

Estimate change 

TP change 

Rating change 

| | |
|-----------------------|-------------|
| Bloomberg | VOLT IN |
| Equity Shares (m) | 331 |
| M.Cap.(INRb)/(USDb) | 270.9 / 3.3 |
| 52-Week Range (INR) | 934 / 737 |
| 1, 6, 12 Rel. Per (%) | -4/-17/-17 |
| 12M Avg Val (INR M) | 1114 |
| Free float (%) | 69.7 |

Financials & Valuations (INR b)

| Y/E MARCH | FY24E | FY25E | FY26E |
|----------------------|-------|-------|-------|
| Sales | 116.9 | 128.5 | 141.9 |
| EBITDA | 6.4 | 8.7 | 11.0 |
| Adj. PAT | 4.9 | 6.9 | 9.2 |
| EBITA Margin (%) | 5.5 | 6.8 | 7.8 |
| Cons. Adj. EPS (INR) | 14.8 | 20.9 | 27.7 |
| EPS Gr. (%) | 29.1 | 41.3 | 32.5 |
| BV/Sh. (INR) | 175.3 | 191.8 | 214.3 |

Ratios

| | | | |
|------------|-------|-------|-------|
| Net D:E | (0.0) | (0.0) | (0.1) |
| RoE (%) | 8.4 | 10.9 | 12.9 |
| RoCE (%) | 9.9 | 11.5 | 12.9 |
| Payout (%) | 30.0 | 25.0 | 25.0 |

Valuations

| | | | |
|---------------|------|------|------|
| P/E (x) | 58.7 | 41.6 | 31.4 |
| P/BV (x) | 5.0 | 4.5 | 4.1 |
| EV/EBITDA (x) | 44.7 | 32.7 | 25.4 |
| Div Yield (%) | 0.5 | 0.6 | 0.8 |
| FCF Yield (%) | 0.6 | 1.2 | 2.4 |

Shareholding pattern (%)

| As On | Sep-23 | Jun-23 | Sep-22 |
|----------|--------|--------|--------|
| Promoter | 30.3 | 30.3 | 30.3 |
| DII | 36.0 | 33.9 | 29.7 |
| FII | 17.8 | 19.1 | 24.4 |
| Others | 15.8 | 16.8 | 15.7 |

FII Includes depository receipts

CMP: INR819

TP: INR1,000 (+22%)

BUY

Losses in EMPS hurt; UCP delivers in-line performance

RAC market share at 19.2% YTD with Aug'23 exit-share at 19.5%

- Voltas (VOLT)'s 2QFY24 performance was below our estimate, primarily due to the ongoing losses in the EMPS segment. This was attributed to a provision made for delayed collections in overseas projects. EBITDA/Adj. PAT missed our estimates by 31%/56%, despite revenue coming in 15% above our estimate.
- Management believes that there are signs of increased demand in the upcoming festive season. VOLT's YTD market share in RAC stood at 19.2% with Aug'23 exit-share at 19.5%. VOLT follows a conservative policy, and provisions for international projects may continue for the next few quarters.
- We cut our EPS estimates by 7%/5% for FY24/FY25, considering lower margin in the EMPS segment. **We reiterate our BUY rating on the stock with a TP of INR1,000 (based on 38x Sep'25E EPS).**

Margin improves YoY with moderating commodity prices

- VOLT's consolidated revenue was up 30% YoY to INR23b in 2QFY24. However, EBITDA declined 30% YoY to INR703m due to losses in the EMPS segment. EBITDA margin came in at 3.1% (est. 5.1%). Adj. PAT dipped 63% YoY to INR367m (56% below our estimates). Depreciation/interest cost was up 20%/70% YoY, whereas 'other income' grew 10% YoY.
- Segmental highlights: a) UCP: revenue was up 15% YoY to INR12b and EBIT was up 21% YoY to INR928m. EBIT margin expanded 40bp to 7.7%; b) EMPS: revenue was up 67% YoY to INR9.2b. The company reported an EBIT loss of INR490m (vs. EBIT of INR143m in 2QFY23) due to a provision of INR860m for delayed collections in the overseas projects; and c) PES: revenue declined 2% YoY to INR1.3b; however, EBIT was up 12% YoY to INR539m. EBIT margin expanded 5pp YoY to 40% during the quarter.
- In 1HFY24, VOLT's revenue rose 25% YoY to INR56.5b; however, EBITDA fell 8% YoY to INR2.6b. OPM contracted 160bp YoY to 4.5%. UCP segment revenue rose 16% YoY to INR37b, and the EBIT margin improved 50bp to 8.1%. OCF in 1HFY24 was INR2.3b vs. a negative OCF of INR3.4b in 1HFY23.

Key highlights from the management commentary

- The strong demand for appliances during the Onam festival in Kerala, after three years of muted demand, gives hope for improved demand in the upcoming festive season. This led to higher primary billing for trade partners that is reflected in the overall volume growth of the RAC segment.
- VoltBeko crossed 4m units since the launch of commercial sales, and becoming the fastest brand to achieve this milestone. The overall volume growth was 40% YoY, against a muted growth for the industry during the quarter.
- Capex is pegged at INR5-6b, covering both capacity expansions for RAC and commercial refrigerator along with PLI investment the company opted for.

Valuation and view

- We expect VOLT's EBITDA/adjusted profit to report a CAGR of 25%/34% over FY23-26, supported by a recovery in margins for both the EMPS and RAC segments, along with reduced losses for Voltbek. RoE should be at 10.9%/ 12.9% in FY25/FY26E vs. 6.9% in FY23 (average of 12.3% over FY13-23).
- We maintain our BUY rating on VOLT with a TP of INR1,000 premised on 38x Sep'25E EPS (similar to the last 10 years' one-year forward average P/E multiple, before losses of Voltbek) and INR38/share for Voltbek.

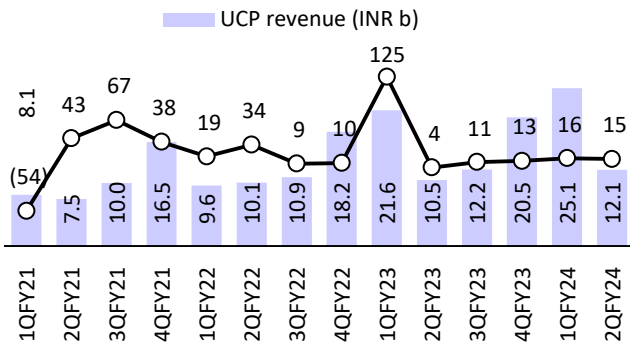
Quarterly performance

| Y/E March | FY23 | | | | FY24 | | | | FY23 | FY24E | MOFSL 2QE | Var. |
|------------------------------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| Sales | 27,680 | 17,684 | 20,056 | 29,568 | 33,599 | 22,928 | 24,321 | 36,019 | 94,988 | 1,16,866 | 19,937 | 15 |
| Change (%) | 55.1 | 4.7 | 11.8 | 10.9 | 21.4 | 29.7 | 21.3 | 21.8 | 19.7 | 23.0 | 12.7 | |
| Adj EBITDA | 1,770 | 1,008 | 764 | 2,182 | 1,854 | 703 | 1,129 | 2,715 | 5,724 | 6,401 | 1,012 | (31) |
| Change (%) | 30.4 | (21.9) | (50.9) | (16.4) | 4.7 | (30.3) | 47.9 | 24.5 | -16.0 | 11.8 | 0.3 | |
| Adj EBITDA margin (%) | 6.4 | 5.7 | 3.8 | 7.4 | 5.5 | 3.1 | 4.6 | 7.5 | 6.0 | 5.5 | 5.1 | (201) |
| Depreciation | 85 | 97 | 111 | 104 | 113 | 117 | 120 | 146 | 396 | 496 | 115 | 2 |
| Interest | 40 | 67 | 64 | 124 | 101 | 115 | 100 | 104 | 296 | 420 | 90 | 27 |
| Other Income | 268 | 644 | 307 | 467 | 700 | 710 | 613 | 514 | 1,685 | 2,536 | 708 | 0 |
| Extra-ordinary items | - | (1,064) | (1,374) | - | 0 | - | - | - | -2,438 | 0 | 0 | |
| PBT | 1,913 | 423 | (478) | 2,420 | 2,339 | 1,181 | 1,523 | 2,979 | 4,278 | 8,022 | 1,515 | (22) |
| Tax | 508 | 195 | 300 | 706 | 735 | 493 | 384 | 407 | 1,709 | 2,019 | 382 | 29 |
| Effective Tax Rate (%) | 26.6 | 13.1 | 33.5 | 29.2 | 31.4 | 41.7 | 25.2 | 13.7 | 25.4 | 25.2 | 25.2 | |
| Share of profit of associates/JV's | (316) | (303) | (325) | (275) | (312) | (321) | (325) | (155) | (1,219) | (1,113) | (303) | |
| Reported PAT | 1,089 | (74) | (1,104) | 1,439 | 1,293 | 367 | 814 | 2,416 | 1,350 | 4,889 | 830 | (56) |
| Change (%) | (10.6) | NM | NM | (21.2) | 18.7 | NM | NM | 67.9 | -73.2 | 262.2 | NM | |
| Adj PAT | 1,089 | 990 | 270 | 1,439 | 1,293 | 367 | 814 | 2,416 | 3,788 | 4,889 | 830 | (56) |
| Change (%) | (10.6) | (4.5) | (71.8) | (21.2) | 18.7 | (62.9) | 201.0 | 67.9 | -24.8 | 29.1 | -16.1 | |

Segment Revenues (INR m)

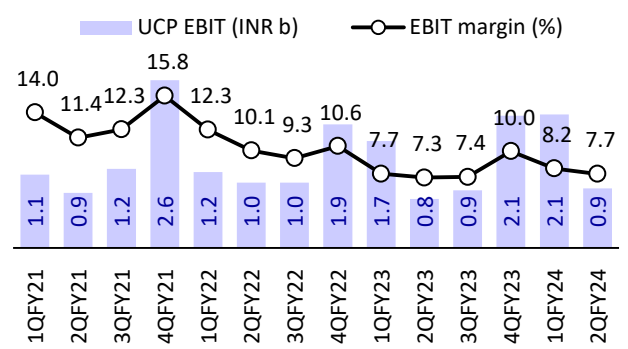
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | FY23 | FY24E | MOFSL 2QE | Var (%) |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|--------------|
| EMP & Services | 4,547 | 5,540 | 6,484 | 7,458 | 6,791 | 9,242 | 8,965 | 10,455 | 24,029 | 35,452 | 6,112 | 51 |
| Engineering products and services | 1,243 | 1,374 | 1,179 | 1,424 | 1,423 | 1,344 | 1,210 | 1,764 | 5,220 | 5,742 | 1,452 | (7) |
| Unitary cooling business | 21,622 | 10,477 | 12,160 | 20,486 | 25,140 | 12,088 | 13,901 | 23,510 | 64,745 | 74,639 | 12,067 | 0 |
| Others | 268 | 292 | 233 | 200 | 245 | 253 | 245 | 290 | 994 | 1,034 | 307 | (18) |
| Total | 27,680 | 17,684 | 20,056 | 29,568 | 33,599 | 22,928 | 24,321 | 36,019 | 94,988 | 1,16,866 | 19,937 | 15 |
| Segment PBIT | | | | | | | | | | | | |
| EMP & Services | (125) | 143 | (461) | (140) | (519) | (490) | (269) | (318) | (582) | (1,595) | 61 | n/m |
| Engineering products and services | 509 | 480 | 460 | 559 | 541 | 539 | 472 | 687 | 2,007 | 2,239 | 552 | (2) |
| Unitary cooling business | 1,662 | 765 | 895 | 2,057 | 2,073 | 928 | 1,112 | 2,231 | 5,378 | 6,344 | 929 | (0) |
| Total PBIT | 2,046 | 1,388 | 893 | 2,475 | 2,096 | 977 | 1,315 | 2,600 | 6,803 | 6,988 | 1,542 | (37) |
| Segment PBIT (%) | | | | | | | | | | | | bp |
| EMP & Services (%) | (2.7) | 2.6 | (7.1) | (1.9) | (7.6) | (5.3) | (3.0) | (3.0) | (2.4) | (4.5) | 1.0 | (630) |
| Engineering products and services (%) | 40.9 | 35.0 | 39.0 | 39.3 | 38.0 | 40.1 | 39.0 | 38.9 | 38.5 | 39.0 | 38.0 | 211 |
| Unitary cooling business (%) | 7.7 | 7.3 | 7.4 | 10.0 | 8.2 | 7.7 | 8.0 | 9.5 | 8.3 | 8.5 | 7.7 | (2) |
| Total PBIT (%) | 7.4 | 7.9 | 4.5 | 8.4 | 6.2 | 4.3 | 5.4 | 7.2 | 7.2 | 6.0 | 7.7 | (347) |

Exhibit 1: UCP revenue up 15% YoY



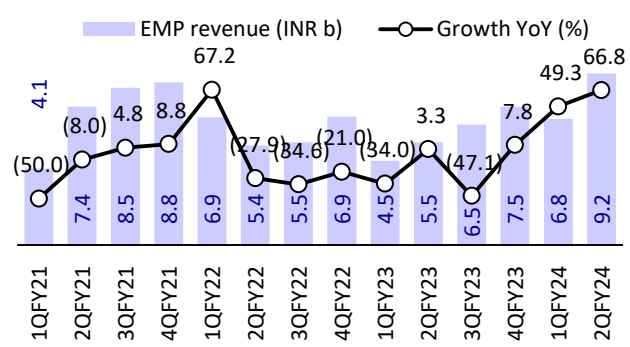
Source: MOFSL, Company

Exhibit 2: UCP EBIT margin up 40bp YoY to 7.7%



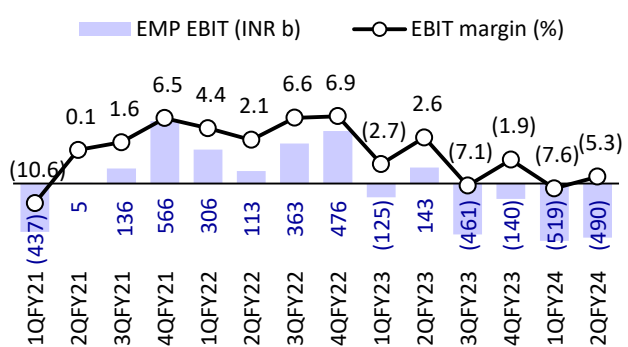
Source: MOFSL, Company

Exhibit 3: EMP revenue up 67% YoY



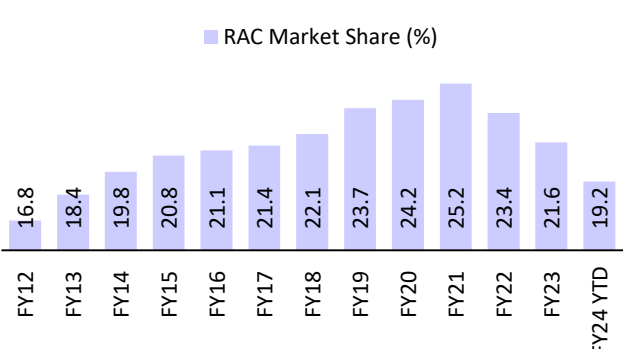
Source: MOFSL, Company

Exhibit 4: Delayed collections in overseas business hurt profit



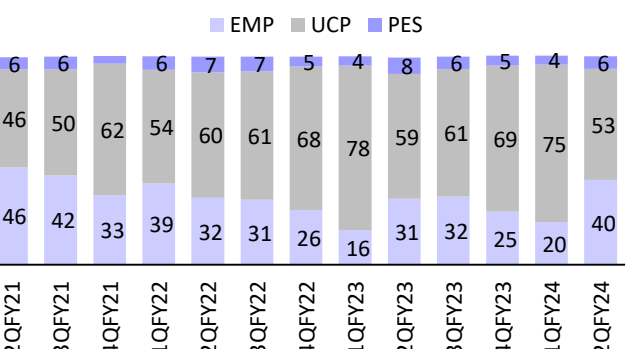
Source: MOFSL, Company

Exhibit 5: VOLT's market share in the RAC segment declines



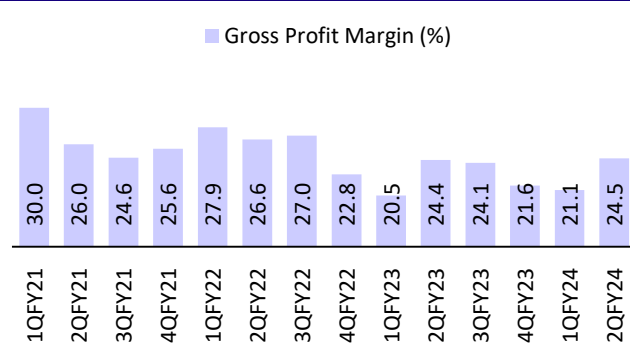
Source: MOFSL, Company

Exhibit 6: UPC contributes 53% to revenue vs. 59% in 2QFY23



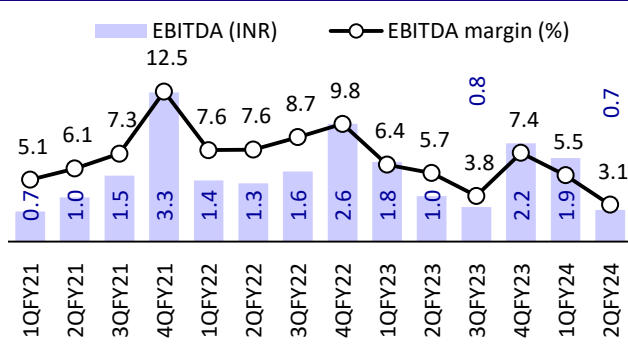
Source: MOFSL, Company

Exhibit 7: Gross margin up 16bp YoY to 24.5% in 2QFY24



Source: MOFSL, Company

Exhibit 8: EBITDA margin down 2.6pp YoY to 3.1%



Source: MOFSL, Company



Conference call highlights

General comments

- Inflation still remains at higher levels, and geopolitical issues have also increased uncertainty. Key commodity prices have come down. The Indian economy has remained resilient led by better demand in the urban areas. Rural economy remains hit by high inflation. There are signs of inflation coming down every month that should support growth going forward.
- Cash balance was at INR25.9bn; however, the Board has approved issuance of NCDs of up to INR5b considering the need to conserve cash and for potential future growth opportunities.

Unitary Cooling Products (UCP)

- 2Q is usually a lean period for the UCP segment; however, this is also the start of the festive period. Onam festival in Kerala witnessed a very strong growth for appliances segment after 3 years of muted demand giving a hope for a better demand in the upcoming festive season. This led to higher primary billing to the trade partners that is reflected in the overall volume growth of RAC segment.
- The focus on the inverter category and promotion of higher energy efficiency products have resulted in a healthy product-mix, contributing to the overall margins. Its YTD market share in RAC stood at 19.2% with Aug'23-exit market share of 19.5%. The RAC segment grew ~15% YoY in volume as well as in value.
- **Commercial refrigeration** segment saw a muted growth on account of cautious investments in B2B, as demand of cold beverages, chocolates, and ice creams was low. However, demand was buoyant for water coolers. The air cooler vertical witnessed a strong demand in East and South India, whereas demand in North was tepid. Volume grew ~50% YoY with an exit market share of 7.7% in July'23, and it has achieved the number two position in the industry.
- **Commercial ACs** vertical witnessed a good demand for chillers and packaged ACs. The mandatory quality control order (QCO), compliance in few of the commercial ACs product categories and slowdown in projects will have some impact in the coming period. However, the focus on customer retention and retrofit jobs will continue to support growth for this category. The commodity prices have softened during the quarter, though, the volatility continues.
- **Capex** is pegged at INR5-6b covering both capacity expansion for AC and commercial refrigerator along with PLI investment opted by the company.

Electro-Mechanical Projects and Services (EMPS)

- Healthy opening order book and scheduled execution resulted in healthy growth for the domestic project business. The focus on collections and certifications has improved the overall working capital and return on capital. Order booked in the domestic project segment was at INR6.7b vs. INR4.8b in 2QFY23.
- Commencement of new projects and planned progress in the running projects resulted in a higher revenue growth for the segment. However, overseas projects business got impacted due to slow progress in the certification and collection of the receivables in few sizable and completed projects. The order booking in the overseas projects was at INR4.5b vs. INR1.2b in 2QFY23.

- The carry forward order book for domestic projects stands at INR53b and comprises orders across water, HVAC, rural electrification and urban infra activities. The international order book stood at INR34b, largely in the UAE, Qatar and Saudi Arabia regions.
- The segment result was hit by a provision of INR860m on account of delayed collection in overseas projects. Provisions made are related to completed or near-completion projects. The provisioning will continue for a few more quarters, as VOLT is following a conservative approach for making provisions.

Voltas Beko

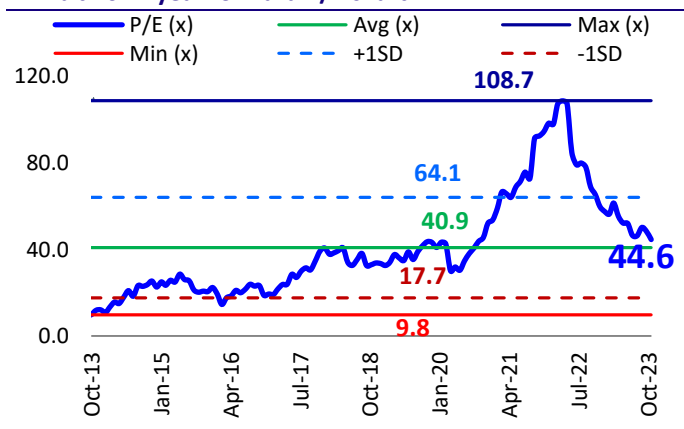
- Volume crossed 4m units since the launch of commercial sales and it is the fastest brand to achieve this milestone. The overall volume growth was +40% YoY, against a muted growth for the industry.
- In line with the premiumization efforts, the revenue share of frost-free refrigerators and automatic washing machine has increased. Spending on digital and social media has also helped the brand in connecting with the youth and targeting the consumers in an effective manner. Leveraging on the distribution reach of Voltas, the touch points have seen accelerated expansion over the last two quarters.
- The strategic tie-up with modern trade and e-commerce partners, in addition to the traditional channel has contributed in achieving much higher volume growth than the industry. The company’s market shares stood at 3.3% for refrigerators and 5.4% for washing machines, representing an increase of 0.9pp and 1.4% pp, respectively. It will take 2-3 more years to reach the 10% market share level.
- The favorable product mix coupled with localization of the fast-moving SKUs has resulted in the improvement of gross margins. The profits have remained at the previous year level despite higher spends on advertisement and service initiatives. The company’s retail touch points have increased to +10k, compared with 6k-7k earlier.

Exhibit 9: Revisions to our estimates

| (INR b) | Revised | | Old | | Change | |
|-----------|---------|-------|-------|-------|--------|-------|
| | FY24E | FY25E | FY24E | FY25E | FY24E | FY25E |
| Revenue | 116.9 | 128.5 | 109.8 | 123.1 | 6.5% | 4.3% |
| EBITDA | 6.4 | 8.7 | 7.6 | 9.6 | -15.4% | -9.7% |
| PAT | 4.9 | 6.9 | 5.3 | 7.3 | -7.0% | -4.8% |
| EPS (INR) | 14.8 | 20.9 | 15.9 | 21.9 | -7.0% | -4.8% |

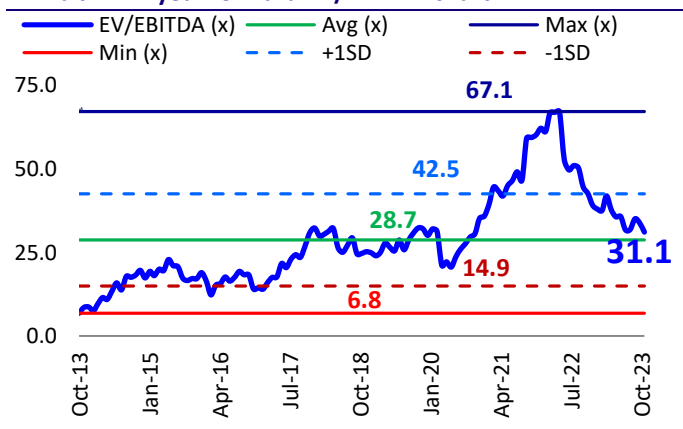
Source: Company, MOFSL estimate

Exhibit 10: 1-year forward P/E chart



Source: MOFSL, Company

Exhibit 11: 1-year forward EV/EBITDA chart



Source: MOFSL, Company

Financials and valuations (Consolidated)

| Income Statement | | | | | | | (INR M) |
|---------------------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
| Total Revenues | 76,581 | 75,558 | 79,345 | 94,988 | 1,16,866 | 1,28,461 | 1,41,947 |
| Change (%) | 7.5 | -1.3 | 5.0 | 19.7 | 23.0 | 9.9 | 10.5 |
| EBITDA | 6,867 | 6,414 | 6,816 | 5,724 | 6,401 | 8,700 | 11,047 |
| % of Total Revenues | 9.0 | 8.5 | 8.6 | 6.0 | 5.5 | 6.8 | 7.8 |
| Other Income | 2,306 | 1,889 | 1,892 | 1,685 | 2,536 | 2,481 | 2,740 |
| Depreciation | 320 | 339 | 373 | 396 | 496 | 627 | 725 |
| Interest | 211 | 262 | 259 | 296 | 420 | 385 | 350 |
| Exceptional Items | -364 | 0 | 0 | -2,438 | 0 | 0 | 0 |
| PBT | 8,278 | 7,702 | 8,076 | 4,278 | 8,022 | 10,169 | 12,712 |
| Tax | 2,380 | 1,804 | 1,913 | 1,709 | 2,019 | 2,560 | 3,200 |
| Rate (%) | 28.8 | 23.4 | 23.7 | 40.0 | 25.2 | 25.2 | 25.2 |
| PAT | 5,898 | 5,898 | 6,163 | 2,569 | 6,003 | 7,610 | 9,512 |
| Change (%) | 4.3 | 0.0 | 4.5 | -58.3 | 133.7 | 26.8 | 25.0 |
| Profit/(Loss) share of associates/JVs | -687 | -610 | -1,103 | -1,207 | -1,101 | -688 | -344 |
| Minority interest (MI) | 39 | 37 | 19 | 12 | 12 | 12 | 12 |
| PAT after MI | 5,172 | 5,251 | 5,041 | 1,350 | 4,889 | 6,909 | 9,156 |
| Change (%) | 1.8 | 1.5 | -4.0 | -73.2 | 262.2 | 41.3 | 32.5 |
| Adj. PAT after MI | 5,536 | 5,251 | 5,041 | 3,788 | 4,889 | 6,909 | 9,156 |
| Change (%) | 6.5 | -5.1 | -4.0 | -24.8 | 29.1 | 41.3 | 32.5 |

Balance Sheet

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Share Capital | 331 | 331 | 331 | 331 | 331 | 331 | 331 |
| Reserves | 42,471 | 49,603 | 54,665 | 54,190 | 57,673 | 63,116 | 70,545 |
| Net Worth | 42,802 | 49,934 | 54,996 | 54,521 | 58,004 | 63,447 | 70,876 |
| Minority Interest | 365 | 361 | 381 | 417 | 429 | 441 | 453 |
| Loans | 2,179 | 2,606 | 3,432 | 6,160 | 5,660 | 5,160 | 4,660 |
| Deferred Tax Liability | -715 | -558 | -317 | -303 | -303 | -303 | -303 |
| Capital Employed | 44,631 | 52,343 | 58,492 | 60,794 | 63,790 | 68,744 | 75,685 |
| Gross Fixed Assets | 6,201 | 6,690 | 7,020 | 8,826 | 10,826 | 13,326 | 14,826 |
| Less: Depreciation | 3,195 | 3,534 | 3,906 | 4,302 | 4,798 | 5,425 | 6,151 |
| Net Fixed Assets | 3,006 | 3,157 | 3,114 | 4,524 | 6,028 | 7,901 | 8,675 |
| Capital WIP | 263 | 88 | 593 | 983 | 983 | 983 | 983 |
| Investments | 23,433 | 30,464 | 36,154 | 31,086 | 30,985 | 31,297 | 31,953 |
| Goodwill | 798 | 723 | 723 | 723 | 723 | 723 | 723 |
| Curr. Assets | 53,332 | 51,565 | 56,440 | 65,119 | 73,817 | 81,423 | 92,558 |
| Inventory | 14,689 | 12,796 | 16,614 | 15,920 | 18,571 | 20,413 | 22,556 |
| Debtors | 18,336 | 18,009 | 21,097 | 21,919 | 25,614 | 28,156 | 31,112 |
| Cash & Bank Balance | 3,084 | 4,588 | 5,717 | 7,084 | 6,572 | 7,506 | 10,881 |
| Loans & Advances | 23 | 23 | 32 | 6 | 7 | 8 | 9 |
| Other current assets | 17,200 | 16,149 | 12,981 | 20,191 | 23,053 | 25,340 | 28,000 |
| Current Liab. & Prov. | 36,201 | 33,654 | 38,532 | 41,640 | 48,746 | 53,582 | 59,207 |
| Creditors | 26,889 | 24,645 | 29,421 | 30,126 | 34,580 | 38,010 | 42,001 |
| Other Liabilities | 9,312 | 9,009 | 9,111 | 11,514 | 14,166 | 15,572 | 17,206 |
| Net Current Assets | 17,131 | 17,911 | 17,908 | 23,479 | 25,071 | 27,841 | 33,351 |
| Application of Funds | 44,631 | 52,343 | 58,492 | 60,794 | 63,790 | 68,744 | 75,685 |

Financials and valuations (Consolidated)

Ratios

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Basic (INR) | | | | | | | |
| Adj EPS | 16.7 | 15.9 | 15.2 | 11.5 | 14.8 | 20.9 | 27.7 |
| Cash EPS | 17.7 | 16.9 | 16.4 | 12.6 | 16.3 | 22.8 | 29.9 |
| Book Value | 129.4 | 150.9 | 166.3 | 164.8 | 175.3 | 191.8 | 214.3 |
| DPS | 4.0 | 5.0 | 5.5 | 4.3 | 4.4 | 5.2 | 6.9 |
| Payout (incl. Div. Tax.) | 23.9 | 31.5 | 36.1 | 37.1 | 30.0 | 25.0 | 25.0 |
| Valuation (x) | | | | | | | |
| P/E | 51.9 | 54.7 | 57.0 | 75.8 | 58.7 | 41.6 | 31.4 |
| Cash P/E | 49.0 | 51.4 | 53.0 | 68.6 | 53.3 | 38.1 | 29.1 |
| EV/EBITDA | 41.7 | 44.5 | 41.8 | 50.0 | 44.7 | 32.7 | 25.4 |
| EV/Sales | 3.7 | 3.8 | 3.6 | 3.0 | 2.4 | 2.2 | 2.0 |
| Price/Book Value | 6.7 | 5.8 | 5.2 | 5.3 | 5.0 | 4.5 | 4.1 |
| Dividend Yield (%) | 0.5 | 0.6 | 0.6 | 0.5 | 0.5 | 0.6 | 0.8 |
| Profitability Ratios (%) | | | | | | | |
| RoE | 12.9 | 10.5 | 9.2 | 6.9 | 8.4 | 10.9 | 12.9 |
| RoCE | 14.1 | 11.6 | 10.9 | 6.9 | 9.9 | 11.5 | 12.9 |
| RoIC | 25.8 | 26.9 | 29.6 | 14.1 | 16.8 | 20.2 | 23.5 |
| Turnover Ratios | | | | | | | |
| Debtors (Days) | 87 | 87 | 97 | 84 | 80 | 80 | 80 |
| Inventory (Days) | 70 | 62 | 76 | 61 | 58 | 58 | 58 |
| Creditors. (Days) | 128 | 119 | 135 | 116 | 108 | 108 | 108 |
| Asset Turnover (x) | 1.7 | 1.4 | 1.4 | 1.6 | 1.8 | 1.9 | 1.9 |
| Leverage Ratio | | | | | | | |
| Net Debt/Equity (x) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.1) |

Cash Flow Statement

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E | FY26E |
|-------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|
| PBT before EO Items | 7,591 | 7,735 | 5,610 | 7,787 | 8,022 | 10,169 | 12,712 |
| Add : Depreciation | 320 | 339 | 3,726 | 396 | 496 | 627 | 725 |
| Interest | 211 | 262 | 259 | 296 | 420 | 385 | 350 |
| Less : Direct Taxes Paid | -2,061 | -693 | -2,169 | -1,656 | -2,019 | -2,560 | -3,200 |
| (Inc)/Dec in WC | -911 | -1,580 | -438 | -3,836 | -2,105 | -1,835 | -2,135 |
| CF from Operations | 5,150 | 6,063 | 6,988 | 2,987 | 4,814 | 6,786 | 8,453 |
| Others | -525 | -502 | -1,145 | -1,393 | -1,034 | -792 | 0 |
| CF from Oper. Incl. EO Items | 4,625 | 5,561 | 5,842 | 1,594 | 3,780 | 5,994 | 8,453 |
| (Inc)/Dec in FA | -905 | -208 | -482 | -1,799 | -2,000 | -2,500 | -1,500 |
| Free Cash Flow | 3,720 | 5,353 | 5,361 | -206 | 1,780 | 3,494 | 6,953 |
| Investment in liquid assets | -352 | -2,645 | -3,165 | 983 | 34 | -208 | -1,000 |
| CF from Investments | -1,257 | -2,853 | -3,646 | -816 | -1,966 | -2,708 | -2,500 |
| (Inc)/Dec in Debt | -1,057 | 425 | 918 | 2,728 | -500 | -500 | -500 |
| Less : Interest Paid | -811 | -271 | -312 | -349 | -420 | -385 | -350 |
| Dividend Paid | -1,627 | -1,358 | -1,676 | -1,829 | -1,406 | -1,467 | -1,727 |
| CF from Fin. Activity | -3,494 | -1,204 | -1,070 | 550 | -2,326 | -2,352 | -2,577 |
| Inc/Dec of Cash | -127 | 1,504 | 1,126 | 1,328 | -512 | 934 | 3,375 |
| Add: Beginning Balance | 3,211 | 3,084 | 4,591 | 5,756 | 7,084 | 6,572 | 7,506 |
| Closing Balance | 3,084 | 4,588 | 5,717 | 7,084 | 6,572 | 7,506 | 10,881 |

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NOTES

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|----------------------------------|--|
| 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 |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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