

04 May 2024

India | Equity Research | Q4FY24 results review

## Tatva Chintan Pharma Chem

Speciality Chemicals

### FY25 guidance: 30-40% volume growth; revenue may rise 25% with expansion in margin

Tatva Chintan Pharma Chem (TATVA) reported mixed Q4FY24 print as volume rose, but lower prices dragged revenue. Gross profit margin improvement failed to compensate the dip in profitability. TATVA has guided to grow volume by 35-40%, revenue by ~25% with EBITDA margin of 22-24% in FY25, which indicates recovery may be gradual. Despite unimpressive print, commentary on products development, customer qualifications and enhancing sustainability chemistry capabilities remains encouraging, highlighting the strong uptick in normalisation. It has been expanding new products in battery chemicals as well. We cut our FY25E / FY26E EPS by 34%/ 7%, and trim our target price to INR 1,850 (earlier INR 1,975), valuing the stock at an unchanged PE multiple of 28x. Maintain **BUY**.

### Update on new products and customers

- **SDA:** TATVA has received all formal approvals by customers for the products under validation with existing and new customers. It has also started commercial supplies to new customers (except for one). The company has captive production of key starting raw material for SDA which was the key reason for large customer to start procurement from TATVA. However, the margin benefit of backward integration is limited. One customer is yet to start purchase due to pending REACH registration, which will be done in FY25 according to the company.
- **Electrolyte salt:** An existing customer is upgrading plant from manual production to automated which will likely increase its capacity. The company expects sales volume uptick to start for this customer from Aug'24. The qualification with customer in Europe is progressing well, with application in hybrid car batteries. TATVA has also successfully developed formulation for zinc batteries, and started sending samples to potential customers.
- **PASC:** Agro-chemical intermediate - two products have been approved by customer, and TATVA is waiting for third product approval (delayed due to Red Sea issue). Agro-chemical intermediate production for two products has begun as it needs to start supplying from H2FY25. Three pharmaceutical intermediate products' have been approved with supplies. Monoglyme had safety hiccups that may be resolved with new equipment design. The company has successfully completed agrochemical intermediate using photo-chlorination route, and two using catalyst route.

### Financial Summary

| Y/E March (INR mn) | FY23A  | FY24P  | FY25E | FY26E |
|--------------------|--------|--------|-------|-------|
| Net Revenue        | 4,236  | 3,935  | 5,256 | 8,123 |
| EBITDA             | 606    | 682    | 1,262 | 2,200 |
| EBITDA Margin (%)  | 14.3   | 17.3   | 24.0  | 27.1  |
| Net Profit         | 491    | 304    | 873   | 1,543 |
| EPS (INR)          | 22.1   | 13.0   | 37.3  | 66.0  |
| EPS % Chg YoY      | (52.6) | (36.8) | 187.6 | 76.7  |
| P/E (x)            | 60.6   | 95.8   | 33.3  | 18.9  |
| EV/EBITDA (x)      | 47.6   | 42.3   | 22.7  | 13.5  |
| RoCE (%)           | 8.1    | 4.1    | 10.2  | 16.2  |
| RoE (%)            | 9.2    | 4.8    | 11.3  | 17.9  |

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### Market Data

|                     |               |
|---------------------|---------------|
| Market Cap (INR)    | 29bn          |
| Market Cap (USD)    | 349mn         |
| Bloomberg Code      | TATVA IN      |
| Reuters Code        | TATV BO       |
| 52-week Range (INR) | 1,888 / 1,061 |
| Free Float (%)      | 28.0          |
| ADTV-3M (mn) (USD)  | 0.5           |

| Price Performance (%) | 3m    | 6m     | 12m    |
|-----------------------|-------|--------|--------|
| Absolute              | (6.6) | (12.6) | (26.1) |
| Relative to Sensex    | (9.0) | (27.4) | (46.8) |

| Earnings Revisions (%) | FY25E  | FY26E  |
|------------------------|--------|--------|
| Revenue                | (28.7) | (13.6) |
| EBITDA                 | (33.3) | (10.3) |
| EPS                    | (33.6) | (6.5)  |

### Previous Reports

21-01-2024: [Q3FY24 results review](#)

03-11-2023: [Q2FY24 results review](#)

- **Flame retardant & polymer intermediate:** TATVA has successfully developed intermediate for polymer. It has used electrodialysis, and has eliminated the risk of managing hazardous hydrogenation process on high temperature. This also solves another problem for customer as conventional process generated by-product while electrodialysis has 100% conversion into final product. The company believes the process is yet to be notified for patent, and innovation / engineering capabilities are driving strong process. Flame retardant market remains challenging; however, the company has developed third product from its R&D.

### Update on guidance

- TATVA is anticipating volume to grow 35-40% in FY25; however, revenue to grow ~25% as price erosion impact will be accounted for full year. Price erosion was not fully factored in SDA segment during FY24 as prices had fallen sharply in Q4FY24, and its full impact will reflect in Q2FY25. Price erosion in PTC was fully accounted in Q4FY25. EBITDA margin is likely to be in the range of 22-24% in FY25. Margins have been impacted due to lower absorption of fixed costs, and lower pricing for its products.
- Segment wise revenue growth assumption: PTC revenue to grow at 8-10%; SDA 15-20%, PASC 80-90% and electronic chemicals by 150-160%. SDA volume will be strong due to new customer addition, and new products supply.
- Company's reactor capacity utilisation stood at 68%; however, excluding solvent recovery, capacity utilisation was only 53%. Assembly (used for electrodialysis) capacity utilisation was only 30%.
- Company has announced capacity addition of 150KL from INR 700mn capex announced in Q3FY24. It was planning for large seven storey building; however, soil test has been unfavourable. It is now testing soil in alternate location within Dahej plant. If it fails to qualify for large building, it has to settle for four storey building with reactor capacity of 70-80KL.

### Other highlights

- PTC: Company has recently added new business in PTC which should help offset weakness in agro-chemicals business. The key raw material (tributyl Amine) price has dropped from USD 4.2/kg to USD 1.6/kg.
- SDA: Company anticipates strong volume growth in FY25 from new products supply; FY26 should benefit from ramp up by new customers, and Euro-7. The company remains confident of volume growth in SDA for next couple of years. Prices have been weak in Mar'24, but have stabilised from Apr'24. Blended realisation of SDA for TATVA is USD 8.5-9/kg.
- PASC: TATVA was working on three products each in agrochemical and pharmaceuticals. Of which five products are qualified with positive feedback. One product in agrochemical is under-qualification which got delayed due to the Red Sea issue, and now validation is likely by Sep'24. All three products should start seeing commercial supply starting Sep'24 to early CY25. Total revenue potential from these three agrochemical products is INR 2bn of which product pending approval is large with revenue contribution of INR 1bn. Agro-intermediate using photo-chlorination has been successfully developed after overcoming multiple challenges.
- Company has started the production of two agrochemical products as it believes it will face capacity constraints in plant in H2FY25. Early production and inventory will help in meeting demand for customer.
- Company is positioning itself as green and sustainable manufacturer, thereby, helping buyers reduce the environmental cost. It is coming up with cleaner

manufacturing process which will make production greener by producing less waste. It is unwilling to compete on pricing, but waste reduction, and innovative process will reduce the cost for buyer as well.

- Monoglyme had safety issues that have been resolved by the company by making modifications in equipment design. It expects to start pilot production soon, and the catalyst has been running successfully. It has developed two more products using catalyst process which have been successful in pilot trail, but these products will be re-tested on the newly-designed equipment.
- Electronic chemicals: Company had poor off-take from China. It is eyeing new opportunity in supplies to battery for hybrid car where it is successfully qualified for the product. Zinc battery is the latest addition to the portfolio that finds application in energy storage system.
- TATVA is commissioning a dedicated solvent recovery plant, and a bromine recovery plant by Aug-Sep'24. This will free-up main plant reactor capacity by 15%.

### Q4FY24 result highlights

#### Revenue declined 21.1% YoY / up 16.7% QoQ

TATVA's Q4FY24 revenue dipped 21.1% YoY/ up 16.7% QoQ to INR 983mn. Revenue was impacted by sharp price drop. The price drop was triggered by lower input cost. PTC revenue was down 29.6% YoY / +9.7% QoQ to INR 272mn with drop largely being from lower realisation while volume was stable. SDA was down 24.8% YoY / up 26.3% QoQ to INR 408mn and was impacted by sharp fall in prices in Mar'24. PASC's revenue was down 12.4% YoY / up 10.2% QoQ to INR 280mn, and was hurt by demand weakness in specialty chemicals.

Company has started seeing early signs of demand recovery across chemical segments except agrochemical, and prices had stabilised in Apr'24 at lower levels. TATVA anticipates to grow volume by 35-40% in FY25.

#### Gross profit margin up 215bps QoQ to 57.8%

Gross profit margin was higher due to lower realisation for products while gross profit/kg was not proportionate. Further, SDA contribution was up to 41.5% in Q4FY24 vs 38.4% in Q3FY24, which has higher margin. Gross profit was up 21.2% YoY/ 14.7% QoQ to INR 568mn. EBITDA declined 4.1% YoY (up 42% QoQ) to INR 156mn due to unabsorbed cost of the new commissioned facility. Net profit drop was sharp 53.2% YoY to INR 96mn.

### Risks

- 1) Slower-than-expected revenue recovery; and 2) continued pressure on margins.

**Exhibit 1: Tatva Chintan Pharma Chem result review (consolidated)**

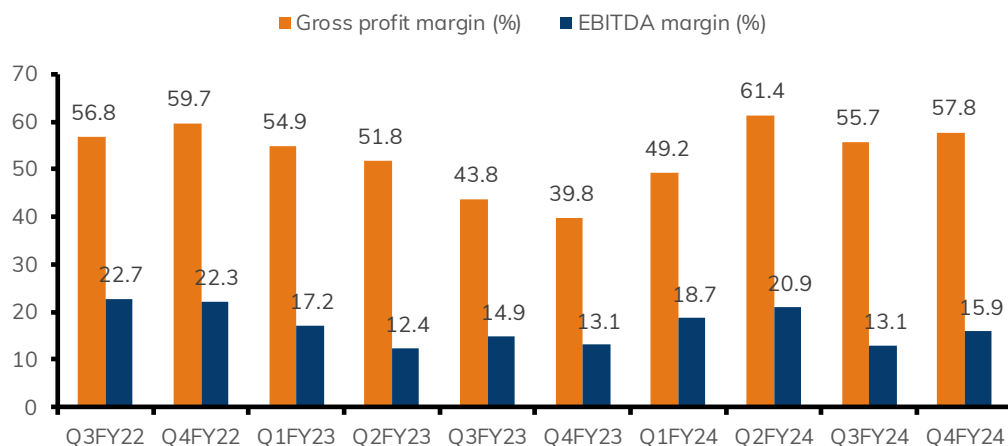
| INR mn                | Q4FY23     | Q1FY24     | Q2FY24     | Q3FY24     | Q4FY24     | QoQ (%)      | YoY (%)       |
|-----------------------|------------|------------|------------|------------|------------|--------------|---------------|
| Revenue               | 1,245      | 1,144      | 967        | 842        | 983        | 16.7         | (21.1)        |
| COGS                  | 750        | 580        | 373        | 373        | 415        | 11.1         | (44.7)        |
| <b>Gross profit</b>   | <b>495</b> | <b>563</b> | <b>594</b> | <b>469</b> | <b>568</b> | <b>21.2</b>  | <b>14.7</b>   |
| GPM (%)               | 39.8       | 49.2       | 61.4       | 55.7       | 57.8       |              |               |
| Employee cost         | 103        | 116        | 141        | 148        | 144        | (2.7)        | 39.1          |
| % of revenue          | 8.3        | 10.1       | 14.6       | 17.5       | 14.6       |              |               |
| Other expenses        | 229        | 234        | 250        | 211        | 268        | 27.1         | 17.1          |
| % of revenue          | 18.4       | 20.5       | 25.9       | 25.1       | 27.3       |              |               |
| <b>Total expenses</b> | <b>332</b> | <b>350</b> | <b>391</b> | <b>359</b> | <b>412</b> | <b>14.8</b>  | <b>23.9</b>   |
| <b>EBITDA</b>         | <b>163</b> | <b>213</b> | <b>202</b> | <b>110</b> | <b>156</b> | <b>42.0</b>  | <b>(4.1)</b>  |
| EBITDA (%)            | 13.1       | 18.7       | 20.9       | 13.1       | 15.9       |              |               |
| Depreciation          | 25         | 60         | 68         | 66         | 62         | (5.3)        | 146.3         |
| <b>EBIT</b>           | <b>137</b> | <b>153</b> | <b>135</b> | <b>44</b>  | <b>94</b>  | <b>112.6</b> | <b>(31.8)</b> |
| Other income          | 8          | 10         | 8          | 12         | 45         | 274.2        | 435.9         |
| Finance cost          | 32         | 29         | 30         | 4          | 2          |              |               |
| <b>PBT</b>            | <b>114</b> | <b>134</b> | <b>112</b> | <b>52</b>  | <b>137</b> | <b>161.1</b> | <b>20.2</b>   |
| Tax                   | (92)       | 39         | 34         | 18         | 41         | 127.8        | (144.5)       |
| ETR (%)               | (80.4)     | 29.2       | 30.6       | 34.1       | 29.8       |              |               |
| Exceptional item      |            |            |            |            |            |              |               |
| <b>Net profit</b>     | <b>205</b> | <b>95</b>  | <b>78</b>  | <b>35</b>  | <b>96</b>  | <b>178.3</b> | <b>(53.2)</b> |
| Net profit (%)        | 16.5       | 8.3        | 8.0        | 4.1        | 9.8        |              |               |
| EPS (INR )            | 7.6        | 4.3        | 3.5        | 1.6        | 4.3        | 178.3        | (43.3)        |

Source: I-Sec research, Company data

**Exhibit 2: Tatva Chintan segmental revenue breakup**

| INR mn                 | Q4FY23       | Q1FY24       | Q2FY24     | Q3FY24     | Q4FY24     | QoQ (%)     | YoY (%)       |
|------------------------|--------------|--------------|------------|------------|------------|-------------|---------------|
| <b>Segment revenue</b> |              |              |            |            |            |             |               |
| PTC                    | 386          | 316          | 231        | 248        | 272        | 9.7         | (29.6)        |
| SDA                    | 543          | 496          | 428        | 323        | 408        | 26.3        | (24.8)        |
| Electronic Chemical    | 13           | 13           | 12         | 12         | 13         | 8.3         | (3.3)         |
| PASC                   | 320          | 310          | 288        | 254        | 280        | 10.2        | (12.4)        |
| <b>Total</b>           | <b>1,245</b> | <b>1,144</b> | <b>967</b> | <b>842</b> | <b>983</b> | <b>16.7</b> | <b>(21.1)</b> |
| <b>Mix (%)</b>         |              |              |            |            |            |             |               |
| PTC                    | 31.0         | 27.6         | 23.9       | 29.5       | 27.7       |             |               |
| SDA                    | 43.6         | 43.4         | 44.3       | 38.4       | 41.5       |             |               |
| Electronic Chemical    | 1.1          | 1.1          | 1.2        | 1.4        | 1.3        |             |               |
| PASC                   | 25.7         | 27.1         | 29.8       | 30.2       | 28.5       |             |               |

Source: I-Sec research, Company data

**Exhibit 3: Gross profit and EBITDA margin trends**

Source: I-Sec research, Company data

#### Exhibit 4: Earnings revision

| INR mn           | Revised      |              | Earlier      |              | Change (%)    |               |
|------------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                  | FY25E        | FY26E        | FY25E        | FY26E        | FY25E         | FY26E         |
| Revenue          | 5,256        | 8,123        | 7,374        | 9,405        | (28.7)        | (13.6)        |
| Gross profit     | 3,069        | 4,459        | 3,920        | 4,989        | (21.7)        | (10.6)        |
| GPM (%)          | 58.4         | 54.9         | 53.2         | 53.0         |               |               |
| <b>EBITDA</b>    | <b>1,262</b> | <b>2,200</b> | <b>1,892</b> | <b>2,454</b> | <b>(33.3)</b> | <b>(10.3)</b> |
| EBITDA (%)       | 24.0         | 27.1         | 25.7         | 26.1         |               |               |
| PAT              | 873          | 1,543        | 1,314        | 1,650        | (33.6)        | (6.5)         |
| <b>EPS (INR)</b> | <b>37.3</b>  | <b>66.0</b>  | <b>56.2</b>  | <b>70.5</b>  | <b>(33.6)</b> | <b>(6.5)</b>  |

Source: I-Sec research, Company data

#### Exhibit 5: Shareholding pattern

| %                       | Sep'23 | Dec'23 | Mar'24 |
|-------------------------|--------|--------|--------|
| Promoters               | 72.0   | 72.0   | 72.0   |
| Institutional investors | 18.2   | 17.3   | 16.5   |
| MFs and others          | 13.5   | 13.1   | 12.8   |
| FIs/Banks               | 0.0    | 0.0    | 0.0    |
| Insurance               | 0.1    | 0.0    | 0.0    |
| FIIIs                   | 4.6    | 4.2    | 3.7    |
| Others                  | 9.8    | 10.7   | 11.5   |

Source: Bloomberg

#### Exhibit 6: Price chart



Source: Bloomberg

## Financial Summary

### Exhibit 7: Profit & Loss

(INR mn, year ending March)

|  | FY23A        | FY24P        | FY25E        | FY26E        |
|--|--------------|--------------|--------------|--------------|
| Net Sales                              | 4,236        | 3,935        | 5,256        | 8,123        |
| <b>Operating Expenses</b>              | <b>3,630</b> | <b>3,253</b> | <b>3,995</b> | <b>5,923</b> |
| EBITDA                                 | 606          | 682          | 1,262        | 2,200        |
| <b>EBITDA Margin (%)</b>               | <b>14.3</b>  | <b>17.3</b>  | <b>24.0</b>  | <b>27.1</b>  |
| Depreciation & Amortization            | 96           | 256          | 281          | 378          |
| EBIT                                   | 510          | 426          | 981          | 1,823        |
| Interest expenditure                   | 84           | 65           | 10           | 35           |
| Other Non-operating Income             | 57           | 75           | 94           | 117          |
| Recurring PBT                          | 484          | 436          | 1,065        | 1,905        |
| <b>Profit / (Loss) from Associates</b> | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| <b>Less: Taxes</b>                     | <b>(7)</b>   | <b>132</b>   | <b>192</b>   | <b>362</b>   |
| PAT                                    | 455          | 304          | 873          | 1,543        |
| Less: Minority Interest                | -            | -            | -            | -            |
| Extraordinaries (Net)                  | -            | -            | -            | -            |
| Net Income (Reported)                  | 455          | 304          | 873          | 1,543        |
| <b>Net Income (Adjusted)</b>           | <b>491</b>   | <b>304</b>   | <b>873</b>   | <b>1,543</b> |

Source Company data, I-Sec research

### Exhibit 8: Balance sheet

(INR mn, year ending March)

|  | FY23A        | FY24P        | FY25E        | FY26E         |
|--|--------------|--------------|--------------|---------------|
| Total Current Assets                   | 3,136        | 2,979        | 3,172        | 4,382         |
| of which cash & cash eqv.              | 448          | 383          | 538          | 258           |
| Total Current Liabilities & Provisions | 701          | 660          | 885          | 1,374         |
| <b>Net Current Assets</b>              | <b>2,434</b> | <b>2,319</b> | <b>2,287</b> | <b>3,008</b>  |
| Investments                            | -            | 101          | -            | -             |
| Net Fixed Assets                       | 4,270        | 4,998        | 5,717        | 6,840         |
| ROU Assets                             | 309          | 729          | 729          | 729           |
| Capital Work-in-Progress               | 2,307        | 300          | 300          | 300           |
| Total Intangible Assets                | -            | -            | -            | -             |
| Other assets                           | 34           | 87           | 96           | 105           |
| Deferred Tax Assets                    | 124          | 123          | 123          | 123           |
| <b>Total Assets</b>                    | <b>7,563</b> | <b>8,187</b> | <b>9,108</b> | <b>11,450</b> |
| <b>Liabilities</b>                     |              |              |              |               |
| <b>Borrowings</b>                      | <b>1,703</b> | <b>143</b>   | <b>143</b>   | <b>843</b>    |
| <b>Deferred Tax Liability</b>          | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>      |
| Provisions                             | 11           | 13           | 15           | 16            |
| Other Liabilities                      | -            | -            | -            | -             |
| Equity Share Capital                   | 222          | 234          | 234          | 234           |
| Reserves & Surplus                     | 4,926        | 7,137        | 7,832        | 8,983         |
| <b>Total Net Worth</b>                 | <b>5,148</b> | <b>7,371</b> | <b>8,066</b> | <b>9,217</b>  |
| Minority Interest                      | -            | -            | -            | -             |
| <b>Total Liabilities</b>               | <b>7,563</b> | <b>8,187</b> | <b>9,108</b> | <b>11,450</b> |

Source Company data, I-Sec research

### Exhibit 9: Quarterly trend

(INR mn, year ending March)

|                     | Jun-23 | Sep-23 | Dec-23 | Mar-24 |
|---------------------|--------|--------|--------|--------|
| Net Sales           | 1,144  | 967    | 842    | 983    |
| % growth (YOY)      | 29.4   | 7.3    | (30.2) | (21.1) |
| EBITDA              | 213    | 202    | 110    | 156    |
| Margin %            | 18.7   | 20.9   | 13.1   | 15.9   |
| Other Income        | 10     | 8      | 12     | 45     |
| Extraordinaries     | -      | -      | -      | -      |
| Adjusted Net Profit | 95     | 78     | 35     | 96     |

Source Company data, I-Sec research

### Exhibit 10: Cashflow statement

(INR mn, year ending March)

|  | FY23A          | FY24P        | FY25E        | FY26E        |
|--|----------------|--------------|--------------|--------------|
| <b>Operating Cashflow</b>              | <b>562</b>     | <b>623</b>   | <b>1,070</b> | <b>1,838</b> |
| Working Capital Changes                | (284)          | 357          | 79           | (1,009)      |
| Capital Commitments                    | (2,031)        | (1,285)      | (1,000)      | (1,500)      |
| <b>Free Cashflow</b>                   | <b>(1,753)</b> | <b>(303)</b> | <b>149</b>   | <b>(671)</b> |
| <b>Other investing cashflow</b>        | <b>1,019</b>   | <b>78</b>    | <b>194</b>   | <b>117</b>   |
| Cashflow from Investing Activities     | 1,019          | 78           | 194          | 117          |
| Issue of Share Capital                 | -              | 1,965        | -            | -            |
| Interest Cost                          | (84)           | (65)         | (10)         | (35)         |
| Inc (Dec) in Borrowings                | 506            | (1,548)      | -            | 700          |
| Dividend paid                          | (44)           | (47)         | (178)        | (392)        |
| Others                                 | 0              | -            | -            | -            |
| Cash flow from Financing Activities    | 378            | 305          | (188)        | 273          |
| <b>Chg. in Cash &amp; Bank balance</b> | <b>(356)</b>   | <b>80</b>    | <b>155</b>   | <b>(281)</b> |
| Closing cash & balance                 | 273            | 353          | 538          | 258          |

Source Company data, I-Sec research

### Exhibit 11: Key ratios

(Year ending March)

|                             | FY23A  | FY24P  | FY25E | FY26E |
|-----------------------------|--------|--------|-------|-------|
| <b>Per Share Data (INR)</b> |        |        |       |       |
| Reported EPS                | 20.5   | 13.0   | 37.3  | 66.0  |
| Adjusted EPS (Diluted)      | 22.1   | 13.0   | 37.3  | 66.0  |
| Cash EPS                    | 24.8   | 23.9   | 49.3  | 82.1  |
| Dividend per share (DPS)    | 2.0    | 2.0    | 7.6   | 16.8  |
| Book Value per share (BV)   | 232.3  | 315.1  | 344.8 | 394.0 |
| Dividend Payout (%)         | 9.7    | 15.4   | 20.4  | 25.4  |
| <b>Growth (%)</b>           |        |        |       |       |
| Net Sales                   | (2.3)  | (7.1)  | 33.6  | 54.5  |
| EBITDA                      | (44.0) | 12.6   | 85.0  | 74.4  |
| EPS (INR)                   | (52.6) | (36.8) | 187.6 | 76.7  |
| <b>Valuation Ratios (x)</b> |        |        |       |       |
| P/E                         | 60.6   | 95.8   | 33.3  | 18.9  |
| P/CEPS                      | 50.1   | 52.0   | 25.2  | 15.1  |
| P/BV                        | 5.4    | 3.9    | 3.6   | 3.2   |
| EV / EBITDA                 | 47.6   | 42.3   | 22.7  | 13.5  |
| EV/SALES                    | 6.8    | 7.3    | 5.5   | 3.7   |
| Dividend Yield (%)          | 0.2    | 0.2    | 0.6   | 1.3   |
| <b>Operating Ratios</b>     |        |        |       |       |
| Gross Profit Margins (%)    | 46.6   | 55.7   | 58.4  | 54.9  |
| EBITDA Margins (%)          | 14.3   | 17.3   | 24.0  | 27.1  |
| Effective Tax Rate (%)      | (1.6)  | 30.3   | 18.0  | 19.0  |
| Net Profit Margins (%)      | 11.6   | 7.7    | 16.6  | 19.0  |
| NWC / Total Assets (%)      | 26.3   | 22.4   | 19.2  | 24.0  |
| Net Debt / Equity (x)       | 0.2    | 0.0    | 0.0   | 0.1   |
| Net Debt / EBITDA (x)       | 2.1    | (0.4)  | (0.3) | 0.3   |
| <b>Profitability Ratios</b> |        |        |       |       |
| RoCE (%)                    | 8.1    | 4.1    | 10.2  | 16.2  |
| RoE (%)                     | 9.2    | 4.8    | 11.3  | 17.9  |
| RoC (%)                     | 9.8    | 4.4    | 10.9  | 16.9  |
| Fixed Asset Turnover (x)    | (13.4) | 0.9    | 1.0   | 1.2   |
| Inventory Turnover Days     | 140.0  | 141.7  | 91.7  | 92.2  |
| Receivables Days            | 72.7   | 64.8   | 64.8  | 64.8  |
| Payables Days               | 27.7   | 41.8   | 41.8  | 41.8  |

Source Company data, I-Sec research



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