

26 January 2024

India | Equity Research | Q3FY24 results review

Hindustan Petroleum

Oil & Gas

Q3FY24 result – a bump in the road to material transformation

Hindustan Petroleum's (HPCL) recurring standalone EBITDA / PAT of INR 21.6bn / INR 5.3bn in Q3FY24 was sharply up by 29%/3x YoY, but declined materially by 74%/90% QoQ, respectively. 9MFY24 EBITDA/PAT of INR 190.4bn/118.5bn is, however, reflective of significantly better refining and marketing performance seen in FY24 vs the weakness seen in FY23 (full year EBITDA loss of INR 72bn/ net loss of INR 69.8bn). Inventory losses, maintenance and expansion-related shutdowns at Vizag refinery and some losses in diesel margins drove weakness in Q3, but we see strong FY25-26E, driven by: i) Higher refining capacity, ii) stronger GRMs, iii) petchem volumes and iv) steady marketing margins. Valuation of 3.6x FY26E EPS/ 5x EV/EBITDA is extremely attractive. Reiterate **BUY**.

Tepid performance in Q3; prospects to improve sharply

Refinery throughput stood at 5.3mt with 9M utilisation at ~104%. GRMs of USD 8.5/bbl (net off USD 2.2/bbl inventory loss) dipped USD 0.65/bbl YoY/USD 4.8/bbl QoQ. However, the dip in refining may yield rewards in medium term as it was due to the shutdowns at Vizag (in Andhra Pradesh) to complete the commissioning of diesel hydrocracker and preliminary work for the residue upgradation projects, both of which may start reflecting in earnings by FY25E. Additionally, inventory loss of USD 2.2/bbl impacted GRMs, which is unlikely to recur in Q4. Marketing performance in volume was robust, with 5.8% YoY growth to 11.9mt; however, higher procurement from external refiners due to lower diesel output dragged blended margins to INR 3,600/t, down 43% QoQ, which should also improve with the restart of shutdown units.

Margin mix to change; trends continue to point north

We see the following factors enabling sustained earnings improvement over FY24-26E: 1) Strong margins; 2) targeted investments in improving scale and complexity of downstream business; 3) diversification that is aligned to margin improvement; and 4) improving leverage. The completion of Vizag expansion and the imminent commissioning of Rajasthan refinery may add to some much needed petrochemical output to the traditional refined product yield for HPCL. Management has guided to complete Vizag expansion by H1FY25 and Rajasthan by H2FY25, ensuring FY26 is likely to see a step change in scale and scope of business.

Financial Summary

Y/E March (INR Mn)	FY23A	FY24E	FY25E	FY26E
Net Revenue	44,07,093	41,99,620	46,47,297	49,00,468
EBITDA	(72,071)	1,94,746	2,36,163	2,52,313
EBITDA %	(1.6)	4.6	5.1	5.1
Net Profit	(69,802)	1,25,823	1,48,427	1,68,231
EPS (INR)	(49.2)	88.7	104.6	118.6
EPS % Chg YoY	(195.7)	(280.3)	18.0	13.3
P/E (x)	(8.8)	4.9	4.1	3.6
EV/EBITDA (x)	(17.5)	7.0	5.6	5.0
RoCE (Pre-tax) (%)	(12.2)	11.6	11.6	10.3
RoE (%)	(19.0)	34.3	31.6	28.0

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Market Data

Market Cap (INR)	611bn
Market Cap (USD)	7,350mn
Bloomberg Code	HPCL IN
Reuters Code	HPCL.BO
52-week Range (INR)	479 /212
Free Float (%)	45.0
ADTV-3M (mn) (USD)	45.2

Price Performance (%)	3m	6m	12m
Absolute	75.0	43.4	73.6
Relative to Sensex	64.6	36.8	56.2

Earnings Revisions (%)

	FY24E	FY25E	FY26E
Revenue	0.0%	0.0%	0.0%
EBITDA	8.0%	-8.1%	-11.1%
EPS	-0.1%	-12.6%	-6.3%

Previous Reports

07-12-2023: [Company Update](#)

08-11-2023: [Q2FY24 results review](#)

Reiterate BUY – some downward revision to estimates

HPCL's stock price has risen sharply over the last three months (barring the fall on 25th post weak Q3 result). Even so, at its current price, valuation stands at just 3.6x FY26E PER and 5x FY26E EV/EBITDA. This is in contrast to the lows of negative 7.8x PER and negative 16.5x EV/EBITDA that it hit during FY23 when the company reported a material loss of INR 69.8bn for the year. We believe at these valuations, HPCL is still at an attractive level and does not fully reflect the structural changes in scale and the company's potential earnings profile over the next three years. We have taken cognisance of stabilisation challenges for both Vizag and Rajasthan and have built more conservative growth estimates for margins and throughput, driving some downgrades to FY25/26E EPS.

Despite that, our valuation for the company, at ~5.0x average of FY6E EV/EBITDA for refining and marketing business, with listed investments valued at 20% discount to CMP (rolled over to FY26E from FY25E earlier) delivers a target price of INR 555 (earlier INR 550), a material 29% upside from CMP. Reiterate **BUY**.

Upside risks: 1) Faster-than-expected revival in benchmark GRMs; 2) recovery in petrochemical price realisations; 3) stronger retail fuel margins; and 4) valuation of associated businesses (CGDs, renewables etc.) coming into Street's estimates.

Downside risks: 1) Execution delays and longer stabilisation time of expanded capacity; 2) prolonged downturn in both refining and petchem cycles; 3) adverse promoter (read government) intervention in retail fuel pricing.

Conference call takeaways

Factors impacting Q3FY24 Performance

- HPCL's Q3 performance was a blip due to three factors: i) Plant maintenance shutdown at Vizag CDU II for 55 days, ii) hydrocracker commissioned but under stabilisation, iii) inventory loss in refining segment, iv) suppressed margins in marketing products.
- Refining segment reported inventory loss of INR 7bn which translates into loss of USD 2.2/bbl due to
 - Refining at Vizag has a delta of 2 months from procurement and time to market due to greater transportation distance
 - Brent crude prices have declined sharply in last 5 months i.e. from USD 94/bbl in Sept'23 to USD 79.2/bbl in Dec'23.
 - Marketing segment saw marginal inventory gain
- Marketing segment was impacted by suppressed margins in HSD. The company has to purchase shortfall HSD at refinery transfer prices. The dependency may reduce once additional capacity comes on-stream over FY25/26.
- During 9MFY24, the company gained market share across products. For example, ATF market grew 10-11% in 9MFY24, while ATF volume for HPCL has grown by more than 25%.

Refining segment update

- Both refineries at Mumbai and Vizag performed at >100% utilisation for 9MFY24 with lower fuel and loss and higher distillate yields vs FY23. Further improvement in distillate yields is likely post stabilisation of HCHT (diesel hydrocracker). Revamp of CDU II at Vizag is in progress and may operate at full capacity by end of Q4FY24.

- Bottom upgradation RUF unit at Vizag should complete construction in next 2 months, and mechanical completion is likely to commence from H1FY25. On commissioning, this should drive improvement in distillate yield of more than 10% at Vizag.
- Rajasthan refinery is at 75% physical completion and has already commenced a few units for utilities, air water etc. The refinery should start producing refining products like MS, HSD and LPG by end of CY24E and petchem project will start after that mostly in FY26. It has incurred capex of INR 400bn so far and has committed capex of INR 680bn.
- HMEL petchem is now running at 100% capacity utilisation. It commenced petchem operation in Jun'23 and is likely to breakeven in Q4FY24-Q1FY25E. Management is trying to balance the product mix of petchem to ensure HMEL and Rajasthan do not cannibalise each other.
- JV refinery HMEL processed 9.8mt of crude in 9MFY24 and 3.3mt in Q3FY24 with GRM of USD 17/bbl and USD 14/bbl, respectively.

Guidance

- The company expects to maintain GRM delta of USD 3-3.5/bbl over SG GRMs seen in the last 3-4 quarters and as per the management it is likely to extend further via improvement in distillate yield and complexity.
- HPCL has guided for refining throughput of > 22mt and marketing sales >44mt for FY24. Crude procurement plan of >25mt is already in place with targets for marketing volume of >45mt for FY25.
- The company has reduced debt from INR 640bn in FY23 to <500bn in Q3FY24 which may remain flattish in FY25 with target of reaching INR 400bn in next 3-4 years.
- HPCL has incurred capex of INR 103bn for 9MFY24, with full-year guidance of INR 140bn for FY24 and INR 140-150bn for FY25. In green energy, it plans to spend INR 2.5-3bn in FY25 and INR 150-120bn in next 3-5 years.

Red Sea disruption and crude sourcing

- Crude on term basis has not been impacted with recent ongoing Red Sea issue. Spot crude -opportunity crude has also not seen any disruption so far.
- The company has tied up all crude requirements till end of FY24 and mid-month of Apr'24. However, the Red Sea issue has impacted freight rates and will have to observe how this unfolds over the next couple of weeks for FY25E impact.
- Nearly 30-35% of imported crude requirement by HPCL was met by Russia in FY24 so far. It procures 3.5mt of crude from ONGC and 44-45% has term contract with NOC (national oil companies) and balance through spot for low sulfur crude.
- Venezuela crude is not optimal for HPCL's refinery process, but this should improve total availability of crude in the world.

Others

- For lubricant business unlocking, where HPCL enjoys 45% market share, the company has on boarded an international consultant for the plan and may have a concrete plan in next 2 months. Lubes segment generates EBITDA of INR 10bn annually.
- Green energy capex is not a mandatory project; however, HPCL will evaluate any projects with hurdle rate of 15% IRR. Ethanol blending of 11% in petrol has given

HPCL a superior return while CBG integration with gas may be utilised in CGDs. Solar has a captive requirement at refinery units.

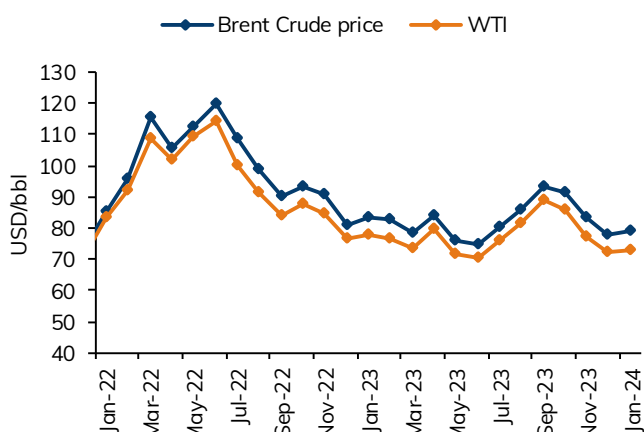
- Work on connectivity at Chhara LNG terminal is in progress with forward movement on both tying up supply contracts and tying up offtake of capacity.
- The company has declared an interim dividend of INR 15/share in Q3FY24.

Exhibit 1: Q3FY24 result snapshot

INR mn	Q3FY24	Q3FY23	YoY chg %	Q2FY24	QoQ chg %	9MFY24	9MFY23	YoY chg %
Sales	11,13,063	10,96,032	1.6	9,57,011	16.3	31,79,783	32,68,582	(2.7)
EBITDA	21,636	16,716	29.4	82,169	(73.7)	1,90,455	(1,79,378)	
Adj PAT	5,290	1,724	206.8	51,182	(89.7)	1,11,105	(1,78,137)	
Reported PAT	5,290	1,724	206.8	51,182	(89.7)	1,18,511	(1,21,967)	
Adj EPS	3.7	1.2	206.8	36.1	(89.7)	83.5	(86.0)	
Depreciation	13,378	11,105	20.5	12,395	7.9	39,410	32,858	19.9
Interest	6,141	6,817	(9.9)	5,795	6.0	17,817	16,093	10.7
Employee expense	8,413	7,163	17.4	8,342	0.9	25,330	21,618	17.2
Other Income	5,564	2,889	92.6	3,445	61.5	15,285	9,091	68.1
Marketing Inventory gain (loss) (estimated)*	1,000	1,500		12,000	(91.7)	3,472	4,354	(20.2)
Forex gain (loss)	360	(4,030)		(3,640)		(1,970)	(19,510)	
Average GRM(USD/bbl)	8.5	9.1	(7.1)	13.3	(36.3)	9.8	11.4	(13.9)

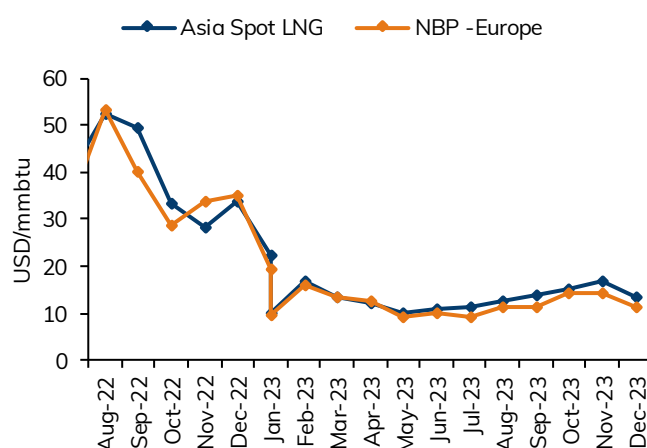
Source: Company data, I-Sec research * Estimated for Q3FY24 and Q3FY23

Exhibit 2: Crude prices are moderating...



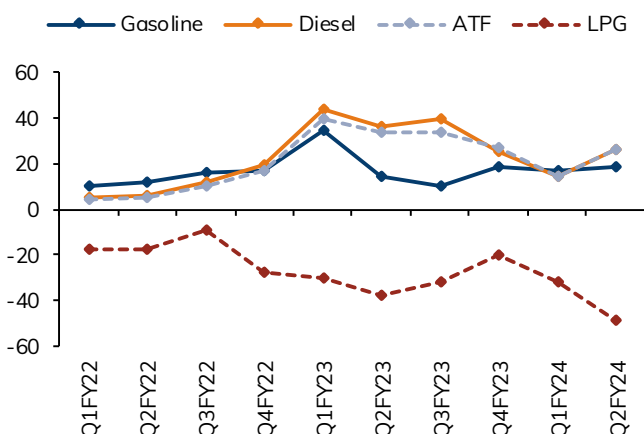
Source: Bloomberg, I-Sec research

Exhibit 3: ...so are global LNG prices



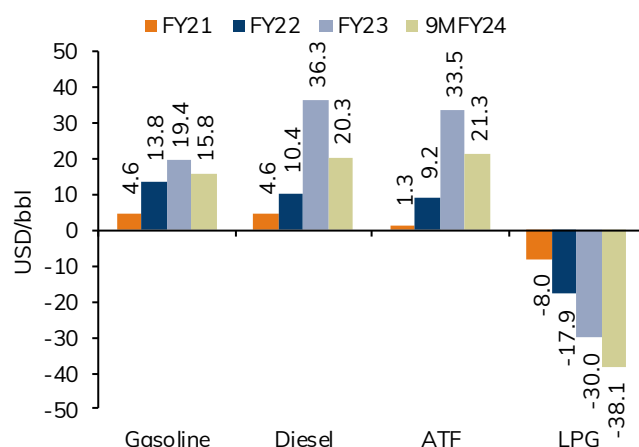
Source: Bloomberg, I-Sec research

Exhibit 4: Diesel, ATF and petrol spreads declined in Q3FY24

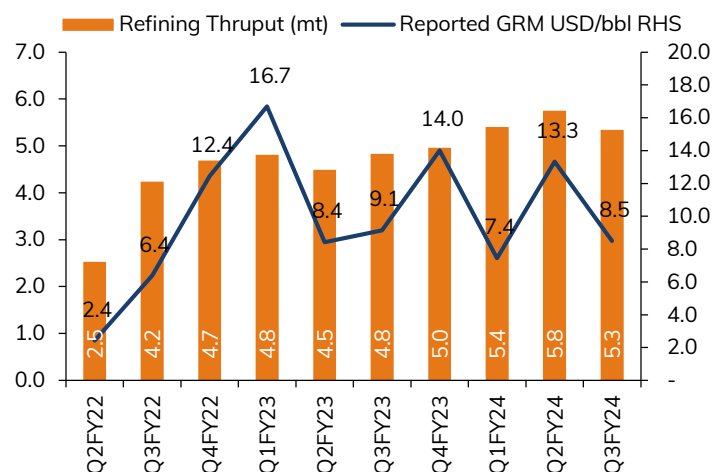


Source: Company data, I-Sec research

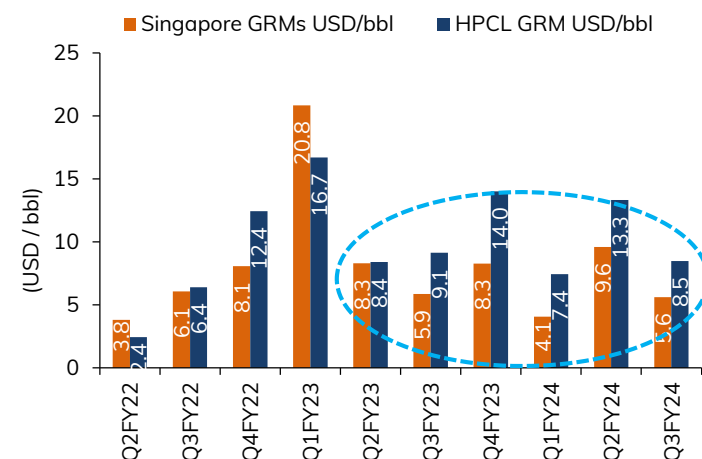
Exhibit 5: Product cracks remain at elevated level in 9MFY24



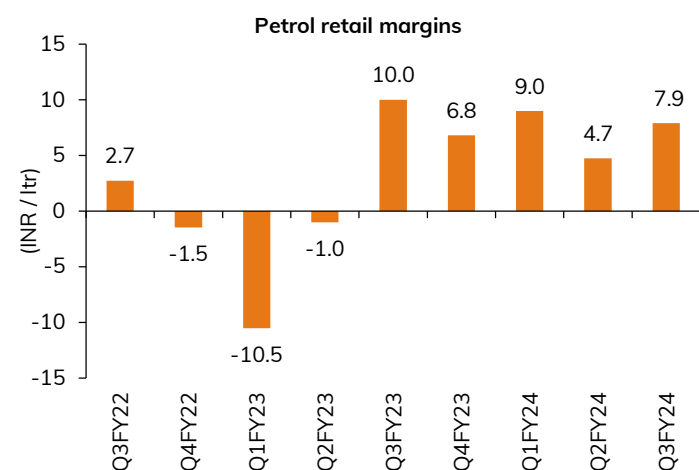
Source: Company data, I-Sec research

Exhibit 6: Q3FY24 GRMs declined QoQ and YoY

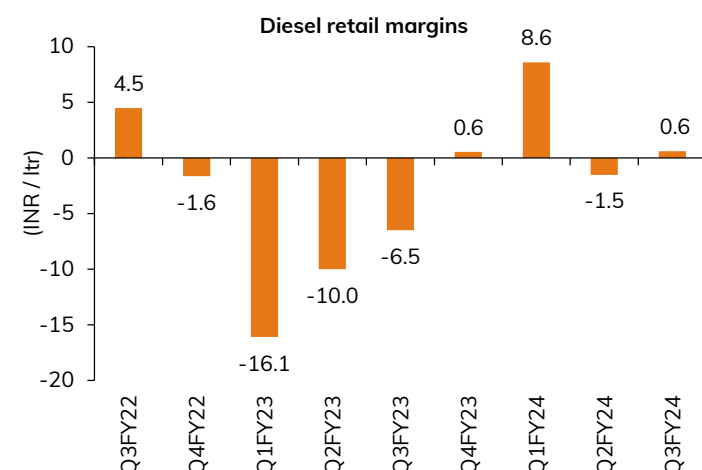
Source: Company data, I-Sec research

Exhibit 7: Premium to Singapore GRMs

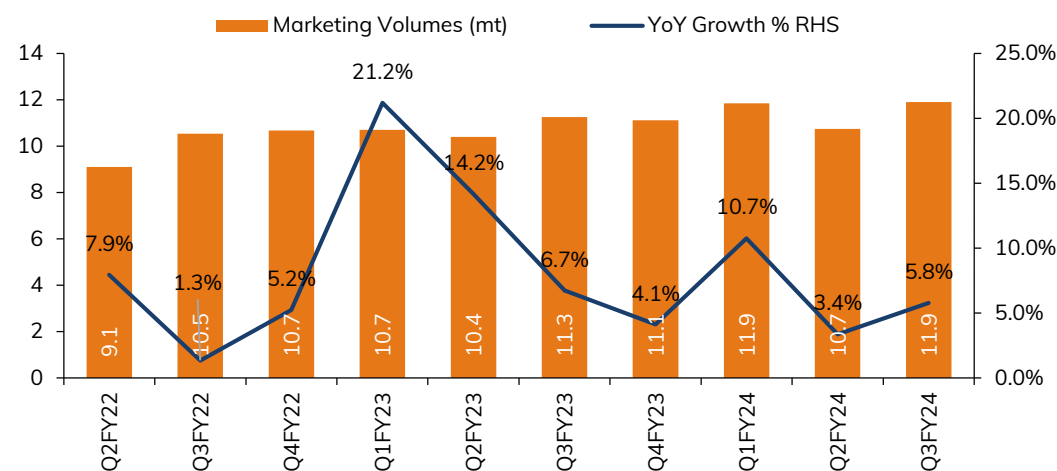
Source: Company data, I-Sec research

Exhibit 8: Petrol retail margin improved in Q3FY24

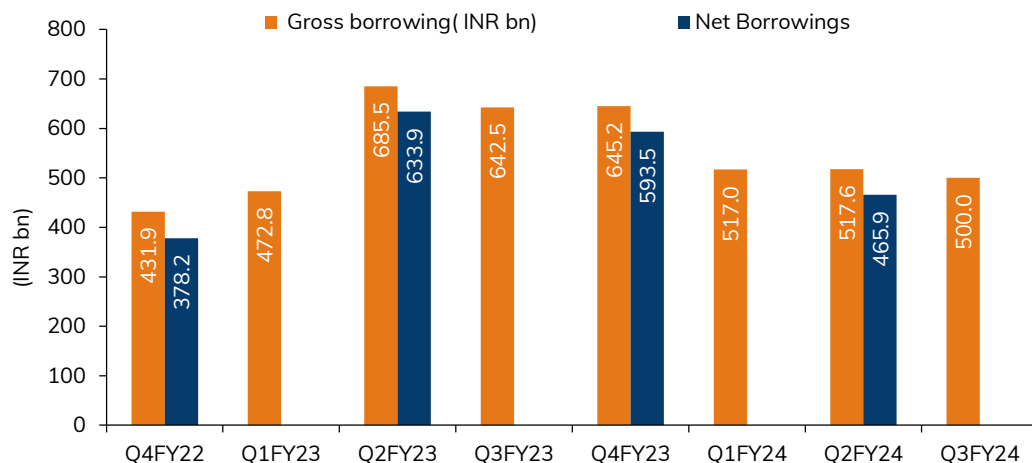
Source: Company data, I-Sec research

Exhibit 9: Diesel retail margin also improved in Q3FY24

Source: Company data, I-Sec research

Exhibit 10: Strong marketing volumes YoY and QoQ

Source: Company data, I-Sec research

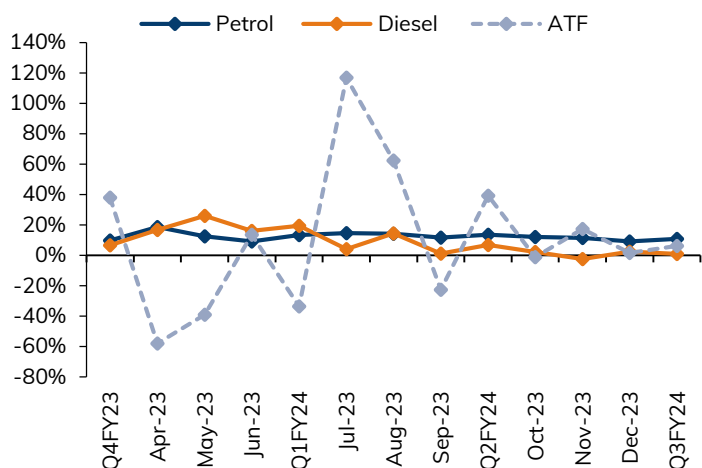
Exhibit 11: Net borrowings reduced sharply in last 4 quarters (INR bn)

Source: Company data, I-Sec research

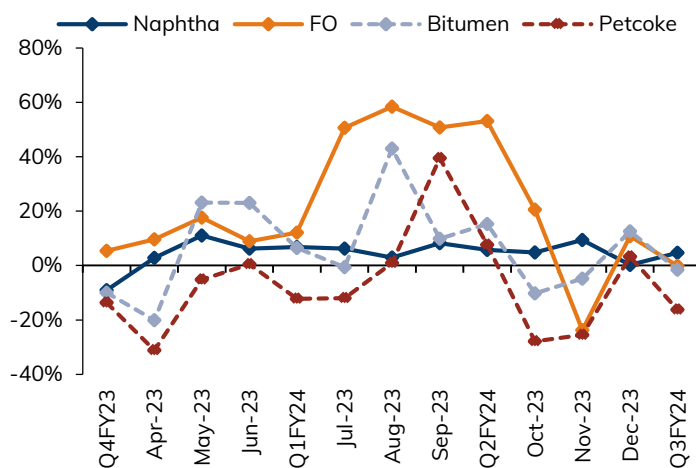
Exhibit 12: Gross margin trends in Q3FY24

INR mn	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Gross Margins	-68,935	-17,507	64,774	99,339	1,40,910	1,29,697	75,706
Inventory gains	22,854	-20,000	1,500	-7,758	-9,528	12,000	1,000
Net under-recovery	-	-	-	-	-	-	-
Adj Earnings	-91,789	2,493	63,274	1,07,097	1,50,438	1,17,697	74,706
Refining earnings	45,711	21,942	26,490	41,749	24,108	46,256	27,559
Pipeline margins	3,738	3,595	3,796	3,985	4,219	3,985	4,362
Marketing earnings	-1,41,237	-23,043	32,988	61,364	1,22,111	67,456	42,786
Marketing margin (INR/mt)	-13,200	-2,218	2,932	5,523	10,305	6,281	3,595
Marketing margin (USD/bbl)	-23.2	-3.8	4.9	9.2	17.2	10.4	5.9

Source: Company data, I-Sec research

Exhibit 13: Transport fuel demand growth remained strong in Q3

Source: Company data, I-Sec research

Exhibit 14: Industrial fuel demand growth trends

Source: Company data, I-Sec research

Exhibit 15: Refining capacity of HPCL + JVs to rise by 16.2mt over FY23-28E

Refinery Capacity Additions (MTPA)	FY22-23	FY27-28	Capacity Addition
MR (Mumbai)	9.5	9.5	0
VR (Visakhapatnam)	8.3	15	6.7
HMEL (JV)	11.3	11.8	0.5
HRRL (Rajasthan)		9	9
Total	29.1	45.3	16.2

Source: Company data, I-Sec research

Exhibit 16: Refinery expansion status and project cost

Project	Physical Progress	Project Cost (USD bn)
MR Expansion (7.5 to 9.5 MTPA)	Commissioned	0.6
VR Modernization (8.3 to 15.0 MTPA)	Progressive Commissioning (96.5%)	3.2
HRRL – 9 MTPA Green Field Refinery Petrochemical complex	72%	8.8

Source: Company data, I-Sec research

Exhibit 17: Capacity expansion to earn 9-10% pre-tax RoCE

		HRRL (Rajasthan Refinery)	Vizag*	Total
Capex	USD mn	8,800	3,200	12,000
Capacity	MMT	9.0	6.7	16
GRM	USD/bbl	20.5	11.0	32
Gross Refinery margin	USD mn	1,352	540	1,893
Less Opex	USD mn	165	123	288
EBITDA	USD mn	1,187	417	1,605
Depreciation	USD mn	352	128	480
EBIT	USD mn	835	289	1,125
ROCE Pretax		9.5%	9.0%	9.4%

* expansion of Vizag facility from 8.3 to 15MMT)

Source: Company data, I-Sec research

Exhibit 18: Petrochemical diversification boosts margin compared to traditional refinery margin potential

		HRRL (Rajasthan Refinery)	Vizag	Total
Petchem	MMT	2.4	0.15	2.55
Gross Margin	USD/t	365	365	365
Gross Margin	USD mn	876	55	931
Vs Traditional Refinery Product				
GRM	USD/bbl	10	10	10
Gross Margin	USD mn	176	11	187
Additional Gross margin due to Petchem	USD mn	700	44	744

Source: Company data, I-Sec research

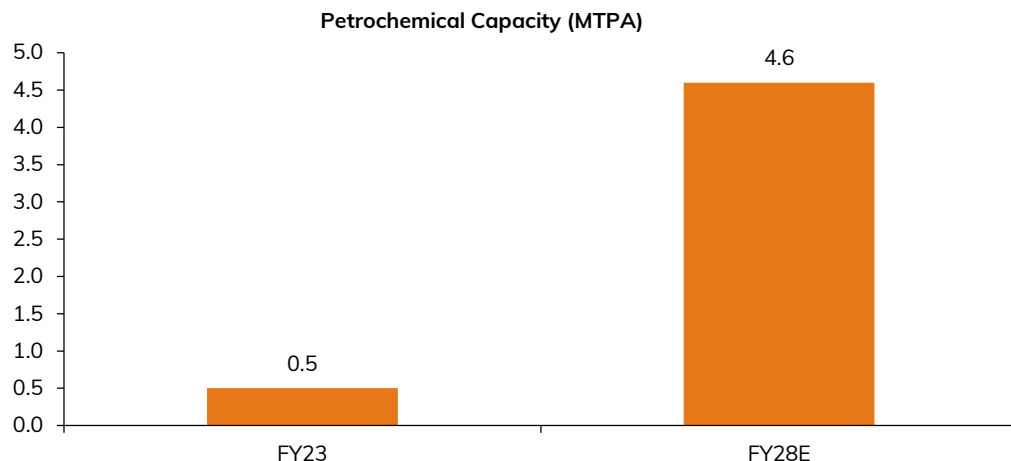
Exhibit 19: HPCL's Rajasthan refinery capacity and product yield – a one of its kind configuration for Indian downstream projects

Rajasthan Refinery	
Feed	MTPA
Rajasthan Crude	1.5
Imported Crude	7.5
	MTPA
Refinery process unit	9
Petchem unit	4
	KTPA
Products	
PP	1073
LLDPE	479
HDPE	479
Butadiene	146
Benzene	134
Toulene	104
MS	995
HSD	4035
Sulphur	157
Total	7602

Source: Elite petrochemical conference, HPCL, I-Sec research

Petchem capacity at HPCL's Rajasthan Refinery Ltd (JVC) would be ~2.4 MMTA, while HMEL added 1.2 MMTA of polymer dual feed cracker. HPCL started marketing of petrochemical under brand 'HP Durapol' and reported 15.2TMT sales in FY23-24 (up to Oct'23).

Exhibit 20: Petrochemical capacity to increase by 4.1MMT over FY23-28E



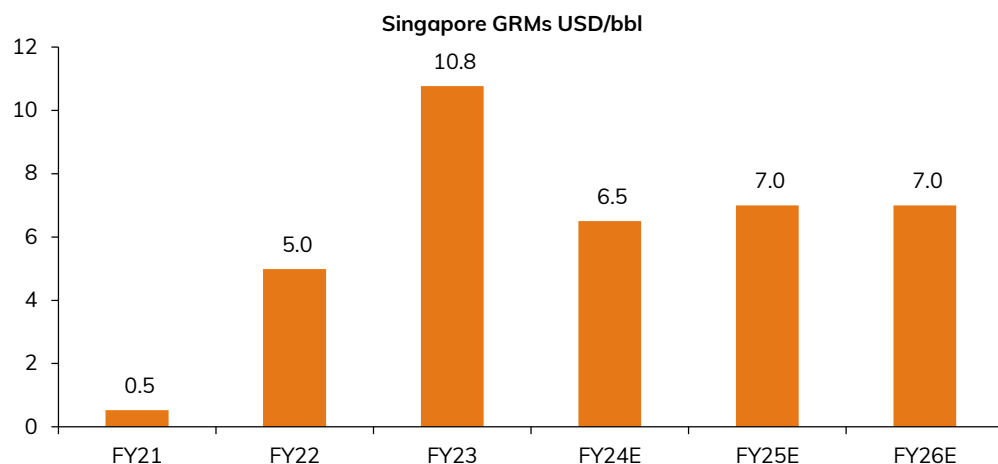
Source: Company data, I-Sec research

Exhibit 21: Investment in last 5 years across segments has been material

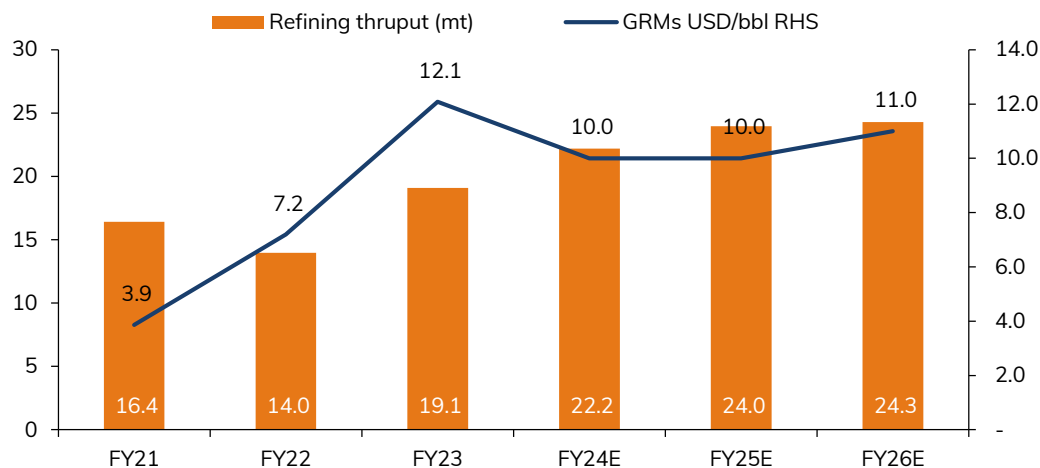
Area of Value Chain	Investment (INR bn)	Investment (USD bn)
Refining Capacity Expansions	310	3.8
Expansion of Pipeline Network	85	1.0
LPG Plants / POL Depots / Capacity Augmentations	58	0.7
Expansion of CGD Network	20	0.2
Enhancing Biofuels & Renewable capacities	10	0.1
Expanding Customer touch points	140	1.7
Others (R&D, Digital Transformation etc.)	100	1.2
Equity Investment in JVs & Subsidiaries	17	0.2
Total	740	8.9

Source: Company data, I-Sec research

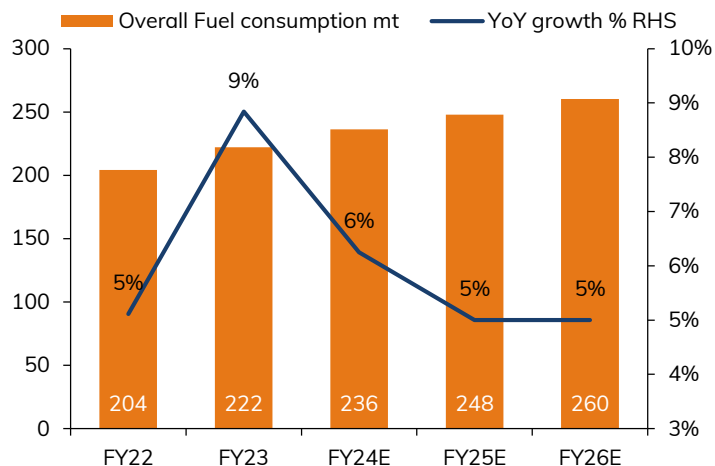
Exhibit 22: Singapore GRM estimates for FY20-FY26E



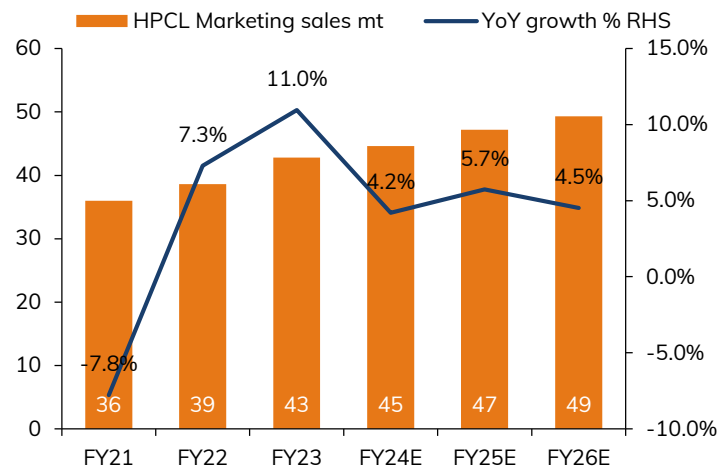
Source: Company data, I-Sec research

Exhibit 23: GRM estimates and throughputs for HPCL to improve over FY21-FY26E

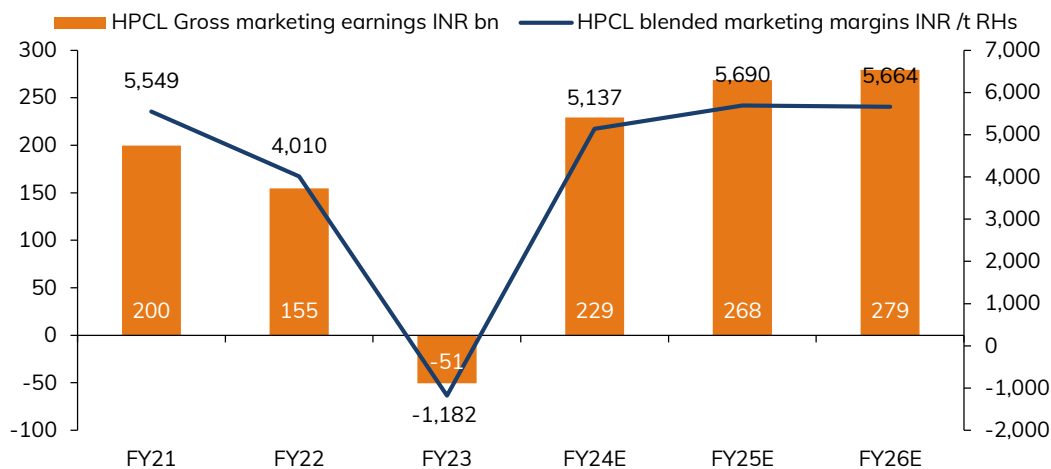
Source: Company data, I-Sec research

Exhibit 24: India fuel consumption growth trends

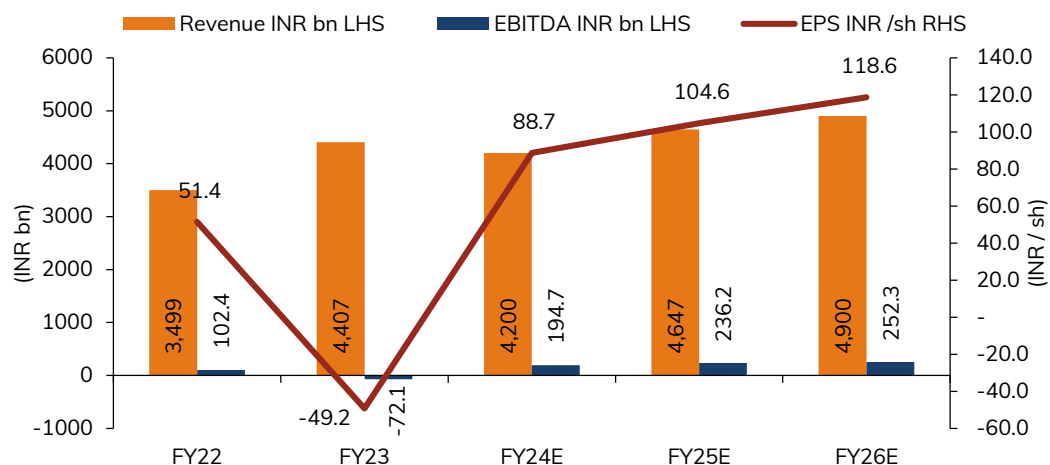
Source: Company data, I-Sec research

Exhibit 25: HPCL fuel consumption growth estimates for FY24-26E

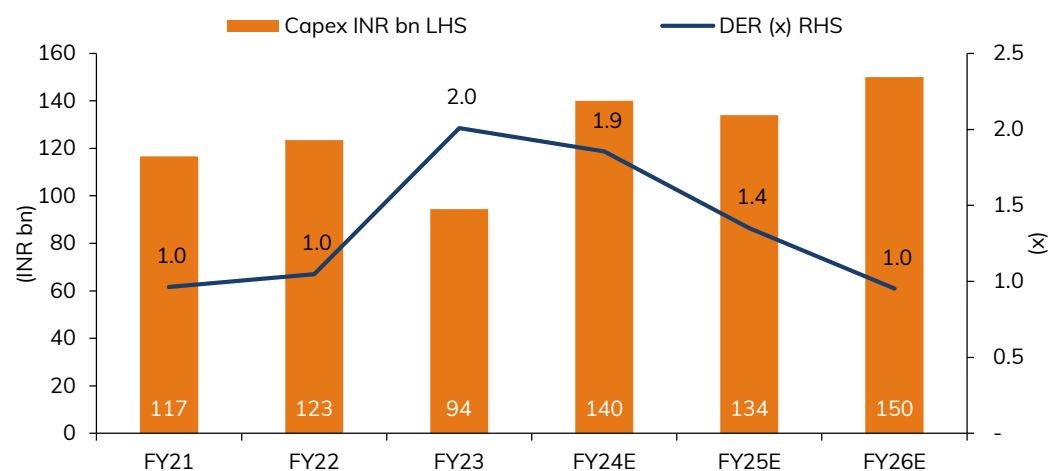
Source: Company data, I-Sec research

Exhibit 26: We expect marketing margins to recover in FY24-26E

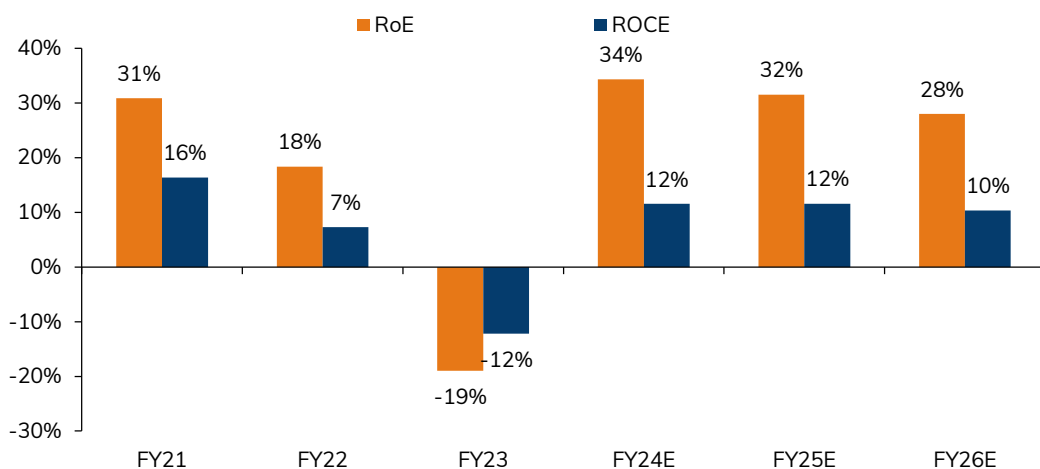
Source: Company data, I-Sec research

Exhibit 27: We expect earnings to improve over FY24-FY26E

Source: Company data, I-Sec research

Exhibit 28: Capex to remain high but DER may reduce over FY24-FY26E

Source: Company data, I-Sec research

Exhibit 29: Return ratios to follow earnings trajectory and capex trends

Source: Company data, I-Sec research

Valuation remains at comfortable level

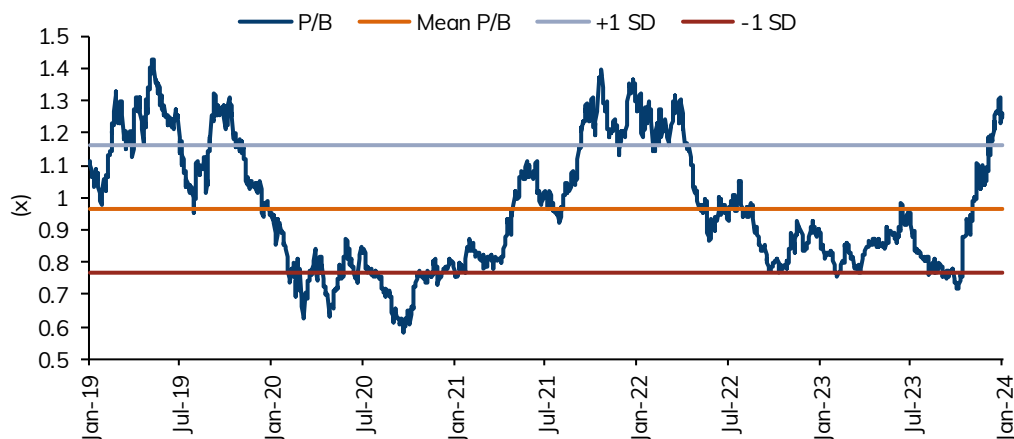
Given the improvement in GRMs, recovery in marketing margins along with Rajasthan (9mmt) and Vizag (expansion by 7mmt) refineries coming on stream over FY24-FY25, we believe current valuations of just 3.6x FY26E P/E and 5.0x FY26E EV/EBITDA are favourable. We assign 5x EV/EBITDA multiple to FY26E EBITDA (roll forward to FY26E earnings) to arrive at our enterprise value. Maintain **BUY** with a revised target price of INR 555/sh (earlier: INR 550).

Exhibit 30: Valuation summary

INR mn	FY26E
EV	10,85,574
Mcap	6,09,976
Debt	10,68,710
Cash & Cash Eq	5,02,868
Market value of investments and oil bonds	90,244
EBITDA	2,52,313
EV at EBITDA of 5.0x	12,62,828
Less Net Debt	5,65,842
Add Investments	90,244
Equity value	7,87,230
Target Price (INR/sh)	555
CMP	431
Upside	29%

Source: Company data, I-Sec research

Exhibit 31: HPCL's P/B trading on higher band



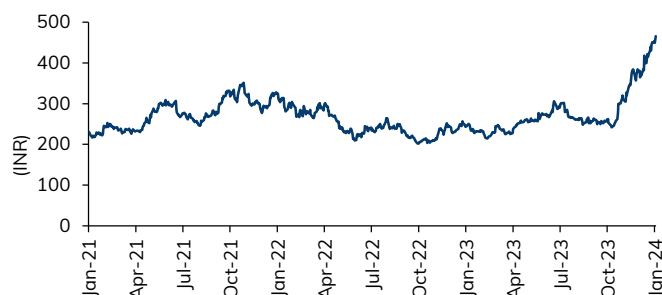
Source: Company data, I-Sec research

Exhibit 32: Shareholding pattern

%	Jun'23	Sep'23	Dec'23
Promoters	54.9	54.9	54.9
Institutional investors	36.3	35.9	35.5
MFs and other	13.5	14.3	14.1
FIs/ Banks	-	-	-
Insurance Cos.	8.4	7.9	6.6
FIIIs	14.5	13.7	14.8
Others	8.8	9.2	9.6

Source: Bloomberg, I-Sec research

Exhibit 33: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 34: Profit & Loss

(INR Mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Net Sales	44,07,093	41,99,620	46,47,297	49,00,468
EBITDA	(72,071)	1,94,746	2,36,163	2,52,313
EBITDA Margin (%)	(1.6)	4.6	5.1	5.1
Depreciation & Amortization	45,602	55,152	63,266	74,652
EBIT	(1,17,672)	1,39,593	1,72,897	1,77,661
Interest expenditure	21,741	25,191	30,621	33,501
Other Non-operating Income	14,659	19,264	29,395	36,318
PBT	(1,24,754)	1,33,666	1,71,670	1,80,477
Profit / (Loss) from Associates	24,915	25,800	19,966	33,180
Less: Taxes	(30,037)	33,644	43,209	45,426
PAT	(94,717)	1,00,022	1,28,461	1,35,051
Less: Minority Interest	-	-	-	-
Net Income (Reported)	(69,802)	1,25,823	1,48,427	1,68,231
Extraordinaries (Net)	-	-	-	-
Recurring Net Income	(69,802)	1,25,823	1,48,427	1,68,231

Source Company data, I-Sec research

Exhibit 35: Balance sheet

(INR Mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Total Current Assets	3,88,071	5,75,543	7,52,175	9,44,027
of which cash & bank	6,724	1,60,417	3,01,179	4,74,251
Total Current Liabilities & Provisions	5,46,463	6,15,261	6,46,497	6,77,837
Net Current Assets	(1,58,392)	(39,718)	1,05,678	2,66,191
Other Non Current Assets	-	-	-	-
Net Fixed Assets	6,83,875	7,93,722	9,45,456	10,45,804
Other Fixed Assets	-	-	-	-
Capital Work in Progress	2,56,074	2,31,074	1,50,000	1,25,000
Non Investment	2,33,687	3,83,687	3,83,687	3,83,687
Current Investment	51,689	51,689	51,689	51,689
Deferred Tax assets	-	-	-	-
Total Assets	10,66,932	14,20,454	16,36,510	18,72,370
Liabilities				
Borrowings	7,06,710	9,72,710	10,68,710	11,64,710
Deferred Tax Liability	-	-	-	-
Lease Liability	-	-	-	-
Other Liabilities	37,589	37,589	37,589	37,589
Equity Share Capital	14,189	14,189	14,189	14,189
Reserves & Surplus	3,08,443	3,95,965	5,16,021	6,55,881
Total Net Worth	3,22,633	4,10,154	5,30,210	6,70,071
Minority Interest	-	-	-	-
Total Liabilities	10,66,932	14,20,454	16,36,510	18,72,370

Source Company data, I-Sec research

Exhibit 36: Quarterly trend

(INR mn, year ending March)

	Mar-23	Jun-23	Sep-23	Dec-23
Net Sales	10,79,278	11,09,709	9,57,011	11,13,063
% growth (YOY)	11%	-3%	-7%	2%
EBITDA	47,986	86,651	82,169	21,636
Margin %	4%	8%	9%	2%
Other Income	11,600	6,277	3,445	5,564
Extraordinaries	0	-9,897	0	0
Adjusted Net Profit	32,226	54,633	51,182	5,290

Source Company data, I-Sec research

Exhibit 37: Cashflow statement

(INR Mn, year ending March)

	FY23A	FY24E	FY25E	FY26E
Cash Flow from operation before working Capital	(46,251)	1,94,746	2,36,163	2,52,313
Working Capital Changes	13,186	35,019	(4,634)	12,559
Tax	(1,598)	(33,644)	(43,209)	(45,426)
Operating Cashflow	(34,663)	1,96,121	1,88,320	2,19,447
Capital Commitments	(93,441)	(1,40,000)	(1,33,926)	(1,50,000)
Free Cashflow	(1,28,104)	56,121	54,394	69,447
Others CFI	(28,003)	(1,04,936)	49,361	69,498
Cashflow from Investing Activities	(1,21,444)	(2,44,936)	(84,566)	(80,502)
Inc (Dec) in Borrowings	2,12,508	2,66,000	96,000	96,000
Interest Cost	(32,399)	(25,191)	(30,621)	(33,501)
Others	(19,857)	(38,301)	(28,371)	(28,371)
Cash flow from Financing Activities	1,60,252	2,02,508	37,008	34,128
Chg. in Cash & Bank balance	4,144	1,53,693	1,40,762	1,73,072
Closing cash & balance	6,724	1,60,417	3,01,179	4,74,251

Source Company data, I-Sec research

Exhibit 38: Key ratios

(Year ending March)

	FY23A	FY24E	FY25E	FY26E
Per Share Data (INR)				
Recurring EPS	(49.2)	88.7	104.6	118.6
Diluted EPS	(49.2)	88.7	104.6	118.6
Recurring Cash EPS	(17.1)	127.6	149.2	171.2
Dividend per share (DPS)	-	27.0	20.0	20.0
Book Value per share (BV)	227.4	289.1	373.8	472.4
Dividend Payout (%)	-	30.4	19.1	16.9
Growth (%)				
Net Sales	25.9	(4.7)	10.7	5.4
EBITDA	(170.4)	(370.2)	21.3	6.8
EPS	(195.7)	(280.3)	18.0	13.3
Valuation Ratios (x)				
P/E	(8.8)	4.9	4.1	3.6
P/CEPS	(25.2)	3.4	2.9	2.5
P/BV	1.9	1.5	1.2	0.9
EV / EBITDA	(17.5)	7.0	5.6	5.0
EV / Operating Income	(12.2)	8.6	6.6	5.8
Dividend Yield (%)	-	0.1	0.0	0.0
Operating Ratios				
EBITDA Margins (%)	(1.6)	4.6	5.1	5.1
Effective Tax Rate (%)	24.1	25.2	25.2	25.2
Net Profit Margins (%)	(1.6)	3.0	3.2	3.4
NWC / Total Assets (%)	(14.8)	(2.8)	6.5	14.2
Fixed Asset Turnover (x)	5.1	4.1	3.8	3.5
Working Capital Days	12.5	13.6	14.7	14.4
Net Debt / Equity %	200.9	185.4	135.0	95.3
Profitability Ratios				
RoCE (%)	(9.2)	8.7	8.7	7.7
RoCE (Pre-tax) (%)	(12.2)	11.6	11.6	10.3
RoE (%)	(19.0)	34.3	31.6	28.0

Source Company data, I-Sec research

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