

Estimate changes

TP change

Rating change



CMP: INR967

TP: INR1,135 (+17%)

Buy

Healthy beat; demand outlook positive across divisions

Defence to contribute ~10% of revenue in FY24; OB stands at ~INR22b

- BHFC's 1QFY24 standalone performance beats estimates, led by better-than-expected volumes at 67.8k tons (vs. est. 64.3k tons) and realizations of INR313.9k/ton (vs. est. INR311.2k/ton). The company has guided toward positive demand outlook across divisions. Additionally, defence business contributed INR2.5b in 1Q and is expected to be ~10% of revenue mix in FY24, driven by order backlog of INR22-23b to be executed over the next 18 months.
- We have changed our EPS est by -4%/+4.5% for FY24E/25E to factor in for slower-than-expected rampup in US facility and execution of defence orders in the coming quarters. We reiterate our BUY rating on the stock with a TP of INR1,135 (based on 25x Sep-25E consolidated EPS + INR101 for 2 gun platforms).

Tonnage grew sequentially for 6th straight quarter

- 1QFY24 standalone revenue/EBITDA/adj. PAT grew 21%/20%/27% YoY to INR21.3b/INR5.5b/INR3.1b (vs. est. INR20b/INR5.2b/INR2.9b).
- Tonnage grew 17% YoY to 67.8k tons (vs. est 64.3k). Net realizations grew 3% YoY (up 2% QoQ) to ~INR314k/ton (vs. est. INR311k), benefitting from a favorable product mix.
- Auto segment revenue grew 16% YoY, whereas non-autos grew 31% YoY. The domestic non-autos segment grew 72% YoY (excl. defence, it grew 18% YoY). Exports non-autos remained flat YoY, primarily impacted by one-time inventory correction in O&G.
- Gross margins eroded 300bp YoY (down 80bp QoQ) to 55.7% (vs. est. 56.5%).
- EBITDA margins declined 20bp YoY (down 20bp QoQ) to 26% (inline), as the impact of higher RM was offset by operating leverage.
- Further, despite higher-than-estimated interest expenses and FX loss, adj. PAT grew 27% YoY to INR3.1b (vs. est. INR2.9b).
- Foreign subsidiaries were at a loss of INR930m (vs. INR1.3b loss in 4QFY23 and a loss of INR221m in 1QFY23). EBITDA for European operations stood at 4.4% (vs a loss in 1QFY23).

Highlights from the management interaction

- **Global Autos** – The management possesses clear demand visibility for US/EU CVs over the next 12 months. This visibility reveals strong demand, primarily driven by healthy build rates and inventory levels. The order books of OEMs have not been initiated for CY24. PVs are also maintaining a solid position, bolstered by the addition of new customers. The introduction of new emission norms and the renewal of new fleets will further generate additional prospects for growth.



Bloomberg	BHFC IN
Equity Shares (m)	466
M.Cap.(INRb)/(USDb)	450.3 / 5.4
52-Week Range (INR)	975 / 678
1, 6, 12 Rel. Per (%)	13/2/24
12M Avg Val (INR M)	1107

Consol. Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	129.1	149.5	163.9
EBITDA (%)	13.8	18.9	20.7
Adj. PAT	5.4	13.5	18.5
EPS (INR)	11.6	29.1	39.7
EPS Gr. (%)	-46.4	150.0	36.7
BV/Sh. (INR)	144	167	200

Ratios

RoE (%)	8.2	18.7	21.6
RoCE (%)	5.9	11.5	13.9
Payout (%)	47.3	21.6	15.8

Valuations

P/E (x)	83.2	33.3	24.3
P/BV (x)	6.7	5.8	4.8
EV/EBITDA (x)	28.6	17.9	14.5
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	0.7	2.2	4.8

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	45.3	45.3	45.3
DII	28.8	27.9	24.5
FII	15.8	16.2	18.8
Others	10.2	10.7	11.4

FII Includes depository receipts

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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- **Defence-** Reported revenue of INR2.5b in 1QFY24. The company has started exports of systems and components from this quarter and have also won new orders of INR2.8b in 1Q. The total order pipeline currently stands at INR22-23b, largely for exports. It is to be executed over the next 18 months. This year, it should contribute ~10% to our overall revenue.
- **Expect positive PBT for overseas operations in FY24-** There is a turnaround in the EU business, and the facility is currently operating at 50% of overall capacity. The US was similar to the previous year as the facility was set up two years after EU. It is still under the ramp-up phase and should see a turnaround from 4QFY24 onwards.
- **JS Auto has successfully acquired Indoshell** for a cash consideration of INR550m. This strategic move is projected to yield a peak annual revenue of INR2b, while also expanding the capacity by 2.5x. This acquisition significantly bolsters the company's position in the casting sector, further solidifying its presence in this industry.

Valuation and view

- While BHFC's core business is currently experiencing a cyclical recovery, it's worth noting that the underlying macro environment in the US and EU are showing signs of weakening. However, the newly established businesses incubated over the last 5-10 years have reached pivotal moments and have the potential to offset any anticipated challenges in the core operations. The Defence segment is poised for significant growth, with execution already underway. The E-mobility sector presents a substantial opportunity and possesses foundational elements, but the competitive landscape is yet to evolve.
- We have changed our EPS est by -4%/ +4.5% for FY24E/25E to factor in for slower-than-expected rampup in US facility and execution of defence orders in the coming quarters. We estimate a consolidated revenue/EBITDA/PAT CAGR of 13%/38%/85% over FY23-25E. The stock trades at 33.3x/24.3x FY24E/FY25E consolidated EPS. We reiterate our **BUY** rating on the stock with a TP of INR1,135 (based on 25x Sep-25E consolidated EPS + INR101 for 2 gun platforms).

S/A Quarterly

	FY23				FY24E				(INR m)		
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY23	FY24E	FY24E 1Q
Tonnage	57,915	61,149	62,755	64,648	67,780	70,933	71,541	73,184	2,46,467	2,83,437	64,286
Change (%)	8.2	7.1	17.6	12.3	17.0	16.0	14.0	13.2	11.3	15.0	11.0
Realization (INR '000/ton)	303.8	304.8	311.1	308.9	313.9	321.7	325.7	323.3	307.3	321.3	311.2
Change (%)	18.5	9.1	3.6	6.2	3.3	5.5	4.7	4.7	9.0	4.6	2.4
Net operating income	17,594	18,639	19,521	19,973	21,273	22,819	23,304	23,664	75,727	91,060	20,005
Change (%)	28.2	16.8	21.8	19.3	20.9	22.4	19.4	18.5	21.3	20.2	13.7
EBITDA	4,600	4,522	4,936	5,226	5,530	6,008	6,144	6,283	19,284	23,964	5,202
EBITDA Margins (%)	26.1	24.3	25.3	26.2	26.0	26.3	26.4	26.6	25.5	26.3	26.0
Non-Operating Income	259	477	377	391	472	425	475	413	1,505	1,785	400
Interest	263	357	849	658	705	675	675	665	2,127	2,721	650
Depreciation	1064	1066	1079	1051	1089	1090	1095	1103	4,260	4,377	1070
Fx loss/(gain)	250	-8	-415	347	43	0	0	0	173	43	0
PBT after EO items	3,252	3,579	3,844	3,154	4,165	4,668	4,849	4,927	13,827	18,608	3,882
Eff. Tax Rate (%)	25.1	25.1	24.8	22.5	25.2	24.7	24.7	24.1	24.4	24.7	25.7
Rep. PAT	2,436	2,681	2,892	2,445	3,115	3,515	3,651	3,739	10,454	14,020	2,883
Change (%)	46.2	-14.0	-14.3	-6.7	27.9	31.1	26.3	52.9	-3.0	34.1	18.3
Adj. PAT	2,460	2,686	2,859	2,754	3,115	3,515	3,651	3,739	10,776	14,020	2,883
Change (%)	14.8	-11.5	8.6	4.4	26.7	30.9	27.7	35.8	3.1	30.1	17.2

Key Performance Indicators

Segment Mix	FY23				FY24E				FY23	FY24E	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q
Auto	9,630	10,474	10,988	11,233	11,163	11,850	11,738	12,186	42,325	46,937	11,282
Growth (%)	20.4	26.0	41.4	23.9	15.9	13.1	6.8	8.5	27.7	10.9	17.2
Contribution (%)	58.3	59.9	59.4	59.9	55.3	54.7	53.1	54.4	59.4	54.4	59.7
Non-Auto	6,882	7,007	7,503	7,519	9,018	9,819	10,366	10,215	28,911	39,418	7,623
Growth (%)	41.8	5.0	2.6	11.7	31.0	40.1	38.2	35.9	13.1	36.3	10.8
Contribution (%)	41.7	40.1	40.6	40.1	44.7	45.3	46.9	45.6	40.6	45.6	40.3
Total Product sales	16,512	17,481	18,491	18,752	20,181	21,669	22,104	22,401	71,236	86,355	18,905
Tonnage	57,915	61,149	62,755	64,648	67,780	70,933	71,541	73,184	2,46,467	2,83,437	64,286
Change (%)	8.2	7.1	17.6	12.3	17.0	16.0	14.0	13.2	11.3	15.0	11.0
Realization (INR '000/ton)	304	305	311	309	314	322	326	323	307	321	311
Change (%)	18.5	9.1	3.6	6.2	3.3	5.5	4.7	4.7	9.0	4.6	2.4
Net operating revenues	17594	18639	19521	19973	21273	22819	23304	23664	75727	91060	20005
Change (%)	28.2	16.8	21.8	19.3	20.9	22.4	19.4	18.5	21.3	20.2	13.7
RM/Sales %	41.3	44.4	44.1	43.5	44.3	44.0	44.0	43.7	43.4	44.0	43.5
Staff Cost (% of sales)	7.7	7.2	7.0	6.8	7.0	6.6	6.4	6.5	7.2	6.6	7.0
Other Cost (% of sales)	24.8	24.1	23.7	23.6	22.7	23.1	23.2	23.2	24.0	23.1	23.5
Gross Margin (%)	58.7	55.6	55.9	56.5	55.7	56.0	56.0	56.3	56.6	56.0	56.5
EBITDA Margins (%)	26.1	24.3	25.3	26.2	26.0	26.3	26.4	26.6	25.5	26.3	26.0
EBIT Margins (%)	20.1	18.5	19.8	20.9	20.9	21.5	21.7	21.9	19.8	21.5	20.7

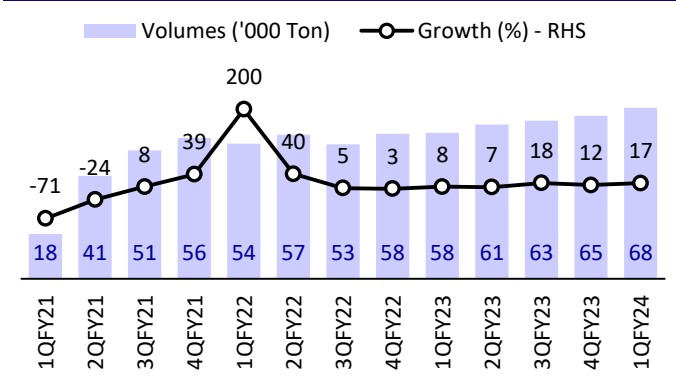


Highlights from the management interaction

- **Global Auto- Have demand visibility in US/EU CVs for next 12 months** - The management possesses clear demand visibility for US/EU CVs over the next 12 months. This visibility reveals strong demand, primarily driven by healthy build rates and inventory levels. The order books of OEMs have not been initiated for CY24. PVs are also maintaining a solid position, bolstered by the addition of new customers. The introduction of new emission norms and the renewal of new fleets will further generate additional prospects for growth.
- **Domestic Auto demand is stable**- PV revenue during the quarter declined 19% YoY to INR620m, due to discontinuation of one of the models by its customer. The company believes that the revenue should get back to the earlier range of INR800m in the coming quarters.
- **Defence**- The company achieved a reported revenue of INR 2.5b in 1QFY24. The company has initiated exports of systems and components in this quarter, encompassing both capital and revenue elements. Furthermore, the company has secured new orders worth INR 2.8b during the same quarter.
 - Total order pipeline currently stands at INR22-23b, largely for exports. It is to be executed over the next 18 months.
 - This year, it should contribute ~10% of our overall revenue and will keep increasing going forward. From the profitability aspect, it is accretive to overall business. Asset turns would also be significantly higher.
 - KSSL would source 30-40% of the components from BHFC.
- **Expect positive PBT for overseas subs in FY24-**
 - There was a turnaround in the EU business, and the facility is currently operating at 50% of overall capacity. The US was similar to the previous year as the facility was set up two years after EU. It is still under the ramp up phase and should see a turnaround from 4QFY24 onwards.

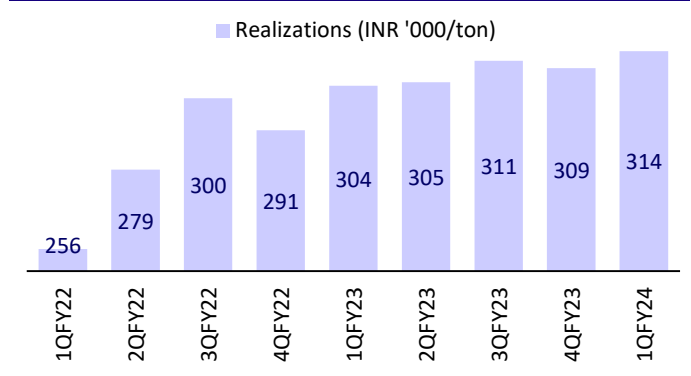
- Expect profitability at PBT level for full-year basis in FY24 with high single-digit margin by the exit quarter for EU.
- **Aerospace-** Expect revenue growth of 30% YoY in FY24. Margin profile is good. The company is using existing forging capacity to make parts and has a dedicated facility for machining.
- **Oil and gas-** There was a one-time de-stocking impact of INR800m in 1Q, due to some product changes. Revenue growth for FY24 is anticipated to remain stagnant YoY due to robust demand, although there is a noticeable trend of increased prudence in investment decisions.
- **JS Auto has successfully acquired Indoshell** for a cash consideration of INR550m. This strategic move is projected to yield a peak annual revenue of INR2b, while also expanding the capacity by 2.5x. This acquisition significantly bolsters the company’s position in the casting sector, further solidifying its presence in this industry.
- **Capex- Guidance of INR10b over FY24-1HFY26 for India business**, which will be incurred toward core business, EV components & systems and defence. A significant portion of demand is originating from EU. The company is actively catering to a diverse array of industrial segments and continuously expanding product offerings while also acquiring new customers.
- **Kalyani powertrain (KPTL)-** The company is investing INR1.5b for setting up capacity in the new entity, which is expected happen over a two year period. Presently, the company is engaged in the development of numerous prototypes, a process akin to its endeavors in the defense sector. It is estimated that it will take approximately 2-3 years to achieve a high level of proficiency in execution.
- **Others-**
 - The company has won new orders worth INR2b in 1FY24 for core business (ex – defence), driven by new orders in PVs and the industrial division.
 - Net cash as of 1QFY24 stands at INR7b. The company also plans to repay over INR10b debt in the next two years through internal accrual.
 - Aims to take consol EBITDA margin to high teens vs. ~16% now.

Exhibit 1: Volume trend



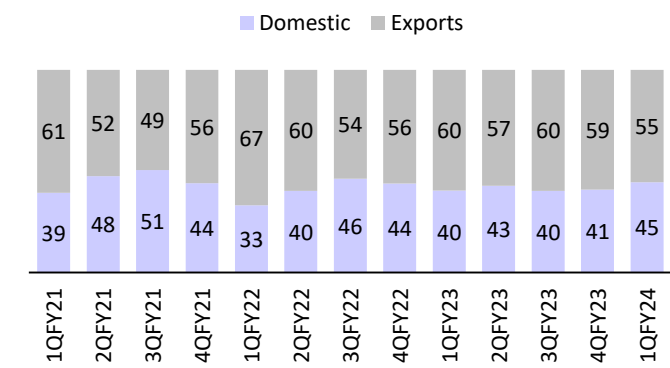
Source: Company, MOFSL

Exhibit 2: Trend in realizations



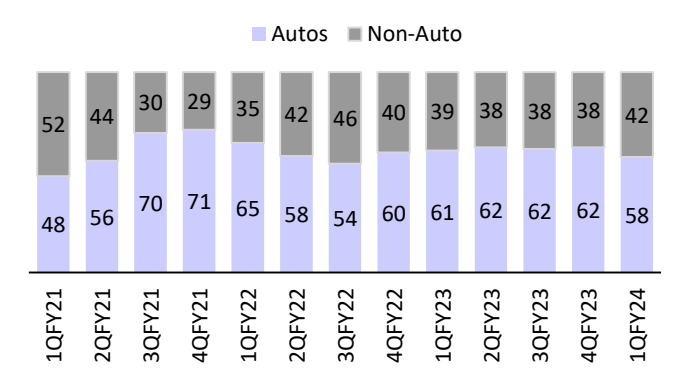
Source: Company, MOFSL

Exhibit 3: Market mix trend



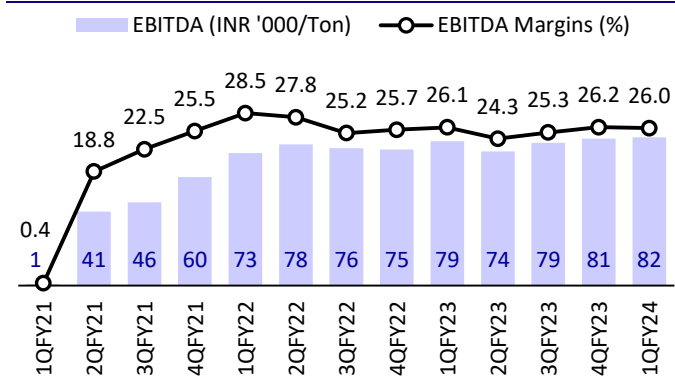
Source: Company, MOFSL

Exhibit 4: Trend in product mix



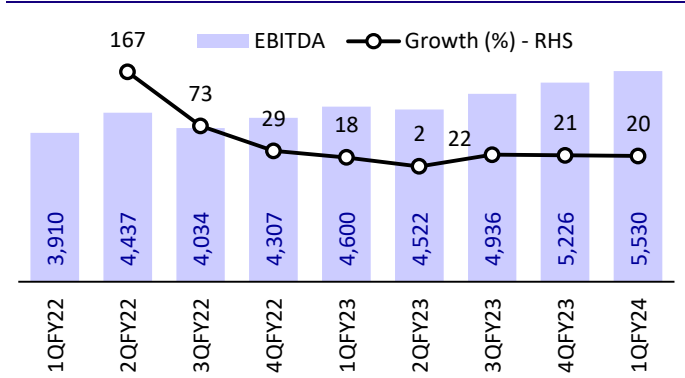
Source: Company, MOFSL

Exhibit 5: Trend in EBITDA margin



Source: Company, MOFSL

Exhibit 6: EBITDA growth trend



Source: Company, MOFSL

Exhibit 7: Geography-wise revenue breakup

INR m	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24
India	4,562	6,419	7,403	7,350	7,118	7,975	7,858	8,170	9,484
Growth (%)	172	53	44	30	56	24	6	11	33
Contribution (%)	33	40	46	44	40	43	40	41	45
US	6,247	6,793	5,775	6,290	7,029	7,186	8,135	8,108	7,645
Growth (%)	348	143	65	44	13	6	41	29	9
Contribution (%)	46	43	36	38	40	39	42	41	36
EU	2,645	2,545	2,656	2,778	3,108	2,860	2,832	3,072	3,404
Growth (%)	143	69	98	4	18	12	7	11	10
Contribution (%)	19	16	17	17	18	15	15	15	16
Others	265	199	187	323	339	618	696	623	740
Growth (%)	141	-40	-28	25	28	211	272	93	118
Contribution (%)	2	1	1	2	2	3	4	3	3
Total	13,719	15,956	16,021	16,741	17,594	18,639	19,521	19,973	21,273
Growth (%)	221	81	56	29	28	17	22	19	21

Source: Company, MOFSL

Exhibit 8: Segment-wise revenue breakup

INR M	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Autos	34,148	25,194	21,359	33,143	42,325	46,937	47,281
% of total revenues	56	60	62	56	59	54	51
CV	26,900	17,884	14,702	24,597	29,260	32,896	31,677
% of total revenues	44	43	43	42	41	38	34
PV	7,248	7,310	6,657	8,546	13,065	14,041	15,604
% of total revenues	12	17	19	15	18	16	17
Non-Autos	26,565	16,811	13,001	25,573	28,911	39,418	44,688
% of total revenues	44	40	38	44	41	46	49
Market mix (net sales incl Op Income)							
India	27,942	19,137	16,873	25,737	31,122	41,039	45,556
% of total revenues	43	42	46	41	41	45	47
Growth (%)	19	-32	-12	53	21	32	11
Exports	37,258	26,502	19,642	36,699	44,605	50,021	51,516
% of total revenues	57	58	54	59	59	0	0
Growth (%)	25	-29	-26	87	22	0	0
Total Net Op Revenues	65,200	45,639	36,515	62,436	75,727	91,060	97,072
Growth (%)	23	-30	-20	71	21	0	0
Subsidiary Revenues	36,257	34,919	26,848	42,175	53,375	58,489	66,803
Growth (%)	19	-4	-23	57	27	10	14
Net Consolidated Revenues	1,01,457	80,558	63,363	1,04,611	1,29,103	1,49,548	1,63,876
Growth (%)	21	-21	-21	65	23	16	10
S/A EBITDA margins (%)	28.8	22.8	20.1	26.7	25.5	26.3	26.7
Consol EBITDA margins (%)	20.3	14.1	13.6	18.9	13.8	18.9	20.7
Consol EPS (INR)	22.2	8.8	1.9	21.7	11.6	29.1	39.7
Growth (%)	25.5	-60.3	-78.5	1,047.8	-46.4	150.0	36.7

Source: Company, MOFSL

Valuation and view**Continued focus on de-risking the business and increasing value add**

Over the last decade, BHFC has broadened its revenue stream by entering new segments (non-Auto) and markets across the globe, resulting in a decline in the share of the Auto business to ~59% in FY23 from ~80% in FY07. It has increased its value-add by focusing on machined components, whose contribution grew ~50%, boosting realizations and margin. It is currently focused on adding a new line of businesses beyond steel forgings in the form of: a) aluminum forgings, b) non-metal materials, and c) electronic components for EVs. The benefits of these initiatives will start reflecting from FY25E, driving not just revenue growth, but aiding improvement in profitability and capital efficiencies.

Auto business: Demand outlook stable across markets

After witnessing prolonged cyclical pressures in domestic and export CVs, due to the impact of COVID-19, the outlook for India and US CVs has improved considerably in FY23. Over the last two years, BHFC has developed capabilities in Truck transmission parts, which should improve its content per Truck considerably and drive growth in the CV segment over the next three-to-five years. The PV space is a focus area as it offers an opportunity size 4x that of CVs. To tap this opportunity, the management is increasing customer penetration and moving up the value chain. It is also tapping opportunities in PV light-weighting through aluminum forging subsidiaries, with focus on hybrids and EVs.

Recovery in O&G and ramp-up in Industrial and Aerospace to drive growth

The O&G segment is recovering from the lows of FY21, supported by sustained higher oil prices. While the demand outlook is healthy for FY24, the growth

trajectory is projected to remain relatively modest, primarily due to disciplined investment approaches adopted by industry participants. BHFC sees tremendous opportunity in Industrial space (renewable, off-highway, and others) and it has invested in expanding its capacities (Sanghvi Forgings) and capabilities (JS Autocast) through acquisitions in the last 1-1.5 years. BHFC has a relatively smaller contribution coming from the renewable energy and the industrial segment in India. Aerospace is on track to see a revenue ramp-up to INR5-6b over the next few years, driven by new customer wins.

Option value of INR125-170/share in defence and EVs

Over the last decade, Bharat Forge (BHFC) has developed new frontiers for growing beyond its core business, with investments in capabilities and capacities in place. Some of these new businesses offer a huge potential in the long term and scope to drive the next phase of evolution for the company. Of these new initiatives, we expect opportunities in Defence and EV are at inflection points, though substantial realization of value might be back-ended. We took a deep dive into these two businesses to evaluate prospects for value creation, which we estimate at INR125-170/share from just two guns and TORK Motors.

Valuation and view

We have changed our EPS est by -4%/ +4.5% for FY24E/25E to factor in for slower-than-expected ramp up in US facility and execution of defence orders in the coming quarters. We estimate a consolidated revenue/EBITDA/PAT CAGR of 13%/38%/85% over FY23-25E. The stock trades at 33.3x/24.3x FY24E/FY25E consolidated EPS. We reiterate our BUY rating on the stock with a TP of INR1,135 (based on 25x Sep-25E consolidated EPS + INR101 for 2 gun platforms).

Exhibit 9: Revised forecast (Consol)

(INR M)	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,49,548	1,45,774	2.6	1,63,876	1,58,583	3.3
EBITDA (%)	18.9	19.6	-60bp	20.7	20.5	20bp
Net Profit	13,486	14,064	-4.1	18,448	17,645	4.6
EPS (INR)	29.1	30.3	-4.1	39.7	38.0	4.5

Exhibit 10: P/E chart

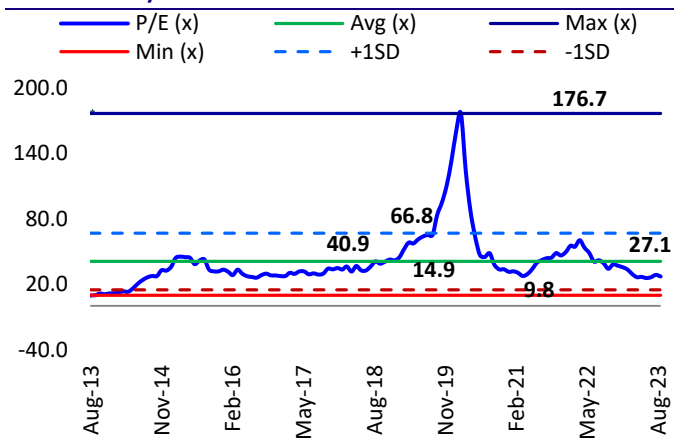
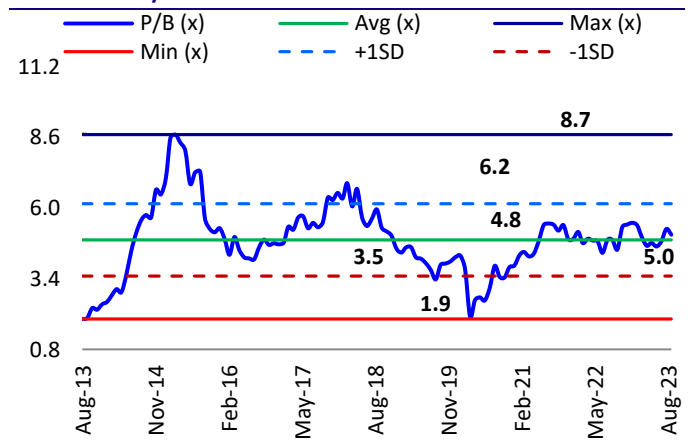


Exhibit 11: P/B chart



Source: MOFSL

Financials and valuations

Consolidated - Income Statement							(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	
Net Sales	1,01,457	80,558	63,363	1,04,611	1,29,103	1,49,548	1,63,876	
Change (%)	21.4	-20.6	-21.3	65.1	23.4	15.8	9.6	
EBITDA	20,556	11,389	8,634	19,810	17,774	28,329	33,955	
Margin (%)	20.3	14.1	13.6	18.9	13.8	18.9	20.7	
Depreciation	5,208	5,477	6,122	7,303	7,356	8,276	8,599	
EBIT	15,348	5,912	2,512	12,507	10,418	20,053	25,356	
Int. and Finance Charges	1,272	1,713	1,077	1,604	2,986	3,616	3,362	
Other Income - Rec.	2,028	1,637	1,673	2,308	1,630	2,031	2,453	
PBT bef. EO Exp.	16,104	5,835	3,107	13,211	9,062	18,469	24,447	
EO Expense/(Income)	0	789	3,062	-924	458	0	0	
PBT after EO Exp.	16,104	5,046	45	14,135	8,604	18,469	24,447	
Tax Rate (%)	35.2	22.3	2245.8	21.5	37.0	27.0	24.5	
Reported PAT	10,440	3,921	-970	11,101	5,418	13,486	18,448	
PAT Adj for EO items	10,440	4,518	1,174	10,375	5,707	13,486	18,448	
Change (%)	28.2	-56.7	-74.0	784.0	-45.0	136.3	36.8	
Less: Minority Interest	118	423	294	281	286	-47	-47	
Adj PAT	10,322	4,095	880	10,098	5,414	13,533	18,495	

Consolidated - Balance Sheet							(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	
Equity Share Capital	931	931	931	931	931	931	931	
Total Reserves	52,829	51,266	53,220	64,775	66,124	76,747	92,332	
Net Worth	53,761	52,197	54,151	65,707	67,055	77,678	93,264	
Minority Interest	298	320	317	561	361	361	361	
Deferred Liabilities	2,062	507	1,445	1,718	658	658	658	
Total Loans	37,728	38,784	45,798	56,545	68,523	66,523	64,523	
Capital Employed	93,850	91,807	1,01,711	1,24,531	1,36,597	1,45,220	1,58,806	
Gross Block	54,985	63,299	76,756	81,926	1,02,188	1,13,200	1,18,200	
Less: Accum. Deprn.	18,739	23,279	29,256	33,226	40,582	48,858	57,457	
Net Fixed Assets	36,246	40,020	47,500	48,700	61,606	64,342	60,742	
Capital WIP	8,307	11,427	9,001	11,248	7,012	1,000	1,000	
Total Investments	15,237	16,180	26,068	26,038	25,691	27,691	29,691	
Curr. Assets, Loans&Adv.	55,993	47,197	48,309	68,933	88,038	1,00,748	1,20,584	
Inventory	18,447	17,347	17,939	27,105	31,263	40,972	44,897	
Account Receivables	21,478	14,938	14,096	21,623	30,875	30,729	33,673	
Cash and Bank Balance	4,755	5,751	4,729	6,030	10,395	9,790	20,912	
Loans and Advances	11,314	9,161	11,546	14,176	15,505	19,257	21,102	
Curr. Liability & Prov.	21,933	23,017	29,167	30,387	45,749	48,560	53,212	
Creditors	13,664	10,309	12,068	16,314	21,513	20,486	22,449	
Other Current Liabilities	6,200	10,000	14,093	11,396	21,923	25,395	27,828	
Provisions	2,069	2,707	3,006	2,677	2,313	2,679	2,936	
Net Current Assets	34,060	24,181	19,142	38,546	42,288	52,188	67,372	
Appl. of Funds	93,850	91,807	1,01,711	1,24,531	1,36,597	1,45,220	1,58,806	

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)							
EPS	22.2	8.8	1.9	21.7	11.6	29.1	39.7
Cash EPS	33.4	20.6	15.0	37.4	27.4	46.8	58.2
BV/Share	115.5	112.1	116.3	141.1	144.0	166.8	200.3
DPS	5.5	2.0	2.0	5.5	5.5	6.3	6.3
Payout (%)	24.5	28.5	-96.0	23.2	47.3	21.6	15.8
Valuation (x)							
P/E	43.6	110.0	511.8	44.6	83.2	33.3	24.3
Cash P/E	29.0	47.0	64.3	25.9	35.3	20.6	16.6
P/BV	8.4	8.6	8.3	6.9	6.7	5.8	4.8
EV/Sales	4.8	6.0	7.8	4.8	3.9	3.4	3.0
EV/EBITDA	23.5	42.4	56.9	25.3	28.6	17.9	14.5
Dividend Yield (%)	0.6	0.2	0.2	0.6	0.6	0.6	0.6
FCF per share	-4.7	12.0	2.3	-12.1	7.0	21.3	45.9
Return Ratios (%)							
RoE	20.6	7.7	1.7	16.9	8.2	18.7	21.6
RoCE (Post-tax)	13.2	6.4	3.2	10.5	5.9	11.5	13.9
RoIC	15.8	7.4	3.0	13.7	7.5	14.6	17.9
Working Capital Ratios							
Fixed Asset Turnover (x)	1.8	1.3	0.8	1.3	1.3	1.3	1.4
Inventory (Days)	66	79	103	95	88	100	100
Debtor (Days)	77	68	81	75	87	75	75
Creditor (Days)	49	47	70	57	61	50	50
Working Capital (Days)	105	84	83	113	90	103	103
Leverage Ratio (x)							
Net Debt/Equity	0.3	0.3	0.3	0.4	0.5	0.4	0.2

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Operating PBT	16,104	5,046	45	14,135	8,604	20,053	25,356
Depreciation	5,208	5,477	6,122	7,303	7,356	8,276	8,599
Other income	52	3,208	4,101	-1,510	1,979	2,078	2,500
Direct Taxes Paid	-5,502	-2,331	-934	-3,525	-4,172	-4,982	-5,998
(Inc)/Dec in WC	-6,747	4,607	3,837	-12,269	-363	-10,505	-4,062
CF from Operations	9,115	16,008	13,171	4,134	13,403	14,920	26,395
(inc)/dec in FA	-11,318	-9,618	-9,143	-10,683	-9,699	-5,000	-5,000
Free Cash Flow	-2,203	5,601	1,058	-5,625	3,246	9,920	21,395
(Pur)/Sale of Investments	-433	-1,705	-5,494	3,634	-6,957	-2,000	-2,000
CF from Investments	-11,751	-11,322	-14,636	-7,049	-16,656	-7,000	-7,000
Inc/(Dec) in Debt	7,313	1,082	6,591	6,517	8,443	-2,000	-2,000
Interest Paid	-1,038	-1,380	-808	-1,444	-2,387	-3,616	-3,362
Dividend Paid	-2,806	-3,335	0	-1,642	-3,253	-2,910	-2,910
CF from Fin. Activity	3,468	-3,633	5,783	3,102	2,803	-8,526	-8,272
Inc/Dec of Cash	832	263	1,347	1,111	-908	-606	11,123
Add: Beginning Balance	2,030	2,862	3,126	4,473	5,584	4,675	4,070
Closing Balance	2,862	3,126	4,473	5,584	4,675	4,070	15,192

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NOTES

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