

January 31, 2024

## Q3FY24 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

|                | Current    |        | Previous |        |
|----------------|------------|--------|----------|--------|
|                | FY25E      | FY26E  | FY25E    | FY26E  |
| Rating         | ACCUMULATE |        | HOLD     |        |
| Target Price   | 2,064      |        | 1,983    |        |
| Sales (Rs. m)  | 70,114     | 83,759 | 71,069   | 84,059 |
| % Chng.        | (1.3)      | (0.4)  |          |        |
| EBITDA (Rs. m) | 12,625     | 15,669 | 12,792   | 15,719 |
| % Chng.        | (1.3)      | (0.3)  |          |        |
| EPS (Rs.)      | 30.2       | 39.3   | 31.0     | 39.8   |
| % Chng.        | (2.6)      | (1.4)  |          |        |

### Key Financials - Consolidated

| Y/e Mar        | FY23   | FY24E  | FY25E  | FY26E  |
|----------------|--------|--------|--------|--------|
| Sales (Rs. m)  | 51,585 | 57,037 | 70,114 | 83,759 |
| EBITDA (Rs. m) | 8,099  | 9,871  | 12,625 | 15,669 |
| Margin (%)     | 15.7   | 17.3   | 18.0   | 18.7   |
| PAT (Rs. m)    | 4,584  | 6,015  | 8,125  | 10,560 |
| EPS (Rs.)      | 17.0   | 22.4   | 30.2   | 39.3   |
| Gr. (%)        | (29.2) | 31.2   | 35.1   | 30.0   |
| DPS (Rs.)      | 2.3    | 2.3    | 2.3    | 2.3    |
| Yield (%)      | 0.1    | 0.1    | 0.1    | 0.1    |
| RoE (%)        | 17.2   | 18.6   | 21.0   | 22.2   |
| RoCE (%)       | 23.9   | 25.0   | 27.7   | 29.4   |
| EV/Sales (x)   | 9.4    | 8.5    | 6.8    | 5.6    |
| EV/EBITDA (x)  | 60.1   | 49.3   | 38.0   | 30.1   |
| PE (x)         | 107.4  | 81.9   | 60.6   | 46.6   |
| P/BV (x)       | 16.6   | 14.1   | 11.6   | 9.4    |

### Key Data

ASTL.BO | ASTRA IN

|                     |                     |
|---------------------|---------------------|
| 52-W High / Low     | Rs.2,058 / Rs.1,298 |
| Sensex / Nifty      | 71,752 / 21,726     |
| Market Cap          | Rs.492bn/ \$ 5,921m |
| Shares Outstanding  | 269m                |
| 3M Avg. Daily Value | Rs.929.82m          |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 55.85 |
| Foreign                 | 13.86 |
| Domestic Institution    | 16.50 |
| Public & Others         | 13.80 |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M    | 6M     | 12M   |
|----------|-------|--------|-------|
| Absolute | (4.0) | (7.1)  | 18.9  |
| Relative | (3.4) | (13.8) | (1.3) |

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## Healthy volume growth, momentum continue...

### Quick Pointers:

- Healthy vol. growth of 15.0% YoY in plumbing seg. led to rev. growth of 7.1%.
- Gross margin expanded 590bps to 38.5%, even after inventory loss.

**We downward revise our FY24 estimates by 7.9% after lowering our revenue est. and incorporating one off expenses & higher interest expenses even as we upgrade to 'Accumulate' rating from Hold with revised DCF based TP of Rs 2,064 (earlier Rs 1983), which implies 56x Dec'25 EPS. Astral Ltd (ASTRA) maintained its volume growth guidance at >-20% in pipe & fittings business and 15%-20% rev. growth guidance in paints & adhesive business with consolidated EBITDA margin guidance of over 17%+. The company reported strong expansion in gross margin (+590bps YoY), despite inventory loss of Rs 200mn on account of correction in RM prices (PVC price was down by -7% and CPVC price was down by -5% QoQ) because of increase in VAP mix and lower RM procurement cost. However, increase in front-loaded expenses for growth, resulted in relatively lower expansion of EBITDA margin (+110bps YoY), which will reflect in numbers by coming quarters with product mix change & increase in revenue.**

**We believe that Astral is a consistent quality performer and a compounding story. We estimate Sales/EBITDA/PAT CAGR of 17.5%/24.6%/32.2% over FY23-26E. The stock is trading at 60x/47x FY25/FY26 earnings. In anticipation of higher volume growth in plumbing segment and adhesive segment, we marginally downward revise our FY25/FY26E earnings by 2.6%/1.4%. Upgrade to 'Accumulate'.**

**Revenue grew 8.1%, PAT up by 19.4% YoY:** Revenue grew 8.1% YoY to Rs13.7bn above our est. (PLe:Rs13.5bn) led by 7.1% YoY growth in Plumbing segment and 10.7% YoY growth in Paints and Adhesives business. Gross margin expanded by 590bps YoY to 38.5%, above our est. of 38%. There was an inventory loss in 3QFY24, around Rs 200mn. EBITDA was up by 16% to Rs2.16bn (excluding one off Rs 110mn related 25<sup>th</sup> anniversary celebration) (PLe: Rs2.0bn). EBITDA margin expanded by 110bps YoY to 15.8%, in-line with our est. of 15.9%, Plumbing EBITDA margin improved by 110bps YoY to 16.5% and EBITDA margin of Paints and Adhesives improved by 30bps YoY at 12.5%. PAT grew by ~19.4% YoY to Rs1.1bn (PLe: Rs1.3bn).

**Plumbing business – healthy volume growth:** Plumbing business posted revenue of Rs10bn which was up by 7.1% YoY. This was led by healthy volume growth in pipe & fittings (up 15% YoY) over high base. EBITDA margin expanded 110bps YoY to 16.5%, primarily with improvement in product mix and GM improvement. EBITDA per Kg (incl. OI) in pipe & fitting business was Rs31.3 vs Rs33.9 in Q2FY24. Management expects margins to be maintained at 16-17% and will improve with increase in bath business revenue and strong vol. growth in plastic pipe segment in FY24.

**Paints and adhesives – Healthy rev growth in dom. adhesive business:** Paint & adhesives revenue grew 10.7% YoY to Rs3.72bn, and excluding GEMS paint P&A business grew at 14.5% YoY. Growth was majorly contributed by domestic adhesive business (up 16.8% YoY); SEAL-IT grew at 9% YoY. P&A EBITDA margin expanded by 30bps YoY to 12.5% in Q3FY24, with higher margin in domestic adhesive business (~15.5%) while SEAL-IT reported losses due to sharp fall in Silicon prices & fluctuation in GBP-USD rate, which is expected to normalise from Q4FY24 (~7-8% EBITDA margin). Management guided for 13-14% EBITDA margin in the segment with 15% revenue growth in coming years.

**Exhibit 1: Q2FY24 Result Overview: Revenue grew by 8.1% YoY; PAT grew by 19.4% YoY**

| Y/e March (Rs mn)                  | Q3FY24        | Q3FY23        | YoY gr. (%) | Q2FY24        | QoQ gr. (%)  | 9MFY24        | 9MFY23        | YoY gr. (%) |
|------------------------------------|---------------|---------------|-------------|---------------|--------------|---------------|---------------|-------------|
| <b>Net Sales</b>                   | <b>13,702</b> | <b>12,678</b> | <b>8.1</b>  | <b>13,630</b> | <b>0.5</b>   | <b>40,163</b> | <b>36,523</b> | <b>10.0</b> |
| <b>Expenditure</b>                 |               |               |             |               |              |               |               |             |
| Operating & Manufacturing Expenses | 8,425         | 8,538         | -1.3        | 8,328         | 1.2          | 24,803        | 25,066        | -1.0        |
| <i>% of Net Sales</i>              | <i>61.5</i>   | <i>67.3</i>   |             | <i>61.1</i>   |              | <i>61.8</i>   | <i>68.6</i>   |             |
| Gross Profit                       | 5,277         | 4,140         | 27.5        | 5,302         | -0.5         | 15,360        | 11,457        | 34.1        |
| <i>% of Net Sales</i>              | <i>38.5</i>   | <i>32.7</i>   | <i>5.9</i>  | <i>38.9</i>   |              | <i>38.2</i>   | <i>31.4</i>   |             |
| Personnel Cost                     | 1,141         | 801           | 42.4        | 1,053         | 8.4          | 3,190         | 2,331         | 36.9        |
| <i>% of Net Sales</i>              | <i>8.3</i>    | <i>6.3</i>    |             | <i>7.7</i>    |              | <i>7.9</i>    | <i>6.4</i>    |             |
| Other Expenses                     | 1,975         | 1,475         | 33.9        | 2,048         | -3.6         | 5,792         | 4,105         | 41.1        |
| <i>% of Net Sales</i>              | <i>14.4</i>   | <i>11.6</i>   |             | <i>15.0</i>   |              | <i>14.4</i>   | <i>11.2</i>   |             |
| Total Expenditure                  | 11,541        | 10,814        | 6.7         | 11,429        | 1.0          | 33,785        | 31,502        | 7.2         |
| <b>EBITDA</b>                      | <b>2,161</b>  | <b>1,864</b>  | <b>15.9</b> | <b>2,201</b>  | <b>-1.8</b>  | <b>6,378</b>  | <b>5,021</b>  | <b>27.0</b> |
| <i>Margin (%)</i>                  | <i>15.8</i>   | <i>14.7</i>   | <i>1.1</i>  | <i>16.1</i>   |              | <i>15.9</i>   | <i>13.7</i>   |             |
| Other income                       | 64            | -20           | -420.0      | 134           | -52.2        | 319           | 243           | 31.3        |
| Depreciation                       | 501           | 455           | 10.1        | 487           | 2.9          | 1,451         | 1,336         | 8.6         |
| <b>EBIT</b>                        | <b>1,660</b>  | <b>1,409</b>  | <b>17.8</b> | <b>1,714</b>  | <b>-3.2</b>  | <b>4,927</b>  | <b>3,685</b>  | <b>33.7</b> |
| Interest                           | 75            | 94            | -20.2       | 80            | -6.3         | 213           | 378           | -43.7       |
| <b>PBT</b>                         | <b>1,649</b>  | <b>1,295</b>  | <b>27.3</b> | <b>1,768</b>  | <b>-6.7</b>  | <b>5,033</b>  | <b>3,550</b>  | <b>41.8</b> |
| Total Taxes                        | 406           | 346           | 17.3        | 451           | -10.0        | 1,280         | 903           | 41.7        |
| <i>ETR (%)</i>                     | <i>24.6</i>   | <i>26.7</i>   |             | <i>25.5</i>   |              | <i>25.4</i>   | <i>25.4</i>   |             |
| <b>PAT</b>                         | <b>1,133</b>  | <b>949</b>    | <b>19.4</b> | <b>1,317</b>  | <b>-14.0</b> | <b>3,643</b>  | <b>2,607</b>  | <b>39.7</b> |

Source: Company, PL

**Exhibit 2: Segmental Breakup: Plumbing reported rev. growth of 7.1% with EBIT margin of 12.9%**

| Y/e March              | Q3FY24      | Q3FY23      | YoY gr. (%) | Q2FY24      | QoQ gr. (%) | 9MFY24      | 9MFY23      | YoY gr. (%) |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Revenues</b>        |             |             |             |             |             |             |             |             |
| Plumbing/Plastics      | 9,981       | 9,318       | 7.1         | 9,804       | 1.8         | 29,168      | 26,440      | 10.3        |
| Paints & Adhesives     | 3,721       | 3,360       | 10.7        | 3,826       | -2.7        | 10,995      | 10,083      | 9.0         |
| <b>EBIT</b>            |             |             |             |             |             |             |             |             |
| Plumbing/Plastics      | 1,284       | 1,114       | 15.3        | 1,398       | -8.2        | 3,950       | 4,561       | -13.4       |
| <i>EBIT margin (%)</i> | <i>12.9</i> | <i>12.0</i> |             | <i>14.3</i> |             | <i>13.5</i> | <i>17.3</i> |             |
| Paints & Adhesives     | 333         | 326         | 2.1         | 380         | -12.4       | 1,052       | 878         | 19.8        |
| <i>EBIT margin (%)</i> | <i>8.9</i>  | <i>9.7</i>  |             | <i>9.9</i>  |             | <i>9.6</i>  | <i>8.7</i>  |             |

Source: Company, PL

## Q3FY24 Concall Highlights

- Management maintained its volume growth guidance of >20% in pipe & fittings business in FY24 and ~15%+ volume growth for long term. Also, guided 15-20% rev. growth guidance in paints & adhesive business with consolidated EBITDA margin guidance of over 17%+.
- Consolidated cash (including cash equivalents) and bank balance as at Dec-23 is Rs 3.3bn (after Payment of 80% stake acquisition of Gem Paints Private Limited).
- Planned capex of Rs 5.0bn for FY24 and Rs 2.5-3.0bn for FY25E.
- Astral has spent Rs.110mn towards a special celebration event of its 25th anniversary.
- The major raw materials, PVC/CPVC prices were on downward trend in Q3FY24. This resulted in inventory loss for the company. PVC price was down by -7% and CPVC price was down by -5% QoQ.

## Plumbing Business

- Plastic pipe & fittings segment, volume grew by 24% in 9MFY24 and 15% in Q3FY24.**
- Pipe & fittings capacity increased to 329kMT from 310kT in Q2FY24 and 290kMT in Q3FY23.
- Guwahati plant started with water tank manufacturing and pipe manufacturing started from Jan-24; expect sales by Q2FY24.
- First phase of construction at Hyderabad is getting over by Mar-24 will start operations by Q1FY25 and will start commercial production by Q2FY24.
- Bathware** division incurred a revenue of Rs 200mn and loss of Rs 40mn as company spent money on branding activity.

## Paints and Adhesives Business

- Domestic adhesive business reported 16.8% growth in revenue with 15.5% EBITDA margin in Q3FY24.
- Adhesive plant at Dahej has started and in next couple of quarters will be fully operational. Revenue target from this plant is around Rs 8-10bn on full utilization.
- SEAL-IT business delivered 8-9% revenue growth with EBITDA loss in Q3FY24, due to sharp fall in Silicon prices & fluctuation in GBP-USD rate, which is expected to normalize from Q4FY24 onwards. Company reported revenue of ~810mn and loss of ~24mn (~3%).
- GEMS paint reported revenue of Rs 470mn in Q3FY24 with EBITDA margin of 18.5% in Q3FY24.
- Company will launch Astral brand product of paints Q1FY25 in selected states.

## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY23          | FY24E         | FY25E         | FY26E         |
|-------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenues</b>           | <b>51,585</b> | <b>57,037</b> | <b>70,114</b> | <b>83,759</b> |
| YoY gr. (%)                   | 17.4          | 10.6          | 22.9          | 19.5          |
| Cost of Goods Sold            | 34,347        | 37,588        | 45,714        | 54,024        |
| Gross Profit                  | 17,238        | 19,450        | 24,400        | 29,734        |
| Margin (%)                    | 33.4          | 34.1          | 34.8          | 35.5          |
| Employee Cost                 | 3,193         | 4,331         | 5,324         | 6,360         |
| Other Expenses                | -             | -             | -             | -             |
| <b>EBITDA</b>                 | <b>8,099</b>  | <b>9,871</b>  | <b>12,625</b> | <b>15,669</b> |
| YoY gr. (%)                   | 7.2           | 21.9          | 27.9          | 24.1          |
| Margin (%)                    | 15.7          | 17.3          | 18.0          | 18.7          |
| Depreciation and Amortization | 1,781         | 1,958         | 2,236         | 2,383         |
| <b>EBIT</b>                   | <b>6,318</b>  | <b>7,913</b>  | <b>10,389</b> | <b>13,286</b> |
| Margin (%)                    | 12.2          | 13.9          | 14.8          | 15.9          |
| Net Interest                  | 400           | 255           | 140           | 125           |
| Other Income                  | 267           | 380           | 570           | 900           |
| <b>Profit Before Tax</b>      | <b>6,185</b>  | <b>8,038</b>  | <b>10,819</b> | <b>14,061</b> |
| Margin (%)                    | 12.0          | 14.1          | 15.4          | 16.8          |
| Total Tax                     | 1,557         | 2,002         | 2,694         | 3,501         |
| Effective tax rate (%)        | 25.2          | 24.9          | 24.9          | 24.9          |
| <b>Profit after tax</b>       | <b>4,628</b>  | <b>6,037</b>  | <b>8,125</b>  | <b>10,560</b> |
| Minority interest             | 159           | 21            | -             | -             |
| Share Profit from Associate   | 115           | -             | -             | -             |
| <b>Adjusted PAT</b>           | <b>4,584</b>  | <b>6,015</b>  | <b>8,125</b>  | <b>10,560</b> |
| YoY gr. (%)                   | (5.3)         | 31.2          | 35.1          | 30.0          |
| Margin (%)                    | 8.9           | 10.5          | 11.6          | 12.6          |
| Extra Ord. Income / (Exp)     | (18)          | (110)         | -             | -             |
| <b>Reported PAT</b>           | <b>4,566</b>  | <b>5,905</b>  | <b>8,125</b>  | <b>10,560</b> |
| YoY gr. (%)                   | (5.6)         | 29.3          | 37.6          | 30.0          |
| Margin (%)                    | 8.9           | 10.4          | 11.6          | 12.6          |
| Other Comprehensive Income    | (44)          | (21)          | -             | -             |
| Total Comprehensive Income    | 4,522         | 5,884         | 8,125         | 10,560        |
| <b>Equity Shares O/s (m)</b>  | <b>269</b>    | <b>269</b>    | <b>269</b>    | <b>269</b>    |
| <b>EPS (Rs)</b>               | <b>17.0</b>   | <b>22.4</b>   | <b>30.2</b>   | <b>39.3</b>   |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY23          | FY24E         | FY25E         | FY26E         |
|---------------------------------------|---------------|---------------|---------------|---------------|
| <b>Non-Current Assets</b>             |               |               |               |               |
| <b>Gross Block</b>                    | <b>27,092</b> | <b>33,156</b> | <b>35,656</b> | <b>37,656</b> |
| Tangibles                             | 27,092        | 33,156        | 35,656        | 37,656        |
| Intangibles                           | -             | -             | -             | -             |
| <b>Acc: Dep / Amortization</b>        | <b>7,587</b>  | <b>9,545</b>  | <b>11,782</b> | <b>14,164</b> |
| Tangibles                             | 7,587         | 9,545         | 11,782        | 14,164        |
| Intangibles                           | -             | -             | -             | -             |
| <b>Net fixed assets</b>               | <b>19,505</b> | <b>23,610</b> | <b>23,874</b> | <b>23,491</b> |
| Tangibles                             | 19,505        | 23,610        | 23,874        | 23,491        |
| Intangibles                           | -             | -             | -             | -             |
| Capital Work In Progress              | 1,261         | 1,261         | 1,261         | 1,261         |
| Goodwill                              | -             | -             | -             | -             |
| Non-Current Investments               | -             | -             | -             | -             |
| Net Deferred tax assets               | (299)         | (299)         | (299)         | (299)         |
| Other Non-Current Assets              | 363           | 363           | 363           | 363           |
| <b>Current Assets</b>                 |               |               |               |               |
| Investments                           | -             | -             | -             | -             |
| Inventories                           | 8,746         | 9,376         | 11,526        | 13,769        |
| Trade receivables                     | 3,545         | 4,688         | 5,763         | 6,884         |
| Cash & Bank Balance                   | 6,821         | 6,762         | 13,049        | 22,174        |
| Other Current Assets                  | 3,082         | 1,248         | 1,535         | 1,833         |
| <b>Total Assets</b>                   | <b>43,731</b> | <b>47,748</b> | <b>57,885</b> | <b>70,370</b> |
| <b>Equity</b>                         |               |               |               |               |
| Equity Share Capital                  | 269           | 269           | 269           | 269           |
| Other Equity                          | 29,320        | 34,730        | 42,250        | 52,205        |
| <b>Total Networkth</b>                | <b>29,589</b> | <b>34,999</b> | <b>42,519</b> | <b>52,474</b> |
| <b>Non-Current Liabilities</b>        |               |               |               |               |
| Long Term borrowings                  | 586           | 586           | 586           | 386           |
| Provisions                            | -             | -             | -             | -             |
| Other non current liabilities         | -             | -             | -             | -             |
| <b>Current Liabilities</b>            |               |               |               |               |
| ST Debt / Current of LT Debt          | 285           | 285           | 285           | 285           |
| Trade payables                        | 8,000         | 8,846         | 10,874        | 12,990        |
| Other current liabilities             | 4,862         | 2,624         | 3,212         | 3,826         |
| <b>Total Equity &amp; Liabilities</b> | <b>43,731</b> | <b>47,748</b> | <b>57,885</b> | <b>70,370</b> |

Source: Company Data, PL Research

**Cash Flow (Rs m)**

| Y/e Mar                              | FY23           | FY24E          | FY25E          | FY26E          |
|--------------------------------------|----------------|----------------|----------------|----------------|
| PBT                                  | 6,185          | 8,038          | 10,819         | 14,061         |
| Add. Depreciation                    | 1,781          | 1,958          | 2,236          | 2,383          |
| Add. Interest                        | 400            | 255            | 140            | 125            |
| Less Financial Other Income          | 267            | 380            | 570            | 900            |
| Add. Other                           | (298)          | (131)          | -              | -              |
| Op. profit before WC changes         | 8,068          | 10,120         | 13,195         | 16,569         |
| Net Changes-WC                       | (620)          | (1,364)        | (970)          | (1,012)        |
| Direct tax                           | (1,557)        | (2,002)        | (2,694)        | (3,501)        |
| <b>Net cash from Op. activities</b>  | <b>5,891</b>   | <b>6,755</b>   | <b>9,532</b>   | <b>12,055</b>  |
| Capital expenditures                 | (6,355)        | (6,064)        | (2,500)        | (2,000)        |
| Interest / Dividend Income           | -              | -              | -              | -              |
| Others                               | -              | -              | -              | -              |
| <b>Net Cash from Inv. activities</b> | <b>(6,355)</b> | <b>(6,064)</b> | <b>(2,500)</b> | <b>(2,000)</b> |
| Issue of share cap. / premium        | -              | -              | -              | -              |
| Debt changes                         | (112)          | -              | -              | (200)          |
| Dividend paid                        | (350)          | (605)          | (605)          | (605)          |
| Interest paid                        | (400)          | (255)          | (140)          | (125)          |
| Others                               | -              | -              | -              | -              |
| <b>Net cash from Fin. activities</b> | <b>(862)</b>   | <b>(860)</b>   | <b>(745)</b>   | <b>(930)</b>   |
| <b>Net change in cash</b>            | <b>(1,326)</b> | <b>(169)</b>   | <b>6,286</b>   | <b>9,126</b>   |
| Free Cash Flow                       | (464)          | 691            | 7,032          | 10,055         |

Source: Company Data, PL Research

**Key Financial Metrics**

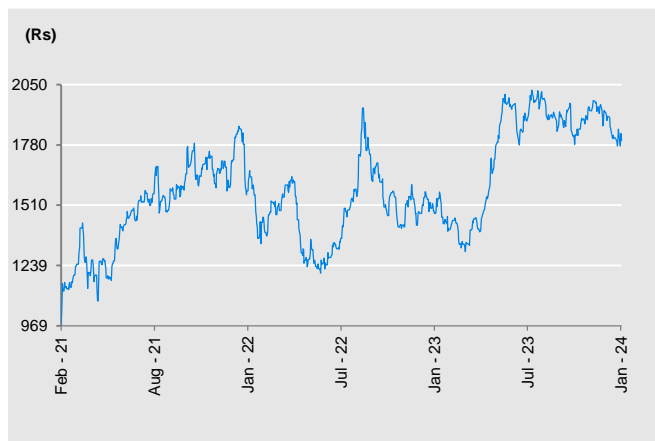
| Y/e Mar                    | FY23  | FY24E | FY25E | FY26E |
|----------------------------|-------|-------|-------|-------|
| <b>Per Share(Rs)</b>       |       |       |       |       |
| EPS                        | 17.0  | 22.4  | 30.2  | 39.3  |
| CEPS                       | 23.7  | 29.6  | 38.5  | 48.1  |
| BVPS                       | 110.0 | 130.1 | 158.1 | 195.1 |
| FCF                        | (1.7) | 2.6   | 26.1  | 37.4  |
| DPS                        | 2.3   | 2.3   | 2.3   | 2.3   |
| <b>Return Ratio(%)</b>     |       |       |       |       |
| RoCE                       | 23.9  | 25.0  | 27.7  | 29.4  |
| ROIC                       | 22.8  | 22.5  | 29.4  | 38.2  |
| RoE                        | 17.2  | 18.6  | 21.0  | 22.2  |
| <b>Balance Sheet</b>       |       |       |       |       |
| Net Debt : Equity (x)      | (0.2) | (0.2) | (0.3) | (0.4) |
| Net Working Capital (Days) | 30    | 33    | 33    | 33    |
| <b>Valuation(x)</b>        |       |       |       |       |
| PER                        | 107.4 | 81.9  | 60.6  | 46.6  |
| P/B                        | 16.6  | 14.1  | 11.6  | 9.4   |
| P/CEPS                     | 77.4  | 61.8  | 47.5  | 38.0  |
| EV/EBITDA                  | 60.1  | 49.3  | 38.0  | 30.1  |
| EV/Sales                   | 9.4   | 8.5   | 6.8   | 5.6   |
| Dividend Yield (%)         | 0.1   | 0.1   | 0.1   | 0.1   |

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

| Y/e Mar                           | Q4FY23        | Q1FY24        | Q2FY24        | Q3FY24        |
|-----------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenue</b>                | <b>15,062</b> | <b>12,831</b> | <b>13,630</b> | <b>13,702</b> |
| YoY gr. (%)                       | 8.3           | 5.8           | 16.3          | 8.1           |
| Raw Material Expenses             | 9,281         | 8,050         | 8,328         | 8,425         |
| Gross Profit                      | 5,781         | 4,781         | 5,302         | 5,277         |
| Margin (%)                        | 38.4          | 37.3          | 38.9          | 38.5          |
| <b>EBITDA</b>                     | <b>3,089</b>  | <b>2,016</b>  | <b>2,201</b>  | <b>2,161</b>  |
| YoY gr. (%)                       | 42.5          | 17.4          | 52.8          | 15.9          |
| Margin (%)                        | 20.5          | 15.7          | 16.1          | 15.8          |
| Depreciation / Depletion          | 445           | 463           | 487           | 501           |
| <b>EBIT</b>                       | <b>2,644</b>  | <b>1,553</b>  | <b>1,714</b>  | <b>1,660</b>  |
| Margin (%)                        | 17.6          | 12.1          | 12.6          | 12.1          |
| Net Interest                      | 33            | 58            | 80            | 75            |
| Other Income                      | 66            | 121           | 134           | 64            |
| <b>Profit before Tax</b>          | <b>2,677</b>  | <b>1,616</b>  | <b>1,768</b>  | <b>1,649</b>  |
| Margin (%)                        | 17.8          | 12.6          | 13.0          | 12.0          |
| Total Tax                         | 654           | 423           | 451           | 406           |
| Effective tax rate (%)            | 24.4          | 26.2          | 25.5          | 24.6          |
| <b>Profit after Tax</b>           | <b>2,023</b>  | <b>1,193</b>  | <b>1,317</b>  | <b>1,243</b>  |
| Minority interest                 | 5             | (1)           | 1             | -             |
| Share Profit from Associates      | 57            | -             | -             | -             |
| <b>Adjusted PAT</b>               | <b>2,075</b>  | <b>1,194</b>  | <b>1,317</b>  | <b>1,243</b>  |
| YoY gr. (%)                       | 46.7          | 34.1          | 80.1          | 33.7          |
| Margin (%)                        | 13.8          | 9.3           | 9.7           | 9.1           |
| Extra Ord. Income / (Exp)         | (18)          | -             | -             | (110)         |
| <b>Reported PAT</b>               | <b>2,057</b>  | <b>1,194</b>  | <b>1,317</b>  | <b>1,133</b>  |
| YoY gr. (%)                       | 45.5          | 34.1          | 90.5          | 21.8          |
| Margin (%)                        | 13.7          | 9.3           | 9.7           | 8.3           |
| Other Comprehensive Income        | -             | -             | -             | -             |
| <b>Total Comprehensive Income</b> | <b>2,057</b>  | <b>1,194</b>  | <b>1,317</b>  | <b>1,133</b>  |
| Avg. Shares O/s (m)               | 269           | 269           | 269           | 269           |
| <b>EPS (Rs)</b>                   | <b>7.7</b>    | <b>4.4</b>    | <b>4.9</b>    | <b>4.6</b>    |

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


| No. | Date      | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|--------|----------|-------------------|
| 1   | 02-Jan-24 | Hold   | 1,983    | 1,900             |
| 2   | 19-Oct-23 | Hold   | 1,983    | 1,844             |
| 3   | 09-Oct-23 | Hold   | 1,983    | 1,889             |
| 4   | 12-Aug-23 | Hold   | 1,955    | 1,974             |
| 5   | 04-Jul-23 | Hold   | 1,955    | 1,924             |
| 6   | 16-May-23 | BUY    | 1,830    | 1,687             |
| 7   | 06-Apr-23 | BUY    | 1,620    | 1,331             |
| 8   | 01-Mar-23 | BUY    | 2,160    | 1,889             |

**Analyst Coverage Universe**

| Sr. No. | Company Name                          | Rating     | TP (Rs) | Share Price (Rs) |
|---------|---------------------------------------|------------|---------|------------------|
| 1       | Astral Ltd.                           | Hold       | 1,983   | 1,900            |
| 2       | Bajaj Electricals                     | Hold       | 1,047   | 1,026            |
| 3       | Century Plyboard (I)                  | BUY        | 888     | 780              |
| 4       | Cera Sanitaryware                     | Accumulate | 8,597   | 7,842            |
| 5       | Crompton Greaves Consumer Electricals | BUY        | 397     | 313              |
| 6       | Finolex Industries                    | Accumulate | 247     | 234              |
| 7       | Greenpanel Industries                 | BUY        | 498     | 424              |
| 8       | Havells India                         | Accumulate | 1,538   | 1,306            |
| 9       | Kajaria Ceramics                      | Accumulate | 1,415   | 1,297            |
| 10      | KEI Industries                        | Hold       | 3,268   | 3,315            |
| 11      | Polycab India                         | BUY        | 6,021   | 4,335            |
| 12      | R R Kabel                             | BUY        | 1,857   | 1,435            |
| 13      | Supreme Industries                    | Accumulate | 4,823   | 4,070            |
| 14      | Voltas                                | Hold       | 1,003   | 990              |

**PL's Recommendation Nomenclature (Absolute Performance)**

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Buy</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |



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