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India | Equity Research | Initiating Coverage

## Skipper Limited

Capital Goods

### A high VOLTage story

Skipper's performance in last 1-2 years reflects pick up in domestic and international T&D capex cycle, enhanced EPC capabilities in infra and T&D and strong volume growth in PVC pipes. This largest Indian manufacturer of T&D structures is set to ride on multi-year opportunity (INR 4.75trn over FY23-27 of domestic T&D capex, INR 9.2trn over FY23-32, according to NEP) and plans to double its engineering capacity to 0.6mn TPA over the next 4-5 years. In addition, the company's export business may also benefit from its expansion in developed markets. With an orderbook of INR 59bn (1.8x FY24 revenue) and OI likely growing at 20% CAGR over FY24-27E, we expect revenue/EBTIDA/PAT to grow at 25%/29%/56% CAGR. Initiate coverage with **BUY** and TP of **INR 635**, based on 27x avg. of FY26E and FY27E EPS.

### Low-cost integrated T&D player

Skipper is India's largest (within top 10 globally) transmission tower manufacturing company with total capacity of 300,000 MTPA. According to the company, it commands significant market share (~15%) in HV transmission tower segment and high backward integration (90% of raw materials sourced in-house).

### Domestic T&D capex of INR 4.75trn by FY27

The Central Electricity Authority (CEA) envisages a capex requirement of INR 4.75trn for the power T&D sector over FY23-27. This entails the addition of 1,23,577ckm of transmission lines and 7,22,940 MVA of transformation.

### Exports to be driven by increased penetration in US and Europe

Skipper has presence in over 60 countries with exports contributing 28% of engineering products revenue, 19% of overall revenue. The company intends to increase its revenue share from exports (in medium term) by penetrating further into both US and Europe.

### Initiate coverage with BUY, TP of INR 635

With an orderbook of INR 58.8bn (1.8x FY24 revenue) and expected OI CAGR of 20% over FY24-27, we expect revenue/EBTIDA/PAT CAGR of 25%/29%/56%, respectively. Initiate coverage on the stock with **BUY**, TP of **INR 635** based on 27x average of FY26E and FY27E EPS.

### Financial Summary

Y/E March (INR mn)	FY24A	FY25E	FY26E	FY27E
Net Revenue	32,820	41,775	52,002	63,703
EBITDA	3,194	4,200	5,461	6,900
EBITDA Margin (%)	9.7	10.1	10.5	10.8
Net Profit	747	1,312	2,089	2,862
EPS (INR)	7.1	12.5	19.8	27.2
EPS % Chg YoY	122.8	75.7	59.2	37.0
P/E (x)	77.2	44.0	27.6	20.2
EV/EBITDA (x)	19.4	15.2	11.9	9.4
RoCE (%)	12.4	17.4	19.7	21.6
RoE (%)	9.0	13.7	18.5	20.8

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#### Market Data

Market Cap (INR)	60bn
Market Cap (USD)	714mn
Bloomberg Code	SKIPPER IN
Reuters Code	SKIP.BO
52-week Range (INR)	565 /197
Free Float (%)	28.0
ADTV-3M (mn) (USD)	6.2

Price Performance (%)	3m	6m	12m
Absolute	48.2	71.4	142.7
Relative to Sensex	46.4	63.0	120.2

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## Investment Argument

### Low-cost integrated T&D player with a long-proven track record

Skipper is India's largest (within top 10 globally) transmission tower manufacturing company with total capacity of 300,000 MTPA. According to skipper, it commands significant market share (~15%) in high voltage transmission tower segment and its high backward integration (90% of raw materials sourced in-house) provides it significant cost advantage (reflects in higher margin vs peers). It has significant export presence (28% of engineering revenue in FY24) in the Middle East, Africa and North America.

### Domestic T&D capex of INR 4.75trn by FY27 implies significant expansion in TAM

The Central Electricity Authority (CEA) envisages a capex requirement of INR 4.75trn for the power transmission sector over FY23-27. This entails addition of 1,23,577ckm of transmission lines and 7,22,940 MVA of transformation capacity. This implies an annual run-rate of over 30,000ckm in each of the next three years (more than 2x of additions in the last 5 years). Skipper, being a dominant player in T&D structures industry, is set to be a beneficiary. It is expanding its (1) engineering product capacity to 3.75lakh MTPA (from 3lakh MTPA in FY24) and, (2) tower testing capacity to cater to the increased demand for a total capex of INR 2bn in FY25. Further, it plans to double its capacity to 6lakh MTPA in the next 4-5 years.

### Exports may be driven by increased penetration in US and Europe

Skipper has presence in over 60 countries with exports contributing 28% of engineering products revenue, 19% of overall revenue. The company intends to increase its revenue share from exports (in medium term) by penetrating further into both US and Europe. It garners significant amount of export revenue from the Middle East, LAT-Am, Africa and Australia. It targets export contributions to increase to 25% of revenue in the long term.

### Polymer pipes business on high growth path driven by geographical penetration, category expansion and increased reach

Skipper has seen strong growth in polymer business (+30% volume growth in FY24) driven by increased reach (~31,000 retail touchpoints), new product introductions (CP bathware and water tanks), brand campaign (India's safest pipes) and celebrity endorsements (MS Dhoni and Chris Gayle). Cementing its position in the Eastern market, the company plans to expand into other geographies (West and South in particular) providing it significant headroom for growth. We build in 25% volume CAGR over FY24-27E and a gradual expansion in EBITDA margin as the company achieves better economies of scale.

### Initiate coverage with BUY, TP of INR 635

Skipper's integrated manufacturing for T&D structures, its largest capacity in towers and poles, a strong T&D capex macro environment and expansion into developed geographies may provide significant tailwinds to the company. The company's orderbook of INR 58.4bn (1.8x FY24 revenue) and strong bidding pipeline provide visibility for 2 years. We are building in revenue/EPS CAGR of 25%/56% over FY24-27E and initiate coverage with **BUY**, TP of **INR 635** based on 27x H1FY27. The target valuation is below 1 sigma above its mean and slightly above its peers given a better margin profile and significant incremental expected growth.

## Integrated T&D player with a low-cost advantage

Skipper has been a key part of the domestic T&D value chain with the largest T&D structure (towers and poles) capacity in India (300,000 MTPA) at the end of FY24. The entire capacity is housed in three different facilities in Kolkata providing it with significant scale and cost advantage. In addition, the company is highly backward integrated with 90% of raw materials sourced in-house. It has in-house capabilities of structure rolling, galvanising (capacity of 2,50,000MTPA), tower load testing, transmission line EPC, fastener manufacturing etc.

### Exhibit 1: Manufacturing footprint largely concentrated in Kolkata

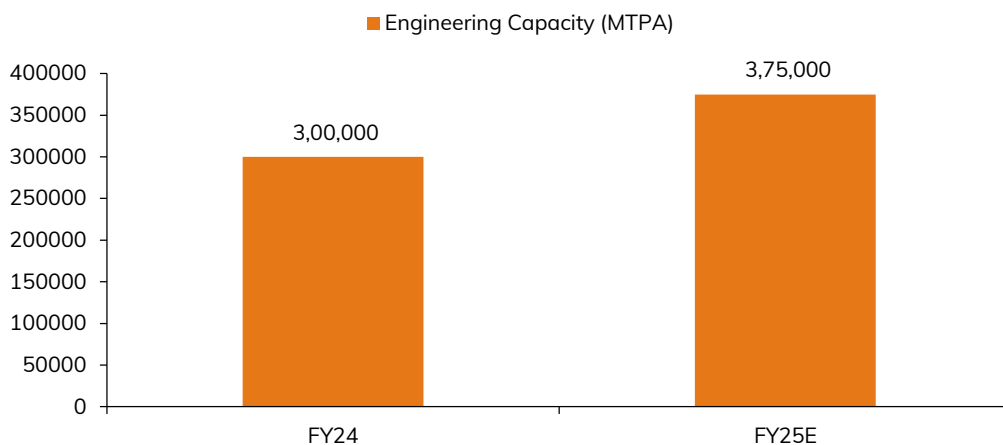
Location	Engineering Product (MTPA)	PVC Pipes & Fittings Products (MTPA)	Galvanizing (MTPA)
Uluberia – Kolkata (WB)	1,87,000	55,000	
Unit 1 – Kolkata (WB)	75,000	-	
BCTL – Kolkata (WB)	38,000	-	
Guwahati - Assam	-	7,000	
<b>Total Capacity</b>	<b>3,00,000</b>	<b>62,000</b>	<b>2,50,000</b>

Source: I-Sec research, Company data

### Expanding capacity as capacity utilisation may reach 90% by FY25E

Skipper's capacity utilisation had shot up sharply in FY24 (to ~70%) as the engineering products business saw robust growth (revenue growth of 46% in FY24). The company expects utilisation to reach 90% by FY25. This has necessitated capacity expansion. It aims to expand its engineering product capacity by 75,000 MTPA by FY25 with further plans of doubling the capacity in the next 3-4 years.

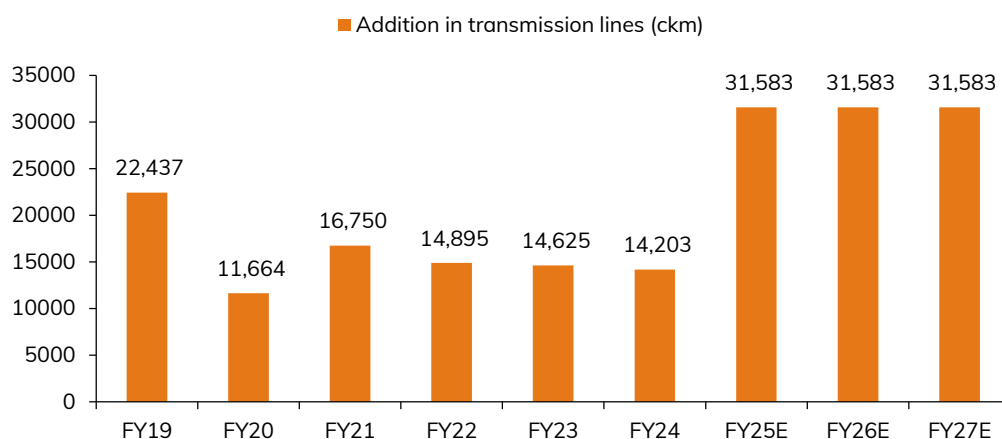
### Exhibit 2: Engineering capacity to expand 25% to 3.75lakh MTPA



Source: I-Sec research, Company data

### Domestic TAM may see sharp jump during FY23-27

The Central Electricity Authority (CEA) envisages a total capex of INR 4.75trn to be spent on T&D infrastructure (220kV and above) over FY23-27 (compared to INR 2.4trn spent over FY18-22). This is necessitated on account of (1) strong surge in power demand leading to higher utilisation levels, (2) greenfield investments in renewable energy-based power production. This would involve the addition of 1,23,577ckm of transmission lines and 7,10,940 MVA of transformation capacity (over FY22-27) to cater to the demand across states and regions. Hence, significant transmission lines need to be added in the next 3 years (refer Exhibit 3 below) to meet the desired target.

**Exhibit 3: Transmission lines addition to pick up substantially**


Source: I-Sec research, Company data

**Exhibit 4: TL and substation capacity addition plans**

Expected addition (FY23-27)	ISTS	Intrastate	Total
Substation (MVA)	4,26,675	2,84,265	7,10,940
Transmission Lines (ckm)	53,132	70,445	1,23,577

Source: I-Sec research, Company data

**Target addressable market (TAM) to expand substantially**

Out of the total INR 4.75trn capex envisaged as a part of the T&D infrastructure expansion, Skipper's TAM is expected to be INR 143bn (includes transmission towers and poles). This would translate into an average order inflow of INR 36bn over FY22-27 from T&D product segment.

**Exhibit 5: TAM implies sharp expansion in order inflow is sustainable**

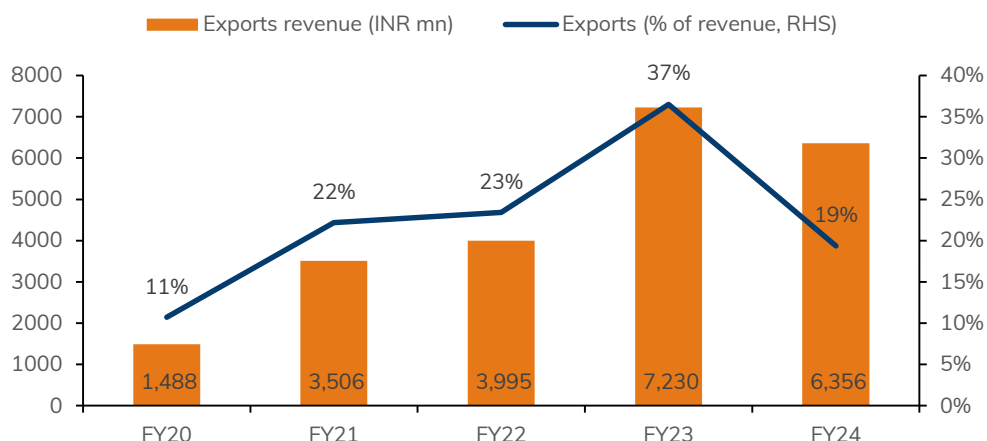
Target Addressable Market	FY23-27
Total T&D Capex (INR bn)	4,750
Capex for Transmission line infrastructure (50% of total)	2,375
Capex for towers and poles (30% of total TL)	713
TAM per annum	143
Market Share	15%
<b>Expected Annual T&amp;D Product OI - Domestic (INR bn)</b>	<b>21.5</b>

Source: I-Sec research, Company data

## Exports may be driven by increased penetration in US, Europe and Australia

Skipper has presence in over 60 countries with exports contributing 28% of engineering products revenue in FY24, 19% of overall revenue. The company intends to increase its revenue share from developed markets by penetrating further into both US and Europe. It garners significant amount of export revenue from the Middle East, LAT-Am, Africa and Australia. It targets export contributions to increase to 25% of revenue in the long term.

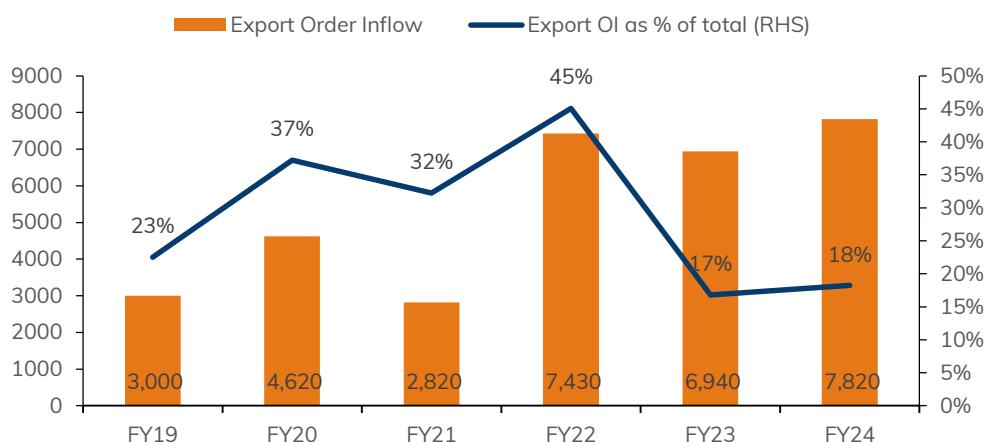
### Exhibit 6: Exports may remain ~20-25% of revenue on average



Source: I-Sec research, Company data

The global T&D market stood at USD 330bn in CY23 and is expected to grow at a CAGR of 3.9% over CY23-30 to reach USD 431.7bn (according to Fortune Business Insights). The demand, similar to domestic market, is primarily driven by shift to renewable energy sources. The company became the first Indian pole manufacturer to design and deliver transmission monopole structures to the North American market and also tested and supplied guyed towers. In addition to INR 8.2bn of export orderbook, the bid pipeline of INR 115bn augurs well for order inflows in the near term.

### Exhibit 7: Export order inflow has picked up substantially in the last 3 years



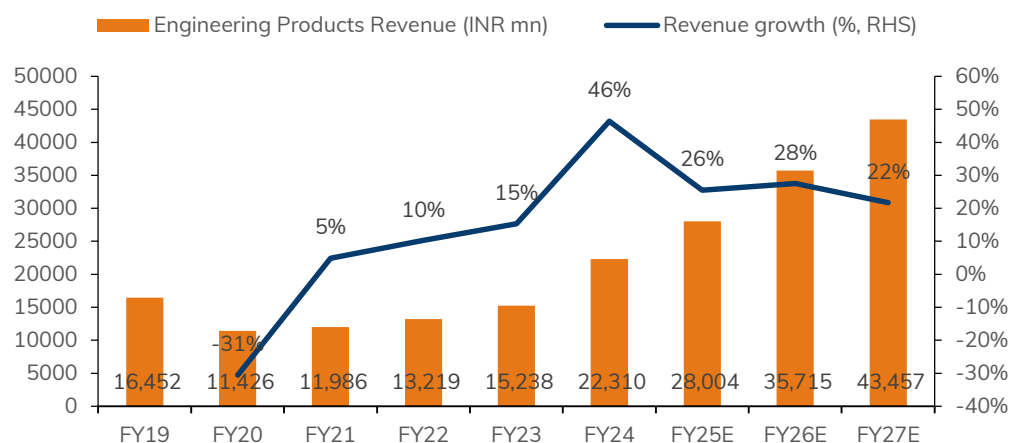
Source: I-Sec research, Company data

### Expanded EPC capabilities have further added to order inflow momentum

Engineering products segment has grown its revenue at a CAGR of 6.3% over FY19-24 with growth accelerating to 46% in FY24. On the other hand, order inflow (engineering + Infra) has grown at a much faster CAGR of 26.3% over FY19-24, leading to a significant jump in orderbook to sales ratio which stood at 2.2 at the end of FY24. The company has expanded its EPC capabilities and has benefitted in bagging significant EPC orders in T&D in FY24.

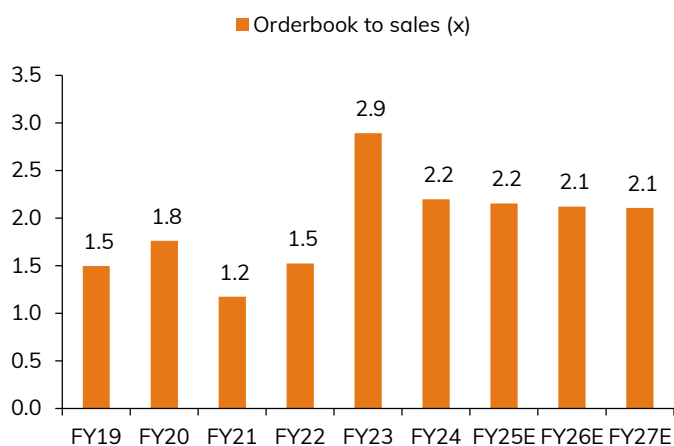
In addition, the strong expansion in bidding pipeline bodes well for order inflow in the near term. We model engineering products and infrastructure segment revenues to grow at CAGRs of 20% and 29%, respectively, over FY24-27E.

### Exhibit 8: Engineering revenue may grow at 24% CAGR over FY24-27E



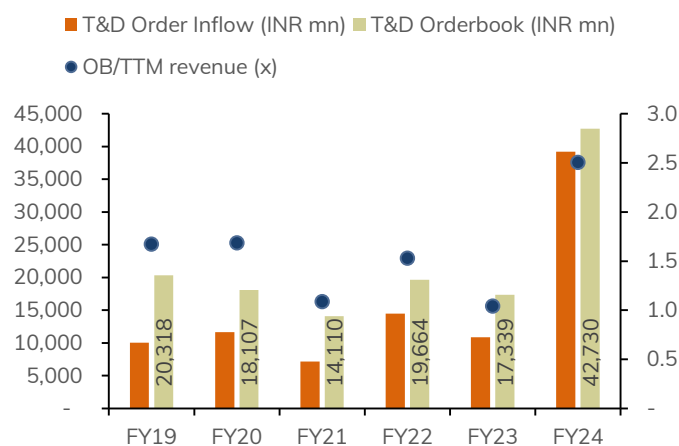
Source: I-Sec research, Company data

### Exhibit 9: Orderbook to sales ratio is likely to remain stable at ~2.2x



Source: Company data, I-Sec research

### Exhibit 10: T&D segment had seen substantially higher inflows in FY24

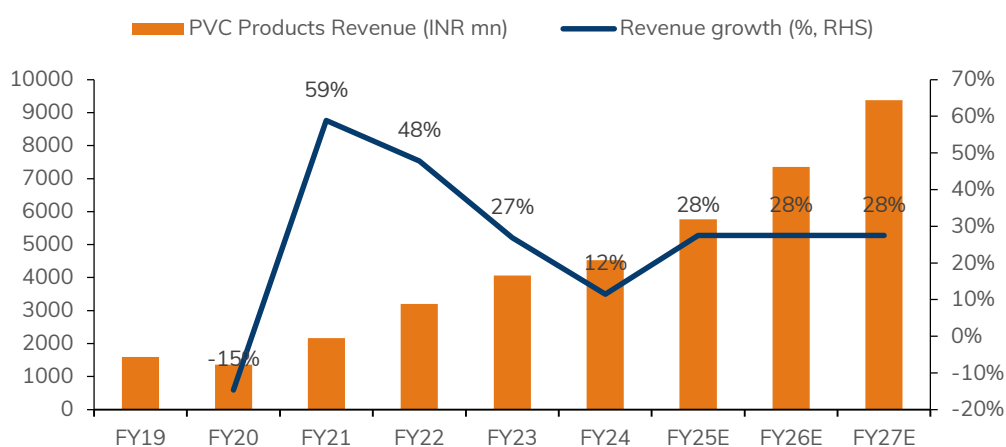


Source: Company data, I-Sec research

## Polymer pipes business on high growth path driven by geographical penetration, category expansion and increased reach

Skipper's PVC products business has grown at 23% CAGR on a small base from FY19 to FY24, reaching INR 4.53bn in revenue (~1-2% market share of ~INR 400-450bn plastic pipes industry). With capacity of 62,000 TPA, Skipper is the largest manufacturer of PVC pipes in Eastern India (according to the company) and is currently operating at ~50% utilisation levels. The business is in growth phase with strong demand emanating out of government initiatives like Housing for All, Nal se Jal, AMRUT etc. The PVC pipes and fittings industry is expected to grow at a CAGR of 10.8% over FY20-25, reaching ~INR 500bn by FY25. (Source: Company)

### Exhibit 11: Revenue growth may remain high (~28%) driven by volume

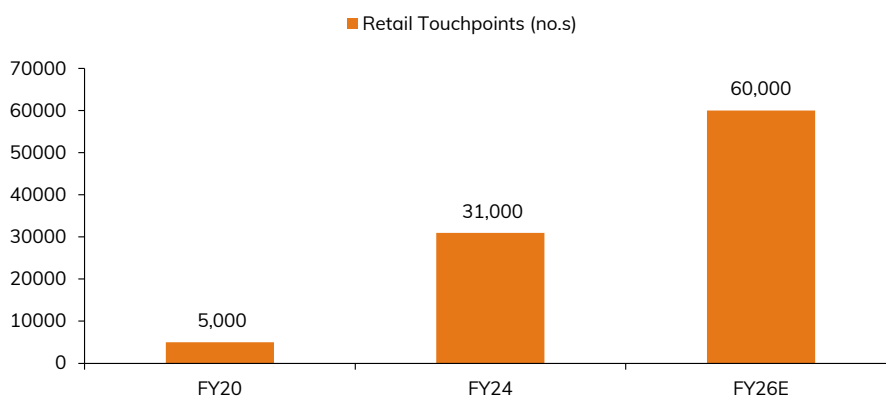


Source: I-Sec research, Company data

### Retail touchpoints to double in next 2-3 years

Skipper's retail touchpoints have grown more than 6x in the last 4 years from 5,000 in FY20 to more than 31,000 in FY24 (CAGR of ~60%). This has aided strong volume growth (30% growth in FY24). We expect volume growth to remain strong with further expansion in distribution reach into Southern and Western geographies and market share gains. The company has upped its marketing and branding game with "India's Safest Pipes" campaign roping in MS Dhoni and Chris Gayle. As the company gains scale, the margin in the segment is expected to improve with better fixed cost absorption and scale benefits.

### Exhibit 12: Skipper's retail touchpoints have grown over 6x in last 4 years, may double in next 2 years



Source: I-Sec research, Company data



### New product introduction

The company's product portfolio includes UPVC, CPVC, SWR, HDPE pipes which find application in agriculture, plumbing and sanitation. In the last 2 years, the company has introduced new products such as chrome plated (CP) bath fittings and water storage tanks (under Marina brand) which has helped it further diversify its offerings and a new revenue line. Overall, it intends to continue on its strong volume growth by increasing distribution reach and introducing new products and SKUs. It intends to maintain revenue mix of 60:40 from plumbing and agriculture, respectively.



CPVC Pipes & Fittings



UPVC Pipes & Fittings



SWR Pipes & Fittings



Agriculture Pipes

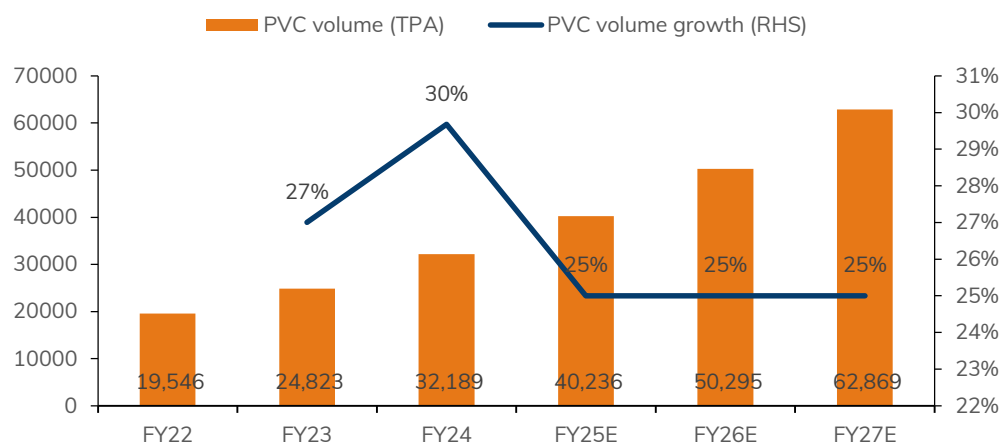


Water tanks



Borewell pipes & fittings

### Exhibit 13: Expect volume to clock 25% CAGR over the next 3 years

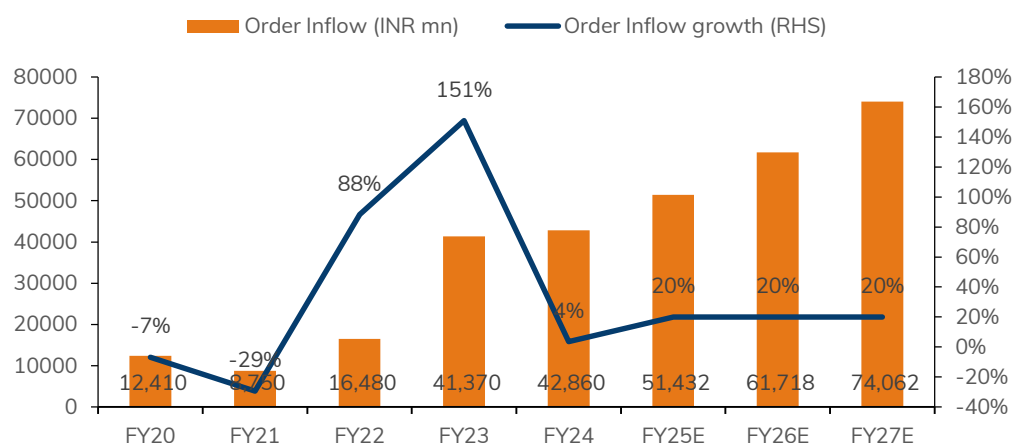


Source: I-Sec research, Company data

### Order inflow may remain robust, but moderate to 13% CAGR over FY24-27E (26% over FY19-24)

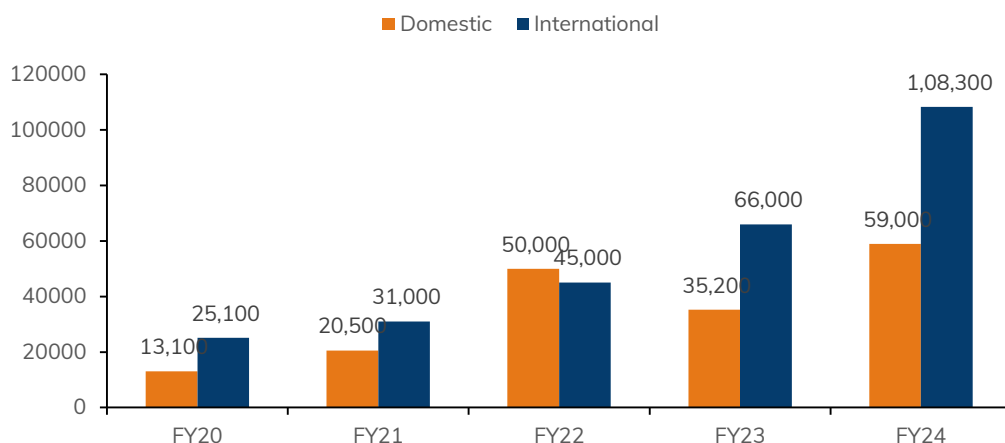
We model order inflow to grow at a CAGR of 13% over FY24-27E against 26% CAGR over FY19-24 driven by domestic and international T&D orders given strong renewable capacity additions and growing power demand. In addition, the bidding pipeline has expanded sharply both on domestic and international fronts. In addition to the demand in international geographies, the company has significantly increased its TAM by broadening its approvals and certifications in certain key geographies particularly in US, Australia and Europe.

#### Exhibit 14: Order inflow growth expected to be moderate to 13% for the next 3 years



Source: I-Sec research, Company data

#### Exhibit 15: Bidding pipeline has grown over 4x for both domestic and international orders in the last 4 years



Source: Company data, I-Sec research

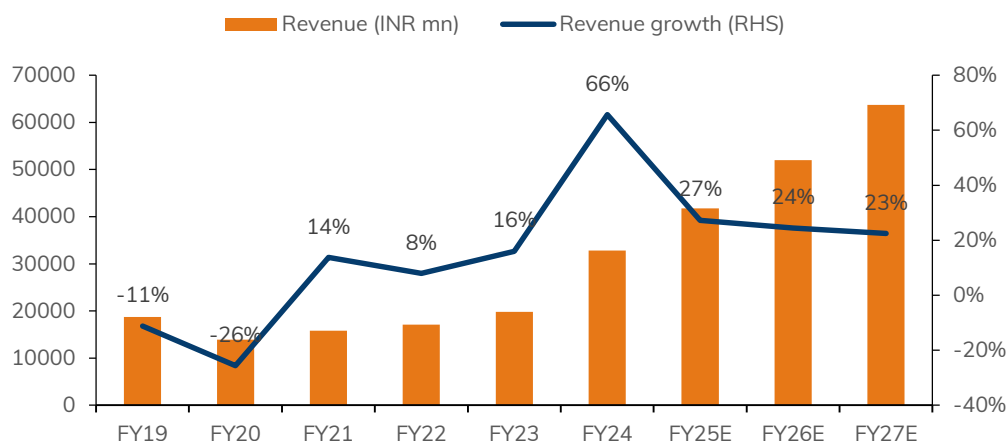
## Financial Summary

### Revenue growth expected to be in high-speed lane

Skipper's revenue growth accelerated to 66% in FY24, with revenue at INR 32.8bn. Infrastructure segment saw fastest revenue expansion of INR 6bn in FY24 (INR 0.5bn in FY23) driven by execution of the large BSNL order for telecom towers. Engineering products segment also benefitted and saw 46% growth in revenue (INR 22.3bn). Thus, non-T&D segment drove significant revenue growth of 394% while T&D saw 3% growth in FY24. We expect revenue CAGR of ~24% over FY24-27E for engineering and infra segments (combined) driven by strong growth in T&D orderbook in FY24 and continued double digit order inflow growth in the next couple of years from the domestic T&D segment.

PVC products business saw revenue growth decelerate to 12% in FY24, with revenue at INR 4.52bn. Volume grew 30% to 32,189 TPA while weaker PVC prices impacted realisation (-14%). The company has significant market share in the Eastern region and intends to expand geographically into other regions of West and South. With new product introductions in chrome plated bathware and water tanks, revenue growth is expected to remain robust in the next couple of years. We are building in a revenue CAGR of ~28% over FY24-27E driven by volume growth.

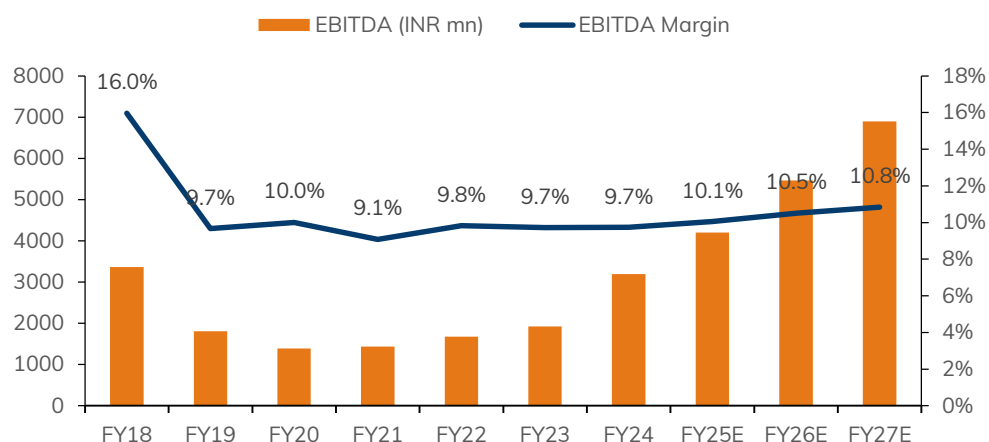
### Exhibit 16: Revenue may grow at 25% CAGR over FY24-27E



Source: I-Sec research, Company data

### EBITDA margin likely to expand 110bps to 10.8% over FY24-27

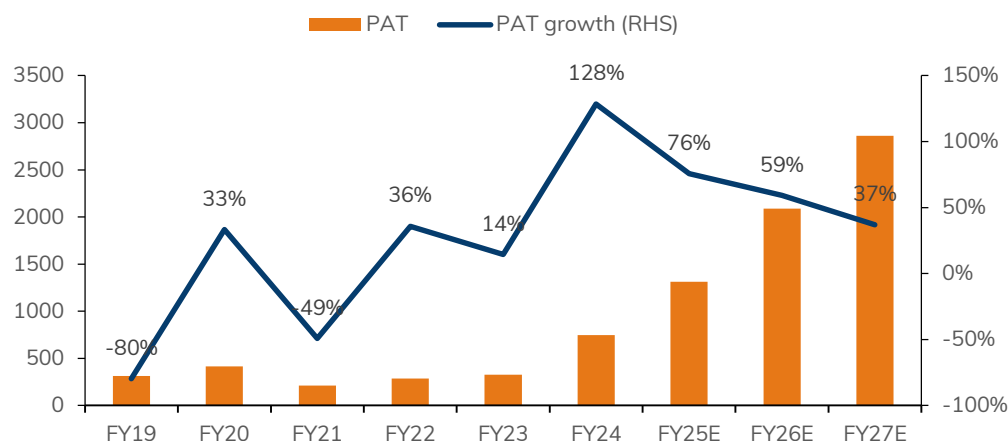
Revenue growth of 25% is expected to lead to better efficiency in fixed cost absorption which would lead to expansion in operating margin to 10.8% in FY27 from 9.7% in FY24. The polymer business is expected to witness a significant jump from a low base of 5.2% in FY24 (industry average of 15-20%) as it achieves a larger scale. Similarly, engineering and infra businesses' strong revenue growth may rope in operating leverage benefit.

**Exhibit 17: EBITDA margin expected to expand to 10.8% in FY27**


Source: I-Sec research, Company data

**PAT likely to grow at 56% CAGR over FY24-27E**

Skipper's profit (PAT) has more than trebled over FY21-24 led by more than doubling of revenue and ~60bps expansion in EBITDA margin. Momentum in revenue growth is expected to continue with strong order inflows in FY24 leading to 37% growth in orderbook in FY24. We expect PAT to grow at 56% CAGR over FY24-27E led by higher revenue growth, EBITDA margin expansion of ~110bps over FY24-27E and a lower tax rate.

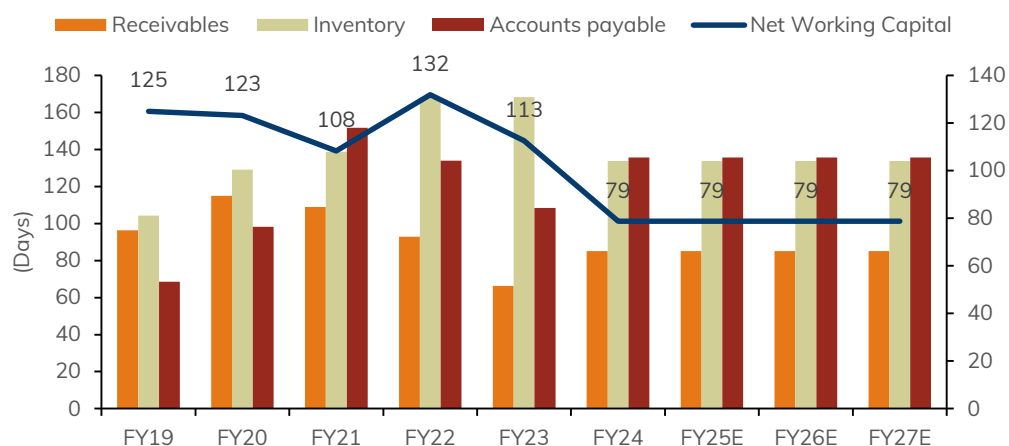
**Exhibit 18: PAT expected to clock 56% CAGR over FY24-27**


Source: I-Sec research, Company data

**Working capital efficiency has improved, expect to sustain it going forward**

Skipper's working capital efficiency improved significantly in FY24 with net working capital (NWC) days falling to ~80 compared to 113 days in FY23. This has been achieved on account of inventory returning to a more normalised level after 2 years of disruption. Inventory days have reduced to 134 from 168 each in FY22 and FY23. While receivable days have deteriorated marginally to 85 (66 in FY23), payable days have improved to 136 from 108 in FY23.

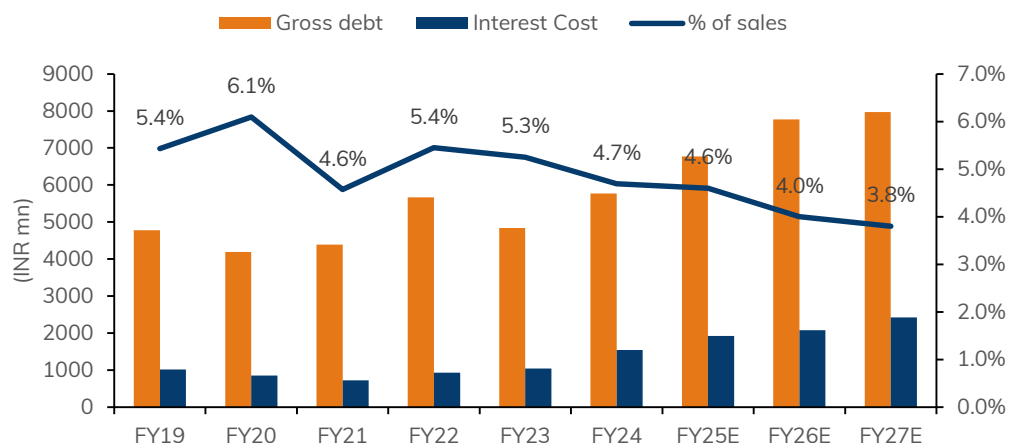
We model a status quo as far as working capital efficiency is concerned as we anticipate a broadly similar revenue mix spread amongst products, infra and PVC products and maintenance of normalcy as far as supply chain is concerned.

**Exhibit 19: Working capital efficiency is likely to sustain**


Source: I-Sec research, Company data

**Debt/equity may remain at comfortable level**

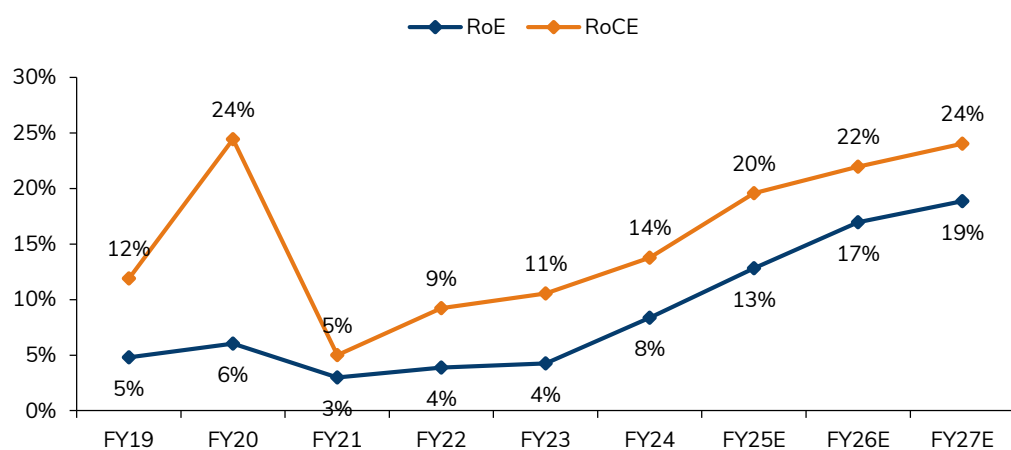
Skipper's gross debt stood at ~INR 5.8bn at FY24 end with a D/E of 0.65x. The company has improved its working capital efficiency, which is expected to remain at similar levels. Also, the company plans for a capex of INR 5-6bn in the next 3 years to expand engineering capacity, debottlenecking and expanding into newer geographies. With cashflow from operations of ~INR 2bn in FY24 (average of ~INR 2.6bn expected over FY24-27), we expect debt to gradually increase to ~INR 8bn by FY27E, much lower than EPS growth, resulting in financial cost savings as % of revenue.

**Exhibit 20: Interest cost as % of sales likely to come down**


Source: I-Sec research, Company data

**RoE and RoCE may expand to 19% and 24% in FY27**

Skipper's capacity utilisation (CU) for its engineering products business has seen sharp improvement in the last 2 years with the company reaching ~70% CU in FY24. This is expected to increase to 90% in FY25 given the strong orderbook and likely improvement in volume. In addition, the company has been able to substantially improve upon its working capital efficiency in FY24 led by normalisation of inventory levels and higher payable days. We expect a better fixed capital turnover, improvement in operating margin, a better financial cost leverage and lower tax rate to lead to significant improvement in return ratios for the company.

**Exhibit 21: RoCE and RoE expected to see significant expansion**

Source: I-Sec research, Company data

## Outlook and valuation

Skipper's integrated T&D structure manufacturing, its largest capacity in towers and poles, a strong T&D capex environment and expansion into developed geographies may provide significant tailwinds to the company. We are building in revenue/EPS CAGR of 25%/56% over FY24-27E and initiate coverage with **BUY**, TP of **INR 635**, based on 27x standalone EPS of H1FY27 (average of FY26E and FY27E EPS). The target valuation is below 1 sigma above its mean and slightly above its peers given a better margin profile and significant incremental expected growth.

### Exhibit 22: Recommend a BUY at a TP of INR 635

Particulars	FY26E EPS	FY27E EPS	Avg EPS	P/E (x)	TP (average of FY26 & FY27)
Valuation	19.8	27.2	23.5	27	635

Source: I-Sec research, Company data

### Peer Comparison

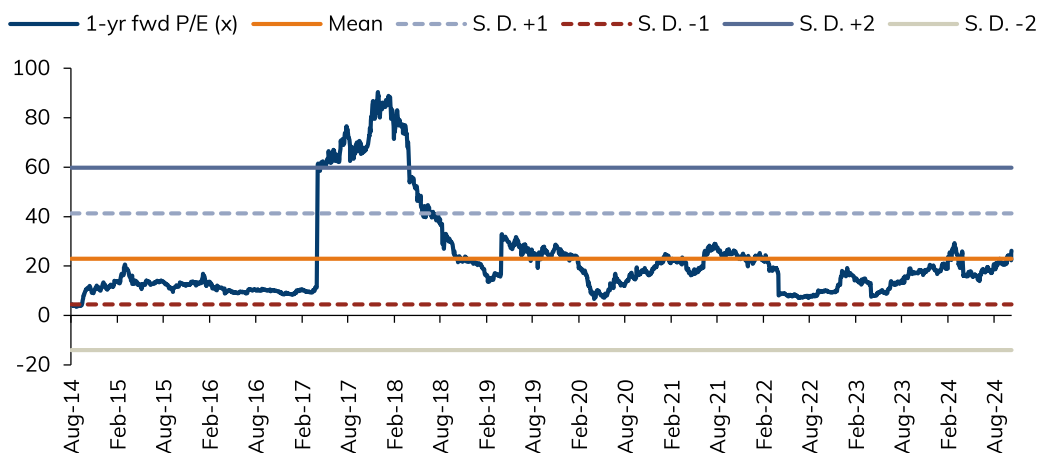
Skipper's competition is limited to large EPC players particularly in the higher voltage segment (220Kv and above). The transmission line industry (both EPC and products) is dominated by players such as Skipper, KEC, Kalpataru, L&T, Techno Electric. The company commands higher margin (compared to average) on account of its product heavy revenue mix and in-house manufacturing. It has not been active in both transmission line (TL) and substation EPC businesses. It bagged significant TL EPC orders in FY24 and intends to enter into substation EPC which would further increase its TAM.

### Exhibit 23: Peer set valuation

Relative Valuation	Revenue (FY24)	EBITDA Margin (FY24)	PAT Margin	RoE average (FY24-27)	EPS CAGR (FY24-27)	P/E based on FY26E
Skipper (S)	32,820	9.7%	2.3%	16.2%	56.5%	26
KEC (C)	1,99,142	6.1%	1.7%	17.0%	74.9%	25
Kalpataru (C)	1,86,343	7.9%	2.8%	13.8%	37.1%	22
Technoelectric (S)	16,809	13.5%	16.2%	17.3%	31.0%	35

Source: I-Sec research, Company data; S – Standalone, C – Consolidated, Isec estimates for peers

### Exhibit 24: 1-yr forward P/E chart for Skipper



Source: I-Sec research, Company data

Skipper's 1-year forward P/E's mean stands at 20.4x. The stock trades at 19.5x FY27E EPS.

## Key Risks

### **Exposure to T&D sector and tender-based business**

Skipper is exposed to demand fluctuations that can occur in T&D industry and has PGCIL as a significant customer. The business is tender based which can lead to heightened competition particularly when demand slows down.

### **Exposed to raw material prices**

Nearly 50% of Skipper's orderbook is based on fixed price contracts, which can lead to margin deterioration/appreciation in an event of raw material price increase/decrease. Steel, zinc and PVC resin are the key raw materials.

### **Working capital intensive operations**

Skipper has a high working capital intensity which can adversely affect its tied up cashflow and impact return ratios.

### **Geopolitical risk**

Geopolitical risks can impact both delivery schedules and freight cost leading to an impact on profitability. The company exports to the Middle East, Africa and Europe.



## Company Profile

Skipper is the market leader in manufacturing T&D structures and distribution poles. It is amongst the top 10 global T&D structure manufacturers. It is India's largest and world's only integrated T&D company having its own structure rolling, manufacturing, tower load testing station and transmission line EPC.

It operates in three segments – **(1) Engineering (68% of revenue in FY24):** Manufacturing of power transmission tower, power distribution poles, monopoles, telecom tower, railway structures, MS & high tensile angles, solar structures, fasteners and tower accessories. **(2) Infrastructure (18%):** Transmission line EPC, railway electrification EPC and underground utility laying by HDD, **(3) Polymer (14%):** UPVC pipes, CPVC pipes, SWR pipes, HDPE pipes, CP & PTMT, polymer water tanks and fittings.

**Manufacturing:** The company has four manufacturing facilities and a transmission line testing station in India. Segment-wise capacity stands at:

**Engineering Products** - 300,000 MTPA

**Polymer Products** - 62,000 MTPA

The company's customers include PGCIL, Tata Projects and has a distribution network of ~31,000 retailers in Eastern India for polymer segment.

Skipper has pan-India presence and exports (19% of revenue) its product to several international geographies, including Africa, Australia, Middle East, South & South East Asia, South America, and Europe.

### Joint Venture

The company holds 50% partnership interest in Skipper-Metzer India (SMIL), a Limited Liability Partnership engaged in the business of manufacturing drip irrigation systems.

## Management Team

### Mr. Sajan Kumar Bansal, Managing Director



Mr. Sajan Kumar Bansal founded Skipper Limited in 1981, and since then, the company has grown under his visionary leadership. Starting as a single-product manufacturer of Hamilton Poles, he transformed Skipper into a multi-unit, multi-product organisation. He diversified its portfolio to include value-added engineering and polymer products, making Skipper a market leader in India and one of the top 10 global manufacturers of Power Transmission and Distribution (T&D) structures. Mr. Bansal also successfully led the company's listing on the BSE and NSE in 2014-15.

### Mr. Sharan Bansal, Director



**Mr. Sharan Bansal** holds a degree in mechanical engineering from Georgia Tech, Atlanta, USA. In 2003, he launched Skipper's power transmission vertical, and within a decade, grew it into India's largest manufacturer of transmission and distribution (T&D) structures, making Skipper the world's only fully integrated T&D company. Under his leadership, Skipper received the 'Largest Tower Supplier' award from PGCIL for 3 consecutive years. With a vision to make Skipper the world's largest T&D structure producer by 2025, he is dedicated to expanding the company's global market presence. Mr. Bansal has previously served on the National Executive Council of IEEMA and as President of the Entrepreneurs' Organisation - Kolkata Chapter.

**Mr. Siddharth Bansal, Director**

Mr. Siddharth Bansal holds a bachelor's degree in Entrepreneurship from the University of Illinois at Urbana-Champaign and a master's degree in International Business from Aston University, Birmingham. Over the past 10 years, he has successfully led procurement, operations and marketing of Skipper's Polymer division. Under his leadership, several Research and Development (R&D) initiatives are underway to promote responsible plastic usage and highlight the role of plastics in environmental conservation, resource renewal and recycling. Mr. Bansal is an executive committee member of the Indian Plastics Federation (IPF) in Kolkata and also serves on the executive board of the Young Presidents' Organisation (YPO), Calcutta Chapter.

**Mr. Devesh Bansal, Director**

**Mr. Devesh Bansal** earned a Bachelor of Commerce degree from St. Xavier's College, Kolkata in 2004, followed by a master's degree in International Business and Management from De Montfort University, Leicester, UK in 2005. He also completed a three-year OPM programme at Harvard University. He currently oversees telecom, railways, transmission monopolies, and polymer product expansion divisions. Additionally, he serves as the Designated Partner for Skipper's joint venture in micro irrigation sector. Mr. Bansal is a Regional Committee member of the Engineering Export Promotional Council (EEPC) and is actively involved with several other trade organisations.

**Mr. Yash Pall Jain, Director**

**Mr. Yash Pall Jain** is a graduate of Panjab University and brings nearly four decades of extensive experience in the manufacturing sector. His expertise spans liaising with various government authorities, including WBSEB, District Administration, Gram Panchayats, Central Excise, Customs, and Sales Tax, as well as overseeing the procurement of raw materials. Additionally, he plays an active role in managing the day-to-day commercial operations of the units, conducting internal audits, and handling general administration.

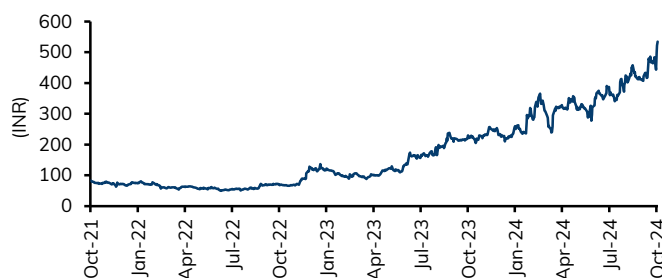
**Mr. Sri Shiv Shankar Gupta, Chief Financial Officer**

**Mr. Sri Shiv Shankar Gupta** holds a B. Com degree and is a member of the Institute of Chartered Accountants of India, with over 28 years of experience in corporate finance, operations, and business strategy aimed at maximizing profitability. He specialises in managing and optimising funds with an emphasis on risk management, controls, and compliance with relevant directives, banking laws, and regulations. Previously, he served as the Chief Financial Officer at West Coast Optilinks, a unit of West Coast Paper Mills Ltd., where he oversaw corporate finance activities, set financial goals, developed and implemented systems and policies, and conducted cost analysis across the division. Since May 11, '22, he has been serving as the President of Finance and Operations at Skipper Limited.

**Exhibit 25: Shareholding pattern**

%	Dec'23	Mar'24	Jun'24
Promoters	71.9	66.5	66.5
Institutional investors	7.5	4.8	3.9
MFs and others	0.0	0.0	0.0
FIs/Banks	0.0	0.0	0.0
Insurance	0.0	0.0	0.0
FII	7.5	4.8	3.9
Others	20.6	28.7	29.6

Source: Bloomberg

**Exhibit 26: Price chart**

Source: Bloomberg

## Financial Summary

### Exhibit 27: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>32,820</b>	<b>41,775</b>	<b>52,002</b>	<b>63,703</b>
Operating Expenses	4,566	5,698	6,873	8,210
<b>EBITDA</b>	<b>3,194</b>	<b>4,200</b>	<b>5,461</b>	<b>6,900</b>
EBITDA Margin (%)	9.7	10.1	10.5	10.8
Depreciation & Amortization	525	615	682	749
EBIT	2,669	3,585	4,779	6,151
Interest expenditure	1,540	1,922	2,080	2,421
Other Non-operating Income	86	86	86	86
<b>Recurring PBT</b>	<b>1,215</b>	<b>1,750</b>	<b>2,785</b>	<b>3,816</b>
<b>Profit / (Loss) from Associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: Taxes	468	437	696	954
PAT	747	1,312	2,089	2,862
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	0	-	-	-
<b>Net Income (Reported)</b>	<b>747</b>	<b>1,312</b>	<b>2,089</b>	<b>2,862</b>
<b>Net Income (Adjusted)</b>	<b>747</b>	<b>1,312</b>	<b>2,089</b>	<b>2,862</b>

Source Company data, I-Sec research

### Exhibit 28: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
<b>Total Current Assets</b>	<b>23,226</b>	<b>28,351</b>	<b>35,233</b>	<b>42,820</b>
of which cash & cash eqv.	1,349	505	570	358
<b>Total Current Liabilities &amp; Provisions</b>	<b>14,800</b>	<b>18,838</b>	<b>23,449</b>	<b>28,725</b>
<b>Net Current Assets</b>	<b>8,426</b>	<b>9,513</b>	<b>11,784</b>	<b>14,095</b>
Investments	104	104	104	104
<b>Net Fixed Assets</b>	<b>7,494</b>	<b>8,879</b>	<b>9,697</b>	<b>10,448</b>
ROU Assets	-	-	-	-
Capital Work-in-Progress	160	-	-	-
<b>Total Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other assets	399	399	399	399
Deferred Tax Assets	-	-	-	-
<b>Total Assets</b>	<b>16,583</b>	<b>18,895</b>	<b>21,984</b>	<b>25,046</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>5,773</b>	<b>6,773</b>	<b>7,773</b>	<b>7,973</b>
<b>Deferred Tax Liability</b>	<b>656</b>	<b>656</b>	<b>656</b>	<b>656</b>
provisions	-	-	-	-
other Liabilities	1,243	1,243	1,243	1,243
Equity Share Capital	105	105	105	105
Reserves & Surplus	8,807	10,119	12,207	15,069
<b>Total Net Worth</b>	<b>8,912</b>	<b>10,224</b>	<b>12,313</b>	<b>15,175</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>16,583</b>	<b>18,895</b>	<b>21,984</b>	<b>25,046</b>

Source Company data, I-Sec research

### Exhibit 29: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
<b>Operating Cashflow</b>	<b>249</b>	<b>(181)</b>	<b>580</b>	<b>1,293</b>
Working Capital Changes	(966)	(1,931)	(2,205)	(2,523)
Capital Commitments	(613)	(1,225)	(818)	(751)
<b>Free Cashflow</b>	<b>862</b>	<b>1,044</b>	<b>1,398</b>	<b>2,044</b>
<b>Other investing cashflow</b>	<b>314</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cashflow from Investing Activities	(299)	(1,225)	(818)	(751)
Issue of Share Capital	3	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	932	1,000	1,000	200
Dividend paid	-	-	-	-
Others	154	(437)	(696)	(954)
Cash flow from Financing Activities	1,089	563	304	(754)
<b>Chg. in Cash &amp; Bank balance</b>	<b>1,038</b>	<b>(844)</b>	<b>65</b>	<b>(212)</b>
Closing cash & balance	1,349	505	570	358

Source Company data, I-Sec research

### Exhibit 30: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
<b>Per Share Data (INR)</b>				
Reported EPS	7.1	12.5	19.8	27.2
Adjusted EPS (Diluted)	7.1	12.5	19.8	27.2
Cash EPS	12.1	18.3	26.3	34.3
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	84.7	97.1	117.0	144.2
Dividend Payout (%)	-	-	-	-
<b>Growth (%)</b>				
Net Sales	65.7	27.3	24.5	22.5
EBITDA	65.9	31.5	30.0	26.3
EPS (INR)	122.8	75.7	59.2	37.0
<b>Valuation Ratios (x)</b>				
P/E	77.2	44.0	27.6	20.2
P/CEPS	45.3	29.9	20.8	16.0
P/BV	6.5	5.6	4.7	3.8
EV / EBITDA	19.4	15.2	11.9	9.4
P / Sales	1.8	1.4	1.1	0.9
Dividend Yield (%)	-	-	-	-
<b>Operating Ratios</b>				
Gross Profit Margins (%)	23.6	23.7	23.7	23.7
EBITDA Margins (%)	9.7	10.1	10.5	10.8
Effective Tax Rate (%)	38.5	25.0	25.0	25.0
Net Profit Margins (%)	2.3	3.1	4.0	4.5
NWC / Total Assets (%)	42.7	47.7	51.0	54.8
Net Debt / Equity (x)	0.5	0.6	0.6	0.5
Net Debt / EBITDA (x)	1.4	1.5	1.3	1.1
<b>Profitability Ratios</b>				
RoCE (%)	12.4	17.4	19.7	21.6
RoE (%)	9.0	13.7	18.5	20.8
RoC (%)	12.4	17.4	19.7	21.6
Fixed Asset Turnover (x)	4.5	5.1	5.6	6.3
Inventory Turnover Days	167	150	148	147
Receivables Days	106	95	94	94
Payables Days	169	152	151	149

Source Company data, I-Sec research

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