

14 May 2025

India | Equity Research | Results Update

SRF Ltd

Speciality Chemicals

Amid challenges, company guides for 20% growth in chemical business

SRF's chemical business has surprised positively in Q4FY25 with a strong show in specialty chemicals and ref-gas; also, SRF is upbeat on demand outlook/orderbook for FY26. Ref-gas revenue should benefit from higher production with commissioning of AHF plant which was a bottleneck in FY25. It expects ref-gas prices to sustain at higher levels of exit-FY25. Specialty chemicals is likely to benefit from improvement in demand, commissioning of AIs and new product launches. Fluoropolymers business to show traction with increased off-take of value-added grade and start of new fluoropolymers facility. SRF has retained chemical business EBIT guidance at 25-26%. Our EPS has been tweaked by +2/3% for FY26/27E with SoTP-based revised TP of INR 2,800 (from INR 2,715) as we raise non-chemical segment EBITDA multiple by 1x each. Maintain **HOLD**.

Chemical business outlook for FY26

Ref-gas: SRF saw good volume off-take in domestic market for HFCs, and excess US inventory destocking behind. Company's HFC capacity utilisation was 70% in FY25 (particularly low R-32), and restricted due to availability of AHF. Company has commissioned AHF plant in Q4FY25; this should help ramp-up ref-gas capacity. **1) R-32 prices:** Company expects exit prices of R-32 to be significantly higher compared to average-FY25. SRF expects to sustain exit-FY25 price, and sees scope for some improvement. New R-32 capacities are likely to come only by end-FY26. **2) R-134a, R-125 prices** to hold on to FY25 levels.

Fluoro-specialty: SRF's specialty chemicals had strong finish for business after weak H1FY25. SRF's specialty chemicals revenue is expected to grow faster in FY26 aided by new product launches and ramp-up in capacities of existing products. Company had incurred capex of INR 7bn in FY25 in chemical business; however, it has undertaking multiple debottlenecking projects, thereby, increasing specialty chemicals capacity by 30% which should aid revenue growth for FY26. Further, SRF anticipates commercialisation of 2-3 AIs in FY26 (particularly P-32); it anticipates more development for complex products.

Pharmaceuticals intermediate had good traction in FY25 with contribution being at 6-7%; it is likely to sustain even in FY26.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	1,29,104	1,43,582	1,71,964	1,90,832
EBITDA	25,841	27,184	37,347	44,034
EBITDA Margin (%)	19.7	18.5	21.7	23.1
Net Profit	13,357	12,508	20,104	24,299
EPS (INR)	45.1	42.2	67.8	82.0
EPS % Chg YoY	(38.2)	(6.4)	60.7	20.9
P/E (x)	65.0	69.4	43.2	35.7
EV/EBITDA (x)	35.2	33.2	24.4	20.7
RoCE (%)	9.7	8.5	12.2	13.1
RoE (%)	12.3	10.4	14.9	15.9

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Market Data

Market Cap (INR)	868bn
Market Cap (USD)	10,174mn
Bloomberg Code	SRF IN
Reuters Code	SRFL.BO
52-week Range (INR)	3,099 / 2,089
Free Float (%)	49.0
ADTV-3M (mn) (USD)	23.5

Price Performance (%)	3m	6m	12m
Absolute	3.1	33.2	31.5
Relative to Sensex	(3.5)	28.8	20.0

ESG Score	2023	2024	Change
ESG score	59.3	58.3	(1.0)
Environment	35.9	38.8	2.9
Social	65.9	63.1	(2.8)
Governance	71.6	72.7	1.1

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	0.9	0.3
EBITDA	0.6	(0.2)
EPS	3.3	1.7

Previous Reports

31-01-2025: [Q3FY25 results review](#)

24-10-2024: [Q2FY25 results review](#)

Chemical business' revenue up 29.7 YoY/ 57.5% QoQ

SRF's revenue rose 20.8% YoY/ 23.5% QoQ to INR 43bn driven by chemical and packaging films businesses. Revenue from chemical segment was up 29.7% YoY/ 57.5% QoQ to INR 23.6bn. The segment's revenue has benefited from better off-take in specialty chemicals, particularly agrochemicals volumes while prices still remain under pressure from cheap Chinese supplies and robust demand for HFC in domestic market.

Packaging films' revenue was up 19.4% YoY/ 2% QoQ to INR 14bn aided by higher realisation, and ramp-up of aluminium foil plant. Textile revenue fell 2.2% YoY/ 10.1% QoQ to INR 4.6bn. Gross profit surged 19.9% YoY/ 23.4% QoQ to INR 20.8bn, and margin was stable 48.2%. EBITDA was up 37.6% YoY/ 54.5% QoQ to INR 9.6bn and net profit jumped 24.6% YoY/ 94.1% QoQ to INR 5.26bn. Other expenses were up 10.4% YoY/ 8.2% QoQ to INR 5.1bn on commissioning of large number of projects.

Chemical business EBIT margin improved 440bp QoQ at 31.8%

Chemical business EBIT rose 50.4% YoY to INR 7.5bn, and EBIT margin increased to 31.8%, up 440bps YoY. Chemical business' EBIT should have benefited from operating leverage as utilisation rate improved for newer plants, some prices increased with better domestic ref-gas performance/ prices and flow-through of higher realisation in chloromethane solvents. Packaging films business' EBIT surged 3.2x YoY/ 15.8% QoQ to INR 1.05bn and EBIT margin stood at 7.4% (vs.6.5% in Q3FY25). Technical textiles' EBIT fell 42.6% YoY to INR 401mn and segmental EBIT margin was 8.7% (vs 11.6% in Q3FY25).

Conference call highlights

- **Capex:** 1) FY25 capex stood at INR 12bn, of which INR 7bn was spent in chemical business. Company has undertaken multiple debottlenecking projects, and increased specialty chemical capacity by 30%. It commissioned AHF-3 plant in Q4FY25; 2) SRF has guided for capex of INR 22-23bn in FY26, of which 65-70% will be spent on chemical business. It has specialty fluoropolymers plant under construction which should be commissioned in FY26 with three new variants – FKM, PVDF and PFA. It has HFO facility planned to be started in next 30 months.
- **Ref-gas:** 1) HFC plant utilisation was 70% in FY25; R-32 was lower than this due to paucity of AHF. 2) Exports contributed 40% of fluorochemicals segment.
- **PTFE:** 1) Company had encouraging response for its new higher value-added grade of PTFE. It anticipates sharp improvement in PTFE capacity utilisation in FY26 with rising share of value-added grade; 2) new fluoropolymers should help drive faster growth in FY27 as facility is expected to commission in FY26.
- **Specialty chemicals:** 1) SRF had launched five new products in agrochemicals and three new pharma intermediates in FY25. It has taken up 50 molecules for development in FY25; 2) AI is being manufactured in MPP; initial scale up is planned from MPP itself in FY26.
- **EBIT margin guidance:** Chemical business at 25-26% with +/- 2% variance.
- **Aluminium foils:** SRF expects domestic performance to improve with ADD on cheap Chinese supplies. Company also aims to expand exports in FY26.

Risks

Upside: 1) Higher-than-expected revenue growth in fluoro-specialty business; and 2) EBIT margin in chemical business of >25%.

Downside: 1) Sharp drop in HFC prices, particularly in India; and 2) continued slump in specialty business with higher Chinese competition.

Exhibit 1: Q4FY25 result (consolidated)

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	QoQ (%)	YoY (%)
Net revenue	35,697	34,641	34,243	34,913	43,133	23.5	20.8
Cost of Goods sold	18,335	18,271	18,341	18,056	22,324	23.6	21.8
Gross profit	17,362	16,371	15,903	16,857	20,809	23.4	19.9
Gross profit margin (%)	48.6	47.3	46.4	48.3	48.2		
Employee cost	2,466	2,522	2,534	2,608	2,762	5.9	12.0
Power & Fuel	3,288	3,417	3,451	3,311	3,340	0.9	1.6
Other expenses	4,650	4,397	4,538	4,743	5,134	8.2	10.4
Total expenses	10,404	10,336	10,522	10,661	11,235	5.4	8.0
EBITDA	6,958	6,034	5,380	6,196	9,574	54.5	37.6
EBITDA margin (%)	19.5	17.4	15.7	17.7	22.2		
Depreciation	1,859	1,882	1,939	1,943	1,952	0.5	5.0
EBIT	5,099	4,153	3,441	4,253	7,623	79.2	49.5
EBIT margin (%)	14	12	10.0	12.2	17.7		
Other income	234	253	333	396	345	(13.0)	47.5
Finance cost	900	965	938	963	894	(7.1)	(0.7)
PBT	4,433	3,440	2,837	3,687	7,074	91.9	59.6
Tax expenses	211	918	822	976	1,813	85.7	759.2
ETR (%)	4.8	26.7	29.0	26.5	25.6		
PAT	4,222	2,522	2,014	2,711	5,261	94.1	24.6
Net profit margin (%)	11.8	7.3	5.9	7.8	12.2		
EPS (INR)	14	9	7	9	18	94.1	24.6

Source: Company data, I-Sec research

Exhibit 2: Q4FY25 segmental result (consolidated)

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	QoQ (%)	YoY (%)
Revenue							
Technical Textile	4,689	5,253	5,355	5,098	4,584	(10.1)	(2.2)
Chemical business	18,161	14,820	13,578	14,957	23,553	57.5	29.7
Packaging Film	11,824	13,363	14,206	13,848	14,122	2.0	19.4
Others	1,062	1,262	1,128	1,011	874	(13.6)	(17.6)
Total revenue	35,697	34,641	34,243	34,913	43,133	23.5	20.8
EBIT							
Technical Textile	698	677	713	589	401	(31.9)	(42.6)
Chemical & Polymers	4,977	3,064	2,461	3,638	7,485	105.8	50.4
Packaging Film	331	868	828	904	1,046	15.8	216.4
Others	156	236	172	157	124	(20.9)	(20.3)
Total EBIT	6,161	4,844	4,175	5,287	9,056	71.3	47.0
EBIT margin (%)							
Technical Textile	14.9	12.9	13.3	11.6	8.7		
Chemical & Polymers	27.4	20.7	18.1	24.3	31.8		
Packaging Film	2.8	6.5	5.8	6.5	7.4		
Others	14.7	18.7	15.2	15.5	14.2		
Total EBIT	17.3	14.0	12.2	15.1	21.0		

Source: Company data, I-Sec research

Exhibit 3: Segmental mix (consolidated)

%	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Revenue					
Technical Textile	13.1	15.2	15.6	14.6	10.6
Chemical & Polymers	50.9	42.8	39.7	42.8	54.6
Packaging Film	33.1	38.6	41.5	39.7	32.7
Others	3.0	3.6	3.3	2.9	2.0
EBIT					
Technical Textile	11.3	14.0	17.1	11.1	4.4
Chemical & Polymers	80.8	63.3	59.0	68.8	82.7
Packaging Film	5.4	17.9	19.8	17.1	11.6
Others	2.5	4.9	4.1	3.0	1.4

Source: Company data, I-Sec research

Exhibit 4: Q4FY25 result (standalone)

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	QoQ (%)	YoY (%)
Net revenue	29,196	27,363	27,035	27,616	34,965	26.6	19.8
Cost of Goods sold	14,018	13,480	13,510	13,353	16,879	26.4	20.4
Gross profit	15,179	13,883	13,525	14,264	18,087	26.8	19.2
Gross profit margin (%)	52.0	50.7	50.0	51.6	51.7		
Employee cost	2,085	2,112	2,112	2,167	2,301	6.2	10.3
Power & Fuel	2,769	2,845	2,852	2,777	2,796	0.7	1.0
Other expenses	3,854	3,606	3,659	3,745	4,229	12.9	9.7
Total expenses	8,707	8,563	8,623	8,689	9,326	7.3	7.1
EBITDA	6,472	5,320	4,902	5,574	8,761	57.2	35.4
EBITDA margin (%)	22.2	19.4	18.1	20.2	25.1		
Depreciation	1,527	1,551	1,584	1,588	1,577	(0.7)	3.3
EBIT	4,945	3,769	3,318	3,986	7,184	80.2	45.3
EBIT margin (%)	16.9	13.8	12.3	14.4	20.5		
Other income	326	351	436	528	436	(17.4)	33.9
Finance cost	680	757	720	761	726	(4.6)	6.7
PBT	4,590	3,363	3,034	3,753	6,894	83.7	50.2
Tax expenses	219	864	783	955	1,762	84.6	703.2
ETR (%)	4.8	25.7	25.8	25.4	25.6		
PAT	4,371	2,499	2,251	2,799	5,132	83.4	17.4
Net profit margin (%)	15.0	9.1	8.3	10.1	14.7		

Source: Company data, I-Sec research

Exhibit 5: Q4FY25 segmental result (standalone)

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	QoQ (%)	YoY (%)
Revenue							
Technical Textile	4,689	5,253	5,355	5,098	4,584	(10.1)	(2.2)
Chemical & Polymers	18,004	14,675	13,451	15,051	23,319	54.9	29.5
Packaging Film	5,479	6,230	7,125	6,457	6,187	(4.2)	12.9
Others	1,062	1,262	1,128	1,011	874	(13.6)	(17.6)
Total revenue	29,196	27,363	27,035	27,616	34,965	26.6	19.8
EBIT							
Technical Textile	697	676	712	588	400	(32.0)	(42.7)
Chemical & Polymers	4,980	3,071	2,464	3,638	7,423	104.1	49.1
Packaging Film	172	467	770	634	678	6.9	293.7
Others	156	236	172	157	124		
Total EBIT	6,004	4,449	4,119	5,016	8,624	71.9	43.6
EBIT margin (%)							
Technical Textile	14.9	12.9	13.3	11.5	8.7		
Chemical & Polymers	27.7	20.9	18.3	24.2	31.8		
Packaging Film	3.1	7.5	10.8	9.8	11.0		
Others	14.7	18.7	15.2	15.5	14.2		
Total EBIT	20.6	16.3	15.2	18.2	24.7		

Source: Company data, I-Sec research

Exhibit 6: SRF – performance in international operations

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	QoQ (%)	YoY (%)
Net revenue	6,501	7,278	7,208	7,297	8,168	11.9	25.6
Cost of Goods sold	4,318	4,791	4,831	4,703	5,446	15.8	26.1
Gross profit	2,183	2,488	2,377	2,594	2,723	5.0	24.7
Gross profit margin (%)	33.6	34.2	33.0	35.5	33.3		
Employee cost	381	410	422	440	461	4.7	20.9
Power & Fuel	520	572	599	534	544	1.9	4.7
Other expenses	824	850	818	917	930	1.4	12.9
Total expenses	1,724	1,832	1,839	1,891	1,934	2.3	12.2
EBITDA	459	656	538	703	788	12.2	71.5
EBITDA margin (%)	7.1	9.0	7.5	9.6	9.6		
Depreciation	332	331	355	355	374	5.6	12.7
EBIT	127	324	183	348	414	18.8	225.0
EBIT margin (%)	2.0	4.5	2.5	4.8	5.1		
Other income	(92)	(98)	(102)	(131)	(91)	(30.9)	(0.9)
Finance cost	220	208	218	202	168	(16.7)	(23.5)
PBT	(184)	18	(137)	15	155		(183.9)
Tax expenses	(8)	54	40	21	51	137.4	(704.8)
ETR (%)	4.6	301.7	(29.1)	142.7	-		
PAT	(176)	(36)	(177)	(6)	104	(1,723.4)	(159.1)
Net profit margin (%)	(2.7)	(0.5)	(2.5)	(0.1)	1.3		

Source: I-Sec research, Company data

Exhibit 7: Earnings revision (consolidated)

INR mn	Revised		Earlier		% change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Segmental revenue						
Technical Textile	20,166	20,071	21,104	21,005	(4.4)	(4.4)
Chemical & Polymers	85,577	98,388	82,953	95,712	3.2	2.8
Packaging Film	61,227	67,138	61,449	68,327	(0.4)	(1.7)
Others	5,130	5,386	5,130	5,386	-	-
Segmental EBIT						
Technical Textile	2,442	2,310	2,657	2,524	(8.1)	(8.5)
Chemical & Polymers	23,265	26,832	22,180	25,913	4.9	3.5
Packaging Film	5,908	8,134	5,782	8,164	2.2	(0.4)
Others	728	770	781	826	(6.7)	(6.7)
Financial						
Revenue	1,71,964	1,90,832	1,70,503	1,90,280	0.9	0.3
EBITDA	37,347	44,034	37,133	44,111	0.6	(0.2)
EBITDA margin (%)	21.7	23.1	21.8	23.2		
PAT	20,104	24,299	19,456	23,903	3.3	1.7
EPS (INR)	68	82	66	81	3.3	1.7

Source: I-Sec research, Company data

Exhibit 8: SoTP-based valuation

Business units (INR mn)	Methodology	Multiple (x)	FY27E
Technical Textiles	EV/EBITDA	7.0	25,078
Chemical & Polymers	EV/EBITDA	25.0	8,26,136
Packaging films	EV/EBITDA	8.0	84,372
Less: Unallocated	Weighted avg EV/EBITDA	19.8	62,289
Enterprise value			8,73,297
Net debt			43,218
Equity value			8,30,080
No of outstanding shares (mn)			296
Equity value (INR/sh)			2,801

Source: Company data, I-Sec research

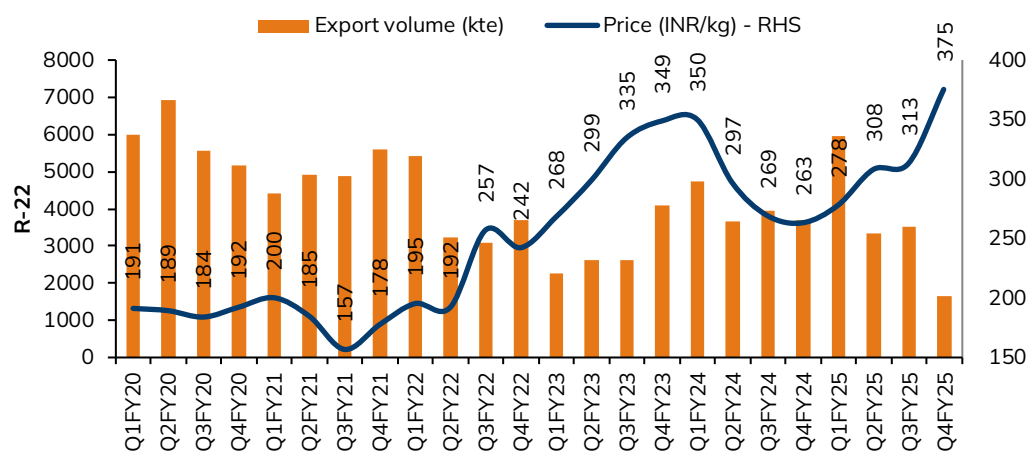
Exhibit 9: Implied valuation

	FY26E	FY27E
Target price (INR)	2,801	2,801
EPS	42	68
Implied PE (x)	66.4	41.3
Enterprise Value (INR bn)	706	706
EBITDA (INR bn)	27	37
Implied EV/EBITDA (x)	26.0	18.9

Source: Company data, I-Sec research

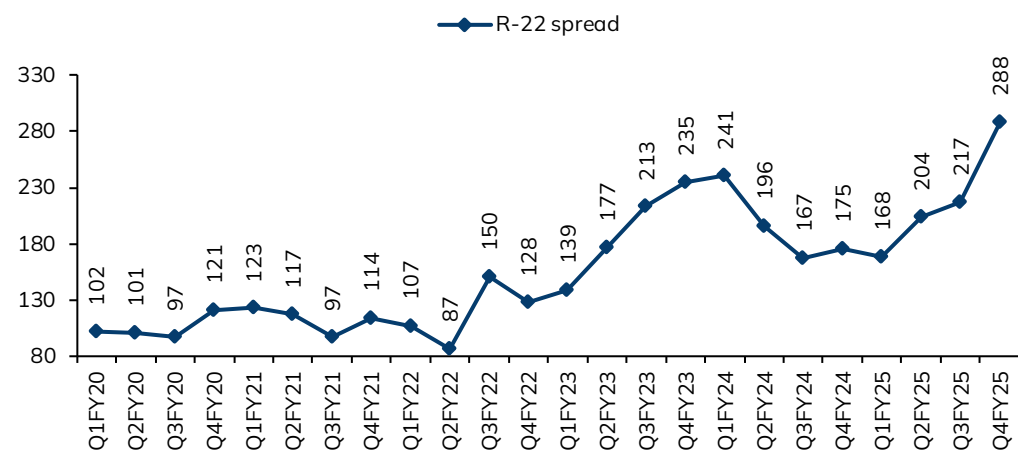
Products (EXIM data)

Exhibit 10: R-22 prices were up 42.6% YoY

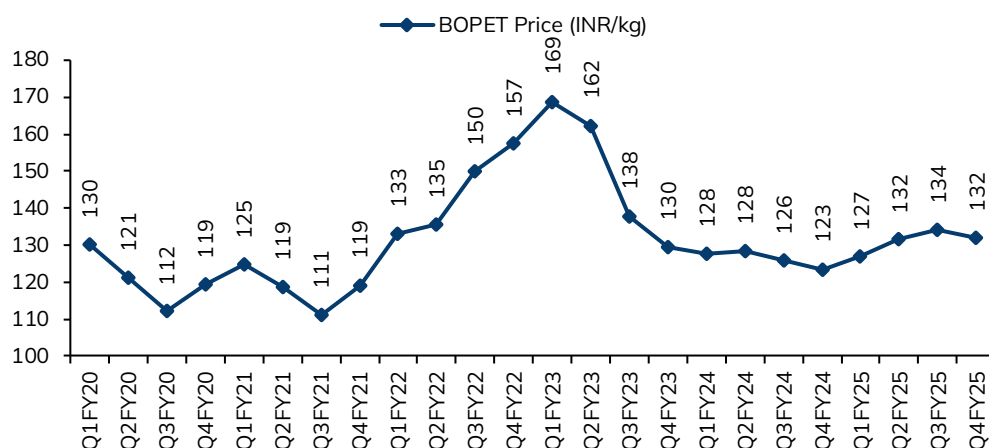


Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

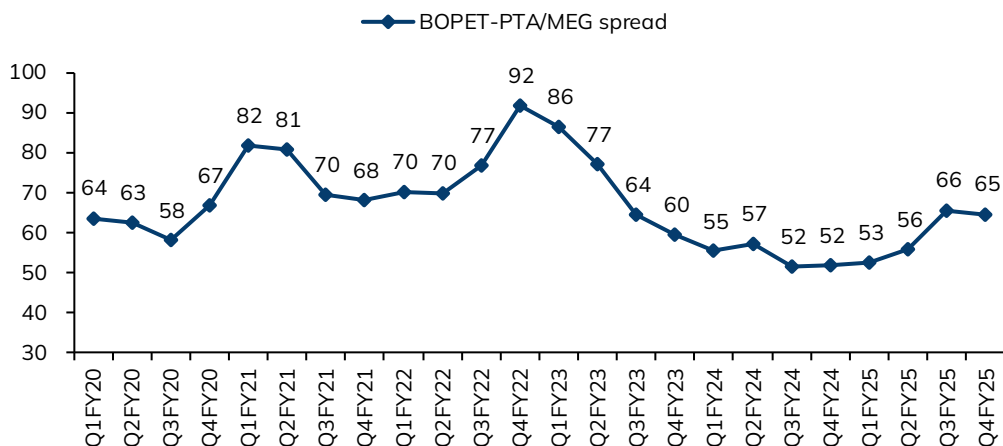
Exhibit 11: R22-fluorspar/chloroform spread increased 64.4% YoY



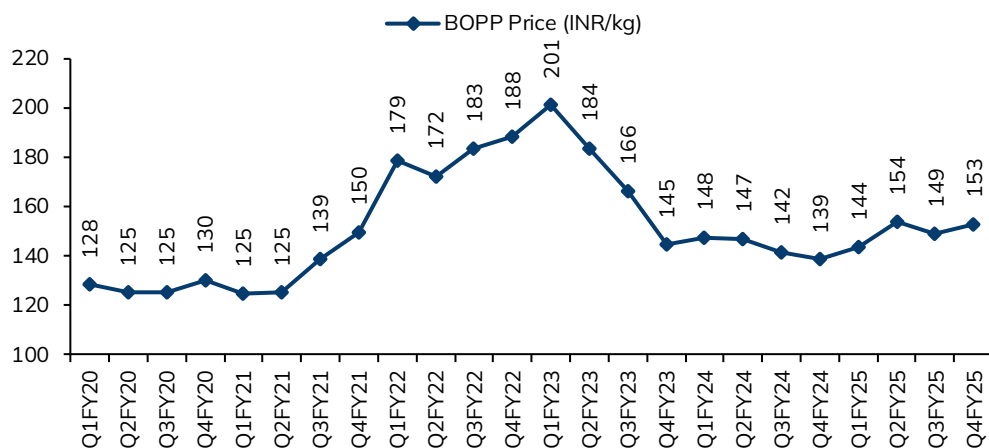
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Exhibit 12: BOPET price rose 6.9% YoY

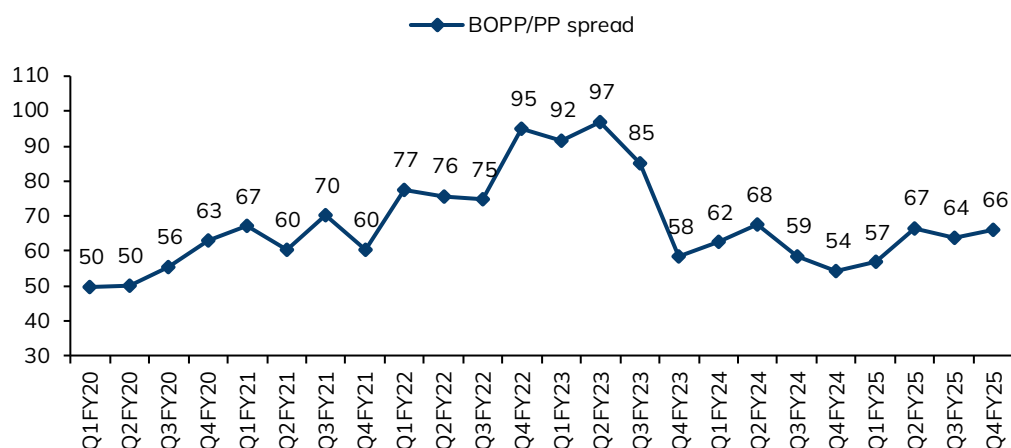
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Exhibit 13: BOPET-PTA/MEG prices surged 24.6% YoY

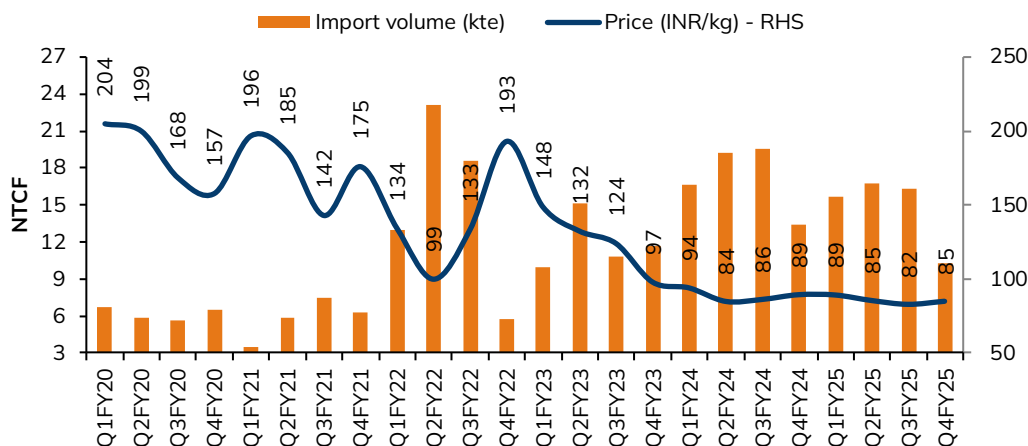
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Exhibit 14: BOPP price increased 10.4% YoY

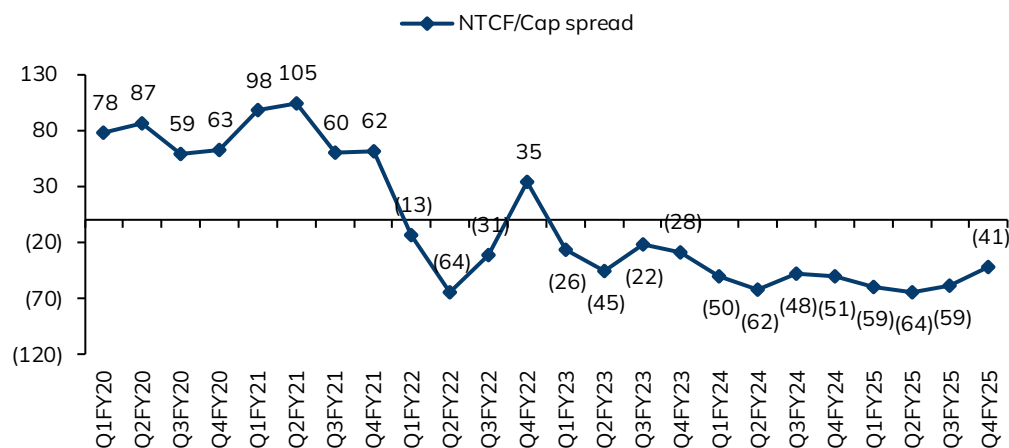
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Exhibit 15: BOPP-PP spreads increased 21.7% YoY

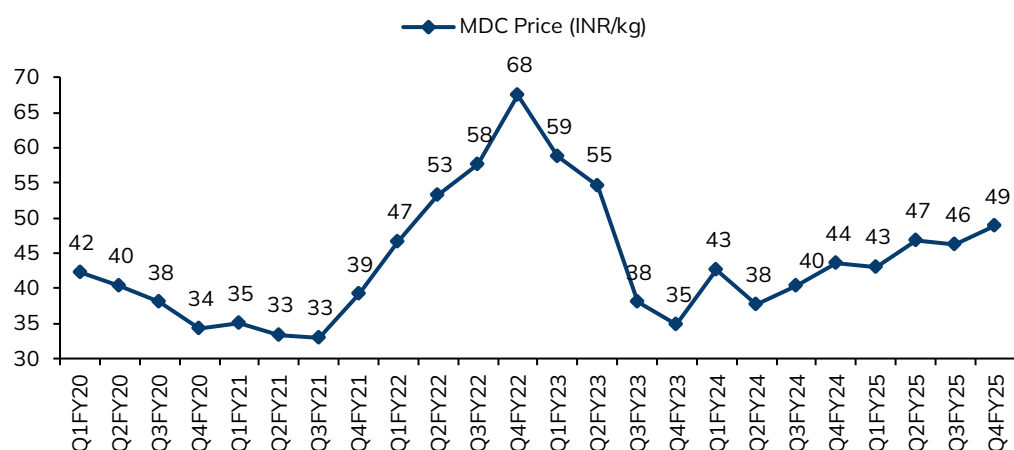
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Exhibit 16: NTCF import volumes decreased and prices dipped 5% YoY

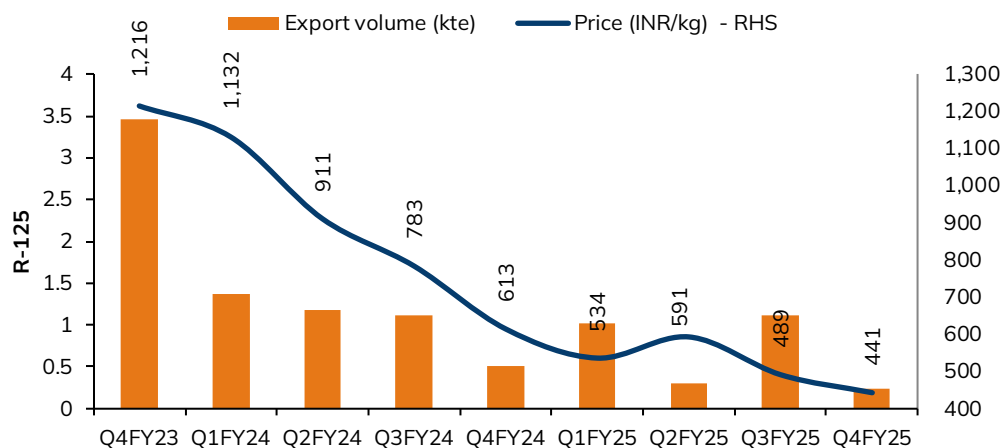
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Exhibit 17: NTCF-caprolactam spreads were down 18.3% YoY

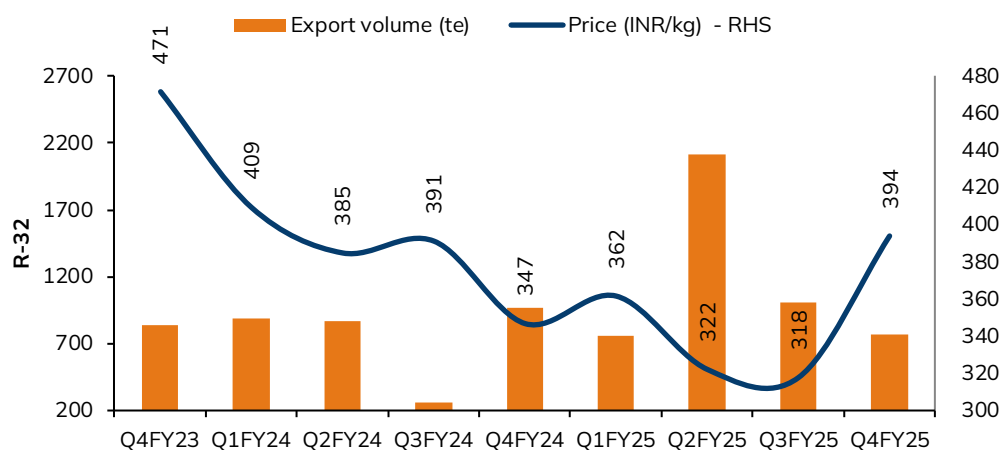
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Exhibit 18: MDC prices were up 12.1% YoY

Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

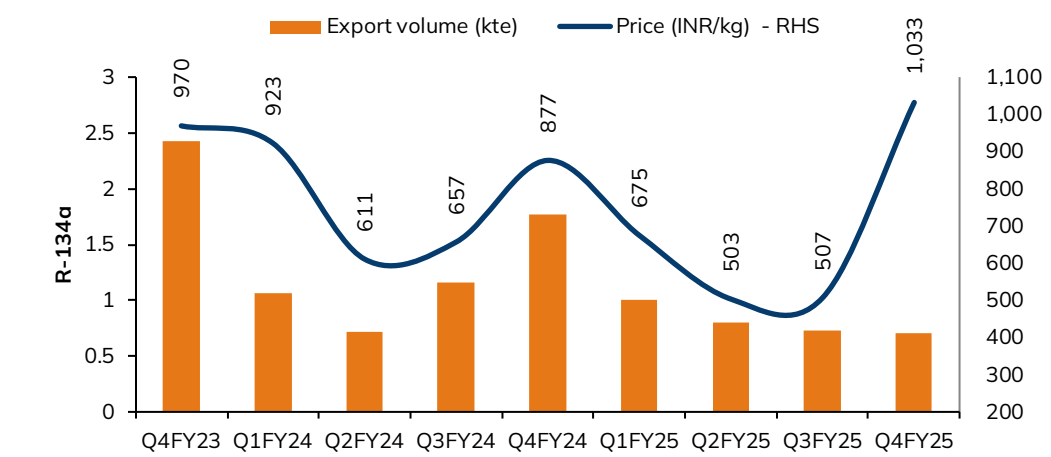
Exhibit 19: R-125 volumes and prices dropped sharply

Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Exhibit 20: R-32 exports volume dropped in Q4FY25

Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Exhibit 21: Decline in exports volume for R-134a but rise in price



Source: Ministry of Commerce and Industry, I-Sec research. Note: Q4FY25 data is for the month of Jan & Feb'25

Financials

Exhibit 22: Segmental financials

INR mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (% FY25-27E)
Revenue								
Technical textiles	13,576	12,401	20,852	18,939	18,980	20,291	20,166	3.1
Chemical business	36,449	52,408	74,109	62,970	66,496	85,577	98,388	21.6
<i>Ref-gas</i>	8,860	16,955	25,570	20,634	21,884	25,166	25,669	8.3
<i>Spl chemicals</i>	23,894	31,003	41,650	36,661	38,494	50,042	60,050	24.9
<i>Others</i>	3,615	4,164	6,041	5,078	6,119	10,369	12,668	43.9
Packaging films	32,917	47,792	51,828	44,893	55,538	61,227	67,138	9.9
Others	2,320	3,403	3,926	4,653	4,275	5,130	5,386	12.2
Total	84,000	1,24,337	1,48,703	1,31,385	1,46,931	1,71,964	1,90,832	14.0
EBITDA								
Technical textiles	2,123	5,114	3,028	3,189	2,816	2,873	2,733	(1.5)
Chemical business	10,012	17,005	26,755	20,311	21,150	28,494	33,045	25.0
Packaging films	10,215	10,996	7,340	4,076	5,752	8,208	10,547	35.4
Others	337	279	418	1,014	770	809	849	5.0
<i>Other unallocable expenses</i>	1,354	2,362	2,248	2,749	3,304	3,037	3,141	(2.5)
Total	22,687	33,394	37,540	28,590	30,488	40,384	47,175	24.4
EBIT								
Technical textiles	1,769	4,714	2,617	2,742	2,381	2,442	2,310	(1.5)
Chemical business	7,281	13,969	23,407	16,274	16,648	23,265	26,832	27.0
Packaging films	8,979	9,463	5,562	2,065	3,645	5,908	8,134	49.4
Others	256	204	348	930	688	728	770	5.8
<i>Other unallocable expenses</i>	819	1,335	1,646	2,066	2,566	2,846	2,927	6.8
Total	17,466	27,015	30,288	19,945	20,797	29,498	35,120	30.0
EBIT (%)								
Technical textiles	14.3	22.6	13.8	14.4	11.7	12.1	11.5	
Chemical business	20.0	26.7	31.6	25.8	24.9	27.2	27.3	
Packaging films	27.3	19.8	10.7	4.6	6.6	9.6	12.1	
Others	11.0	6.0	8.9	20.0	16.1	14.2	14.3	
Total	20.8	21.7	20.4	15.2	14.2	17.2	18.4	

Source: I-Sec research, Company data

Exhibit 23: SRF consolidated financial

INR mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (% FY25-27E)
Revenue	84,000	1,24,337	1,48,703	1,31,385	1,46,931	1,71,964	1,90,832	14.0
COGS	40,189	60,669	73,935	67,088	76,992	86,769	94,425	
Gross profit	43,811	63,667	74,767	64,297	69,939	85,195	96,407	17.4
GMP (%)	52.2	51.2	50.3	48.9	47.6	49.5	50.5	
Growth (%)		45.3	17.4	(14.0)	8.8	21.8	13.2	
Employee cost	6,214	7,800	8,138	9,350	10,425	11,189	12,012	7.3
% of revenue	7.4	6.3	5.5	7.1	7.1	6.5	6.3	
Other expenses	16,264	24,835	31,337	29,106	32,330	36,659	40,361	11.7
% of revenue	19.4	20.0	21.1	22.2	22.0	21.3	21.1	
Total expenses	22,478	32,635	39,475	38,456	42,755	47,848	52,373	10.7
EBITDA	21,333	31,032	35,292	25,841	27,184	37,347	44,034	27.3
EBITDA (%)	25.4	25.0	23.7	19.7	18.5	21.7	23.1	
Growth (%)		45.5	13.7	(26.8)	5.2	37.4	17.9	
D&A	4,531	5,172	5,753	6,726	7,715	7,849	8,914	7.5
EBIT	16,803	25,860	29,539	19,115	19,469	29,498	35,120	34.3
Growth (%)		53.9	14.2	(35.3)	1.9	51.5	19.1	
Other income	664	1,155	749	830	1,327	977	1,047	(11.2)
Finance cost	1,340	1,159	2,048	3,023	3,760	3,735	3,907	
PBT	16,127	25,856	28,240	16,922	17,037	26,741	32,260	37.6
Growth (%)		60.3	9.2	(40.1)	0.7	57.0	20.6	
Tax expenses	4,144	6,966	6,617	3,565	4,529	6,637	7,961	32.6
ETR (%)	25.7	26.9	23.4	21.1	26.6	24.8	24.7	
PAT	11,983	18,889	21,623	13,357	12,508	20,104	24,299	39.4
Growth (%)		57.6	14.5	(38.2)	(6.4)	60.7	20.9	
EPS (INR)	40.4	63.7	72.9	45.1	42.2	67.8	82.0	39.4

Source: I-Sec research, Company data

Exhibit 24: Productivity and leverage

INR mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (%) FY25-27E
Capital productivity								
Gross block	96,084	1,05,975	1,27,108	1,64,981	1,77,754	2,03,134	2,27,537	13.1
Revenue/GB (x)	0.87	1.17	1.17	0.80	0.83	0.85	0.84	
EBITDA/GB (x)	0.22	0.29	0.28	0.16	0.15	0.18	0.19	
Capex								
Capex	12,144	18,321	28,382	22,169	12,369	25,379	24,404	
Intensity (% of revenue)	14.5	14.7	19.1	16.9	8.4	14.8	12.8	
D&A/capex (x)	0.4	0.3	0.2	0.3	0.6	0.3	0.4	
Capital employed	1,02,474	1,21,047	1,46,811	1,63,993	1,72,674	1,92,154	2,12,148	10.8
pre-tax ROCE (%)	17.5	23.1	22.1	12.3	11.6	16.2	17.4	
Leverage								
Net debt	26,964	27,633	32,476	41,071	35,830	42,535	43,218	
ND/EBITDA (x)	1.3	0.9	0.9	1.6	1.3	1.1	1.0	
Cash conversion								
Inventory days	64	63	56	65	58	59	59	
Debtor days	55	53	44	54	54	54	54	
Creditor days	69	62	55	61	58	57	55	
Cash conversion	50	54	45	58	54	57	58	
WC as % of revenue	11.3	15.2	12.5	12.6	12.7	13.9	14.3	

Source: I-Sec research, Company data

Exhibit 25: Cashflow

INR mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (%) FY25-27E
Ops CF (after tax & lease)	18,631	27,445	29,296	21,695	22,655	30,710	36,073	26.2
% of EBITDA	87.3	88.4	83.0	84.0	83.3	82.2	81.9	
Chg of WC	(1,236)	(6,645)	(604)	(1,128)	(2,459)	(6,069)	(4,561)	
CFO	17,395	20,800	28,692	20,567	20,196	24,641	31,512	24.9
% of revenue	20.7	16.7	19.3	15.7	13.7	14.3	16.5	
Capex (incl acquisition)	(12,144)	(18,420)	(28,382)	(22,169)	(12,369)	(25,379)	(24,404)	
FCF	5,252	2,380	311	(1,602)	7,827	(739)	7,108	
% of revenue	6.3	1.9	0.2	(1.2)	5.3	(0.4)	3.7	
Finance cost	(1,574)	(1,173)	(1,945)	(3,612)	(3,760)	(3,735)	(3,907)	
FCFE	3,678	1,208	(1,634)	(5,215)	4,068	(4,473)	3,201	

Source: I-Sec research, Company data

Exhibit 26: Shareholding pattern

%	Sep'24	Dec'24	Mar'25
Promoters	50.3	50.3	50.3
Institutional investors	36.3	36.2	35.7
MFs and others	10.4	10.1	9.1
Banks / Insurance	7.4	7.5	8.4
FIIIs	18.5	18.6	18.3
Others	13.4	13.5	14.0

Source: Bloomberg, I-Sec research

Exhibit 27: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 28: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	1,29,104	1,43,582	1,71,964	1,90,832
Operating Expenses	1,05,544	1,19,746	1,34,618	1,46,798
EBITDA	25,841	27,184	37,347	44,034
EBITDA Margin (%)	19.7	18.5	21.7	23.1
Depreciation & Amortization	6,726	7,715	7,849	8,914
EBIT	19,115	19,469	29,498	35,120
Interest expenditure	3,023	3,760	3,735	3,907
Other Non-operating Income	830	1,327	977	1,047
Recurring PBT	16,922	17,037	26,741	32,260
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	3,565	4,529	6,637	7,961
PAT	13,357	12,508	20,104	24,299
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	13,357	12,508	20,104	24,299
Net Income (Adjusted)	13,357	12,508	20,104	24,299

Source Company data, I-Sec research

Exhibit 29: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	52,437	54,250	66,925	73,816
of which cash & cash eqv.	4,075	3,538	6,463	6,406
Total Current Liabilities & Provisions	28,117	27,700	31,896	34,701
Net Current Assets	24,320	26,550	35,029	39,115
Investments	5,267	8,273	1,228	1,228
Net Fixed Assets	1,40,470	1,45,308	1,62,839	1,78,328
ROU Assets	2,766	2,490	2,490	2,490
Capital Work-in-Progress	8,053	8,110	8,110	8,110
Total Intangible Assets	1,195	1,125	-	-
Other assets	3,894	4,021	4,129	4,243
Deferred Tax Assets	276	357	357	357
Total Assets	2,04,819	2,15,571	2,39,643	2,62,733
Liabilities				
Borrowings	49,202	46,412	48,998	49,624
Deferred Tax Liability	9,387	10,553	10,553	10,553
Provisions	714	826	826	826
Other Liabilities	2,609	3,818	4,214	4,505
Equity Share Capital	2,964	2,964	2,964	2,964
Reserves & Surplus	1,11,816	1,23,288	1,40,182	1,59,550
Total Net Worth	1,14,790	1,26,262	1,43,156	1,62,524
Minority Interest	-	-	-	-
Total Liabilities	2,04,819	2,15,571	2,39,643	2,62,733

Source Company data, I-Sec research

Exhibit 30: Quarterly trend

(INR mn, year ending March)

	Jun-24	Sep-24	Dec-24	Mar-25
Net Sales	34,641	34,243	34,913	43,133
% growth (YOY)	(5.5)	3.8	7.8	14.4
EBITDA	6,034	5,380	6,196	9,574
Margin %	17.4	15.7	17.7	22.2
Other Income	253	333	396	345
Extraordinaries	0	0	0	0
Adjusted Net Profit	2,522	2,014	2,711	5,261

Source Company data, I-Sec research

Exhibit 31: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	22,066	22,655	30,710	36,073
Working Capital Changes	(1,128)	(2,459)	(6,069)	(4,561)
Capital Commitments	(22,169)	(12,369)	(25,379)	(24,404)
Free Cashflow	(1,231)	7,827	(739)	7,108
Other investing cashflow	(104)	(1,662)	8,023	1,047
Cashflow from Investing Activities	(104)	(1,662)	8,023	1,047
Issue of Share Capital	-	-	-	-
Interest Cost	(3,612)	(3,760)	(3,735)	(3,907)
Inc (Dec) in Borrowings	5,404	(2,790)	2,585	627
Dividend paid	(2,137)	(2,134)	(3,210)	(4,931)
Others	(372)	-	-	-
Cash flow from Financing Activities	(717)	(8,684)	(4,359)	(8,212)
Chg. in Cash & Bank balance	(2,052)	(2,519)	2,925	(56)
Closing cash & balance	3,994	1,557	6,463	6,406

Source Company data, I-Sec research

Exhibit 32: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	45.1	42.2	67.8	82.0
Adjusted EPS (Diluted)	45.1	42.2	67.8	82.0
Cash EPS	67.8	68.2	94.3	112.0
Dividend per share (DPS)	7.2	7.2	10.8	16.6
Book Value per share (BV)	387.3	426.0	483.0	548.3
Dividend Payout (%)	16.0	17.1	16.0	20.3
Growth (%)				
Net Sales	(11.5)	11.2	19.8	11.0
EBITDA	(26.8)	5.2	37.4	17.9
EPS (INR)	(38.2)	(6.4)	60.7	20.9
Valuation Ratios (x)				
P/E	65.0	69.4	43.2	35.7
P/CEPS	43.2	42.9	31.1	26.1
P/BV	7.6	6.9	6.1	5.3
EV / EBITDA	35.2	33.2	24.4	20.7
EV/SALES	6.9	6.2	5.3	4.8
Dividend Yield (%)	0.2	0.2	0.4	0.6
Operating Ratios				
Gross Profit Margins (%)	48.9	47.6	49.5	50.5
EBITDA Margins (%)	19.7	18.5	21.7	23.1
Effective Tax Rate (%)	21.1	26.6	24.8	24.7
Net Profit Margins (%)	10.2	8.5	11.7	12.7
NWC / Total Assets (%)	13.4	14.1	15.7	16.3
Net Debt / Equity (x)	0.4	0.3	0.3	0.3
Net Debt / EBITDA (x)	1.6	1.3	1.1	1.0
Profitability Ratios				
RoCE (%)	9.7	8.5	12.2	13.1
RoE (%)	12.3	10.4	14.9	15.9
RoIC (%)	10.3	9.0	12.8	13.5
Fixed Asset Turnover (x)	0.8	0.8	0.8	0.8
Inventory Turnover Days	64.6	58.4	59.4	59.2
Receivables Days	54.0	53.9	53.9	53.8
Payables Days	61.1	57.9	56.6	55.1

Source Company data, I-Sec research

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