

Zee Entertainment

Estimate changes



TP change



Rating change



CMP: INR 242 TP: INR280 (+16%)

Buy

Heavy investments continue

- Zee Entertainment (Zee)'s consolidated EBITDA declined 34% YoY (a beat) as its revenue growth (of 8% YoY) was offset by higher content and Zee5 spends. Ad revenue dropped 4% YoY due to weak market and the impact of IPL, offset by 18% YoY subscription revenue growth on the back of NTO 3.0 and digital subscription growth in 1QFY24.
- We largely retain our revenue/EBITDA estimates for FY24/FY25 building in recovery in the ad market and continued investments. While the current valuations do not appear to justify the strong potential of the merged entity, aided by its strong competitive position in both linear and digital segments, NCLT's judgment on merger and its completion would remain a key monitorable. Reiterate **BUY** with a TP of INR280, based on 26x FY25E EPS.

EBITDA declines 34% YoY due to higher opex

- Zee's consolidated revenue grew 7.5% YoY to INR19.8b (in line) driven by subscription revenue growth as ad revenue growth was muted in 1QFY24.
 - Ad revenue declined 4% YoY to INR9.4b (in line) due to muted ad spends during the early part of the quarter and the impact of IPL.
 - Subscription revenue grew 17.6% YoY to INR9.1b (in line) driven by NTO 3.0 and ZEE5.
 - Revenue from sales and services jumped 38.5% YoY to INR1.4b driven by Theatrical revenue from movie releases
- Zee's total opex grew 13.6% YoY to INR18.3b, due to higher programming and technology costs and continued investments in Zee5.
- EBITDA fell 34% YoY to INR1.5b (beat). EBITDA margin contracted 500bp YoY to 7.8% (vs. 4.7% est.)** as revenue growth was offset by higher opex.
- Zee5's revenue came in at INR1.9b (+21% YoY), while operating loss widened to INR3.4b. Adjusted for Zee5, linear TV business' revenue/EBITDA grew 6% each to INR17.9b/INR5b with an EBITDA margin of 28%.
- Zee reported an exceptional loss of INR706m, which was related to employee and legal expenses pertaining to the proposed Scheme of Arrangement.
- Adjusted for the exceptional item, PAT declined 57% YoY to INR496m (vs. INR162m estimated) during the quarter.

Highlights from the management commentary

- NCLT has reserved its order w.r.t merger and is expected to announce the judgment on 10th Aug'23. The company does not foresee any major impact of MD's disqualification on merger process.
- Ad revenue, which posted a moderate growth early on, is now showing improvement on exit basis. Management expects a strong recovery from 3QFY24 onwards with the onset of festive season.
- Subscription revenue growth on net basis to remain moderate given the incremental marketing costs incurred by the company.
- Sequential rise in operating loss for Zee5 during 1QFY24 was due to lower revenue, which led to operating deleverage.



Bloomberg	Z IN
Equity Shares (m)	961
M.Cap.(INRb)/(USDb)	232.5 / 2.8
52-Week Range (INR)	287 / 172
1, 6, 12 Rel. Per (%)	16/-2/-16
12M Avg Val (INR M)	2545

Financials & Valuations (INR b)

Y/E Mar	FY23	FY24E	FY25E
Sales	80.9	88.4	99.3
EBITDA	11.0	12.9	17.1
Adj. PAT	4.6	7.3	10.2
EBITDA Margin (%)	13.6	14.6	17.2
Adj. EPS (INR)	4.8	7.6	10.6
EPS Gr. (%)	-59.0	59.6	39.4
BV/Sh. (INR)	111.6	115.1	122.1

Ratios

Net D:E	-0.1	0.0	0.0
RoE (%)	4.2	6.7	8.9
RoCE (%)	4.3	6.9	9.0
Payout (%)	137.6	50.9	34.0

Valuations

P/E (x)	51.3	32.2	23.1
P/B (x)	2.2	2.1	2.0
EV/EBITDA (x)	20.8	17.8	13.4
Div . Yield (%)	1.2	1.2	1.2
FCF Yield (%)	-0.6	1.2	1.1

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	4.0	4.0	4.0
DII	40.8	38.2	30.7
FII	33.4	36.4	39.2
Others	21.8	21.4	26.2

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.

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

Valuation and view

- The gradual recovery in ad revenue with improving spends from FMCG segment appears to be a silver lining. Recovery could be seen from 2HFY24 onwards with the onset of the festive season.
- Outlook on subscription revenue, however, is expected to improve with the implementation of NTO 3.0.
- The continued investments within the digital (Zee5) segment could drag profitability, given the segment remains in an investment mode.
- The merged entity with a revenue scale of ~INR160b and EBITDA margin of 18% as of FY23 is trading at 10x EV/EBITDA on FY23 basis. We believe that the valuations of the merged entity do not capture the strong opportunity ahead. However, any certainty around merger timelines would remain a key monitorable.
- The potential re-rating of the stock will be governed by: a) a recovery in the ad market, and b) completion of the Sony merger deal, given the strong market position for the merged entity and its growth opportunity.
- Valuing the stock at 26x FY25E EPS, we arrive at a TP of INR280. **We maintain our BUY rating.**

Consolidated - Quarterly Earnings Model

Y/E March	(INR m)											
	FY23				FY24E				FY23	FY24E	FY24	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Est (%)
Revenue	18,457	20,213	21,088	21,121	19,838	22,176	22,983	23,423	80,879	88,420	19,447	2.0
YoY Change (%)	4.0	2.1	-0.2	-9.0	7.5	9.7	9.0	10.9	-1.2	9.3	5.4	
Total Expenditure	16,100	16,737	17,427	19,604	18,289	19,179	18,153	19,895	69,868	75,516	18,537	-1.3
EBITDA	2,358	3,476	3,660	1,517	1,549	2,997	4,830	3,528	11,011	12,904	910	70.3
EBITDA Margin (%)	12.8%	17.2%	17.4%	7.2%	7.8%	13.5%	21.0%	15.1%	13.6%	14.6%	4.7%	67
Depreciation	778	679	837	833	785	888	911	968	3,128	3,553	846	-7.2
Interest	81	95	130	396	234	122	122	22	702	500	73	220.2
Other Income	338	169	148	142	145	225	225	305	797	900	225	-35.7
Fair Value through P&L gain/(loss)	0	0	58	0	38				58	38	0	
PBT before EO expense	1,837	2,871	2,900	430	713	2,212	4,022	2,843	8,037	9,790	216	230.1
Extra-Ord expense	150	615	1,690	900	706	0	0	0	3,355	706	0	
PBT	1,687	2,255	1,210	-470	6	2,212	4,022	2,843	4,682	9,084	216	-97.0
Tax	621	648	637	260	-31	553	1,005	759	2,167	2,286	54	-157.8
Rate (%)	36.8	28.7	52.7	-55.3	-480.0	25.0	25.0	26.7	46.3	25.2	25.0	
MI & P/L of Asso. Cos.	-1	1	2	-1	-1	0	0	0	1	-1	0	
Reported PAT	1,066	1,606	570	-729	39	1,659	3,016	2,084	2,514	6,798	162	
Adj PAT	1,161	1,426	1,312	669	496	1,659	3,016	2,116	4,568	7,287	162	206.1
YoY Change (%)	-47	-50	-58	-77	-57	16	130	216	-59	60	-86	

E: MOFSL Estimates

Exhibit 1: Valuation based on P/E

Valuation	FY25E
EPS	11
PE multiple (x)	26
Target Price (INR)	280
CMP (INR)	242
Upside (%)	16

Source: MOFSL, Company

OTT platform ZEE5 and other highlights:

- Zee5's revenue came in at INR1.9b (+21% YoY), while operating loss widened to INR3.4b.
- The company's network share for "All 2+ Yrs (U+R)" category declined 40bp QoQ to 16.2%, while in "All 15+ (U)" category it declined to 17%. This, however, has seen some improvement on an exit basis and stood at 17.9% as of Jun'23.
- It continued to maintain its high cash position with net cash of INR5.3b as of Jun'23.

Explanation of exceptional costs:

- During 1QFY24, the company has accounted INR706.4m towards employee and legal expenses pertaining to the proposed scheme of merger arrangement. The overall amount for FY23 stood at INR1.8b.
- Zee has earlier taken impairment of INR976m towards investments in Margo Networks Private Limited (Sugarbox). In 1QFY24, it has taken additional INR324m impairment charge.
- During earlier years, the company had committed to funding shortfalls in Debt Service Reserve Account (DSRA guarantee) in relation to financial facilities availed from banks by Siti Networks Limited (SNL). The loan outstanding of SNL as of 31st Dec'22 stood at INR2b, which is backed by DSRA guarantee. **Zee reported exceptional expenses to the tune of INR592.7m for FY23 towards credit risk evaluation of SNL (related party), w.r.t. the DSRA guarantee provided. Additionally, provisions for overdue trade receivables to the tune of INR2b as of Mar'21 continue to remain.**
- Further, in view of the overdue, the company has been recognizing billed subscription revenue to SNL on cash basis. From 1QFY24 onwards, it has stopped providing broadcast service to Siti Network (except East) due to non-receipt of payment and hence the provision amount of INR592.7m as on Mar'23 is now considered adequate to cover any expected credit loss.
- On matter pertaining to ATL Media Ltd (wholly owned subsidiary) entering into a Put Option agreement with Living Entertainment Limited, Mauritius (LEL), the **company believes that the Put Option Amendment Deed has been properly rescinded by the Company and is no longer binding and enforceable** against the Company. Zee has a reasonable chance of success in this respect in the Amended plaint. **The auditors, during FY23, however have mentioned (Emphasis of Matter) EOM on this matter.**



Management commentary highlights

Key highlights:

- NCLT has reserved its order w.r.t merger and is expected to announce the judgment on 10th Aug'23. The company does not foresee any major impact of MD's disqualification on merger process.
- Ad revenue, which posted a moderate growth early on, is now showing improvement on exit basis. Management expects a strong recovery from 3QFY24 onwards with the onset of festive season.
- Subscription revenue growth on net basis to remain moderate given the incremental marketing costs incurred by the company.
- Sequential rise in operating loss for Zee5 during 1QFY24 was due to lower revenue, which led to operating deleverage.

Detailed Notes:

Merger proceedings:

- The Mumbai bench of NCLT had reserved its order for 10th July w.r.t the proposed merger which is expected to be pronounced on 10th Aug'23. The company has already received all the necessary regulatory and shareholder approvals for the merger.
- The company stated that it does not expect any significant impact of the disqualification of Mr. Punit Goenka on the merger process.

Ad revenue:

- The quarter witnessed muted ad spending earlier, which was also hit by IPL during Apr-May'23.
- The segment is however witnessing green shoots on an exit basis with FMCG spends seeing some pick up.
- The company expects this trend to continue in 2QFY24 with major chunk of recovery coming in from 3QFY24 onwards with the start of festive period.

Subscription:

- Revenue growth within the linear Subscription segment improved due to implementation of NTO 3.0. Management believes that it would take a couple of quarters for the revenue to settle.
- While gross subscription revenues may surpass inflation rate, incremental market spends by the company within the segment will drag the net revenue growth in near term.

Other revenues:

- The YoY growth in other revenue was mainly due to higher number of releases. However, revenue moderated sequentially due to the share of cricket league revenue and some incremental revenue being recorded in 4QFY23.
- The company released seven movies during the quarter which included three Hindi and four Regional movies.
- The management stated that industry wide music revenue could witness some near-term softness as the segment is moving towards subscription model gradually.

Viewership:

- The 90bp viewership share gain for the month of Jun'23 to 17.9% was despite discontinuation of business to SITI Cable.
- The Malayalam GEC channel, which was launched in 2018, has now become number 2 within the segment.
- While the company has gained share in eastern market, it is working on improving the market share within the Zee TV and Zee Marathi segments by replicating the content that is successful in other markets.

Zee5:

- The number of total subscribers for 1QFY24 has grown on YoY and QoQ basis, with improved watch time.
- The company, as an experiment to monetize the content, decided to make fresh TV content across four languages beyond Pay-wall. This was done with a view to improve the stickiness on linear TV and to improve SVOD model for digital segment
- The sequential rise in operating loss during 1QFY24 was due to lower revenue which caused operating deleverage.
- The company stated that the cost base for digital to remain fairly steady, while investment in content and IT may continue in future.

Cost and Profitability:

- The operating cost reduced QoQ due to lower content cost and strong cost management, however, on YoY basis it was higher owing to higher content cost and marketing costs towards NTO 3.0 roll out.

Other Highlights:

- The Cash and Treasury balance as on Jun'23 stood at INR5.3b which consisted of cash balance of INR3.9b and Fixed Deposits of INR1.4b
- Management stated that the recovery from Dish TV receivable was as per plans and outstanding amount as of Jun'23 stood at INR622m.
- Bank litigation: The company stated that two of the three DASRA claims have been settled. While the claims related to Standard Chartered is progressing as per agreed timeline, the matter related to IDBI remains sub-judice. The company expects the settlement amount to suffice as per the provision made.
- Investment in Sugarbox: The company stated that in addition to the INR3b worth of investments being written down, 1QFY24 saw some foreclosure expenses to the tune of ~INR300m. Management does not see any further losses coming in from this segment.
- The business of the company is currently being managed by an interim Board, which will look after any big decision while day to day activities are being professionally managed.
- BCCI media rights: Zee has purchased the tender and will be participating in the auction.

Exhibit 2: Quarterly performance (INR m)

	1QFY23	4QFY23	1QFY24E	YoY%	QoQ%	1QFY24EE	v/s est (%)
Advertising revenue	9,763	10,058	9,409	-3.6	-6.4	9,238	1.9
Subscription revenue	7,717	8,474	9,075	17.6	7.1	9,134	-0.6
Other sales and services	977	2,589	1,354	38.5	-47.7	1,075	25.9
Total revenue	18,457	21,121	19,838	7.5	-6.1	19,447	2.0
Total operating expenses	16,100	19,604	18,289	13.6	-6.7	18,537	-1.3
EBITDA	2,358	1,517	1,549	-34.3	2.1	910	70.3
EBITDA margin (%)	12.8	7.2	7.8	-496bp	63bp	4.7	313bp
Depreciation	778	833	785	0.9	-5.8	846	-7.2
Finance Cost	81	396	234	189.3	-41	73	220
Other income	338	142	145	-57.2	1.5	225	-35.7
Fair Value gain/(loss) through P&L	0	0	38	NM	NM	0	NM
PBT	1,837	430	713	-61.2	65.8	216	230.1
Exceptional item gain/(loss)	-150	-900	-706	NM	NM	0	NM
Reported PBT	1,687	-470	6	-99.6	-101.4	216	-97
Tax	621	260	-31	-105.0	-112.0	54	-158
Effective Tax Rate (%)	36.8	-55.3	-480.0			25.0	
Reported PAT	1,065	-730	38	-96	-105	162	-77
Associates/Minority Interest	-1	-1	-1	25	11	0	
Reported PAT (after Asso./MI)	1,066	-729	39	-96	-105	162	-76
Adjusted PAT	1,161	669	496	-57	-26	162	206

Source: MOFSL, Company

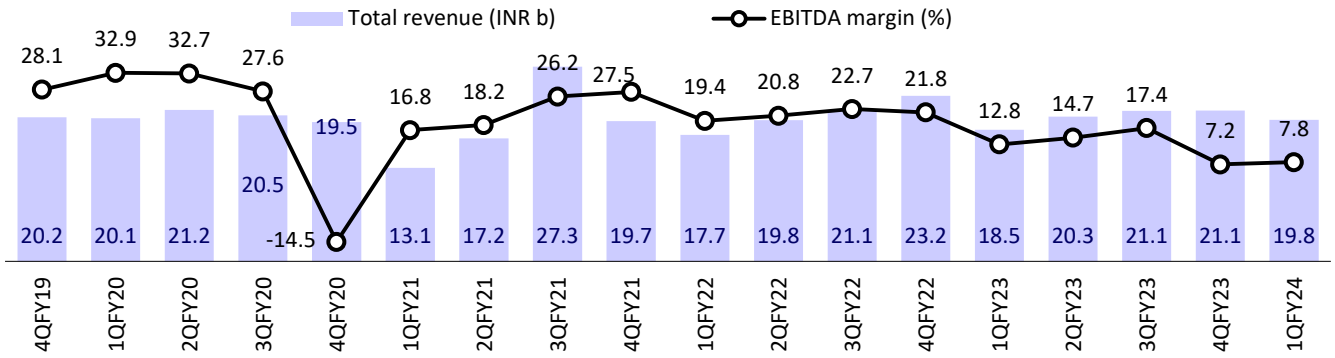
Exhibit 3: Summary of our estimate changes (INR b)

	FY24E	FY24E
Ad revenue (INR b)		
Old	43.8	50.6
Actual/New	42.6	49.2
Change (%)	-2.6	-2.7
Subscription revenue (INR b)		
Old	36.1	39.0
New	37.8	40.9
Change (%)	4.8	4.9
Total revenue (INR b)		
Old	87.8	98.8
New	88.4	99.3
Change (%)	0.7	0.6
EBITDA (INR b)		
Old	12.3	16.5
New	12.9	17.1
Change (%)	4.8	3.4
EBITDA margin (%)		
Old	14.0	16.7
New	14.6	17.2
Change (bp)	57.1	46.8
PAT (INR b)		
Old	7.0	9.9
New	6.8	10.2
Change (%)	-3.0	2.7
EPS (INR)		
Old	7.3	10.3
New	7.6	10.6
Change (%)	4.0	2.7

Source: MOFSL, Company

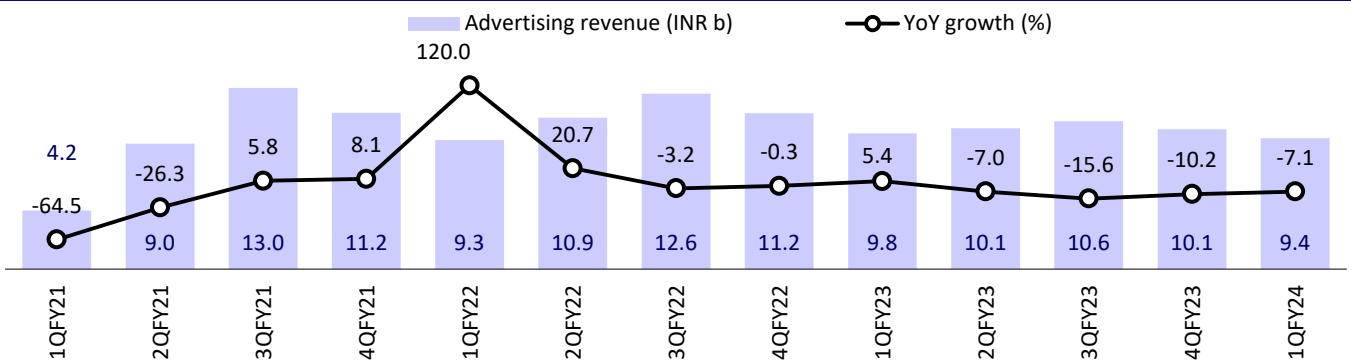
Story in charts

Exhibit 4: Consol. revenue improved YoY with margin at 7.8% (INR b, %)



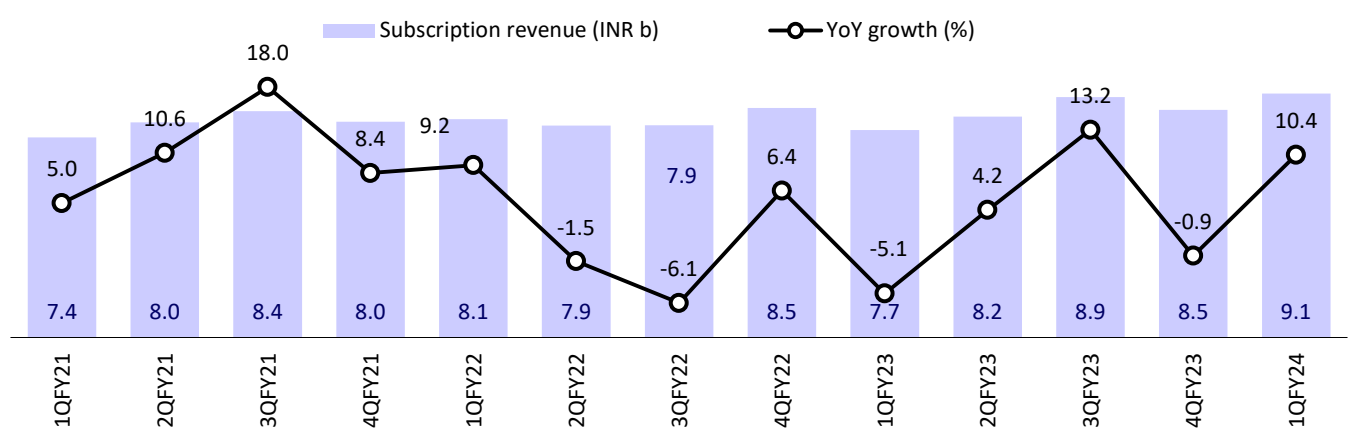
Source: Company, MOFSL

Exhibit 5: Total ad revenue declined 7% YoY (INR b, %)

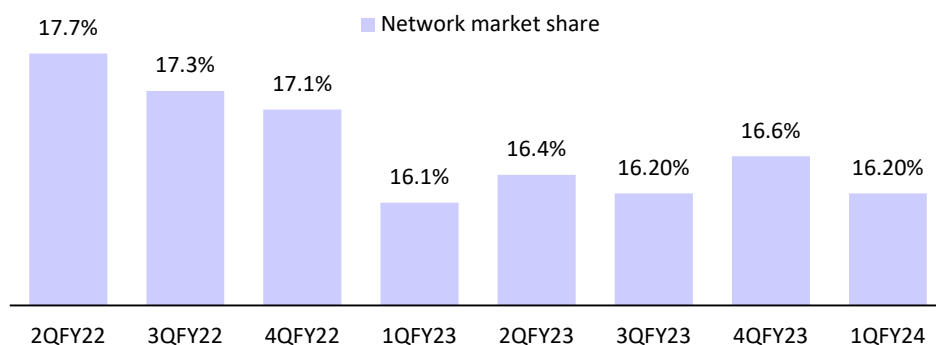


Source: Company, MOFSL

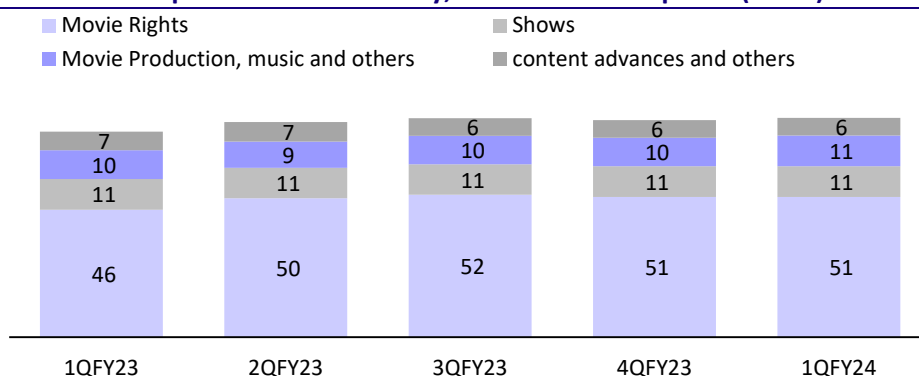
Exhibit 6: Total subscription revenue grew 10% YoY (INR b, %)



Source: Company, MOFSL

Exhibit 7: Market share contracted sequentially by 40bp

Source: MOSL, Company

Exhibit 8: Break-up of content inventory, advances and deposits (INR b)

Source: Company, MOFSL

Exhibit 9: ZEE5 KPIs (INR m)

ZEE5 KPIs	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24
DAUs (m)	7.1	9.3	9.6	10.5	11.3	11.0	11.5	11.1	-
MAUs (m)	80.2	93.2	101.9	104.8	103.3	112.0	119.5	113.8	-
Avg watch time (mnts/month)	190.0	186.0	201.0	214.0	196.0	198.0	169.0	229.0	-
Revenue (INRm)	1,117.0	1,305.0	1,459.0	1,614.0	1,597.0	1,671.0	1,943.0	2,200.0	1,939.0
as % of total revenue	6.3	6.6	6.9	7.0	8.7	8.2	9.2	10.4	9.8
ZEE5 Operating Costs	3,150.0	3,025.0	3,287.0	3,566.0	3,949.0	4,440.0	4,763.0	5,309.0	5,360.0
YoY growth	31.3	4.9	12.0	32.1	25.4	46.8	44.9	48.9	35.7
as % of total Costs	22.0	19.3	20.1	19.6	24.5	25.6	27.3	27.1	29.3
ZEE5 EBITDA	(2,033.0)	(1,720.0)	(1,828.0)	(1,952.0)	(2,352.0)	(2,769.0)	(2,820.0)	(3,109.0)	(3,421.0)

Source: Company, MOFSL

Exhibit 10: Snapshot of pro-forma numbers for merged entity

INR b	FY21	FY22	FY23E	FY24E	FY25E
Revenue					
Consol	133.3	149.3	156.8	190.8	232.2
Linear	121.3	134.3	136.8	150.8	172.2
OTT	12.0	15.0	20.0	40.0	60.0
EBITDA					
Consol	28.9	31.0	27.8	44.9	58.6
Linear	43.9	46.0	42.8	52.9	60.6
OTT	-15.0	-15.0	-15.0	-8.0	-2.0
EBITDA margins (%)					
Consol	21.7	20.8	17.7	23.5	25.2
Linear	36.2	34.3	31.3	35.1	35.2
OTT	-125.0	-100.0	-75.0	-20.0	-3.3

Source: MOFSL

Financials and Valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total Income from Operations	66,857	79,339	81,299	77,299	81,893	80,879	88,420	99,333
Change (%)	3.9	18.7	2.5	-4.9	5.9	-1.2	9.3	12.3
Programming/Production expenses	25,275	30,758	38,285	37,505	40,449	44,686	48,091	52,939
Employees Cost	6,657	7,249	7,805	8,183	8,641	8,238	9,803	10,195
Other Expenses	14,164	15,692	18,863	13,710	15,582	16,944	17,622	19,118
Total Expenditure	46,095	53,700	64,953	59,398	64,672	69,868	75,516	82,252
% of Sales	68.9	67.7	79.9	76.8	79.0	86.4	85.4	82.8
EBITDA	20,761	25,639	16,345	17,901	17,221	11,011	12,904	17,081
Margin (%)	31.1	32.3	20.1	23.2	21.0	13.6	14.6	17.2
Depreciation	1,821	2,347	2,706	2,649	2,459	3,128	3,553	4,007
EBIT	18,941	23,292	13,639	15,252	14,762	7,884	9,352	13,074
Int. and Finance Charges	1,448	1,304	1,449	571	451	702	500	500
Other Income	4,404	2,515	2,836	1,104	1,213	797	900	1,000
Fair Value through P&L gain/(loss)	-68	36	-2,597	-1,962	-37	58	38	0
PBT bef. EO Exp.	21,829	24,538	12,430	13,823	15,487	8,037	9,790	13,574
EO Items	1,346	-218	-2,843	-1,266	-1,333	-3,355	-706	0
PBT after EO Exp.	23,175	24,320	9,587	12,558	14,154	4,682	9,084	13,574
Total Tax	8,409	8,673	4,317	4,625	4,597	2,167	2,286	3,417
Tax Rate (%)	36.3	35.7	45.0	36.8	32.5	46.3	25.2	25.2
Minority Interest/Associate	-25	-23	5	-69	-89	1	-1	-1
Reported PAT	14,791	15,671	5,265	8,002	9,646	2,514	6,798	10,158
Adjusted PAT	14,001	15,775	9,424	10,620	11,129	4,568	7,288	10,158
Change (%)	-7.0	12.7	-40.3	12.7	4.8	-59.0	59.6	39.4
Margin (%)	20.9	19.9	11.6	13.7	13.6	5.6	8.2	10.2

Consolidated - Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	961	961	961	961	961	961	961	961
Total Reserves	74,657	88,279	92,479	99,985	1,07,667	1,06,258	1,09,598	1,16,298
Net Worth	75,617	89,239	93,439	1,00,945	1,08,627	1,07,219	1,10,559	1,17,259
Minority Interest	142	143	110	129	0	0	0	0
Total Loans	15,255	11,134	6,476	4,028	556	2,820	2,820	2,820
Deferred Tax Liabilities	1,996	1,262	0	-1,207	-3,080	-4,229	-4,229	-4,229
Capital Employed	93,010	1,01,778	1,00,025	1,03,894	1,06,103	1,05,810	1,09,150	1,15,850
Gross Block	15,353	17,299	19,799	21,870	30,164	29,644	32,144	34,644
Less: Accum. Deprn.	6,058	8,406	10,722	13,762	21,363	19,348	22,901	26,908
Net Fixed Assets	9,295	8,893	9,077	8,108	8,801	10,296	9,243	7,736
Goodwill on Consolidation	5,467	5,252	4,070	3,804	3,450	3,302	3,302	3,302
Capital WIP	920	1,561	832	782	871	191	191	191
Total Investments	15,288	9,765	3,247	7,983	651	330	330	330
Curr. Assets, Loans&Adv.	80,327	1,03,859	1,06,511	1,06,303	1,10,636	1,18,723	1,29,906	1,41,378
Inventory	26,278	38,505	53,475	54,030	63,862	73,079	78,647	86,575
Account Receivables	15,365	18,274	20,847	21,286	17,375	16,088	21,802	23,132
Cash and Bank Balance	16,117	12,218	7,345	10,907	12,733	8,040	7,654	7,178
Loans and Advances	22,567	34,861	24,845	20,080	16,666	21,516	21,802	24,493
Curr. Liability & Prov.	18,287	27,552	23,712	23,086	18,306	27,032	33,822	37,087
Account Payables	11,497	14,897	16,803	13,982	13,719	17,494	18,003	19,741
Other Current Liabilities	5,816	11,204	5,383	7,395	3,429	8,040	14,403	15,793
Provisions	975	1,451	1,526	1,709	1,159	1,498	1,416	1,552
Net Current Assets	62,040	76,307	82,799	83,218	92,329	91,691	96,084	1,04,291
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	93,010	1,01,778	1,00,025	1,03,894	1,06,103	1,05,810	1,09,150	1,15,850

E: MOFSL Estimates

Financials and Valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)								
EPS	14.6	16.4	5.5	11.1	11.6	4.8	7.6	10.6
Cash EPS	15.2	17.8	11.8	13.4	13.9	8.0	11.3	14.7
BV/Share	78.7	92.9	97.3	105.1	113.1	111.6	115.1	122.1
DPS	2.9	3.5	3.0	2.5	3.0	3.0	3.0	3.0
Payout (%)	22.6	25.7	65.7	36.0	35.8	137.6	50.9	34.0
Valuation (x)								
P/E	16.7	14.9	44.5	22.1	21.1	51.3	32.2	23.1
Cash P/E	16.1	13.7	20.7	18.3	17.6	30.5	21.6	16.5
P/BV	3.1	2.6	2.5	2.3	2.2	2.2	2.1	2.0
EV/Sales	3.3	2.8	2.8	2.8	2.7	2.8	2.6	2.3
EV/EBITDA	10.5	8.7	14.1	12.3	12.9	20.8	17.8	13.4
Dividend Yield (%)	1.2	1.4	1.2	1.0	1.2	1.2	1.2	1.2
FCF per share	2.5	-1.5	1.1	14.3	0.4	-1.3	2.8	2.6
Return Ratios (%)								
RoE	19.6	19.1	10.3	10.9	10.6	4.2	6.7	8.9
RoCE	16.5	17.4	9.0	10.1	10.1	4.3	6.9	9.0
RoIC	22.4	21.6	9.0	11.1	11.3	4.5	7.1	9.4
Working Capital Ratios								
Fixed Asset Turnover (x)	4.4	4.6	4.1	3.5	2.7	2.7	2.8	2.9
Asset Turnover (x)	0.7	0.8	0.8	0.7	0.8	0.8	0.8	0.9
Inventory (Days)	143	177	240	255	285	330	325	318
Debtor (Days)	84	84	94	101	77	73	90	85
Creditor (Days)	63	69	75	66	61	79	74	73
Leverage Ratio (x)								
Current Ratio	4.4	3.8	4.5	4.6	6.0	4.4	3.8	3.8
Interest Cover Ratio	13.1	17.9	9.4	26.7	32.7	11.2	18.7	26.1
Net Debt/Equity	-0.2	-0.1	0.0	-0.1	-0.1	-0.1	0.0	0.0

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	23,187	24,345	9,563	12,556	14,155	4,681	9,084	13,574
Depreciation	1,821	2,565	5,550	2,649	2,459	3,413	3,553	4,007
Interest & Finance Charges	101	139	135	104	226	707	500	500
Direct Taxes Paid	-8,295	-9,299	-3,114	-5,011	-4,965	-3,893	-2,286	-3,417
(Inc)/Dec in WC	-8,551	-17,151	-16,758	809	-9,638	-2,722	-4,779	-8,683
CF from Operations	8,263	599	-4,624	11,107	2,237	2,186	6,071	5,981
Others	-2,673	734	7,124	4,370	478	-896	-899	-999
CF from Operating incl EO	5,590	1,333	2,499	15,477	2,714	1,291	5,172	4,982
(Inc)/Dec in FA	-3,146	-2,814	-1,451	-1,740	-2,286	-2,560	-2,500	-2,500
Free Cash Flow	2,444	-1,481	1,048	13,737	429	-1,269	2,672	2,482
(Pur)/Sale of Investments	-1,413	5,930	3,163	-3,765	16,361	-553	0	0
Others	-145	1,316	1,451	-951	-8,219	1,212	900	1,000
CF from Investments	-4,704	4,432	3,163	-6,456	5,856	-1,900	-1,600	-1,500
Issue of Equity	0	0	-4,867	-4,027	-4,034	0	0	0
Inc/(Dec) in Debt	-6,967	-4,876	-12	4	9	-256	0	0
Interest Paid	-101	-54	-67	-43	-49	-80	-500	-500
Dividend Paid	-3,834	-4,734	-5,227	-1,118	-2,850	-2,882	-3,459	-3,458
Others	0	0	-362	-275	180	-865	0	0
CF from Fin. Activity	-10,902	-9,664	-10,535	-5,459	-6,745	-4,082	-3,959	-3,958
Inc/Dec of Cash	-10,016	-3,899	-4,873	3,561	1,826	-4,692	-386	-476
Opening Balance	26,133	16,117	12,218	7,345	10,907	12,732	8,041	7,654
Closing Balance	16,117	12,218	7,345	10,907	12,732	8,041	7,654	7,178

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