

Steady Q1 despite significant Covid influence...

About the stock: NHL operates a chain of multispecialty, tertiary & primary healthcare facilities that initially focused on cardiac & renal but expanded to cancer, neurology, neurosurgery, orthopaedics & gastroenterology facilities.

- NHL network comprises 21 hospitals (including one managed hospitals), five heart centres, 19 primary care facilities (including clinics and information centres) and a multi-speciality hospital in Cayman Islands
- It has 5992 operational beds with potential to reach up to 6725 beds

Q1FY22 Results: NHL reported steady Q1FY22 results.

- Sales were up 2.6% QoQ to ₹ 859.8 crore
- EBITDA in Q1FY22 was at ₹ 133 crore, down 5.5% QoQ with margins at 15%
- Consequent adjusted PAT was at ₹ 76.2 crore (up 12% QoQ)

What should investors do? NHL's share price has grown by ~1.5x over the past five years (from ~₹ 318 in July 2016 to ~₹ 489 levels in July 2021).

- We maintain our view of BUY on this stock due to return of normalcy in elective procedures post Covid wave in Q1 and uptick in patient's visits

Target Price and Valuation: We value Narayana at an SOTP of ₹ 620 by valuing matured India & Cayman hospitals at 16x FY23E EV/EBITDA, new hospitals at 2x and other business at 1x FY23E EV/sales.

Key triggers for future price performance:

- New hospitals (SRCC, Gurugram, Dharamshila) are expected to witness a reduction in losses with ramp up in occupancies
- Improvement in numbers on the back of judicious case mix identification (more focus on oncology, transplants and non-invasive procedures)
- Significant traction from HCCI Cayman Islands which provide significant additional cushion for overall scheme of things

Alternate Stock Idea: Apart from NHL, in our healthcare coverage we like Apollo.

- Apollo Hospitals is an integrated healthcare services provider and has a robust presence across healthcare ecosystem, including hospitals, pharmacies, primary care & diagnostic clinics & retail health models

Key Financial Summary

Key Financials (₹ Crore)	FY19	FY20	FY21	5 year CAGR (FY16-21)	FY22E	FY23E	2 year CAGR (FY21-23E)
Revenues	2860.9	3127.8	2582.3	9.9	3515.5	3900.5	22.9
EBITDA	287.9	422.9	182.1	0.8	550.1	669.8	91.8
EBITDA Margins (%)	10.1	13.5	7.1		15.6	17.2	
Adjusted PAT	59.3	129.8	-14.3	-185.0	252.0	318.2	NA
EPS (₹)	2.9	6.4	-0.7		12.3	15.6	
PE (x)	173.4	79.2	NA		40.8	32.3	
EV to EBITDA (x)	38.2	26.1	59.7		20.1	16.4	
Price to book (x)	9.5	9.1	9.2		7.6	6.2	
RoE (%)	5.5	11.4	-1.3		18.6	19.3	
RoCE (%)	7.7	11.0	1.2		14.5	16.8	

Source: Company, ICICI Direct Research

BUY



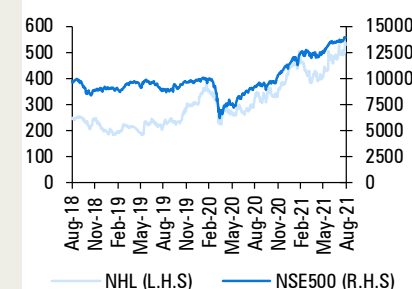
Particulars

Particular	Amount
Market Capitalisation	₹ 10285 crore
Debt (FY21)	₹ 822 crore
Cash (FY21)	₹ 132 crore
EV	₹ 10975 crore
52 week H/L (₹)	566/270
Equity capital	₹ 204.4 crore
Face value	₹ 10

Shareholding pattern

(in %)	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Promoter	63.9	63.9	63.9	63.9	63.9
Others	36.2	36.2	36.2	36.2	36.2

Price Chart



Recent Event & Key risks

- Administered 478,880 Covid vaccine doses in Q1FY22
- Key Risk:** (i) Another Covid wave (ii) Delayed break-even for newer hospitals

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Key takeaways of recent quarter & conference call highlights

Q1FY22 Results: Robust performance continues

- Narayana posted stable QoQ results, better than our estimates across all fronts. Revenues grew 2.6% QoQ to ₹ 859.8 crore. On the EBITDA front, margins declined 133 bps QoQ to 15.5% amid higher employee expenditure. Subsequently, EBITDA de-grew 5.5% QoQ to ₹ 133.7 crore. Adjusted PAT for the quarter was at ₹ 76.2 crore with 12% QoQ growth
- Despite Covid-related challenges, the company posted a steady operational performance. New hospitals (SRCC, Gurugram, Dharamshila) continue to see a reduction in losses due to ramp up in occupancies. The improvement in numbers over the last few quarters is on the back of judicious case mix identification (more focus on oncology, transplants and non-invasive procedures). We continue to believe in the long term prospects of the company on the back of asset-right model and affordability philosophy

Q1FY22 Earnings Conference Call highlights

- India business profitability was materially impacted as hospitals were overwhelmed with Covid-19 patients with significant erosion in high-end elective work
- Hospital at Health City, Bengaluru was affected (de-grew 44% YoY) due to its pre-eminence in the cardiac sciences based elective domain as well as higher reliance on out-of-station domestic and international patients
- As of Q1FY22, net debt – ₹ 428 crore with a net debt to equity ratio of 0.36 (US\$37.3 million is foreign currency denominated)
- Covid contributed 23.8% to revenue excluding vaccines
- Cayman**
 - Cayman Island 100 beds out of 110 beds operational
 - Recorded US\$68.6 million in sales in FY21 with an EBITDA of US\$26.2 million (post Ind-AS) and US\$24.5 million (pre Ind-AS)
 - Opening up new clinics with a capex of US\$1 million for day care procedures
- India Operations**
 - Region-wise YoY growth in Q1FY22 was as follows: Bangalore: 28%, Southern Peripheral: 7%, Kolkata: 30%, Eastern Peripheral: 6%, Western: 18%, Northern: 11%
 - Q1FY22 average revenue per operating bed (ARPOB) for India was ₹ 112 lakh and US\$1.9 million for HCCI (Cayman)
 - Indian operations – Cardiac: 22%, Gastro: 16%, Oncology: 13%, Renal:9%, Neuro:6%, Ortho:2%, Others:32%

Exhibit 1: Variance Analysis

	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	Comments
Revenue	859.8	393.5	118.5%	837.8	2.6%	Sequential improvement amid sharp increase in Covid patients (23.8% of India revenues), ₹ 21.4 crore of vaccine revenues and strong growth in Cayman, largely offset by decline in elective surgeries
Raw Material Expenses	215.4	110.5	94.9%	206.9	4.1%	
Employee Expenses	190.6	152.9	24.6%	169.6	12.4%	
Other Expenditure	320.1	221.0	44.8%	319.8	0.1%	
Operating Profit (EBITDA)	133.7	-91.0	LP	141.4	-5.5	
EBITDA (%)	15.5%	-23.1%	3867 bps	16.9%	-133 bps	QoQ decline mainly due to change in case mixed towards low margins COVID patients and vaccination. Beat vis-à-vis I-direct estimates mainly due to better than expected new hospitals and Cayman margins
Interest	17.1	19.7	-13.5%	18.2	-6.3%	
Depreciation	44.7	46.4	-3.5%	44.5	0.5%	
Other Income	6.7	4.7	43.6%	8.5	-21.7%	
PBT before EO & Forex	78.6	-152.4	LP	87.2	-9.9	
Forex & EO	0.0	0.0	0.0	0.0	0.0	
PBT after Exceptional Items	78.6	-152.4	LP	87.2	-9.9	
Tax	0.9	-33.7	LP	17.2	-94.9	
PAT before MI	77.7	-118.7	LP	70.0	11.0	
MI	0.1	-0.1	LP	0.0	51.3	
Adjusted Net Profit	76.2	-119.7	LP	68.0	12.0	Delta vis-à-vis EBITDA was mainly due to lower tax rate
Key Metrics						
Owned/Operated Hospitals	830.2	375.3	121.2%	800.1	3.8%	
Heart Centres	20.4	15.3	33.4%	21.0	-2.7%	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY22E			FY23E			
(₹ Crore)	Old	New	% Change	Old	New	% Change	
Revenue	3,337.1	3,515.5	5.3	3,758.2	3,900.5	3.8	
EBITDA	498.0	550.1	10.5	608.6	669.8	10.1	
EBITDA Margin (%)	14.9	15.6	73 bps	16.2	17.2	98 bps	Changed mainly due to better than expected new hospital and Cayman margins in Q1FY22
PAT	173.5	252.0	45.2	252.7	318.2	25.9	Changed mainly in sync with operational performance
EPS (₹)	8.5	12.3	45.2	12.4	15.6	25.9	

Source: ICICI Direct Research

Exhibit 3: Assumptions

	Current			Earlier			Comments
(₹ crore)	FY20	FY21	FY22E	FY23E	FY22E	FY23E	
Owned/Operated Hospitals	2,991.0	2,478.2	3,381.4	3,763.2	3,202.1	3,609.6	
Heart Centres	108.1	78.9	124.9	137.4	135.1	148.6	
Other businesses	26.6	21.6	0.0	0.0	0.0	0.0	

Source: ICICI Direct Research

Exhibit 4: Financial Summary

	Revenues	Growth	Adj. EPS	Growth	P/E	EV/EBITDA	RoE	RoCE
	(₹ crore)	(%)	(₹)	(%)	(x)	(X)	(%)	(%)
FY20	3127.8	37.1%	6.4	153.7%	79.2	26.1	11.4	11.0
FY21	2582.3	-17.4%	-0.7	-111.0%	NA	59.7	-1.3	1.2
FY22E	3515.5	36.1%	12.3		40.8	20.1	18.6	14.5
FY23E	3900.5	11.0%	15.6	26.3%	32.3	16.4	19.3	16.8

Source: ICICI Direct Research

Exhibit 5: Trends in Quarterly Performance

(₹ Crore)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	YoY (%)	QoQ (%)
Total Operating Incom	652.3	711.3	732.1	765.2	777.4	822.3	785.2	742.9	393.5	600.7	750.4	837.8	859.8	118.5	2.6
Raw Material Expenses	156.3	169.6	175.9	185.6	190.3	191.5	184.8	178.8	110.5	161.6	198.8	206.9	215.4	94.9	4.1
% of revenue	24.0	23.9	24.0	24.3	24.5	23.3	23.5	24.1	28.1	26.9	26.5	24.7	25.1		
Gross Profit	496.0	541.6	556.2	579.6	587.0	630.8	600.4	564.2	283.0	439.1	551.5	630.8	644.4	127.7	2.1
Gross Profit Margin (%)	76.0	76.1	76.0	75.7	75.5	76.7	76.5	75.9	71.9	73.1	73.5	75.3	74.9	303.4	-35.9
Employee Expenses	150.9	155.5	158.0	159.6	165.7	176.0	171.7	168.0	152.9	147.6	156.7	169.6	190.6	24.6	12.4
% of revenue	23.1	21.9	21.6	20.9	21.3	21.4	21.9	22.6	38.9	24.6	20.9	20.2	22.2		
Other Manufacturing Expe	297.7	313.1	320.2	330.5	318.5	333.1	326.1	300.5	221.0	264.8	289.9	319.8	320.1	44.8	0.1
% of revenue	45.6	44.0	43.7	43.2	41.0	40.5	41.5	40.4	56.2	44.1	38.6	38.2	37.2		
Total Expenditure	604.9	638.3	654.1	675.7	674.6	700.6	682.5	647.2	484.5	574.0	645.4	696.4	726.1	49.9	4.3
% of revenue	92.7	89.7	89.4	88.3	86.8	85.2	86.9	87.1	123.1	95.5	86.0	83.1	84.5		
EBITDA	47.4	73.0	78.0	89.5	102.8	121.7	102.7	95.7	-91.0	26.8	104.9	141.4	133.7	LP	-5.5
EBITDA Margins (%)	7.3	10.3	10.6	11.7	13.2	14.8	13.1	12.9	-23.1	4.5	14.0	16.9	15.5	3866.8	-133.0
Depreciation	32.6	34.0	34.8	35.9	41.4	42.9	46.4	55.1	46.4	46.2	46.5	44.5	44.7	-3.5	0.5
Interest	17.2	18.3	18.4	17.5	22.2	21.7	20.6	20.8	19.7	19.4	18.6	18.2	17.1	-13.5	-6.3
Other Income	3.0	3.1	3.3	7.2	4.8	6.4	5.5	7.0	4.7	10.4	4.6	8.5	6.7	43.6	-21.7
PBT before forex & EO	0.6	23.8	28.1	43.4	44.0	63.4	41.2	26.9	-152.4	-28.5	44.5	87.2	78.6	LP	-9.9
Forex & EO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	0.6	23.8	28.1	43.4	44.0	63.4	41.2	16.0	-152.4	-28.5	44.5	87.2	78.6	LP	-9.9
Total Tax	3.0	8.2	13.0	9.9	13.0	16.8	8.8	3.6	-33.7	-26.1	0.8	17.2	0.9	LP	-94.9
Tax rate (%)	465.1	34.6	46.3	22.8	29.5	26.5	21.4	22.4	22.1	NA	1.8	19.8	1.1		
PAT after MI	-4.1	13.6	12.7	37.2	30.3	45.3	31.4	12.0	-119.7	-3.4	40.8	68.0	76.2	LP	12.0
Adjusted PAT	-4.1	13.6	12.7	37.2	30.3	45.3	31.4	22.8	-119.7	-3.4	40.8	68.0	76.2	LP	12.0
EPS (₹)	-0.2	0.7	0.6	1.8	1.5	2.2	1.5	1.1	-5.9	-0.2	2.0	3.3	3.7	LP	12.0

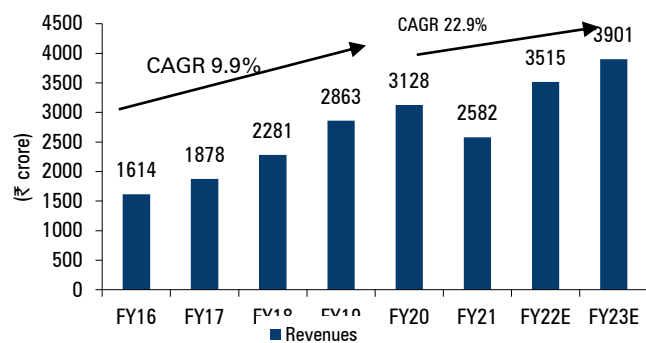
Source: ICICI Direct Research

Exhibit 6: Valuation

Particulars	Valuation Matrix	Multiple (x)	Enterprise value (₹ cr)
Hospital (Matured)	EV/EBITDA	16.0	9625.9
Cayman	EV/EBITDA	16.0	2855.2
Hospital (New)	EV/Sales	2.0	808.4
Other Business	EV/Sales	1.0	137.4
Net Debt FY23E (₹ cr)			779.7
EV (₹ cr)			12647.2
No of shares (cr)			20.4
Per Share Value (₹)			620.0

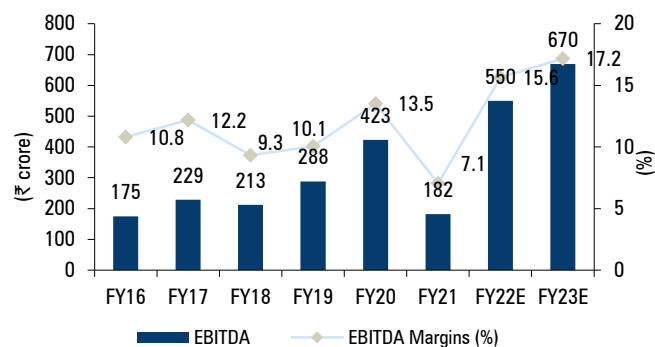
Source: Company

Exhibit 7: Revenues to grow at CAGR of 23% over FY21-23E



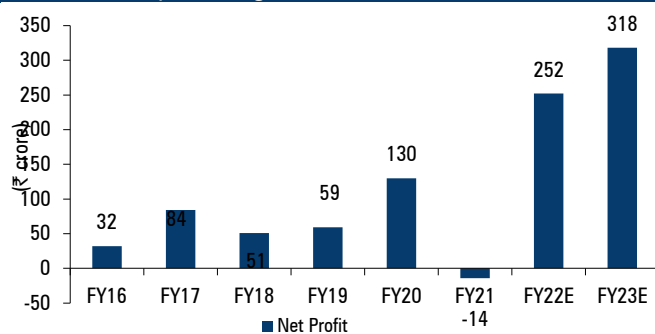
Source: ICICI Direct Research, Company

Exhibit 8: EBITDA & EBITDA margins trend



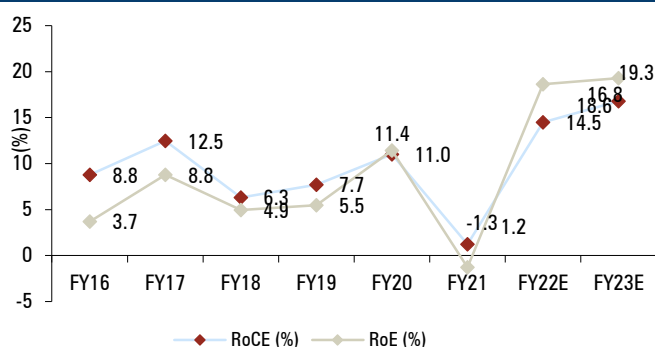
Source: ICICI Direct Research, Company

Exhibit 9: Net profit to grow at ~25% CAGR over FY20-23E



Source: ICICI Direct Research, Company

Exhibit 10: RoE & RoCE trend



Source: ICICI Direct Research, Company

Exhibit 11: ICICI Direct Coverage Universe (Healthcare)

Company	I-Direct Code	CMP (₹)	TP Rating	M Cap (₹ cr)	EPS (₹)				PE(x)				RoCE (%)				RoE (%)				
					FY20	FY21	FY22E	FY23E	FY20	FY21	FY22E	FY23E	FY20	FY21	FY22E	FY23E	FY20	FY21	FY22E	FY23E	
Ajanta Pharma	AJAPHA	2288	2,695	Buy	19797	53.4	74.0	80.8	89.8	42.9	30.9	28.3	25.5	24.7	29.0	24.9	24.0	18.1	21.8	20.2	19.2
Alembic Pharma	ALEMPHA	775	885	Hold	15227	44.4	59.9	35.2	44.3	17.4	12.9	22.0	17.5	21.0	24.2	12.7	14.8	27.1	23.0	12.3	13.8
Apollo Hospitals	APOHOS	4004	3,870	Buy	57567	22.6	7.9	55.2	81.4	177.3	509.4	72.5	49.2	10.2	6.3	13.7	18.0	9.7	2.5	15.1	18.8
Aurobindo Pharma	AURPHA	888	1,165	Buy	52014	48.8	55.0	61.4	69.3	18.2	16.1	14.5	12.8	17.2	16.8	16.3	16.5	17.0	14.7	14.2	13.9
Biocon	BIOCON	382	400	Hold	45870	5.8	6.1	6.1	12.5	65.7	62.8	62.4	30.5	10.2	7.6	8.7	12.5	10.4	9.6	8.9	15.6
Cadila Healthcare	CADHEA	586	640	Hold	59996	14.0	22.7	20.6	23.7	42.0	25.8	28.5	24.7	10.7	13.2	12.9	12.8	13.8	17.9	12.5	13.0
Cipla	CIPLA	918	1,205	Buy	74033	19.2	29.9	35.5	41.6	47.8	30.7	25.9	22.0	12.0	16.3	17.9	18.4	9.8	13.1	14.0	14.5
Divi's Lab	DIVLAB	4906	5,815	Buy	130231	51.9	74.7	94.7	116.3	94.6	65.6	51.8	42.2	23.9	27.6	28.8	29.2	18.8	21.3	22.5	23.0
Dr Reddy's Labs	DRREDD	4819	5,250	Hold	80161	121.8	117.3	126.8	197.3	39.6	41.1	38.0	24.4	9.6	13.1	12.9	16.5	13.0	11.1	10.8	14.7
Glenmark Pharma	GLEPHA	591	750	Buy	16670	26.4	32.9	42.1	50.1	22.4	18.0	14.0	11.8	12.7	13.7	15.5	16.5	12.2	13.1	14.5	14.8
Hikal	HIKCHE	626	590	Hold	7719	8.1	10.8	16.5	19.6	77.3	58.0	38.0	31.9	12.8	15.1	17.2	18.4	12.2	14.3	18.1	17.9
Ipca Laboratories	IPCLAB	2293	2,560	Buy	29089	47.6	89.9	88.2	102.4	48.2	25.5	26.0	22.4	17.6	27.1	22.2	21.5	16.6	24.2	19.3	18.4
Jubilant Pharmova	JUBLIF	653	850	Buy	10397	44.6	37.4	59.9	84.9	14.6	17.5	10.9	7.7	11.7	13.7	18.2	22.4	12.7	12.6	16.9	19.5
Lupin	LUPIN	1132	1,205	Hold	51357	-12.7	26.9	40.5	47.9	NA	42.2	28.0	23.6	9.7	9.0	12.7	14.2	-4.6	8.8	12.0	12.6
Narayana Hrudal	NARHRU	526	620	Buy	10749	6.4	-0.7	12.3	15.6	82.8	NA	42.7	33.8	11.0	1.2	14.5	16.8	11.4	-1.3	18.6	19.3
Natco Pharma	NATPHA	981	1,010	Hold	17894	25.3	24.2	19.5	23.3	38.8	40.6	50.3	42.1	14.0	13.1	10.1	11.2	12.2	10.7	8.1	9.1
Sun Pharma	SUNPHA	786	800	Hold	188588	16.8	30.0	25.1	28.6	46.8	26.2	31.3	27.5	10.0	14.4	15.1	15.3	8.9	15.5	12.0	12.2
Syngene Int.	SYNINT	622	780	Buy	24876	10.3	10.1	11.0	15.6	60.4	61.4	56.4	39.9	14.5	11.5	13.1	16.6	16.8	13.5	13.6	16.1
Torrent Pharma	TORPHA	3074	3,250	Buy	52011	60.6	74.0	78.5	101.5	50.7	41.5	39.1	30.3	15.4	17.7	20.8	22.2	21.2	21.4	19.4	21.1
Shalby	SHALIM	210	130	Hold	2229	2.6	3.9	5.2	5.5	82.2	53.5	40.4	37.9	7.2	6.5	8.3	8.4	3.5	5.1	6.4	6.5
Aster DM	ASTDM	161	210	Buy	8217	5.7	3.0	10.5	13.7	28.2	54.4	15.4	11.7	7.2	5.4	9.1	10.6	8.7	4.4	13.4	15.0
Indoco Remedies	INDREM	450	390	Buy	4196	2.6	10.1	15.6	19.6	172.0	44.6	28.8	23.0	4.6	11.8	16.9	19.0	3.5	12.1	16.2	17.3
Caplin Point	CAPPOI	915	1,135	Buy	6756	28.4	32.0	40.8	47.4	32.2	28.6	22.4	19.3	26.5	25.4	26.1	25.6	22.7	20.4	21.1	20.0
Granules India	GRANUL	381	430	Buy	9741	12.4	22.2	23.6	28.7	30.7	17.2	16.2	13.3	15.2	24.0	23.4	24.2	16.7	25.3	21.5	21.0
Laurus Labs	LAULAB	703	785	Buy	34493	4.8	18.3	22.6	28.0	147.8	38.4	31.1	25.1	13.0	31.7	30.6	30.6	14.4	37.9	32.9	29.8

Source: ICICI Direct Research

Financial Summary

Exhibit 12: Profit and loss statement					₹ crore
(Year-end March)	FY20	FY21	FY22E	FY23E	
Revenues	3,127.8	2,582.3	3,515.5	3,900.5	
Growth (%)	9.3	-17.4	36.1	11.0	
Raw Material Expenses	745.3	677.9	906.4	1,005.2	
Employee Expenses	681.4	626.8	779.3	864.6	
Other Manufacturing Expenses	1,278.2	1,095.6	1,279.6	1,360.9	
Total Operating Expenditure	2,704.9	2,400.2	2,965.3	3,230.7	
EBITDA	422.9	182.1	550.1	669.8	
Growth (%)	46.9	-56.9	202.1	21.7	
Interest	85.3	76.0	68.4	68.4	
Depreciation	185.8	183.5	194.1	208.6	
Other Income	23.8	28.2	27.3	35.1	
PBT before Exceptional Items	175.6	-49.2	315.0	428.0	
Less: Forex & Exceptional Items	10.9	0.0	0.0	0.0	
PBT	164.7	-49.2	315.0	428.0	
Total Tax	42.3	-41.8	61.5	109.8	
PAT before MI	122.5	-7.5	253.5	318.2	
Minority Interest	0.1	0.0	0.1	0.0	
PAT	118.9	-14.3	252.0	318.2	
Adjusted PAT	129.8	-14.3	252.0	318.2	
Growth (%)	118.8	-111.0		26.3	
EPS	5.8	-0.7	12.3	15.6	
EPS (Adjusted)	6.4	-0.7	12.3	15.6	

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement					₹ crore
(Year-end March)	FY20	FY21	FY22E	FY23E	
Profit/(Loss) after taxation	118.9	-14.3	252.0	318.2	
Add: Depreciation & Amortization	185.8	183.5	194.1	208.6	
Net Increase in Current Assets	24.3	-20.8	-107.8	-16.1	
Net Increase in Current Liabilities	45.4	87.4	6.5	49.0	
Others	85.3	76.0	68.4	68.4	
CF from operating activities	459.7	311.8	413.2	628.0	
(Inc)/dec in Fixed Assets	-394.1	-60.7	-550.0	-420.0	
(Inc)/dec in Investments	-68.9	-34.0	0.0	0.0	
Others	-12.4	6.6	8.0	8.4	
CF from investing activities	-475.4	-88.1	-542.0	-411.6	
Inc / (Dec) in Equity Capital	0.0	0.0	0.0	0.0	
Inc / (Dec) in Debt	138.7	-130.5	200.0	0.0	
Dividend & Dividend Tax	-23.8	0.0	-20.4	-20.4	
Others	-85.3	-76.0	-68.4	-68.4	
CF from financing activities	29.7	-206.5	111.2	-88.8	
Net Cash flow	14.1	17.3	-17.7	127.6	
Opening Cash	100.7	114.8	132.1	114.4	
Closing Cash	114.8	132.1	114.4	242.0	
Free Cash Flow	65.6	251.1	-136.8	208.0	

Source: Company, ICICI Direct Research

Exhibit 14: Balance Sheet					₹ crore
(Year-end March)	FY20	FY21	FY22E	FY23E	
Equity Capital	204.4	204.4	204.4	204.4	
Reserve and Surplus	931.6	915.9	1,147.5	1,445.2	
Total Shareholders fund	1,136.0	1,120.3	1,351.8	1,649.6	
Total Debt	952.2	821.7	1,021.7	1,021.7	
Deferred Tax Liability	54.4	13.0	13.7	14.4	
Minority Interest	0.5	0.5	0.6	0.6	
Other liabilities	280.4	259.5	272.4	286.1	
Source of Funds	2,423.5	2,215.0	2,660.2	2,972.3	
Gross Block - Fixed Assets	2,877.0	2,929.6	3,179.6	3,329.6	
Accumulated Depreciation	843.3	1,026.8	1,221.0	1,429.5	
Net Block	2,033.7	1,902.8	1,958.7	1,900.1	
Capital WIP	11.8	19.9	319.9	589.9	
Net Fixed Assets	2,045.5	1,922.7	2,278.6	2,490.0	
Goodwill on Consolidation	58.1	58.1	58.1	58.1	
Investments	86.3	120.3	120.3	120.3	
Inventory	60.2	47.9	102.2	113.3	
Cash	114.8	132.1	114.4	242.0	
Debtors	262.2	278.5	327.2	327.0	
Loans & Advances & Other CA	79.8	96.7	101.5	106.6	
Total Current Assets	517.1	555.2	645.3	789.0	
Creditors	361.6	410.3	409.6	450.9	
Provisions & Other CL	106.0	144.7	152.0	159.6	
Total Current Liabilities	467.6	555.0	561.5	610.5	
Net Current Assets	49.5	0.1	83.7	178.5	
LT L& A, Other Assets	182.0	111.9	117.5	123.4	
Deferred Tax Assets	2.0	1.8	1.9	2.0	
Application of Funds	2,423.5	2,215.0	2,660.2	2,972.3	

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios				
(Year-end March)	FY20	FY21	FY22E	FY23E
Per share data (₹)				
EPS	6.4	-0.7	12.3	15.6
Cash EPS	14.3	8.3	20.8	24.8
BV	55.6	54.8	66.1	80.7
DPS	1.2	0.0	1.0	1.0
Cash Per Share	41.3	50.2	59.7	70.0
Operating Ratios (%)				
EBITDA margins	13.5	7.1	15.6	17.2
Net Profit margins	4.1	-0.6	7.2	8.2
Cash Conversion cycle	-4.6	-11.9	2.1	-1.0
Asset Turnover	1.1	0.9	1.2	1.3
Return Ratios (%)				
RoE	11.4	-1.3	18.6	19.3
RoCE	11.0	1.2	14.5	16.8
RoIC	10.9	-0.1	16.9	22.9
Valuation Ratios (x)				
P/E	79.2	NA	40.8	32.3
EV / EBITDA	26.1	59.7	20.1	16.4
EV / Revenues	3.5	4.2	3.2	2.8
Market Cap / Revenues	3.3	4.0	2.9	2.6
Price to Book Value	9.1	9.2	7.6	6.2
Solvency Ratios				
Net Debt / Equity	0.8	0.6	0.7	0.6
Net Debt / EBITDA	1.8	3.2	1.4	1.0
Current Ratio	0.9	0.8	0.9	0.9

Source: Company, ICICI Direct Research

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