

BPCL clocked Q4FY24 EBITDA/APAT of Rs92.7/55.7bn – a sizable 17-18% beat each, driven by higher-than-expected implied marketing margin of ~Rs7/kg (at a 16% beat). BPCL's reported GRM of USD12.5/bbl (vs. our estimate of USD13.5/bbl) was better than peers', with LPG buffer net positive vs. net negative for peers. Mgmt. reiterated its capex plans of Rs1.7trn up till CY28, and FY25/26 capex target is Rs150-160/160-200bn. Mgmt. indicated favorable margins at USD80-85/bbl crude price. We maintain our constructive stance on OMCs led by steady marketing outlook, as the general elections pan out and despite the volatile refining scenario. We raise FY25-26E EPS by 15-20% each, on better marketing margins and below operating-line adjustments. We retain BUY, and raise rolled over Mar-25E TP by 22% to Rs730/share, supported by lower net debt.

BPCL: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	3,466,439	4,675,427	4,480,132	4,669,339	4,809,723
EBITDA	193,112	68,724	443,410	249,363	255,942
Adj. PAT	101,720	(16,918)	280,226	146,649	159,546
Adj. EPS (Rs)	47.8	(7.9)	131.2	68.6	74.7
EBITDA margin (%)	5.6	1.5	9.9	5.3	5.3
EBITDA growth (%)	7.8	(64.4)	545.2	(43.8)	2.6
Adj. EPS growth (%)	(41.3)	(83.5)	1,321.7	(45.0)	8.8
RoE (%)	16.6	(8.5)	47.4	18.5	18.0
RoIC (%)	12.3	5.7	37.1	18.3	20.2
P/E (x)	13.0	(77.9)	4.7	9.0	8.3
EV/EBITDA (x)	8.7	24.8	3.4	6.0	6.2
P/B (x)	2.6	2.5	1.8	1.6	1.4
FCFF yield (%)	8.0	2.3	18.0	3.9	(3.2)

Source: Company, Emkay Research

Result Highlights

Refinery utilization was healthy at ~117%, as throughput rose 5% QoQ. GRM of the Mumbai/Kochi/Bina refinery was USD9.0/12.8/18.7 per bbl in Q4, staying range-bound QoQ. Marketing inventory loss was Rs7.7bn in Q4. Domestic sales volume rose 2% YoY vs. 4% for the industry, with overall volumes at a 4% miss. Petrol/diesel sales volumes rose 7%/fell 1% YoY vs. industry growth of 8%/4%. Opex was 1% higher than estimate, at Rs77.5bn. Gross debt was up 17% to Rs187.7bn as of Mar-2024-end, whereas net debt stood at Rs100.2bn. Company saw Rs18bn upstream impairment in Q4. FY24 capex was Rs117bn. BPCL's EBITDA/APAT recovered to Rs443/280bn in FY24, from Rs69bn/loss YoY, led by recovery in marketing margins. Board has recommended bonus issue of 1:1 and a final dividend of Rs21/share, implying 34% payout in FY24.

Management KTAs

Mgmt. reiterated *Project Aspire* and set its FY25/26 capex target at Rs150-160/160-200bn, though peak capex could be seen in FY27-28 with Bina capex scale-up. Peak debt/equity in SA books would be ~1x in the next 5 years, based on current margins and as against the 0.2x gross D/E currently. BPCL expects refining capacity to increase to 45mmtpa by FY29, through brownfield expansion of BR; MR and KR are expanding capacity by 1.5-2mmtpa each via debottlenecking. Russian crude formed 38-39% of the crude sourcing mix, in FY24. BPCL plans to add 4,000 new ROs/pumps by FY29 (vs >22k now). Company is comfortable with crude hovering at USD80-85/bbl and can earn stable margins. The current margin squeeze may be for a short period. BPCL's total gas footprint as a group is 1.5-1.6mmtpa, with long-term supply agreement for 2.89mmtpa. The security situation at Mozambique is improving, and BPCL is hopeful of activities restarting in FY25.

Valuation

We value BPCL on the SOTP-EV/EBITDA based methodology, with investments at a 30% holdco discount. We roll over to Mar-26E, and retain our blended target EV/EBITDA at 6.0x. Key risks: Adverse commodity prices and downstream margins; currency movement; government policies; and project issues.

Target Price – 12M	Mar-25
Change in TP (%)	21.6
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	18.0
CMP (10-May-24) (Rs)	618.7

Stock Data	Ticker
52-week High (Rs)	688
52-week Low (Rs)	331
Shares outstanding (mn)	2,169.3
Market-cap (Rs bn)	1,342
Market-cap (USD mn)	16,072
Net-debt, FY25E (Rs mn)	176,179
ADTV-3M (mn shares)	10
ADTV-3M (Rs mn)	5,951.6
ADTV-3M (USD mn)	71.3
Free float (%)	44.0
Nifty-50	22,055
INR/USD	83.5
Shareholding, Mar-24	
Promoters (%)	53.0
FPIs/MFs (%)	16.8/21.3

Price Performance

(%)	1M	3M	12M
Absolute	2.3	0.7	66.2
Rel. to Nifty	5.5	(0.5)	38.0

1-Year share price trend (Rs)



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Exhibit 1: Actuals vs. Estimates (Q4FY24)

(Rs mn)	Actual	Estimates (Emkay)	Consensus Estimates (Bloomberg)	Variation		Comments
				Emkay	Consensus	
Total Revenue	1,165,551	1,200,117	1,171,000	-3%	0%	
Adjusted EBITDA	92,654	78,573	87,658	18%	6%	Better marketing margins partly offset by slightly lower GRM
EBITDA Margin	7.9%	6.5%	7.5%	140bps	46bps	
Adjusted Net Profit	55,700	47,234	53,958	18%	3%	

Source: Company, Emkay Research

Exhibit 2: Quarterly Summary

(Rs mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY	QoQ	FY23	FY24	YoY
Revenue	1,181,121	1,121,295	1,029,856	1,154,942	1,165,551	-1%	1%	4,675,427	4,471,644	-4%
COGS	1,002,311	908,869	837,520	1,019,127	995,426	-1%	-2%	4,332,143	3,760,943	-13%
Gross Profit	178,810	212,426	192,335	135,815	170,125	-5%	25%	343,284	710,701	107%
Opex	69,210	62,816	61,977	73,269	77,471	12%	6%	274,559	275,533	0%
Total Expenditure	1,071,521	971,685	899,498	1,092,396	1,072,898	0%	-2%	4,606,702	4,036,476	-12%
EBITDA	109,600	149,610	130,358	62,546	92,654	-15%	48%	68,724	435,168	
Depreciation	15,958	16,093	15,998	18,244	17,165	8%	-6%	63,475	67,501	6%
Interest	8,124	6,793	7,676	5,019	5,243	-35%	4%	32,165	24,730	-23%
Other Income	7,330	4,675	7,712	6,801	4,691	-36%	-31%	21,840	23,880	9%
Exceptional Items	(13,600)	8,487	-	-	(17,980)			42,220	(9,493)	
Forex Gain/(Losses)	1,937	245	(1,278)	(284)	(523)			(14,978)	(1,840)	
PBT	81,185	140,131	113,118	45,801	56,434	-30%	23%	22,167	355,484	
Tax	16,408	34,622	28,106	11,828	14,192	-14%	20%	3,466	88,749	
PAT	64,777	105,509	85,012	33,973	42,242	-35%	24%	18,701	266,735	
Adjusted PAT	78,377	99,118	85,012	33,973	55,700	-29%	64%	(9,222)	273,803	
Adjusted EPS (Rs)	36.8	46.5	39.9	16.0	26.1	-29%	63%	(4.3)	128.5	
Tax Rate	20%	25%	25%	26%	25%			16%	25%	
Core EBITDA^	127,730	166,310	98,388	63,236	97,304	-24%	54%	111,224	425,238	
Core PAT^	83,011	110,778	61,655	34,987	59,531	-28%	70%	27,994	266,951	
Core EPS (Rs)^	39.0	52.0	29.0	16.4	27.9	-29%	70%	13.1	125.3	
Refining Volumes (mmt)	10.6	10.4	9.4	9.9	10.4	-3%	5%	38.5	39.9	4%
Reported GRM (USD/bbl)	20.6	12.6	18.5	13.4	12.5	-39%	-7%	20.3	14.1	-30%
Core GRM (USD/bbl)^	20.4	13.6	15.5	12.8	12.0	-41%	-7%	20.7	13.4	-35%
Adjusted Refining EBITDA	111,368	58,788	85,320	60,015	57,376	-48%	-4%	386,227	261,498	-32%
Marketing Volumes (mmt)	13.3	13.1	12.5	13.2	13.4	1%	2%	50.2	52.2	4%
Diesel	6.0	6.2	5.2	5.9	5.9	-1%	1%	22.8	23.2	1%
Petrol	2.4	2.5	2.5	2.5	2.6	7%	2%	9.6	10.1	5%
Marketing Margin (Rs/mt)	4,611	10,618	5,404	4,065	6,964	51%	71%	(2,003)	6,773	
Adjusted Marketing EBITDA	(6,696)	85,730	40,137	(2,717)	29,868			(335,819)	153,018	
Marketing Inventory Gain/(Losses)	(19,130)	(10,700)	14,970	(3,690)	(7,650)			(34,200)	(7,070)	
Pipeline Volumes (mmt)^	10.0	10.2	9.8	10.4	10.6	6%	2%	37.8	41.0	8%
Implied Pipeline EBITDA^	4,928	5,093	4,901	5,248	5,409	10%	3%	18,317	20,651	13%
Gross Debt	358,548	279,394	225,680	160,168	187,669	-48%	17%	358,548	187,669	-48%
Implied Net Debt	294,754	145,836	22,359	14,759	100,173	-66%	579%	294,754	100,173	-66%

Source: Company, Emkay Research; Note: ^ is estimated as refining inventory figure; segmental EBITDA and pipeline volumes not given

Concall Key Takeaways

Capex Plans

- BPCL's *Project Aspire* program would help focus on core areas as well as on newer opportunities like petchem, gas, non-fuel retail, and clean energy, with target of Net Zero Scope 1 & 2 emissions by 2040. Under this project, company plans to invest Rs1.7trn over 5 years (FY24-29) in various projects, with breakup as Rs750bn in refinery & petchem, Rs80bn in pipelines (Rs50bn already identified and approvals in place), Rs200bn in marketing business, Rs320bn in upstream (Mozambique & Brazil), Rs250bn in gas business, and Rs100bn in green energy verticals.
- Company's FY25 capex target is Rs150-160bn (Rs164bn), with Rs42bn on refinery & petchem, Rs70bn on marketing, Rs20-25bn in BPRL (upstream), etc. In FY26, capex should be Rs160-200bn, though peak capex could be seen in FY27-28 with Bina capex scale-up. However, peak debt/equity in standalone books would be ~1x in the next 5 years, based on current margins and versus the 0.2x gross D/E currently (consol. at 0.6x, and net SA at 0.1x, low on debt). FY24 capex was Rs117.02bn.

Refining and Petchem

- BPCL expects refining capacity to increase to 45mmtpa by FY29 through brownfield expansion of Bina refinery (BR), and with Mumbai refinery (MR) and Kochi refinery (KR) expanding capacity by 1.5-2mmtpa each through debottlenecking. Company is planning to undertake 20-30 days maintenance at MR in Jul-Aug 2024, besides a CDU-2 shutdown at KR in Sep-Oct 2024.
- The BR expansion and petchem project is expected to be completed in FY28-29, while 600-700mtmt of the petroleum products output generated would be additional, over its petchem output. Existing BR operations will not be impacted by this.
- Company's total crude imports stood at 36mmt in FY24, with Russian crude (Ural, ESPO, CPC etc) forming 38-39% of the mix. It expects similar sourcing in FY25 (minimum 25%). Russian crude is sourced mainly on spot basis (2 months in advance). Discounts are lower now, at USD3-6/bbl vs USD8-10/bbl earlier. Although Russian flows have faced payment and sanction related challenges, supplies and preference for the same remain. BPCL did not consume Venezuelan crude in FY24.
- BR reported higher GRMs compared with other refineries due to higher usage of Russian crude (followed by Kochi) and high sulphur grades. Slate of Bina refinery is MS/HSD/ATF at 15.5%/53.5%/8%. Its overall crude inventory is sub-30 days and, based on monthly average crude pricing, there are no significant refining inventory gains or losses; hence, it does not calculate or report it. Company's distillate yield was strong at 84.67%.
- Product spreads have moderated in the last few months, though the 10-year average GRM of USD6-8/bbl is achievable, and projects' D/E is targeted taking this into account. GRMs are better than Singapore's, though product profile is different.
- Company has two planned petchem projects, with licensors already on-boarded and package preparation in progress. The Kochi PDPP facility operated at 60% utilization in FY24 and recorded 232tmt vs 197tmt volumes YoY, with gross margin of Rs5.64bn in FY24 vs Rs3.64bn YoY.

Marketing

- BPCL plans to add 4,000 new ROs/pumps by FY29 (vs >22,000 now), and focus is also on the aviation, LPG and I/C segments, beside premiumization efforts (premium fuels), non-fuel retail, customer centricity, and digital initiatives. It has launched a premium petrol version recently, with Neeraj Chopra as brand ambassador.
- BPCL added 800 ROs in Q4FY24 and plans to add 1,300 in FY25. LPG market share of BPCL is 27.4% among OMCs, with 93.5mn connections. Company has also signed an MOU with new Noida airport to build an ATF pipeline. Its industrial-institutional market share is ~23%, with ~7.1mmtpa of volumes. MAK Lubricants has a market share of 24% among OMCs, and clocked 421tmt volumes in FY24. New channel partners were added in Sri Lanka, Kenya, Uganda and Tanzania.

- Marketing sales of BPCL grew 2.09% in Q4, with some market share gain in MS and HSD resulting in their market share at 29.6% and 29.8%, respectively. Retail fuel outlet sales were 154KL per month per outlet vs. 139KL PSU industry average. BPCL has RoFR on the entire volumes of NRL, even after its expansion, and can tap into that to cater to marketing demand growth.
- Company is comfortable with crude hovering at USD80-85/bbl, and can earn stable margins. Current margin squeeze may be for a short period.
- Company opened its own warehouse for non-fuel retail business in Lucknow in Q3, and saw good response, resulting in additional such warehouses & sourcing model being planned in MP, Maharashtra, AP, Rajasthan, and Karnataka. More non-fuel retail stores would be added, with rural focus and on-field activities are under way.

Natural Gas

- BPCL is also looking to deepen its CGD infra and is open to acquiring GAs, diversifying gas sourcing, undertaking gas trading & storage. It is also open to acquiring stake in the LNG terminal and in the development of LNG regas infrastructure. Initial investment in CGDs could be Rs250bn, with lifecycle capex of Rs450bn.
- Company is operating 25 GAs of the licenses available for 27 GAs. The recently acquired GAs (Jammu-Ladakh and Arunachal) are not yet operational, though it has licenses of 52 GAs (incl. through JVs) in total. It operates 2,034 CNG stations (added 435 in FY24) and plans to add 450 in FY25. Company has sold 70tmt of gas through its CGD network in FY24. Margins of the CGD business are good, and volume should pick up going ahead.
- BPCL's total gas footprint as a group is 1.5-1.6mmtpa. It has long-term supply agreement with LNG players for 2.89mmtpa, with QatarGas being renewed for 20 years from 2028.
- Current LNG consumption at KR/MR is 400-420/300tmt, respectively. BR is not configured fully to utilize RLNG and has to wait. Existing usage can increase based on economics, with optionality based on naphtha pricing. 80% of the consumption is long-term LNG.

Upstream

- BPCL's share of output from Russian assets was 2.63mmtoe in FY24. Progress at onshore project in Abu Dhabi is on schedule, with the development phase to commence shortly. Security situation at Mozambique is improving and Company is hopeful of activities restarting in FY25. In upstream, gas output has increased, from 13mscmd to 53mscmd, with flaring reduced and to be put off in current year.
- BPCL's Q4FY24 impairment was in Brazil as the BM-C 30 (Wahoo) block went into dispute with the operator in FY22 wrt data sharing and handling costs which was fixed much higher than the market. The London International arbitral award order was not favorable, and BPCL has now filed an appeal in the London High Court. Its value in books has been impaired, with impairment of this block at Rs10-11bn.

Clean Energy

- BPCL has plans for a 10GW renewable energy (RE) portfolio through organic and inorganic expansion by 2040, and is exploring and evaluating offers, with its FY25-29 plan of 2GW RE capacity. RE cost is Rs2.6-2.7/unit and Rs5-5.2/unit landed, and could result in sizable savings in its core opex. Company has 64MW of RE capacity currently, with 190MW under construction. It targets >7,000 EV charging stations by Sep 2025 vs 2,445 charging and 3,135 swapping stations as of now.
- It is also venturing into green hydrogen production with plan of 30ktpa by 2030 which would help meet 10% of captive demand. It is already setting up a 5MW green hydrogen unit at BR and has plans for green hydrogen in mobility (100NM/hour pilot at the Kochi airport by Jan 2025) & other applications. It is developing an indigenous electrolyzer with BARC.
- Company's 1G-2G ethanol capacity is expected to be operational in the near term, and it has plans for 26 CBG plants. Its 150ktpd capacity bio-waste for the CBG project at Kochi has been approved by the State Government of Kerala, and construction is under way with commissioning by Jan 2025. It also plans to undertake a pilot SAF project. EBP stood at 11.7% and it is on its way to achieve the 20% Govt target.

Others

- In FY24, geopolitical tensions impacted commodity prices, global freight rates, and logistics. US and China should support global economic growth going ahead. Company expects global supply-demand to remain relatively balanced in FY25, with crude likely to be range-bound at USD83-87/bbl, with unplanned production disruption a risk.
- Indian GDP should grow 6.2-7.5% and petrol/diesel demand is expected to grow 5%/1-2% YoY in India, whereas overall energy demand would increase to 2,200mmtoe by CY47 from 618mmtoe now.
- Net zero goal would open up opportunities for energy players like BPCL. The company's new focus areas are petrochemicals, natural gas, green energy, non-fuel retail, and digital.

Exhibit 3: Change in assumptions

	FY25E			FY26E		
	Previous	Revised	Variance	Previous	Revised	Variance
GRM (USD/bbl)	9.5	9.0	-5%	9.6	9.1	-5%
Marketing Margin (Rs/mt)	4,965	5,273	6%	5,066	5,379	6%
Growth	-20.1%	-20.1%	7bps	2.0%	2.0%	-3bps
Marketing Sales (mmt)	53	54	0%	55	55	1%
Growth	2.6%	2.6%	1bps	2.2%	3.0%	81bps

Source: Company, Emkay Research

Exhibit 4: Change in estimates

(Rs bn)	FY25E			FY26E		
	Previous	Revised	Variance	Previous	Revised	Variance
Revenue	4,362	4,669	7%	4,458	4,810	8%
EBITDA	229	249	9%	234	256	9%
EBITDA Margin	5.3%	5.3%	9bps	5.2%	5.3%	7bps
PAT	127	147	15%	133	160	20%
EPS (Rs)	59.7	68.6	15%	62.6	74.7	19%

Source: Company, Emkay Research

Exhibit 5: SOTP-based valuation (Mar-25E TP)

Components	Basis	Mar- 26E EBITDA	Multiple (x)	EV (Rs bn)	EV/Share (Rs)	Comments
Refining Standalone	EV/EBITDA	153	6.0	918	430	
Pipelines Standalone	EV/EBITDA	22	6.0	132	62	
Petrochemicals Standalone	EV/EBITDA	0		-	-	
Marketing Standalone	EV/EBITDA	81	6.0	485	227	
Core Business EV		256	6.0	1,536	719	Blended Multiple at 6.0x
Less: Adj. Net Debt (Mar'25 End)				118	55	
Core Business Valuation				1,418	664	
Value of Mozambique Stake	Transaction Value			40	19	At 30% Discount
Value of Listed Investments	TP			100	47	At 30% HoldCo Discount
Target Price-Fair Value					730	

Source: Company, Emkay Research

Exhibit 6: Schedule and Value of Listed Investments

Listed	Type	Basis of Valuation	TP/CMP (Rs/sh)	Equity Value (Rs bn)	BPCL Stake	Pro-rata Value (Rs bn)	HoldCo Discount	Contr. to SOTP (Rs bn)	Per Share Value (Rs)
IGL	JV	TP (Emkay)	440	308	22.5%	69	30%	49	23
PLNG	JV	TP (Emkay)	300	450	12.5%	56	30%	39	18
Oil India	Financial	TP (Emkay)	670	727	2.5%	18	30%	13	6
Total Listed						143		100	47

Source: Company, Emkay Research

Exhibit 7: Value of Mozambique-stake

Components	Basis	EV (Rs bn)	BPCL stake	Net Debt (Rs bn)	Equity Value (Rs/bn)	Equity Value (Rs/sh)
Mozambique Upstream Area 1	30% discount to last transaction value	86	10%	45	40	19

Source: Company, Emkay Research

BPCL: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	3,466,439	4,675,427	4,480,132	4,669,339	4,809,723
Revenue growth (%)	49.1	34.9	(4.2)	4.2	3.0
EBITDA	193,112	68,724	443,410	249,363	255,942
EBITDA growth (%)	7.8	(64.4)	545.2	(43.8)	2.6
Depreciation & Amortization	54,179	63,475	67,501	68,013	70,144
EBIT	138,933	5,250	375,909	181,350	185,797
EBIT growth (%)	(0.3)	(96.2)	7,060.7	(51.8)	2.5
Other operating income	0	0	0	0	0
Other income	26,294	21,840	24,125	27,953	32,600
Financial expense	22,088	32,165	24,730	13,248	5,100
PBT	143,138	(5,075)	375,304	196,055	213,297
Extraordinary items	16,431	42,220	(17,980)	0	0
Taxes	43,084	3,466	88,749	49,406	53,751
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	113,634	18,701	266,735	146,649	159,546
PAT growth (%)	(40.3)	(83.5)	1,326.3	(45.0)	8.8
Adjusted PAT	101,720	(16,918)	280,226	146,649	159,546
Diluted EPS (Rs)	47.8	(7.9)	131.2	68.6	74.7
Diluted EPS growth (%)	(41.3)	(83.5)	1,321.7	(45.0)	8.8
DPS (Rs)	16.0	4.0	41.9	27.5	26.1
Dividend payout (%)	30.0	45.6	33.6	40.0	35.0
EBITDA margin (%)	5.6	1.5	9.9	5.3	5.3
EBIT margin (%)	4.0	0.1	8.4	3.9	3.9
Effective tax rate (%)	38.4	(770.1)	20.1	25.2	25.2
NOPLAT (pre-IndAS)	85,551	45,677	300,530	135,650	138,976
Shares outstanding (mn)	2,129.5	2,129.5	2,136.3	2,136.3	2,136.3

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	143,138	(5,075)	375,304	196,055	213,297
Others (non-cash items)	50,894	93,097	103,334	53,308	42,645
Taxes paid	(18,227)	(8,014)	(88,195)	(54,832)	(59,231)
Change in NWC	18,750	(610)	(13,000)	35,332	3,375
Operating cash flow	208,135	106,641	357,622	229,863	200,085
Capital expenditure	(73,656)	(67,797)	(85,477)	(171,095)	(251,106)
Acquisition of business	0	0	0	0	0
Interest & dividend income	13,879	12,022	14,832	27,953	32,600
Investing cash flow	(77,437)	(63,973)	(116,612)	(144,000)	(219,381)
Equity raised/(repaid)	4,624	0	3,786	0	0
Debt raised/(repaid)	(32,643)	(1,529)	(185,986)	6,194	115,000
Payment of lease liabilities	(8,875)	(8,875)	(8,875)	(8,875)	(8,875)
Interest paid	(13,771)	(22,314)	(19,173)	(13,248)	(5,100)
Dividend paid (incl tax)	(144,828)	(12,816)	(53,288)	(58,660)	(55,841)
Others	(105)	687	37,352	0	0
Financing cash flow	(186,723)	(35,972)	(217,308)	(65,714)	54,059
Net chg in Cash	(56,026)	6,696	23,702	20,150	34,763
OCF	208,135	106,641	357,622	229,863	200,085
Adj. OCF (w/o NWC chg.)	189,384	107,251	370,623	194,531	196,711
FCFF	134,478	38,844	272,145	58,769	(51,020)
FCFE	126,269	18,702	262,247	73,474	(23,521)
OCF/EBITDA (%)	107.8	155.2	80.7	92.2	78.2
FCFE/PAT (%)	111.1	100.0	98.3	50.1	(14.7)
FCFF/NOPLAT (%)	157.2	85.0	90.6	43.3	(36.7)

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	21,295	21,295	21,363	21,363	21,363
Reserves & Surplus	495,160	498,669	725,385	813,375	917,080
Net worth	516,455	519,963	746,748	834,738	938,442
Minority interests	0	0	0	0	0
Deferred tax liability (net)	58,660	70,683	66,706	61,281	55,801
Total debt	422,153	447,751	278,806	285,000	400,000
Total liabilities & equity	997,268	1,038,398	1,092,261	1,181,018	1,394,243
Net tangible fixed assets	736,501	764,399	765,813	666,921	702,431
Net intangible assets	10,100	10,100	10,100	10,100	10,100
Net ROU assets	91,463	91,463	91,463	91,463	91,463
Capital WIP	49,972	56,734	87,815	288,693	433,040
Goodwill	0	0	0	0	0
Investments [JV/Associates]	89,465	103,193	109,465	110,560	111,665
Cash & equivalents	58,932	63,976	87,813	108,821	144,460
Current assets (ex-cash)	605,413	518,470	577,461	600,984	618,509
Current Liab. & Prov.	644,577	569,936	637,669	696,524	717,423
NWC (ex-cash)	(39,164)	(51,466)	(60,208)	(95,540)	(98,915)
Total assets	997,268	1,038,398	1,092,261	1,181,018	1,394,243
Net debt	363,221	383,776	190,993	176,179	255,540
Capital employed	997,268	1,038,398	1,092,261	1,181,018	1,394,243
Invested capital	798,899	814,496	807,167	672,944	705,079
BVPS (Rs)	242.5	244.2	349.6	390.7	439.3
Net Debt/Equity (x)	0.7	0.7	0.3	0.2	0.3
Net Debt/EBITDA (x)	1.9	5.6	0.4	0.7	1.0
Interest coverage (x)	0.1	1.2	0.1	0.1	0.0
RoCE (%)	17.1	2.7	37.6	18.4	17.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	13.0	(77.9)	4.7	9.0	8.3
P/CE(x)	9.3	68.2	3.6	6.2	5.8
P/B (x)	2.6	2.5	1.8	1.6	1.4
EV/Sales (x)	0.5	0.4	0.3	0.3	0.3
EV/EBITDA (x)	8.7	24.8	3.4	6.0	6.2
EV/EBIT(x)	12.1	324.1	4.0	8.3	8.5
EV/IC (x)	2.1	2.1	1.9	2.2	2.2
FCFF yield (%)	8.0	2.3	18.0	3.9	(3.2)
FCFE yield (%)	9.6	1.4	19.8	5.6	(1.8)
Dividend yield (%)	2.6	0.6	6.8	4.4	4.2
DuPont-RoE split					
Net profit margin (%)	2.5	(0.9)	6.7	3.1	3.3
Total asset turnover (x)	3.6	4.6	4.2	4.1	3.7
Assets/Equity (x)	1.8	2.0	1.7	1.4	1.5
RoE (%)	16.6	(8.5)	47.4	18.5	18.0
DuPont-RoIC					
NOPLAT margin (%)	2.5	1.0	6.7	2.9	2.9
IC turnover (x)	0.0	0.0	0.0	0.0	0.0
RoIC (%)	12.3	5.7	37.1	18.3	20.2
Operating metrics					
Core NWC days	20.8	15.9	16.1	16.1	16.1
Total NWC days	20.8	15.9	16.1	16.1	16.1
Fixed asset turnover	3.7	4.3	3.8	3.9	3.9
Opex-to-revenue (%)	6.9	5.9	6.2	6.3	6.3

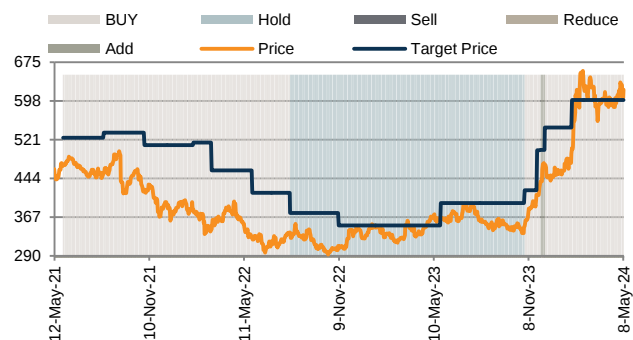
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
15-Mar-24	586	600	Buy	Sabri Hazarika
20-Feb-24	658	600	Buy	Sabri Hazarika
30-Jan-24	504	600	Buy	Sabri Hazarika
09-Dec-23	470	545	Buy	Sabri Hazarika
30-Nov-23	436	500	Add	Sabri Hazarika
24-Nov-23	411	500	Buy	Sabri Hazarika
31-Oct-23	349	420	Buy	Sabri Hazarika
27-Jul-23	379	395	Hold	Sabri Hazarika
23-May-23	367	395	Hold	Sabri Hazarika
31-Jan-23	343	350	Hold	Sabri Hazarika
06-Dec-22	329	350	Hold	Sabri Hazarika
08-Nov-22	310	350	Hold	Sabri Hazarika
07-Sep-22	327	375	Hold	Sabri Hazarika
07-Aug-22	336	375	Hold	Sabri Hazarika
15-Jul-22	312	415	Buy	Sabri Hazarika
28-Jun-22	319	415	Buy	Sabri Hazarika
26-May-22	324	415	Buy	Sabri Hazarika
22-May-22	333	460	Buy	Sabri Hazarika
09-Mar-22	343	460	Buy	Sabri Hazarika
02-Feb-22	382	515	Buy	Sabri Hazarika
25-Dec-21	372	510	Buy	Sabri Hazarika
23-Nov-21	398	510	Buy	Sabri Hazarika
31-Oct-21	418	510	Buy	Sabri Hazarika
14-Aug-21	455	535	Buy	Sabri Hazarika
26-Jul-21	456	525	Buy	Sabri Hazarika
23-Jun-21	470	525	Buy	Sabri Hazarika
29-May-21	472	525	Buy	Sabri Hazarika
28-May-21	472	525	Buy	Sabri Hazarika

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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