

## Cement | Q4FY24 Result Update

## Increase in capex/Net Debt to limit upside

- STRCEM's results came in-line, however APAT was above estimates. Revenue grew by 10.2% to Rs9.1 bn (+40.2% QoQ) led by volume growth of 14.3% YoY at 1.4mt (+45.5% QoQ), which was partially offset by -3.6% YoY in realization/tn to Rs6,474 (-3.6% QoQ). EBITDA grew by 8.1% YoY to Rs1.8 bn. However, APAT remained flat at YoY to Rs884 mn due to lower other income coupled with higher depreciation, finance cost and tax.
- The company guided volume growth of 18-20% YoY, EBITDA/tn of ~Rs1,550 and capex of ~ Rs10 bn for FY25E. It also guided Rs.40 bn capex over next 3-4 years. We expect Revenue/EBITDA/APAT CAGR of 18.7%/32.8%/30.9% over FY24-26E led by 20%/20% volume growth and -0.7%/0.5% realization growth in FY25E/FY26E.
- We decrease our FY25E/FY26E EBITDA estimates by 7.0%/4.1% factoring lower realization. Despite assigning a higher multiple of 10x vs. earlier 9x (considering healthy growth for FY25E/FY26E), a ~20% stock run up since our last result update on 8 Feb'24 coupled with increasing capex/net debt leaves limited upside. Accordingly, we downgrade to 'Reduce' rating from BUY with revised TP of Rs243 based on 10x consolidated FY26E EV/EBITDA and 50% Capital WIP of FY26E.

## Expansion to support growth

We like STRCEM due to its strong presence in lucrative North-East region and improving utilization. With the start of 3.3mtpa clinker at Meghalaya/2mtpa GU at Guwahati, its capacity has increased to 7.67mtpa in Apr'24. Further, capacity will increase to 9.67mtpa (2mtpa GU, Silchar) by FY26E. We factor higher capex of Rs10 bn/Rs7 bn for FY25E/FY26E (vs. earlier Rs6 bn/Rs2.5 bn) and higher Net Debt of Rs3.7 bn/Rs2.6 bn respectively.

## EBITDA/tn -5.3% YoY/ -16.9% QoQ

In-line volume (+14.3% YoY/ +45.5% QoQ to 1.4mt), in-line realization/ tn (-3.6% YoY/ -3.6% QoQ to Rs6,474) and in-line cost/tn (-3.1% YoY/ +0.4% QoQ to Rs5,201) resulted EBITDA/tn of Rs1,274.

## Q4FY24 Result (Rs Mn)

Particulars	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)
Revenue	9,135	8,292	10.2	6,514	40.2
Total Expense	7,338	6,630	10.7	5,026	46.0
EBITDA	1,797	1,662	8.1	1,488	20.8
Depreciation	423	351	20.5	365	15.7
EBIT	1,375	1,311	4.8	1,122	22.5
Other Income	78	127	(38.5)	41	89.5
Interest	42	12	253.2	30	40.0
EBT	1,411	1,427	(1.1)	1,134	24.4
Tax	535	466	14.8	399	34.0
RPAT	877	961	(8.8)	735	19.2
APAT	884	885	(0.1)	737	20.1
			(bps)		(bps)
Gross Margin (%)	68.6	76.3	(770)	80.8	(1217)
EBITDA Margin (%)	19.7	20.0	(37)	22.8	(316)
NPM (%)	9.6	11.6	(200)	11.3	(169)
Tax Rate (%)	37.9	32.6	525	35.2	271
EBIT Margin (%)	15.0	15.8	(77)	17.2	(218)

CMP	Rs 236
Target / Upside	Rs 243 / 3%
NIFTY	22,598

## Scrip Details

Equity / FV	Rs 404mn / Rs 1
Market Cap	Rs 95bn
	USD 1.2bn
52-week High/Low	Rs 256/ 124
Avg. Volume (no)	736,963
Bloom Code	STRCEM IN

Price Performance	1M	3M	12M
Absolute (%)	2	14	86
Rel to NIFTY (%)	1	12	63

## Shareholding Pattern

	Sep'23	Dec'23	Mar'24
Promoters	66.6	66.5	66.6
MF/Banks/FIs	6.0	6.0	6.1
FIs	0.8	1.1	1.5
Public / Others	26.7	26.5	25.8

## Valuation (x)

	FY24A	FY25E	FY26E
P/E	33.0	24.5	17.7
EV/EBITDA	17.2	13.0	10.0
ROE (%)	11.5	13.4	16.0
RoACE (%)	11.3	13.0	14.8

## Estimates (Rs bn)

	FY24A	FY25E	FY26E
Revenue	29.1	34.0	41.0
EBITDA	5.6	7.6	9.8
PAT	2.9	3.9	5.4
EPS (Rs.)	7.2	9.6	13.3

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**Exhibit 1: Actual V/s DART estimates (Rs mn)**

Particulars (Rs mn)	Actual	DART Est	% Variance	Comments
Revenue	9,135	9,150	(0.2)	In line
EBITDA	1,797	1,804	(0.4)	In line
EBITDA (%)	19.7	19.7	(4 bps)	-
APAT	884	1,042	(15.2)	Lower other income coupled with higher finance cost, depreciation and tax vs. estimates

Source: Company, DART

**Exhibit 2: Change in estimates**

Particulars (Rs mn)	FY25E			FY26E		
	New	Old	Chg (%)	New	Old	Chg (%)
Net revenues	33,990	35,365	(3.9)	40,992	42,438	(3.4)
EBIDTA	7,598	8,172	(7.0)	9,812	10,228	(4.1)
EBIDTA margin (%)	22.4%	23.1%	(75 bps)	23.9%	24.1%	(16 bps)
Adj. Net Profit	3,885	4,170	(6.8)	5,379	5,795	(7.2)
EPS (Rs)	9.6	10.3	(6.8)	13.3	14.3	(7.2)

Source: Company, DART

We decrease our Revenue/EBITDA/APAT estimates by 3.8%/2.9%/7.7% and 3.4%/4.1%/ 7.2% for FY25E and FY26E respectively factoring lower realization.

**Exhibit 3: Volume, Realization & Cost/tn Analysis**

Particulars (Rs)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY24	FY23	YoY (%)
Volume (MT)	1.4	1.2	14.3	1.0	45.5	4.4	4.0	10.6
Realization/tn (Rs)	6,474	6,714	(3.6)	6,716	(3.6)	6,554	6,738	(2.7)
EBITDA/tn (Rs)	1,274	1,346	(5.3)	1,534	(16.9)	1,253	1,167	7.4
Cost/tn (Rs)	5,201	5,368	(3.1)	5,182	0.4	5,301	5,572	(4.8)
Raw Material Cost/tn (Rs)	2,030	1,588	27.8	1,289	57.5	1,647	1,546	6.5
Employee Expenses/tn (Rs)	388	447	(13.2)	562	(31.0)	484	491	(1.4)
Power and Fuels/tn (Rs)	831	1,288	(35.5)	1,378	(39.7)	1,250	1,358	(8.0)
Freight Expenses/tn (Rs)	1,158	1,137	1.8	1,135	2.0	1,103	1,252	(11.9)
Other expenses/tn (Rs)	794	908	(12.5)	818	(3.0)	819	925	(11.5)

Source: Company, DART

**Exhibit 4: % of Revenue**

Particulars	Q4FY24	Q4FY23	Bps	Q3FY24	Bps	FY24	FY23	Bps
Raw Material Cost	31.4	23.7	770	19.2	1,217	25.1	22.9	218
Employee Expenses	6.0	6.7	(67)	8.4	(238)	7.4	7.3	10
Power and Fuels	12.8	19.2	(635)	20.5	(768)	19.1	20.2	(108)
Freight Expenses	17.9	16.9	94	16.9	98	16.8	18.6	(175)
Other expenses	12.3	13.5	(126)	12.2	8	12.5	13.7	(124)

Source: Company, DART

**Exhibit 5: Income Statement (Consolidated)**

Particulars (Rs mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY24	FY23	YoY (%)
<b>Total Revenue</b>	<b>9,135</b>	<b>8,292</b>	<b>10.2</b>	<b>6,514</b>	<b>40.2</b>	<b>29,107</b>	<b>27,048</b>	<b>7.6</b>
Raw Material Cost	2,865	1,961	46.1	1,250	129.1	7,313	6,206	17.8
Employee Expenses	548	552	(0.9)	545	0.4	2,148	1,969	9.1
Power and Fuel	1,172	1,591	(26.3)	1,336	(12.3)	5,551	5,452	1.8
Freight Cost	1,633	1,405	16.3	1,101	48.4	4,897	5,024	(2.5)
Other expenses	1,120	1,121	(0.1)	794	41.1	3,635	3,713	(2.1)
<b>Total Expenditure</b>	<b>7,338</b>	<b>6,630</b>	<b>10.7</b>	<b>5,026</b>	<b>46.0</b>	<b>23,544</b>	<b>22,365</b>	<b>5.3</b>
<b>PBIDT (Excl. OI)</b>	<b>1,797</b>	<b>1,662</b>	<b>8.1</b>	<b>1,488</b>	<b>20.8</b>	<b>5,563</b>	<b>4,684</b>	<b>18.8</b>
Other Income	78	127	(38.5)	41	89.5	265	521	(49.2)
Depreciation	423	351	20.5	365	15.7	1,466	1,311	11.8
<b>EBIT</b>	<b>1,453</b>	<b>1,439</b>	<b>1.0</b>	<b>1,164</b>	<b>24.8</b>	<b>4,362</b>	<b>3,894</b>	<b>12.0</b>
Interest	42	12	253.2	30	40.0	126	97	30.0
<b>EBT</b>	<b>1,411</b>	<b>1,427</b>	<b>(1.1)</b>	<b>1,134</b>	<b>24.4</b>	<b>4,236</b>	<b>3,797</b>	<b>11.6</b>
Exceptional item	0	0	-	0	-	0	0	-
<b>PBT (after exceptional item)</b>	<b>1,411</b>	<b>1,427</b>	<b>(1.1)</b>	<b>1,134</b>	<b>24.4</b>	<b>4,236</b>	<b>3,797</b>	<b>11.6</b>
Tax	535	466	14.8	399	34.0	1,285	1,321	(2.7)
<b>RPAT</b>	<b>877</b>	<b>961</b>	<b>(8.8)</b>	<b>735</b>	<b>19.2</b>	<b>2,951</b>	<b>2,476</b>	<b>19.2</b>
Non-Controlling interest	0	0	-	0	-	0	0	-
Adjustments	8	(76)	-	1	460.7	(252)	(76)	-
<b>APAT</b>	<b>884</b>	<b>885</b>	<b>(0.1)</b>	<b>737</b>	<b>20.1</b>	<b>2,700</b>	<b>2,400</b>	<b>12.5</b>
<b>Adj. EPS (Rs)</b>	<b>2.2</b>	<b>2.2</b>	<b>(0.1)</b>	<b>1.8</b>	<b>20.1</b>	<b>6.5</b>	<b>5.8</b>	<b>12.5</b>
			<i>bps</i>		<i>bps</i>			<i>bps</i>
EBIDTA Margin (excl. O.I.)	19.7	20.0	(37.0)	22.8	(316.4)	19.1	17.3	179.6
NPM (%)	9.7	10.7	(99.7)	11.3	(162.8)	9.3	8.9	40.1
Tax Rate (%)	37.9	32.6	524.7	35.2	271.0	30.3	34.8	(445.5)

Source: DART, Company

**Exhibit 6: Valuation**

Particulars	Rs mn
Assumed EV/EBITDA multiple (x)	10.0
EBITDA (FY26E)	9,812
EV	98,118
Less: Net Debt (FY26E)	2,585
Mcap	95,533
Shares o/s (mn)	404
(a) Value/share (Rs)	236
50% of FY26E Capital WIP	2,595
(b) Value/share (Rs)	6.4
<b>Target price (Rs.) (a+b)</b>	<b>243</b>
<b>CMP (Rs.)</b>	<b>236</b>
Up/(down)side (%)	2.9

Source: Company, DART

## Earnings call KTAs

### Demand and volume

- **Clinker production** stood at 0.693mt in Q4FY24 vs. 0.737mt/ 0.778mt in Q3FY24/ Q4FY23. **Cement production** stood at 1.388mt in Q4FY24 vs. 0.982mt/ 1.253mt in Q3FY24/ Q4FY23.
- **Cement sales** stood at 1.387mt in Q4FY24 vs. 0.967mt/ 1.235mt in Q3FY24/ Q4FY23. Clinker sale stood at 0.024mt in Q4FY24 vs. 0.003mt in Q3FY24.
- STRCEM targets **volume growth of 18-20% volume growth in FY25**, 80-90% of incremental volume will be contributed from ramp up of recently started 2mtpa GU at Guwahati. Demand is currently moderate for Q1FY25 due to elections and festivities; however, company expects demand to improve from Q2FY25. Volume is expected to be slightly lower for Q1FY25 at 6-7% YoY (degrowth in Apr'24/ 8-9% in May'24/ 10% in Jun'24) due to election and festivities but will pick up from Q2FY25. The company also expects sale of clinker of 0.4-0.5mt in FY25.
- **Trade:Non trade mix** stood at 84-85:15-16 in Q4FY24 vs. 87:13/ 87:13 in Q3FY24/ Q4FY23. Post setting up of new clinker plant, company will continue to grow in trade segment and focus on expanding non-trade segment as institutional demand is expected to remain buoyant. Targets to increase non-trade share to 20%.
- **Premium share** stood at 6.7% in Q4FY24 vs. 6.5%/ 4% in Q3FY24/ Q4FY23.
- **Capacity utilization** currently stands at 78%. For FY25, company expects capacity utilization of 80%/ 50% in Siliguri/ Guwahati plant.
- In Q4FY24, **PPC:OPC** stood at 90:10 vs. 90:10/ 91:9 in Q3FY24/ Q4FY23.
- **Geological mix** stood at 75:25 in Q4FY24 in North-East: Outside North-East vs. 75:25/ 74:26 in Q3FY24/ Q4FY23. Target to increase outside NE share to 30%.
- **Lead distance** stood at 227 kms in Q4FY24 vs. 215 kms/ 224 kms in Q3FY24/ Q4FY23.

### Price

- Currently **cement prices are stable in NE, whereas outside NE (WB and Bihar), realization/tn decline by Rs300/tn vs. avg of Q4FY24**. STRCEM expects stable pricing for FY25.

### Profitability

- For Q4FY24, EBITDA/ tn for Outside NE market stood at Rs260/ tn vs. Rs300/tn in Q3FY24 vs. Rs500/ tn in Q4FY23. Profitability in non-trade in NE is ~Rs1,200/tn.
- STRCEM **targets to achieve EBITDA/ tn of Rs1550 in FY25 vs. Rs1253 in FY24**. With increasing share of non-trade and outside NE, realization/profitability may come down but higher volume broadly to offset in absolute EBITDA.

### Cost

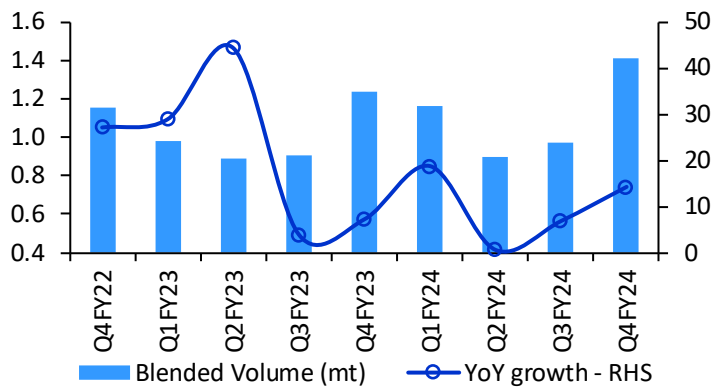
- **Fuel mix** stands at 50%/ 36%/ 10%/ 4% for spot contract coal/ Nagaland Coal/ Biomass/ AFR in Q4FY24 vs. 55%/ 26%/ 7%/ 12% in Q3FY24 vs. 45%/ 25%/ 15%/ 15% in Q4FY23.
- **On per kcal basis, fuel cost** stood at Rs1.7 per kcal in Q4FY24 vs. Rs1.75/ Rs2.4 per Kcal in Q3FY24/ Q4FY23; **expect decline to Rs1.55/ kcal in FY25**. The company has entered long term FSA contract with Coal India to procure 0.36mt of coal at Rs1.5/ GCV, procurement will start from May'25, this will help in reduction of fuel cost.
- Cost/ tn may increase in Q1FY25 due to commissioning of plants, however as kiln starts to operate efficiently, STRCEM expects cost to stabilize from Q2FY25.

## Capex, Debt and Expansion

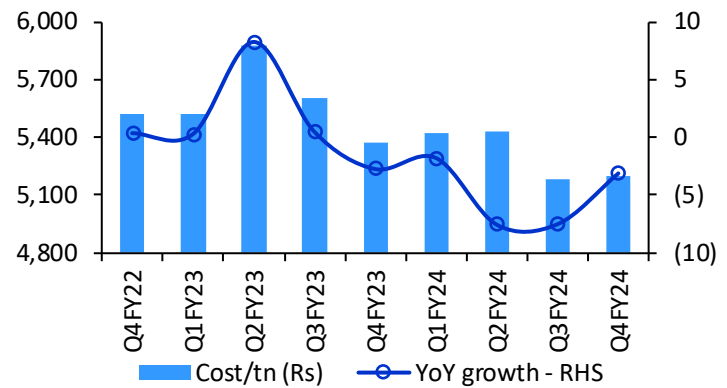
- **Ongoing expansion** - STRCEM has successfully started commercial operation of its 2mtpa GU/3.3mtpa clinker in Guwahati/Meghalaya from 12 Mar'24/21 Apr'24. Taking this, company's total cement/ clinker capacity stands at 7.67mtpa/ 6.1mtpa. The company expects 2mtpa GU in Silchar (greenfield) to get commissioned by Q3FY26, 90% land acquisition completed. STRCEM is also setting up 2mtpa cement capacity in Jorhat, Assam with a capex of Rs4.5 bn to be commissioned by FY27. Post this, company will reach cement capacity of 11.67mtpa.
- **Capex** for FY25 is expected to be Rs10 bn of which Rs3 bn/ Rs2.2 bn/ Rs650 mn/ Rs300 mn/ Rs580 mn/ Rs300 mn/ Rs1.5 bn for Silchar GU/ Meghalaya clinker unit/ AAC block/ Jorhat land acquisition/ wagons/ group captive power plant/ operational capex. For 3.3mtpa clinker at Meghalaya, STRCEM has already incurred capex of Rs10.4 bn out of Rs12.5 bn. For 2mtpa Silchar GU, spent capex of Rs220 mn, expect further capex of Rs3 bn/~Rs1.3 bn in FY25/ FY26. The company expects to incur expansion capex of Rs40 bn over next 3 years of which majority will be financed through internal accruals and rest by QIP/ debt.
- **Future expansion** - STRCEM targets to reach 20mtpa cement capacity by FY30 and will look at expanding outside North-East markets. It is looking at greenfield opportunity in Rajasthan (~4.5-5mtpa IU with capex of Rs25 bn plant over 3-4 years) and is currently in the process of acquiring mines in Jaisalmer/ Nagaur. This expansion would help to diversify outside NE region and serve markets of North India.
- **M&A** – Doesn't expect any material M&A in NE. Also, no major clinker capacity addition expected in Dalmia's plant (3.6mtpa clinker) over next 4-5 years in NE as STRCEM's 3.3mtpa clinker + Dalmia's 3.6mtpa clinker are sufficient to cater NE demand (11-12mtpa now).
- 12MW WHRS is expected to start by Aug-Sep'24; the company is also looking to set up 26MW solar+wind project.
- **Net Debt** stood at Rs910 mn in FY24 vs. Net cash of Rs1.16 bn in Q3FY24 vs. Rs5.1 bn in FY23. Out of Rs10 bn capex planned for FY25, company expects to fund Rs7.5 bn/ Rs2 bn through internal accruals/ debt. STRCEM expects to reach at debt level of Rs3 bn by end of FY25.
- Flyash at Siliguri is currently transported by road, company is working on booking wagons, this which will lead to reduction in flyash cost at Siliguri unit from FY26. Delivery of wagons is expected in Mar-Apr'25.
- **AAC block project** - STRCEM expects project to get completed by Aug-Sep'24, revenue for FY25 is expected to be at Rs350-400 bn with 20% margins.

## Incentives and GST benefits

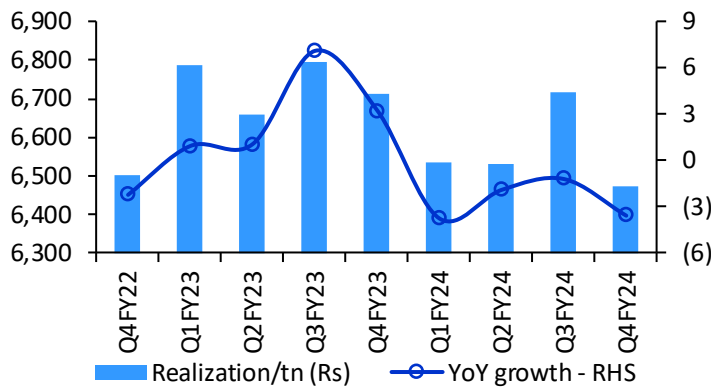
- STRCEM expects GST benefits of Rs1.5-1.6 bn/ Rs2 bn in FY25/ FY26. For Guwahati unit, SGST benefit to accrue from Q2FY25 post exhausting GST benefit on capex.

**Exhibit 7: Volume (mt)**


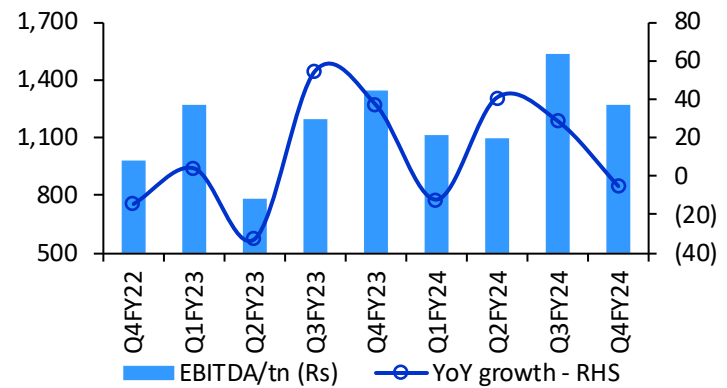
Source: Company, DART

**Exhibit 8: Cost/tn (Rs)**


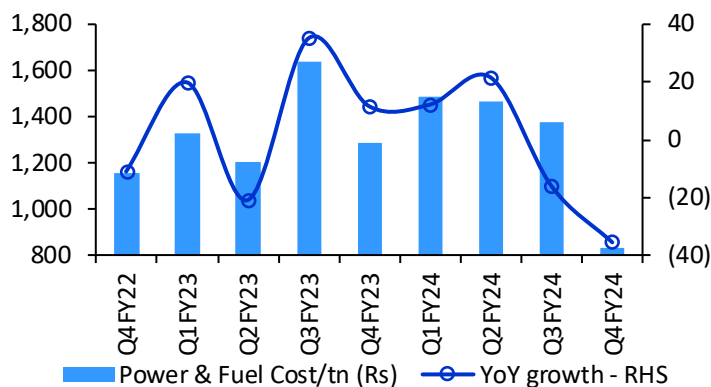
Source: Company, DART

**Exhibit 9: Realization/tn (Rs)**


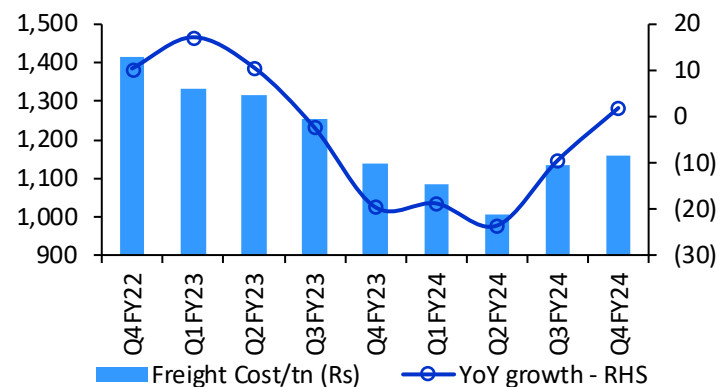
Source: Company, DART

**Exhibit 10: EBITDA/tn (Rs)**


Source: Company, DART

**Exhibit 11: Power & fuel cost/tn (Rs)**


Source: Company, DART

**Exhibit 12: Freight cost/tn (Rs)**


Source: Company, DART



## Financial Performance

### Profit and Loss Account

(Rs Mn)	FY23A	FY24A	FY25E	FY26E
<b>Revenue</b>	<b>27,048</b>	<b>29,107</b>	<b>33,990</b>	<b>40,992</b>
<b>Total Expense</b>	<b>22,364</b>	<b>23,544</b>	<b>26,392</b>	<b>31,180</b>
COGS	16,731	17,761	19,712	23,423
Employees Cost	1,969	2,148	2,363	2,575
Other expenses	3,664	3,635	4,318	5,181
<b>EBIDTA</b>	<b>4,684</b>	<b>5,563</b>	<b>7,598</b>	<b>9,812</b>
Depreciation	1,311	1,466	2,384	2,824
<b>EBIT</b>	<b>3,373</b>	<b>4,097</b>	<b>5,213</b>	<b>6,988</b>
Interest	97	126	400	250
Other Income	521	265	408	492
Exc. / E.O. items	0	0	0	0
<b>EBT</b>	<b>3,797</b>	<b>4,236</b>	<b>5,221</b>	<b>7,229</b>
Tax	1,321	1,285	1,337	1,851
<b>RPAT</b>	<b>2,476</b>	<b>2,951</b>	<b>3,885</b>	<b>5,379</b>
Minority Interest	0	0	0	0
Adjustment	(76)	(59)	0	0
<b>APAT</b>	<b>2,400</b>	<b>2,893</b>	<b>3,885</b>	<b>5,379</b>

### Balance Sheet

(Rs Mn)	FY23A	FY24A	FY25E	FY26E
<b>Sources of Funds</b>				
Equity Capital	404	404	404	404
Minority Interest	0	0	0	0
Reserves & Surplus	23,760	26,697	30,582	35,960
<b>Net Worth</b>	<b>24,164</b>	<b>27,101</b>	<b>30,986</b>	<b>36,364</b>
Total Debt	261	1,298	4,798	2,898
Net Deferred Tax Liability	0	0	0	0
<b>Total Capital Employed</b>	<b>24,425</b>	<b>28,399</b>	<b>35,784</b>	<b>39,263</b>

### Applications of Funds

Net Block	8,909	14,185	27,800	30,976
CWIP	5,506	10,190	4,190	5,190
Investments	1,725	20	20	0
<b>Current Assets, Loans &amp; Advances</b>	<b>15,173</b>	<b>11,629</b>	<b>12,459</b>	<b>13,478</b>
Inventories	3,741	3,350	4,004	4,829
Receivables	1,047	1,508	1,676	2,022
Cash and Bank Balances	3,117	973	847	313
Loans and Advances	173	33	33	33
Other Current Assets	6,562	5,552	5,686	6,281
<b>Less: Current Liabilities &amp; Provisions</b>	<b>6,889</b>	<b>7,624</b>	<b>8,686</b>	<b>10,382</b>
Payables	2,775	2,197	2,794	3,369
Other Current Liabilities	4,115	5,427	5,892	7,013
<i>sub total</i>				
Net Current Assets	8,284	4,004	3,773	3,096
<b>Total Assets</b>	<b>24,425</b>	<b>28,399</b>	<b>35,784</b>	<b>39,263</b>

E – Estimates

### Important Ratios

Particulars	FY23A	FY24A	FY25E	FY26E
<b>(A) Margins (%)</b>				
Gross Profit Margin	38.1	39.0	42.0	42.9
EBIDTA Margin	17.3	19.1	22.4	23.9
EBIT Margin	12.5	14.1	15.3	17.0
Tax rate	34.8	30.3	25.6	25.6
Net Profit Margin	9.2	10.1	11.4	13.1
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	61.9	61.0	58.0	57.1
Employee	7.3	7.4	7.0	6.3
Other	13.5	12.5	12.7	12.6
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.0	0.0	0.2	0.1
Interest Coverage	34.8	32.5	13.0	28.0
Inventory days	50	42	43	43
Debtors days	14	19	18	18
Average Cost of Debt	61.6	16.2	13.1	6.5
Payable days	37	28	30	30
Working Capital days	112	50	41	28
FA T/O	3.0	2.1	1.2	1.3
<b>(D) Measures of Investment</b>				
AEPS (Rs)	5.9	7.2	9.6	13.3
CEPS (Rs)	9.2	10.8	15.5	20.3
DPS (Rs)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0	0.0	0.0	0.0
BVPS (Rs)	59.8	67.1	76.7	90.0
RoANW (%)	10.8	11.5	13.4	16.0
RoACE (%)	10.7	11.3	13.0	14.8
RoAIC (%)	17.2	16.8	16.7	18.9
<b>(E) Valuation Ratios</b>				
CMP (Rs)	236	236	236	236
P/E	39.7	33.0	24.5	17.7
Mcap (Rs Mn)	95,366	95,366	95,366	95,366
MCap/ Sales	3.5	3.3	2.8	2.3
EV	91,977	95,478	99,105	97,951
EV/Sales	3.4	3.3	2.9	2.4
EV/EBITDA	19.6	17.2	13.0	10.0
P/BV	3.9	3.5	3.1	2.6
Dividend Yield (%)	0.0	0.0	0.0	0.0
<b>(F) Growth Rate (%)</b>				
Revenue	21.7	7.6	16.8	20.6
EBITDA	35.7	18.8	36.6	29.1
EBIT	50.8	21.5	27.2	34.0
PBT	55.8	11.6	23.3	38.5
APAT	(2.7)	20.5	34.3	38.5
EPS	(2.7)	20.5	34.3	38.5

E – Estimates



## Cash Flow

Particulars	FY23A	FY24A	FY25E	FY26E
<b>Profit before tax</b>	<b>3,797</b>	<b>4,236</b>	<b>5,221</b>	<b>7,229</b>
Depreciation & w.o.	1,289	1,418	2,384	2,824
Net Interest Exp	97	126	400	250
Direct taxes paid	(677)	(762)	(1,337)	(1,851)
Change in Working Capital	(584)	41	104	(70)
Non Cash	(337)	(161)	(408)	(492)
<b>(A) CF from Operating Activities</b>	<b>3,584</b>	<b>4,897</b>	<b>6,365</b>	<b>7,892</b>
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(5,694)	(10,361)	(10,000)	(7,000)
<b>Free Cash Flow</b>	<b>(2,110)</b>	<b>(5,463)</b>	<b>(3,635)</b>	<b>892</b>
(Inc.)/ Dec. in Investments	647	1,704	0	233
Other	634	750	408	492
<b>(B) CF from Investing Activities</b>	<b>(4,414)</b>	<b>(7,906)</b>	<b>(9,592)</b>	<b>(6,275)</b>
Issue of Equity/ Preference	0	0	0	0
Inc./(Dec.) in Debt	207	1,037	3,500	(1,900)
Interest exp net	(97)	(107)	(400)	(250)
Dividend Paid (Incl. Tax)	0	0	0	0
Other	(10)	(65)	0	0
<b>(C) CF from Financing</b>	<b>100</b>	<b>865</b>	<b>3,100</b>	<b>(2,150)</b>
Net Change in Cash	(729)	(2,144)	(127)	(533)
<b>Opening Cash balances</b>	<b>3,847</b>	<b>3,117</b>	<b>973</b>	<b>847</b>
<b>Closing Cash balances</b>	<b>3,117</b>	<b>973</b>	<b>847</b>	<b>313</b>

E – Estimates

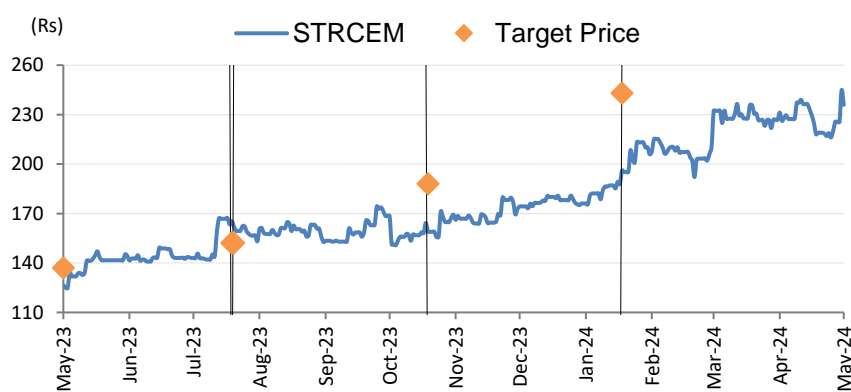
## Notes

## DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

## Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
May-23	Accumulate	137	127
Aug-23	Sell	152	165
Aug-23	SELL	152	162
Nov-23	Accumulate	188	159
Feb-24	BUY	243	196

\*Price as on recommendation date

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