.9	21.1	8.8	19.6
Cost Break-up											
RM Cost (% of sales)	72.2	73.4	70.6	69.8	71.9	71.6	71.8	71.5	71.5	71.7	70.0
Staff Cost (% of sales)	4.7	3.5	3.8	4.1	3.7	3.5	3.5	3.5	4.0	3.5	3.5
Other Cost (% of sales)	6.9	6.0	6.6	7.0	5.6	5.8	5.6	5.9	6.6	5.7	7.0
Gross Margins (%)	27.8	26.6	29.4	30.2	28.1	28.4	28.2	28.5	25.1	25.3	30.0
EBITDA Margins (%)	16.2	17.2	19.1	19.3	19.0	19.1	19.2	19.1	18.0	19.1	19.5
EBIT Margins (%)	15.4	16.6	18.3	18.4	18.1	18.4	18.5	18.4	13.9	14.4	18.8



Key takeaways from the earnings call

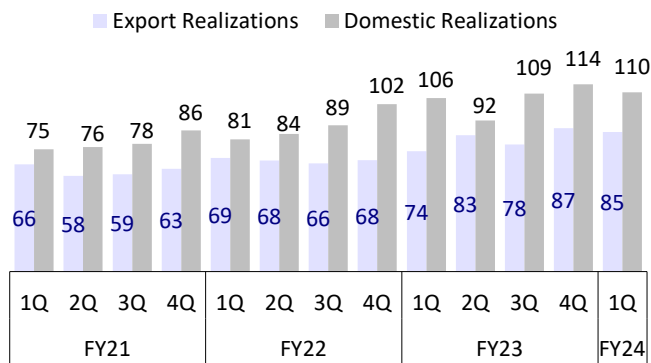
- **Exports – Cautiously optimistic outlook for 2Q:** Industry retails for BJAUT's foothold motorcycle market grew ~2% QoQ vs. the company's growth of ~5% QoQ. **Geography wise** – Recovery over 4QFY23 was driven by 14% growth in Africa on a low base; LatAm has remained steady; South Asia and ME are improving except Bangladesh, which was down sequentially; ASEAN volumes were significantly lower due to temporary dislocation in the market. Brazil – Dominar 400 has been accepted well, as its market share is now at ~15% in its segment and currently has an order backlog of two months.
- **Domestic – Downward volume trend has arrested:** Stability in domestic market was fueled by improvement during the marriage season and continued momentum in the 125CC segment. BJAUT has surpassed industry growth in both marriage and non-marriage markets. Mix of 125CC is expected to improve further for the company which is currently at 70% (vs. 60% last year).
- **3Ws – Surpassed pre-Covid level volumes in domestic market:** Monthly sales run rate stood at ~32k per month in 1QFY24 (vs. ~30k units pre-Covid). This led to 1QFY24 market share of 80%; it was largely driven by growth in CNG segment.
- **EVs – 2W industry volumes in Jun'23 dropped due to FAME subsidy reduction.** Average monthly sales stood at ~72k units in 1QFY24, which was similar to 4QFY23. We believe industry should continue to grow but at low double-digit rate (vs. triple digit rate earlier). Further, consolidation is expected with the share of top 5-6 players in the market rising to 80% from 50% in FY23.
 - BJAUT's focus is on expanding channels from 100 cities to 120 cities with 140 stores, covering 75% of the industry by 2QFY24.
 - 3Ws - Launched passenger/cargo version in Agra/Pune. There has been a positive response for the models. Range has exceeded expectations. The company will scale up in a phased manner from Sep'23. Focus will be on regions which have restrictions on ICE models. Out of 1,000 RTOs, 300 have full or partial restrictions on ICE.
- **Triumph – garnered over 17k bookings from 15 centers.** By 2QFY24, the plan is to expand it to 44 towns with 50 stores (vs. 17 towns now). The company aims to hit the run rate of ~5k units/month by 2QFY24-end (likely by Sep'23).
 - Looking forward to export it from Oct'23. Accessibility of the global markets will be done by Triumph. Total production capacity is 25k units per month in Chakan plant, which will be fungible between Triumph and KTM. Launched two models in Triumph and the company will continue to launch one model/annum from hereon.
 - The company aims to cover 60% of the addressable market through at least one store in the location by the end of this year.
- **Core metal basket is stable now.** There was a slight uptick in core metal prices initially in 1Q, but later it slowed down. Now the commodities are turning back to 4QFY23 levels. The company took price hike of 1% in 1QFY24 and marginal price increase in 2QFY24E. Going forward, there can be a negative impact of the product mix, which can partially be offset by operating leverage benefits.
- **Other financials:** The company reported exports revenue of USD400m and spares revenue of INR12b in 1QFY24. USD-INR rate for 1QFY24 stood at INR82.1 vs. INR81.5 in 4QFY23 and INR77.4 in 1QFY23.

Exhibit 1: Trend in product mix

	1QFY24	1QFY23	YoY (%)	4QFY23	QoQ (%)
Motorcycles					
Domestic	5,42,931	3,14,418	72.7	4,15,185	30.8
% of total volumes	52.8	33.7		48.3	
Exports	3,46,399	5,32,740	-35.0	3,10,415	11.6
% of total volumes	33.7	57.1		36.1	
Total Motorcycles	8,89,330	8,47,158	5.0	7,25,600	22.6
% of total volumes	86.6	90.7		84.4	
Three Wheelers					
Domestic	98,625	38,418	156.7	1,00,033	-1.4
% of total volumes	9.6	4.1		11.6	
Exports	39,452	48,070	-17.9	34,290	15.1
% of total volumes	3.8	5.1		4.0	
Total 3Ws	1,38,077	86,488	59.6	1,34,323	2.8
% of total volumes	13.4	9.3		15.6	
Total Volumes	10,27,407	9,33,646	10.0	8,59,923	19.5

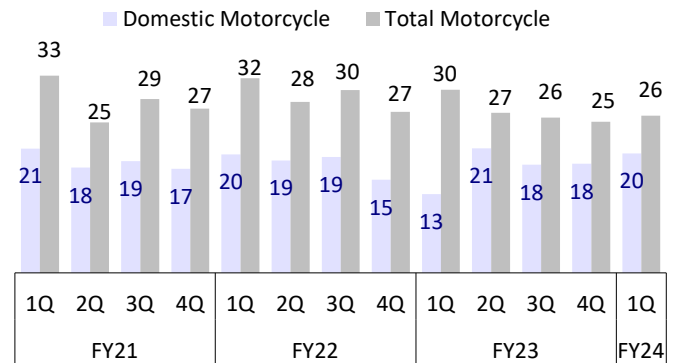
Source: Company, MOFSL

Exhibit 2: Trends in domestic and export realizations



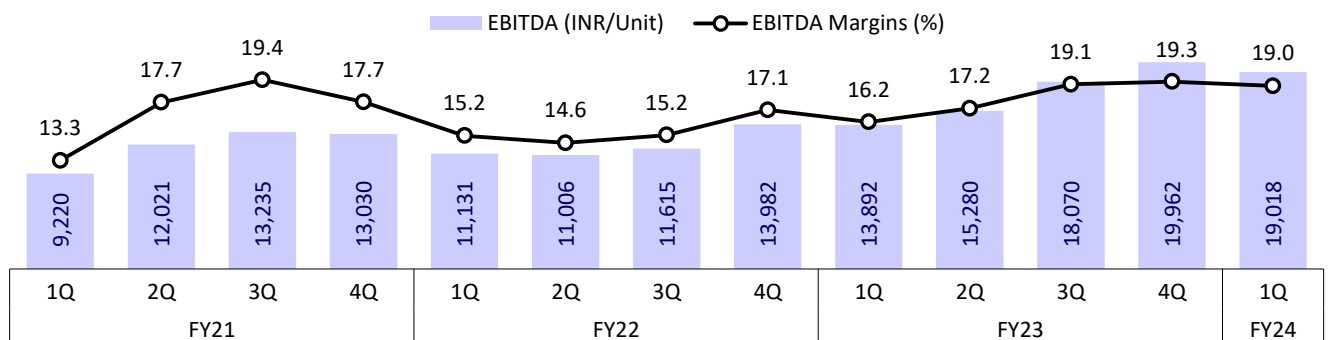
Sources: Company reports, MOFSL estimates

Exhibit 3: Trends in domestic and total 2W market share



Sources: Company reports, MOFSL estimates

Exhibit 4: EBITDA and EBITDA margin trends



Sources: Company reports, MOFSL estimates

Valuation and view

- Volumes hit by slowdown in 2W industry:** FY21-23 had been a challenging period for the domestic 2W industry due to the pandemic. BJAUT, however, sailed through on the back of a good recovery in the domestic market (led by the Pulsar 125cc). BJAUT is better positioned than its mainstream 2W peers, owing to its strong exports and the premium motorcycle segment. We estimate a 13% CAGR in volumes over FY23-25.
- Well placed to ride the premiumization trend:** By leveraging its strong alliance with KTM and its latest partnerships with Husqvarna and Triumph, BJAUT could offer the widest range of premium motorcycles. Husqvarna and KTM present an opportunity for BJAUT to grow its contract manufacturing volumes by 3x over the next few years. Meanwhile, Triumph (already has bookings of 17k units) would facilitate the company's entry into the large segment of mid-capacity Cruiser (~1m motorcycles annually).
- Electrification – opportunity or threat?** BJAUT has re-entered the lucrative Scooter segment through its Chetak e-scooter. This would expand its addressable market, as the Scooter category makes up ~32% of the domestic 2W industry. The company plans to focus solely on e-scooters and it is one of the early movers in this segment. BJAUT would be at the forefront in driving electrification and has the opportunity to gain a sizeable share of the e-Scooter market. However, a large part of its existing India profit pool (of premium motorcycle and 3Ws) is vulnerable to the possible disruption from electrification.
- Better positioned to protect margins than peers:** Unlike its 2W peers, BJAUT has several levers to support its margins and dilute the impact of cost inflation and operating deleverage. The company can support its margins through: 1) a healthy mix (premium motorcycles, domestic 3Ws, and exports), 2) favorable Fx, and 3) keeping fixed costs lower than peers. We expect BJAUT to maintain an EBITDA margin of around 18-19% over the next two years.
- Reiterate Neutral with a TP of INR5,150:** We maintain our FY24E EPS while marginally upgrade our FY25E EPS by 2.6% to factor in higher other income. Both domestic and export volumes are expected to recover in FY24 from the low base, driving healthy earnings recovery. We expect BJAUT to benefit from market share gains over the long term, driven by: 1) the premiumization trend, 2) the opportunity in exports, and 3) the potential sizeable position in the Scooter market via EVs. However, a large part of its India profit pool (comprising premium motorcycles and 3Ws) is vulnerable to possible disruption from electrification. At 18.1x/16.1x FY24E/FY25E consolidated EPS, the stock's valuation fairly reflects the expected recovery as well as the risk from EVs. BJAUT's dividend yield of 4.5-5.0% should support the stock. **We reiterate our Neutral rating with a TP of INR5,150 (based on 16x Sep'25E Consolidated EPS).**

Exhibit 5: Our revised forecasts (INR m)

	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Vols ('000 units)	4,446	4,398	1.1	4,971	4,919	1.1
Net Sales	4,48,762	4,47,101	0.4	5,01,040	4,91,671	1.9
EBITDA	85,730	86,061	-0.4	95,854	94,494	1.4
EBITDA Margins (%)	19.1	19.2	-10bp	19.1	19.2	-10bp
Net Profit	76,626	75,695	1.2	85,886	83,704	2.6
EPS (INR)	270.8	267.5	1.2	303.5	295.8	2.6

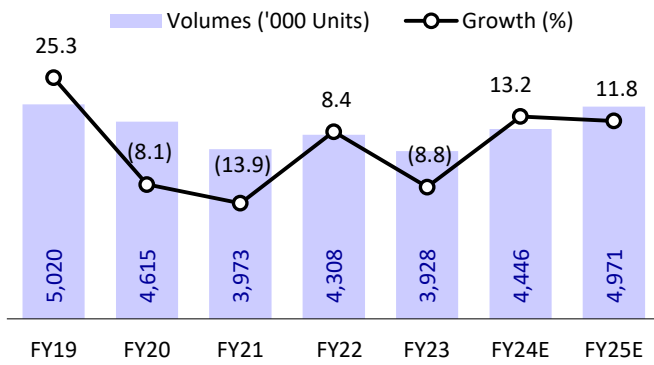
Exhibit 6: Key operating metrics**Snapshot of Revenue Model**

000 units	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Motorcycles (units)							
Domestic	2,541	2,078	1,809	1,641	1,806	2,167	2,340
Growth (%)	28.7	-18.2	-12.9	-9.3	10.0	20.0	8.0
% of total volumes	50.6	45.0	45.5	38.1	46.0	48.7	47.1
Exports	1,696	1,869	1,797	2,196	1,637	1,637	1,882
Growth (%)	21.6	10.2	-3.9	22.2	-25.4	0.0	15.0
% of total volumes	33.8	40.5	45.2	51.0	41.7	36.8	37.9
Total M/Cycles	4,237	3,948	3,606	3,837	3,443	3,804	4,223
Growth (%)	25.7	-6.8	-8.7	6.4	-10.3	10.5	11.0
% of total volumes	84.4	85.5	90.8	89.1	87.7	85.6	85.0
3Ws							
Domestic	399	366	109	161	301	401	426
Growth (%)	8.1	-8.4	-70.1	47.1	87.1	33.5	6.0
% of total volumes	8.0	7.9	2.8	3.7	7.7	9.0	8.6
Exports	383	302	258	311	184	181	202
Growth (%)	43.1	-21.2	-14.6	20.6	-40.7	-2.0	12.0
% of total volumes	7.6	6.5	6.5	7.2	4.7	4.1	4.1
3Ws	783	668	367	472	485	582	628
Growth (%)	22.8	-14.7	-45.0	28.5	2.9	20.0	7.9
% of total volumes	15.6	14.5	9.2	10.9	12.3	13.1	12.6
Total Volumes	5,020	4,615	3,973	4,308	3,928	4,446	4,971
Growth (%)	25.3	-8.1	-13.9	8.4	-8.8	13.2	11.8
Avg. Net Realn (INR/unit)	52,928	56,462	60,588	65,467	79,010	87,165	87,055
Growth (%)	-5.1	6.7	7.3	8.1	20.7	10.3	-0.1
Net Revenues (INR B)	296	291	271	321	354	437	487
Growth (%)	19.7	-1.5	-6.8	18.4	10.0	23.7	11.5
EBITDA (INR B)	52	51	49	51	65	86	96
EBITDA margins (%)	17.1	17.0	17.8	15.5	18.0	19.1	19.1
EBITDA (INR/Unit)	10,345	11,042	12,405	11,877	16,674	19,282	19,284
Growth (%)	7.3	-1.9	-3.3	3.8	28.0	30.9	11.8
Consol. PAT (INR B)	47	52	49	53	61	77	86
Consol. EPS	162	180	168	184	214	271	304

Source: Company, MOFSL

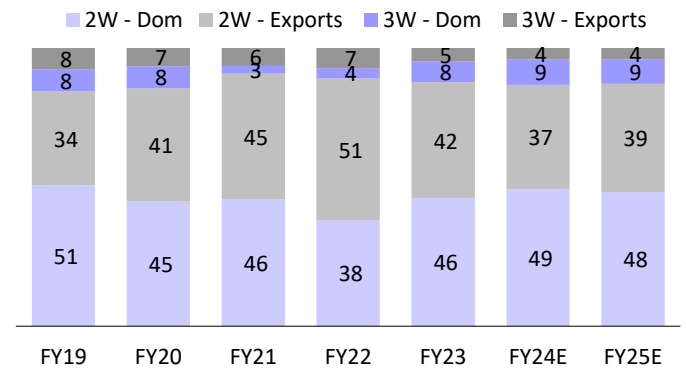
Story in charts

Exhibit 7: Trends in volume and volume growth



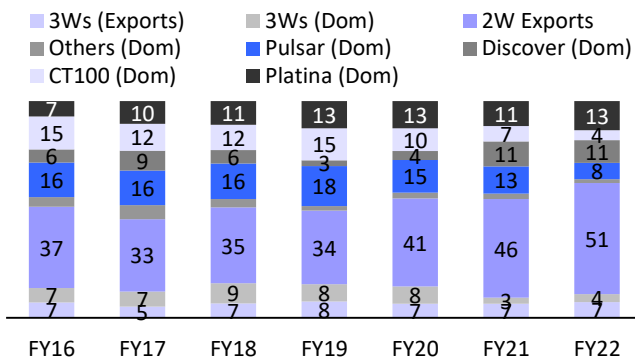
Sources: Company reports, MOFSL estimates

Exhibit 8: Product mix trend



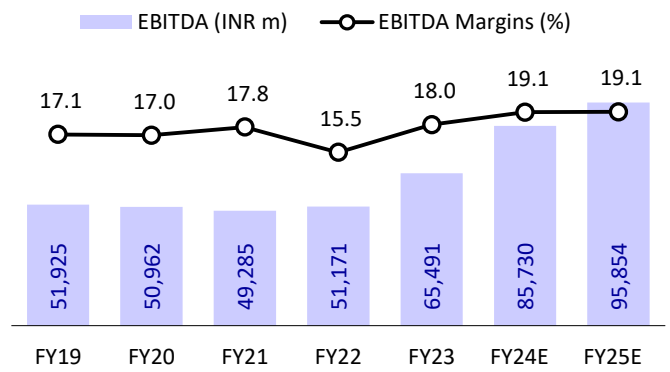
Sources: Company reports, MOFSL estimates

Exhibit 9: Trend in volume mix



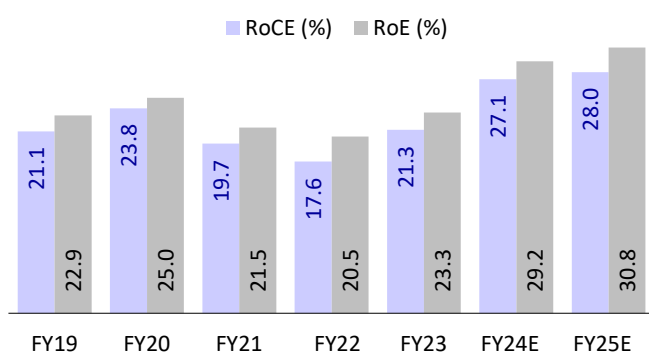
Sources: Company reports, MOFSL

Exhibit 10: Trends in EBITDA and EBITDA margin



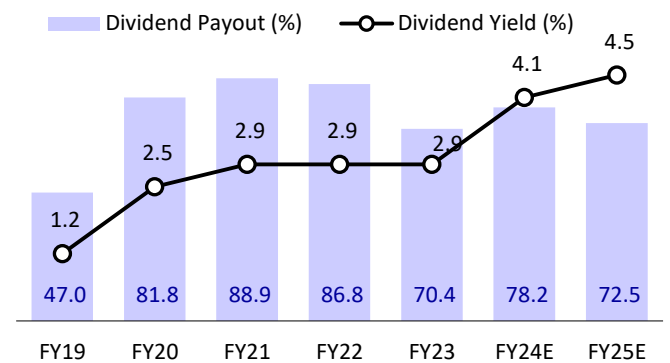
Sources: Company reports, MOFSL

Exhibit 11: Trends in return ratios



Sources: Company reports, MOFSL estimates

Exhibit 12: Dividend payout to remain healthy



Sources: Company reports, MOFSL estimates

Financials and valuations

Income Statement							(INR Million)	
Y/E March	2019	2020	2021	2022	2023	2024E	2025E	
Volumes	50,19,503	46,15,212	39,72,914	43,08,433	39,27,857	44,46,094	49,70,763	
Change (%)	25.3	-8.1	-13.9	8.4	-8.8	13.2	11.8	
Net Sales	3,03,576	2,99,187	2,77,411	3,30,032	3,64,276	4,48,762	5,01,040	
Change (%)	20.4	-1.4	-7.3	19.0	10.4	23.2	11.6	
Total Expenditure	2,51,651	2,48,224	2,28,126	2,78,861	2,98,785	3,63,033	4,05,186	
EBITDA	51,925	50,962	49,285	51,171	65,491	85,730	95,854	
Change (%)	7.3	-1.9	-3.3	3.8	28.0	30.9	11.8	
EBITDA Margins (%)	17.1	17.0	17.8	15.5	18.0	19.1	19.1	
Depreciation	2,657	2,464	2,593	2,692	2,824	3,361	3,704	
EBIT	49,268	48,498	46,692	48,480	62,667	82,368	92,150	
Int. & Fin. Charges	45	32	67	87	395	490	520	
Other Income	14,389	17,336	12,765	12,092	11,814	13,956	14,110	
Non-recurring Exp.	-3,420	0	0	-4,568	0	0	0	
PBT	67,032	65,802	59,390	65,054	74,086	95,834	1,05,740	
Tax	20,280	14,802	13,844	14,865	17,810	23,424	25,913	
Effective Rate (%)	30.3	22.5	23.3	22.8	24.0	24.4	24.5	
PAT	46,752	51,000	45,546	50,189	56,276	72,410	79,827	
Change (%)	14.9	9.1	-10.7	10.2	12.1	28.7	10.2	
Share in profit of ass. & others	2,524	1,119	3,024	11,469	4,326	4,216	6,059	
Adj. Consol PAT	46,891	52,119	48,570	53,122	60,602	76,626	85,886	
Change (%)	10.6	11.1	(6.8)	9.4	14.1	26.4	12.1	

Balance Sheet							(INR Million)	
Y/E March	2019	2020	2021	2022	2023	2024E	2025E	
Share Capital	2,894	2,894	2,894	2,894	2,830	2,830	2,830	
Net Worth	2,17,799	1,99,255	2,52,023	2,66,688	2,54,259	2,70,076	2,87,652	
Deferred Tax	5,427	3,464	5,221	4,033	3,452	5,368	7,483	
Loans	1,685	1,669	1,601	1,588	1,576	1,576	1,576	
Capital Employed	2,24,910	2,04,388	2,58,845	2,72,309	2,59,286	2,77,020	2,96,711	
Gross Fixed Assets	42,956	41,573	43,443	46,312	55,045	60,864	66,864	
Less: Depreciation	25,317	24,583	26,794	27,972	27,885	31,246	34,950	
Net Fixed Assets	17,639	16,990	16,649	18,340	27,160	29,618	31,914	
Capital WIP	480	602	160	768	819	1,000	1,000	
Investments	1,91,594	1,81,960	2,26,310	2,38,188	2,29,233	2,29,233	2,29,233	
Current Assets	64,091	48,181	72,183	61,923	54,064	84,526	1,09,767	
Inventory	9,615	10,635	14,939	12,305	13,979	18,442	20,591	
Sundry Debtors	25,597	17,251	27,169	15,164	17,761	24,590	27,454	
Cash & Bank Balances	9,054	2,773	5,051	5,883	2,858	17,512	34,947	
Loans & Advances	380	386	372	87	59	73	81	
Others	19,445	17,136	24,653	28,484	19,408	23,909	26,694	
Current Liab. & Prov.	48,894	43,345	56,457	46,910	51,991	67,357	75,203	
Sundry Creditors	37,867	31,997	45,738	36,332	40,739	49,402	55,157	
Other Liabilities	9,475	8,964	9,175	9,028	9,584	11,807	13,182	
Provisions	1,552	2,385	1,544	1,551	1,668	6,147	6,864	
Net Current Assets	15,197	4,836	15,727	15,013	2,073	17,169	34,564	
Application of Funds	2,24,911	2,04,387	2,58,845	2,72,309	2,59,286	2,77,020	2,96,711	

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Basic (INR)							
Consol EPS	162.0	180.1	167.8	183.6	214.2	270.8	303.5
EPS growth (%)	10.6	11.1	-6.8	9.4	16.7	26.4	12.1
Consol Cash EPS	171.2	188.6	176.8	192.9	224.2	282.7	316.6
Book Value per Share	752.7	688.6	870.9	921.6	898.6	954.5	1,016.6
DPS	60.0	120.0	140.0	140.0	140.0	200.0	220.0
Payout (% of S/A PAT)	47.0	81.8	88.9	86.8	70.4	78.2	72.5
Valuation (x)							
P/E	30.2	27.1	29.1	26.6	22.8	18.1	16.1
Cash P/E	28.6	25.9	27.6	25.3	21.8	17.3	15.4
EV/EBITDA	23.4	24.2	24.0	22.9	17.6	13.3	11.7
EV/Sales	4.0	4.1	4.3	3.6	3.2	2.5	2.2
Price to Book Value	6.5	7.1	5.6	5.3	5.4	5.1	4.8
Dividend Yield (%)	1.2	2.5	2.9	2.9	2.9	4.1	4.5
Profitability Ratios (%)							
RoE	22.9	25.0	21.5	20.5	23.3	29.2	30.8
RoCE	21.1	23.8	19.7	17.6	21.3	27.1	28.0
RoIC	193	176	154	94	120	142	153
Turnover Ratios							
Debtors (Days)	31	21	36	17	18	20	20
Inventory (Days)	12	13	20	14	14	15	15
Creditors (Days)	46	39	60	40	41	40	40
Working Capital (Days)	-3	-5	-5	-10	-9	-5	-5
Asset Turnover (x)	1.3	1.5	1.1	1.2	1.4	1.6	1.7
Fixed Asset Turnover	6.8	7.1	6.5	7.4	7.2	7.7	7.8

Cash Flow Statement

(INR Million)

Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Profit before Tax	67,032	65,802	59,390	65,053	74,086	95,834	1,05,740
Depreciation & Amort.	2,657	2,464	2,593	2,692	2,824	3,361	3,704
Direct Taxes Paid	-19,643	-16,777	-13,397	-17,015	-19,184	-21,508	-23,798
(Inc)/Dec in Working Capital	-7,030	3,765	-5,105	6,006	7,230	-441	40
Other Items	-18061	-16635	-12339	-11480	-9,838	-13466	-13590
CF from Oper. Activity	24,954	38,620	31,142	45,255	55,119	63,781	72,096
Extra-ordinary Items	-58	-3	-4	-3,179	0	0	0
CF after EO Items	24,895	38,618	31,139	42,076	55,119	63,781	72,096
(Inc)/Dec in FA+CWIP	-1,082	-2,800	-2,509	-5,176	-8,064	-6,000	-6,000
Free Cash Flow	23,814	35,818	28,630	36,900	47,055	57,781	66,096
(Pur)/Sale of Invest.	-1,629	20,367	-26,157	4,252	21,288	13,956	14,110
CF from Inv. Activity	-2,710	17,567	-28,665	-924	13,224	7,956	8,110
Inc. / Dec.in Network	0	0	0	0	-30,939	0	0
Interest Paid	-35	-21	-108	-74	-380	-490	-520
Dividends Paid	-20,733	-62,444	-87	-40,490	-40,470	-56,592	-62,251
CF from Fin. Activity	-20,741	-62,465	-195	-40,563	-71,789	-57,082	-62,771
Inc/(Dec) in Cash	1,444	-6,281	2,278	588	-3,446	14,655	17,435
Add: Beginning Bal.	7,609	9,054	2,773	5,051	5,640	2,194	16,849
Closing Balance	9,054	2,773	5,051	5,640	2,194	16,849	34,283

E: MOFSL Estimates

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NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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