

SPRL's Q4 results were healthy, with consol. revenue/EBITDA/PAT growth of 22%/31%/27% YoY. SPRL's 18% rev. growth was 2x the underlying auto industry's. Mgmt guides for sustained outperformance in FY25 too, led by deeper market/client penetration & sustained growth in after-market, exports. SPRL continues to strengthen its already dominant positioning in core products, with value-additive growth in newer technologies like CNG, hydrogen, etc. This is backed by its tech leadership and R&D efforts, even as i) strong export tailwinds from global OEMs are extending visibility for the IC engine ('last man standing'); ii) accelerated foray into EV-specific and engine-agnostic parts (via M&As included) drives diversification and offers growth triggers. We retain our FY25/26 estimates and **BUY rating; TP stays at Rs2,450 at 18x FY26E PER.**

Shriram Pistons & Rings: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	20,647	26,093	30,893	35,621	39,567
EBITDA	3,045	4,604	6,420	7,500	8,568
Adj. PAT	1,636	2,935	4,425	5,165	6,055
Adj. EPS (Rs)	74.3	133.2	100.5	117.2	137.5
EBITDA margin (%)	14.7	17.6	20.8	21.1	21.7
EBITDA growth (%)	41.3	51.2	39.5	16.8	14.2
Adj. EPS growth (%)	87.2	78.2	(23.4)	16.7	17.2
RoE (%)	13.6	21.1	25.6	24.0	22.9
RoIC (%)	14.5	24.7	29.8	29.0	30.3
P/E (x)	26.5	14.8	19.6	16.8	14.3
EV/EBITDA (x)	13.5	8.6	12.7	10.5	8.8
P/B (x)	3.5	2.8	4.5	3.6	3.0
FCFF yield (%)	3.8	6.9	4.2	5.0	6.0

Source: Company, Emkay Research

Healthy operational performance

Revenue growth accelerated to 22% YoY (vs 17% for 9MFY24) to Rs8.6bn. Consolidated EBITDA was in line with our estimates with growth of 31% YoY to Rs1.8bn; margin rose by 143bps YoY (fell by 38bps QoQ). The sequential dip in margin was on account of higher RM costs. PAT grew ~27% YoY to Rs1.2bn (a ~8% beat), largely driven by higher other income (up 47% YoY/24% QoQ).

Earnings Call KTAs

1) Management highlighted expectations of continued outperformance vs the underlying automobile industry's, aided by deeper penetration with customers and steady growth in the aftermarket and exports segments. 2) Company gave guidance to a healthy 5-7% growth for 2Ws and the PV industry for FY25E; expects CVs to be flat, with an uptick starting 3Q onwards (post Elections). 3) SPRL has invested ~Rs700mn in construction of its plant at Coimbatore, and ~Rs800mn at the Pithampur plant (commencement of production at this site in Mar-24). These new plants are on the back of new order wins. 4) The new capacities at both, Pithampur and Coimbatore (EV powertrain), are in the process of getting fully booked through client order wins. 5) The EV powertrain business (EMFI) is likely to witness high growth over the next few years; company is working with several OEMs across segments. 6) SPRL maintains its aggressive growth strategy via the M&A route; is currently working on 2 deals. 6) The strong margin improvement in recent years has been on account of multiple actions across improving productivity, efficiency, capacity utilization as well as cost initiatives (e.g. renewable power sources); such actions are sustainable. 7) SPRL has an extensive footprint in the aftermarket (over 1,200 touchpoints in India; presence across 45 countries), including the servicing network; this would be utilized for growth in EVs as well.

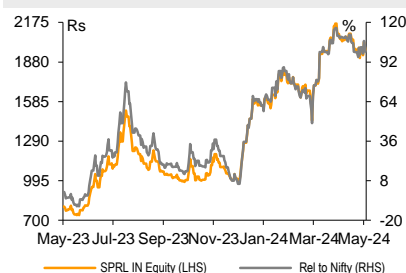
Target Price – 12M	Mar-25
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	24.4
CMP (16-May-24) (Rs)	1,968.9

Stock Data	Ticker
52-week High (Rs)	2,206
52-week Low (Rs)	730
Shares outstanding (mn)	44.0
Market-cap (Rs bn)	87
Market-cap (USD mn)	1,039
Net-debt, FY25E (Rs mn)	-8,107
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	310.5
ADTV-3M (USD mn)	3.7
Free float (%)	22.0
Nifty-50	22,404
INR/USD	83.5
Shareholding, Dec-23	
Promoters (%)	46.8
FPIs/MFs (%)	1.1/13.1

Price Performance

(%)	1M	3M	12M
Absolute	(4.0)	14.4	146.1
Rel. to Nifty	(5.1)	12.6	100.9

1-Year share price trend (Rs)



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Exhibit 1: Consolidated result snapshot – Revenues up 22% YoY; margins down by 38bps, dragged by higher RM costs

Rs mn	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)
Revenue	6,201	6,522	6,360	7,010	7,164	7,516	7,657	8,556	22.0	11.7
Expenditure	5,265	5,375	5,190	5,660	5,703	5,940	6,044	6,786	19.9	12.3
as % of sales	84.9	82.4	81.6	80.7	79.6	79.0	78.9	79.3		
Consumption of RM	2,723	2,665	2,614	2,981	2,850	2,888	3,040	3,700	24.1	21.7
as % of sales	43.9	40.9	41.1	42.5	39.8	38.4	39.7	43.2		
Employee Cost	1,004	1,038	1,015	1,087	1,107	1,155	1,192	1,192	9.7	0.0
as % of sales	16.2	15.9	16.0	15.5	15.4	15.4	15.6	13.9		
Other expenditure	1,539	1,672	1,562	1,592	1,746	1,898	1,813	1,894	19.0	4.5
as % of sales	24.8	25.6	24.6	22.7	24.4	25.3	23.7	22.1		
EBITDA	936	1,147	1,170	1,350	1,462	1,576	1,613	1,770	31.1	9.7
EBITDA margin (%)	15.1	17.6	18.4	19.3	20.4	21.0	21.1	20.7		
Depreciation	240	237	232	238	227	225	290	336	40.9	15.9
EBIT	696	910	938	1,112	1,235	1,351	1,323	1,434	29.0	8.4
Other Income	68	118	117	163	191	230	193	239	46.8	24.3
Interest	30	50	51	62	62	67	82	94	51.5	15.7
PBT	735	979	1,004	1,213	1,364	1,515	1,434	1,579	30.2	10.1
Total Tax	188	249	255	299	349	385	357	415	38.8	16.3
Adjusted PAT	547	730	749	914	1,015	1,130	1,078	1,165	27.4	8.1
Extra ordinary items Loss/(Gain)	0	0	0	0	0	0	0	0		
Reported PAT	547	730	749	914	1,015	1,130	1,078	1,165	27.4	8.1
Adjusted EPS (Rs)	12.4	16.6	17.0	20.7	23.1	25.8	24.4	27.2	31.5	11.4
(%)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (bps)	QoQ (bps)
EBITDAM	15.1	17.6	18.4	19.3	20.4	21.0	21.1	20.7	143	(38)
EBITM	11.2	14.0	14.7	15.9	17.2	18.0	17.3	16.8	90	(52)
EBTM	11.8	15.0	15.8	17.3	19.0	20.2	18.7	18.5	116	(27)
PATM	8.8	11.2	11.8	13.0	14.2	15.0	14.1	13.6	58	(46)
Effective Tax rate	25.6	25.5	25.4	24.6	25.6	25.4	24.9	26.2	161	139

Source: Company, Emkay Research

Exhibit 2: Actual vs. Estimates: EBITDA in-line; 8% beat on PAT, aided by higher than expected other income

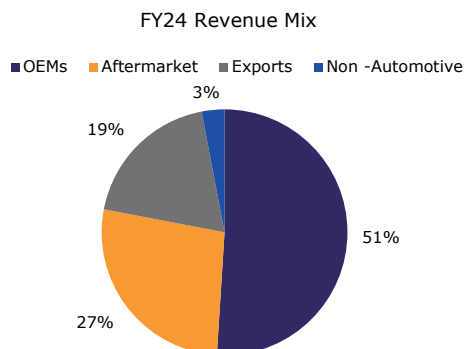
Rs mn	Actual	Emkay Est	Var %
Net sales	8,556	8,322	2.8
EBITDA	1,770	1,757	0.7
EBITDA Margin (%)	20.7	21.1	(43) bps
Adj net income	1,165	1,077	8.1
FDEPS (Rs)	27.2	24.4	11.5

Source: Company, Emkay Research

Exhibit 3: Margin Analysis: Margin down 38bps QoQ largely due to higher RM; Staff costs and other expenses down QoQ

Year to March	Q4FY24	Q4FY23	YoY (bps)	Q3FY24	QoQ (bps)
Raw material	43.2	42.5	71.3	39.7	353.9
Staff costs	13.9	15.5	(157.0)	15.6	(163.3)
Other expenses	22.1	22.7	(57.0)	23.7	(153.0)
EBITDA	20.7	19.3	142.7	21.1	(37.6)
Adjusted net profit	13.6	13.0	57.7	14.1	(46.2)
Effective Tax rate	26.2	24.6	161.4	24.9	139.2

Source: Company, Bloomberg, Emkay Research

Exhibit 4: Channel-wise FY24 revenue mix (Standalone operations)

Source: Company, Emkay Research

Exhibit 5: SPRL dominates its playing ground with ~45% revenue market share

Revenue (Rs mn)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Shriram Pistons	10,525	11,697	12,444	13,930	14,626	17,294	19,549	16,068	15,966	20,647	26,093
IP Rings	952	949	1,126	1,317	1,914	2,067	2,121	1,979	1,985	2,727	3,233
Rane Engine Valve	2,628	2,659	3,952	3,496	3,602	3,793	4,264	3,590	3,049	3,872	5,024
Federal Mogul Goetze	11,991	11,580	15,799	13,309	12,791	13,253	13,418	10,854	11,072	13,426	16,341
Menon Pistons	1,527	1,420	1,444	1,304	1,328	1,461	1,561	1,178	1,371	2,011	2,082
Samkrp Pistons	848	847	1,013	1,182	1,749	2,029	2,121	1,979	1,985	2,727	2,366
Total	28,471	29,153	35,777	34,537	36,009	39,897	43,034	35,648	35,427	45,409	55,140
Revenue mkt share (%)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Shriram Pistons	37.0	40.1	34.8	40.3	40.6	43.3	45.4	45.1	45.1	45.5	47.3
IP Rings	3.3	3.3	3.1	3.8	5.3	5.2	4.9	5.6	5.6	6.0	5.9
Rane Engine Valve	9.2	9.1	11.0	10.1	10.0	9.5	9.9	10.1	8.6	8.5	9.1
Federal Mogul Goetze	42.1	39.7	44.2	38.5	35.5	33.2	31.2	30.4	31.3	29.6	29.6
Menon Pistons	5.4	4.9	4.0	3.8	3.7	3.7	3.6	3.3	3.9	4.4	3.8
Samkrp Pistons	3.0	2.9	2.8	3.4	4.9	5.1	4.9	5.6	5.6	6.0	4.3





Source: Company, Capitaline, Emkay Research; Note: For Federal Mogul, FY15 represents data over 15 months

Exhibit 6: Company commands over 70% share of the profit pool, with much superior profitability relative to peers

EBITDA mkt share (%)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Shriram Pistons	72.6	78.5	54.9	67.3	49.5	53.4	53.1	53.1	60.4	49.7	58.2
IP Rings	2.2	3.3	3.7	4.4	2.8	4.4	5.0	6.3	6.9	5.4	3.3
Rane Engine Valve	3.4	-3.3	8.7	1.2	4.5	2.6	3.4	3.2	-0.9	1.7	3.5
Federal Mogul Goetze	38.9	48.9	54.1	50.9	41.6	41.5	40.9	38.1	23.4	26.7	26.6
Menon Pistons	5.6	3.0	4.2	3.3	2.9	2.9	3.4	3.1	4.7	5.0	4.0
Samkrg Pistons	-22.6	-30.4	-25.7	-27.1	-1.2	-4.8	-5.7	-3.9	5.5	11.5	4.4
EBITDAM (%)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Shriram Pistons	17.1	19.6	15.3	16.7	17.4	16.9	15.0	11.3	13.5	14.7	17.6
IP Rings	5.6	10.2	11.4	11.5	7.6	11.7	13.0	10.9	12.4	12.1	8.0
Rane Engine Valve	3.2	-3.7	7.6	1.2	6.4	3.8	4.4	3.1	-1.0	2.7	5.6
Federal Mogul Goetze	8.1	12.3	11.9	13.2	16.8	17.2	16.9	12.0	7.5	12.2	12.9
Menon Pistons	9.0	6.2	10.1	8.7	11.2	10.8	11.9	9.1	12.4	15.2	15.3
Samkrg Pistons	-66.2	-104.7	-87.7	-79.2	-3.7	-12.9	-15.0	-6.7	9.8	25.9	14.6
Total	8.7	10.0	9.7	10.0	14.3	13.7	12.9	9.6	10.1	13.5	14.3
EBIT mkt share (%)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Shriram Pistons	163.1	153.2	90.7	111.5	59.9	64.7	65.7	90.3	96.4	57.9	68.2
IP Rings	-1.8	3.1	5.0	5.9	2.1	4.6	5.3	9.6	9.4	4.7	1.6
Rane Engine Valve	-20.5	-33.4	1.5	-16.6	-1.5	-4.2	-3.5	-15.5	-19.0	-2.3	1.4
Federal Mogul Goetze	51.1	81.8	76.5	69.0	42.3	42.8	41.4	34.4	-0.0	19.2	20.9
Menon Pistons	14.8	5.2	8.2	4.9	3.3	3.2	4.1	4.9	8.5	6.2	4.3
Samkrg Pistons	-106.8	-109.9	-81.8	-74.7	-6.0	-11.2	-12.9	-23.7	4.7	14.4	3.5
EBITM (%)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Shriram Pistons	9.7	11.8	8.9	11.3	13.1	13.1	11.4	6.1	8.3	11.2	15.8
IP Rings	-1.2	3.0	5.4	6.3	3.4	7.8	8.4	5.3	6.5	6.9	3.1
Rane Engine Valve	-4.9	-11.3	0.5	-6.7	-1.3	-3.9	-2.8	-4.7	-8.6	-2.4	1.7
Federal Mogul Goetze	2.7	6.4	5.9	7.3	10.6	11.4	10.5	3.5	-0.0	5.7	7.8
Menon Pistons	6.1	3.3	7.0	5.3	7.9	7.8	8.8	4.6	8.5	12.3	12.5
Samkrg Pistons	-78.4	-117.1	-99.1	-89.1	-11.0	-19.3	-20.7	-13.1	3.3	21.2	9.0
Total	2.2	3.1	3.4	4.1	8.9	8.8	7.9	3.1	3.9	8.8	11.0

Source: Company, Capitaline, Emkay Research; Note: For Federal Mogul, FY15 represents 15 months of data

Exhibit 7: SPRL has longstanding technological tie-ups with players from Germany and Japan


<p>Since 1972</p> <p>PISTONS</p>  <p>KOLBENSCHMIDT</p> <p>Kolbenschmidt Germany</p> <ul style="list-style-type: none"> ❖ Ranks among the 100 biggest auto industry suppliers worldwide ❖ 40 production plants in Europe, the Americas, Japan, India and China ❖ Has three divisions – Mechatronics, Motor service and Hard parts (includes pistons for cars & CV, and other products) 	<p>Since 1978</p> <p>RINGS</p>  <p>RIKEN</p> <p>Riken Corporation Japan</p> <p>21.3% Holding in SPRL</p> <ul style="list-style-type: none"> ❖ Founded in 1927 ❖ Presence in USA, China, Indonesia, Thailand, Europe, and India ❖ Manufactures Piston Rings, Other Automotive Parts, Piping products, Marine & Industrial Components & Parts, Thermal Engineering products, Aerospace Industrial Equipment parts, etc. 	<p>Since 1989</p> <p>PISTONS</p>  <p>HF</p> <p>Honda Foundry Japan</p> <ul style="list-style-type: none"> ❖ Founded in 1963 ❖ Began with Manufacturing Piston, also manufactures automobile parts and other aluminum alloy parts 	<p>Since 1993</p> <p>ENGINE VALVES</p>  <p>OOZX</p> <p>Fuji Oozx Japan</p> <ul style="list-style-type: none"> ❖ Established in 1951 ❖ Presence in USA, China, Indonesia, Mexico, Germany and India ❖ Manufactures various engine valves and other engine-related parts and automobile parts, etc.
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Source: Company

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Exhibit 8: To address the electrification risk, SPRL has diversified into EV-specific parts and engine agnostic parts via recent acquisitions



SPR (through its 100% subsidiary SPR Engenious Ltd.) acquired 66.42% stake in EMF Innovations Pvt. Ltd.

❖ EMF Innovations (EMFi) is a young tech company having research base in Singapore and manufacturing operations in India
❖ Enables SPR to move towards electrifying its product portfolio and provide complete solutions for Electric Vehicles
❖ **Design & Manufacturing** Capability of products for mobility applications in the plant located in **Coimbatore, Tamil Nadu**

Annual Production Capacity

280K BLDC Hub Motors

200K Mid Drive Motors

400K Motor Controllers

120K PMSM Motors


Products


Brushless DC (BLDC) motors

SRM & PMSM Mid Drive Motors

Motor Controllers

Broad Application Range






SPR (through its 100% subsidiary SPR Engenious Ltd.) acquired 62% stake in Takahata Precision India Pvt. Ltd.

❖ Takahata Precision India Pvt. Ltd., has technical collaboration with Takahata Japan, which is a leading precision injection moulded parts manufacturing company globally
❖ Manufactures a wide range of products such as automotive parts, office automation equipment parts, optical equipment parts, residential facilities parts and medical equipment parts.


Wide Range of Products

- ❖ FI Components
- ❖ FI - Connectors
- ❖ Throttle Unit
- ❖ ECU
- ❖ Brake Unit
- ❖ Air Bags
- ❖ Steering
- ❖ Brake Unit
- ❖ Door Lock

Key Automotive Customers



State-of-the-art manufacturing facility in **Neemrana, Rajasthan**, capable of developing moulds from 20T – 350T & 30–35 MOL.
Enables TPI to design, manufacturing, trials, maintenance, and inspection all under one roof



Source: Company

Exhibit 9: Revenue model – We expect 13%/16%/17% revenue/EBITDA/EPS CAGR over FY24-26E

Rs mn	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenues	19,549	16,068	15,966	20,647	26,093	30,893	35,621	39,567
Growth YoY (%)	13.0	-17.8	-0.6	29.3	26.4	18.4	15.3	11.1
EBITDA	2,938	1,820	2,155	3,045	4,604	6,420	7,500	8,568
EBITDA margin (%)	15.0	11.3	13.5	14.7	17.6	20.8	21.1	21.7
EBIT	1,995	790	1,130	2,024	3,656	5,343	6,182	7,157
EBIT margin (%)	10.2	4.9	7.1	9.8	14.0	17.3	17.4	18.1
Interest	139	124	126	114	193	305	343	327
PBT	2,092	864	1,200	2,202	3,930	5,891	6,862	8,059
Tax rate (%)	33.8	15.5	26.0	25.7	25.2	25.5	25.5	25.5
PAT	1,385	730	887	1,636	2,935	4,426	5,165	6,055
PAT margin (%)	7.1	4.5	5.6	7.9	11.2	14.3	14.5	15.3
EPS (Rs)	30.9	16.3	19.8	37.1	66.6	100.5	117.2	137.5
Capex	1,519	2,297	501	818	1,252	3,353	2,000	2,500
% of sales	7.8	14.3	3.1	4.0	4.8	10.9	5.6	6.3
Net debt	79	(212)	(1,427)	(2,202)	(3,812)	(5,168)	(8,107)	(11,565)
Net D/E (x)	0.0	0.0	-0.1	-0.2	-0.2	-0.3	-0.3	-0.4
FCF	(181)	1,262	1,446	1,579	2,733	3,449	3,901	4,512
Post-tax ROCE (%)	13.1	5.0	6.7	11.0	16.5	18.2	17.0	16.8

Source: Company, Emkay Research

Exhibit 10: FY25E/26E EPS remains unchanged

Rs mn	FY24		FY25E				FY26E			
	Actual	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Net Sales	30,893	18.4	34,952	35,621	1.9	15.3	39,146	39,567	1.1	11.1
EBITDA	6,420	39.5	7,410	7,500	1.2	16.8	8,456	8,568	1.3	14.2
- Margin (%)	20.8	314 bps	21.2	21.1	(15) bps	27 bps	21.6	21.7	5 bps	60 bps
APAT	4,426	50.8	5,059	5,165	2.1	16.7	5,939	6,055	2.0	17.2
EPS (Rs)	100	50.8	114.8	117.2	2.1	16.7	134.8	137.5	2.0	17.2

Source: Emkay Research

Shriram Pistons & Rings: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	20,647	26,093	30,893	35,621	39,567
Revenue growth (%)	29.3	26.4	18.4	15.3	11.1
EBITDA	3,045	4,604	6,420	7,500	8,568
EBITDA growth (%)	41.3	51.2	39.5	16.8	14.2
Depreciation & Amortization	1,021	947	1,077	1,318	1,411
EBIT	2,024	3,656	5,343	6,182	7,157
EBIT growth (%)	79.2	80.7	46.1	15.7	15.8
Other operating income	0	0	0	0	0
Other income	292	467	853	1,023	1,228
Financial expense	114	193	305	343	327
PBT	2,202	3,930	5,891	6,862	8,059
Extraordinary items	14	45	0	0	0
Taxes	566	991	1,505	1,753	2,058
Minority interest	0	4	(39)	(55)	(55)
Income from JV/Associates	0	0	0	0	0
Reported PAT	1,621	2,890	4,425	5,165	6,055
PAT growth (%)	84.3	78.2	53.1	16.7	17.2
Adjusted PAT	1,636	2,935	4,425	5,165	6,055
Diluted EPS (Rs)	74.3	133.2	100.5	117.2	137.5
Diluted EPS growth (%)	87.2	78.2	(23.4)	16.7	17.2
DPS (Rs)	10.0	15.0	10.0	14.1	16.5
Dividend payout (%)	13.6	11.4	10.0	12.0	12.0
EBITDA margin (%)	14.7	17.6	20.8	21.1	21.7
EBIT margin (%)	9.8	14.0	17.3	17.4	18.1
Effective tax rate (%)	25.7	25.2	25.5	25.5	25.5
NOPLAT (pre-IndAS)	1,503	2,734	3,978	4,603	5,329
Shares outstanding (mn)	22.0	22.0	44.1	44.1	44.1

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	2,202	3,930	5,891	6,862	8,059
Others (non-cash items)	1,531	1,839	638	1,661	1,738
Taxes paid	(573)	(1,039)	(1,561)	(1,753)	(2,058)
Change in NWC	(400)	213	(101)	(870)	(726)
Operating cash flow	2,193	3,952	4,867	5,901	7,012
Capital expenditure	(615)	(1,219)	(1,419)	(2,000)	(2,500)
Acquisition of business	(44)	(1,063)	(3,283)	0	0
Interest & dividend income	95	197	486	0	0
Investing cash flow	(563)	(2,085)	(4,216)	(2,000)	(2,500)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(662)	1,032	171	(121)	(183)
Payment of lease liabilities	(76)	(82)	0	0	0
Interest paid	(113)	(191)	(263)	(343)	(327)
Dividend paid (incl tax)	(132)	(308)	(330)	(620)	(727)
Others	227	573	1,921	0	0
Financing cash flow	(680)	1,105	1,499	(1,083)	(1,237)
Net chg in Cash	950	2,971	2,151	2,818	3,275
OCF	2,193	3,952	4,867	5,901	7,012
Adj. OCF (w/o NWC chg.)	2,593	3,739	4,969	6,771	7,738
FCFF	1,579	2,733	3,449	3,901	4,512
FCFE	1,560	2,736	3,630	3,558	4,185
OCF/EBITDA (%)	72.0	85.8	75.8	78.7	81.8
FCFE/PAT (%)	96.2	94.7	82.0	68.9	69.1
FCFF/NOPLAT (%)	105.0	99.9	86.7	84.7	84.7

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	220	220	441	441	441
Reserves & Surplus	12,330	15,054	18,816	23,361	28,690
Net worth	12,550	15,275	19,257	23,802	29,130
Minority interests	0	141	949	949	949
Deferred tax liability (net)	220	199	348	348	348
Total debt	1,568	3,332	4,549	4,428	4,245
Total liabilities & equity	14,338	18,945	25,102	29,526	34,672
Net tangible fixed assets	4,875	4,461	6,468	7,277	8,319
Net intangible assets	1,127	1,899	1,899	1,899	1,899
Net ROU assets	889	972	972	972	972
Capital WIP	56	47	315	188	235
Goodwill	0	0	0	0	0
Investments [JV/Associates]	48	48	48	48	48
Cash & equivalents	3,770	7,144	9,717	12,535	15,810
Current assets (ex-cash)	7,738	9,158	11,937	13,764	15,289
Current Liab. & Prov.	4,163	4,783	6,254	7,211	8,010
NWC (ex-cash)	3,575	4,375	5,683	6,553	7,279
Total assets	14,338	18,946	25,102	29,472	34,562
Net debt	(2,202)	(3,812)	(5,168)	(8,107)	(11,565)
Capital employed	14,338	18,945	25,102	29,526	34,672
Invested capital	10,465	11,707	15,022	16,701	18,469
BVPS (Rs)	569.8	693.5	437.2	540.3	661.3
Net Debt/Equity (x)	(0.2)	(0.2)	(0.3)	(0.3)	(0.4)
Net Debt/EBITDA (x)	(0.7)	(0.8)	(0.8)	(1.1)	(1.3)
Interest coverage (x)	0.0	0.0	0.0	0.0	0.0
RoCE (%)	11.0	16.5	18.2	17.0	16.8

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	26.5	14.8	19.6	16.8	14.3
P/CE(x)	16.3	11.2	15.8	13.4	11.6
P/B (x)	3.5	2.8	4.5	3.6	3.0
EV/Sales (x)	2.0	1.5	2.6	2.2	1.9
EV/EBITDA (x)	13.5	8.6	12.7	10.5	8.8
EV/EBIT(x)	20.3	10.8	15.3	12.7	10.5
EV/IC (x)	3.9	3.4	5.4	4.7	4.1
FCFF yield (%)	3.8	6.9	4.2	5.0	6.0
FCFE yield (%)	3.6	6.3	4.2	4.1	4.8
Dividend yield (%)	0.5	0.8	0.5	0.7	0.8
DuPont-RoE split					
Net profit margin (%)	7.9	11.2	14.3	14.5	15.3
Total asset turnover (x)	1.5	1.6	1.4	1.3	1.2
Assets/Equity (x)	1.1	1.2	1.3	1.3	1.2
RoE (%)	13.6	21.1	25.6	24.0	22.9
DuPont-RoIC					
NOPLAT margin (%)	7.3	10.5	12.9	12.9	13.5
IC turnover (x)	2.0	2.2	2.1	2.1	2.1
RoIC (%)	14.5	24.7	29.8	29.0	30.3
Operating metrics					
Core NWC days	63.2	61.2	67.1	67.1	67.1
Total NWC days	63.2	61.2	67.1	67.1	67.1
Fixed asset turnover	1.6	1.9	1.9	1.9	1.9
Opex-to-revenue (%)	47.1	40.3	38.8	38.6	38.0

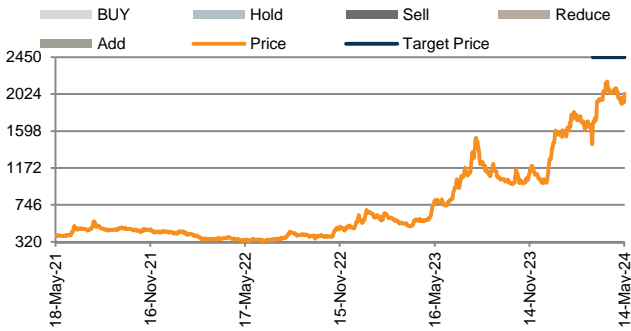
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
08-Apr-24	2,147	2,450	Buy	Chirag Jain
14-Mar-24	1,640	2,450	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

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