

TVS Motor Company

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR2,001 TP:INR1,880 (-6%) Neutral

Operationally in line; high other income drives PAT beat

Both domestic and export demand seeing gradual improvement

- TVS Motor (TVSL) posted an operationally in-line performance in 3QFY24. The company posted its highest-ever EBITDA margin at 11.2% (+1,10bp QoQ). We believe TVSL is well placed to outperform the 2W industry, led by its multiple successful products in key categories, expansion in global geographies, and success in EVs.
- However, we believe strong earnings growth driven by recovery in underlying segments and margin improvement is fairly captured in the current valuations at ~45x/37x FY24E/FY25E EPS. We retain our FY24E/FY25E EPS. Reiterate **Neutral** with a TP of ~INR1,880 based on ~27x Dec'25E EPS (vs. ~25x earlier) and INR176/sh for NBFC.

Better gross margins offset by higher other expenses

- TVSL's revenue/EBITDA/adj. PAT grew 26%/40%/68% YoY in 3QFY24 to INR82.45b (in line)/INR9.2b/INR5.9b (est. INR5.5b). 9MFY24 revenues/EBITDA/adj.PAT grew 19%/30%/48% YoY.
- Revenue growth was driven by ~25% YoY growth in volumes. ASP remained flat at INR74.9k per unit (in line).
- Gross margin expanded 220bp YoY to 26.3% (est. 25.9%), driven by stable RM costs. Operating leverage aided EBITDA margin expansion by 110bp YoY to 11.2% (est. 11.5%). EBITDA grew ~40% YoY to INR9.2b (in line).
- Other expenses were high due to marketing spending during the festive season. Other income was high at INR734m (est. INR60m) as it included profit from the reduction of capital amounting to INR827m (balance was notional loss due to fair value of investment). The tax rate was low at 23.4% (est. 25%).
- As a result, adjusted PAT grew 68% YoY to INR5.9b (est. INR5.5b).

Key takeaways from the management interaction

- **Domestic-** The management expects positive demand momentum to continue in 4Q, driven by healthy growth in rural areas despite some challenges in sowing. Retail financing has also been favorable. TVSL believes growth will be significant in urban and semi-urban regions.
- **Exports-** A recovery in international markets should continue as inflation is settling down; however, currency availability is still an issue in African markets. Customer retails are happening. Sri Lanka has started opening up.
- **TVS credit-** PBT grew 75% to INR2.29b in 3QFY24. Gross book size stands at INR250b, with GNPA at 3.1% and capital adequacy ratio of 8.6%. Disbursements stood at INR70b vs. ~INR60b in 3QFY23.

Bloomberg	TVSL IN
Equity Shares (m)	475
M.Cap.(INRb)/(USD\$)	950.6 / 11.4
52-Week Range (INR)	2109 / 971
1, 6, 12 Rel. Per (%)	1/44/85
12M Avg Val (INR M)	1631

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	263.8	319.0	366.2
EBITDA	26.7	35.0	42.7
Adj. PAT	14.5	21.2	25.6
EPS (INR)	30.4	44.7	53.8
EPS Gr. (%)	60.7	46.8	20.5
BV/Sh (INR)	127.3	166.0	213.2

Ratios

RoE (%)	26.6	30.5	28.4
RoCE (%)	28.3	32.7	32.5
Payout (%)	15.9	13.4	12.1

Valuations

P/E (x)	65.8	44.8	37.2
P/BV (x)	15.7	12.1	9.4
Div. Yield (%)	0.2	0.3	0.3
FCF Yield (%)	1.0	1.9	2.5

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	50.3	50.3	50.3
DII	21.8	23.1	26.9
FII	19.3	18.5	14.5
Others	8.7	8.2	8.4

FII Includes depository receipts

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

Valuation and view

- Volume growth is likely to be driven by a recovery in the domestic 2W market, new products, and a recovery in exports. TVSL is enjoying the benefits of economies of scale and operating leverage, which help it sustain EBITDA margin at the double-digit level. However, TVSL earns ~40% of its overall EBITDA from the domestic scooter business, making it vulnerable to EV disruption.
- We now value TVSL at 27x Dec'25E EPS (25x earlier), led by a visible recovery in domestic 2W volumes, sequential growth in exports, and success in EV scooters. Valuations at ~45x/37x FY24E/FY25E EPS largely reflect its strong earnings growth as well as the increasing risk of EVs. Reiterate **Neutral** with a TP of ~INR1,880 (premised on ~27x Dec'25E EPS + INR173/share for NBFC).

S/A Quarterly Performance

Y/E March (INR m)	FY23				FY24				FY23	FY24E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Vols ('000 units)	906.8	1,027.4	879.4	866.5	953.2	1,074.4	1,100.8	1,090.7	3,680	4,219	1,100.8
Growth (%)	37.9	12.1	0.1	1.2	5.1	4.6	25.2	25.9	11.2	14.6	25.2
Realn (INR '000/unit)	66.3	70.3	74.4	76.2	75.7	75.8	74.9	76.1	71.7	75.6	75.0
Growth (%)	10.8	15.1	14.6	18.0	14.3	7.9	0.6	(0.2)	14.2	5.5	0.8
Net Sales	60,087	72,192	65,454	66,048	72,179	81,446	82,450	82,974	2,63,781	3,19,050	82,618
Growth (%)	52.7	29.0	14.7	19.4	20.1	12.8	26.0	25.6	27.0	21.0	26.2
RM (% of sales)	76.1	76.2	75.5	75.4	74.6	74.0	73.7	73.9	75.8	74.0	74.1
Emp cost (% of sales)	5.3	4.8	5.2	5.1	5.2	4.8	4.9	4.9	5.1	5.0	4.7
Other exp (% of sales)	8.6	8.9	9.2	9.2	9.6	10.1	10.2	10.1	9.0	10.0	9.7
EBITDA	5,995	7,365	6,589	6,798	7,638	8,998	9,244	9,120	26,747	35,000	9,464
EBITDA Margin(%)	10.0	10.2	10.1	10.3	10.6	11.0	11.2	11.0	10.1	11.0	11.5
Interest	376	352	316	363	474	523	448	520	1,407	1,964	500
Depreciation	1,520	1,535	1,583	1,674	1,636	1,701	1,781	1,725	6,312	6,841	1,730
Other Income	222	14	65	88	576	462	734	170	389	1,942	60
PBT before EO Exp	4,321	5,492	4,755	4,849	6,104	7,237	7,750	7,046	19,417	28,137	7,294
EO Exp	0	0	0	-617	0	0	0	0	-617		0
PBT after EO Exp	4,321	5,492	4,755	5,466	6,104	7,237	7,750	7,046	20,034	28,137	7,294
Tax rate (%)	25.8	25.8	25.8	24.9	23.4	25.9	23.4	25.6	25.6	24.6	25.0
Reported PAT	3,205	4,075	3,528	4,103	4,677	5,366	5,934	5,239	14,910	21,215	5,470
Adjusted PAT	3,205	4,075	3,527	3,640	4,677	5,366	5,934	5,239	14,451	21,215	5,470

Key performance indicator

Y/E March (INR m)	FY23				FY24E				FY23	FY24E	3Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Volumes ('000 units)	906.8	1,027.4	879.4	866.5	953.2	1,074.4	1,100.8	1,090.7	3,680.2	4,219.1	1,100.8
Growth (%)	37.9	12.1	0.1	1.2	5.1	4.6	25.2	25.9	-42.5	-42.7	25.2
Dom. 2W Mkt Sh (%)	15.2	15.5	16.3	18.8	17.4	17.2	17.9		16.4		
Net Realization	66.3	70.3	74.4	76.2	75.7	75.8	74.9	76.1	71.7	75.6	75.0
Growth YoY (%)	10.8	15.1	14.6	18.0	14.3	7.9	0.6	-0.2	14.2	5.5	0.8
Cost Break-up											
RM Cost (% of sales)	76.1	76.2	75.5	75.4	74.6	74.0	73.7	73.9	75.8	74.0	74.1
Staff Cost (% of sales)	5.3	4.8	5.2	5.1	5.2	4.8	4.9	4.9	5.1	5.0	4.7
Other Cost (% of sales)	8.6	8.9	9.2	9.2	9.6	10.1	10.2	10.1	9.0	10.0	9.7
Gross Margins (%)	23.9	23.8	24.5	24.6	25.4	26.0	26.3	26.1	24.2	26.0	25.9
EBITDA Margins (%)	10.0	10.2	10.1	10.3	10.6	11.0	11.2	11.0	10.1	11.0	11.5
EBIT Margins (%)	7.4	8.1	7.6	7.8	8.3	9.0	9.1	8.9	7.7	8.8	9.4

E:MOFSL Estimates

Exhibit 1: Trends in volume and volume growth

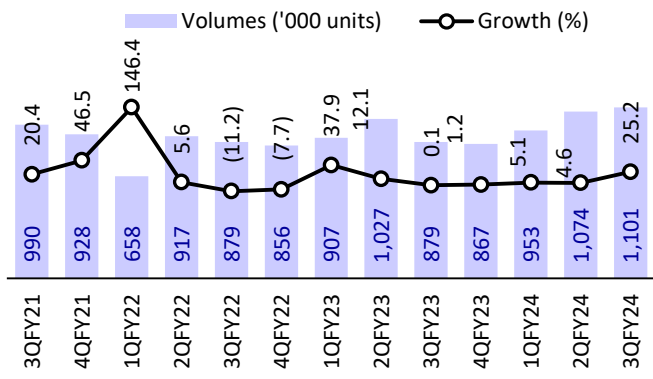


Exhibit 2: Trend in blended realizations

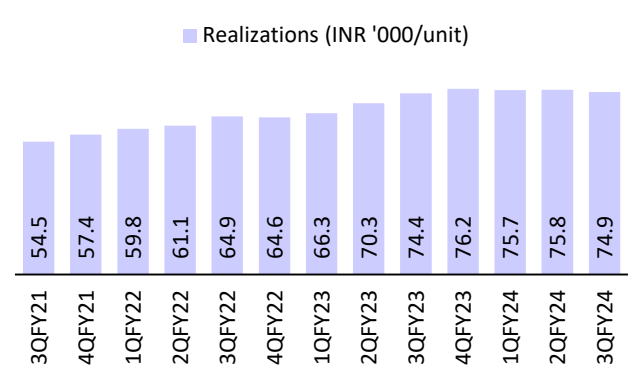


Exhibit 3: Domestic motorcycle, scooter, and overall market share trends for TVSL

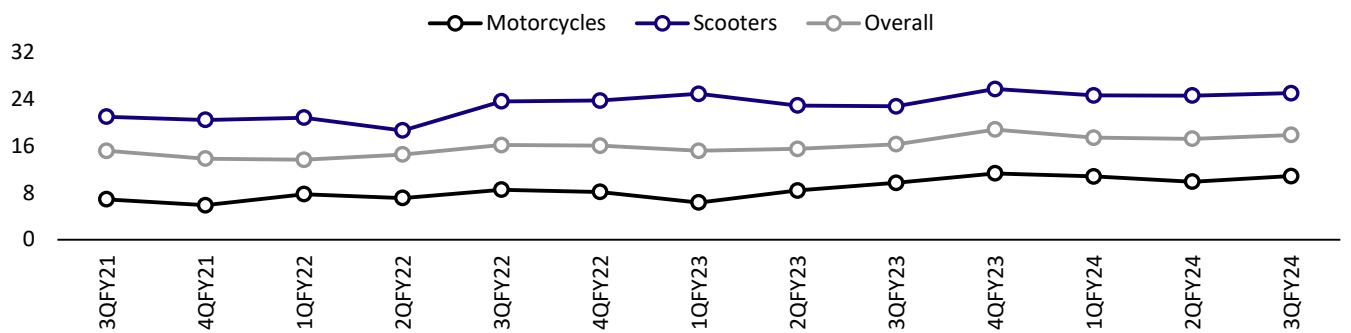


Exhibit 4: Net sales and growth trends

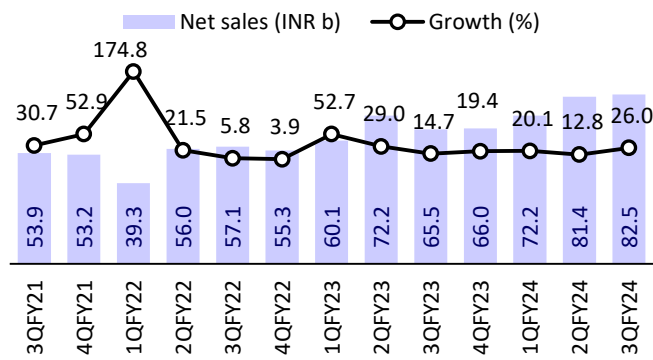


Exhibit 5: Contribution of different segments in volume mix

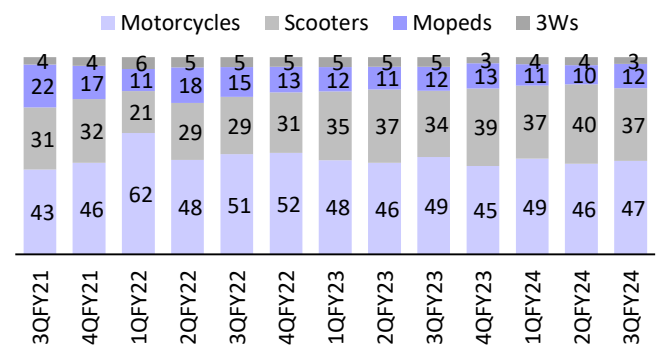


Exhibit 6: EBITDA and EBITDA margin trends

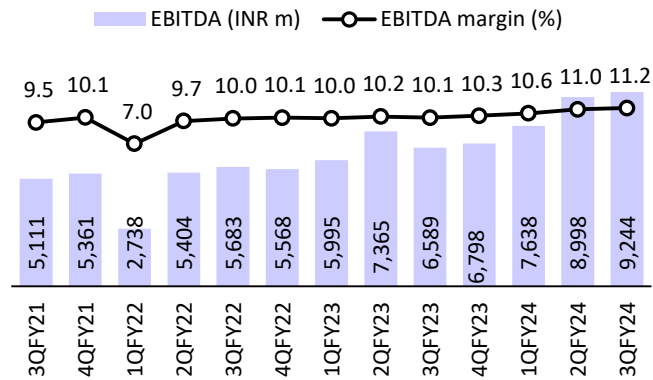
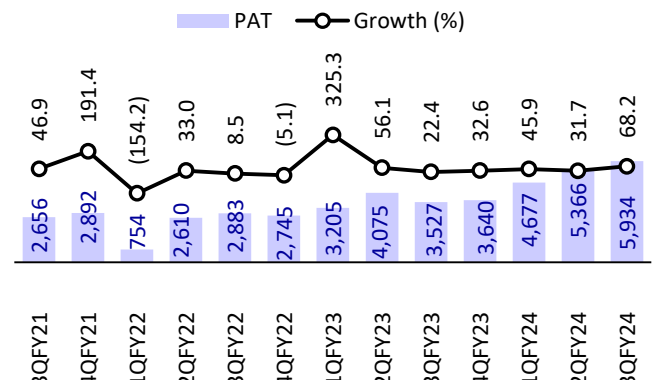


Exhibit 7: PAT and its growth trajectory



Source: Company, MOFSL

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Key takeaways from the management interaction

- **Domestic-** The management expects positive demand momentum to continue in 4Q, driven by healthy growth in rural areas despite some challenges in sowing. Retail financing has also been favorable. TVSL believes growth will be significant in urban and semi-urban regions.
- **Exports-** A recovery in international markets should continue as inflation is settling down; however, currency availability is still an issue in African markets. Customer retails are happening. Sri Lanka has started opening up.
- **Red sea crisis-** The pricing of containers has gone up due to the ongoing supply chain crisis.
- **iQube-** The company currently has 400 touchpoints and it aims to double that in the next three months. New product launches are likely to follow. Gross margins are positive and will continue to improve. Capacity is in place and got a supportive supply chain as well; hence, it will take just 3-4 months to increase the capacity if required.
- **Norton-** Coming out with a very clear product plan and the focus will be in India as well. It will take 6-8 quarters to realize the product benefits.
- **Financials-**
 - Spares parts revenue stood at INR7.92b for 3Q and exports at INR18.82b.
 - Retail finance penetration for the quarter stood at 65%.
 - USD-INR rate stood at INR83.
 - Investments- TVSL has invested INR800m in Norton, INR1-1.2b in other subsidiaries, and some investments in Killwatt and TVS Digital.
- The company has guided for capex of INR20b (including INR10b for EVs) for FY24.
- **TVS credit-** PBT grew 75% to 2.29b in 3QFY24. Gross book size stands at INR250b with GNPA at 3.1% and capital adequacy ratio of 8.6%. Disbursements stood at INR70b vs. ~INR60b in 3QFY23.

Valuation and view

- Volume outperformance and market share gains to ebb:** We estimate TVSL's pace of volume outperformance over the domestic 2W industry to slow as the gaps in its product portfolio have largely been plugged. Volume growth is expected to be driven by new product launches (Raider, Ronin) in the domestic market as well as a ramp-up in exports. We estimate TVSL to report a 13% CAGR in 2W volume over FY23-26.
- Most vulnerable among listed 2W OEMs to EV risk:** TVSL earns ~40% of its overall EBITDA from the domestic scooter business, making it vulnerable to EV disruption in the listed 2W space. It plans to launch a series of new products between 5.0kW and 5.5kW over the next few quarters. Additionally, it has received orders for 10k e2Ws from Zomato and several other players for last-mile logistic needs. Any value discovery of its EV subsidiary can act as a re-rating catalyst.
- Scale to drive 180bp margin expansion over FY23-25:** There are several levers to improve margin, such as: 1) a better mix, 2) forex benefits, 3) cost-saving initiatives, and 4) operating leverage (particularly on marketing and employee costs). We estimate 180bp EBITDA margin expansion (FY23-26) to 11.9%. This would result in a standalone EPS CAGR of ~28% over FY23-26E.
- NBFC arm to boost consolidated performance:** TVS Credit Services (holds ~81% stake, post PI investment) is a fast-growing NBFC with a presence in 2W, Used Car and Tractor Financing, among others. The captive NBFC arm has been particularly helpful in offsetting the impact of the liquidity crunch over the years. Its book size stood at ~INR230.5b at the end of 2QFY24. We value the NBFC business at ~INR173/sh (post a 20% holding company discount). TVS Credit is actively searching for an external investor as its growth partner, which can unlock value.
- Valuation and view:** We have retained our FY24/FY25 EPS estimates. Volume growth is likely to be driven by a recovery in domestic 2W market, new products (Raider, 125CC scooters and iQube) as well as a ramp-up in exports. TVSL is enjoying the benefits of economies of scale and operating leverage, which help it sustain EBITDA margin at double-digit level. However, TVSL earns ~40% of its overall EBITDA from the domestic Scooter business, making it vulnerable to EV disruption. Valuations at 45x/37x FY24E/FY25E EPS largely reflect its strong earnings growth as well as increasing risk of EVs. Reiterate **Neutral** with a TP of ~INR1,880 (premised on ~27x Dec'25E EPS + INR173/share for NBFC).

Revised forecast (Standalone)

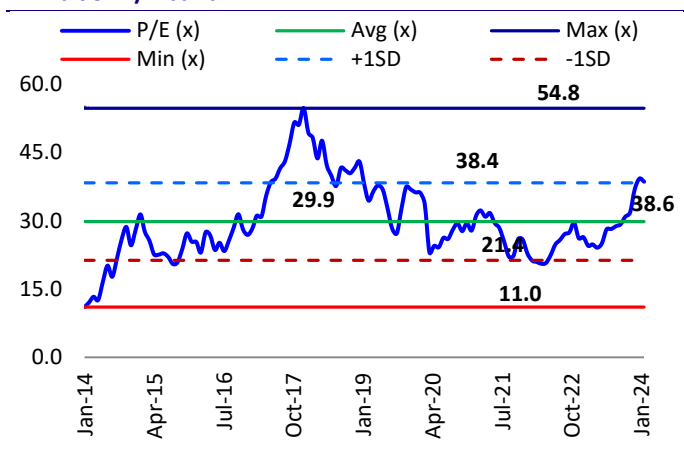
(INR M)	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Volumes (m units)	4.22	4.22	0.0	4.73	4.73	0.0
Net Sales	3,19,050	3,19,050	0.0	3,66,240	3,66,240	0.0
EBITDA	35,000	35,574	-1.6	42,667	43,216	-1.3
EBITDA (%)	11.0	11.2	-20bp	11.7	11.8	-10bp
Net Profit	21,215	20,995	1.0	25,557	25,969	-1.6
EPS (INR)	44.7	44.2	1.0	53.8	54.7	-1.6

Exhibit 8: TVS Credit Services – A valuable investment

INR M	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Loan book	39,540	50,000	61,540	83,350	92,150	1,12,020	1,39,110	2,06,020	3,16,476	3,93,032	4,58,989
Loan book Gr (%)	50	26	23	35	10.6	22	24	48	54	24	17
Leverage (x)	7.3	7.2	7.0	7.2	6.7	7.2	7.5	7.5	9.4	9.5	9.3
RoA (%)	1.3	1.7	2.2	1.8	1.6	0.9	0.9	1.2	1.5	1.5	1.5
PAT	507	870	1,384	1,483	1,505	970	1,207	2,472	4,747	5,895	6,885
Net Worth	5,410	6,980	8,834	11,511	13,720	15,637	18,636	27,581	33,828	41,224	49,609
RoE (%)	9.4	12.5	15.7	12.9	11.0	6.2	6.5	9.0	14.0	14.3	13.9
P/B (x)								2.5	2.5	2.5	2.5
Equity Value								68,953	84,571	1,03,059	1,24,021
TVSLs Stake (%)								84.27	84.27	84.27	84.27
Value for TVSL @ Post 20% Hold Co Discount								46,485	57,014	69,478	83,610
Value for TVSL (INR/sh @ 20% HoldCo)								98	120	146	176

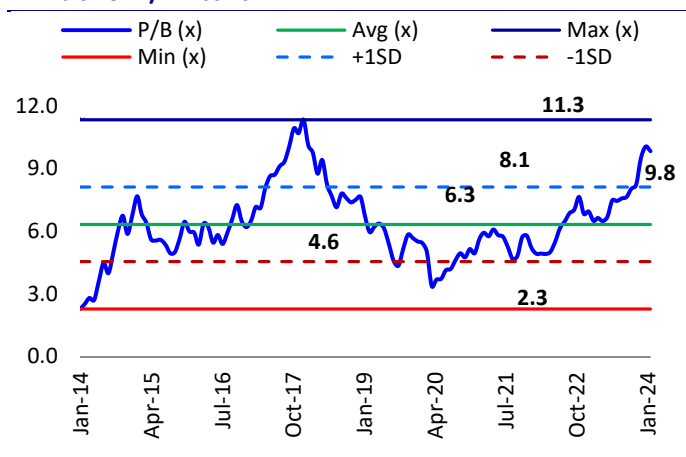
Source: Company, MOFSL

Exhibit 9: P/E band



Source: MOFSL

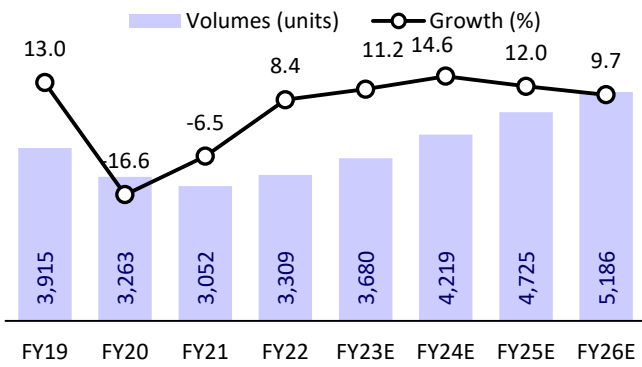
Exhibit 10: P/BV band



Source: MOFSL

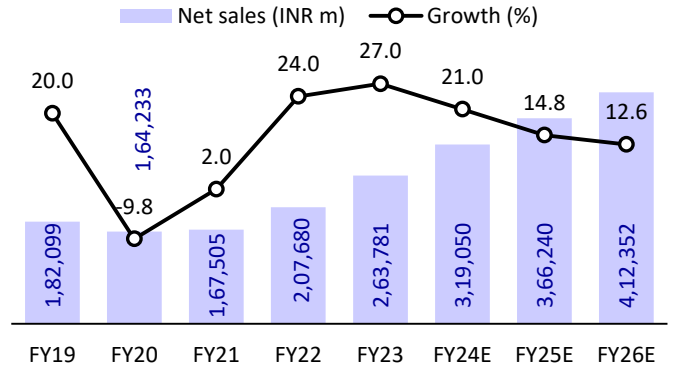
Story in charts

Exhibit 11: Volume growth trajectory



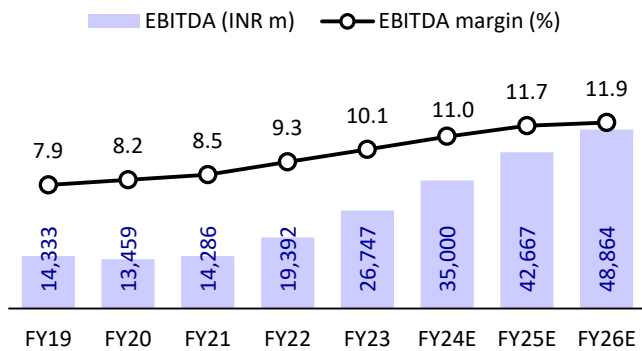
Source: Company, MOFSL

Exhibit 12: Revenue growth trend



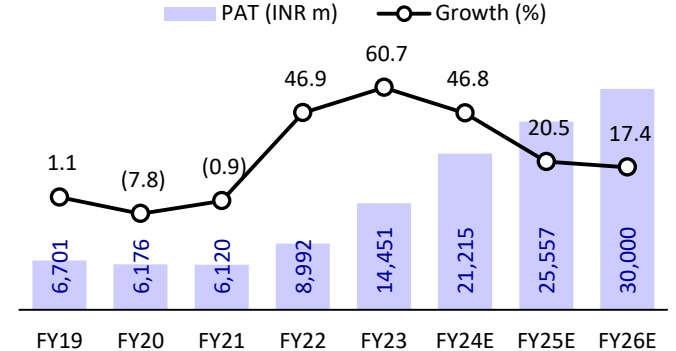
Source: Company, MOFSL

Exhibit 13: EBITDA margin trends upward



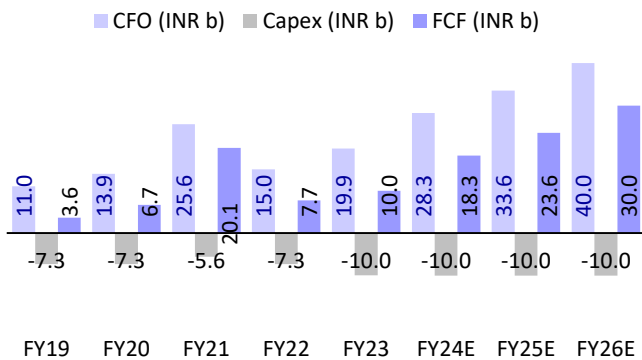
Source: Company, MOFSL

Exhibit 14: Trends in PAT and PAT growth



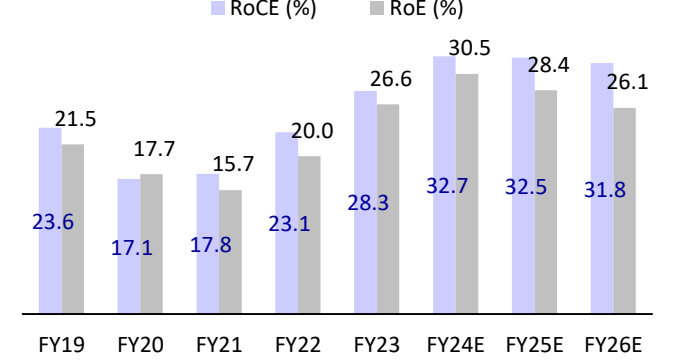
Source: Company, MOFSL

Exhibit 15: FCF to remain strong despite high capex plans



Source: Company, MOFSL

Exhibit 16: Sharp improvement in return ratios



Source: Company, MOFSL

Key operating metrics

units	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Motorcycle	13,29,105	15,39,226	13,48,662	13,29,213	17,13,464	17,13,975	19,59,065	22,02,544	24,28,657
Growth (%)	24.5	15.8	-12.4	-1.4	28.9	0.0	14.3	12.4	10.3
% of total vols	38.3	39.3	41.3	43.6	51.8	46.6	46.4	46.6	46.8
Scooter	11,34,918	13,01,115	10,75,203	9,60,946	9,22,578	13,33,925	16,19,722	18,30,581	20,15,126
Growth (%)	30.3	14.6	-17.4	-10.6	-4.0	44.6	21.4	13.0	10.1
% of total vols	32.7	33.2	32.9	31.5	27.9	36.2	38.4	38.7	38.9
Moped	8,76,932	8,96,917	6,50,799	6,25,560	4,83,396	4,45,773	4,63,520	4,86,696	5,11,031
Growth (%)	-3.7	2.3	-27.4	-3.9	-22.7	-7.8	4.0	5.0	5.0
% of total vols	25.3	22.9	19.9	20.5	14.6	12.1	11.0	10.3	9.9
Total 2Ws	33,67,426	37,58,551	30,89,581	29,28,265	31,37,298	35,12,954	40,62,359	45,41,077	49,77,345
Growth (%)	18.0	11.6	-17.8	-5.2	7.1	12.0	15.6	11.8	9.6
% of total vols	97.2	96.0	94.7	96.0	94.8	95.5	96.3	96.1	96.0
3Ws	98,684	1,56,434	1,73,911	1,23,596	1,71,875	1,67,235	1,56,768	1,84,349	2,08,667
Growth (%)	42.5	58.5	11.2	-28.9	39.1	-2.7	-6.3	17.6	13.2
% of total vols	2.8	4.0	5.3	4.0	5.2	4.5	3.7	3.9	4.0
Domestic	28,91,895	31,53,247	24,22,674	21,72,492	20,55,982	26,13,576	31,39,192	34,85,735	37,99,149
Growth (%)	15.6	9.0	-23.2	-10.3	-5.4	27.1	20.1	11.0	9.0
% of total vols	83.4	80.5	74.2	71.2	62.1	71.0	74.4	73.8	73.3
Exports	5,74,215	7,61,738	8,40,818	8,79,369	12,53,191	10,66,613	10,79,934	12,39,691	13,86,863
Growth (%)	36.4	32.7	10.4	4.6	42.5	-14.9	1.2	14.8	11.9
% of total vols	16.6	19.5	25.8	28.8	37.9	29.0	25.6	26.2	26.7
Total volumes	34,66,110	39,14,985	32,63,492	30,51,861	33,09,173	36,80,189	42,19,127	47,25,426	51,86,012
Growth (%)	18.6	13.0	-16.6	-6.5	8.4	11.2	14.6	12.0	9.7
ASP (INR/unit)	43,782	46,513	50,324	54,886	62,759	71,676	75,620	77,504	79,512
Growth (%)	5.5	6.2	8.2	9.1	14.3	14.2	5.5	2.5	2.6
Net Sales (INR m)	1,51,754	1,82,099	1,64,233	1,67,505	2,07,680	2,63,781	3,19,050	3,66,240	4,12,352
Growth (%)	25.1	20.0	-9.8	2.0	24.0	27.0	21.0	14.8	12.6

Financials and valuations

Standalone - Income Statement

(INR Million)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Volumes (units)	39,14,985	32,63,492	30,51,861	33,09,173	36,80,189	42,19,127	47,25,426	51,86,012
Growth (%)	13.0	(16.6)	(6.5)	8.4	11.2	14.6	12.0	9.7
Net Sales	1,82,099	1,64,233	1,67,505	2,07,680	2,63,781	3,19,050	3,66,240	4,12,352
Change (%)	20.0	-9.8	2.0	24.0	27.0	21.0	14.8	12.6
EBITDA	14,333	13,459	14,286	19,392	26,747	35,000	42,667	48,864
Margin (%)	7.9	8.2	8.5	9.3	10.1	11.0	11.7	11.9
Depreciation	3,993	4,890	4,937	6,114	6,312	6,841	7,346	8,144
EBIT	10,340	8,568	9,349	13,278	20,435	28,158	35,321	40,720
Int. and Finance Charges	806	1,022	1,416	1,259	1,407	1,964	1,695	1,270
Other Income - Rec.	75	321	330	190	389	1,942	450	550
PBT bef. EO Exp.	9,610	7,867	8,262	12,209	19,417	28,137	34,076	39,999
EO Expense/(Income)	0	323	0	77	-617	0	0	0
PBT after EO Exp.	9,610	7,544	8,262	12,132	20,034	28,137	34,076	39,999
Current Tax	2,768	2,339	2,034	3,000	5,037	6,922	8,519	10,000
Deferred Tax	141	-717	108	196	87	0	0	0
Tax Rate (%)	30.3	21.5	25.9	26.3	25.6	24.6	25.0	25.0
Reported PAT	6,701	5,923	6,120	8,936	14,910	21,215	25,557	30,000
PAT Adj for EO items	6,701	6,176	6,120	8,992	14,451	21,215	25,557	30,000
Change (%)	1.1	-7.8	-0.9	46.9	60.7	46.8	20.5	17.4

Standalone - Balance Sheet

(INR Million)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	475	475	475	475	475	475	475	475
Total Reserves	32,998	35,706	41,234	47,745	60,003	78,368	1,00,836	1,27,748
Net Worth	33,473	36,181	41,710	48,220	60,479	78,843	1,01,312	1,28,223
Deferred Liabilities	2,126	1,581	1,955	1,979	1,982	1,982	1,982	1,982
Total Loans	14,000	20,219	10,829	16,006	22,446	22,446	17,446	12,446
Capital Employed	49,600	57,981	54,493	66,205	84,906	1,03,271	1,20,739	1,42,651
Gross Block	50,536	58,077	63,490	72,064	79,879	91,157	1,02,157	1,12,157
Less: Accum. Deprn.	24,743	29,077	33,387	38,998	43,920	50,762	58,108	66,252
Net Fixed Assets	25,793	28,999	30,104	33,066	35,959	40,395	44,049	45,905
Capital WIP	2,572	2,854	2,787	4,245	6,277	5,000	4,000	4,000
Total Investments	23,008	28,554	33,153	47,813	61,664	71,664	79,164	86,664
Curr. Assets, Loans&Adv.	32,320	33,204	35,931	33,354	36,024	52,370	67,442	87,578
Inventory	11,759	10,389	11,518	11,227	12,364	17,482	22,075	24,854
Account Receivables	14,141	12,814	8,700	9,507	9,551	14,860	17,058	19,205
Cash and Bank Balance	439	4,193	9,298	4,013	2,420	7,813	14,543	28,236
Loans and Advances	5,981	5,808	6,415	8,607	11,690	12,215	13,766	15,282
Curr. Liability & Prov.	34,094	35,631	47,482	52,273	44,050	55,191	62,948	70,528
Account Payables	32,912	33,869	45,557	49,815	41,306	52,447	60,204	67,784
Provisions & other CL	1,183	1,763	1,925	2,458	2,744	2,744	2,744	2,744
Net Current Assets	-1,774	-2,427	-11,551	-18,919	-8,026	-2,820	4,494	17,049
Appl. of Funds	49,600	57,981	54,493	66,205	84,906	1,03,271	1,20,739	1,42,651

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)								
EPS	14.1	13.0	12.9	18.9	30.4	44.7	53.8	63.1
Growth (%)	1.1	-7.8	-0.9	46.9	60.7	46.8	20.5	17.4
Cash EPS	22.5	23.3	23.3	31.8	43.7	59.1	69.3	80.3
BV/Share	70.5	76.2	87.8	101.5	127.3	166.0	213.2	269.9
DPS	3.5	3.5	3.5	4.5	5.0	6.0	6.5	6.5
Payout (%)	29.8	33.8	27.2	23.9	15.9	13.4	12.1	10.3
Valuation (x)								
P/E	141.9	154.0	155.4	105.8	65.8	44.8	37.2	31.7
Cash P/E	89.0	86.0	86.0	63.0	45.8	33.9	28.9	24.9
P/BV	28.4	26.3	22.8	19.7	15.7	12.1	9.4	7.4
EV/Sales	5.3	5.9	5.7	4.6	3.7	3.0	2.6	2.3
EV/EBITDA	67.3	71.9	66.7	49.7	36.3	27.6	22.4	19.1
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Return Ratios (%)								
EBITDA Margins (%)	7.9	8.2	8.5	9.3	10.1	11.0	11.7	11.9
Net Profit Margins (%)	3.7	3.8	3.7	4.3	5.5	6.6	7.0	7.3
RoE	21.5	17.7	15.7	20.0	26.6	30.5	28.4	26.1
RoCE	23.6	17.1	17.8	23.1	28.3	32.7	32.5	31.8
RoIC	30.1	26.2	37.2	74.0	86.4	95.2	104.2	111.5
Operating Ratios								
Fixed Asset Turnover (x)	3.6	2.8	2.6	2.9	3.3	3.5	3.6	3.7
Inventory (Days)	23.6	23.1	25.1	19.7	17.1	20.0	22.0	22.0
Debtor (Days)	28	28	19	17	13	17	17	17
Creditor (Days)	66	75	99	88	57	60	60	60
Working Capital (Days)	-4	-15	-45	-40	-14	-12	-10	-10
Leverage Ratio (x)								
Current Ratio	0.9	0.9	0.8	0.6	0.8	0.9	1.1	1.2
Debt/Equity	0.4	0.6	0.3	0.3	0.4	0.3	0.2	0.1

Standalone - Cash Flow Statement

(INR Million)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
NP/ (Loss) bef Tax and EO	9,610	7,544	8,262	12,132	20,034	28,137	34,076	39,999
Depreciation	3,993	4,890	4,937	6,114	6,312	6,841	7,346	8,144
Interest & Finance Charges	857	1,022	1,416	1,259	1,407	1,964	1,695	1,270
Direct Taxes Paid	2,300	1,850	2,020	3,100	4,826	6,922	8,519	10,000
(Inc)/Dec in WC	-1,097	2,926	12,918	-962	-2,080	188	-585	1,137
CF from Operations	11,063	14,532	25,513	15,444	20,846	30,208	34,013	40,551
Others	-85	-596	96	-469	-918	-1,942	-450	-550
CF from Operations	10,978	13,936	25,609	14,976	19,929	28,266	33,563	40,001
(inc)/dec in FA	-7,334	-7,267	-5,557	-7,279	-9,968	-10,000	-10,000	-10,000
Free Cash Flow	3,643	6,669	20,052	7,697	9,960	18,266	23,563	30,001
CF from Investments	-10,023	-12,889	-9,206	-21,410	-23,118	-18,058	-17,050	-16,950
(Inc)/Dec in Debt	939	4,013	-10,700	1,300	3,100	0	-5,000	-5,000
Interest Paid	-857	-1,003	-1,129	-1,231	-1,371	-1,964	-1,695	-1,270
Dividend Paid	-2,000	-2,000	-998	-1,904	-2,918	-2,851	-3,088	-3,088
CF from Fin. Activity	811	2,705	-11,956	1,132	2,245	-4,815	-9,784	-9,359
Inc/Dec of Cash	1,766	3,753	4,447	-5,302	-944	5,394	6,730	13,692
Add: Beginning Balance	-1,376	390	4,143	8,590	3,287	2,343	7,737	14,467
Closing Balance	390	4,143	8,590	3,287	2,343	7,737	14,467	28,159

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