

30 July 2025

India | Equity Research | Results update

## Varun Beverages

Consumer Staples &amp; Discretionary

### Unseasonal rain impacted volume; Profitability improved on efficiencies

Despite rising competitive intensity and lower volumes, Varun Beverages (VBL) delivered better-than-expected Q2CY25 profitability due to better control on overheads and favourable currency movement in the Africa market. Consolidated revenue/ volume declined 2%/ 3% YoY due to unseasonal rain in India (India revenue/ volume declined 9%/ 7% YoY). International business supported the overall performance, which remained resilient with 15% volume growth. Management remains optimistic on volume recovery in H2 (supported by a low base in India) and margin improvement on the back of operational efficiencies. That said, we remain cautious given the rising competitive intensity, which could restrict the medium-term performance. Maintain **HOLD**.

### Muted summer in India; international remains resilient

VBL reported a 2.5% YoY revenue decline in Q2CY25, with consolidated revenue at INR 70.2bn, impacted by unseasonal rains in India. Domestic volumes declined 7.1% YoY, with lower throughput across most regions, while international volumes grew 15.1%, led by strong traction in Africa (South Africa +16.1%) and improved availability. Overall volume stood at 390 mn cases, down 3% YoY. CSD and Juice volume declined 5% and 12.5%, respectively. Water volume grew 12.7% YoY.

Net realisation per case improved 0.5% YoY at the consolidated level, driven by a 6.6% uptick in international markets. Category mix remained broadly stable with CSD contributing 75% of volumes, NCB at 7%, and packaged drinking water at 18%. Low-/no-sugar products contributed ~55% of consolidated sales volumes in H1, reflecting a shift towards healthier and higher-margin offerings. The quarter also saw the launch of PepsiCo's Cheetos in Morocco, marking an initial step toward building a complementary snacks portfolio in select overseas markets.

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#### Market Data

|                     |          |
|---------------------|----------|
| Market Cap (INR)    | 1,732bn  |
| Market Cap (USD)    | 19,952mn |
| Bloomberg Code      | VBL IN   |
| Reuters Code        | VARB BO  |
| 52-week Range (INR) | 683 /419 |
| Free Float (%)      | 40.0     |
| ADTV-3M (mn) (USD)  | 49.3     |

| Price Performance (%) | 3m    | 6m     | 12m    |
|-----------------------|-------|--------|--------|
| Absolute              | (3.2) | (5.4)  | (24.0) |
| Relative to Sensex    | (4.5) | (11.7) | (24.0) |

| ESG Score   | 2023 | 2024 | Change |
|-------------|------|------|--------|
| ESG score   | 63.2 | 64.5 | 1.3    |
| Environment | 43.8 | 51.5 | 7.7    |
| Social      | 63.9 | 61.6 | (2.3)  |
| Governance  | 74.8 | 77.1 | 2.3    |

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

Source: SES ESG, I-sec research

| Earnings Revisions (%) | CY25E | CY26E |
|------------------------|-------|-------|
| Revenue                | (3.4) | (5.4) |
| EBITDA                 | (3.4) | (5.3) |
| EPS                    | (5.4) | (5.8) |

#### Previous Reports

01-05-2025: [Q1CY25 results review](#)

11-02-2025: [Q4CY24 results review](#)

### Financial Summary

| Y/E Dec (INR mn)  | CY24A    | CY25E    | CY26E    | CY27E    |
|-------------------|----------|----------|----------|----------|
| Net Revenue       | 2,00,077 | 2,30,721 | 2,64,466 | 3,01,089 |
| EBITDA            | 47,111   | 53,841   | 61,244   | 69,563   |
| EBITDA Margin (%) | 23.5     | 23.3     | 23.2     | 23.1     |
| Net Profit        | 25,957   | 32,030   | 38,584   | 46,053   |
| EPS (INR)         | 7.7      | 9.5      | 11.4     | 13.6     |
| EPS % Chg YoY     | 21.1     | 23.4     | 20.5     | 19.4     |
| P/E (x)           | 66.7     | 54.1     | 44.9     | 37.6     |
| EV/EBITDA (x)     | 36.7     | 31.5     | 27.2     | 23.4     |
| RoCE (%)          | 17.9     | 15.7     | 16.3     | 16.8     |
| RoE (%)           | 21.8     | 17.6     | 18.1     | 18.4     |

### Margin expansion despite weak India performance

EBITDA stood at INR 20bn, flat YoY, with margins expanding 82bps YoY to 28.5%, supported by strong operating leverage in international markets, favourable currency movement in Africa and better control on overheads. This came despite higher fixed overheads from four new greenfield plants in India, which are yet to contribute meaningfully to volumes. Gross margin remained steady at 54.5%, reflecting stable input costs and efficient procurement across geographies.

Finance costs declined 72% YoY post QIP-led debt reduction, further aiding profitability. PAT grew 5.1% YoY to INR 13.2bn in Q2, while H1 PAT grew 14.2% YoY to INR 20.4bn. Depreciation increased 26% YoY due to capacity additions in India and DRC. Margin performance is notable given the ongoing commissioning phase for new capacities, which are yet to fully ramp up, indicating headroom for operating leverage in coming quarters.

### Focus on execution; capacity in place for recovery

Despite temporary weather-led disruption in India, management remains confident of a demand recovery in H2, backed by capacity rollout, wider product availability, and increasing penetration across retail. The company has added four new production facilities in Prayagraj, Buxar, Damtal, and Mendipathar, along with a new snacks plant in Morocco and a can line in South Africa. Capex for H1 stood at ~INR 25bn. Going ahead, the capex intensity is expected to reduce in India.

### Valuation

We cut our estimates by 5-6% for CY25-26 and introduce CY27 estimates. We model revenue/ EBITDA/ PAT CAGR of 15%/ 14%/ 21% over CY24-27E. We maintain **HOLD** with a revised DCF-based TP of INR 500 (previously INR 470) as we roll forward to Jun'27. At our target price, VBL's implied P/E would be 48x/40x CY26/CY27E. Key risks: Steep rise in competitive pressures and faster-than-expected recovery in urban and rural economies.

#### Exhibit 1: Consolidated financials

| Y/e Dec (INR mn)       | Q2CY25        | Q2CY24        | YoY gr.      | Q1CY25        | QoQ gr.     | H2CY25         | H2CY24         | Chg (%)     |
|------------------------|---------------|---------------|--------------|---------------|-------------|----------------|----------------|-------------|
| <b>Revenue</b>         | <b>70,174</b> | <b>71,969</b> | <b>(2.5)</b> | <b>55,669</b> | <b>26.1</b> | <b>125,843</b> | <b>115,142</b> | <b>9.3</b>  |
| <b>Expenditure</b>     |               |               |              |               |             |                |                |             |
| Raw materials          | 31,911        | 32,606        | (2.1)        | 25,291        | 26.2        | 57,202         | 51,481         | 11.1        |
| % of revenue           | 45.5          | 45.3          | 17 bps       | 45.4          |             | 45.5           | 44.7           | 74 bps      |
| Employee cost          | 5,497         | 4,993         | 10.1         | 5,115         | 7.5         | 10,612         | 8,930          | 18.8        |
| % of revenue           | 7.8           | 6.9           | 90 bps       | 9.2           |             | 8.4            | 7.8            | 68 bps      |
| Other expenditure      | 12,778        | 14,458        | (11.6)       | 12,624        | 1.2         | 25,402         | 24,931         | 1.9         |
| % of revenue           | 18.2          | 20.1          | -188 bps     | 22.7          |             | 20.2           | 21.7           | -147 bps    |
| Total expenditure      | 50,186        | 52,056        | (3.6)        | 43,030        | 16.6        | 93,216         | 85,342         | 9.2         |
| <b>EBITDA</b>          | <b>19,988</b> | <b>19,912</b> | <b>0.4</b>   | <b>12,640</b> | <b>58.1</b> | <b>32,627</b>  | <b>29,800</b>  | <b>9.5</b>  |
| EBITDA margin (%)      | 28.5          | 27.7          | 82 bps       | 22.7          |             | 25.9           | 25.9           | 5 bps       |
| Other income           | 772           | 440           | 75.3         | 281           | 175.0       | 1,052          | 524            | 100.9       |
| <b>PBDIT</b>           | <b>20,759</b> | <b>20,352</b> | <b>2.0</b>   | <b>12,920</b> | <b>60.7</b> | <b>33,680</b>  | <b>30,324</b>  | <b>11.1</b> |
| Depreciation           | 3,062         | 2,425         | 26.3         | 2,725         | 12.3        | 5,787          | 4,300          | 34.6        |
| <b>PBIT</b>            | <b>17,698</b> | <b>17,928</b> | <b>(1.3)</b> | <b>10,195</b> | <b>73.6</b> | <b>27,893</b>  | <b>26,024</b>  | <b>7.2</b>  |
| Interest               | 365           | 1,292         | (71.7)       | 411           | (11.1)      | 777            | 2,228          | (65.1)      |
| Income from Associates | (12)          | (5)           | 121.8        | (6)           | 106.1       | (18)           | (7)            | 153.4       |
| <b>PBT</b>             | <b>17,320</b> | <b>16,631</b> | <b>4.1</b>   | <b>9,778</b>  | <b>77.1</b> | <b>27,099</b>  | <b>23,788</b>  | <b>13.9</b> |
| Prov for tax           | 4,066         | 4,012         | 1.3          | 2,465         | 65.0        | 6,530          | 5,690          | 14.8        |
| % of PBT               | 23.5          | 24.1          | -65 bps      | 25.2          |             | 24.1           | 23.9           | 18 bps      |
| <b>PAT</b>             | <b>13,255</b> | <b>12,618</b> | <b>5.0</b>   | <b>7,314</b>  | <b>81.2</b> | <b>20,568</b>  | <b>18,098</b>  | <b>13.6</b> |
| Minority interest      | 85            | 92            | (8.3)        | 49            | 73.8        | 133            | 203            | (34.4)      |
| <b>Adjusted PAT</b>    | <b>13,170</b> | <b>12,526</b> | <b>5.1</b>   | <b>7,265</b>  | <b>81.3</b> | <b>20,435</b>  | <b>17,895</b>  | <b>14.2</b> |
| Extra ordinary items   | -             | -             |              | -             |             | -              | 201            | (100.0)     |
| <b>Reported PAT</b>    | <b>13,170</b> | <b>12,526</b> | <b>5.1</b>   | <b>7,265</b>  | <b>81.3</b> | <b>20,435</b>  | <b>18,096</b>  | <b>12.9</b> |

Source: I-Sec research, Company data

## Exhibit 2: Standalone financials

| Y/e Dec (INR mn)     | Q2CY25        | Q2CY24        | YoY gr.      | Q1CY25        | QoQ gr.     | H2CY25        | H2CY24        | YoY gr.     |
|----------------------|---------------|---------------|--------------|---------------|-------------|---------------|---------------|-------------|
| <b>Revenue</b>       | <b>53,050</b> | <b>58,016</b> | <b>(8.6)</b> | <b>40,525</b> | <b>30.9</b> | <b>93,575</b> | <b>92,477</b> | <b>1.2</b>  |
| <b>Expenditure</b>   |               |               |              |               |             |               |               |             |
| Raw materials        | 24,946        | 27,153        | (8.1)        | 19,100        | 30.6        | 44,046        | 43,002        | 2.4         |
| % of revenue         | 47.0          | 46.8          | 22 bps       | 47.1          |             | 47.1          | 46.5          | 57 bps      |
| Employee cost        | 3,304         | 3,209         | 3.0          | 3,074         | 7.5         | 6,379         | 5,956         | 7.1         |
| % of revenue         | 6.2           | 5.5           | 70 bps       | 7.6           |             | 6.8           | 6.4           | 38 bps      |
| Other expenditure    | 8,385         | 10,268        | (18.3)       | 8,248         | 1.7         | 16,633        | 17,924        | (7.2)       |
| % of revenue         | 15.8          | 17.7          | -189 bps     | 20.4          |             | 17.8          | 19.4          | -161 bps    |
| Total expenditure    | 36,635        | 40,630        | (9.8)        | 30,422        | 20.4        | 67,058        | 66,883        | 0.3         |
| <b>EBITDA</b>        | <b>16,415</b> | <b>17,386</b> | <b>(5.6)</b> | <b>10,103</b> | <b>62.5</b> | <b>26,518</b> | <b>25,595</b> | <b>3.6</b>  |
| EBITDA margin (%)    | 30.9          | 30.0          | 97 bps       | 24.9          |             | 28.3          | 27.7          | 66 bps      |
| Other income         | 900           | 672           | 33.9         | 598           | 50.5        | 1,498         | 999           | 50.0        |
| <b>PBDIT</b>         | <b>17,315</b> | <b>18,058</b> | <b>(4.1)</b> | <b>10,701</b> | <b>61.8</b> | <b>28,016</b> | <b>26,593</b> | <b>5.3</b>  |
| Depreciation         | 1,801         | 1,668         | 8.0          | 1,650         | 9.2         | 3,451         | 3,063         | 12.7        |
| <b>PBIT</b>          | <b>15,514</b> | <b>16,390</b> | <b>(5.3)</b> | <b>9,051</b>  | <b>71.4</b> | <b>24,565</b> | <b>23,531</b> | <b>4.4</b>  |
| Interest             | 37            | 1,032         | (96.4)       | 78            | (52.7)      | 115           | 1,871         | (93.9)      |
| <b>PBT</b>           | <b>15,477</b> | <b>15,359</b> | <b>0.8</b>   | <b>8,973</b>  | <b>72.5</b> | <b>24,450</b> | <b>21,660</b> | <b>12.9</b> |
| Prov for tax         | 3,875         | 3,857         | 0.5          | 2,193         | 76.8        | 6,068         | 5,465         | 11.0        |
| % of PBT             | 25.0          | 25.1          | -7 bps       | 24.4          |             | 24.8          | 25.2          | -42 bps     |
| <b>PAT</b>           | <b>11,602</b> | <b>11,501</b> | <b>0.9</b>   | <b>6,781</b>  | <b>71.1</b> | <b>18,382</b> | <b>16,194</b> | <b>13.5</b> |
| Extra ordinary items | -             | -             |              | -             |             | -             | -             |             |
| <b>Reported PAT</b>  | <b>11,602</b> | <b>11,501</b> | <b>0.9</b>   | <b>6,781</b>  | <b>71.1</b> | <b>18,382</b> | <b>16,194</b> | <b>13.5</b> |

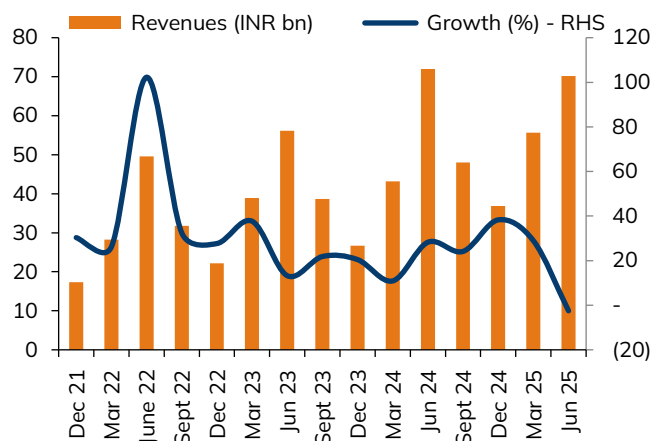
Source: I-Sec research, Company data

## Exhibit 3: Volume details

|                                | Jun 23        | Sept 23       | Dec 23        | Mar 24        | Jun 24        | Sept 24       | Dec 24        | Mar 25        | Jun 25        |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Sales volume (Mn cases)</b> |               |               |               |               |               |               |               |               |               |
| CSD                            | 232           | 159           | 106           | 169           | 306           | 200           | 158           | 234           | 291           |
| Juice                          | 23            | 11            | 8             | 18            | 32            | 11            | 8             | 22            | 28            |
| Water                          | 59            | 50            | 42            | 53            | 63            | 56            | 49            | 56            | 71            |
| <b>Total</b>                   | <b>314</b>    | <b>220</b>    | <b>156</b>    | <b>240</b>    | <b>401</b>    | <b>267</b>    | <b>215</b>    | <b>312</b>    | <b>390</b>    |
| <b>As % of Total</b>           |               |               |               |               |               |               |               |               |               |
| CSD                            | 73.9%         | 72.3%         | 67.9%         | 70.4%         | 76.3%         | 74.8%         | 73.5%         | 75.0%         | 74.6%         |
| Juice                          | 7.3%          | 5.0%          | 5.1%          | 7.5%          | 8.0%          | 4.2%          | 3.7%          | 7.1%          | 7.2%          |
| Water                          | 18.8%         | 22.7%         | 26.9%         | 22.1%         | 15.7%         | 21.0%         | 22.8%         | 17.9%         | 18.2%         |
| <b>Total</b>                   | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| <b>Growth (%)</b>              |               |               |               |               |               |               |               |               |               |
| CSD                            | 6.4%          | 19.5%         | 24.7%         | 5.6%          | 31.9%         | 25.8%         | 49.1%         | 38.5%         | -4.9%         |
| Juice                          | -11.5%        | 0.0%          | 14.3%         | 12.5%         | 39.1%         | 2.7%          | 0.0%          | 22.2%         | -12.5%        |
| Water                          | 7.3%          | 8.7%          | 5.0%          | 10.4%         | 6.8%          | 12.0%         | 16.7%         | 5.7%          | 12.7%         |
| <b>Total</b>                   | <b>5.0%</b>   | <b>15.8%</b>  | <b>18.2%</b>  | <b>7.1%</b>   | <b>27.7%</b>  | <b>21.5%</b>  | <b>37.8%</b>  | <b>30.0%</b>  | <b>-2.7%</b>  |
| Realization per case (INR)     | 179           | 176           | 171           | 180           | 179           | 180           | 172           | 178           | 180           |
| EBITDA per case (INR)          | 48            | 40            | 27            | 41            | 50            | 43            | 27            | 41            | 51            |
| Realization growth (%)         | 7.8%          | 5.2%          | 1.9%          | 3.5%          | 0.4%          | 2.2%          | 0.3%          | -0.8%         | 0.3%          |
| EBITDA per case growth (%)     | 15.1%         | 9.0%          | 15.1%         | 15.6%         | 3.2%          | 7.4%          | 0.6%          | -1.7%         | 3.2%          |

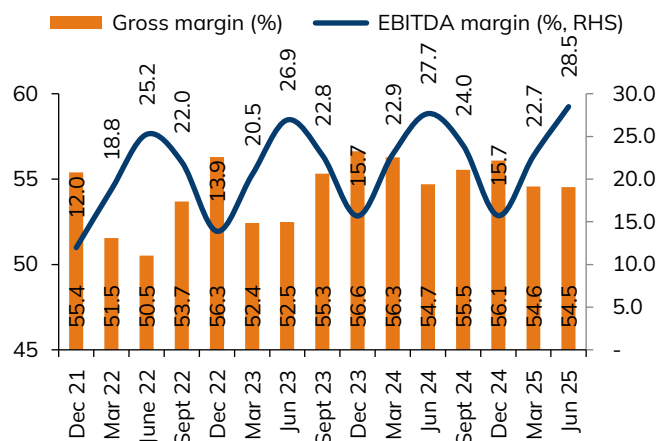
Source: I-Sec research, Company data

#### Exhibit 4: Revenue trend



Source: Bloomberg, I-Sec research

#### Exhibit 5: Margin trend



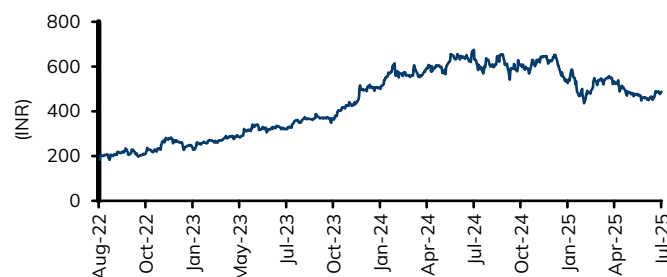
Source: Bloomberg, I-Sec research

#### Exhibit 6: Shareholding pattern

| %                       | Dec'24 | Mar'25 | Jun'25 |
|-------------------------|--------|--------|--------|
| Promoters               | 60.2   | 60.2   | 59.8   |
| Institutional investors | 32.4   | 32.2   | 32.5   |
| MFs and other           | 4.8    | 6.7    | 7.5    |
| FIs/ Banks              | 0.1    | 0.0    | 0.1    |
| Insurance Cos.          | 1.8    | 2.1    | 2.7    |
| FIIIs                   | 25.7   | 23.4   | 22.2   |
| Others                  | 7.4    | 7.6    | 7.7    |

Source: Bloomberg, I-Sec research

#### Exhibit 7: Price chart



Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 8: Profit & Loss

(INR mn, year ending Dec)

|  | CY24A           | CY25E           | CY26E           | CY27E           |
|--|-----------------|-----------------|-----------------|-----------------|
| Net Sales                              | 2,00,077        | 2,30,721        | 2,64,466        | 3,01,089        |
| <b>Operating Expenses</b>              | <b>1,52,966</b> | <b>1,76,880</b> | <b>2,03,222</b> | <b>2,31,526</b> |
| EBITDA                                 | 47,111          | 53,841          | 61,244          | 69,563          |
| <b>EBITDA Margin (%)</b>               | <b>23.5</b>     | <b>23.3</b>     | <b>23.2</b>     | <b>23.1</b>     |
| Depreciation & Amortization            | 9,474           | 11,661          | 12,754          | 13,634          |
| EBIT                                   | 37,637          | 42,181          | 48,490          | 55,929          |
| Interest expenditure                   | 4,504           | 1,932           | 1,132           | 332             |
| Other Non-operating Income             | 1,213           | 2,199           | 3,717           | 5,307           |
| Recurring PBT                          | 34,346          | 42,448          | 51,074          | 60,903          |
| <b>Profit / (Loss) from Associates</b> | <b>15</b>       | <b>15</b>       | <b>15</b>       | <b>15</b>       |
| <b>Less: Taxes</b>                     | <b>7,988</b>    | <b>9,975</b>    | <b>12,002</b>   | <b>14,312</b>   |
| PAT                                    | 26,358          | 32,472          | 39,072          | 46,591          |
| Less: Minority Interest                | 415             | 457             | 503             | 553             |
| Extraordinaries (Net)                  | 577             | -               | -               | -               |
| Net Income (Reported)                  | 26,534          | 32,030          | 38,584          | 46,053          |
| <b>Net Income (Adjusted)</b>           | <b>25,957</b>   | <b>32,030</b>   | <b>38,584</b>   | <b>46,053</b>   |

Source Company data, I-Sec research

### Exhibit 9: Balance sheet

(INR mn, year ending Dec)

|  | CY24A           | CY25E           | CY26E           | CY27E           |
|--|-----------------|-----------------|-----------------|-----------------|
| Total Current Assets                   | 78,640          | 1,00,058        | 1,28,350        | 1,62,878        |
| of which cash & cash eqv.              | 24,501          | 46,178          | 68,889          | 97,391          |
| Total Current Liabilities & Provisions | 30,008          | 31,147          | 35,703          | 40,647          |
| <b>Net Current Assets</b>              | <b>48,631</b>   | <b>68,911</b>   | <b>92,647</b>   | <b>1,22,231</b> |
| Investments                            | 6,919           | 6,919           | 6,919           | 6,919           |
| Net Fixed Assets                       | 1,31,008        | 1,41,014        | 1,40,760        | 1,42,126        |
| ROU Assets                             | -               | -               | -               | -               |
| Capital Work-in-Progress               | 11,667          | -               | -               | -               |
| Total Intangible Assets                | 3,009           | 3,009           | 3,009           | 3,009           |
| Long Term Loans & Advances             | -               | -               | -               | -               |
| Deferred Tax assets                    | -               | -               | -               | -               |
| <b>Total Assets</b>                    | <b>2,01,234</b> | <b>2,19,853</b> | <b>2,43,335</b> | <b>2,74,285</b> |
| <b>Liabilities</b>                     |                 |                 |                 |                 |
| <b>Borrowings</b>                      | <b>29,155</b>   | <b>19,155</b>   | <b>9,155</b>    | <b>(845)</b>    |
| <b>Deferred Tax Liability</b>          | <b>4,683</b>    | <b>4,683</b>    | <b>4,683</b>    | <b>4,683</b>    |
| Provisions                             | -               | -               | -               | -               |
| Other Liabilities                      | -               | -               | -               | -               |
| Equity Share Capital                   | 6,763           | 6,763           | 6,763           | 6,763           |
| Reserves & Surplus                     | 1,59,335        | 1,87,954        | 2,21,436        | 2,62,386        |
| <b>Total Net Worth</b>                 | <b>1,66,098</b> | <b>1,94,717</b> | <b>2,28,199</b> | <b>2,69,149</b> |
| Minority Interest                      | 1,298           | 1,298           | 1,298           | 1,298           |
| <b>Total Liabilities</b>               | <b>2,01,234</b> | <b>2,19,853</b> | <b>2,43,335</b> | <b>2,74,285</b> |

Source Company data, I-Sec research

### Exhibit 10: Quarterly trend

(INR mn, year ending Dec)

|                     | Sept 24 | Dec 24 | Mar 25 | Jun 25 |
|---------------------|---------|--------|--------|--------|
| Net Sales           | 48,047  | 36,888 | 55,669 | 70,174 |
| % growth (YOY)      | 24.1    | 38.3   | 28.9   | (2.5)  |
| EBITDA              | 11,511  | 5,800  | 12,640 | 19,988 |
| Margin %            | 24.0    | 15.7   | 22.7   | 28.5   |
| Other Income        | 243     | 446    | 281    | 772    |
| Extraordinaries     | (197)   | 771    | -      | -      |
| Adjusted Net Profit | 6,216   | 1,813  | 7,265  | 13,170 |

Source Company data, I-Sec research

### Exhibit 11: Cashflow statement

(INR mn, year ending Dec)

|  | CY24A          | CY25E         | CY26E         | CY27E         |
|--|----------------|---------------|---------------|---------------|
| <b>Operating Cashflow</b>              | <b>29,443</b>  | <b>45,059</b> | <b>50,283</b> | <b>58,574</b> |
| Working Capital Changes                | (6,694)        | 1,398         | (1,025)       | (1,082)       |
| Capital Commitments                    | (37,790)       | (10,000)      | (12,500)      | (15,000)      |
| <b>Free Cashflow</b>                   | <b>(8,348)</b> | <b>35,059</b> | <b>37,783</b> | <b>43,574</b> |
| <b>Other investing cashflow</b>        | <b>(5,659)</b> | -             | -             | -             |
| Cashflow from Investing Activities     | (43,449)       | (10,000)      | (12,500)      | (15,000)      |
| Issue of Share Capital                 | 74,508         | -             | -             | -             |
| Interest Cost                          | -              | -             | -             | -             |
| Inc (Dec) in Borrowings                | (37,075)       | (10,000)      | (10,000)      | (10,000)      |
| Dividend paid                          | (3,248)        | (3,382)       | (5,072)       | (5,072)       |
| Others                                 | -              | -             | -             | -             |
| Cash flow from Financing Activities    | 34,185         | (13,382)      | (15,072)      | (15,072)      |
| <b>Chg. in Cash &amp; Bank balance</b> | <b>20,179</b>  | <b>21,678</b> | <b>22,711</b> | <b>28,502</b> |
| Closing cash & balance                 | 22,663         | 46,178        | 68,889        | 97,391        |

Source Company data, I-Sec research

### Exhibit 12: Key ratios

(Year ending Dec)

|                             | CY24A | CY25E | CY26E | CY27E |
|-----------------------------|-------|-------|-------|-------|
| <b>Per Share Data (INR)</b> |       |       |       |       |
| Reported EPS                | 7.7   | 9.5   | 11.4  | 13.6  |
| Adjusted EPS (Diluted)      | 7.7   | 9.5   | 11.4  | 13.6  |
| Cash EPS                    | 10.5  | 12.9  | 15.2  | 17.7  |
| Dividend per share (DPS)    | 1.0   | 1.0   | 1.5   | 1.5   |
| Book Value per share (BV)   | 49.1  | 57.6  | 67.5  | 79.6  |
| Dividend Payout (%)         | 12.5  | 10.6  | 13.1  | 11.0  |
| <b>Growth (%)</b>           |       |       |       |       |
| Net Sales                   | 24.7  | 15.3  | 14.6  | 13.8  |
| EBITDA                      | 30.5  | 14.3  | 13.7  | 13.6  |
| EPS (INR)                   | 21.1  | 23.4  | 20.5  | 19.4  |
| <b>Valuation Ratios (x)</b> |       |       |       |       |
| P/E                         | 66.7  | 54.1  | 44.9  | 37.6  |
| P/CEPS                      | 48.9  | 39.6  | 33.7  | 29.0  |
| P/BV                        | 10.4  | 8.9   | 7.6   | 6.4   |
| EV / EBITDA                 | 36.7  | 31.5  | 27.2  | 23.4  |
| P / Sales                   | 8.7   | 7.5   | 6.5   | 5.8   |
| Dividend Yield (%)          | 0.2   | 0.2   | 0.3   | 0.3   |
| <b>Operating Ratios</b>     |       |       |       |       |
| Gross Profit Margins (%)    | 55.5  | 54.6  | 54.5  | 54.4  |
| EBITDA Margins (%)          | 23.5  | 23.3  | 23.2  | 23.1  |
| Effective Tax Rate (%)      | 23.3  | 23.5  | 23.5  | 23.5  |
| Net Profit Margins (%)      | 13.0  | 13.9  | 14.6  | 15.3  |
| Net Debt / Equity (x)       | 0.0   | (0.2) | (0.3) | (0.4) |
| Net Debt / EBITDA (x)       | 0.0   | (0.6) | (1.1) | (1.5) |
| Fixed Asset Turnover (x)    | 1.4   | 1.3   | 1.3   | 1.4   |
| Working Capital Days        | 44    | 36    | 33    | 30    |
| Inventory Turnover Days     | 57    | 53    | 53    | 52    |
| Receivables Days            | 17    | 8     | 8     | 8     |
| Payables Days               | 59    | 51    | 51    | 51    |
| <b>Profitability Ratios</b> |       |       |       |       |
| RoCE (%)                    | 17.9  | 15.7  | 16.3  | 16.8  |
| RoE (%)                     | 21.8  | 17.6  | 18.1  | 18.4  |
| RoIC (%)                    | 21.2  | 20.8  | 24.6  | 28.6  |

Source Company data, I-Sec research

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