16 February 2025

3QFY24 Results Update | Sector: Automobile

Samvardhana Motherson

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	MOTHERSO IN
Equity Shares (m)	7036
M.Cap.(INRb)/(USDb)	888 / 10.2
52-Week Range (INR)	217 / 107
1, 6, 12 Rel. Per (%)	-12/-27/6
12M Avg Val (INR M)	3573

MOTHERSO: Financials & Valuations

INR Billion	2025E	2026E	2027E
Sales	1,140	1,208	1,303
EBITDA	109.1	117.6	130.2
Adj. PAT	36.9	42.1	49.8
EPS (Rs)	5.2	5.9	7.0
EPS Growth (%)	40.1	14.0	18.2
BV/Share (Rs)	49.3	53.5	58.4
Ratios			
Net D:E	0.0	-0.1	-0.2
RoE (%)	12.1	11.5	12.5
RoCE (%)	10.6	10.2	10.8
Payout (%)	30.0	30.0	30.0
Valuations			
P/E (x)	24.3	21.3	18.0
P/BV (x)	2.6	2.4	2.2
Div. Yield (%)	1.3	1.4	1.7
FCF Yield (%)	4.9	6.5	8.2

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	58.1	58.1	64.8
DII	19.3	19.9	15.4
FII	14.3	13.5	10.8
Others	8.3	8.5	9.1

FII Includes depository receipts

CMP: INR126 TP: INR160 (+27%) Buy

Business remains resilient despite weak macro

Non-auto likely to be the key growth driver in the near term

- Samvardhana Motherson's (MOTHERSO) 3QFY25 operational performance was in line with our estimates. Despite a tough global macro environment, the business remained resilient as margins improved 70bp YoY. Factoring in weak demand in key regions, we have lowered our FY26E EPS by 15% and largely maintained our FY25E EPS.
- The stock has corrected over the last few months given an uncertain demand macro in its key regions. However, strong 3Q performance demonstrates SAMIL's business resilience and should allay investor concerns. After the correction, SAMIL is attractively valued at 21.3x FY26E/18x FY27E consolidated EPS. Reiterate our BUY rating with a revised TP of INR160, based on 24x Dec'26E EPS.

Resilient business performance in a weak macro

- **Consol revenues grew** 8% YoY to INR276.7b (est INR289b). Consol EBITDA grew 16% YoY to INR26.9b (est. INR26.5b) and consol adj. PAT grew 20% YoY to INR8.8b (est INR7.9b). 9MFY25 revenue/EBITDA/PAT grew ~18%/27%/ 64% YoY.
- **Wiring harness business** declined by ~1% YoY to INR78.3b (est. INR84.6b) and EBITDA margins improved 100bp YoY (+60bp QoQ) to 11.8% (est. 11.1%). Revenue remained largely stable despite demand-related challenges in the CV industry, especially in Europe and North America.
- **Modules & Polymer business** revenue grew 15% YoY to INR146.1b (est INR149.7b) and EBITDA margins declined 80bp YoY/60bp QoQ to 8% (est. 8.7%). While new businesses added to the size, the existing businesses continued to show content growth, driven by automotive megatrends.
- **Vision system business** revenue declined 2% YoY to INR47.3b (est. INR51.4b) and EBITDA margins declined 50bp YoY (flat QoQ) to 9.2% (est. 9.9%). Revenue growth remained muted on account of an unfavorable platform/ model mix in North America, which offset growth in China and other geographies.
- **Integrated assemblies business** revenue grew ~3% YoY to INR26.6b. Margins improved to 13.3% (+85bp YoY/140bp QoQ) to 13.3% (est. 12.3%). Three Greenfield plants are being set up in emerging markets (China and Mexico) to support new and existing customers.
- **Emerging business** grew 18% YoY to ~INR26.9b (est INR31.3b) and EBITDA margins expanded 90bp YoY (+110bps QoQ) to 13.3% (est. 14%).
- **Net debt declined to INR95b from INR105b QoQ.** The company incurred a capex of INR8.91b (~32% of EBITDA) in 3Q and INR29.2b in 9MFY25.

Highlights from the management commentary

- **Consolidated revenue growth** included INR22.4b from acquisitions, such as Yachiyo, ADI, Lumen, Irillic, and MASL in 3QFY25.

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Research analyst - Amber Shukla (Amber.Shukla@MotilalOswal.com)

- **SAMIL outperforms industry:** Global auto was down 1.2% YoY (excl. China down 4.8%), though SAMIL grew 7.5% with 10% EBITDA margin. SAMIL's operational performance was impressive despite a weak demand macro.
- **Financial performance and capital allocation:** Net debt declined to INR95b (from INR105b) with the help of QIP proceeds. The net debt-to-EBITDA ratio was below 1x as of Dec'24 end. The full benefits of reduced interest burden will be visible from Q4 onward. Easing logistics will help to lower working capital from Q4 onward and further reduce debt.
- **Update on Atsumitec acquisition:** MOTHERSO has recently announced the acquisition of Atsumitec, a company with global machining and high value addition (USD412m in revenue in FY24). This will further help SAMIL increase its presence among Japanese OEMs. This acquisition is expected to close by Mar'25, with revenue contribution starting from 1QFY26.

Valuation and view

- We expect MOTHERSO to continue to outperform global automobile sales, fueled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions.
- However, factoring in the demand slowdown in key regions, we have lowered our FY26E EPS by ~15% and largely maintained FY25E EPS. The stock has corrected over the last few months as investors remain concerned about the ongoing slowdown in some of its key regions and uncertainty around tariff barriers that may impact global business dynamics. However, the strong 3Q performance demonstrates SAMIL's business resilience and should help allay these concerns. After the correction, SAMIL is attractively valued at 21.3x/18x FY26E/FY27E consolidated EPS. We reiterate our BUY rating with a revised TP of INR160, based on 24x Dec'26E EPS.

Quarterly performance (Consol.) **(INR Million)**

Y/E March	FY24				FY25E				FY24	FY25E		var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**2,24,622**	**2,35,275**	**2,56,439**	**2,68,612**	**2,88,680**	**2,78,119**	**2,76,659**	**2,96,496**	**9,84,947**	**11,39,953**	**2,89,042**	**-4.3**
YoY Change (%)	27.2	28.8	26.5	19.3	28.5	18.2	7.9	10.4	25.0	15.7	12.7	
EBITDA	**19,246**	**19,878**	**23,159**	**26,686**	**27,753**	**24,479**	**26,858**	**29,961**	**90,206**	**1,09,052**	**26,467**	**1.5**
Margins (%)	8.6	8.4	9.0	9.9	9.6	8.8	9.7	10.1	9.2	9.6	9.2	
Depreciation	8,389	8,674	10,164	10,878	10,646	11,028	11,124	11,577	38,105	44,375	11,200	
Interest	2,526	4,879	6,203	4,504	4,445	5,462	4,661	4,334	18,112	18,901	5,000	
Other income	529	664	1,084	836	709	862	1,112	843	1,876	3,526	710	
PBT before EO expense	**8,860**	**6,989**	**7,877**	**12,140**	**13,371**	**8,852**	**12,185**	**14,893**	**35,865**	**49,301**	**10,977**	**11.0**
Extra-Ord expense	0	2,494	9	-4,974	0	-1,730	0	0	-2,472	-1,730	0	
PBT after EO Expense	**8,860**	**4,495**	**7,868**	**17,114**	**13,371**	**10,582**	**12,185**	**14,893**	**38,336**	**51,031**	**10,977**	
Tax Rate (%)	29.5	32.8	27.6	28.3	26.0	33.2	27.7	28.2	29.3	28.4	27.0	
Min. Int & Share of profit	241	188	272	-43	-51	-1,152	26	23	658	-1,154	50	
Reported PAT	**6,009**	**2,016**	**5,420**	**13,718**	**9,942**	**8,797**	**8,786**	**10,677**	**27,162**	**38,202**	**7,963**	
Adj PAT	**6,009**	**4,510**	**5,420**	**9,170**	**9,942**	**7,470**	**8,790**	**10,677**	**25,108**	**36,946**	**7,963**	**10.4**
YoY Change (%)	325.5	43.2	19.2	45.6	65.5	65.7	62.2	16.4	65.6	47.1	46.9	

E: MOFSL Estimates

Key Performance Indicators (INR Million)

Y/E March	FY24				FY25E				FY24	FY25	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q
Business Wise Revenues (INR m)											
Wiring harness	76,390	77,910	79,160	81,680	83,260	81,110	78,290	81,467	3,15,140	3,24,127	84,617
Modules & Polymer products	1,19,780	1,14,910	1,27,540	1,36,890	1,51,930	1,46,400	1,46,140	1,59,737	4,99,120	6,04,207	1,49,719
Vision systems	46,150	46,890	48,070	50,380	49,970	48,070	47,290	49,615	1,91,490	1,94,945	51,417
Integrated assemblies		16,510	25,920	23,840	25,230	25,280	26,600	28,472	66,270	1,05,581	27,408
Emerging businesses	18,210	20,260	19,590	22,840	25,910	29,050	26,930	29,315	80,900	1,11,205	31,374
Less: Inter-segment	7,130	7,780	8,400	11,700	12,330	12,070	9,910	11,613	35,010	45,923	12,706
Less: Revenues of Associates/JVs	28,780	33,430	35,440	35,310	35,290	39,720	38,680	40,499	1,32,960	1,54,189	42,788
Net Revenues	**2,24,620**	**2,35,270**	**2,56,440**	**2,68,620**	**2,88,680**	**2,78,120**	**2,76,660**	**2,96,494**	**9,84,950**	**11,39,953**	**2,89,042**
Business Wise PBITDA Margins (%)											
Wiring harness	10.2	10.6	10.8	11.1	11.7	11.2	11.8	12.0	10.7	11.7	11.1
Modules & Polymer products	7.5	7.1	8.8	10.8	8.7	7.4	8.0	11.0	8.6	8.8	8.7
Vision systems	9.4	9.2	9.7	12.9	9.5	9.2	9.2	12.0	10.3	10.0	9.9
Integrated assemblies		10.0	12.4	12.8	10.1	11.9	13.3	13.6	12.0	12.3	12.0
Emerging businesses	11.2	12.4	12.8	17.1	12.2	13.3	13.4	16.8	13.5	14.0	14.5
Consol EBITDA Margins (%)	**8.6**	**8.5**	**9.3**	**11.1**	**9.6**	**8.8**	**9.7**	**10.1**	**9.5**	**9.7**	**9.2**

Note: Segmental EBITD margins include part of other income; E: MOFSL Estimates

CONFERENCE CALL

Highlights from the management commentary

- **Operation updates:** Two greenfield plants were operationalized in 3Q (Consumer Electronics, Precision Metals & Modules); six more to come. Consumer Electronics' ramp-up began in Jan'25.
- **SAMIL outperforms industry:** Global auto was down 1.2% YoY (excl. China, down 4.8%), but SAMIL grew 7.5% with 10% EBITDA margin. SAMIL's operational performance has been impressive despite the weak demand macro.
- **Financial performance and capital allocation:** Net debt declined to INR95b (from INR105b QoQ) with the help of QIP proceeds. The net debt-to-EBITDA ratio was below 1x as of Dec'24-end. The full benefits of the reduced interest burden will be visible from Q4 onward. Easing logistics will help to reduce working capital reduction from Q4 onward and further reduce debt.
- FY25 capex has been lowered to INR45b from INR50b guided earlier given a weak demand macro. RoCE improved to 18% (from 17.3%) QoQ.

Segmental updates

- **Wiring Harness**: Strong margin expansion, despite weak revenue, was aided by a favorable product mix and cost savings. CV markets in Europe and North America remained weak. This segment has outperformed industry growth, led by increased content.
- **Vision Systems**: Revenue was impacted by an unfavorable platform and regional mix, with growth in China offset by a slowdown in Europe and the US. Margins were impacted by evolving customer and regional mix. The company is gaining traction with Chinese OEMs.
- **Integrated Assemblies**: Revenue growth remained intact despite a challenging production environment. Profitability improved due to operating efficiencies. Three greenfield plants in China and Mexico will support new and existing customers.
- **Consumer Electronics**: The first plant has commenced production in 3Q, with a ramp-up expected from 4Q onward. Two more are set to come online in FY26

and FY27. The total capex for all three phases is INR26b, with INR7-8b allocated for the first phase. This business is expected to be margin-accretive.

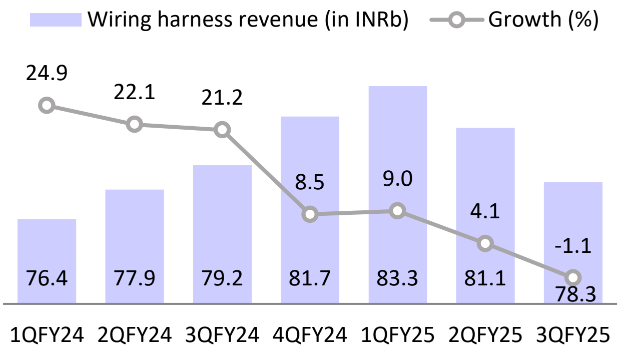
- **Aerospace**: The company became a Tier-1 supplier for Airbus commercial aircraft, adding to its existing Tier-1 status for Airbus Helicopters and Airbus Defense & Space. This will help MOTHERSO strengthen its collaboration with Airbus and enable a more strategic role in aircraft production. The aerospace business is targeting 10x growth over the next few years, with two new facilities coming up. Long-term prospects are strong despite ongoing supply chain issues.
- **Logistics Solutions**: A new strategic partnership with Sanko Japan has been set up for India and Europe. Sanko is a market leader in providing sustainable material handling solutions in Japan. MOTHERSO aims to optimize internal packaging costs and cater to external customers with recyclable and durable material handling solutions.
- **Technology and industrial solutions**: The company launched SOP for 4G telematics units and developed a new LCD cluster for 2Ws, onboarding new customers across automation, cloud optimization, and IoT.
- **Precision Metals & Modules**: One greenfield plant has been operationalized and is ramping up. While the CV market slowdown in India impacted machining businesses, cost-control measures helped to sustain profitability.
- **Elastomers**: The first overseas expansion is underway in the UAE, with the facility catering to the European market.
- **Update on Atsumitec acquisition:** It has recently announced the acquisition of Atsumitec, a company with global machining and high value addition with revenues of USD412m (FY24). This will further help SAMIL increase its presence with Japanese OEMs. This acquisition is expected to close by Mar’25, with revenue contribution starting from 1QFY26.

Other Key Takeaways

- **Consolidated revenue growth** included INR22.4b from acquisitions, such as Yachiyo, ADI, Lumen, Irillic, and MASL in 3QFY25.
- Interest burden in 3Q was higher due to debt repayments, as this included MTM forex losses of INR3.5-4b due to currency volatility. The full benefits of debt repayments at 3Q end will be seen from Q4 onward. Interest costs are expected to decline by INR500-750m in 4Q, excluding forex impacts.
- **In Jan’25, container prices fell 15%** from the peak levels, reducing freight costs, which account for 2% of revenue. The stable freight availability will help MOTHERSO lower inventory levels, which will in turn help reduce working capital.

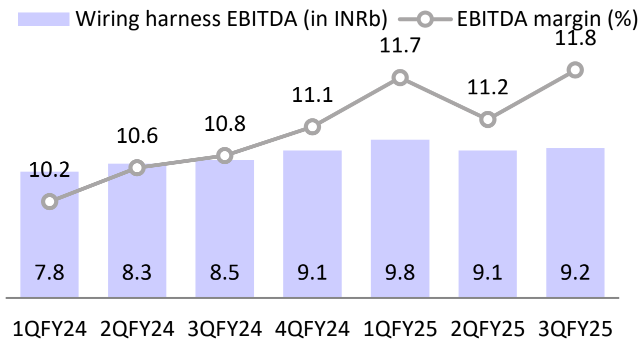
Key exhibits

Exhibit 1: Trends in wiring harness revenue and growth



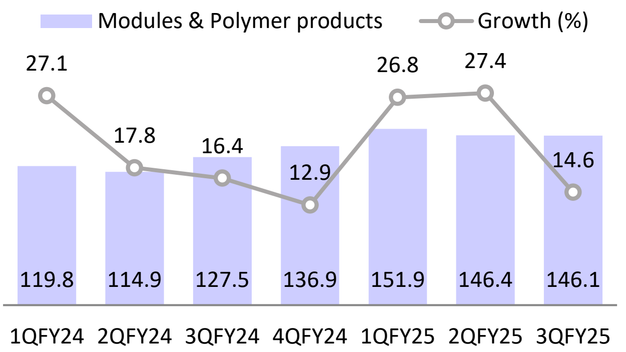
Source: Company, MOFSL

Exhibit 2: Wiring harness EBITDA and EBITDA margin



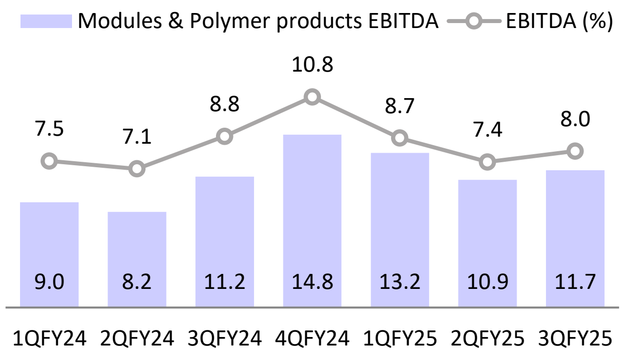
Source: Company, MOFSL

Exhibit 3: Trend in modules and polymer products revenues



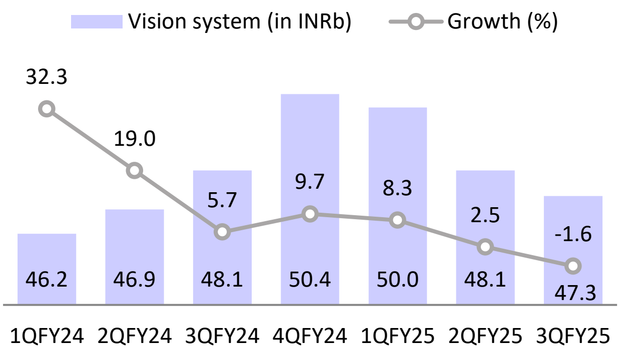
Source: Revenues in INRb, Company, MOFSL

Exhibit 4: Modules and polymer products EBITDA margin



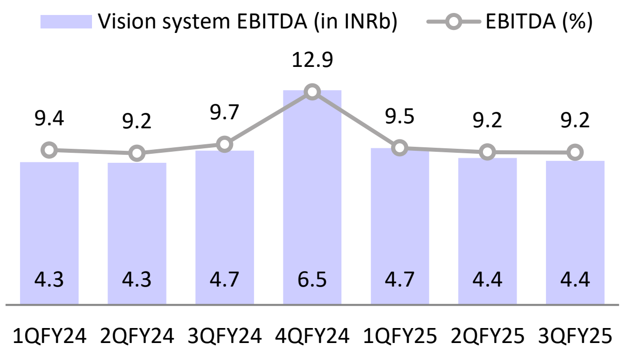
Source: EBITDA in INRb, Company, MOFSL

Exhibit 5: Trend in vision systems revenues



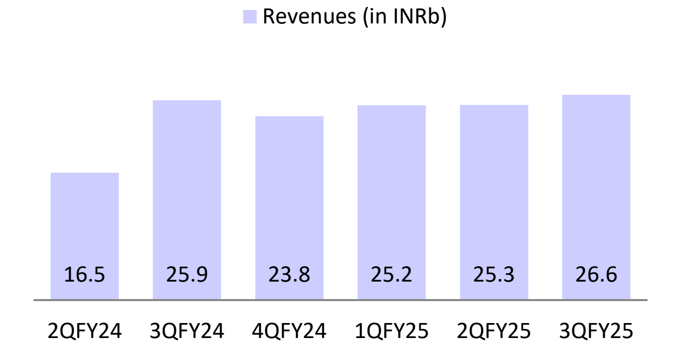
Source: Company, MOFSL

Exhibit 6: Vision systems EBITDA margin



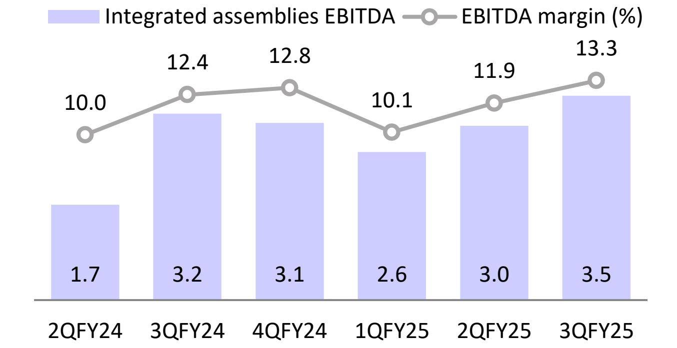
Source: Company, MOFSL

Exhibit 7: Trend in integrated assemblies revenue



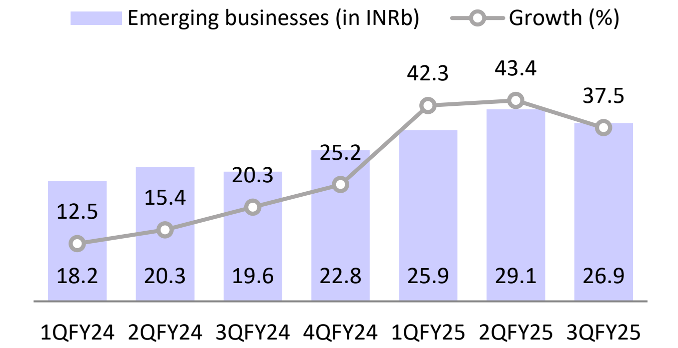
Source:, Company, MOFSL

Exhibit 8: Integrated assemblies EBITDA margin



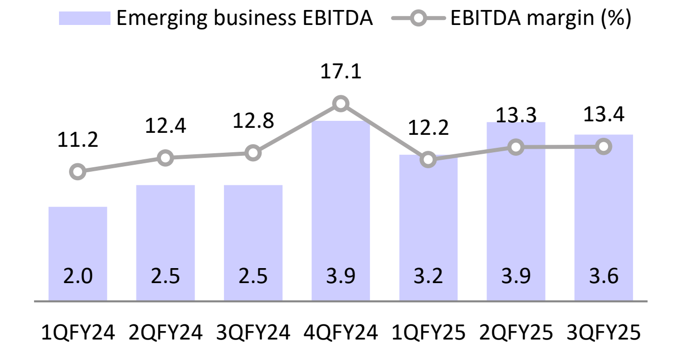
Source: EBITDA in INRb, Company, MOFSL

Exhibit 9: Trend in emerging businesses revenue



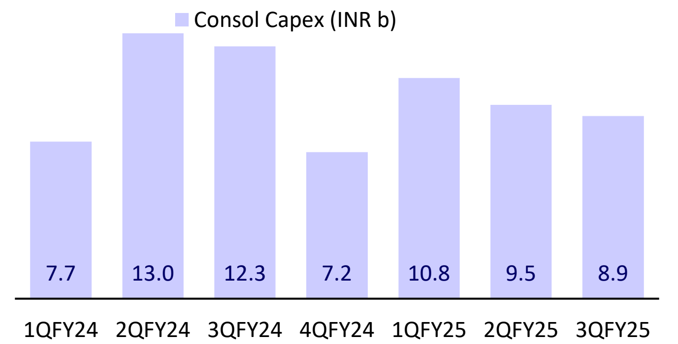
Source: Company, MOFSL

Exhibit 10: Emerging businesses EBITDA margin



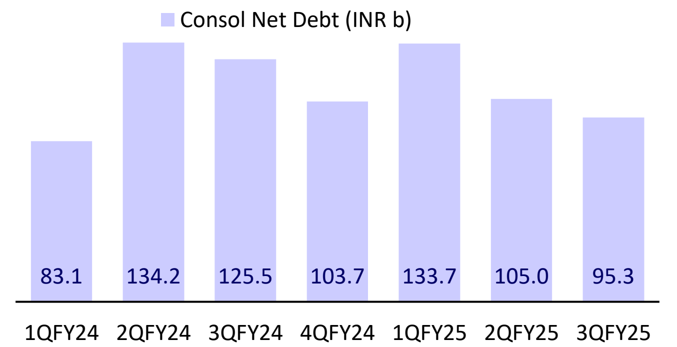
Source: EBITDA in INR b, Company, MOFSL

Exhibit 11: Trend in Capex (INR b)



Source: Company, MOFSL

Exhibit 12: Trend in Net Debt (excl. lease liabilities, INR b)



Source: Company, MOFSL

Valuation and view

- **Well-diversified business model:** Over the years, MOTHERSO has developed a well-diversified business model that focuses on its principle of 3CX10 (vs. 3CX15 earlier) – this implies no country, customer, or client should account for more than 10% of its revenue. This has helped the company achieve steady growth regardless of the end-market demand environment (achieved 9% revenue CAGR vs. 3% compounded volume decline in the global auto industry over the last five years). It is among the top 3 players globally for exterior rear-view mirrors, a market leader in PV wiring harness in India, and a major player in wiring harness for CVs in North America and Europe. Additionally, the company is a critical supplier of polymer parts to luxury OEMs worldwide, one of the leading lighting suppliers in India, and one of the largest shock absorber exporters from India.
- **To be a key beneficiary of the evolving megatrends in Autos:** MOTHERSO is emerging as one of the major beneficiaries of the rising premiumization trend and EV transition, which in turn should drive higher content going forward. Following are some of the indicators of increasing content per vehicle for MOTHERSO: when transitioning to sedans and SUVs, content surges 1.4-1.5x for wiring harnesses, 1.4-1.7x for bumpers, 1.2-2.5x for door panels, and 1.7-3.0x for rear-view mirrors. Similarly, transitioning from ICE to EVs results in a 2.4x increase in the content for 4W wiring harnesses, an 8x increase for 2W wiring harnesses, a 1.5x increase for bumpers, a 3.3x increase for door panels, and a 1.4x increase for mirrors. These favorable trends have led to a notable ramp-up in its order book.
- **Closure of recent acquisitions provides huge growth opportunities:** Taking advantage of the global macro headwinds and at the customer's behest, MOTHERSO has acquired 15 entities since Sep'22, whose combined pro forma net revenue stood at USD2.8b. Apart from this, these entities offer multiple synergy benefits, which include the company's entry into the Japanese supplier network (Yachio + Ichikoh), evolution as a cockpit assembler (SAS), complimentary new segment addition (Yachio + Dr. Schneider), and strong opportunities in aerospace and medical equipment (Cirma, AD Industries, Irillic, and SMAST). Beyond the synergy benefits that would accrue over a long term, we expect incremental net revenues of INR144b for MOTHERSO in FY25E due to these acquisitions. These acquisitions provide MOTHERSO with significant growth opportunities in the long run, in our view.
- **Aggressive targets indicate ambitions; disciplined approach has been the key:** MOTHERSO has a track record of setting ambitious five-year targets since 2000. Its 2025 targets include revenue of USD36b, RoCE and dividend payout of 40%, and 3CX10. While most of its targets until 2015 have been achieved, it missed its 2020 target by a margin and is likely to miss its target even in 2025. However, management has always refrained from acquiring entities solely to meet its targets, as was evident immediately after Covid. Thus, while its aggressive targets highlight management's growth aspirations, its disciplined approach would help generate long-term shareholder returns, in our view. The same can also be highlighted by the fact that it has acquired 15 entities since Sep'22, after patiently waiting throughout the entire Covid period for the right opportunity.

- **Valuation and view:** We expect MOTHERSO to continue to outperform global automobile sales, fueled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. In order to factor in the demand slowdown in key regions, we have lowered our FY26E EPS estimates by ~15% and largely maintained FY25E EPS. The stock has seen a correction over the last few months as investors remain concerned about the ongoing slowdown in some of its key regions and uncertainty around tariff barriers that may impact global business dynamics. However, strong 3Q performance demonstrates SAMIL's business resilience, in our view, and should help allay these concerns. After the correction, SAMIL is attractively valued at 21.3x/18x FY26E/FY27E consolidated EPS. We reiterate our BUY rating with a revised TP of INR160, based on 24x Dec'26E EPS.

Exhibit 13: Our revised estimates (consolidated)

(INR M)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	11,39,953	11,52,522	-1.1	12,08,406	12,95,382	-6.7
EBITDA	1,09,052	1,08,720	0.3	1,17,602	1,27,988	-8.1
EBITDA (%)	9.6	9.4	10bp	9.7	9.9	-10bp
Adj. PAT	36,946	36,101	2.3	42,107	49,457	-14.9
EPS (INR)	5.2	5.1	2.3	5.9	7.0	-14.9

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement (INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	**6,07,290**	**5,82,250**	**6,37,740**	**7,87,881**	**9,84,947**	**11,39,953**	**12,08,406**	**13,03,139**
Change (%)	-4.4	-4.1	9.5	23.5	25.0	15.7	6.0	7.8
Raw Materials	3,49,687	3,25,979	3,67,363	4,53,174	5,44,147	6,20,284	6,47,967	6,93,472
Employees Cost	1,43,726	1,40,996	1,53,746	1,79,314	2,35,385	2,85,993	3,00,292	3,15,307
Other Expenses	67,335	63,135	69,637	93,032	1,15,209	1,24,625	1,42,545	1,64,152
Total Expenditure	**5,60,748**	**5,30,110**	**5,90,746**	**7,25,519**	**8,94,741**	**10,30,902**	**10,90,804**	**11,72,931**
% of Sales	92.3	91.0	92.6	92.1	90.8	90.4	90.3	90.0
EBITDA	**46,542**	**46,880**	**46,994**	**62,362**	**90,206**	**1,09,052**	**1,17,602**	**1,30,209**
Margin (%)	7.7	8.1	7.4	7.9	9.2	9.6	9.7	10.0
Depreciation	27,210	30,260	29,582	31,358	38,105	44,375	49,675	54,715
EBIT	**19,332**	**16,620**	**17,412**	**31,003**	**52,101**	**64,677**	**67,927**	**75,494**
Interest Charges	5,928		5,426	7,809	18,112	18,901	12,997	10,361
PBT bef. EO Exp.	**15,649**	**16,620**	**14,562**	**24,890**	**35,865**	**49,301**	**58,809**	**69,399**
Tax Rate (%)	44.0	33.6	43.1	29.6	27.4	27.4	27.0	27.0
MI and Income from associates	669	440	-290	2,178	658	-1,154	824	890
Reported PAT	**8,099**	**10,590**	**8,304**	**15,306**	**27,162**	**38,202**	**42,107**	**49,771**
Adjusted PAT	**8,099**	**10,590**	**8,237**	**15,344**	**25,108**	**36,946**	**42,107**	**49,771**
Change (%)	-49.8	30.8	-22.2	86.3	63.6	47.1	14.0	18.2

Consolidated - Balance Sheet (INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	3,158	4,518	4,518	6,776	6,776	7,115	7,115	7,115
Total Reserves	81,394	1,21,088	2,01,365	2,17,739	2,54,773	3,43,957	3,73,431	4,08,271
Net Worth	**1,12,609**	**1,25,606**	**2,05,882**	**2,24,515**	**2,61,549**	**3,51,072**	**3,80,547**	**4,15,386**
Minority Interest	35,650	40,233	17,763	19,254	20,606	24,550	28,888	33,877
Total Loans	1,19,651	1,07,580	1,27,609	1,21,657	1,73,513	1,41,513	1,35,013	1,24,013
Deferred Tax Liabilities	-5,030	-10,224	-11,486	-13,645	-20,746	-18,672	-18,672	-18,672
Capital Employed	**2,62,881**	**2,63,195**	**3,39,768**	**3,51,781**	**4,34,922**	**4,98,463**	**5,25,776**	**5,54,604**
Net Fixed Assets	**1,39,871**	**1,92,782**	**1,75,128**	**1,88,750**	**2,37,877**	**2,46,502**	**2,49,827**	**2,48,112**
Goodwill	24,060	24,718	33,743	37,726	57,501	57,501	57,501	57,501
Capital WIP	8,154	8,769	13,097	14,779	24,978	24,978	24,978	24,978
Total Investments	**1,614**	**2,581**	**7,212**	**6,834**	**8,976**	**65,976**	**99,976**	**1,53,976**
Curr. Assets, Loans&Adv.	**1,63,943**	**1,78,716**	**1,94,908**	**2,27,640**	**3,50,435**	**3,31,084**	**3,49,921**	**3,50,305**
Inventory	51,566	49,956	64,417	78,228	91,386	1,01,879	1,12,593	1,20,417
Account Receivables	51,784	56,931	65,731	85,135	1,56,371	1,30,987	1,44,762	1,54,821
Cash and Bank Balance	48,789	59,062	49,994	46,987	69,858	71,160	59,921	40,148
Loans and Advances	11,804	12,768	14,766	17,291	32,821	27,058	32,646	34,919
Curr. Liability & Prov.	**1,87,047**	**2,07,430**	**2,11,447**	**2,53,091**	**3,94,549**	**3,62,311**	**3,91,161**	**4,15,001**
Account Payables	1,03,091	1,11,407	1,24,775	1,41,363	2,26,172	2,66,883	2,93,571	3,22,928
Other Current Liabilities	81,151	89,575	81,567	1,06,258	1,56,687	79,812	84,347	77,791
Provisions	2,805	6,449	5,104	5,471	11,690	15,616	13,243	14,281
Net Current Assets	**-23,104**	**-28,714**	**-16,538**	**-25,451**	**-44,115**	**-31,228**	**-41,240**	**-64,696**
Other non-current asset	1,12,286	63,060	1,27,126	1,29,145	1,49,705	1,34,735	1,34,735	1,34,735
Appl. of Funds	**2,62,881**	**2,63,195**	**3,39,768**	**3,51,781**	**4,34,922**	**4,98,463**	**5,25,776**	**5,54,604**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	**2.6**	**1.6**	**1.2**	**2.3**	**3.7**	**5.2**	**5.9**	**7.0**
BV/Share	35.7	18.5	30.4	33.1	38.6	49.3	53.5	58.4
DPS	1.5	1.0	0.4	0.7	0.8	1.6	1.8	2.1
Payout (%)	68.1	64.0	35.4	28.8	20.0	30.0	30.0	30.0
Valuation (x)								
P/E	49.1	80.6	103.7	55.6	34.0	24.3	21.3	18.0
P/BV	3.5	6.8	4.1	3.8	3.3	2.6	2.4	2.2
EV/Sales	1.0	1.0	1.0	1.1	0.9	0.8	0.8	0.7
EV/EBITDA	11.7	12.2	13.3	14.0	9.9	8.2	7.7	7.0
Dividend Yield (%)	1.2	0.8	0.3	0.5	0.6	1.3	1.4	1.7
FCF per share (Eco. Int. basis)	13.2	4.6	0.0	3.6	5.3	6.2	8.1	10.3
Return Ratios (%)								
RoE	7.3	8.9	5.0	7.1	10.3	12.1	11.5	12.5
RoCE (post-tax)	4.7	4.2	3.8	6.7	10.0	10.6	10.2	10.8
RoIC	5.4	5.6	4.3	7.9	12.3	14.1	14.6	16.3
Working Capital Ratios								
Fixed Asset Turnover (x)	2.7	2.4	2.4	2.3	2.1	2.2	2.1	2.1
Asset Turnover (x)	2.3	2.2	1.9	2.2	2.3	2.3	2.3	2.3
Inventory (Days)	31	31	37	36	34	33	34	34
Debtor (Days)	31	36	38	39	58	42	44	43
Creditor (Days)	62	70	71	65	84	85	89	90
Leverage Ratio (x)								
Current Ratio	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8
Interest Cover Ratio	3.3	NA	3.2	4.0	2.9	3.4	5.2	7.3
Net Debt/Equity	0.6	0.4	0.3	0.3	0.4	0.0	-0.1	-0.2

Consolidated - Cash Flow Statement **(INR M)**

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	21,129	16,129	19,088	24,048	38,402	51,031	58,809	69,399
Depreciation	27,780	29,764	29,964	31,358	38,105	44,375	49,675	54,715
Interest & Finance Charges	5,626	4,544	4,346	7,809	18,112	18,901	12,997	10,361
Direct Taxes Paid	-10,776	-5,600	-8,324	-8,535	-14,353	-13,982	-15,878	-18,738
(Inc)/Dec in WC	16,202	6,432	-20,797	-6,846	-674	-11,585	-1,227	3,683
Others	3,561	-757	351	-1,405	-3,902	5,098	3,514	4,099
CF from Operating incl EO	**63,521**	**50,512**	**24,627**	**46,431**	**75,689**	**93,838**	**1,07,890**	**1,23,519**
(Inc)/Dec in FA	-21,943	-19,325	-24,363	-21,829	-40,101	-50,000	-50,000	-50,000
Free Cash Flow	**41,578**	**31,187**	**264**	**24,602**	**35,589**	**43,838**	**57,890**	**73,519**
(Pur)/Sale of Investments	-1,210	-45	-123	-279	-1,958	-57,000	-34,000	-54,000
Others	753	436	1,367	-340	-24,559	0	0	0
CF from Investments	**-22,399**	**-18,934**	**-23,119**	**-22,448**	**-66,618**	**-1,07,000**	**-84,000**	**-1,04,000**
Issue of Shares	0	0	0	-1,453	236	64,376	0	0
Inc/(Dec) in Debt	-6,214	-11,324	2,456	-10,562	40,377	-32,000	-6,500	-11,000
Interest Paid	-5,667	-4,141	-5,528	-8,083	-15,096	-18,901	-12,997	-10,361
Dividend Paid	-12,794	-1,576	-6,457	-3,308	-6,751	-11,461	-12,632	-14,931
Others	-3,157	-3,859	-2,570	-3,936	-5,958	0	0	0
CF from Fin. Activity	-27,832	-20,900	-12,099	-27,342	12,807	2,014	-32,129	-36,292
Inc/Dec of Cash	**13,290**	**10,678**	**-10,591**	**-3,359**	**21,879**	**-11,149**	**-8,239**	**-16,773**
Opening Balance	35,469	48,688	59,367	48,775	45,416	67,295	56,147	47,908
Closing Balance	**48,758**	**59,367**	**48,775**	**45,416**	**67,295**	**56,147**	**47,908**	**31,135**

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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