

Maruti Suzuki

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR9,820 TP: INR11,150 (+14%) Buy

Higher staff cost leads to EBIT miss

MSIL to acquire Gujarat plant from Suzuki, likely at book value

Bloomberg	MSIL IN
Equity Shares (m)	302
M.Cap.(INRb)/(USDb)	2966.3 / 36.1
52-Week Range (INR)	10037 / 8077
1, 6, 12 Rel. Per (%)	-3/-1/-3
12M Avg Val (INR M)	4722

Financials & valuations (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	1,175	1,406	1,543
EBITDA	110	149	175
Adj. PAT	80	114	125
Cons. Adj. EPS (INR)	272	381	417
EPS Gr. (%)	111.7	40.2	9.5
BV/Sh. (INR)	1,999	2,285	2,568

Ratios

RoE (%)	13.3	16.5	16.1
RoCE (%)	16.9	21.4	20.9
Payout (%)	33.1	34.1	34.8

Valuations

P/E (x)	36.1	25.8	23.5
P/BV (x)	4.9	4.3	3.8
EV/EBITDA (x)	22.7	16.5	13.7
Div. Yield (%)	0.9	1.3	1.5

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	56.5	56.5	56.4
DII	18.2	18.7	18.0
FII	21.9	21.1	21.9
Others	3.4	3.7	3.7

FII Includes depository receipts

- 1QFY24 EBIT miss was led by high employee costs due to one-time retention payments and marketing spends on new launches (~80bp impact). Aided by new products, MSIL is expected to outperform underlying industry growth of 6-8% in FY24, resulting in market share gains and margin recovery. This should be further supported by easing supply challenges.

- We increase our FY24E EPS by 3% to factor in better ASPs and higher other income. However, we cut our FY25E EPS by 1%, as benefits of higher ASP and higher other income are more than offset by the SMG acquisition (assuming consideration of INR130b paid in cash). The stock trades at 25.8x/23.5x FY24E/FY25E consolidated EPS. Maintain BUY with a TP of INR11,150/share (premised on 25x Sep'25E consolidated EPS).

One-offs for employee retention, marketing costs dent margin

- 1QFY24 revenue/EBITDA/PAT grew 22%/56%/1.45x YoY to ~INR323.3b/INR29.8b/INR24.9b.
- Net realizations grew ~15% YoY/4% QoQ to INR649.1k/unit (est. INR623.9k/unit). Volumes were up ~6% YoY/down 3% QoQ. Hence, net sales came in above est. at INR323.3b (+22% YoY/ est. INR310.7k).
- Gross margin expanded 180bp YoY/50bp QoQ to 27.2% (est. 27%), driven by a better mix and stable commodity costs, diluted by higher discounts (+40bp QoQ, +20bp YoY to 2.5% of ASP or INR16.2k/unit).
- Higher staff costs due to one-time retention bonus and retiral benefits (~80bp impact), and expenses related to new model launches dented EBITDA margin at 9.2% (+200bp YoY/-130bp QoQ) vs. est. 10%.
- However, high other income at INR10b (est. INR6.2b) and lower tax at 22.1% (est. 23.3) boosted adj. PAT to INR24.9b (est. INR22.6b).

Gujarat plant to be acquired from the parent, likely at its book value

- MSIL's board approved the termination of a contract manufacturing agreement with Suzuki Motor Gujarat (SMG) and exercising the option to acquire SMG from Suzuki Motor Corporation.
- The SMG plant would be acquired at net book value based on the agreement, which stood at INR127b as of Mar'23. The deal will result in better production efficiency and agility in decision-making. The deal consideration and its payment mode shall be decided in the subsequent board meeting.
- Based on our calculations, we see an EPS cut of 4-5% and RoCE reduction of 90bp (cash payout)/310bp (equity swap) in FY25.
- We factor in the SMG acquisition in our FY25 estimates assuming a cash consideration of INR130b.

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

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Highlights from the management commentary

- **Demand outlook-** At present, demand is normal and the momentum should continue, driven by new product launches. **The order book at the end of the quarter stood at 355k units (vs. 412k in 4QFY23).**
- **There was a production loss of 28k units during the quarter** due to the semiconductor shortage. Visibility about the supply situation is still not clear, but it seems to be improving. Dealer inventory stands at 125k units, i.e. ~4 weeks.
- **Commodity prices have largely stabilized.** While there was an uptick in steel prices (~50% of the commodity) in the 1Q, they are now moderating. Precious metals have seen a sharp correction of 18-20%.

Valuation and view

- Stable growth in domestic PVs and a favorable product lifecycle augur well for MSIL. We expect market share gains and margin recovery in FY24, led by an improvement in supplies, a favorable product lifecycle, mix and operating leverage.
- The stock trades at 25.8x/23.5x FY24E/FY25E consolidated EPS. We maintain BUY with a TP of INR11,150/share (premised on 25x Sep'25E consolidated EPS).

S/A Quarterly Performance**(INR Million)**

Y/E March	FY23				FY24E				FY23	FY24E	FY24
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Volumes ('000 units)	467.9	517.4	465.9	514.9	498.0	546.0	558.6	566.3	1,966.2	2,168.9	498.0
Change (%)	32.3	36.3	8.2	5.4	6.4	5.5	19.9	10.0	19.0	10.3	6.4
Realizations (INR/car)	5,66,319	5,78,490	6,23,387	6,22,379	6,49,095	6,50,718	6,44,211	6,49,366	5,97,727	6,48,317	6,23,935
Change (%)	12.7	6.9	15.5	13.7	14.6	12.5	3.3	4.3	11.9	8.5	10.2
Net operating revenues	2,64,998	2,99,308	2,90,443	3,20,480	3,23,269	3,55,309	3,59,853	3,67,707	11,75,229	14,06,138	3,10,738
Change (%)	49.1	45.7	24.9	19.9	22.0	18.7	23.9	14.7	33.1	19.6	17.3
RM Cost (% of sales)	74.6	73.1	72.7	73.3	72.8	72.8	72.5	72.5	73.4	72.6	73.0
Staff Cost (% of sales)	4.4	3.8	4.1	3.5	4.5	3.4	3.5	3.4	3.9	3.7	3.8
Other Cost (% of sales)	13.8	13.9	13.4	12.8	13.5	13.0	13.0	13.0	13.3	13.1	13.2
EBITDA	19,121	27,689	28,331	33,503	29,830	38,625	39,568	40,810	1,10,077	1,48,833	31,066
EBITDA Margins (%)	7.2	9.3	9.8	10.5	9.2	10.9	11.0	11.1	9.4	10.6	10.0
Depreciation	6,514	7,226	7,101	7,392	7,475	7,500	7,550	7,568	28,233	30,093	7,400
EBIT	12,607	20,463	21,230	26,111	22,355	31,125	32,018	33,242	81,844	1,18,740	23,666
EBIT Margins (%)	4.8	6.8	7.3	8.1	6.9	8.8	8.9	9.0	7.0	8.4	7.6
Interest	274	305	296	991	465	450	450	435	1,866	1,800	375
Non-Operating Income	885	6,125	8,608	7,428	10,012	6,750	7,000	6,991	21,613	30,753	6,200
PBT	13,218	26,283	29,542	32,548	31,902	37,425	38,568	39,798	1,01,591	1,47,693	29,491
Effective Tax Rate (%)	23.4	21.6	20.4	19.4	22.1	23.2	23.2	23.2	20.8	23.0	23.3
Adjusted PAT	10,128	20,615	23,513	26,236	24,851	28,742	29,620	30,554	80,492	1,13,768	22,614
Change (%)	129.8	333.7	132.5	42.7	145.4	39.4	26.0	16.5	113.7	41.3	123.3

Key Performance Indicators

Y/E March	FY23				FY24E				FY23	FY24E	FY24
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Dom. PV Market Sh (%)	42.6	43.5	42.4	43.1	42.8	-	-	-	42.9	-	-
Volumes ('000 units)	467.9	517.4	465.9	514.9	498.0	546.0	558.6	566.3	1,966.2	2,168.9	498.0
Change (%)	32.3	36.3	8.2	5.4	6.4	5.5	19.9	10.0	19.0	10.3	6.4
Discounts (INR '000/unit)	12.8	13.8	18.3	13.3	16.2	0.0	0.0	0.0	14.9	19.4	0.0
% of Net Realn	2.3	2.4	2.9	2.1	2.5	0.0	0.0	0.0	2.5	3.0	0.0
ASPs (INR '000/unit)	566.3	578.5	623.4	622.4	649.1	650.7	644.2	649.4	597.7	648.3	623.9
Change (%)	12.7	6.9	15.5	13.7	14.6	12.5	3.3	4.3	11.9	8.5	10.2
Gross Profit (INR/unit)	143.8	155.6	170.4	166.2	176.6	177.3	177.2	178.6	159.1	177.4	168.5
EBITDA (INR '000/unit)	40.9	53.5	60.8	65.1	59.9	70.7	70.8	72.1	56.0	68.6	62.4
EBIT (INR '000/unit)	26.9	39.6	45.6	50.7	44.9	57.0	57.3	58.7	41.6	54.7	47.5



Highlights from the management commentary

- **Demand outlook- At present, the demand is normal** and the momentum should continue, driven by new product launches. The high base of last year in 2Q will keep YoY growth in check.
 - Retail sales stood at 308k units during the quarter (+8% YoY).
 - The number of first-time buyers has come down to 40% (vs. 42-44% last quarter).
 - CNG penetration was 27%.
- **There was a production loss of 28k units during the quarter** due to the semiconductor shortage. Visibility about the supply situation is still not clear, but it seems to be improving. Dealer inventory stands at 125k units, i.e. ~4 weeks.
- **The order book at the end of the quarter stood at 355k units.**
 - **Order book breakup-** Brezza 48k, Grand Vitara 27k, Jimny 23k, Fronx 23k, Ertiga 93k, Invicto 8k.
 - Fronx is recording sales of 9k units per month and exports have just started to LatAm, ME and Africa.
- **Operational cost highlights:**
 - Commodity prices have largely stabilized. While there was an uptick in steel prices (~50% of the commodity) in the 1Q, they are now stabilizing. Precious metals have seen a sharp correction of 18-20%.
 - One-off items related to employees retention related payments had an 80bp impact and will not be repetitive in nature.
 - Launches-related costs too resulted in high other expenses.
- **SMG plant deal:** The agreement states that the purchase consideration would be at the net book value, which stood at INR127b as of Mar'23. The book value will be computed again after the approval process.
 - The plan is to bring in entire production under MSIL to improve efficiency. This will make the decision-making agile and the company will be able to change production plans as per the requirement.
 - It aims to complete the transaction in the current financial year. It will seek majority approval of the minority shareholders.
 - The EV manufacturing facility is part of SMG and will be included in the deal.
 - However, cell manufacturing is not part of SMG. It is owned by 100% subs of Suzuki - Suzuki R&D India. Its JV for batteries is also not part of this transaction.
- **Others**
 - **Discounts-** Slightly up at INR16,214 per vehicle in 1QFY24 vs. INR12,748 in 1QFY23 and INR13,269 in 4QFY23.
 - **Royalty rate for the quarter stood at 3.8%.**
 - **JPY hedging-** 50% of the exposure is covered. Always look for opportunities to hedge.
 - SMG contributed ~200k units during the quarter i.e. ~40% of overall volumes.
 - Exports for the quarter stood at INR37.6b.

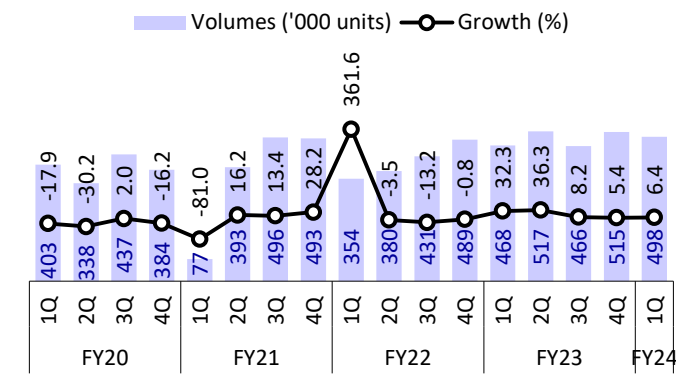
Key exhibits

Exhibit 1: Segment-wise growth and market share movement for MSIL

('000 units)	1QFY24	1QFY23	YoY (%)	4QFY23	QoQ (%)	FY24E	FY23	YoY (%)
Mini	40.4	49.0	-17.5	58.9	-31.4	218.6	232.9	-6.1
% of total	8.1	10.5		11.4		10.1	11.8	
MPV+LCVs	40.8	42.6	-4.3	46.5	-12.3	177.6	169.2	5.0
% of total	8.2	9.1		9.0		8.2	8.6	
Compact incl Dzire tour	223.5	211.4	5.7	236.8	-5.6	932.5	902.8	3.3
% of total	44.9	45.2		46.0		43.0	45.9	
Mid-size	3.8	2.7	40.5	2.1	79.4	14.0	13.6	2.5
% of total	0.8	0.6		0.4		0.6	0.7	
UV	126.4	92.8	36.2	106.0	19.3	564.3	388.3	45.3
% of total	25.4	19.8		20.6		26.0	19.8	
Exports	63.2	69.4	-9.0	64.7	-2.3	261.9	259.3	1.0
% of total	12.7	14.8		12.6		12.1	13.2	
Total Sales	498.0	467.9	6.4	514.9	-3.3	2,168.9	1,966.2	10.3
Total Dom. PV MS (%)	42.8	42.6	30bp	43.1	-30bp			

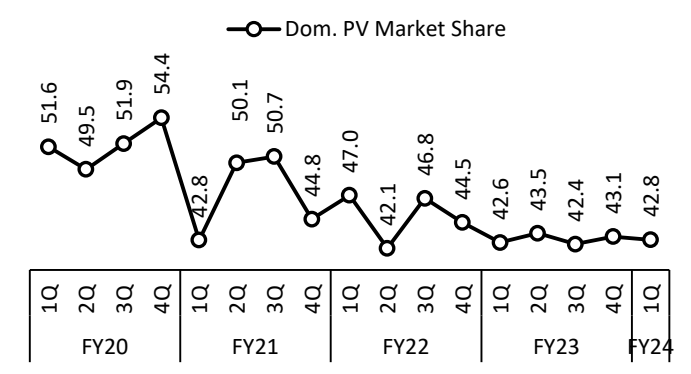
Note: MSIL market share includes supplies to Toyota; Source: Company, MOFSL

Exhibit 2: Volume trends



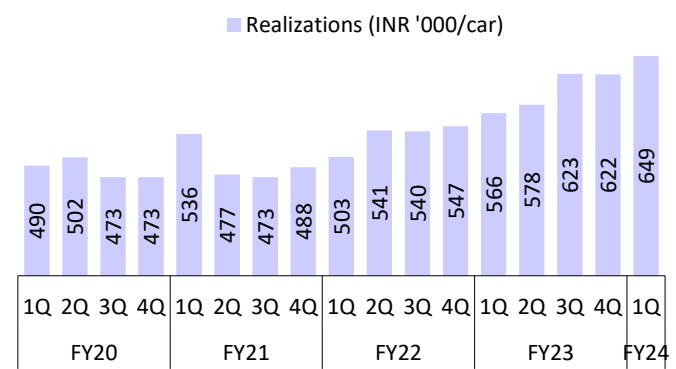
Source: Company, MOFSL

Exhibit 3: Domestic PV market share trends (%)



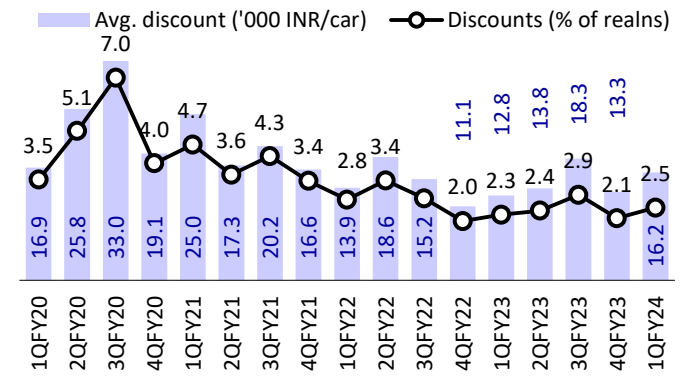
Source: Company, MOFSL

Exhibit 4: Trend in realization per unit



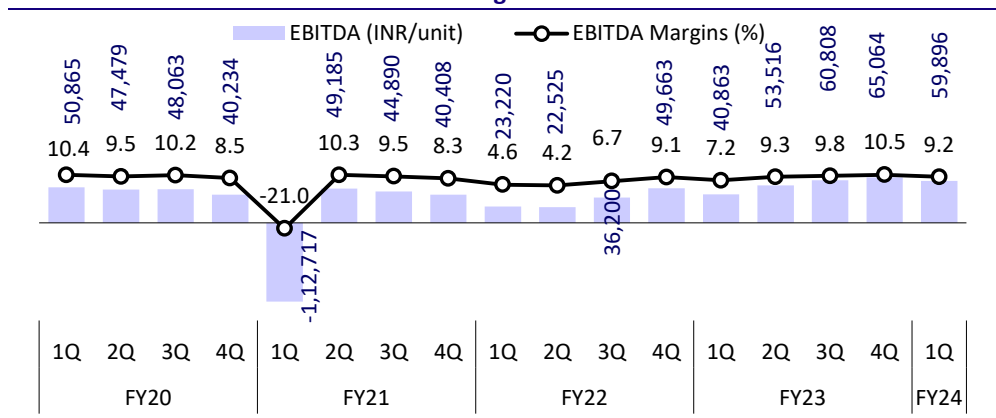
Source: Company, MOFSL

Exhibit 5: Trend in average discounts per unit



Source: Company, MOFSL

Exhibit 6: Trends in EBITDA and EBITDA margin



Source: Company, MOFSL

Valuation and view

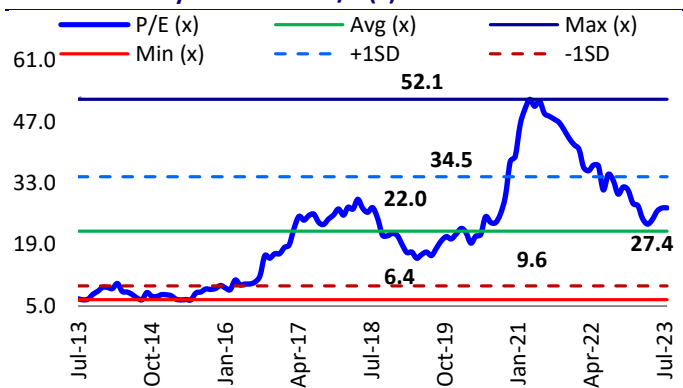
- Our long-term view on the PV industry remains intact:** Growth in the Indian PV industry has undershot our expectations for the past five years (FY18-23: ~3% volume CAGR). This can be attributed to several factors, including regulatory impact on costs, Covid-related impact and supply chain challenges. However, the industry is expected to grow, driven by high aspirations, improving affordability, lower penetration (less than 30 cars per population of 1,000) and increasing preference for personal mobility due to Covid. We estimate a 5-7% CAGR in PV industry volume over FY23-25.
- Strong product portfolio, with numerous launches lined up for the next few years:** MSIL is expected to outperform the domestic PV industry, considering its stronghold in the entry-level segment and a favorable product lifecycle. New launches like Fronx, Jimny, Brezza and Grand Vitara are seeing good customer pull. The company could gain further market share, driven by an expected shift toward petrol/hybrid vehicles, resulting in a ~8% volume CAGR over FY23-25E. This, coupled with an improved mix and lower discounts, would drive a ~15% revenue CAGR over FY23-25E.
- Operating performance recovery underway:** While FY21 witnessed the brunt of the Covid-19 outbreak on operations, FY22 was marred by a second lockdown and semiconductor shortages. However, FY23 saw a sharp recovery. Going forward, demand growth would be supported by a favorable product lifecycle and stability in the macro-economic situation. EBITDA margin fell to a 20-year low of 6.5% in FY22 on higher commodity costs, weak forex, and operating deleverage. The recovery in EBITDA margin to over ~11% in FY25E would be driven by: a) normalization in the product lifecycle, b) lower discounts, c) price increases and mix improvement, d) commodity cost/FX benefits, e) lower royalty, and f) operating leverage.
- Valuation and view:** We increase our FY24E EPS by 3% to factor in better ASPs and higher other income. However, we cut our FY25E EPS by 1%, as benefits of higher ASP and higher other income are more than offset by the acquisition of SMG (assuming consideration of INR130b paid in cash). Stable domestic PV industry growth and a favorable product lifecycle augur well for MSIL. We expect a recovery in both market share and margins to gather momentum in FY24, led by an improvement in supplies, a favorable product lifecycle, mix and operating leverage. The stock trades at 25.8x/23.5x FY24E/FY25E consolidated EPS. Maintain BUY with a TP of INR11,150/share (premised on 25x Sep'25 consolidated EPS).

Exhibit 7: Revised estimates

(INR B)	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Total Volumes ('000)	2,169	2,182	-0.6	2,308	2,323	-0.7
Net Sales	1,406	1,372	2.5	1,543	1,501	2.8
EBITDA	149	148	0.6	175	171	2.3
EBITDA Margin (%)	10.6	10.8	-20bp	11.3	11.4	-10bp
PAT	113.8	110.2	3.3	124.5	125.7	-1.0
Consol EPS (INR)	381.0	369.1	3.2	417.0	421.1	-1.0
JPY/INR	0.59	0.62	-5.0	0.59	0.62	-5.0

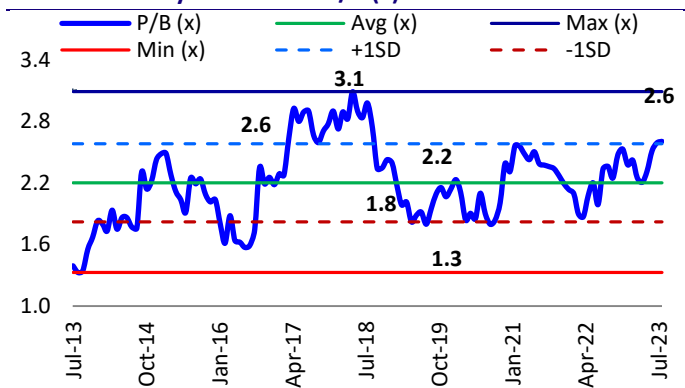
Source: Company, MOFSL

Exhibit 8: One-year forward P/E (x) band



Source: MOFSL

Exhibit 9: One-year forward P/B (x) band



Source: MOFSL

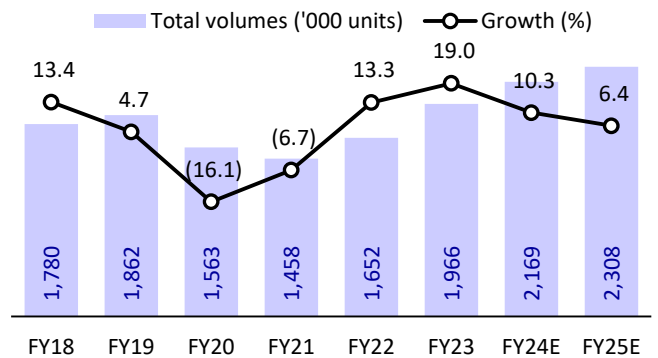
Story in charts – expect 22% EPS CAGR over FY23-25E

Exhibit 10: Market share declines (excluding Mini) due to the absence of the diesel portfolio

Market share (%)	FY18	FY19	FY20	FY21	FY22	FY23
Mini	71.3	72.3	79.0	84.5	88.5	94.9
Compact	52.2	56.4	57.4	54.8	55.3	57.5
Compact-Sedan	61.8	57.9	61.9	57.9	57.1	50.9
Mid-Size	30	25.8	25.8	19.1	20.0	19.8
UVC	40	40.4	27.9	20.2	18.6	18.7
UV1	38.8	38.2	31.4	25.7	25.8	39.4
MSIL Dom. PV market share (%)	50.2	51.4	51.1	47.7	43.4	41.3

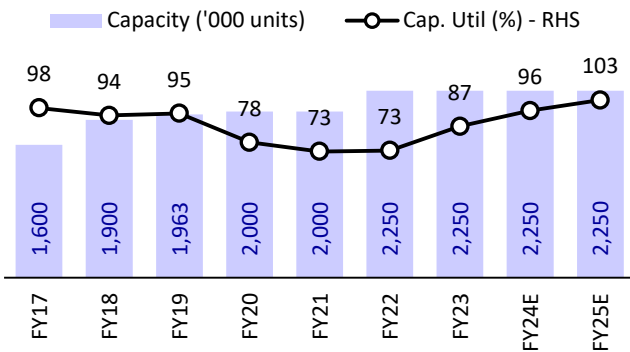
*Excluding supplies to Toyota; Source: Company, MOFSL

Exhibit 11: Trends in volume and growth over FY23-25E



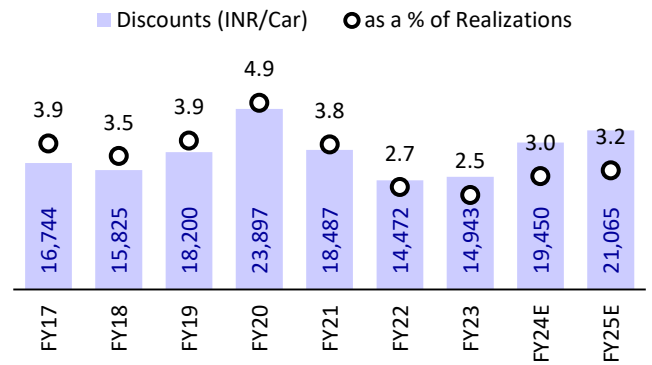
Source: Company, MOFSL

Exhibit 12: MSIL's utilization to improve materially



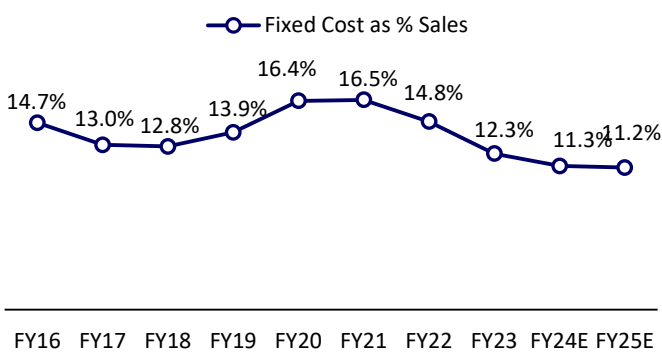
Source: Company, MOFSL

Exhibit 13: Discounts to increase from lows of FY23



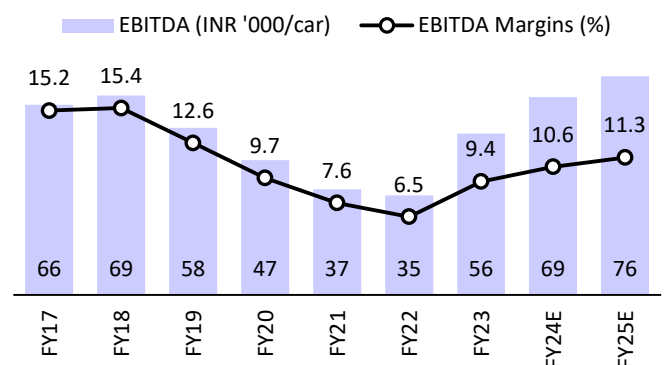
Source: Company, MOFSL

Exhibit 14: Fixed cost as a percentage of sales



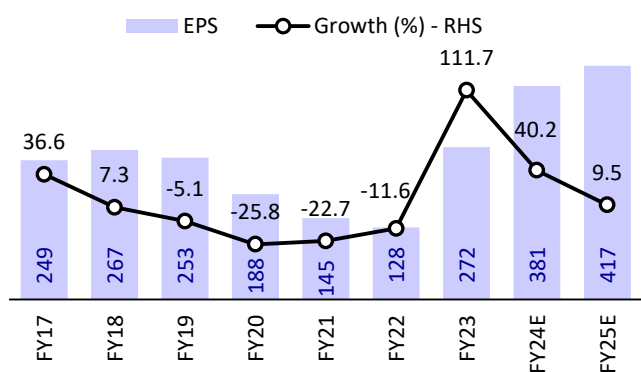
Source: Company, MOFSL

Exhibit 15: EBITDA margin and EBITDA per car



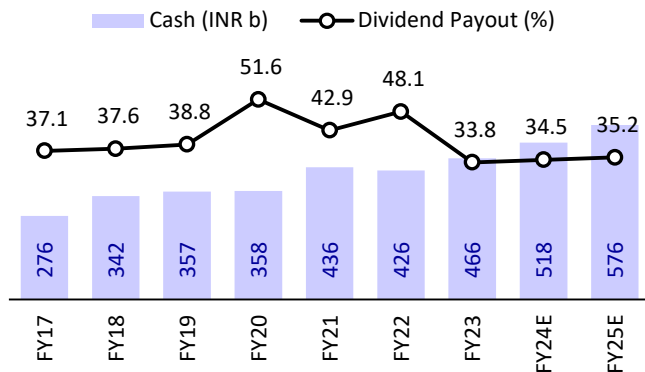
Source: Company, MOFSL

Exhibit 16: EPS (INR) and growth in EPS



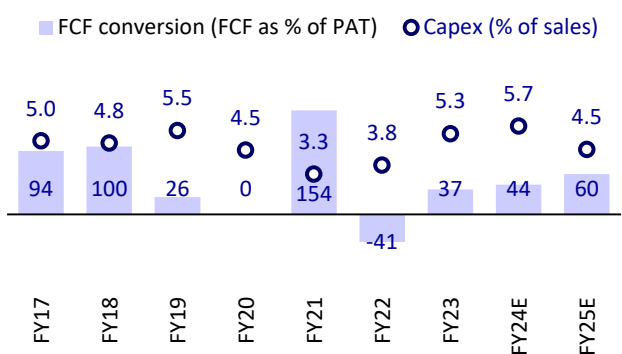
Source: MOFSL, Company

Exhibit 17: Dividend payout (%) and cash balance (INR b)



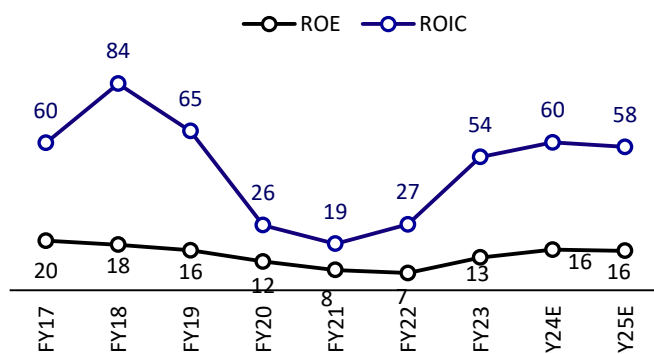
Source: MOFSL, Company

Exhibit 18: Expect FCF conversion to recover



Source: Company, MOFSL

Exhibit 19: RoE v/s RoIC (%)



Source: Company, MOFSL

Exhibit 20: Snapshot of the revenue model

000 units	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
A1/LCVs	24	22	30	34	38	37	39
Growth (%)	138.0	-8.8	35.7	14.4	12.4	-2.0	5.0
% of Dom vols	1.4	1.5	2.2	2.4	2.2	2.0	1.9
MPV (Vans)	179	118	105	108	131	140	149
Growth (%)	15.1	-33.7	-11.3	3.1	21.1	7.0	6.0
% of Dom vols	10.2	8.1	7.7	7.7	7.7	7.4	7.3
A2 (other hatchbacks)	987	881	840	810	985	993	1,040
Growth (%)	5.5	-10.8	-4.6	-3.6	21.7	0.8	4.7
% of Dom vols	56.3	60.3	61.7	57.3	57.7	52.1	51.1
A3 (Dzire, Ciaz)	300	204	142	145	164	172	180
Growth (%)	0.3	-31.9	-30.5	1.8	13.4	4.8	4.6
% of Dom vols	17.1	14.0	10.4	10.2	9.6	9.0	8.8
UVS (Ertiga, Compact SUV)	264	235	245	317	388	564	629
Growth (%)	4.1	-10.9	4.3	29.3	22.4	45.3	11.4
% of Dom vols	15.1	16.1	18.0	22.4	22.8	29.6	30.9
Total Domestic	1,754	1,460	1,362	1,414	1,707	1,907	2,036
Growth (%)	6.1	-16.7	-6.7	3.8	20.7	11.7	6.8
% of Total vols	94.2	93.5	93.4	85.6	86.8	87.9	88.2
Exports	109	102	96	238	259	262	272
Growth (%)	-14	-6	-6	148	9	1	4
% of Total vols	6	7	7	14	13	12	12
Total Volumes	1,862	1,563	1,458	1,652	1,966	2,169	2,308
Growth (%)	4.7	-16.1	-6.7	13.3	19.0	10.3	6.4
ASP (INR 000/unit)	462	484	482	534	598	648	669
Growth (%)	3.0	4.8	-0.3	10.8	11.9	8.5	3.1
Net Sales (INR b)	860	756	703	883	1,175	1,406	1,543
Growth (%)	8	-12	-7	26	33	20	10

Source: MOFSL, Company

Financials and valuations

Income Statement						(INR Billion)	
Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Net Op Income	860.2	756.1	703.3	883.0	1,175.2	1,406.1	1,543.4
Change (%)	7.8	-12.1	-7.0	25.5	33.1	19.6	9.8
EBITDA	108.0	73.0	53.5	57.0	110.1	148.8	175.1
EBITDA Margins (%)	12.6	9.7	7.6	6.5	9.4	10.6	11.3
Depreciation	30.2	35.3	30.3	27.9	28.2	30.1	36.0
EBIT	77.8	37.8	23.1	29.1	81.8	118.7	139.1
EBIT Margins (%)	9.0	5.0	3.3	3.3	7.0	8.4	9.0
Interest	0.8	1.3	1.0	1.3	1.9	1.8	1.6
Other Income	25.6	34.2	29.5	17.9	21.6	30.8	25.0
EO Expense	-2.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	104.7	70.6	51.6	45.8	101.6	147.7	162.5
Effective tax Rate (%)	28.3	20.0	18.0	17.8	20.8	23.0	23.4
PAT	75.0	56.5	42.3	37.7	80.5	113.8	124.5
Adj. PAT	73.6	56.5	42.3	37.7	80.5	113.8	124.5
Change (%)	-6.8	-23.2	-25.1	-11.0	113.7	41.3	9.4

Balance Sheet						(INR Billion)	
Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Sources of Funds							
Share Capital	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Reserves	459.9	482.9	512.2	539.4	602.3	688.9	774.1
Net Worth	461.4	484.4	513.7	540.9	603.8	690.4	775.6
Loans	1.5	1.1	4.9	3.8	12.2	12.2	12.2
Deferred Tax Liability	5.6	6.0	3.8	-2.0	-3.4	-3.4	-3.4
Capital Employed	468.6	491.4	522.4	542.7	612.6	699.1	784.4
Application of Funds							
Gross Fixed Assets	263.3	297.3	314.6	324.9	394.9	413.0	553.0
Less: Depreciation	109.2	140.2	165.0	187.7	216.0	246.0	282.0
Net Fixed Assets	154.1	157.1	149.6	137.2	178.9	166.9	270.9
Capital WIP	16.0	14.1	14.9	29.3	28.1	90.0	20.0
Investments	365.2	364.7	417.9	407.6	477.6	477.6	477.6
Curr.Assets, Loans	89.8	84.4	112.9	152.4	138.1	210.3	278.2
Inventory	33.3	32.1	30.5	35.3	42.8	57.8	63.4
Sundry Debtors	23.1	21.3	12.8	20.3	33.0	38.5	42.3
Cash & Bank Balances	1.8	0.2	30.4	30.4	0.4	52.1	110.6
Loans & Advances	5.1	5.2	6.6	0.3	0.3	0.3	0.3
Others	26.5	25.5	32.7	66.1	61.6	61.6	61.6
Current Liab & Prov.	156.5	128.8	172.9	183.8	210.1	245.7	262.4
Sundry Creditors	96.3	74.9	101.6	97.6	117.8	154.1	169.1
Others	51.1	44.9	60.3	71.1	75.9	75.9	75.9
Provisions	9.1	9.0	11.0	15.1	16.3	15.6	17.3
Net Current Assets	-66.7	-44.4	-59.9	-31.4	-72.0	-35.3	15.9
Appl. of Funds	468.6	491.4	522.4	542.7	612.6	699.1	784.4

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Basic (INR)							
Adjusted EPS	243.6	187.1	140.0	124.7	266.5	376.6	412.1
Consol. EPS	253.3	188.0	145.3	128.4	271.8	381.0	417.0
Book Value per Share	1,527	1,603	1,700	1,790	1,999	2,285	2,568
DPS	80.0	60.0	45.0	60.0	90.0	130.0	145.0
Div. payout (%)	38.8	38.5	31.0	46.7	33.1	34.1	34.8
Valuation (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Consol. P/E	38.8	52.2	67.6	76.5	36.1	25.8	23.5
Cash P/E	27.8	32.2	40.0	44.5	26.9	20.4	18.3
EV/EBITDA	24.1	35.6	47.2	44.4	22.7	16.5	13.7
EV/Sales	3.1	3.6	3.8	3.0	2.2	1.8	1.6
P/BV	6.4	6.1	5.8	5.5	4.9	4.3	3.8
Dividend Yield (%)	0.8	0.6	0.5	0.6	0.9	1.3	1.5
FCF Yield (%)	0.6	0.0	2.2	-0.5	1.0	1.7	2.5
Profitability Ratios (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RoIC	64.7	26.5	18.9	26.8	54.2	60.2	58.3
RoE	16.3	11.7	8.2	7.0	13.3	16.5	16.1
RoCE	22.1	14.6	10.1	8.7	16.9	21.4	20.9
Turnover Ratios	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debtors (Days)	10	11	7	9	11	10	10
Inventory (Days)	16	17	17	16	15	17	17
Creditors (Days)	59	51	73	54	50	55	55
Work. Cap. (Days)	-33	-23	-49	-29	-24	-28	-28
Asset Turnover (x)	1.8	1.5	1.3	1.6	1.9	2.0	2.0
Net Debt/Equity (x)	-0.8	-0.7	-0.8	-0.8	-0.8	-0.7	-0.7

Cash Flow Statement

(INR Billion)

Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Profit before Tax	104.7	70.9	51.6	45.8	101.6	147.7	162.5
Interest	0.8	1.3	1.0	1.3	1.9	1.8	1.6
Depreciation	30.2	35.3	30.3	27.9	28.2	30.1	36.0
Direct Taxes Paid	-31.4	-14.4	-10.1	-11.8	-22.3	-33.9	-38.0
(Inc)/Dec in WC	-13.2	-25.7	43.4	-28.1	3.8	15.1	7.3
Other Items	-25.0	-33.5	-27.8	-17.2	-20.9	-30.8	-25.0
CF from Oper. Activity	65.9	34.1	88.4	17.9	92.3	130.0	144.4
(Inc)/Dec in FA	-47.0	-34.0	-23.3	-33.2	-62.5	-80.0	-70.0
Free Cash Flow	18.9	0.1	65.1	-15.3	29.8	50.0	74.4
(Pur)/Sale of Invest.	11.6	29.4	-49.6	31.3	-17.7	30.8	25.0
CF from Inv. Activity	-35.4	-4.6	-72.8	-1.9	-80.2	-49.2	-45.0
Change in Networth	0.0	0.0	0.0	0.0	0.6	0.0	0.0
Inc/(Dec) in Debt	0.4	-0.5	3.7	-1.1	7.9	0.0	0.0
Interest Paid	-0.7	-1.3	-1.0	-1.3	-1.9	-1.8	-1.6
Dividends Paid	-29.1	-29.1	-18.1	-13.6	-18.1	-27.2	-39.3
CF from Fin. Activity	-29.5	-31.0	-15.4	-16.0	-11.5	-29.0	-40.9
Inc/(Dec) in Cash	1.1	-1.6	0.1	0.0	0.6	51.7	58.5
Add: Op. Balance	0.7	1.8	0.2	0.3	0.3	0.9	52.7
Closing Balance	1.8	0.2	0.3	0.3	0.9	52.7	111.2

E: MOFSL Estimates

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