

Pidilite Industries

Estimate changes



TP change



Rating change



	PIDI IN
Bloomberg Equity Shares (m)	509
M.Cap.(INRb)/(USD\$b)	1480 / 17.1
52-Week Range (INR)	3415 / 2488
1, 6, 12 Rel. Per (%)	1/-3/6
12M Avg Val (INR M)	1322

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	132.2	149.3	168.6
Sales Gr. (%)	6.7	13.0	13.0
EBITDA	30.4	34.9	39.3
EBITDA Margin (%)	23.0	23.4	23.3
Adj. PAT	21.4	24.9	28.3
Adj. EPS (INR)	42.1	48.9	55.7
EPS Gr. (%)	17.4	16.3	13.8
BV/Sh.(INR)	187.4	208.1	256.3

Ratios

RoE (%)	23.9	24.7	24.0
RoCE (%)	22.0	22.9	22.6
Payout (%)	47.5	47.0	13.5

Valuations

P/E (x)	69.2	59.5	52.2
P/BV (x)	15.5	14.0	11.4
EV/EBITDA (x)	47.7	41.2	36.1
Div. Yield (%)	0.7	0.8	0.3

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	69.6	69.6	69.8
DII	9.2	8.9	8.3
FII	11.8	12.0	11.5
Others	9.5	9.5	10.3

FII includes depository receipts

CMP: INR2,910 TP: INR3,200 (+10%)
Neutral

Buoyant volume growth; rich valuations

- Pidilite Industries (PIDI) reported consolidated revenue growth of 8% YoY in 3QFY25, with underlying volume growth of 10% (est. 9%). The consumer business witnessed value and volume growth of 5% and 7% YoY, reflecting a similar trend in 9MFY25. B2B business reported 19% and 22% value and volume growth. The impact of price cuts is diminishing, with the value and volume gap narrowing to 200bp vs. >400bp in 1HFY25.
- Demand has shown some softness, particularly in the urban market. Rural growth continues to outperform urban growth. We model a 9% volume growth in FY25E and ~7%/13% revenue growth in FY25E/FY26E.
- GM expanded 140bp YoY and remained flat QoQ at 54.3%, driven by benign raw material prices. VAM dipped to ~USD884/t in 3QFY25 from USD902/t in 3QFY24 and is anticipated to remain stable in the near term. PIDI remains focused on reinvesting in branding and customer acquisition. EBITDA margin was flat YoY at 23.7%. EBITDA grew 7%.
- Consolidated EBIT growth for the consumer business stood at 2% YoY (12% in 1HFY25) and B2B business EBIT growth stood at 78% (34% in 1HFY25).
- PIDI's volume growth trajectory is inspiring, particularly in the current challenging environment. Operating margins are at elevated levels (>23% EBITDA margin), and it will be crucial to monitor whether the company can sustain such high levels. Given rich valuations, we reiterate our **Neutral** rating on the stock with a **TP of INR3,200 (60x Dec'26E EPS)**.

Volume-led growth sustains; miss on EBITDA

- Strong volume growth sustains:** Consolidated sales grew 8% YoY to INR33.7b (est. INR33.8b). Underlying volume growth remained strong at 9.7% (9.0% est., 8.0% in 2QFY25). UVG was 7.3% for the Consumer & Bazaar (C&B) business and 21.7% for the B2B business.
- Slow C&B EBIT growth:** The C&B segment's revenue was up 5% YoY to INR26.7b (est. INR26.7b), with segmental EBIT growing 2% YoY to INR7.9b (est. INR7.7b). Segmental EBIT margin contracted 90bp YoY to 29.4% during the quarter.
- B2B outperformance continues:** B2B segment's revenue rose 19% YoY to INR7.6b (est. INR6.6b), with segmental EBIT increasing 76% to INR1.3b (est. INR0.8b). Segmental EBIT margin expanded 580bp YoY to 17.6%.
- Flat EBITDA margin:** Gross margin expanded ~140bp YoY to 54.3% (in line) fueled by moderate RM prices. Employee expenses were up 16% YoY and other expenses rose 11% YoY. EBITDA margin was flat YoY at 23.7% (est. 24.6%). EBITDA grew 8% YoY to INR8.0b (est. INR8.3b). PBT grew 9% YoY to INR7.5b (est. INR7.9b). Adj. PAT increased 9% YoY to INR5.6b (est. INR5.9b).
- Subsidiary performance:** Domestic subsidiaries delivered double-digit revenue growth with improvement in EBITDA margin. Owing to global economic uncertainty, inflation, and political instability in some countries, the company's international subsidiaries (excluding Pidilite USA and Pulvitec Brazil) reported modest sales growth.

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 MotilalOswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Highlights from the management commentary

- The company is witnessing some softness in both urban and rural markets at the macro level; however, rural growth continues to outperform urban growth. The Pidilite core category is under strain due to the subdued demand environment. Management remains cautious about demand recovery in the near term as there is no significant increase in consumer disposable income.
- Around 70% of revenue is derived from the repair and renovation segment, while the remaining 30% comes from new construction. Both new and regular construction activities are witnessing a slight slowdown across geographies.
- Input costs are expected to remain stable over the next two months. However, given the uncertain geopolitical conditions, fluctuations are anticipated in the medium term.
- Management is open to exploring opportunities in the EV and semiconductor sectors, given their high growth potential.

Valuations and view

- We broadly maintain our EPS estimates for FY25 and FY26.
- PIDI's core categories still enjoy GDP multiplier; the advantage of penetration and distribution can help PIDI deliver healthy volume-led growth in the medium term. EBITDA margin is already at an elevated level (22% in FY24). We do not model much expansion as growth drivers (consumer acquisition, distribution expansion, and brand investments) will require high opex. We build in a CAGR of 14%/17% in EBITDA/PAT during FY24-26E.
- PIDI stands out for its market-leading position in the adhesives market, along with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. We **reiterate our Neutral rating** on the stock with a **TP of INR3,200 (premised on 60x Dec'26E EPS)**.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Volume growth (%)	7.9	8.2	10.4	15.2	9.6	8.0	9.7	10.0	10.4	9.3	9.0	
Net Sales	32,751	30,760	31,300	29,019	33,954	32,349	33,689	32,170	1,23,830	1,32,161	33,804	-0.3
YoY change (%)	5.6	2.2	4.4	7.9	3.7	5.2	7.6	10.9	4.9	6.7	8.0	
Gross Profit	16,054	15,783	16,551	15,503	18,268	17,583	18,301	17,565	63,890	71,717	18,356	-0.3
Margin (%)	49.0	51.3	52.9	53.4	53.8	54.4	54.3	54.6	51.6	54.3	54.3	
EBITDA	7,070	6,797	7,425	5,769	8,127	7,688	7,984	6,554	27,073	30,353	8,313	-4.0
YoY change (%)	33.5	36.0	49.7	25.6	15.0	13.1	7.5	13.6	36.4	12.1	12.0	
Margins (%)	21.6	22.1	23.7	19.9	23.9	23.8	23.7	20.4	21.9	23.0	24.6	
Depreciation	734	752	795	1,125	844	879	895	897	3,407	3,515	880	
Interest	119	131	128	134	118	117	125	124	512	484	117	
Other Income	234	316	370	489	539	571	558	554	1,397	2,222	550	
PBT	6,451	6,230	6,872	4,999	7,704	7,263	7,522	6,087	24,551	28,576	7,866	-4.4
Tax	1,704	1,631	1,765	1,219	1,984	1,848	1,947	1,400	6,319	7,178	1,966	
Rate (%)	26.4	26.2	25.7	24.4	25.7	25.4	25.9	23.0	26.5	25.1	25.0	
Reported PAT	4,737	4,585	5,109	3,043	5,713	5,403	5,571	4,667	17,425	21,308	5,902	-5.6
Adj PAT	4,746	4,599	5,107	3,779	5,721	5,415	5,575	4,687	18,231	21,398	5,899	-5.5
YoY change (%)	34.0	37.4	66.8	31.5	20.5	17.8	9.2	24.0	42.2	17.4	15.5	
Margins (%)	14.5	15.0	16.3	13.0	16.8	16.7	16.5	14.6	14.7	16.2	17.5	

E: MOFSL Estimates

Consolidated segmental performance

Segmental (INRm)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Consumer and Bazaar											
Sales (INRm)	24,358	24,315	24,216	21,128	26,609	25,083	25,413	22,472	27,408	25,805	26,726
Sales Growth (%)	63.9	14.1	6.9	10.4	9.2	3.2	4.9	6.4	3.0	2.9	5.2
EBIT (INRm)	5,352	5,265	5,372	4,560	7,078	6,935	7,704	5,448	8,039	7,710	7,865
% Contribution	87.5	91.5	92.6	86.5	88.5	90.8	91.0	86.7	87.8	88.1	85.6
EBIT Growth %	44.5	-9.6	-4.6	9.2	32.3	31.7	43.4	19.5	13.6	11.2	2.1
EBIT margin %	22.0	21.7	22.2	21.6	26.6	27.6	30.3	24.2	29.3	29.9	29.4
Business to Business											
Sales (INRm)	7,220	6,237	5,999	6,340	6,780	6,153	6,373	7,079	7,256	7,036	7,572
Sales Growth (%)	49.8	17.2	-3.0	-1.8	-6.1	-1.3	6.2	11.7	7.0	14.3	18.8
EBIT (INRm)	748	495	391	707	917	685	757	835	1,103	1,040	1,335
% Contribution	12.2	8.6	6.7	13.4	11.5	9.0	8.9	13.3	12.0	11.9	14.5
EBIT Growth %	78.1	88.4	-2.2	59.3	22.5	38.3	93.4	18.1	20.3	51.9	76.4
EBIT margin %	10.4	7.9	6.5	11.2	13.5	11.1	11.9	11.8	15.2	14.8	17.6

**Highlights from the management commentary****Demand environment and outlook**

- The company is witnessing some softness in both urban and rural markets at the macro level; however, rural growth continues to outperform urban growth.
- The Pidilite core category is under strain due to the subdued demand environment. Management remains cautious about demand recovery in the near term as there is no significant increase in consumer disposable income.
- The company remains optimistic about medium-term recovery, supported by increased government spending.
- During the quarter, the gap between volume and value growth narrowed.
- PIDI targets growth of 1-2x GDP in its core categories and 2-4x GDP in high-growth categories. In the current demand scenario, growth will be on the lower side.
- Around 70% of revenue is derived from the repair and renovation segment, while the remaining 30% comes from new construction. Both new and regular construction activities are witnessing a slowdown across geographies.
- The expected demand recovery from the festive season has not materialized, with no significant revival observed in the real estate sector.
- The B2B business continues to deliver strong double-digit growth, driven by strategic execution. The B2B growth is mainly led by: 1) the projects division, where the growth momentum observed over the past 6-8 quarters is expected to sustain, 2) the packaging business, benefiting from increased consumer demand through e-commerce and quick-commerce channels, and 3) the pigments business, which has shown healthy growth, though competitive pressures may lead to some moderation in the coming quarters.
- Subsidiary companies, such as ICA Pidilite, which has a predominantly urban focus, are facing some pressure. Moreover, there are some internal challenges in the Pidilite MEA subsidiary that have impacted growth. However, management expects recovery once these issues are resolved.

- The company is focusing on driving revenue growth through volume growth rather than price hikes.
- It will continue to invest in brand building, upgrading and expanding manufacturing facilities, and strengthening the distribution network.

Cost and margin

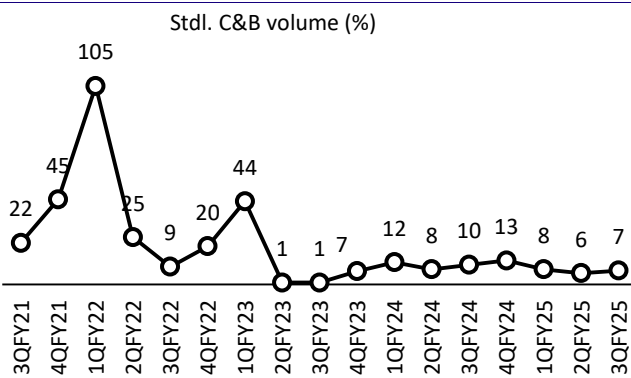
- The consumption cost of VAM stood at USD 884/ton in 3QFY25 vs USD 902/ton in 3QFY24. The company anticipates VAM costs to remain stable in 4QFY25.
- Management has guided for ad spends to remain at 3-5% of sales over the next three years, reflecting a consistent focus on brand investments.
- Input costs are expected to remain stable over the next two months. However, given the uncertain geopolitical conditions, fluctuations are anticipated in the medium term.
- Management has projected EBITDA margins to be in the range of 20-24% for FY25. For 9MFY25, EBITDA margins stood at ~23.8%; however, negative operating leverage is expected in 4QFY25 due to the typically smaller quarter.

Inorganic opportunities

- The company is generating healthy cash flows and will consider inorganic growth opportunities when strategically viable.
- Management is looking to explore opportunities in the EV and semiconductor sectors, given their high growth potential.
- Its technology partnership with Jowat for PU hot melt adhesives is strategically significant, catering to advanced packaging. The company has also partnered with electronic adhesive manufacturers to enhance its capabilities in emerging technologies.

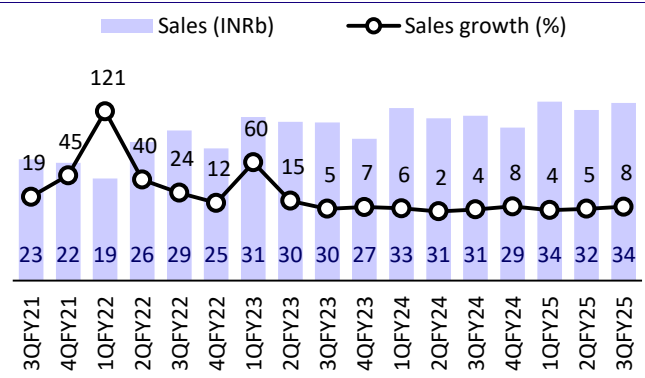
Key exhibits

Exhibit 1: Standalone C&B volume grew 7% YoY



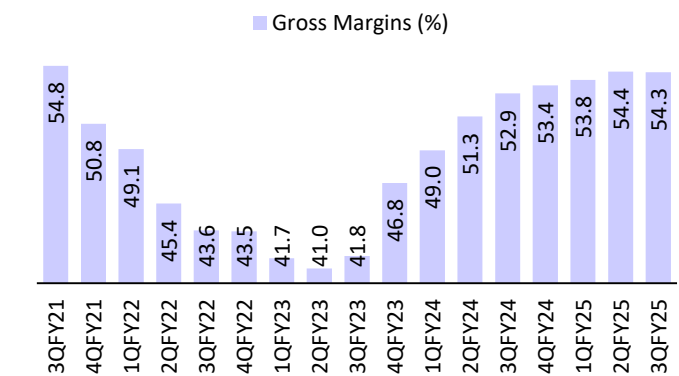
Source: Company, MOFSL

Exhibit 2: Consolidated sales grew 8% YoY to INR34b



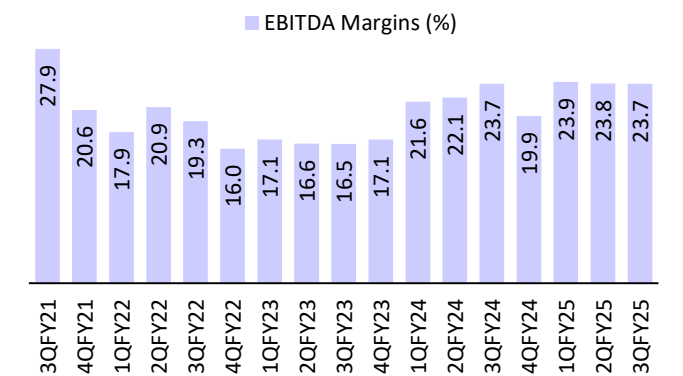
Source: Company, MOFSL

Exhibit 3: Consolidated gross margin expanded ~140bp YoY to 54.3% in 3QFY25



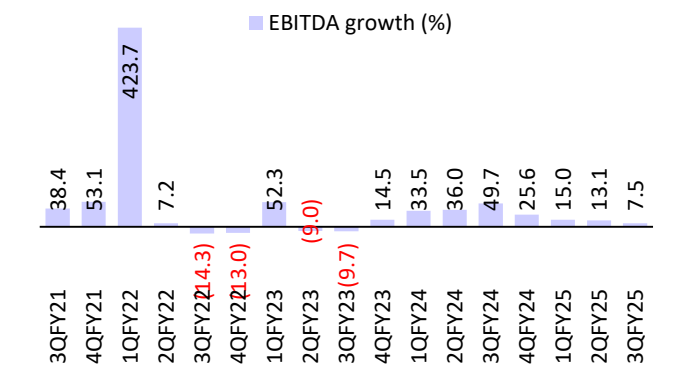
Source: Company, MOFSL

Exhibit 4: Consolidated EBITDA margin was flat YoY at 23.7% on increase in A&P spends



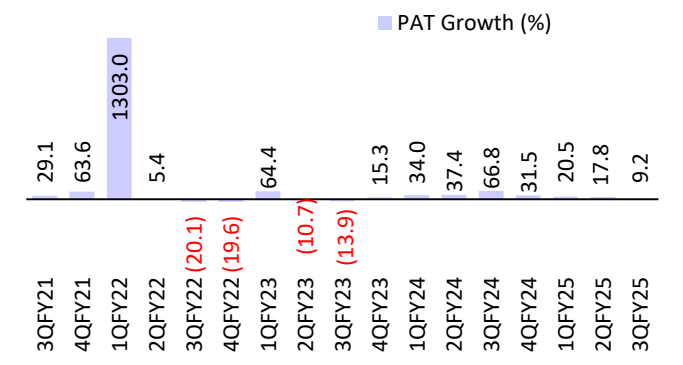
Source: Company, MOFSL

Exhibit 5: Consolidated EBITDA grew 8% YoY to INR8.0b



Source: Company, MOFSL

Exhibit 6: Consolidated adj. PAT grew 9% YoY to INR5.6b



Source: Company, MOFSL

Standalone performance for 3QFY25

- Net sales grew 9% YoY to INR31.0b, with UVG of 9.7%.
- **C&B segment** revenues were up 7% YoY to INR24.9b. Segment EBIT grew 1% YoY to INR7.6b. Segmental EBIT margins contracted ~180bp YoY to 30.6%.
- **B2B segment** revenues were up 21% YoY to INR6.5b. Segment EBIT grew 56% YoY to INR1.2m. Segment margins expanded ~410bp YoY to 18.1%.
- Gross margins expanded ~100bp YoY to 53.9%, while EBITDA margins contracted 80bp YoY to 24.2% on higher ad spends.
- EBITDA grew 6% YoY to INR7.5b.
- PBT grew 3% YoY to INR7.2b.
- Adj. PAT grew 2% to INR5.3b.

Standalone Quarterly Performance

(INR m)

Y/E March	FY24				FY25		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Sales	29,635	27,801	28,345	25,889	31,458	29,769	30,991
Change (%)	6.2	2.4	4.6	8.7	6.2	7.1	9.3
Gross Profit	14,494	14,234	15,001	13,786	16,840	16,067	16,703
Gross Margin %	48.9	51.2	52.9	53.3	53.5	54.0	53.9
EBITDA	6,713	6,425	7,083	5,275	7,713	7,308	7,490
EBITDA Margin %	22.7	23.1	25.0	20.4	24.5	24.5	24.2
Change (%)	37.8	38.5	51.4	21.0	14.9	13.7	5.7
Depreciation	615	625	665	986	724	754	767
Interest	67	75	75	78	81	79	83
Other Income	271	365	600	420	516	722	545
PBT	6,302	6,091	6,943	4,631	7,424	7,196	7,185
Tax	1,627	1,543	1,715	1,160	1,908	1,776	1,840
Effective Tax Rate (%)	25.8	25.3	24.7	25.0	25.7	24.7	25.6
Adj PAT	4,675	4,548	5,229	3,472	5,516	5,420	5,345
Change (%)	40.2	35.0	76.5	19.4	18.0	19.2	2.2

E: MOFSL Estimates

Standalone segmental performance

Segmental (INR m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Consumer and Bazaar											
Sales (INRm)	21,983	21,964	22,106	18,824	24,309	22,767	23,309	20,241	25,627	23,912	24,935
Sales Growth (%)	66.4	21.8	14.8	9.9	10.6	3.7	5.4	7.5	5.4	5.0	7.0
EBIT (INRm)	5,104	5,118	5,189	4,546	6,870	6,695	7,545	5,208	7,786	7,459	7,630
% Contribution	87.0	91.9	92.1	87.6	88.5	90.3	90.8	88.6	87.8	86.9	86.6
EBIT Growth %	46.3	-0.5	3.4	9.7	34.6	30.8	45.4	14.6	13.3	11.4	1.1
EBIT margin %	23.2	23.3	23.5	24.1	28.3	29.4	32.4	25.7	30.4	31.2	30.6
Business to Business											
Sales (INRm)	6,329	5,517	5,128	5,365	5,807	5,356	5,371	6,031	6,342	6,192	6,485
Sales Growth (%)	50.6	25.5	0.2	-3.3	-8.2	-2.9	4.7	12.4	9.2	15.6	20.7
EBIT (INRm)	749	456	406	640	892	705	752	664	1,066	1,110	1,175
% Contribution	12.8	8.2	7.2	12.3	11.5	9.5	9.1	11.3	12.0	12.9	13.3
EBIT Growth %	35.9	7.0	-18.9	33.7	19.0	54.4	85.1	3.9	19.5	57.4	56.2
EBIT margin %	11.8	8.3	7.9	11.9	15.4	13.2	14.0	11.0	16.8	17.9	18.1

Valuation and view

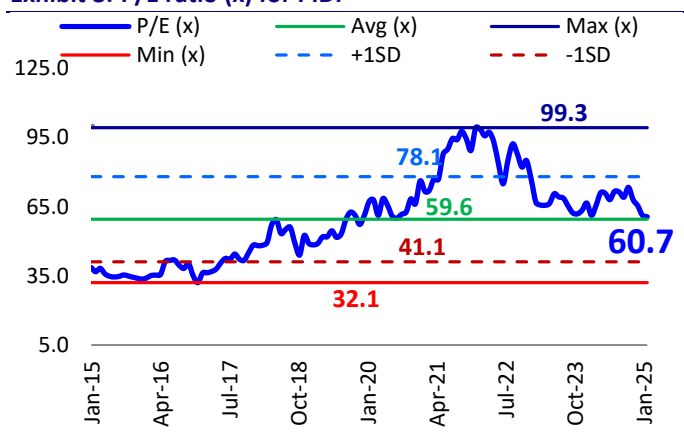
- We broadly maintain our EPS estimates for FY25 and FY26.
- PIDI’s core categories still enjoy GDP multiplier; the advantage of penetration and distribution can help PIDI deliver healthy volume-led growth in the medium term. EBITDA margin is already at an elevated level (22% in FY24). We do not model much expansion as growth drivers (consumer acquisition, distribution expansion, and brand investments) will require high opex. We build in a CAGR of 14%/17% in EBITDA/PAT during FY24-26E.
- PIDI stands out for its market-leading position in the adhesives market, along with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. We **reiterate our Neutral rating** on the stock with a **TP of INR3,200 (premised on 60x Dec’26E EPS)**.

Exhibit 7: No material change in our EPS estimates for FY25/FY26

(INR b)	New estimates		Old estimates		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Sales	132.2	149.3	132.6	150.2	(0.3)	(0.6)
EBITDA	30.4	34.9	30.6	35.0	(0.8)	(0.3)
Adjusted PAT	21.4	24.9	21.6	24.9	(0.8)	(0.2)

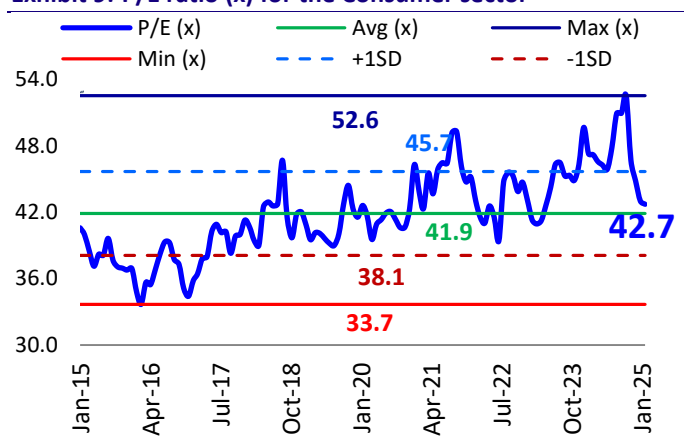
Source: Company, MOFSL

Exhibit 8: P/E ratio (x) for PIDI



Source: Company, MOFSL

Exhibit 9: P/E ratio (x) for the Consumer sector



Source: Company, MOFSL

Financials and valuations

Income Statement Consol.									(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	70,780	73,348	72,927	99,210	1,17,991	1,23,830	1,32,161	1,49,281	1,68,614
Change (%)	16.4	3.6	-0.6	36.0	18.9	4.9	6.7	13.0	13.0
Raw Materials	35,866	34,025	33,767	54,442	67,594	59,940	60,445	68,471	77,330
Gross Profit	34,914	39,323	39,160	44,768	50,397	63,890	71,717	80,810	91,284
Margin (%)	49.3	53.6	53.7	45.1	42.7	51.6	54.3	54.1	54.1
Operating Expenses	21,232	23,160	22,354	26,295	30,553	36,817	41,364	45,929	51,982
EBITDA	13,682	16,163	16,806	18,473	19,844	27,073	30,353	34,881	39,301
Change (%)	2.0	18.1	4.0	9.9	7.4	36.4	12.1	14.9	12.7
Margin (%)	19.3	22.0	23.0	18.6	16.8	21.9	23.0	23.4	23.3
Depreciation	1,327	1,699	2,007	2,396	2,697	3,407	3,515	3,645	3,877
Int. and Fin. Charges	261	336	372	421	476	512	484	492	450
Other Income	1,466	1,494	794	363	496	1,397	2,222	2,495	2,859
Profit before Taxes	13,560	15,622	15,221	16,019	17,166	24,551	28,576	33,238	37,833
Change (%)	0.1	15.2	-2.6	5.2	7.2	43.0	16.4	16.3	13.8
Margin (%)	19.2	21.3	20.9	16.1	14.5	19.8	21.6	22.3	22.4
Tax	4,132	3,477	3,964	4,070	4,344	6,319	7,178	8,349	9,504
Tax Rate (%)	30.5	22.3	26.0	25.4	25.3	25.7	25.1	25.1	25.1
Adj PAT	9,428	12,145	11,258	11,949	12,822	18,231	21,398	24,889	28,329
Change (%)	-1.9	28.8	-7.3	6.1	7.3	42.2	17.4	16.3	13.8
Margin (%)	13.3	16.6	15.4	12.0	10.9	14.7	16.2	16.7	16.8
Reported PAT	9,249	11,567	11,312	12,076	12,733	17,425	21,308	24,799	28,239

Balance Sheet									(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	508	508	508	508	508	509	509	509	509
Reserves	40,973	44,048	55,421	63,529	71,615	83,563	94,789	1,05,325	1,29,840
Net Worth	41,481	44,556	55,930	64,037	72,123	84,072	95,298	1,05,834	1,30,349
Loans	1,111	2,806	3,223	4,158	3,906	3,825	3,584	4,100	1,511
Deferred Liability	1,094	693	3,814	3,772	3,780	3,640	3,640	3,640	3,640
Minority Interest	2,072	2,157	2,400	1,989	2,336	2,099	2,099	2,099	2,099
Capital Employed	45,757	50,211	65,367	73,956	82,145	93,635	1,04,621	1,15,673	1,37,598
Gross Block	23,518	28,728	45,496	50,138	54,487	63,339	62,987	66,487	68,487
Less: Accum. Depn.	10,892	12,501	14,157	15,974	18,243	21,650	25,165	28,810	32,687
Net Fixed Assets	12,626	16,227	31,340	34,164	36,243	41,689	37,822	37,676	35,799
Capital WIP	2,421	2,593	2,939	2,254	4,059	1,481	1,481	1,481	1,481
Goodwill	1,850	1,840	12,840	12,868	12,898	12,817	12,817	12,817	12,817
Others	889	728	941	554	510	484	484	484	484
Investments	15,477	11,862	5,160	4,586	8,809	22,350	27,492	32,634	37,776
Curr. Assets, L&A	25,775	31,977	34,919	40,517	42,530	41,934	48,818	57,121	82,277
Inventory	9,345	9,295	12,342	16,951	18,171	14,149	18,828	19,836	22,405
Account Receivables	10,560	10,885	13,210	14,305	15,353	16,747	17,090	17,382	27,255
Cash and Bank Balance	1,904	7,033	4,515	3,552	3,267	5,333	6,838	13,520	25,700
Others	3,966	4,765	4,853	5,709	5,740	5,705	6,061	6,383	6,917
Curr. Liab. and Prov.	13,281	15,016	22,771	20,987	22,903	27,121	24,294	26,541	33,037
Current liabilities	12,534	14,194	21,691	19,705	21,313	23,889	22,557	24,704	31,037
Provisions	747	822	1,080	1,283	1,591	3,232	1,736	1,838	2,000
Net Current Assets	12,494	16,961	12,148	19,529	19,627	14,813	24,524	30,580	49,240
Application of Funds	45,757	50,211	65,367	73,956	82,146	93,635	1,04,621	1,15,673	1,37,598

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)									
EPS	18.6	23.9	22.2	23.5	25.2	35.8	42.1	48.9	55.7
Cash EPS	21.2	27.2	26.1	28.2	30.5	42.5	49.0	56.1	63.3
BV/Share	81.7	87.7	110.1	126.0	141.9	165.3	187.4	208.1	256.3
DPS	6.5	7.0	7.5	8.0	11.0	16.0	20.0	23.0	7.5
Payout %	35.0	29.3	33.6	33.7	43.9	45.2	47.5	47.0	13.5
Valuation (x)									
P/E	156.8	121.7	131.4	123.8	115.4	81.2	69.2	59.5	52.2
Cash P/E	137.4	106.8	111.5	103.1	95.3	68.4	59.4	51.9	46.0
EV/Sales	20.7	19.9	20.2	14.9	12.5	11.8	11.0	9.6	8.4
EV/EBITDA	106.9	90.5	87.6	79.9	74.1	53.8	47.7	41.2	36.1
P/BV	35.6	33.2	26.4	23.1	20.5	17.6	15.5	14.0	11.4
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.4	0.5	0.7	0.8	0.3
Return Ratios (%)									
RoE	24.4	28.2	22.4	19.9	18.8	23.3	23.9	24.7	24.0
RoCE	22.5	25.9	20.0	17.6	16.9	21.2	22.0	22.9	22.6
RoIC	34.8	41.1	26.9	20.6	19.8	26.9	30.2	34.2	37.7
Working Capital Ratios									
Debtor (Days)	54	54	66	53	47	49	47	43	59
Creditor (Days)	80	91	141	89	79	90	81	79	88
Asset Turnover (x)	2.8	2.2	1.7	1.8	2.1	2.2	2.1	2.2	2.0
Leverage Ratio									
Debt/Equity (x)	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0

Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
PBT before Extra Ord	13,416	14,698	15,225	16,138	17,232	23,794	28,576	33,238	37,833
Add: Depreciation	1,327	1,699	2,007	2,396	2,697	3,407	3,515	3,645	3,877
Interest Paid	55	211	204	375	400	391	484	492	450
Less: Taxes Paid	4,093	3,931	3,709	4,620	4,116	6,481	7,178	8,349	0
Non operating income	467	448	73	-369	-148	-388	2,222	2,495	2,859
(Incr)/Decr in WC	-1,791	565	268	-5,104	-786	5,743	-8,206	627	-6,481
CF from Operations	8,448	12,796	13,921	9,554	15,576	27,240	14,968	27,158	32,820
Incr in FA	-2,538	-4,439	-3,520	-3,740	-4,977	-5,530	352	-3,500	-2,000
Acquisition of companies	0	0	-20,569	-2,622	0	0			
Free Cash Flow	5,910	8,356	-10,167	3,192	10,599	21,711	15,321	23,658	30,820
Pur of Investments	-2,317	4,713	7,069	693	-4,034	-12,869	-5,142	-5,142	-5,142
Others	281	551	1,343	-168	-286	651	2,222	-159	-6,645
CF from Invest.	-4,574	825	-15,677	-5,837	-9,297	-17,748	-2,568	-8,801	-13,787
Change in share capital	0	28	-291	-389	161	-509	0	0	0
Incr in Debt	-92	328	168	846	-805	-130	-240	516	-2,589
Dividend Paid	-3,635	-8,254	-7	-4,319	-5,083	-5,597	-10,172	-11,698	-3,815
Interest Paid	-167	-254	-293	-332	-345	-195	-484	-492	-450
Others	287	-340	-339	-487	-492	-995	0	0	0
CF from Fin. Activity	-3,606	-8,492	-762	-4,680	-6,564	-7,426	-10,896	-11,674	-6,854
Incr/Decr of Cash	269	5,128	-2,518	-963	-285	2,066	1,505	6,683	12,180
Add: Opening Balance	1,636	1,904	7,033	4,515	3,552	3,267	5,333	6,837	13,520
Closing Balance	1,904	7,032	4,515	3,552	3,267	5,333	6,837	13,520	25,700

E: MOFSL Estimates

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