

16 May 2024

India | Equity Research | Q4FY24 results review

## Somany Ceramics

Tiles

### Tepid quarter; guiding for better traction from 2HFY25

In Q4FY24, Somany Ceramics (SOMC) reported consolidated revenue growth of 8.6% YoY driven by tile volume growth of 7.3% YoY (+19.9% QoQ; 3-year CAGR of 3.8%), but tile realisation declined 2.3% YoY (-1.2% QoQ). Consol. OPM increased 180bps YoY (+113bps QoQ) to 10.8%, primarily due to lower RM costs (down 128bps YoY, including power and fuel cost), resulting in EBITDA/PBT growth of 30.3%/41.4% YoY, respectively. Management stated demand conditions were subdued in Q4FY24 and remain so in Q1FY25-TD, and expects it to pick up H2FY25 onwards as many real estate projects will complete by then. For FY25, it has guided for low double-digit tile volume growth with OPM increase of 100-150bps YoY (aided by benign gas prices and operating leverage). We broadly maintain estimates and **BUY** rating with an unchanged Mar'25E TP of INR 916.

### Revenue growth of 8.6% YoY led by 7.3% YoY volume growth

SOMC reported consolidated revenue growth of 8.6% YoY in Q4FY24 to ~INR 7.4bn driven by tile volume growth of 7.3% YoY (+19.9% QoQ; 3-year CAGR of 3.8%), but tile realisation declined 2.3% YoY (-1.2% QoQ). Bathware segment revenue grew 7.2% YoY (+21.9% QoQ). Management stated demand was subdued in Q4 and continues to be tepid in FY25-TD. It expects demand to revive H2FY25 onwards as many real estate projects will complete and has guided for low double-digit tile volume growth in FY25. For bathware segment, management expects double digit revenue growth in FY25. Net working capital (NWC) improved by 23 days YoY to 8 days in Q4FY24 (primarily due to increase of creditor days) and management expects to maintain NWC going ahead. Net debt declined to INR 2.6bn (down ~INR 0.5bn YoY) in FY24. We have modelled tile volume CAGR of 10% over FY24-26E.

### EBITDA margin improves on lower gas cost

In Q4FY24, SOMC's consolidated EBITDA margin increased 180bps YoY (+113bps QoQ) to 10.8% primarily on lower raw material expenses (down 128bps YoY, including power and fuel cost) and other expenses being lower 42bps YoY. Management has guided for EBITDA margin improvement of 100-150bps YoY in FY25 (vs 9.8% in FY24) driven by operating leverage and continued benign gas prices. We have modelled EBITDA margins of 10.6-10.8% for FY25-26E (vs ~9.9% avg. OPM over FY16-FY24).

### Financial Summary

| Y/E March (INR mn) | FY23A  | FY24A  | FY25E  | FY26E  |
|--------------------|--------|--------|--------|--------|
| Net Revenue        | 24,785 | 25,914 | 28,272 | 31,180 |
| EBITDA             | 1,891  | 2,532  | 3,006  | 3,364  |
| EBITDA %           | 7.6    | 9.8    | 10.6   | 10.8   |
| Net Profit         | 709    | 983    | 1,457  | 1,708  |
| EPS (INR)          | 17.3   | 24.0   | 35.5   | 41.7   |
| EPS % Chg YoY      | (18.9) | 38.7   | 48.2   | 17.3   |
| P/E (x)            | 35.9   | 25.9   | 17.5   | 14.9   |
| EV/EBITDA (x)      | 15.1   | 11.0   | 8.9    | 7.7    |
| RoCE (%)           | 6.3    | 9.7    | 13.6   | 14.3   |
| RoE (%)            | 9.4    | 13.0   | 18.6   | 18.5   |

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#### Market Data

|                     |          |
|---------------------|----------|
| Market Cap (INR)    | 26bn     |
| Market Cap (USD)    | 307mn    |
| Bloomberg Code      | SOMC IN  |
| Reuters Code        | SOCE.BO  |
| 52-week Range (INR) | 819 /515 |
| Free Float (%)      | 45.0     |
| ADTV-3M (mn) (USD)  | 0.3      |

| Price Performance (%) | 3m    | 6m     | 12m   |
|-----------------------|-------|--------|-------|
| Absolute              | (8.1) | (7.3)  | 14.9  |
| Relative to Sensex    | (9.4) | (18.5) | (2.2) |

| Earnings Revisions (%) | FY25E | FY26E |
|------------------------|-------|-------|
| Revenue                | 0.2   | 0.1   |
| EBITDA                 | 0.6   | 0.3   |
| EPS                    | (0.2) | 0.1   |

#### Previous Reports

03-02-2024: [Q3FY24 results review](#)

12-08-2023: [Q1FY24 results review](#)

## Valuation and view

SOMC's operational performance in Q4 was marginally below our expectations. The company has medium-term demand and margin tailwinds led by healthy domestic housing market and continued high exports from Morbi (thus, lower domestic competition and pricing pressure) along with lower gas prices. We, thus, continue to like the company and maintain **BUY** with an unchanged Mar'25E target price of INR 916, set at 22x Mar'26E P/E.

### Exhibit 1: Q4FY24 consolidated result review

| INR mn                                   | Q4FY24       | Q4FY23       | % YoY        | Q3FY24       | % QoQ        | FY24          | FY23          | % YoY        |
|--|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|
| <b>Net Revenue</b>                       | <b>7,375</b> | <b>6,792</b> | <b>8.6%</b>  | <b>6,121</b> | <b>20.5%</b> | <b>25,914</b> | <b>24,785</b> | <b>4.6%</b>  |
| Raw Material                             | 3,561        | 3,111        | 14.5%        | 2,728        | 30.5%        | 11,979        | 10,694        | 12.0%        |
| % of sales                               | 48.3%        | 45.8%        | 248 bps      | 44.6%        | 372 bps      | 46.2%         | 43.1%         | 308 bps      |
| Power & Fuel                             | 1,399        | 1,543        | (9.4%)       | 1,252        | 11.7%        | 5,219         | 6,471         | (19.3%)      |
| % of sales                               | 19.0%        | 22.7%        | -376 bps     | 20.5%        | -150 bps     | 20.1%         | 26.1%         | -597 bps     |
| Employee expense                         | 867          | 805          | 7.7%         | 794          | 9.2%         | 3,244         | 3,012         | 7.7%         |
| % of sales                               | 11.8%        | 11.8%        | -9 bps       | 13.0%        | -122 bps     | 12.5%         | 12.2%         | 37 bps       |
| Other Expenses                           | 754          | 723          | 4.3%         | 757          | (0.4%)       | 2,940         | 2,721         | 8.0%         |
| % of sales                               | 10.2%        | 10.7%        | -42 bps      | 12.4%        | -214 bps     | 11.3%         | 11.0%         | 36 bps       |
| Total Expenditure                        | 6,581        | 6,182        | 6.4%         | 5,531        | 19.0%        | 23,381        | 22,898        | 2.1%         |
| % of sales                               | 89.2%        | 91.0%        | -180 bps     | 90.4%        | -113 bps     | 90.2%         | 92.4%         | -216 bps     |
| <b>EBITDA</b>                            | <b>795</b>   | <b>610</b>   | <b>30.3%</b> | <b>590</b>   | <b>34.6%</b> | <b>2,532</b>  | <b>1,887</b>  | <b>34.2%</b> |
| EBITDA Margin (%)                        | 10.8%        | 9.0%         | 180 bps      | 9.6%         | 113 bps      | 9.8%          | 7.6%          | 216 bps      |
| Depreciation/Amortisation                | 193          | 187          | 3.2%         | 188          | 2.6%         | 725           | 679           | 6.9%         |
| <b>EBIT</b>                              | <b>602</b>   | <b>423</b>   | <b>42.3%</b> | <b>402</b>   | <b>49.6%</b> | <b>1,807</b>  | <b>1,209</b>  | <b>49.5%</b> |
| EBIT Margin (%)                          | 8.2%         | 6.2%         | 193 bps      | 6.6%         | 159 bps      | 7.0%          | 4.9%          | 210 bps      |
| Net Interest Expenses                    | 134          | 116          | 15.4%        | 109          | 23.4%        | 465           | 404           | 15.1%        |
| Other Income                             | 16           | 36           | (55.2%)      | 28           | (43.4%)      | 106           | 145           | (27.0%)      |
| <b>PBT</b>                               | <b>483</b>   | <b>342</b>   | <b>41.4%</b> | <b>321</b>   | <b>50.4%</b> | <b>1,449</b>  | <b>950</b>    | <b>52.4%</b> |
| Tax Expenses                             | 177          | 89           | 99.1%        | 100          | 76.5%        | 434           | 249           | 74.5%        |
| <b>PAT before MI &amp; extraordinary</b> | <b>306</b>   | <b>253</b>   | <b>21.0%</b> | <b>221</b>   | <b>38.5%</b> | <b>1,014</b>  | <b>702</b>    | <b>44.6%</b> |
| Minority Interest                        | -31          | -1           | 3737.5%      | -12          | 153.7%       | -25           | 46            | NA           |
| Exceptional items                        | 33           | -9           | nm           | 13           | nm           | -21           | -32.3         | NA           |
| <b>Reported PAT</b>                      | <b>308</b>   | <b>243</b>   | <b>26.7%</b> | <b>222</b>   | <b>38.8%</b> | <b>969</b>    | <b>715</b>    | <b>35.5%</b> |
| <b>Adjusted PAT</b>                      | <b>287</b>   | <b>250</b>   | <b>15.1%</b> | <b>213</b>   | <b>34.9%</b> | <b>983</b>    | <b>739</b>    | <b>33.1%</b> |

Source: I-Sec research, Company data

### Exhibit 2: Q4FY24 segmental result review

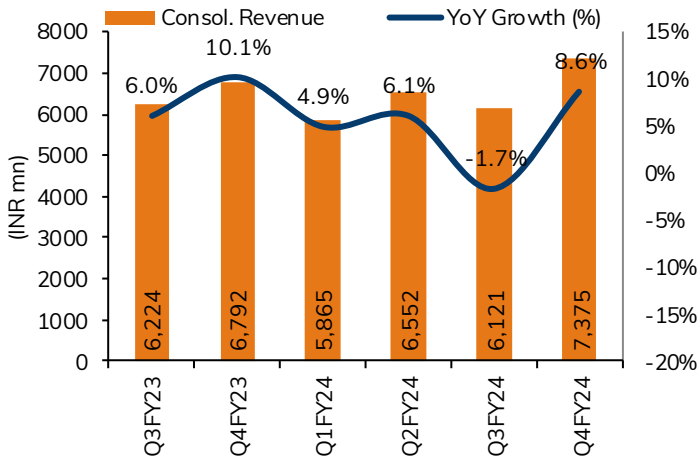
|                                    | Q4FY24       | Q4FY23       | % YoY         | Q3FY24       | % QoQ         | FY24          | FY23          | % YoY         |
|------------------------------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|
| <b>Tiles Revenue (INR mn)</b>      |              |              |               |              |               |               |               |               |
| Own Manufacturing                  | 2,100        | 2,153        | (2.5%)        | 1,857        | 13.1%         | 8,154         | 8,335         | (2.2%)        |
| JVs                                | 2,234        | 2,212        | 1.0%          | 1,887        | 18.4%         | 7,713         | 8,040         | (4.1%)        |
| Outsourced                         | 1,780        | 1,469        | 21.2%         | 1,419        | 25.4%         | 6,117         | 5,108         | 19.7%         |
| Bathware                           | 796          | 742          | 7.2%          | 653          | 21.9%         | 2,671         | 2,450         | 9.0%          |
| Others                             | 183          | 107          | 70.4%         | 153          | 19.8%         | 597           | 332           | 79.7%         |
| <b>Total</b>                       | <b>6,115</b> | <b>5,835</b> | <b>4.8%</b>   | <b>5,163</b> | <b>18.4%</b>  | <b>21,984</b> | <b>21,483</b> | <b>2.3%</b>   |
| <b>Tiles Volume (MSM)</b>          |              |              |               |              |               |               |               |               |
| Own Manufacturing                  | 6.7          | 6.6          | 1.4%          | 5.8          | 15.3%         | 25.3          | 25.3          | 0.2%          |
| JVs                                | 6.7          | 6.4          | 5.2%          | 5.6          | 20.9%         | 22.6          | 23.1          | (2.3%)        |
| Outsourced                         | 5.5          | 4.6          | 18.6%         | 4.4          | 24.5%         | 19.0          | 15.5          | 22.9%         |
| <b>Total</b>                       | <b>18.9</b>  | <b>17.6</b>  | <b>7.3%</b>   | <b>15.8</b>  | <b>19.9%</b>  | <b>67.0</b>   | <b>63.9</b>   | <b>4.8%</b>   |
| <b>Tiles Realisation (INR/sqm)</b> |              |              |               |              |               |               |               |               |
| Own Manufacturing                  | 314          | 326          | (3.8%)        | 320          | (2.0%)        | 322           | 330           | (2.4%)        |
| JVs                                | 333          | 347          | (4.0%)        | 340          | (2.1%)        | 341           | 348           | (1.8%)        |
| Outsourced                         | 325          | 318          | 2.2%          | 323          | 0.7%          | 321           | 330           | (2.6%)        |
| <b>Blended</b>                     | <b>324</b>   | <b>332</b>   | <b>(2.3%)</b> | <b>328</b>   | <b>(1.2%)</b> | <b>328</b>    | <b>336</b>    | <b>(2.3%)</b> |

Source: I-Sec research, Company data

## Takeaways from Q4FY24 earnings conference call

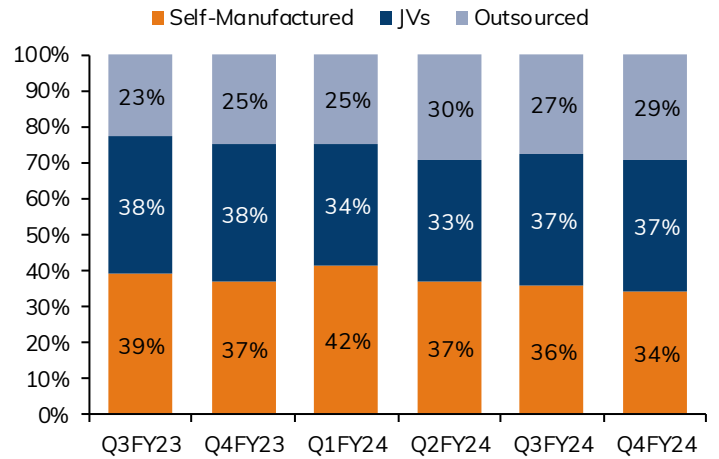
- **Demand:** Management indicated demand has been sluggish in Q4FY24 and FY24 due to delayed construction. It stated demand remains subdued in Q1FY25 as well due to manpower shortage led by elections. Also, slowdown in exports due to higher freight rates and geopolitical instability has added pressure on domestic players. Management stated Morbi players are running at 65-70% utilisation. Management expects demand to revive post-Q1FY25 as exports are likely to revive in FY25.
- **Industry:** Management valued total Indian tiles industry at INR 560-580bn in FY24 (including INR 190bn of exports). It expects domestic tiles industry to grow at 5-6% in FY25.
- **Guidance:** Management has guided for low double-digit volume growth in FY25 and EBITDA margin in the range of 10.8-11.3%. For bathware, management expects double-digit growth in FY25.
- **Pricing:** Management indicated realisation declined due to increased competitive intensity and discounts offered to incentivise sales. It believes realisation has largely bottomed out in FY24.
- **Capex:** Management has indicated maintenance capex of INR 500-600mn in FY25. It has not planned any other major capex.
- **Product mix:** In Q4FY24, ceramic formed 35%, PVT formed 29% and GVT formed 36% of volume mix. In FY24, ceramic formed 37%, PVT formed 29% and GVT formed 34% of volume mix. Management targets GVT sales mix of 38% in FY25.
- **Branding:** Management indicated A&P expenses at 2.5% of revenue in FY24 and expects it to be ~3% in FY25.
- **Gas prices:** Average gas cost for FY24 was INR 45/scm (vs INR 59/scm YoY). Gas prices remain stable in FY25-TD.
- **Working capital:** Management stated working capital discipline will be maintained going forward as well.
- **Distribution:** SOMC added net 110 dealers during FY24 and expects to add ~150 dealers in FY25.
- Retail forms 80% of sales while institutional segment accounts for ~20% of sales (~12% government orders and 8-9% from corporates). With increased traction in institutional development, management expects 25% of sales mix in favour of institutional sales.
- SOMC plans long-term debt repayment of INR 400mn per year going forward and has indicated that if no significant expansion is planned, excess cash will be distributed to shareholders in the form of dividends.

### Exhibit 3: Consolidated quarterly revenue



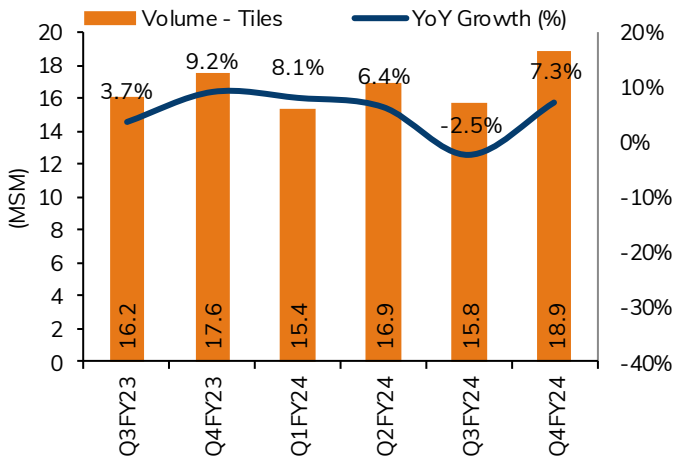
Source: I-Sec research, Company data

### Exhibit 4: Quarterly revenue breakup



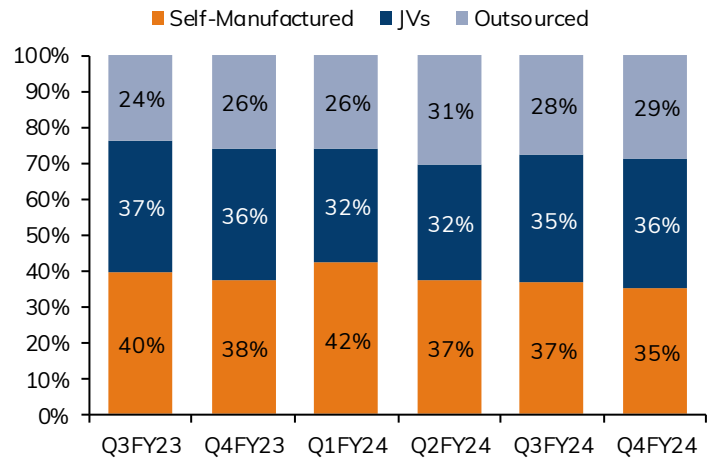
Source: I-Sec research, Company data

### Exhibit 5: Quarterly volume growth



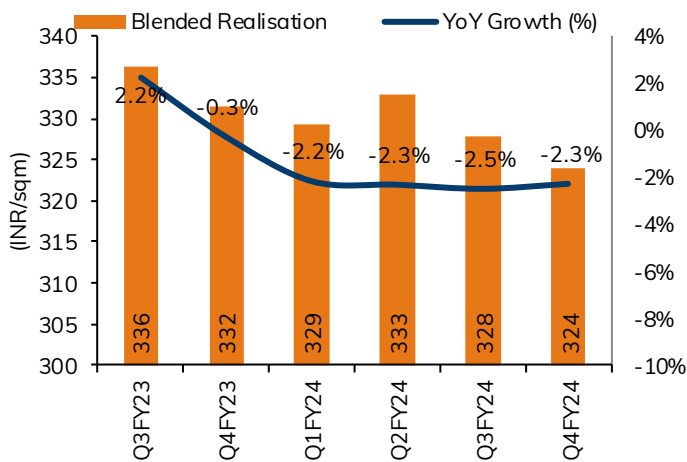
Source: I-Sec research, Company data

### Exhibit 6: Quarterly volume breakup



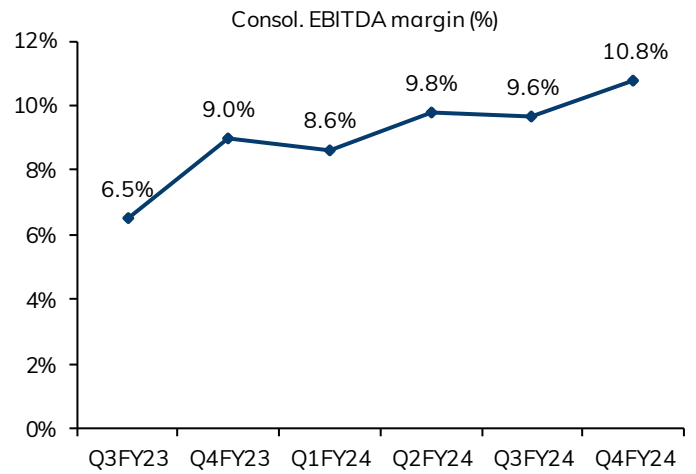
Source: I-Sec research, Company data

### Exhibit 7: Quarterly realisation



Source: I-Sec research, Company data

### Exhibit 8: Quarterly consolidated EBITDA margin



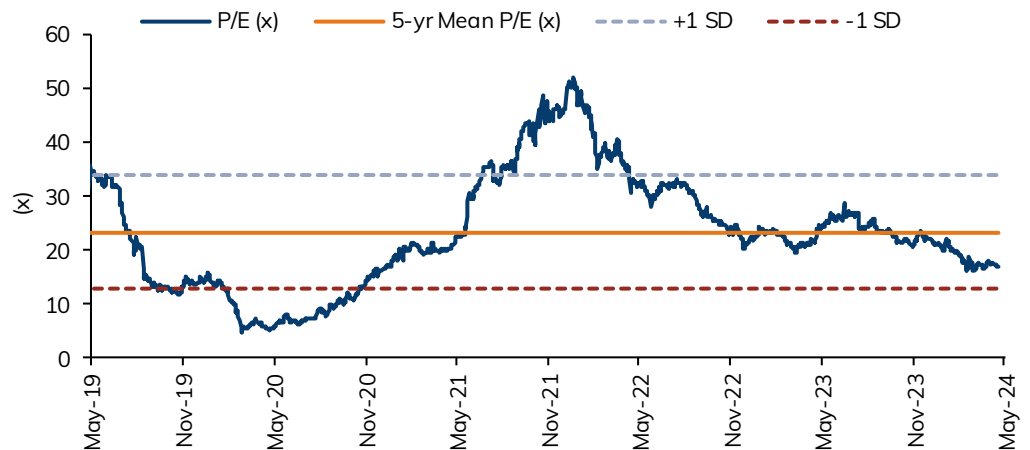
Source: I-Sec research, Company data

## Valuation

SOMC is one of the leading players in the Indian tile market with significant presence in markets beyond tier-I cities. It has a strong brand with wide distribution and a broad product portfolio. It focuses on retail segment, which accounts for ~80% of total revenue.

The stock trades at a P/E of 14.9x FY26E, which is attractive and led by high growth prospects (EBIDTA CAGR of 15.3% during FY24-26E driven by tile volume CAGR of 10%) and healthy return ratios (RoE of 18.5% FY26E). Maintain **BUY** with an unchanged target price of INR 916, set at 22x P/E Mar'26E.

### Exhibit 9: 1-year forward P/E band



Source: I-Sec research, Company data

## Key downside risks

- **Slowdown in housing market:** The housing market is the demand driver for tile sector. Unexpected slowdown in tile market could adversely affect the company.
- **Higher raw material prices:** Gas accounts for ~25% of total production cost. Continuous increase in gas prices could adversely affect margins/demand for tiles.
- **Continuous slowdown in exports from Morbi:** A prolonged slowdown in exports from Morbi could lead to pressure on supply in domestic markets, and thus, affect growth prospects for the company.
- **Resurgence of pandemic:** A resurgence of covid pandemic could adversely affect demand prospects in the near term.

### Exhibit 10: Shareholding pattern

| %                       | Sep'23 | Dec'23 | Mar'24 |
|-------------------------|--------|--------|--------|
| Promoters               | 54.8   | 54.8   | 55.0   |
| Institutional investors | 25.1   | 24.1   | 25.1   |
| MFs and others          | 20.4   | 20.8   | 21.2   |
| FIs/Banks               | 0.0    | 0.0    | 0.0    |
| Insurance               | 0.3    | 0.1    | 0.0    |
| FIIIs                   | 4.4    | 3.8    | 3.9    |
| Others                  | 20.1   | 20.5   | 19.9   |

Source: Bloomberg

### Exhibit 11: Price chart



Source: Bloomberg

## Financial Summary

### Exhibit 12: Profit & Loss

(INR mn, year ending March)

|  | FY23A         | FY24A         | FY25E         | FY26E         |
|--|---------------|---------------|---------------|---------------|
| Net Sales                              | 24,785        | 25,914        | 28,272        | 31,180        |
| <b>Operating Expenses</b>              | <b>22,894</b> | <b>23,381</b> | <b>25,266</b> | <b>27,816</b> |
| EBITDA                                 | 1,891         | 2,532         | 3,006         | 3,364         |
| <b>EBITDA Margin (%)</b>               | <b>7.6</b>    | <b>9.8</b>    | <b>10.6</b>   | <b>10.8</b>   |
| Depreciation & Amortization            | 679           | 725           | 757           | 841           |
| EBIT                                   | 1,213         | 1,807         | 2,249         | 2,523         |
| <b>Interest expenditure</b>            | <b>404</b>    | <b>465</b>    | <b>336</b>    | <b>270</b>    |
| Other Non-operating Income             | 100           | 106           | 94            | 101           |
| Recurring PBT                          | 910           | 1,449         | 2,007         | 2,354         |
| <b>Less: Taxes</b>                     | <b>(249)</b>  | <b>(434)</b>  | <b>(514)</b>  | <b>(603)</b>  |
| PAT                                    | 661           | 1,014         | 1,493         | 1,751         |
| <b>Profit / (Loss) from Associates</b> | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| Less: Minority Interest                | 46            | (25)          | (37)          | (43)          |
| Extraordinaries (Net)                  | 9             | (21)          | -             | -             |
| Net Income (Reported)                  | 715           | 969           | 1,457         | 1,708         |
| <b>Net Income (Adjusted)</b>           | <b>709</b>    | <b>983</b>    | <b>1,457</b>  | <b>1,708</b>  |

Source Company data, I-Sec research

### Exhibit 13: Balance sheet

(INR mn, year ending March)

|  | FY23A         | FY24A         | FY25E         | FY26E         |
|--|---------------|---------------|---------------|---------------|
| <b>Assets</b>                            |               |               |               |               |
| Inventories                              | 3,915         | 3,466         | 3,807         | 4,191         |
| Cash & cash eqv.                         | 1,864         | 855           | 1,438         | 1,731         |
| Sundry Debtors                           | 2,683         | 3,372         | 3,641         | 4,015         |
| Other Current Assets                     | 941           | 760           | 852           | 940           |
| Trade payables                           | 3,776         | 5,593         | 6,032         | 6,596         |
| Other Current Liabilities                | 1,720         | 1,771         | 1,852         | 2,048         |
| <b>Net Current Assets</b>                | <b>3,907</b>  | <b>1,089</b>  | <b>1,853</b>  | <b>2,233</b>  |
| Investments                              | -             | -             | -             | -             |
| Net Fixed Assets                         | 10,120        | 10,846        | 10,793        | 11,352        |
| Other Non Current Assets                 | 504           | 458           | 458           | 458           |
| <b>Total Assets</b>                      | <b>14,531</b> | <b>12,393</b> | <b>13,105</b> | <b>14,043</b> |
| <b>Liabilities</b>                       |               |               |               |               |
| Borrowings                               | 4,884         | 3,351         | 2,751         | 2,151         |
| Other Non Current Liabilities            | 702           | 713           | 713           | 713           |
| <b>Total Liabilities</b>                 | <b>5,586</b>  | <b>4,064</b>  | <b>3,464</b>  | <b>2,864</b>  |
| Equity Share Capital                     | 85            | 82            | 82            | 82            |
| Reserves & Surplus                       | 7,785         | 7,119         | 8,394         | 9,889         |
| <b>Total Net Worth</b>                   | <b>7,870</b>  | <b>7,201</b>  | <b>8,476</b>  | <b>9,971</b>  |
| Minority Interest                        | 1,076         | 1,128         | 1,165         | 1,208         |
| <b>Total Liabilities &amp; Net Worth</b> | <b>14,531</b> | <b>12,393</b> | <b>13,105</b> | <b>14,043</b> |

Source Company data, I-Sec research

### Exhibit 14: Quarterly trend

(INR mn, year ending March)

|                     | Jun-23 | Sep-23 | Dec-23 | Mar-24 |
|---------------------|--------|--------|--------|--------|
| Net Sales           | 5,865  | 6,552  | 6,121  | 7,375  |
| % growth (YOY)      | 4.9    | 6.1    | -1.7   | 8.6    |
| EBITDA              | 506    | 641    | 590    | 795    |
| Margin %            | 8.6    | 9.8    | 9.6    | 10.8   |
| Other Income        | 24     | 38     | 28     | 16     |
| Extraordinaries     | -66    | 0      | 13     | 33     |
| Adjusted Net Profit | 196    | 293    | 213    | 287    |

Source Company data, I-Sec research

### Exhibit 15: Cashflow statement

(INR mn, year ending March)

|  | FY23A        | FY24A          | FY25E        | FY26E       |
|--|--------------|----------------|--------------|-------------|
| Operating Cashflow                     | 1,484        | 3,626          | 2,105        | 2,550       |
| <b>Working Capital Changes</b>         | <b>216</b>   | <b>1,809</b>   | <b>(182)</b> | <b>(86)</b> |
| Capital Commitments                    | (1,429)      | (1,451)        | (704)        | (1,400)     |
| Free Cashflow                          | 55           | 2,174          | 1,401        | 1,150       |
| <b>Other investing cashflow</b>        | <b>-</b>     | <b>-</b>       | <b>-</b>     | <b>-</b>    |
| Cashflow from Investing Activities     | (1,429)      | (1,451)        | (704)        | (1,400)     |
| <b>Issue of Share Capital</b>          | <b>-</b>     | <b>(3)</b>     | <b>-</b>     | <b>-</b>    |
| Inc (Dec) in Borrowings                | (229)        | (1,533)        | (600)        | (600)       |
| Dividend paid                          | (123)        | (123)          | (218)        | (256)       |
| Others                                 | 74           | (1,525)        | -            | 0           |
| Cash flow from Financing Activities    | (277)        | (3,183)        | (818)        | (856)       |
| <b>Chg. in Cash &amp; Bank balance</b> | <b>(222)</b> | <b>(1,009)</b> | <b>583</b>   | <b>294</b>  |
| Closing cash & balance                 | 1,864        | 855            | 1,438        | 1,731       |

Source Company data, I-Sec research

### Exhibit 16: Key ratios

(Year ending March)

|   | FY23A  | FY24A | FY25E | FY26E |
|---|--------|-------|-------|-------|
| <b>Per Share Data (INR)</b>                 |        |       |       |       |
| Reported EPS                                | 17.4   | 23.6  | 35.5  | 41.7  |
| Adjusted EPS (Diluted)                      | 17.3   | 24.0  | 35.5  | 41.7  |
| Cash EPS                                    | 33.8   | 41.7  | 54.0  | 62.2  |
| Dividend per share (DPS)                    | 3.0    | 3.0   | 5.3   | 6.2   |
| Book Value per share (BV)                   | 191.9  | 175.6 | 206.7 | 243.2 |
| Dividend Payout (%)                         | 17.4   | 12.5  | 15.0  | 15.0  |
| <b>Growth (%)</b>                           |        |       |       |       |
| Net Sales                                   | 18.3   | 4.6   | 9.1   | 10.3  |
| EBITDA                                      | (9.6)  | 33.9  | 18.7  | 11.9  |
| EPS (INR)                                   | (18.9) | 38.7  | 48.2  | 17.3  |
| <b>Valuation Ratios (x)</b>                 |        |       |       |       |
| P/E   | 35.9   | 25.9  | 17.5  | 14.9  |
| P/CEPS                                      | 18.4   | 14.9  | 11.5  | 10.0  |
| P/BV  | 3.2    | 3.5   | 3.0   | 2.6   |
| EV / EBITDA                                 | 15.1   | 11.0  | 8.9   | 7.7   |
| EV / Sales                                  | 1.1    | 1.1   | 0.9   | 0.8   |
| Dividend Yield (%)                          | 0.5    | 0.5   | 0.9   | 1.0   |
| <b>Operating Ratios</b>                     |        |       |       |       |
| Gross Profit Margins (%)                    | 30.5   | 33.6  | 34.0  | 34.0  |
| EBITDA Margins (%)                          | 7.6    | 9.8   | 10.6  | 10.8  |
| Effective Tax Rate (%)                      | 27.4   | 30.0  | 25.6  | 25.6  |
| Net Profit Margins (%)                      | 2.9    | 3.8   | 5.2   | 5.5   |
| NWC / Total Assets (%)                      | 10.2   | 1.2   | 2.0   | 2.2   |
| Net Debt / Equity (x)                       | 0.4    | 0.3   | 0.2   | 0.0   |
| Net Debt / EBITDA (x)                       | 1.6    | 1.0   | 0.4   | 0.1   |
| <b>Profitability Ratios</b>                 |        |       |       |       |
| RoCE (%)                                    | 6.3    | 9.7   | 13.6  | 14.3  |
| RoE (%)                                     | 9.4    | 13.0  | 18.6  | 18.5  |
| <b>Cash Conversion Cycle (on net sales)</b> |        |       |       |       |
| Inventory Turnover Days                     | 58     | 49    | 49    | 49    |
| Receivables Days                            | 40     | 47    | 47    | 47    |
| Payables Days                               | 56     | 79    | 78    | 77    |

Source Company data, I-Sec research

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