

# Godrej Agrovet

BSE SENSEX

82,891

S&P CNX

25,357



## Stock Info

Bloomberg	GOAGRO IN
Equity Shares (m)	192
M.Cap.(INRb)/(USDb)	152.9 / 1.8
52-Week Range (INR)	878 / 446
1, 6, 12 Rel. Per (%)	-9/46/39
12M Avg Val (INR M)	203
Free float (%)	26.0

## Financials Snapshot (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	95.6	100.9	114.3
EBITDA	7.0	9.2	11.0
Adj. PAT	3.6	5.3	6.8
EBITDA Margin (%)	7.3	9.2	9.7
Cons. Adj. EPS (INR)	18.7	27.6	35.2
EPS Gr. (%)	44.1	47.6	27.3
BV/Sh. (INR)	131	148	173

## Ratios

Net D:E	0.5	0.3	0.2
RoE (%)	14.8	19.8	21.9
RoCE (%)	10.3	14.2	16.2
Payout (%)	53.4	38.0	29.8

## Valuations

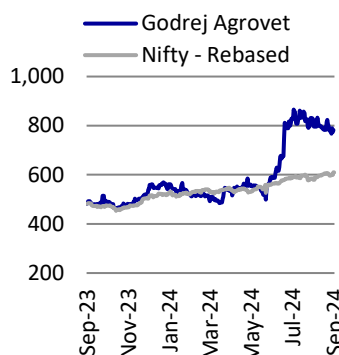
P/E (x)	42.5	28.8	22.6
EV/EBITDA (x)	24.2	18.0	14.8
Div. Yield (%)	1.3	1.3	1.3
FCF Yield (%)	1.8	3.3	3.2

## Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	74.0	74.1	74.1
DII	12.1	12.9	13.6
FII	1.7	1.7	1.6
Others	12.1	11.4	10.8

FII Includes depository receipts

## Stock Performance (1-year)



**CMP: INR795**

**TP: INR970 (+22%)**

**Upgrade to Buy**

## Revitalizing profitability: A turnaround for sustainable growth across segments

Godrej Agrovet (GOAGRO) demonstrated a resilient performance in FY24 despite facing significant sectoral challenges. With a strategic turnaround underway, the company focuses on structural changes such as aggressive cost rationalization, increasing its value-added product (VAP) mix, emphasizing branded products, and enhancing operational efficiencies—all of which are fueling robust profitability growth and setting the stage for a sustainable expansion across all segments.

- GOAGRO's revenue growth in FY24 was muted (2%); however, EBITDA witnessed strong growth (34%), driven by strategic initiatives, cost rationalization, and a focus on VAP. The company invested in R&D for innovation, centralized key functions for efficiency, and portfolio diversification to enhance profitability across all segments.
- The animal feed business sustained strong growth, led by healthy volume growth and improved profitability. Standalone crop protection (CP) segments had a stellar year, with 3.4x EBIT growth, led by strong sales of in-house products like HITWEED and GRACIA. Astec LifeSciences (Astec) faced volume and price challenges in both domestic and export markets, resulting in losses. The dairy segment has structurally turned around, led by better VAP sales growth of 36% in FY24 vs. 32% in FY23. The poultry segment's profitability improved, led by its focus on the branded business.
- Going ahead, GOAGRO's animal feed and standalone CP segments are expected to maintain healthy performance, led by a better product mix and stable profitability in the dairy and poultry/processed food businesses. The vegetable oil business is expected to witness improvement in profitability by moving up the value chain (refining and solvent extraction). However, Astec may face near-term challenges in its enterprise product segment, while the CDMO segment should continue its growth trajectory.
- Most of the segments are expected to witness improvement in profitability going ahead (which was missing over the last few years) on the back of multiple segment-specific measures. We expect the improvement to be more sustainable in nature, which was visible in its 1QFY25 earnings. We raise our FY25/FY26 EBITDA estimates for GOAGRO by 9%/8%, backed by better profitability across segments. We upgrade our rating to BUY.

## Strategic moves boost near-term outlook

- GOAGRO showed resilience in FY24 despite several headwinds for the sector. The company reported flat revenue growth (2%), though several strategic initiatives and cost rationalization across segments boosted its operating profit (margins up 180bp to 7.3%).
- The company is focusing on **enhancing its operational efficiencies, expanding production capacities and increasing the salience of VAP**. It aims to leverage robust R&D capabilities to innovate and drive growth across segments.
- **Innovation and R&D:** GOAGRO continues to invest in R&D capabilities across its segments, aiming to accelerate the development and commercialization of new products for sustainable growth and market leadership.
- **Operational efficiencies:** The company benefits from operational efficiencies by increasing the mix of VAP (e.g., refinery and solvent extraction in palm oil and increase in branded products in Godrej Tyson) and economies of scale by centralizing key functions across businesses.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **Diversification and resilience:** To navigate the inherent volatility in the food and agriculture sectors, GOAGRO has diversified its operational portfolio and aims to enhance resilience and profitability across all business segments.

#### Strategic downstream expansion in palm oil; feed market sustains healthy profitability

- GOAGRO, being **India's largest oil palm processor**, has completed the forward integration with a new refinery (400tpd) and a new solvent extraction plant (200tpd), thereby unlocking margins across the value chain. Through this expansion, GOAGRO is **entering into value-added derivatives of palm oil**, e.g. stearin, olein and PFAD. Despite lower prices (CPO down 20%, PKO down 28% YoY), it expanded aggressively in Assam, Manipur, Tripura, Nagaland, Orissa, and Telangana, and aims to add 60,000 hectares of plantations in the next five years. In addition, the company is focusing on **enhancing the oil extraction ratios (OER), improving inventory management, and expanding operations in Andhra Pradesh** to boost future revenues.
- In FY24, the **animal feed business** sustained volume growth (3%) and clocked a **31% increase in EBIT** due to **softened commodity prices and better realizations** (realization/kg increased to INR33.4 from INR24.5 in FY23). The successful R&D initiatives also enabled the company to use low-cost raw materials while producing high-yielding products. The cattle feed segment reinforced its dominance in the western region with new products, particularly Samruddhi, driving robust demand. The aqua feed segment also grew and gained market share in fish feed. The company invested INR250m in Godrej Cattle Genetics Pvt Ltd for expansion and operations, **achieving milestones in embryo production and sales**. Its Bangladesh JV recorded strong growth, with an 8% increase in revenue and a 117% increase in profit. Moving forward, the **company aims to expand its share in established markets, enter new regions, develop new products, and enhance brand visibility and customer loyalty through digital initiatives**.

#### Standalone CP capitalizes on in-house products; Astec targets CDMO amid challenges

- The **standalone CP segment** reported a stellar performance (EBIT up 3.4x YoY) thanks to **higher sales of in-house and in-licensed products** (higher-margin products due to limited competition). Continuous R&D efforts ensured the development of effective agrochemical solutions that enhance crop productivity and protection. **HITWEED and GRACIA also contributed to the growth of the segment**. HITWEED has achieved widespread acceptance due to its effectiveness in weed control. GRACIA was launched in Feb'22 and has been gaining traction since then, leveraging its introduction timing and market response. **Continued focus on expanding the product portfolio** (planned to launch at least one 9(3) product every year for the next four to five years in partnership with MNCs) **and improving sales and distribution efficiencies should help GOAGRO sustain growth in this segment**.
- The CP subsidiary, **Astec**, faced volume and price challenges in both export and domestic markets due to high inventories, de-stocking, and demand-supply imbalances, resulting in decreased revenues and losses in FY23-24. **However, the contract manufacturing (CDMO) and new products segment grew by 67% in FY24**. The **CDMO business accounts for 60% of the total revenue of Astec** in

FY24, which is **expected to clock a 50% CAGR over the next two-three years**. Also, margins are better in CDMO than in the legacy enterprise business, which will **drive up overall profitability**. The new R&D center in Rabale, Maharashtra, began commercializing new products. In FY25, Astec will focus on scaling up its R&D projects, diversifying molecules and chemistries, expanding its CDMO customer base, and expanding the herbicides plant at Mahad.

#### **Dairy turnaround with efficiency gains; Poultry profit soars on brand focus**

- **FY24** marked a **structural turnaround for the company's dairy segment** by achieving profitability and **improving margins** through operational efficiencies in milk procurement, supply chain, logistics, and sales. The company has adopted assertive cost-reduction strategies, **reducing its chilling centers from 112 to 59** and significantly **increasing direct procurement from farmers to 28% in FY24**, up from the single-digit in previous years. This has helped reduce not only overhead costs, but also logistics costs. Also, the share of VAP in total sales increased to 36% in FY24 from 27% in FY21. In this segment, the company is focusing on further **improving operational efficiencies** and **expanding the share of VAP**.
- In the **poultry and processed food business**, despite flat revenue, the company achieved strong growth in profitability (margins expanded 310bp to 4.7%) and recorded **EBIT of INR464m**, up 2.9x YoY. Growth in profitability was primarily led by **strong volume growth** in the **branded category**, coupled with a recovery in **live bird prices**. The company has acquired the remaining stake in Tyson (now it is a wholly owned subsidiary) and is shifting focus to the branded segment (mix to increase to 80-85% in next few years from 60% currently) to reduce volatility in the live bird market, thereby also reducing volatility in its margins. It is working to strengthen both its B2B and B2C businesses, adding more clients to its B2B segment (Real Good Chicken) and expanding the B2C brand, Yummiez, through e-commerce and quick commerce platforms, which are seeing strong traction. **While revenue growth is expected to remain flat until FY27 due to the transition away from selling live birds, the company expects a 40% CAGR in EBIT over the next three to four years.**

#### **Valuation & View**

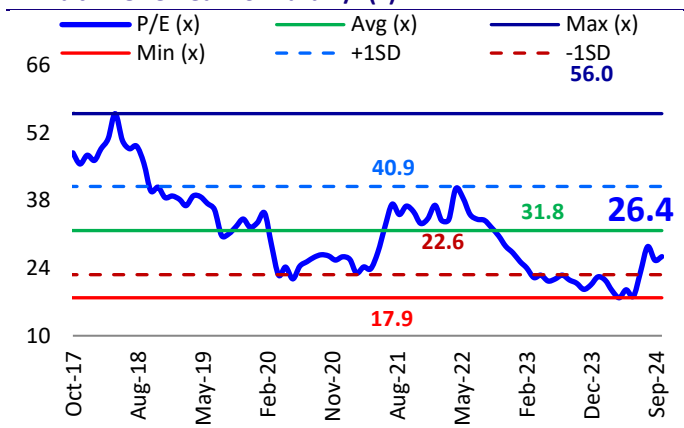
- GOAGRO's animal feed and standalone CP businesses are likely to sustain their healthy performances going ahead, along with sustained profitability in the dairy and poultry/processed food businesses. This growth trajectory is led by the company's enhanced focus on VAP and branded products.
- Vegetable oil business is expected to witness improvement in profitability as it moves up the value chain (refining and solvent extraction). While the company is expected to witness near-term hurdles in its enterprise product segment of crop protection business (Astec).
- Most of the segments are expected to witness improvement in profitability going ahead (which was missing over the last few years) on the back of multiple segment-specific measures. We expect the improvement to be more sustainable in nature, which was somewhat visible in its 1QFY25 earnings. We raise our FY25/FY26 EBITDA estimates for GOAGRO by 9%/8%, backed by better profitability across segments.
- We estimate a CAGR of 9%/25%/37% in revenue/EBITDA/adj. PAT and **upgrade our rating to BUY with a revised TP of INR970, based on FY26E SOTP.**

## Exhibit 1: Valuation

Particulars	EBITDA FY26E (INR m)	EV/ EBITDA (x)	EV (INR m)	Net debt (INR m)	Equity value (INR m)	GOAGRO's share (%)	Value (INR m)	Value/ share (INR)	Share (%)
<b>Standalone:</b>									
CP	3,791	15	57,999		57,999	100%	57,999	302	31%
Palm Oil	2,785	13	36,480		36,480	100%	36,480	190	20%
AF	4,230	15	64,926		64,926	100%	64,926	338	35%
Unallocated expenses	-2,001	11	-22,007		-22,007	100%	-22,007	-115	-12%
<b>Total</b>	<b>8,805</b>	<b>16</b>	<b>1,37,398</b>	<b>6,200</b>	<b>1,31,198</b>	<b>100%</b>	<b>1,31,198</b>	<b>683</b>	<b>70%</b>
<b>Subsidiaries:</b>									
Astec (m-cap with a 20% holding company discount)					18,862	65%	12,215	64	7%
Creamline Dairy	1285	13	16,710	-196	16,906	52%	8,776	46	5%
Godrej Tyson Foods and others	1210	15	18,157		18,157	100%	18,157	95	10%
<b>JV/ Associate:</b>									
ACI Godrej Agrovet Pvt.	2,112	15	31,682		31,682	50%	15,841	82	9%
<b>Total</b>	<b>13,413</b>	<b>15</b>	<b>2,03,946</b>		<b>2,16,804</b>			<b>970</b>	<b>100%</b>

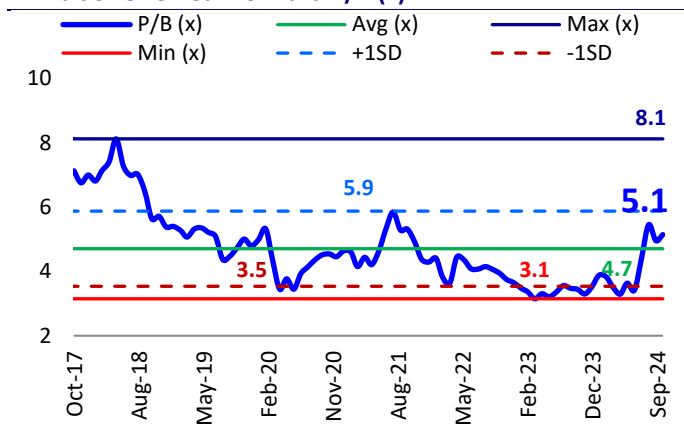
Source: MOFSL

## Exhibit 2: One-Year Forward P/E(x)



Source: Company, MOFSL

## Exhibit 3: One-Year Forward P/B (x)



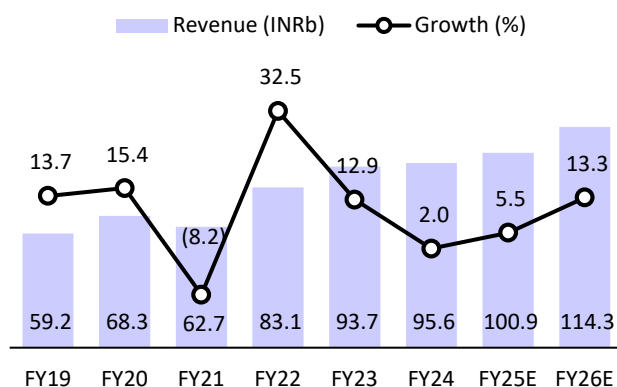
Source: Company, MOFSL

### Profit soars on cost efficiency and realization gains

- Consolidated revenue from operations for FY24 stood at INR95.6b (up from INR93.74b in FY23), registering a marginal growth of 2% YoY. However, EBITDA clocked a strong growth of 34% to INR7.43b (vs. INR6.3b in FY23) and margins expanded by 180bp to 7.3%, led by realization gains and cost efficiencies across segments.
- **Animal feed segment revenue** was flat at INR50.1b due to subdued volume growth and a slight decline in realization. Sales volume grew ~3% to **1,499,515mt** in FY24 from **1,457,543mt** in FY23, primarily driven by growth in **cattle feed/fish feed volumes of 11%/19% YoY**, which was partly offset by **lower poultry feed sales**. **EBIT** was up 31% to **INR2.31b (EBIT/kg up 28% to INR1.54)**, led by **softened commodity prices** and **higher realizations** in cattle feed & fish feed categories.
- **CP business** revenue grew by ~4% YoY to INR12.4b, largely aided by 37% YoY growth in standalone CP business to INR8.2b (66% of consol CP business in FY24 vs. 50% in FY23). Astec reported a ~30% decline in revenue to INR4.2b. Consol CP EBIT grew by ~72% to INR2.2b (17.5% margins), primarily due to strong margin expansion in the standalone CP business, up 3.4x to INR2.6b (margins at 31.3% vs. 12.5% in FY23). **Growth was mainly driven by higher sales of in-house and in-licensed portfolio** (in-licensed volume growth of +40%). Astec reported a loss of ~INR386m, due to lower realizations and demand headwinds in enterprise products. The impact of headwinds was partly offset by high salience of contract manufacturing (CMO) and commercialization of new products.
- Palm oil segment revenue declined **6% YoY to INR12.21b in FY24, led by a drop in CPO/PKO realizations per MT by 20.4%/27.7% to INR78,670/INR1,02,480**. FFB volume growth of 6% in FY24 was more than offset by lower CPO/PKO prices, which came off record highs of FY23 and normalized during FY24. This also dragged down the profitability by ~30% to INR1.7b.
- **Dairy business revenue** grew 4.8% to **INR15.73b, and it turned EBIT positive at INR310m vs. a loss of INR439m in FY23**. The structural turnaround, as discussed earlier, was led by significant improvements in operational efficiencies and improved milk spread. Salience of VAP stood at **INR780m**, improving to **36% of total sales vs. 32% in FY23**.
- **Godrej Tyson (GTFL)** business revenue stood at **INR9.86b, down ~2% YoY**, primarily due to **lower volumes** in live bird business as GTFL continued to focus on branded business and reduce exposure to live bird business. However, **EBIT** stood at **INR464m, up ~2.9x YoY**, led by **higher live bird prices**, consistent **improvement in volumes and margins of branded products** and **operational efficiencies**. Volume for the branded products was up by **15% YoY**.

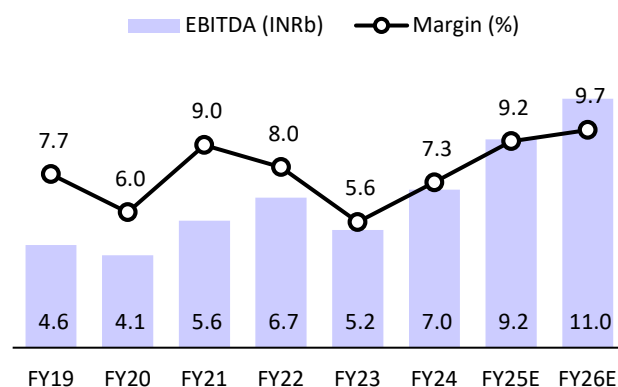
## Story in charts

**Exhibit 4: Consolidated revenue in uptrend ...**



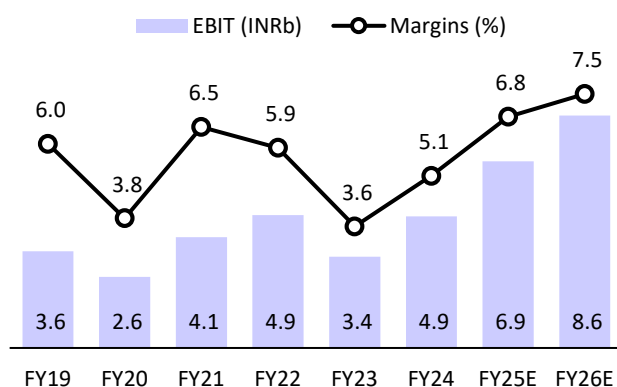
Source: Company, MOFSL

**Exhibit 5: ...with broad-based EBITDA expansion**



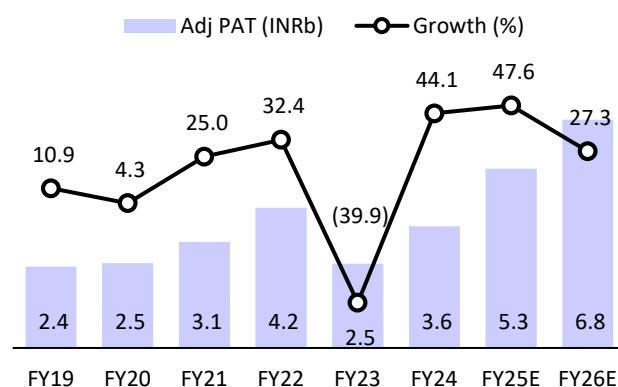
Source: Company, MOFSL

**Exhibit 6: Strong EBIT uptrend**



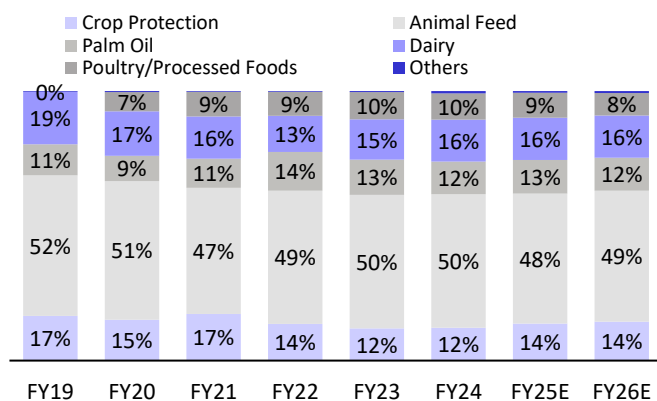
Source: Company, MOFSL

**Exhibit 7: Adj. PAT**



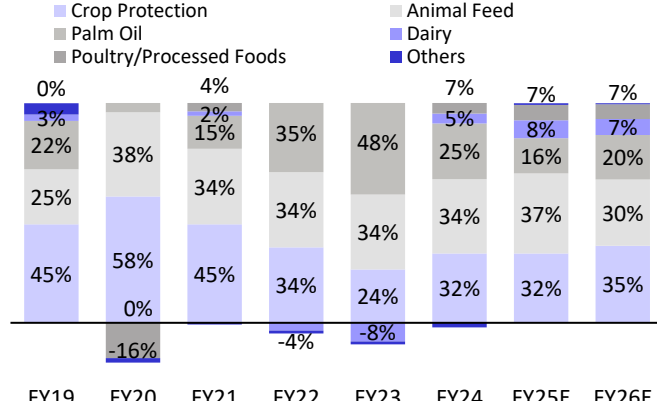
Source: Company, MOFSL

**Exhibit 8: AF business dominates the overall sales...**



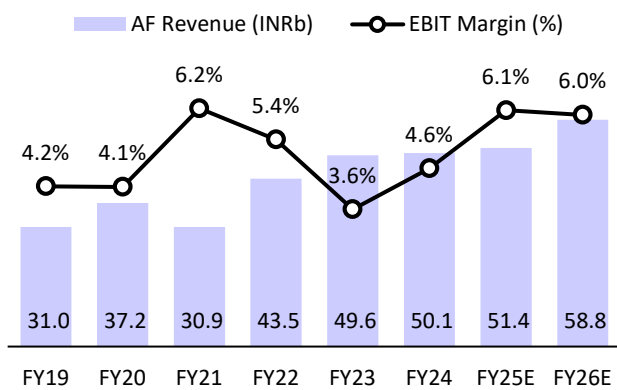
Source: Company, MOFSL

**Exhibit 9: ...while CP businesses have higher margins**

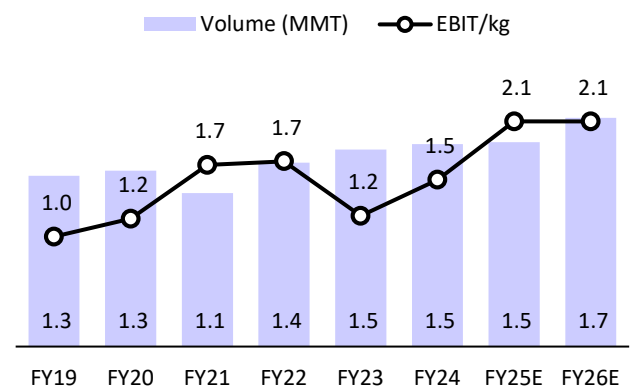


Source: Company, MOFSL

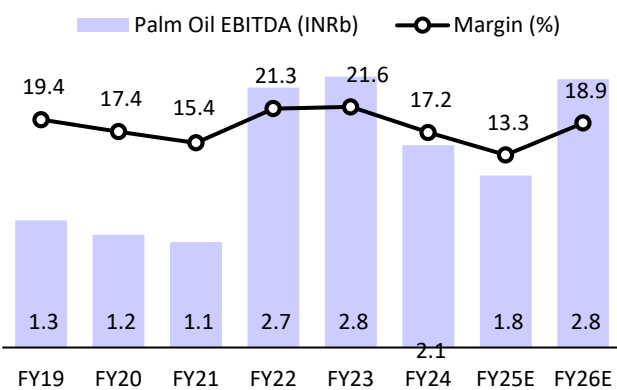


**Exhibit 10: AF business performance on upward trajectory...**

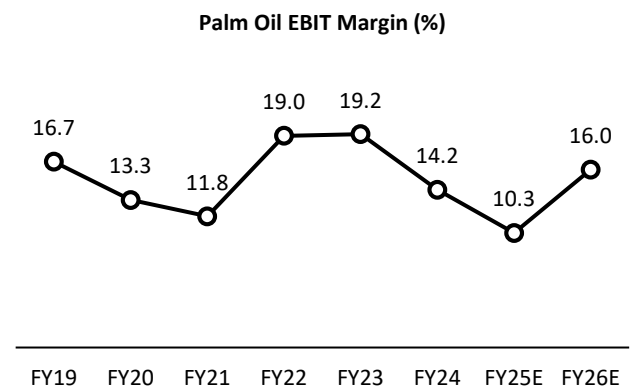
Source: Company, MOFSL

**Exhibit 11: ...with healthy volume and margins**

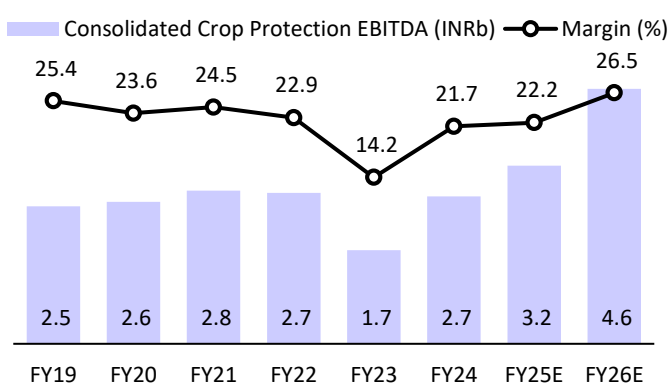
Source: Company, MOFSL

**Exhibit 12: Palm oil business to record 10% revenue CAGR over FY24–26...**

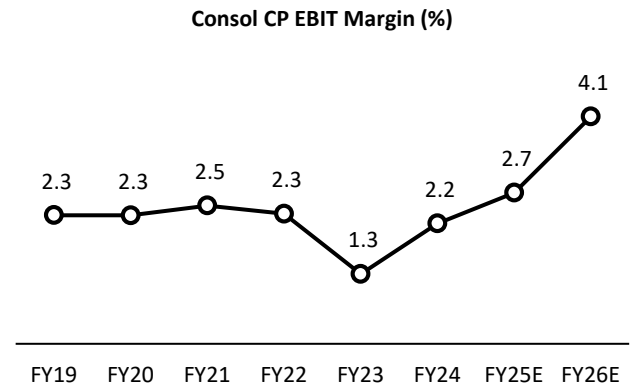
Source: Company, MOFSL

**Exhibit 13: ...with EBIT margin to improve further**

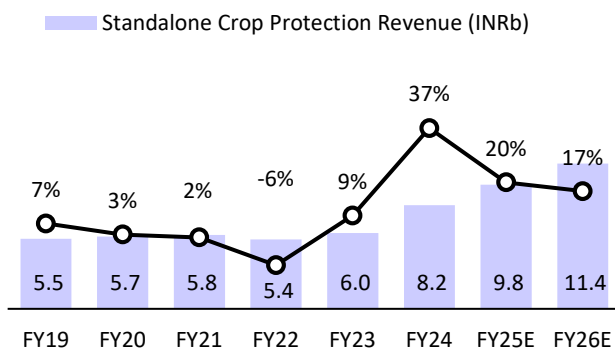
Source: Company, MOFSL

**Exhibit 14: CP to record 19% revenue CAGR over FY24–26...**

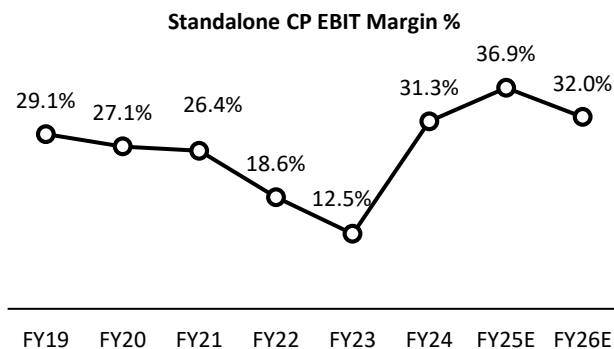
Source: Company, MOFSL

**Exhibit 15: ...with continuous EBIT margin expansion**

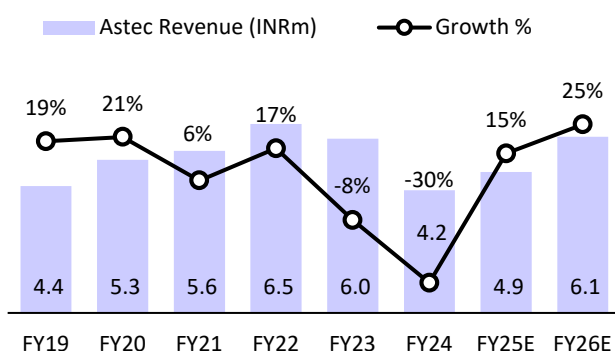
Source: Company, MOFSL

**Exhibit 16: Standalone CP to record 18% revenue CAGR over FY24–26...**

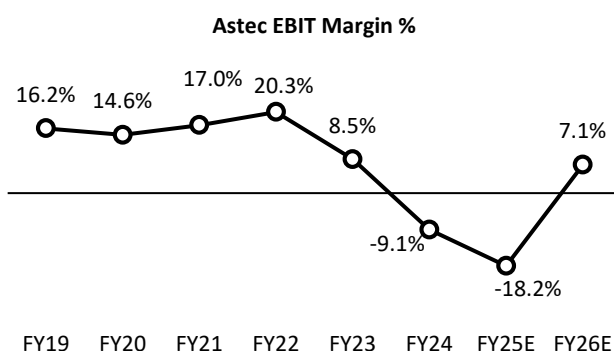
Source: Company, MOFSL

**Exhibit 17: ...with stable EBIT margins**

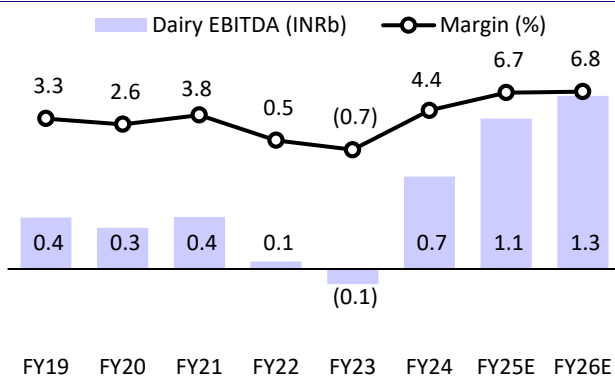
Source: Company, MOFSL

**Exhibit 18: Astec's revenue to recover over FY24-26...**

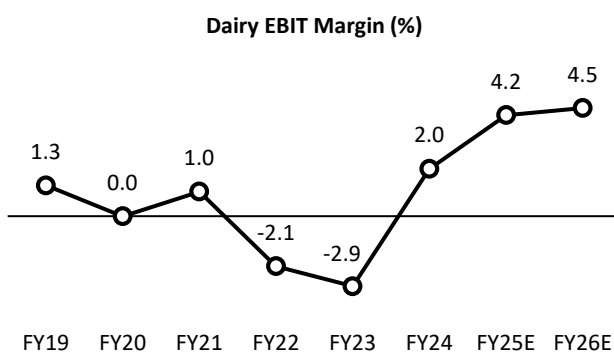
Source: Company, MOFSL

**Exhibit 19: ...with EBIT margins improvement**

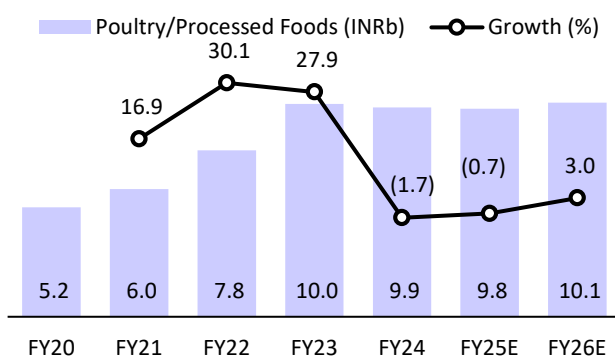
Source: Company, MOFSL

**Exhibit 20: Dairy revenue to record 10% CAGR over FY24-26...**

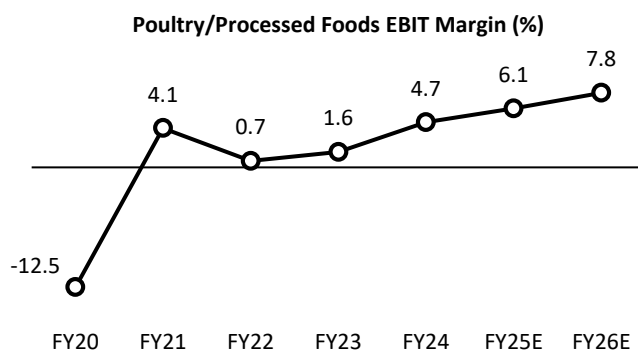
Source: Company, MOFSL

**Exhibit 21: ...with EBIT margins expansion**

Source: Company, MOFSL

**Exhibit 22: Poultry revenue to remain flattish over FY24-26...**

Source: Company, MOFSL

**Exhibit 23: ...while EBIT margins to expand**

Source: Company, MOFSL

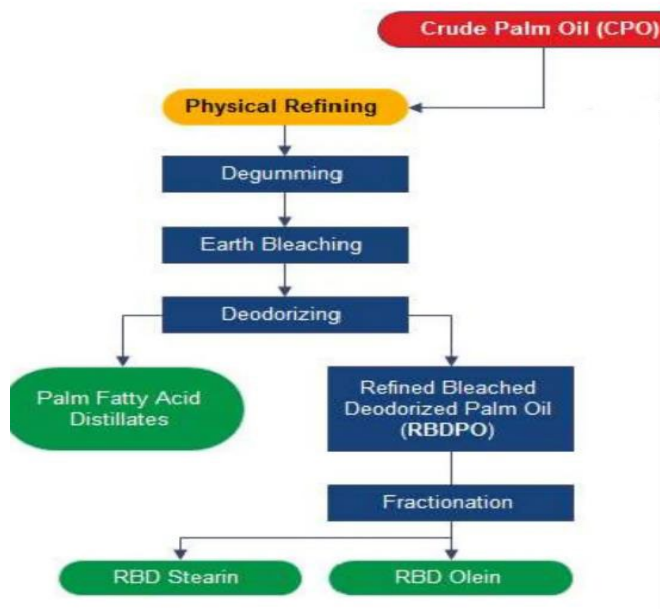


Exhibit 24: Standalone CP business product portfolio



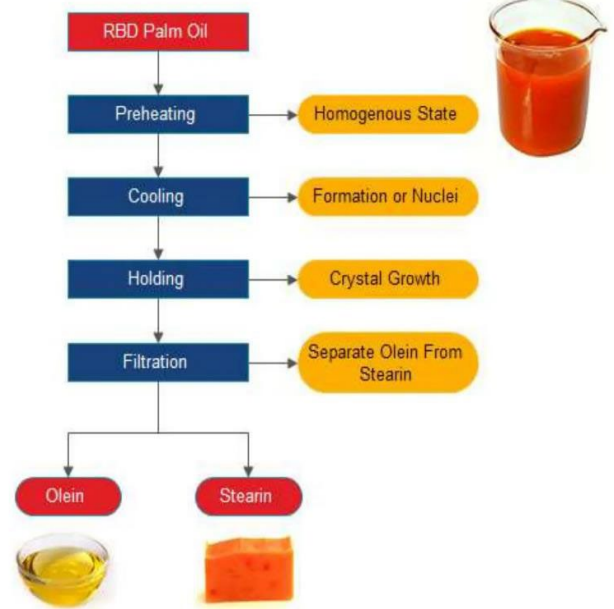
Source: Company, MOFSL

Exhibit 25: Value-added derivative of CPO



Source: Company, MOFSL

Exhibit 26: Process of fractionation



Source: Company, MOFSL

Exhibit 27: Branded Portfolio of Tyson i.e. Yummiez (B2C) and RGC (B2B)



Source: Company, MOFSL

## Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>59,177</b>	<b>68,294</b>	<b>62,667</b>	<b>83,061</b>	<b>93,737</b>	<b>95,606</b>	<b>1,00,884</b>	<b>1,14,322</b>
Change (%)	13.7	15.4	-8.2	32.5	12.9	2.0	5.5	13.3
Raw Materials	45,736	53,194	46,078	63,048	73,891	72,437	74,755	85,170
Employees Cost	2,944	3,541	3,764	4,393	4,534	5,391	5,888	6,059
Other Expenses	5,939	7,454	7,187	8,966	10,084	10,763	10,996	12,047
<b>Total Expenditure</b>	<b>54,619</b>	<b>64,189</b>	<b>57,029</b>	<b>76,407</b>	<b>88,509</b>	<b>88,591</b>	<b>91,639</b>	<b>1,03,276</b>
% of Sales	92.3	94.0	91.0	92.0	94.4	92.7	90.8	90.3
<b>EBITDA</b>	<b>4,558</b>	<b>4,104</b>	<b>5,638</b>	<b>6,654</b>	<b>5,228</b>	<b>7,015</b>	<b>9,245</b>	<b>11,046</b>
Margin (%)	7.7	6.0	9.0	8.0	5.6	7.3	9.2	9.7
Depreciation	982	1,481	1,540	1,733	1,855	2,143	2,342	2,452
<b>EBIT</b>	<b>3,577</b>	<b>2,624</b>	<b>4,098</b>	<b>4,921</b>	<b>3,373</b>	<b>4,872</b>	<b>6,903</b>	<b>8,593</b>
Int. and Finance Charges	339	416	465	631	991	1,079	1,112	909
Other Income	531	468	396	797	367	413	452	503
<b>PBT bef. EO Exp.</b>	<b>3,769</b>	<b>2,675</b>	<b>4,029</b>	<b>5,086</b>	<b>2,749</b>	<b>4,206</b>	<b>6,243</b>	<b>8,187</b>
EO Items	883	682	0	-173	708	0	0	0
<b>PBT after EO Exp.</b>	<b>4,652</b>	<b>3,357</b>	<b>4,029</b>	<b>4,914</b>	<b>3,457</b>	<b>4,206</b>	<b>6,243</b>	<b>8,187</b>
Total Tax	1,280	481	1,055	1,224	823	1,133	1,537	2,061
Tax Rate (%)	27.5	14.3	26.20	24.91	23.81	26.9	24.6	25.2
Profit from Associate & MI	82	-185	-164	-337	-385	-523	-602	-632
<b>Reported PAT</b>	<b>3,290</b>	<b>3,062</b>	<b>3,137</b>	<b>4,026</b>	<b>3,019</b>	<b>3,596</b>	<b>5,308</b>	<b>6,758</b>
<b>Adjusted PAT</b>	<b>2,407</b>	<b>2,510</b>	<b>3,137</b>	<b>4,154</b>	<b>2,495</b>	<b>3,596</b>	<b>5,308</b>	<b>6,758</b>
Change (%)	10.9	4.3	25.0	32.4	-39.9	44.1	47.6	27.3
Margin (%)	4.1	3.7	5.0	5.0	2.7	3.8	5.3	5.9

Consolidated - Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	1,920	1,920	1,921	1,921	1,922	1,922	1,922	1,922
Total Reserves	14,570	16,461	18,590	20,763	21,454	23,244	26,536	31,278
<b>Net Worth</b>	<b>16,490</b>	<b>18,381</b>	<b>20,511</b>	<b>22,684</b>	<b>23,375</b>	<b>25,167</b>	<b>28,458</b>	<b>33,200</b>
Minority Interest	4,010	3,825	4,103	4,203	4,061	4,045	4,007	3,967
Total Loans	3,950	6,185	9,428	15,660	13,215	13,085	11,585	10,585
Deferred Tax Liabilities	2,086	1,751	1,713	1,559	1,798	1,679	1,679	1,679
<b>Capital Employed</b>	<b>26,536</b>	<b>30,142</b>	<b>35,755</b>	<b>44,105</b>	<b>42,449</b>	<b>43,975</b>	<b>45,728</b>	<b>49,431</b>
Gross Block	21,246	23,812	26,551	29,372	30,520	34,717	36,750	38,706
Less: Accum. Deprn.	3,196	4,677	6,217	7,950	9,805	11,948	14,290	16,742
<b>Net Fixed Assets</b>	<b>18,050</b>	<b>19,136</b>	<b>20,334</b>	<b>21,422</b>	<b>20,715</b>	<b>22,770</b>	<b>22,460</b>	<b>21,964</b>
Goodwill on Consolidation	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649
Capital WIP	936	1,532	1,414	902	2,044	1,915	883	1,427
<b>Total Investments</b>	<b>1,165</b>	<b>1,292</b>	<b>1,237</b>	<b>1,597</b>	<b>1,584</b>	<b>1,766</b>	<b>1,766</b>	<b>1,766</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>19,542</b>	<b>22,392</b>	<b>22,355</b>	<b>29,271</b>	<b>27,867</b>	<b>27,933</b>	<b>30,849</b>	<b>36,179</b>
Inventory	9,517	9,436	10,419	14,288	13,441	13,830	14,311	15,562
Account Receivables	7,349	8,539	8,226	9,514	5,740	5,189	5,528	6,264
Cash and Bank Balance	299	508	509	347	295	529	1,931	4,063
Loans and Advances	2,378	3,910	3,200	5,123	8,390	8,385	9,080	10,289
<b>Curr. Liability &amp; Prov.</b>	<b>15,807</b>	<b>16,859</b>	<b>12,235</b>	<b>11,735</b>	<b>12,411</b>	<b>13,058</b>	<b>12,878</b>	<b>14,553</b>
Account Payables	12,394	12,885	7,326	6,948	7,043	6,278	6,528	7,923
Other Current Liabilities	2,934	3,467	4,206	3,384	4,459	6,020	5,549	5,716
Provisions	478	507	703	1,403	909	760	802	915
<b>Net Current Assets</b>	<b>3,736</b>	<b>5,533</b>	<b>10,120</b>	<b>17,536</b>	<b>15,456</b>	<b>14,875</b>	<b>17,971</b>	<b>21,625</b>
<b>Appl. of Funds</b>	<b>26,536</b>	<b>30,142</b>	<b>35,755</b>	<b>44,105</b>	<b>42,449</b>	<b>43,975</b>	<b>45,728</b>	<b>49,431</b>

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>12.5</b>	<b>13.1</b>	<b>16.3</b>	<b>21.6</b>	<b>13.0</b>	<b>18.7</b>	<b>27.6</b>	<b>35.2</b>
Cash EPS	17.6	20.8	24.4	30.7	22.7	29.9	39.8	48.0
BV/Share	85.9	95.7	106.8	118.1	121.7	131.1	148.2	172.9
DPS	4.5	5.5	8.0	9.5	9.5	10.0	10.5	10.5
Payout (%)	31.6	41.5	49.0	45.3	60.4	53.4	38.0	29.8
<b>Valuation (x)</b>								
P/E	61.8	59.3	47.4	35.8	59.6	42.5	28.8	22.6
Cash P/E	43.9	37.3	31.8	25.3	34.2	26.6	20.0	16.6
P/BV	9.0	8.1	7.3	6.6	6.4	6.1	5.4	4.6
EV/Sales	2.6	2.3	2.6	2.0	1.8	1.8	1.7	1.4
EV/EBITDA	34.3	38.6	28.7	25.3	31.7	24.2	18.0	14.8
Dividend Yield (%)	0.6	0.7	1.0	1.2	1.2	1.3	1.3	1.3
FCF per share	9.0	-1.2	-13.1	-20.2	33.6	14.1	25.9	25.6
<b>Return Ratios (%)</b>								
RoE	15.7	14.4	16.1	19.2	10.8	14.8	19.8	21.9
RoCE	15.4	11.8	12.2	12.6	7.6	10.3	14.2	16.2
RoIC	12.2	8.8	10.2	10.0	6.4	9.1	12.9	15.4
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.8	2.9	2.4	2.8	3.1	2.8	2.7	3.0
Asset Turnover (x)	2.2	2.3	1.8	1.9	2.2	2.2	2.2	2.3
Inventory (Days)	59	50	61	63	52	53	52	50
Debtor (Days)	45	46	48	42	22	20	20	20
Creditor (Days)	76	69	43	31	27	24	24	25
<b>Leverage Ratio (x)</b>								
Current Ratio	1.2	1.3	1.8	2.5	2.2	2.1	2.4	2.5
Interest Cover Ratio	10.6	6.3	8.8	7.8	3.4	4.5	6.2	9.5
Net Debt/Equity	0.2	0.3	0.4	0.7	0.6	0.5	0.3	0.2

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	4,773	3,486	4,531	5,416	2,749	4,206	6,243	8,187
Depreciation	982	1,481	1,540	1,733	1,855	2,143	2,342	2,452
Interest & Finance Charges	339	416	465	631	624	666	660	407
Direct Taxes Paid	-1,097	-969	-1,123	-1,533	-823	-1,237	-1,537	-2,061
(Inc)/Dec in WC	633	-2,204	-5,413	-7,085	4,335	812	-1,731	-1,562
<b>CF from Operations</b>	<b>5,629</b>	<b>2,210</b>	<b>0</b>	<b>-838</b>	<b>8,740</b>	<b>6,590</b>	<b>5,976</b>	<b>7,423</b>
Others	-1,152	188	-104	-362	0	190	0	0
<b>CF from Operating incl EO</b>	<b>4,477</b>	<b>2,398</b>	<b>-104</b>	<b>-1,201</b>	<b>8,740</b>	<b>6,780</b>	<b>5,976</b>	<b>7,423</b>
(Inc)/Dec in FA	-2,759	-2,634	-2,406	-2,680	-2,290	-4,068	-1,000	-2,500
<b>Free Cash Flow</b>	<b>1,719</b>	<b>-236</b>	<b>-2,510</b>	<b>-3,880</b>	<b>6,449</b>	<b>2,712</b>	<b>4,976</b>	<b>4,923</b>
(Pur)/Sale of Investments	0	0	-9	-166	12	-182	0	0
Others	386	82	627	765	-564	976	1,016	1,095
<b>CF from Investments</b>	<b>-2,372</b>	<b>-2,552</b>	<b>-1,787</b>	<b>-2,081</b>	<b>-2,842</b>	<b>-3,273</b>	<b>16</b>	<b>-1,405</b>
Issue of Shares	0	0	0	0	1	1	0	0
Inc/(Dec) in Debt	-680	2,311	3,579	5,778	-2,445	-130	-1,500	-1,000
Interest Paid	-354	-390	-430	-602	-991	-1,079	-1,112	-909
Dividend Paid	-1,076	-1,076	-1,122	-1,591	-1,824	-1,920	-2,016	-2,016
Others	4	-481	-136	-478	-689	-145	38	40
<b>CF from Fin. Activity</b>	<b>-2,105</b>	<b>364</b>	<b>1,891</b>	<b>3,108</b>	<b>-5,949</b>	<b>-3,273</b>	<b>-4,590</b>	<b>-3,886</b>
<b>Inc/Dec of Cash</b>	<b>0</b>	<b>210</b>	<b>-1</b>	<b>-173</b>	<b>-51</b>	<b>233</b>	<b>1,402</b>	<b>2,132</b>
Opening Balance	299	299	510	509	347	296	529	1,931
<b>Closing Balance</b>	<b>299</b>	<b>508</b>	<b>509</b>	<b>347</b>	<b>296</b>	<b>529</b>	<b>1,931</b>	<b>4,063</b>

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.