

The Ramco Cements

Estimate change

TP change

Rating change



| | |
|-----------------------|-------------|
| Bloomberg | TRCL IN |
| Equity Shares (m) | 236 |
| M.Cap.(INRb)/(USDb) | 182.9 / 2.2 |
| 52-Week Range (INR) | 1058 / 743 |
| 1, 6, 12 Rel. Per (%) | -4/-34/-35 |
| 12M Avg Val (INR M) | 498 |

Financial Snapshot (INR b)

| Y/E Mar | FY24 | FY25E | FY26E |
|-------------------|------|-------|-------|
| Sales | 93.5 | 102.5 | 111.3 |
| EBITDA | 15.5 | 18.7 | 21.5 |
| Adj. PAT | 3.9 | 5.8 | 7.7 |
| EBITDA Margin (%) | 16.6 | 18.3 | 19.3 |
| Adj. EPS (INR) | 16.7 | 24.6 | 32.6 |
| EPS Gr. (%) | 15.0 | 47.5 | 32.2 |
| BV/Sh. (INR) | 302 | 323 | 353 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | 0.7 | 0.7 | 0.6 |
| RoE (%) | 5.7 | 7.9 | 9.6 |
| RoCE (%) | 6.0 | 7.2 | 8.0 |
| Payout (%) | 15.0 | 14.2 | 10.7 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 46.3 | 31.4 | 23.7 |
| P/BV (x) | 2.6 | 2.4 | 2.2 |
| EV/EBITDA(x) | 13.9 | 12.1 | 10.4 |
| EV/ton (USD) | 114 | 115 | 105 |
| Div. Yield (%) | 0.3 | 0.5 | 0.5 |
| FCF Yield (%) | -0.5 | -0.1 | 2.0 |

Shareholding pattern (%)

| As On | Mar-24 | Dec-23 | Mar-23 |
|----------|--------|--------|--------|
| Promoter | 42.3 | 42.1 | 42.3 |
| DII | 35.6 | 36.3 | 35.9 |
| FII | 7.4 | 7.9 | 7.6 |
| Others | 14.7 | 13.6 | 14.3 |

FII Includes depository receipts

CMP: INR774

TP: INR870 (+12%)

Neutral

EBITDA in line; weak pricing an overhang

Reduces capex guidance to INR12b in FY25 from INR17b previously

■ The Ramco Cements (TRCL)'s 4QFY24 EBITDA was in line with our estimates, as higher-than-estimated volume offset lower-than-estimated realization. Its EBITDA grew 1% YoY to INR4.2b (est. INR4.0b). EBITDA/t stood at INR760 vs. estimated INR794. OPM was down 50bp YoY to 15.6% (est. 16.1%). PAT was at INR1.2b vs. our estimate of INR1.1b due to lower-than-estimated depreciation and tax rates.

■ Management has reduced its capex guidance by INR5b to INR12b for FY25. Its capacity utilization stood at ~96% in 4QFY24 aided by strong demand in both eastern and southern regions. It is expanding its clinker/grinding capacities at its Kurnool, Andhra Pradesh plant by 3.15mt/1.5mtpa at a capex of INR12.5b. Its net debt declined INR2b sequentially to INR48b and net debt-to-EBITDA was 3.0x in FY24.

■ We cut our EPS estimates by 5% (each) for FY25/FY26. **We value TRCL at 12x FY26E EV/EBITDA to arrive at our revised TP of INR870 (earlier INR940). We reiterate our Neutral rating on the stock.**

Volume rises 17% YoY; EBITDA/t at INR760 (est. INR794)

■ Revenue/EBITDA/PAT stood at INR26.7b/INR4.2b/INR1.2b (up 5%/up 1%/down 20% YoY and 8%/4%/14% above our estimates) in 4QFY24. Sales volume at 5.5mt grew 17% YoY (9% above our estimate). The realization at INR4,869/t (down 11% YoY and 8% QoQ) was 1% below our estimate.

■ Opex/t declined 14% YoY, due to an 18% decline in variable costs and a 6% decline in employee expenses. Conversely, freight costs/other expenses increased 2%/4% YoY. OPM was down 50bp YoY to 15.6%, and EBITDA/t was down 14% YoY to INR760.

■ **In FY24**, TRCL's revenue rose 15% YoY, driven by 23% volume growth and a 7% decline in realization. EBITDA grew 31% YoY to INR15.5b. EBITDA/t was up 7% YoY to INR844. OPM surged 2pp YoY to 16.6%. PAT grew 15% YoY to INR3.95b. Its OCF increased 35% YoY to INR19b. Capex stood at INR19.2b vs. INR17.7b in FY23, resulting in an FCF outflow of INR279m vs. INR3.6b in FY23.

Highlights from the management commentary

- Cement volume is expected to recover post-elections, supported by robust demand from housing and commercial segments. Cement prices are under pressure in TRCL's key markets (except Odisha).
- Blended fuel consumption cost was USD141/t (INR1.65/kcal) vs. USD178 (INR2.1/kcal) in 4QFY23.
- Management reduced its FY25 capex guidance to INR12b vs. INR17b earlier.

View and valuation

■ We estimate the company's volume growth to moderate to ~8% CAGR over FY24-26 vs. ~29% over FY22-24. Pricing pressure in its key markets, higher leverage, and low return ratios (RoE/ROCE estimated in high single digits in FY25) will remain an overhang on the stock.

■ At CMP, the stock trades fairly at 12x/10x FY25E/FY26E EV/EBITDA. **We value TRCL at 12x FY26E EV/EBITDA and reiterate our Neutral rating with a revised TP of INR870 (vs. INR940 earlier).**

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Quarterly Performance

(INR b)

| Y/E March | FY23 | | | | FY24 | | | | FY23 | FY24 | FY24 | Var. |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 4QE | (%) |
| Sales volume (m ton) | 3.31 | 3.35 | 3.64 | 4.70 | 4.30 | 4.61 | 4.00 | 5.49 | 15.02 | 18.40 | 5.04 | 9 |
| YoY Change (%) | 54.6 | 23.5 | 21.1 | 45.5 | 29.9 | 37.7 | 9.9 | 16.8 | 34.8 | 22.5 | 7.2 | |
| Realization (INR/ton) | 5,298 | 5,253 | 5,515 | 5,464 | 5,212 | 5,053 | 5,265 | 4,869 | 5,384 | 5,081 | 4,932 | (1) |
| YoY Change (%) | (6.2) | (2.5) | 7.3 | 3.4 | (1.6) | (3.8) | (4.5) | (10.9) | 1.3 | (5.6) | (9.7) | |
| QoQ Change (%) | 0.3 | (0.9) | 5.0 | (0.9) | (4.6) | (3.1) | 4.2 | (7.5) | | | (6.3) | |
| Net Sales | 17.7 | 17.8 | 20.1 | 25.7 | 22.4 | 23.3 | 21.1 | 26.7 | 81.4 | 93.5 | 24.9 | 8 |
| YoY Change (%) | 44.3 | 19.5 | 29.7 | 50.3 | 26.4 | 30.5 | 4.8 | 4.0 | 36.0 | 14.9 | (3.3) | |
| Total Expenditure | 14.7 | 16.0 | 17.2 | 21.6 | 19.0 | 19.3 | 17.1 | 22.6 | 69.5 | 78.0 | 20.8 | 8 |
| EBITDA | 3.0 | 1.8 | 2.8 | 4.1 | 3.4 | 4.0 | 4.0 | 4.2 | 11.8 | 15.5 | 4.0 | 4 |
| Margins (%) | 17.0 | 10.3 | 14.2 | 16.1 | 15.2 | 17.1 | 18.8 | 15.6 | 14.5 | 16.6 | 16.1 | |
| Depreciation | 1.1 | 1.2 | 1.4 | 1.4 | 1.5 | 1.6 | 1.7 | 1.7 | 5.0 | 6.4 | 1.7 | (1) |
| Interest | 0.5 | 0.6 | 0.6 | 0.8 | 0.9 | 1.2 | 1.0 | 1.0 | 2.4 | 4.2 | 1.0 | 0 |
| Other Income | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.4 | 0.4 | 0.2 | (14) |
| PBT before EO expense | 1.5 | 0.2 | 1.0 | 2.1 | 1.1 | 1.4 | 1.3 | 1.6 | 4.7 | 5.4 | 1.5 | 11 |
| PBT | 1.5 | 0.2 | 1.0 | 2.1 | 1.1 | 1.4 | 1.3 | 1.6 | 4.7 | 5.4 | 1.5 | 11 |
| Tax | 0.4 | 0.0 | 0.3 | 0.5 | 0.3 | 0.4 | 0.4 | 0.4 | 1.3 | 1.5 | 0.4 | |
| Prior year tax | - | - | - | - | - | - | - | - | - | - | - | |
| Rate (%) | 27.0 | 28.4 | 30.7 | 26.3 | 27.0 | 26.7 | 30.8 | 25.2 | 27.5 | 27.3 | 27.4 | |
| Reported PAT | 1.1 | 0.1 | 0.7 | 1.5 | 0.8 | 1.0 | 0.9 | 1.2 | 3.4 | 3.9 | 1.1 | 14 |
| Adj PAT | 1.1 | 0.1 | 0.7 | 1.5 | 0.8 | 1.0 | 0.9 | 1.2 | 3.4 | 3.9 | 1.1 | 14 |
| YoY Change (%) | (33.6) | (94.7) | (18.4) | 23.7 | (29.7) | 783.2 | 38.6 | (20.4) | (41.8) | 15.0 | (30.4) | |
| Margins (%) | 6.3 | 0.6 | 3.4 | 5.9 | 3.5 | 4.3 | 4.4 | 4.5 | 4.2 | 4.2 | 4.3 | |

Per ton analysis (incl. Dry mortar)

(INR/t)

| | | | | | | | | | | | | |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
| Net realization | 5,355 | 5,331 | 5,519 | 5,467 | 5,212 | 5,053 | 5,265 | 4,869 | 5,416 | 5,081 | 4,932 | (1) |
| RM Cost | 798 | 806 | 764 | 1,130 | 760 | 959 | 820 | 1,132 | 894 | 934 | 1,008 | 12 |
| Employee Expenses | 327 | 335 | 310 | 241 | 294 | 300 | 342 | 227 | 306 | 286 | 273 | (17) |
| Power, Oil & Fuel | 1,584 | 1,991 | 1,929 | 1,635 | 1,758 | 1,358 | 1,384 | 1,128 | 1,772 | 1,389 | 1,240 | (9) |
| Freight cost | 1,087 | 1,040 | 1,087 | 1,063 | 1,064 | 1,025 | 1,073 | 1,082 | 1,067 | 1,062 | 1,066 | 2 |
| Other Expenses | 650 | 610 | 646 | 521 | 541 | 546 | 658 | 541 | 590 | 567 | 550 | (2) |
| Total Expenses | 4,447 | 4,782 | 4,737 | 4,589 | 4,418 | 4,188 | 4,277 | 4,110 | 4,629 | 4,238 | 4,137 | (1) |
| EBITDA | 908 | 549 | 782 | 878 | 794 | 865 | 988 | 760 | 787 | 844 | 794 | (4) |

Source: Company, MOFSL Estimates



Highlights from the management commentary

Capex and project update

- A brownfield expansion of clinker/cement capacity of 3.15mtpa/1.5mtpa will be carried out at its Kurnool (Andhra Pradesh) plant (including 15MW of WHRS), at an estimated capex of INR12.5b. It is likely to be completed by 4QFY26. In FY24, capex stood at INR19b. Capex is pegged at INR12b in FY25 reduced from earlier estimate of INR17b.
- Expansion of the Dry Mortar Plant 2 units (capacity of 80t/hour for each plant) in Andhra Pradesh and Odisha will be commissioned in Jun'24 (earlier estimated in Mar'24). It has acquired 660 acres of mining land (500 acres acquired until Dec'23) in the states of Karnataka for a greenfield project.
- The thermal power plant of 18MW will be commissioned in Jun'24 (earlier estimate Mar'24) and the railway siding will be commissioned during Sep'24 (earlier estimate Jun'24).

Cement demand trend and volume guidance

- Cement capacity utilization stood at 96% vs. 85%/74% in 4QFY23/ 3QFY24, respectively. Dry-motor sale volume grew 18% YoY and 9% QoQ in 4QFY24. In FY24, capacity utilization stood at 83% vs. 73% in FY23. Dry-motor sale volume grew 51% YoY in FY24.
- Cement volume is expected to recover post-election supported by robust demand from housing and commercial segments.

Operational highlights

- The share of premium products was 29% vs. 28% in 4QFY23 in the South region. In the East region, the share of premium products was 20% vs. 16% in 4QFY23. Overall premium product share stood at 28% in 4QFY24/FY24.
- OPC share was ~32% of total volumes in 4QFY24 vs. 33% in 4QFY23/3QFY24 (each). OPC share stood at 32% in FY24 vs. 30% in FY23.
- Blended coal consumption cost was USD141/t (INR1.65/kcal) vs. USD178/t (INR2.1/kcal) in 4QFY23. It used 51% petcoke vs. 56%/51% in 4QFY23/3QFY24.
- Green energy contributed 36% of power requirements vs. 23%/36% in 4QFY23/ 3QFY24. Green power share is likely to reach 42% in FY25 and 48% in FY26, post-commissioning of WHRS of 10MW at the Tamil Nadu plant by 4QFY25.

Debt and other highlights

- Net debt (including working capital borrowings) stood at INR48b vs. INR43b/ INR50b as of Mar'23/Dec'23. Net debt-to-EBITDA was 3.0x vs. 3.6x in FY23. The average cost of borrowings increased to 7.70% for FY24 from 6.35% in FY23 due to an increase in market rates.

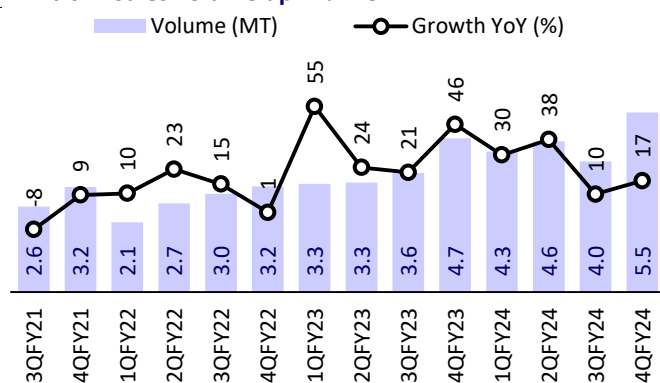
Exhibit 1: Revisions to our estimates

| (INR b) | Revised | | Old | | Change (%) | |
|-----------|---------|-------|-------|-------|------------|-------|
| | FY25E | FY26E | FY25E | FY26E | FY25E | FY26E |
| Revenue | 102.5 | 111.3 | 101.0 | 110.2 | 1.5% | 1.0% |
| EBITDA | 18.7 | 21.5 | 19.2 | 22.3 | -2.8% | -3.6% |
| PAT | 5.8 | 7.7 | 6.1 | 8.1 | -5.2% | -5.2% |
| EPS (INR) | 24.6 | 32.6 | 26.0 | 34.4 | -5.2% | -5.2% |

Source: Company, MOFSL

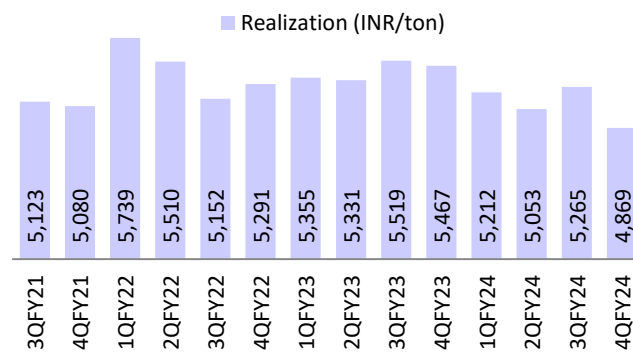
Story in charts

Exhibit 2: Sales volume up 17% YoY



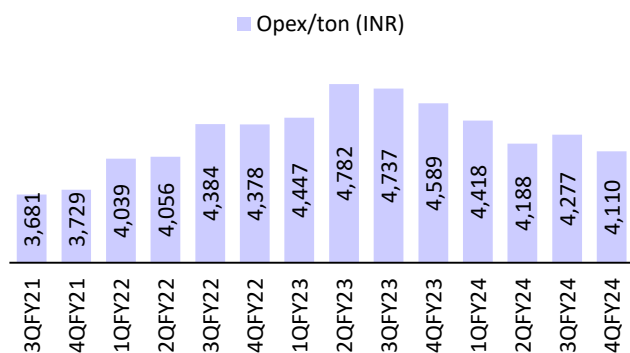
Source: MOFSL, Company

Exhibit 3: Realization down 11% YoY and 8% QoQ



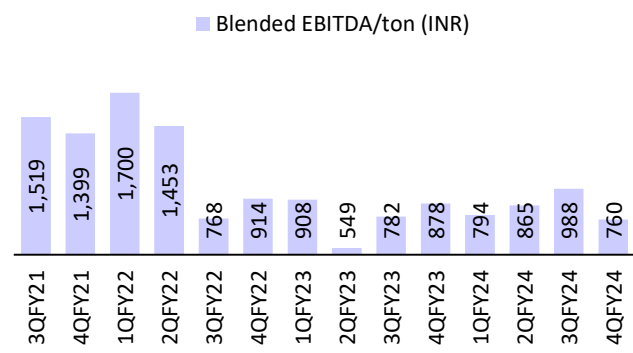
Source: MOFSL, Company

Exhibit 4: Opex/t declined 10% YoY and 4% QoQ



Source: MOFSL, Company

Exhibit 5: EBITDA/t declined 14% YoY/23% QoQ



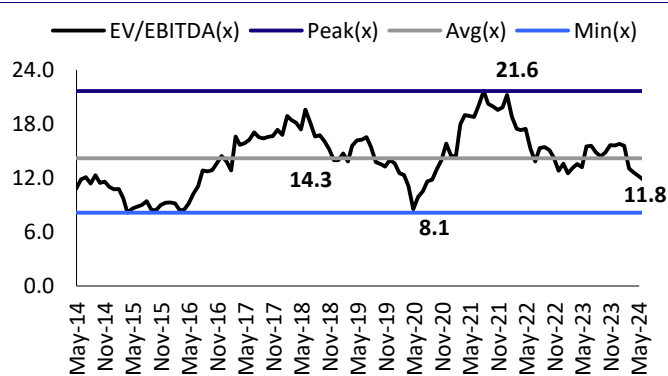
Source: MOFSL, Company

Exhibit 6: Key performance indicators – per ton analysis

| INR/t | 4QFY24 | 4QFY23 | YoY (%) | 3QFY24 | QoQ (%) |
|------------------------------|--------------|--------------|---------------|--------------|---------------|
| Net realization | 4,869 | 5,467 | (10.9) | 5,265 | (7.5) |
| RM Cost | 1,132 | 1,130 | 0.2 | 820 | 38.0 |
| Employee Expenses | 227 | 241 | (5.8) | 342 | (33.7) |
| Power, Oil & Fuel | 1,128 | 1,635 | (31.0) | 1,384 | (18.5) |
| Freight and Handling Outward | 1,082 | 1,063 | 1.8 | 1,073 | 0.8 |
| Other Expenses | 541 | 521 | 4.0 | 658 | (17.7) |
| Total Expenses | 4,110 | 4,589 | (10.4) | 4,277 | (3.9) |
| EBITDA | 760 | 878 | (13.5) | 988 | (23.1) |

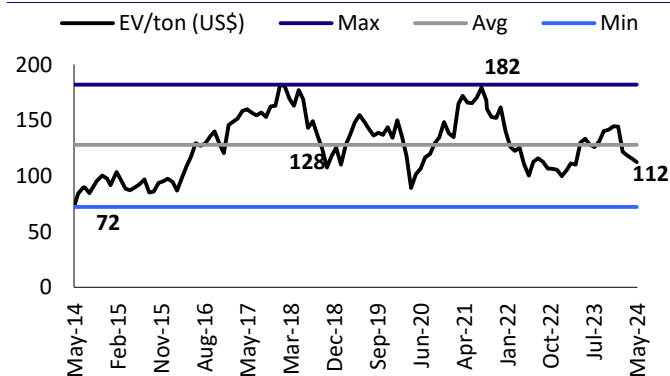
Source: MOFSL, Company

Exhibit 7: One-year forward EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

Exhibit 8: One-year forward EV/ton chart



Source: MOFSL, Company, Bloomberg

Financials and valuations

| Income Statement | | | | | | | (INR m) | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| Y/E March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E |
| Net Sales | 51,220 | 53,435 | 52,684 | 59,800 | 81,353 | 93,498 | 1,02,515 | 1,11,300 |
| Change (%) | 16.8 | 4.3 | -1.4 | 13.5 | 36.0 | 14.9 | 9.6 | 8.6 |
| EBITDA | 10,123 | 11,117 | 15,480 | 12,838 | 11,820 | 15,525 | 18,714 | 21,535 |
| Margin (%) | 19.8 | 20.8 | 29.4 | 21.5 | 14.5 | 16.6 | 18.3 | 19.3 |
| Depreciation | 2,985 | 3,153 | 3,553 | 4,008 | 5,044 | 6,359 | 6,719 | 7,035 |
| EBIT | 7,138 | 7,964 | 11,927 | 8,830 | 6,775 | 9,167 | 11,995 | 14,499 |
| Int. and Finance Charges | 509 | 714 | 876 | 1,124 | 2,405 | 4,155 | 4,392 | 4,358 |
| Other Income - Rec. | 527 | 622 | 346 | 306 | 367 | 423 | 430 | 476 |
| PBT bef. EO Exp. | 7,156 | 7,872 | 11,397 | 8,012 | 4,737 | 5,435 | 8,033 | 10,617 |
| EO Expense/(Income) | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PBT after EO Exp. | 7,126 | 7,872 | 11,397 | 8,012 | 4,737 | 5,435 | 8,033 | 10,617 |
| Current Tax | 1,846 | 1,393 | 2,440 | 1,768 | 257 | 409 | 2,209 | 2,920 |
| Deferred Tax | 221 | 469 | 1,346 | -2,682 | 1,045 | 1,076 | 0 | 0 |
| Tax Rate (%) | 29.0 | 23.6 | 33.2 | -11.4 | 27.5 | 27.3 | 27.5 | 27.5 |
| Reported PAT | 5,059 | 6,011 | 7,611 | 8,927 | 3,435 | 3,950 | 5,824 | 7,698 |
| PAT Adj for EO items | 5,089 | 6,011 | 7,611 | 5,899 | 3,435 | 3,950 | 5,824 | 7,698 |
| Change (%) | -9.8 | 18.1 | 26.6 | -22.5 | -41.8 | 15.0 | 47.5 | 32.2 |
| Margin (%) | 9.9 | 11.2 | 14.4 | 9.9 | 4.2 | 4.2 | 5.7 | 6.9 |

| Balance Sheet | | | | | | | (INR m) | |
|-------------------------------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Y/E March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E |
| Equity Share Capital | 236 | 236 | 236 | 236 | 236 | 236 | 236 | 236 |
| Total Reserves | 44,366 | 48,950 | 56,032 | 65,012 | 67,699 | 71,205 | 76,202 | 83,073 |
| Net Worth | 44,601 | 49,186 | 56,268 | 65,249 | 67,935 | 71,441 | 76,438 | 83,309 |
| Deferred Liabilities | 8,704 | 9,172 | 10,877 | 8,240 | 9,285 | 10,304 | 10,304 | 10,304 |
| Total Loans | 16,187 | 30,241 | 31,017 | 39,300 | 44,874 | 49,168 | 54,168 | 56,168 |
| Capital Employed | 69,493 | 88,599 | 98,162 | 1,12,789 | 1,22,095 | 1,30,914 | 1,40,911 | 1,49,781 |
| Gross Block | 84,945 | 93,901 | 1,06,223 | 1,18,037 | 1,47,329 | 1,72,397 | 1,92,182 | 2,04,182 |
| Less: Accum. Deprn. | 33,514 | 35,757 | 38,720 | 42,728 | 47,772 | 54,131 | 60,850 | 67,886 |
| Net Fixed Assets | 51,431 | 58,144 | 67,503 | 75,309 | 99,557 | 1,18,266 | 1,31,331 | 1,36,296 |
| Capital WIP | 8,308 | 18,143 | 23,255 | 30,340 | 19,873 | 13,784 | 8,000 | 12,000 |
| Total Investments | 4,294 | 4,275 | 4,369 | 4,220 | 4,209 | 4,397 | 4,397 | 4,397 |
| Curr. Assets, Loans&Adv. | 17,049 | 19,908 | 18,331 | 20,687 | 21,530 | 25,235 | 30,458 | 33,446 |
| Inventory | 5,597 | 6,453 | 5,979 | 8,333 | 8,823 | 9,823 | 12,639 | 13,722 |
| Account Receivables | 4,900 | 5,269 | 3,752 | 3,498 | 4,650 | 8,522 | 8,426 | 9,148 |
| Cash and Bank Balance | 928 | 914 | 1,419 | 1,760 | 1,686 | 1,352 | 968 | 1,428 |
| Loans and Advances | 5,625 | 7,273 | 7,181 | 7,095 | 6,371 | 5,539 | 8,426 | 9,148 |
| Curr. Liability & Prov. | 11,589 | 11,871 | 15,296 | 17,767 | 23,074 | 30,770 | 33,276 | 36,358 |
| Account Payables | 11,179 | 11,341 | 14,655 | 16,985 | 22,141 | 29,635 | 32,299 | 35,067 |
| Provisions | 410 | 531 | 641 | 782 | 933 | 1,135 | 977 | 1,291 |
| Net Current Assets | 5,461 | 8,037 | 3,035 | 2,920 | -1,545 | -5,535 | -2,818 | -2,912 |
| Appl. of Funds | 69,493 | 88,599 | 98,162 | 1,12,789 | 1,22,095 | 1,30,914 | 1,40,911 | 1,49,781 |

Source: Company, MOFSL Estimates

Financials and valuations

Ratios

| Y/E March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | |
| EPS | 21.6 | 25.5 | 32.3 | 25.0 | 14.5 | 16.7 | 24.6 | 32.6 |
| Cash EPS | 34.3 | 38.9 | 47.3 | 41.9 | 35.9 | 43.6 | 53.1 | 62.3 |
| BV/Share | 189.3 | 208.8 | 238.5 | 276.1 | 287.5 | 302.3 | 323.5 | 352.6 |
| DPS | 3.0 | 2.5 | 3.0 | 3.0 | 2.0 | 2.5 | 3.5 | 3.5 |
| Payout (%) | 16.8 | 11.8 | 9.3 | 7.9 | 13.8 | 15.0 | 14.2 | 10.7 |
| Valuation (x) | | | | | | | | |
| P/E | 35.8 | 30.3 | 24.0 | 31.0 | 53.2 | 46.3 | 31.4 | 23.7 |
| Cash P/E | 22.6 | 19.9 | 16.3 | 18.5 | 21.6 | 17.7 | 14.6 | 12.4 |
| P/BV | 4.1 | 3.7 | 3.2 | 2.8 | 2.7 | 2.6 | 2.4 | 2.2 |
| EV/Sales | 3.7 | 3.6 | 3.6 | 3.2 | 2.5 | 2.3 | 2.2 | 2.0 |
| EV/EBITDA | 18.7 | 17.4 | 12.2 | 14.8 | 17.4 | 13.9 | 12.1 | 10.4 |
| EV/Ton (USD) | 137 | 125 | 118 | 118 | 113 | 114 | 115 | 105 |
| Dividend Yield (%) | 0.4 | 0.3 | 0.4 | 0.4 | 0.3 | 0.3 | 0.5 | 0.5 |
| Return Ratios (%) | | | | | | | | |
| RoIC | 9.3 | 10.0 | 11.9 | 13.5 | 5.7 | 6.4 | 7.3 | 8.1 |
| RoE | 12.0 | 12.8 | 14.4 | 9.7 | 5.2 | 5.7 | 7.9 | 9.6 |
| RoCE | 9.7 | 9.4 | 9.8 | 10.6 | 4.8 | 6.0 | 7.2 | 8.0 |
| Working Capital Ratios | | | | | | | | |
| Asset Turnover (x) | 0.7 | 0.6 | 0.5 | 0.5 | 0.7 | 0.7 | 0.7 | 0.7 |
| Inventory (Days) | 39.9 | 44.1 | 41.4 | 50.9 | 39.6 | 38.3 | 45.0 | 45.0 |
| Debtor (Days) | 34.9 | 36.0 | 26.0 | 21.3 | 20.9 | 33.3 | 30.0 | 30.0 |
| Creditor (Days) | 79.7 | 77.5 | 101.5 | 103.7 | 99.3 | 115.7 | 115.0 | 115.0 |
| Leverage Ratio (x) | 21.6 | 25.5 | 32.3 | 25.0 | 14.5 | 16.7 | 24.6 | 32.6 |
| Current Ratio | 34.3 | 38.9 | 47.3 | 41.9 | 35.9 | 43.6 | 53.1 | 62.3 |
| Debt/Equity | 189.3 | 208.8 | 238.5 | 276.1 | 287.5 | 302.3 | 323.5 | 352.6 |

Cash Flow Statement

| Y/E March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (INR m) | | | | | | | | |
| OP/(Loss) before Tax | 7,156 | 7,872 | 11,397 | 8,012 | 4,737 | 5,435 | 8,033 | 10,617 |
| Depreciation | 2,985 | 3,153 | 3,553 | 4,008 | 5,044 | 6,359 | 6,719 | 7,035 |
| Interest & Finance Charges | 404 | 714 | 876 | 1,124 | 2,405 | 4,155 | 4,392 | 4,358 |
| Direct Taxes Paid | -1,584 | -1,861 | -3,786 | 915 | -1,302 | -1,485 | -2,209 | -2,920 |
| (Inc)/Dec in WC | -929 | -2,590 | 5,507 | 457 | 4,390 | 3,656 | -3,101 | 555 |
| CF from Operations | 8,032 | 7,287 | 17,547 | 14,516 | 15,275 | 18,120 | 13,834 | 19,646 |
| Others | -127 | 100 | 143 | 30 | -166 | -88 | 0 | 0 |
| CF from Operating incl EO | 7,904 | 7,387 | 17,690 | 14,546 | 15,109 | 18,032 | 13,834 | 19,646 |
| (Inc)/Dec in FA | -12,018 | -18,791 | -17,434 | -18,900 | -18,826 | -18,979 | -14,000 | -16,000 |
| Free Cash Flow | -4,114 | -11,404 | 256 | -4,354 | -3,717 | -948 | -166 | 3,646 |
| (Pur)/Sale of Investments | 9 | 19 | -94 | 150 | 11 | -189 | 0 | 0 |
| Others | -2,588 | -1,257 | 1,150 | -1,904 | 935 | 1,254 | 0 | 0 |
| CF from Investments | -14,597 | -20,029 | -16,378 | -20,654 | -17,880 | -17,914 | -14,000 | -16,000 |
| Issue of Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inc/(Dec) in Debt | 7,755 | 14,054 | 776 | 8,282 | 5,575 | 4,294 | 5,000 | 2,000 |
| Interest Paid | -476 | -714 | -876 | -1,124 | -2,405 | -4,155 | -4,392 | -4,358 |
| Dividend Paid | -853 | -711 | -708 | -709 | -473 | -591 | -827 | -827 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CF from Fin. Activity | 6,426 | 12,630 | -808 | 6,450 | 2,697 | -452 | -219 | -3,185 |
| Inc/Dec of Cash | -266 | -13 | 504 | 342 | -74 | -334 | -384 | 461 |
| Opening Balance | 1,194 | 927 | 915 | 1,419 | 1,761 | 1,686 | 1,352 | 968 |
| Closing Balance | 927 | 915 | 1,419 | 1,761 | 1,686 | 1,352 | 968 | 1,428 |

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| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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