

# Voltas

## To focus on driving volume growth

Voltas' UCP segment reported robust revenue growth of 43% YoY with RAC volumes growing by 70% (35% in FY24). However, segment margins contracted by 80bps YoY to 9.2% on account of (1) heightened competitive intensity; (2) input price escalation; and (3) inability to take price hikes. While Voltas's YTD RAC market share was 18.7%, management cited its primary market share to be 20% (2mn units sold out of an industry total of 10mn). Voltas will focus on driving volume growth which shall limit margin expansion through (1) scaling up its presence in the south; (2) expanding capacities and integrating backwards; (3) sweating all channels – GT, MT, E-com, EBO; and (4) making brand investments to further leverage its strong legacy. In the EMPS segment, while domestic project business is trending well, headwinds continue to plague international business, leading to losses. However, going forward management does not expect any more provisions (from Qatar) and expects margins to sustain in the 4-5% range over the medium term. We cut our FY25 EPS by 4% while maintaining FY26 EPS and value the stock on a SOTP basis (UCP: 45x Mar'26 EPS) to arrive at a TP of INR 1,350. Maintain ADD.

- **Revenue grew by 42%; EMPS dragged profitability:** Revenue grew by 42% YoY to INR42bn (5% below HSIE), led by 43/47% growth in the UCP/EMPS segment. Gross margin contracted by 180bps YoY to 19.8%. EBITDA fell by 13% YoY to INR1.9bn (38/30% below HSIE/consensus) while the margin contracted by 280bps YoY to 4.5% (HSIE: 6.9%). Employee/other expenses grew by 19%/74%YoY. The PBT declined by 12% to INR 2.1bn as a 17% increase in other income was more than offset by a 14/67% increase in depreciation/finance cost. JV losses widened to INR 383mn vs INR 282mn LY. APAT fell by 19% YoY to INR 1.2bn.
- **UCP margins fall 80bps YoY; EMPS losses widen:** UCP revenue grew by 43% YoY to INR29.4bn while margin contracted by 80bps YoY to 9.2%. Voltas's YTD RAC market share stood at 18.7%. For FY24, Voltas reported 26% growth vs 12/27% growth for Lloyd/Bluestar. EMPS revenue grew by 47% YoY to INR11bn while margin came in at -9.8% vs -1.9% YoY (-12.2% in Q3FY24). While domestic project revenues grew 38% YoY with healthy bottom-line growth, international projects continue to witness headwinds. As a result, further provisions on reassessment of exposure led to EBIT loss. EMPS loss stood at INR 3.3bn for FY24. EPS revenue grew by 10% YoY to INR1.6bn while the margin contracted by 870bps YoY to 30.6%.
- **Earnings call takeaways:** (1) RAC growth aided by expanded product portfolio, new SKUs of in-house design and strategic pricing actions. (2) RAC margins improved from 9% to 10% in Q4FY24. For FY24 it stood at 9%. (3) Sri City plant will add 2mn units capacity (1mn in FY25). (4) Domestic projects business saw 38% growth in revenue. (5) Voltbek volume grew 50%+ in FY24. (6) W/M market share is at 8.5% (SA WM: 15%) and refrigerator market share is at 5.3%. (7) The domestic/international order book stood at c.INR 50/30bn.

### Financial summary

(INR mn)	Q4 FY24	Q4 FY23	YoY (%)	Q3 FY24	QoQ (%)	FY22	FY23	FY24	FY25E	FY26E
Net Sales	42,029	29,568	42.1	26,257	60.1	79,345	94,988	1,24,812	1,39,103	1,56,206
EBITDA	1,906	2,182	(12.6)	284	570.6	6,816	5,724	4,746	10,336	13,248
APAT	1,164	1,439	(19.1)	(304)	na	5,041	3,788	2,520	7,883	10,458
EPS (INR)	3.5	4.4	(19.1)	(0.9)	na	15.2	11.5	7.6	23.8	31.6
P/E (x)						86.5	115.2	173.2	55.4	41.7
EV / EBITDA (x)						63.0	75.5	90.6	41.6	32.1
RoE (%)						9.5	6.9	4.4	12.8	15.3

Source: Company, HSIE Research

## ADD

CMP (as on 8 May 2024) INR 1,319

Target Price INR 1,350

NIFTY 22,303

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR1,350	INR 1,350
EPS %	FY25E -4%	FY26E 0%

### KEY STOCK DATA

Bloomberg code	VOLT IN
No. of Shares (mn)	331
MCap (INR bn) / (\$ mn)	436/5,224
6m avg traded value (INR mn)	2,083
52 Week high / low	INR 1,502/745

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	23.9	60.8	64.2
Relative (%)	21.0	47.7	45.2

### SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	30.30	30.30
FIs & Local MFs	37.21	40.57
FPIs	17.17	14.71
Public & Others	15.32	14.42
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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**Exhibit 1: Quarterly Performance**

Y/e March (INR mn)	Q4FY24	Q4FY23	YoY	Q3FY24	QoQ	Q4FY24E	Var	FY24	FY23	YoY
<b>Revenue</b>	<b>42,029</b>	<b>29,568</b>	<b>42%</b>	<b>26,257</b>	<b>60%</b>	<b>44,405</b>	<b>-5%</b>	<b>1,24,812</b>	<b>94,988</b>	<b>31%</b>
UCP	29,380	20,486	43%	14,756	99%	31,537	-7%	81,364	64,745	26%
EMPS	10,979	7,458	47%	9,819	12%	10,846	1%	36,830	24,029	53%
EPS	1,564	1,424	10%	1,548	1%	1,583	-1%	5,879	5,220	13%
<b>Gross Profit</b>	<b>8,302</b>	<b>6,386</b>	<b>30%</b>	<b>5,652</b>	<b>47%</b>	<b>9,930</b>	<b>-16%</b>	<b>26,672</b>	<b>21,206</b>	<b>26%</b>
<b>GPM %</b>	<b>19.8%</b>	<b>21.6%</b>	<b>-180bps</b>	<b>21.5%</b>	<b>-180bps</b>	<b>22.4%</b>	<b>-260bps</b>	<b>21.4%</b>	<b>22.3%</b>	<b>-100bps</b>
Employee Cost	1,992	1,678	19%	2,046	-3%	2,217	-10%	7,788	6,672	17%
% of sales	4.7%	5.7%	-90bps	7.8%	-310bps	5.0%	-30bps	6.2%	7.0%	-80bps
Other Expenses	4,404	2,526	74%	3,322	33%	4,646	-5%	14,138	8,810	60%
% of sales	10.5%	8.5%	190bps	12.7%	-220bps	10.5%	0bps	11.3%	9.3%	210bps
<b>EBITDA</b>	<b>1,906</b>	<b>2,182</b>	<b>-13%</b>	<b>284</b>	<b>571%</b>	<b>3,067</b>	<b>-38%</b>	<b>4,746</b>	<b>5,724</b>	<b>-17%</b>
<b>EBITDAM %</b>	<b>4.5%</b>	<b>7.4%</b>	<b>-280bps</b>	<b>1.1%</b>	<b>350bps</b>	<b>6.9%</b>	<b>-240bps</b>	<b>3.8%</b>	<b>6.0%</b>	<b>-220bps</b>
Other income	544	467	17%	579	-6%	632	-14%	2,533	1,685	50%
Depreciation	118	104	14%	128	-8%	134	-12%	476	396	20%
<b>EBIT</b>	<b>2,332</b>	<b>2,545</b>	<b>-8%</b>	<b>735</b>	<b>217%</b>	<b>3,564</b>	<b>-35%</b>	<b>6,803</b>	<b>7,012</b>	<b>-3%</b>
<b>EBIT Margin %</b>	<b>5.5%</b>	<b>8.6%</b>	<b>-310bps</b>	<b>2.8%</b>	<b>280bps</b>	<b>8.0%</b>	<b>-250bps</b>	<b>5.5%</b>	<b>7.4%</b>	<b>-190bps</b>
Interest	208	124	67%	135	54%	112	85%	559	296	89%
<b>PBT before exceptional item</b>	<b>2,124</b>	<b>2,420</b>	<b>-12%</b>	<b>599</b>	<b>254%</b>	<b>3,452</b>	<b>-38%</b>	<b>6,244</b>	<b>6,716</b>	<b>-7%</b>
ETR (%)	29.9%	29.2%	70bps	85.8%	-5600bps	24.1%	580bps	38.1%	25.4%	1260bps
<b>Profit before JV/Associates/NCI</b>	<b>1,490</b>	<b>1,714</b>	<b>-13%</b>	<b>85</b>	<b>1655%</b>	<b>2,620</b>	<b>-43%</b>	<b>3,867</b>	<b>5,007</b>	<b>-23%</b>
Share of JV/Associates	-383	-282	na	-361	6%	-305	26%	-1,386	-1,207	na
Non-controlling Interest	-58	-7	na	28	na	11	-620%	-39	12	na
Exceptional item	-	-	na	-	na	-	na	-	-2,438	na
<b>PAT</b>	<b>1,164</b>	<b>1,439</b>	<b>-19%</b>	<b>-304</b>	<b>na</b>	<b>2,304</b>	<b>na</b>	<b>2,520</b>	<b>1,350</b>	<b>87%</b>
<b>Adj. PAT</b>	<b>1,164</b>	<b>1,439</b>	<b>-19%</b>	<b>-304</b>	<b>na</b>	<b>2,304</b>	<b>na</b>	<b>2,520</b>	<b>3,788</b>	<b>-33%</b>
<b>Adj. EPS (INR)</b>	<b>3.5</b>	<b>4.4</b>	<b>-19%</b>	<b>-0.9</b>	<b>na</b>	<b>7.0</b>	<b>na</b>	<b>7.6</b>	<b>11.5</b>	<b>-33%</b>

Source: Company; HSIE Research

**Exhibit 2: Quarterly Performance**

Revenue ( INR mn)	Q4FY24	Q4FY23	YoY	Q3FY24	QoQ	Q4FY24E	Var	FY24	FY23	YoY
UCP	29,380	20,486	43%	14,756	99%	31,537	-7%	81,364	64,745	26%
EMPS	10,979	7,458	47%	9,819	12%	10,846	1%	36,830	24,029	53%
EPS	1,564	1,424	10%	1,548	1%	1,583	-1%	5,879	5,220	13%
<b>Total</b>	<b>41,923</b>	<b>29,368</b>	<b>43%</b>	<b>26,123</b>	<b>60%</b>	<b>43,966</b>	<b>-5%</b>	<b>1,24,074</b>	<b>93,994</b>	<b>32%</b>
<b>EBIT (INR mn)</b>										
UCP	2,704	2,057	31%	1,229	120%	3,495	-23%	6,935	5,378	29%
EMPS	-1,077	-140	na	-1,200	na	-728	48%	-3,285	-582	Na
EPS	478	559	-14%	499	-4%	574	-17%	2,057	2,007	2%
<b>Total</b>	<b>2,105</b>	<b>2,475</b>	<b>-15%</b>	<b>528</b>	<b>299%</b>	<b>3,341</b>	<b>-37%</b>	<b>5,707</b>	<b>6,803</b>	<b>-16%</b>
<b>EBIT Margin %</b>										
UCP	9.2%	10.0%	-80bps	8.3%	90bps	11.1%	-190bps	8.5%	8.3%	20bps
EMPS	-9.8%	-1.9%	-790bps	-12.2%	240bps	-6.7%	-310bps	-8.9%	-2.4%	-650bps
EPS	30.6%	39.3%	-870bps	32.2%	-170bps	36.3%	-570bps	35.0%	38.5%	-350bps
<b>Total</b>	<b>5.0%</b>	<b>8.4%</b>	<b>-340bps</b>	<b>2.0%</b>	<b>300bps</b>	<b>7.6%</b>	<b>-260bps</b>	<b>4.6%</b>	<b>7.2%</b>	<b>-260bps</b>

Source: Company; HSIE Research

**Exhibit 3: Change in estimates**

Year End (March) - INR mn	Old		New		Change %	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	1,41,562	1,60,787	1,39,103	1,56,206	-2	-3
EBITDA	10,693	13,253	10,336	13,248	-3	0
EBITDAM %	7.6	8.2	7.4	8.5	-10bps	20bps
APAT	8,238	10,435	7,883	10,458	-4	0
EPS (INR)	24.9	31.5	23.8	31.6	-4	0
<b>Rating</b>	<b>ADD</b>		<b>ADD</b>			
<b>Target Price (INR)</b>	<b>1,350</b>		<b>1,350</b>			
<b>Target P/E (x)</b>	<b>SOTP (UCP: 45x Mar'26)</b>		<b>SOTP (UCP: 45x Mar'26)</b>			

Source: Company; HSIE Research

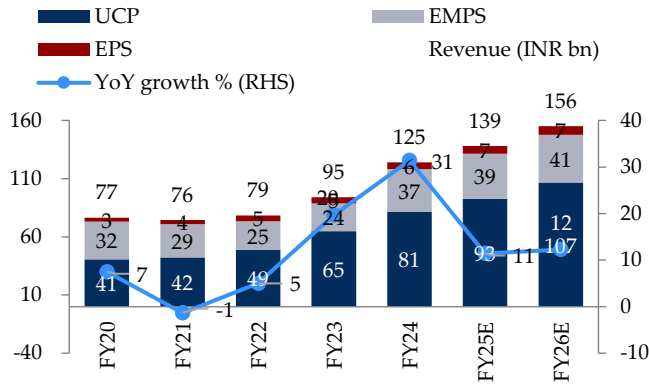
**Exhibit 4: Key Assumptions**

Year End (March)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Revenue (INR mn)</b>							
UCP	40,737	42,185	48,819	64,745	81,364	92,755	1,06,668
EMPS	32,461	28,786	24,705	24,029	36,830	38,659	41,065
EPS	3,317	3,595	4,887	5,220	5,879	6,585	7,309
<b>Total</b>	<b>76,515</b>	<b>74,566</b>	<b>78,411</b>	<b>93,994</b>	<b>1,24,074</b>	<b>1,37,999</b>	<b>1,55,043</b>
<b>Revenue Growth %</b>							
UCP	29	4	16	33	26	14	15
EMPS	-10	-11	-14	-3	53	5	6
EPS	6	8	36	7	13	12	11
<b>Total</b>	<b>8</b>	<b>-3</b>	<b>5</b>	<b>20</b>	<b>32</b>	<b>11</b>	<b>12</b>
<b>EBIT (INR mn)</b>							
UCP	5,121	5,837	5,134	5,378	6,935	8,070	9,867
EMPS	1,704	270	1,258	-582	-3,285	870	1,643
EPS	993	1,143	1,579	2,007	2,057	2,370	2,704
<b>Total</b>	<b>7,817</b>	<b>7,250</b>	<b>7,971</b>	<b>6,803</b>	<b>5,707</b>	<b>11,310</b>	<b>14,214</b>
<b>EBIT Margin %</b>							
UCP	12.6	13.8	10.5	8.3	8.5	8.7	9.3
EMPS	5.2	0.9	5.1	-2.4	-8.9	2.3	4.0
EPS	29.9	31.8	32.3	38.5	35.0	36.0	37.0
<b>Total</b>	<b>10.2</b>	<b>9.7</b>	<b>10.2</b>	<b>7.2</b>	<b>4.6</b>	<b>8.2</b>	<b>9.2</b>

Source: Company; HSIE Research

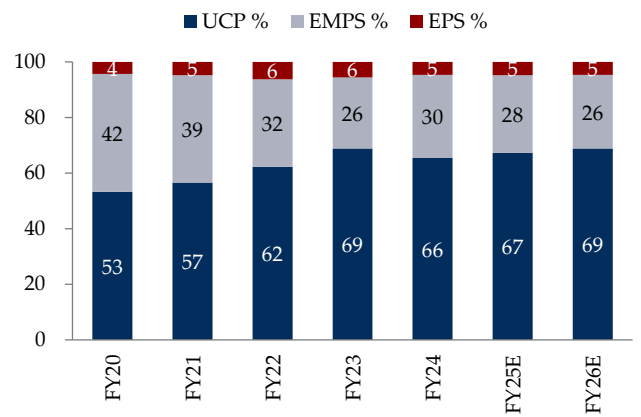
## Story in Charts

**Exhibit 5: Revenue to grow at 12% CAGR over FY24-26E**



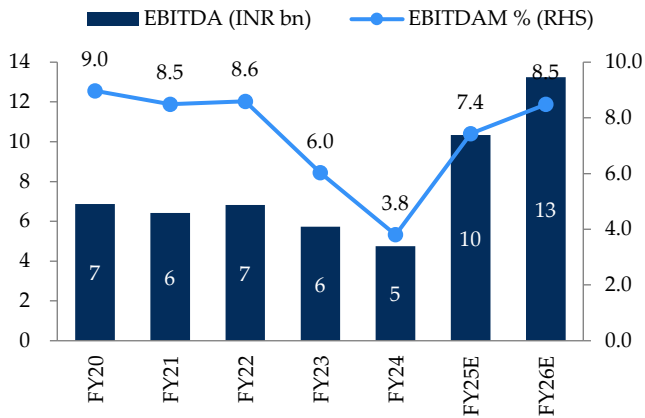
Source: Company, HSIE Research

**Exhibit 6: UCP segment dominates revenue mix**



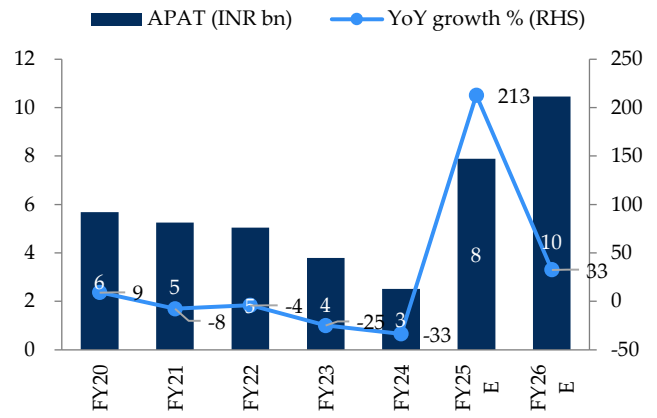
Source: Company, HSIE Research

**Exhibit 7: EBITDA to grow at 67% CAGR over FY24-26E**



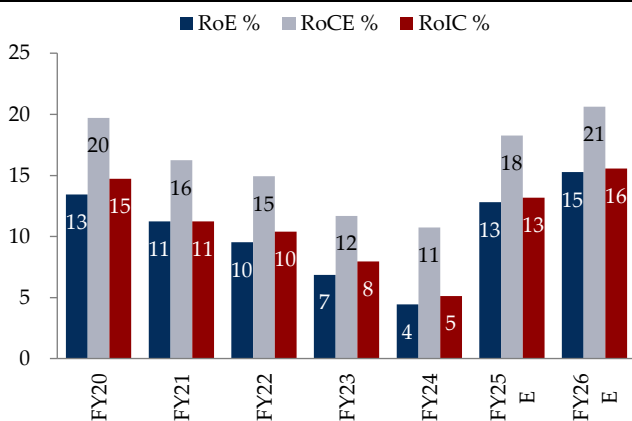
Source: Company, HSIE Research

**Exhibit 8: PAT to grow 2x over FY24-26E**



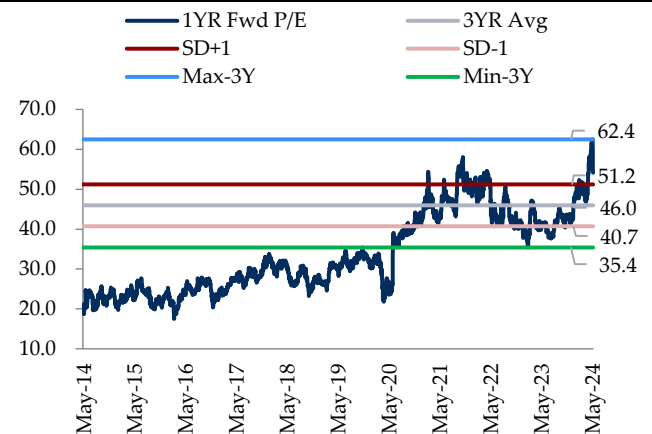
Source: Company, HSIE Research

**Exhibit 9: Return profile to recover gradually**



Source: Company, HSIE Research

**Exhibit 10: Trading at 54x 1-year forward P/E**



Source: Bloomberg, HSIE Research

## Financials

### Consolidated P&L

Year End (March) - INR mn	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Net Revenues</b>	<b>76,581</b>	<b>75,558</b>	<b>79,345</b>	<b>94,988</b>	<b>1,24,812</b>	<b>1,39,103</b>	<b>1,56,206</b>
Growth (%)	7.5	(1.3)	5.0	19.7	31.4	11.4	12.3
Material Expenses	55,549	55,785	58,967	73,782	98,140	1,08,500	1,20,278
Employee Expense	6,717	6,017	6,176	6,672	7,788	9,042	10,153
Other Expenses	7,448	7,343	7,386	8,810	14,138	11,225	12,526
<b>EBITDA</b>	<b>6,867</b>	<b>6,414</b>	<b>6,816</b>	<b>5,724</b>	<b>4,746</b>	<b>10,336</b>	<b>13,248</b>
EBITDA Growth (%)	12.3	(6.6)	6.3	(16.0)	(17.1)	117.8	28.2
EBITDA Margin (%)	9.0	8.5	8.6	6.0	3.8	7.4	8.5
Depreciation	320	339	373	396	476	577	772
<b>EBIT</b>	<b>6,547</b>	<b>6,075</b>	<b>6,443</b>	<b>5,328</b>	<b>4,270</b>	<b>9,759</b>	<b>12,476</b>
Other Income (Including EO Items)	2,306	1,889	1,892	1,685	2,533	2,792	3,069
Interest	211	262	259	296	559	528	514
<b>PBT</b>	<b>8,642</b>	<b>7,702</b>	<b>8,076</b>	<b>6,716</b>	<b>6,244</b>	<b>12,023</b>	<b>15,031</b>
Total Tax	2,233	1,804	1,913	1,709	2,377	3,066	3,833
<b>Profit before JV/Associates/NCI</b>	<b>6,409</b>	<b>5,898</b>	<b>6,163</b>	<b>5,007</b>	<b>3,867</b>	<b>8,957</b>	<b>11,198</b>
Share of JV/Associates	(687)	(610)	(1,103)	(1,207)	(1,386)	(1,094)	(745)
Non-controlling Interest	39	37	19	12	(39)	(20)	(5)
Exceptional Gain/ (loss)	(512)	-	-	(2,438)	-	-	-
<b>RPAT</b>	<b>5,172</b>	<b>5,251</b>	<b>5,041</b>	<b>1,350</b>	<b>2,520</b>	<b>7,883</b>	<b>10,458</b>
<b>Adjusted PAT</b>	<b>5,684</b>	<b>5,251</b>	<b>5,041</b>	<b>3,788</b>	<b>2,520</b>	<b>7,883</b>	<b>10,458</b>
APAT Growth (%)	9.4	(7.6)	(4.0)	(24.8)	(33.5)	212.8	32.7
<b>EPS</b>	<b>17.2</b>	<b>15.9</b>	<b>15.2</b>	<b>11.5</b>	<b>7.6</b>	<b>23.8</b>	<b>31.6</b>
EPS Growth (%)	9.4	(7.6)	(4.0)	(24.8)	(33.5)	212.8	32.7

### Consolidated Balance Sheet

Year End (March) - INR mn	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>SOURCES OF FUNDS</b>							
Share Capital - Equity	331	331	331	331	331	331	331
Other Equity	42,471	49,603	54,665	54,190	57,874	63,937	71,748
<b>Total Shareholders' Funds</b>	<b>42,802</b>	<b>49,933</b>	<b>54,996</b>	<b>54,521</b>	<b>58,205</b>	<b>64,268</b>	<b>72,079</b>
NCI	365	361	381	417	337	317	312
Long Term Debt	-	-	-	212	2,280	2,280	1,780
Short Term Debt	2,090	2,514	3,432	5,948	4,853	4,853	4,853
<b>Total Debt</b>	<b>2,090</b>	<b>2,514</b>	<b>3,432</b>	<b>6,160</b>	<b>7,133</b>	<b>7,133</b>	<b>6,633</b>
Net Deferred Taxes	(715)	(558)	(317)	(303)	176	296	446
Other Non-Current Liabilities	1,241	1,219	1,404	1,393	1,383	1,469	1,647
<b>TOTAL SOURCES OF FUNDS</b>	<b>45,783</b>	<b>53,470</b>	<b>59,896</b>	<b>62,187</b>	<b>67,234</b>	<b>73,483</b>	<b>81,117</b>
<b>APPLICATION OF FUNDS</b>							
<b>Net Block</b>	<b>2,402</b>	<b>2,384</b>	<b>2,305</b>	<b>3,611</b>	<b>3,902</b>	<b>9,623</b>	<b>11,481</b>
<b>Goodwill</b>	<b>723</b>	<b>723</b>	<b>723</b>	<b>723</b>	<b>723</b>	<b>723</b>	<b>723</b>
CWIP	263	88	593	983	3,675	1,000	1,000
Intangible assets	95	85	72	62	56	68	78
Right of Use Assets	130	133	204	357	348	348	287
Non-Current Investments	18,229	27,971	31,811	28,015	30,068	30,068	30,068
Other Non-Current Assets	3,205	2,720	2,523	4,220	3,927	4,226	4,584
<b>Total Non-current Assets</b>	<b>25,048</b>	<b>34,103</b>	<b>38,231</b>	<b>37,970</b>	<b>42,698</b>	<b>46,056</b>	<b>48,221</b>
Current-Investments	5,204	2,493	4,343	3,072	5,015	5,015	10,015
Inventories	14,689	12,796	16,614	15,920	21,354	22,866	25,678
Debtors	18,273	18,009	21,097	21,919	25,328	26,677	29,957
Cash & Equivalents	3,084	4,588	5,717	7,084	8,523	8,472	7,899
Other Current Assets	14,534	14,008	11,022	16,471	17,027	17,308	18,498
<b>Total Current Assets</b>	<b>55,784</b>	<b>51,894</b>	<b>58,792</b>	<b>64,465</b>	<b>77,246</b>	<b>80,337</b>	<b>92,047</b>
Creditors	26,889	24,645	29,421	30,126	38,557	38,110	42,796
Other Current Liabilities & Provisions	8,160	7,882	7,707	10,121	14,154	14,800	16,354
<b>Total Current Liabilities</b>	<b>35,049</b>	<b>32,527</b>	<b>37,127</b>	<b>40,247</b>	<b>52,711</b>	<b>52,911</b>	<b>59,151</b>
<b>Net Current Assets</b>	<b>20,736</b>	<b>19,367</b>	<b>21,665</b>	<b>24,218</b>	<b>24,536</b>	<b>27,427</b>	<b>32,896</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>45,783</b>	<b>53,470</b>	<b>59,896</b>	<b>62,187</b>	<b>67,234</b>	<b>73,483</b>	<b>81,117</b>

Source: Company, HSIE Research

### Consolidated Cash Flow

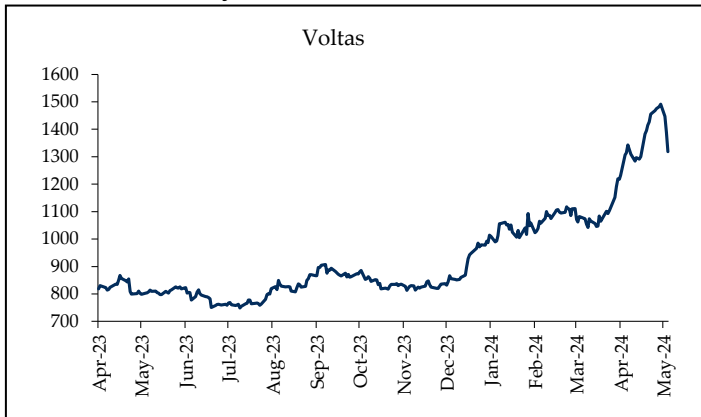
Year End (March) - INR mn	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Reported PBT	7,955	7,092	6,973	5,510	4,858	10,928	14,286
Non-operating & EO Items	(890)	141	845	884	3,036	(411)	(375)
Interest Expenses	211	262	259	296	559	528	514
Depreciation	320	339	373	396	476	577	772
Working Capital Change	(911)	(1,580)	(438)	(3,836)	801	(2,942)	(1,042)
Tax Paid	(2,061)	(693)	(2,169)	(1,656)	(2,115)	(3,066)	(3,833)
<b>OPERATING CASH FLOW ( a )</b>	<b>4,625</b>	<b>5,561</b>	<b>5,842</b>	<b>1,594</b>	<b>7,615</b>	<b>5,613</b>	<b>10,321</b>
Capex	(832)	(187)	(469)	(1,774)	(2,883)	(3,623)	(2,566)
Free Cash Flow (FCF)	3,792	5,375	5,373	(181)	4,732	1,990	7,755
Investments	(1,242)	(2,963)	(3,474)	253	(3,176)	-	(5,000)
Non-operating Income	443	323	156	450	549	306	333
Others	(474)	267	141	255	286	-	-
<b>INVESTING CASH FLOW ( b )</b>	<b>(2,105)</b>	<b>(2,559)</b>	<b>(3,646)</b>	<b>(816)</b>	<b>(5,224)</b>	<b>(3,318)</b>	<b>(7,233)</b>
Debt Issuance/(Repaid)	(1,057)	425	918	2,728	974	-	(500)
Interest Expenses	(253)	(267)	(225)	(284)	(555)	(528)	(514)
FCFE	2,989	6,066	6,516	2,831	6,261	2,518	7,768
Share Capital Issuance	-	(15)	-	-	-	-	-
Dividend	(1,627)	(1,358)	(1,676)	(1,829)	(1,432)	(1,820)	(2,647)
Others	-	-	(87)	(65)	(149)	-	-
<b>FINANCING CASH FLOW ( c )</b>	<b>(2,937)</b>	<b>(1,215)</b>	<b>(1,070)</b>	<b>550</b>	<b>(1,163)</b>	<b>(2,347)</b>	<b>(3,661)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(417)</b>	<b>1,787</b>	<b>1,126</b>	<b>1,328</b>	<b>1,228</b>	<b>(52)</b>	<b>(573)</b>
EO Items, Others	-	-	-	-	-	-	-
Closing Cash & Equivalents	2,693	4,480	5,605	6,934	8,162	8,110	7,538

### Ratios

Year End (March)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>PROFITABILITY (%)</b>							
GPM	27.5	26.2	25.7	22.3	21.4	22.0	23.0
EBITDA Margin (%)	9.0	8.5	8.6	6.0	3.8	7.4	8.5
EBIT Margin	8.5	8.0	8.1	5.6	3.4	7.0	8.0
PBT Margin	11.3	10.2	10.2	7.1	5.0	8.6	9.6
APAT Margin	7.4	7.0	6.4	4.0	2.0	5.7	6.7
RoE	13.4	11.2	9.5	6.9	4.4	12.8	15.3
RoIC (or Core RoCE)	14.7	11.3	10.4	8.0	5.1	13.2	15.6
RoCE	19.7	16.2	14.9	11.7	10.7	18.3	20.6
<b>EFFICIENCY</b>							
Tax Rate (%)	25.8	23.4	23.7	25.4	38.1	25.5	25.5
Fixed Asset Turnover (x)	16.4	15.5	16.2	16.9	18.7	13.8	10.8
Inventory (days)	61	66	68	63	62	60	60
Debtors (days)	87	88	90	83	74	70	70
Other Current Assets (days)	63	69	58	53	50	45	43
Payables (days)	121	124	124	114	113	100	100
Other Current Liab & Provns (days)	34	39	36	34	41	39	38
Cash Conversion Cycle (days)	56	60	55	49	32	37	35
Net D/E (x)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest Coverage (x)	31.0	23.2	24.9	18.0	7.6	18.5	24.3
<b>PER SHARE DATA (Rs)</b>							
EPS	17.2	15.9	15.2	11.5	7.6	23.8	31.6
CEPS	18.2	16.9	16.4	12.7	9.1	25.6	33.9
Dividend	4.0	5.0	5.5	4.3	5.5	8.0	10.0
Book Value	129.4	151.0	166.3	164.8	175.9	194.2	217.8
<b>VALUATION</b>							
P/E (x)	76.8	83.1	86.5	115.2	173.2	55.4	41.7
P/BV (x)	10.2	8.7	7.9	8.0	7.5	6.8	6.1
EV/EBITDA (x)	62.6	67.3	63.0	75.5	90.6	41.6	32.1
EV/Revenues (x)	5.6	5.7	5.4	4.6	3.4	3.1	2.7
OCF/EV (%)	1.1	1.3	1.4	0.4	1.8	1.3	2.4
FCF/EV (%)	0.9	1.2	1.3	(0.0)	1.1	0.5	1.8
FCFE/Mkt Cap (%)	0.7	1.4	1.5	0.6	1.4	0.6	1.8
Dividend Yield (%)	0.3	0.4	0.4	0.3	0.4	0.6	0.8

Source: Company, HSIE Research

1 Yr Price history



Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: >10% Downside return potential



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