

28 May 2025

India | Equity Research | Results update

## Gujarat Fluorochemicals

Speciality Chemicals

### FY26 recovery aided by fluoropolymers and battery chemicals

Gujarat Fluorochemicals' (GFL) Q4FY25 print was impacted by lower sales of bulk chemicals with production disrupted for 20days due to incident in Dahej. It expects fluoropolymers revenue to grow 25% in FY26 with higher volume in new fluoropolymers, and steady rise in PTFE volume. R-32 capacity commissioning has been expedited, and may now start in H2FY26, therefore, supporting fluorochemicals. GFL remains confident of approvals, and contracts in battery chemicals for LiPF<sub>6</sub> salt, and binders immediately with potential billing to commence in H2FY26. We cut our EPS for FY26/27E by 3-9% and reduce TP to INR 3,790 (from INR 4,160), valuing the stock at FY28E P/E multiple of 30x (unchanged); downgrade to **HOLD** (from *Buy*).

### Fluoropolymers' revenue rose 10.7% YoY to INR 7.1bn

GFL's revenue was up 8.1% YoY to INR 12.3bn aided by increase in fluoropolymers segment's revenue (up 10.7% YoY) – with higher mix of value-added products. Bulk chemicals' revenue was down 8.5% YoY/11.5% QoQ to INR 1.6bn, and was impacted by 20days production shutdown due to incident in CMS-1 at Dahej, while prices for caustic soda were stable. MDC prices continue to be depressed. Fluorochemicals' revenue rose 7.9% YoY to INR 3.3bn, as ref-gas, particularly R-22, has shown price rise, but fluoro-specialty revenue was stable. Fluoropolymers' revenue increased 10.7% YoY to INR 7.1bn. Fluoropolymers' volume has grown YoY while prices have been stable.

### Outlook for key business segments

1) **Fluoropolymers:** 3M closed its fluoropolymers plant in Dec'24; Solvay is partly shutting the capacity. GFL has already started receiving some volumes from industry consolidation. It anticipates volume off-take to start in FY26; it has started filling inventory across its warehouses. It has guided fluoropolymers revenue growth of 25% in FY26, which could reach optimal utilisation by end-FY26. It is adding more capacity in FY26 to support growth for future. GFL believes FKM volumes have started growing steadily with approval for new projects underway.

GFL is expecting the final approval for its PTFE and PVDF battery grade which should help grow business for binder application.

### Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	47,370	60,158	70,378	81,750
EBITDA	11,570	17,775	20,712	25,027
EBITDA Margin (%)	24.4	29.5	29.4	30.6
Net Profit	5,460	9,563	10,815	13,882
EPS (INR)	49.7	87.0	98.4	126.3
EPS % Chg YoY	25.5	75.2	13.1	28.4
P/E (x)	80.3	45.8	40.5	31.6
EV/EBITDA (x)	39.2	26.0	22.2	18.2
RoCE (%)	7.1	10.3	10.5	12.1
RoE (%)	8.3	12.4	12.6	14.4

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#### Market Data

Market Cap (INR)	438bn
Market Cap (USD)	5,130mn
Bloomberg Code	FLUOROCH IN
Reuters Code	GUJL BO
52-week Range (INR)	4,881 / 2,476
Free Float (%)	37.0
ADTV-3M (mn) (USD)	4.0

Price Performance (%)	3m	6m	12m
Absolute	7.6	2.6	24.4
Relative to Sensex	(1.7)	0.9	16.2

ESG Score	2023	2024	Change
ESG score	62.9	58.8	(4.1)
Environment	44.2	45.7	1.5
Social	74.1	66.4	(7.7)
Governance	68.2	65.8	(2.4)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	(1.1)	(1.7)
EBITDA	(3.1)	(4.4)
EPS	(2.6)	(8.8)

#### Previous Reports

22-02-2025: [Company update](#)

30-01-2025: [Q3FY25 results review](#)

2) **EV:** GFL's key plants for battery chemicals including salts, electrolyte, PVDF and PTFE have stabilised, and commercial production shall commence post customer validation and long-term contracts. The company has invested INR 8bn in capex during FY25; considering the initial strong feedback, and company's encouraging internal validation, it expects to invest INR 12bn in battery chemicals (incl AHF plant) in FY26 where it will undertake phase-2 & 3 expansion. GFL anticipates revenue booking from H2FY26, and ramp up in FY27.

**LFP Plant:** GFL has achieved mechanical completion of LFP plant; commissioning is progressing as scheduled, with trial production likely to commence by Jun'25. **LiPF6 Salt:** GFL has stabilised production, stringent customer specifications have been achieved, and product sampling for validation has shown a significant uptrend. **Electrolyte & Binder Plants:** The electrolyte, PVDF, and PTFE binder grades have been established and are in advanced stages of customer validation. Many customers have audited the plants.

3) **Ref-gas:** The company has announced R-32 capacity addition up to 30ktpa with initial plant of 20ktpa capacity by Mar'26 with investment of INR 1.5bn. It is now working to prepone the commissioning with retro-fitting, and expedite commissioning of plant. GFL expects R-22 volume to lose from phase down, but it will be offset by pricing increase, thereby, holding on to revenue.

### EBITDA up 28.8% YoY/ 4.1% QoQ to INR 3.1bn, margin at 25%

Gross profit margin improved 95bp YoY (down 590bp QoQ) to 66.3%, likely hurt by lower revenue from bulk chemicals and higher mix of ref-gas where we believe it has higher input cost (from blending R-410a). Power and fuel cost dipped 10.6% YoY (down 12.8% QoQ) to INR 1.8bn on 20days shutdown of Dahej plant; other expenses were up 3.3% YoY/ 3.2% QoQ to INR 2.2bn. EBITDA margin came in at 25% (down 63bp QoQ). Net profit rose 89.2% YoY to INR 1.9bn. Finance cost fell 22.8% YoY to INR 260mn and effective tax rate was 12% (vs 28% in Q3FY25).

### Other highlights

- **Capex:** FY26 capex is anticipated at INR 16bn with INR 12bn towards battery chemicals and AHF and INR 4bn towards ref-gas and fluoropolymers.
- **Working capital:** Inventory elevated at end-FY25 due to channel filling of fluoropolymers and battery chemicals in anticipation of uptick in demand.
- **Specialty chemicals:** Company anticipates offtake to improve in FY26 with better volumes and margins.
- **Fluoropolymers:** It has invested heavily in monomer capacity with modular polymerisation capacity and requires lower capex and lead time.
- P&F cost may dip by 10–15% (up to INR 1.5bn) as it shifts towards consumption of renewables. The partial benefit will show up in FY26.
- Battery chemicals: The investment will be funded through external source, and GFL's cashflow will not be used for GFCL EV's growth.

### Risks

**Downside risk:** 1) Increase in related-party transactions; and 2) execution in fluoropolymer and battery chemicals businesses.

**Upside risk:** 1) Upcycle in fluoropolymers with higher-than-expected pricing; and 2) better-than-expected offtake in battery chemicals.

## Exhibit 1: Gujarat Fluorochemicals financials (consolidated)

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	QoQ (%)	YoY (%)
Revenue	11,330	11,760	11,880	11,480	12,250	6.7	8.1
COGS	3,927	4,070	3,740	3,190	4,130	29.5	5.2
<b>Gross profit</b>	<b>7,403</b>	<b>7,690</b>	<b>8,140</b>	<b>8,290</b>	<b>8,120</b>	<b>(2.1)</b>	<b>9.7</b>
GPM (%)	65.3	65.4	68.5	72.2	66.3		
Employee cost	880	1,030	1,100	1,150	1,050	(8.7)	19.4
% of revenue	7.8	8.8	9.3	10.0	8.6		
Power & fuel	1,980	2,040	2,090	2,030	1,770	(12.8)	(10.6)
% of revenue	17.5	17.3	17.6	17.7	14.4		
Other expenses	2,168	2,000	2,000	2,170	2,240	3.2	3.3
% of revenue	19.1	17.0	16.8	18.9	18.3		
<b>Total expenses</b>	<b>5,028</b>	<b>5,070</b>	<b>5,190</b>	<b>5,350</b>	<b>5,060</b>	<b>(5.4)</b>	<b>0.6</b>
<b>EBITDA</b>	<b>2,376</b>	<b>2,620</b>	<b>2,950</b>	<b>2,940</b>	<b>3,060</b>	<b>4.1</b>	<b>28.8</b>
EBITDA (%)	21.0	22.3	24.8	25.6	25.0		
Depreciation	812	850	900	910	890	(2.2)	9.7
<b>EBIT</b>	<b>1,564</b>	<b>1,770</b>	<b>2,050</b>	<b>2,030</b>	<b>2,170</b>	<b>6.9</b>	<b>38.7</b>
Other income	183	90	90	140	260	85.7	42.2
Finance cost	337	370	420	420	260	(38.1)	(22.8)
<b>PBT</b>	<b>1,410</b>	<b>1,490</b>	<b>1,720</b>	<b>1,750</b>	<b>2,170</b>	<b>24.0</b>	<b>53.9</b>
Tax	401	410	510	490	260	(46.9)	(35.1)
ETR (%)	28.4	27.5	29.7	28.0	12.0		
Minority interest /JV	-	-	-	-	-		
Exceptional item	-	-	-	-	-		
<b>Net profit</b>	<b>1,010</b>	<b>1,080</b>	<b>1,210</b>	<b>1,260</b>	<b>1,910</b>	<b>51.6</b>	<b>89.2</b>
Net profit (%)	8.9	9.2	10.2	11.0	15.6		
EPS (INR)	9.2	9.8	11.0	11.5	17.4		

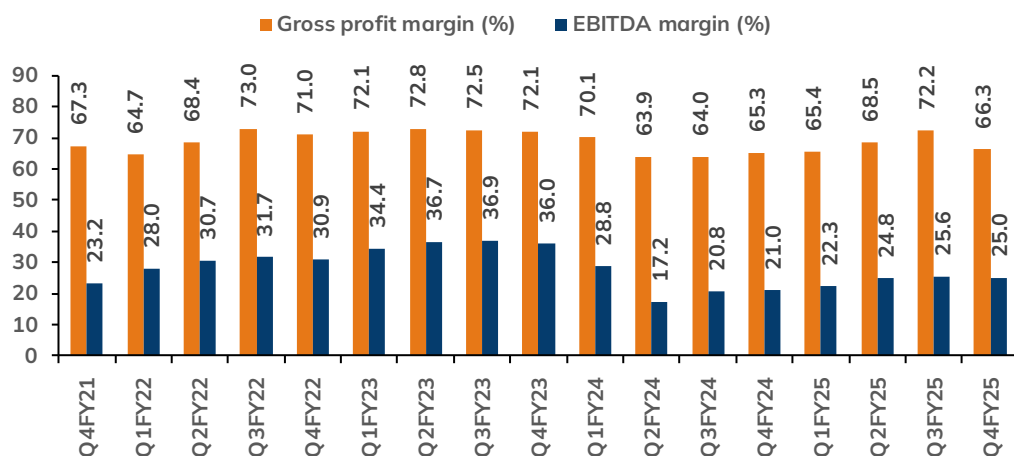
Source: I-Sec research, Company data

## Exhibit 2: Gujarat Fluorochemicals financials (segmental)

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	QoQ (%)	YoY (%)
<b>Segment revenue</b>							
Bulk chemicals	1,760	1,690	1,590	1,820	1,610	(11.5)	(8.5)
Fluorochemicals	3,020	2,970	3,040	2,930	3,260	11.3	7.9
Fluoropolymers	6,450	6,850	7,000	6,510	7,140	9.7	10.7
Other Products	100	250	250	220	240	9.1	139.3
<b>Total</b>	<b>11,330</b>	<b>11,760</b>	<b>11,880</b>	<b>11,480</b>	<b>12,250</b>	<b>6.7</b>	<b>8.1</b>
<b>Mix (%)</b>							
Bulk commodities	15.5	14.4	13.4	15.9	13.1		
Fluorochemicals	26.7	25.3	25.6	25.5	26.6		
Fluoropolymers	56.9	58.2	58.9	56.7	58.3		
Other Products	0.9	2.1	2.1	1.9	2.0		

Source: I-Sec research, Company data

## Exhibit 3: Gross and EBITDA margins trends



Source: I-Sec research, Company data

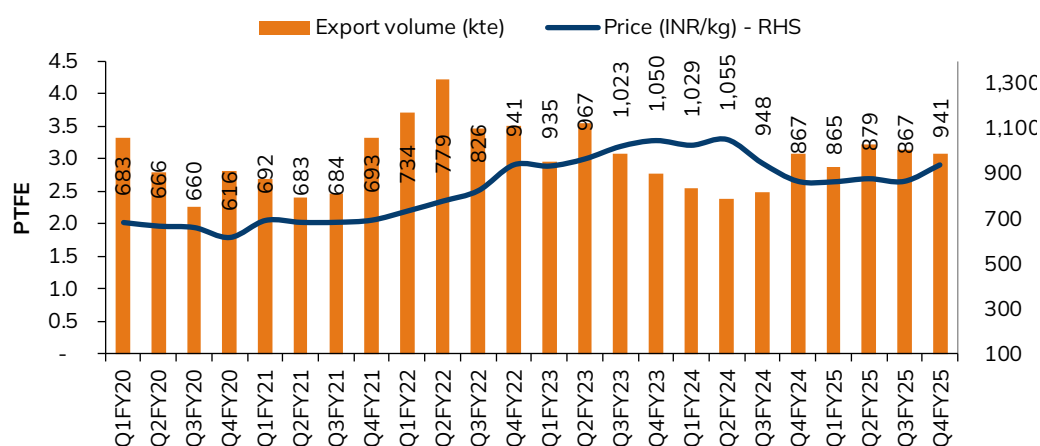
## Exhibit 4: Earnings revision

INR mn	Revised		Earlier		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	60,158	70,378	60,849	71,593	(1.1)	(1.7)
Gross profit	41,545	47,899	42,625	49,435	(2.5)	(3.1)
GPM (%)	69.1	68.1	70.0	69.0		
EBITDA	17,775	20,712	18,351	21,668	(3.1)	(4.4)
EBITDA (%)	29.5	29.4	30.2	30.3		
PAT	9,563	10,815	9,816	11,859	(2.6)	(8.8)
EPS (INR)	87.0	98.4	89.4	108.0	(2.6)	(8.8)

Source: I-Sec research

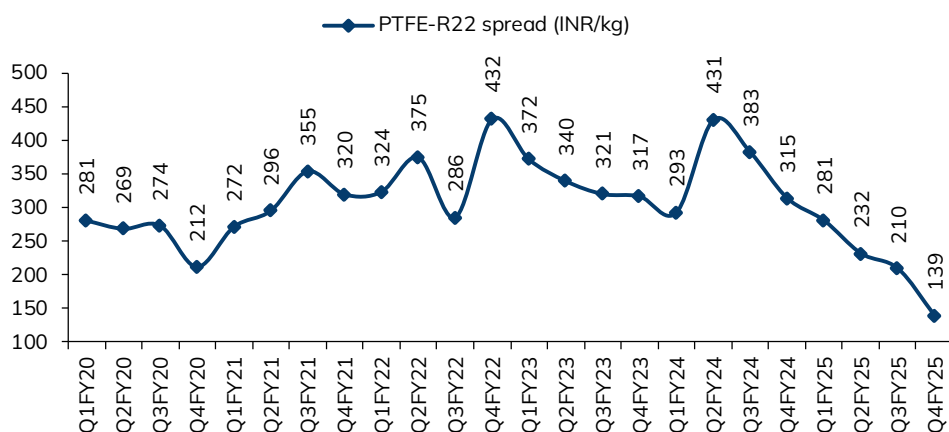
## EXIM Data

## Exhibit 5: PTFE prices up 8.5% YoY



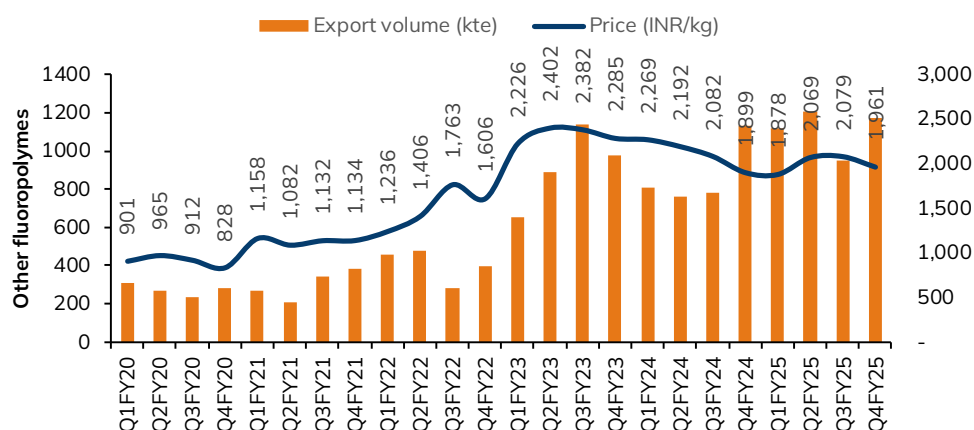
Source: I-Sec research, Commerce Ministry

## Exhibit 6: PTFE-R22 spread down 55.8% YoY



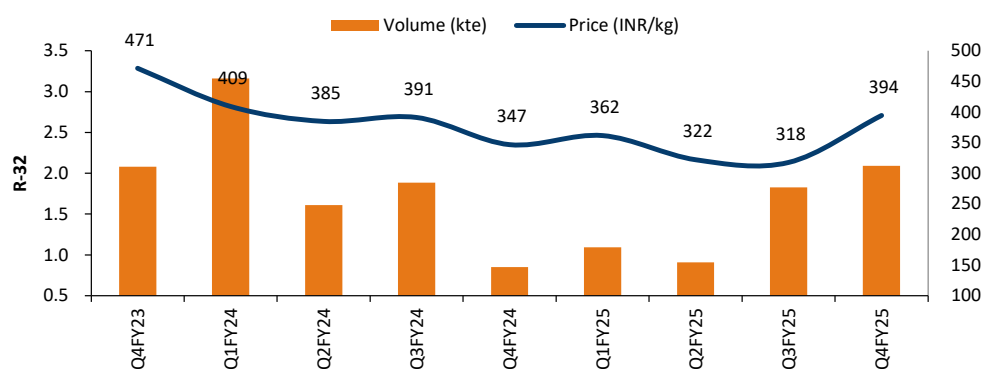
Source: I-Sec research, Commerce Ministry

### Exhibit 7: Other fluoropolymers prices up 3.3% YoY



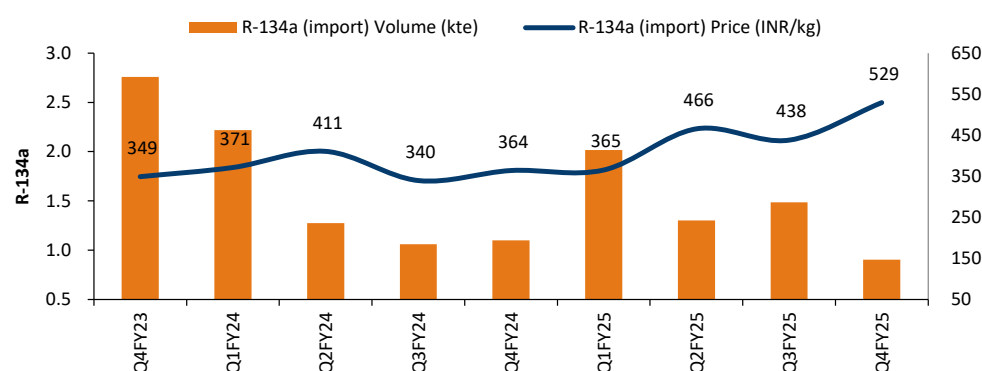
Source: I-Sec research, Commerce Ministry

### Exhibit 8: R-32 prices up 13.7% YoY



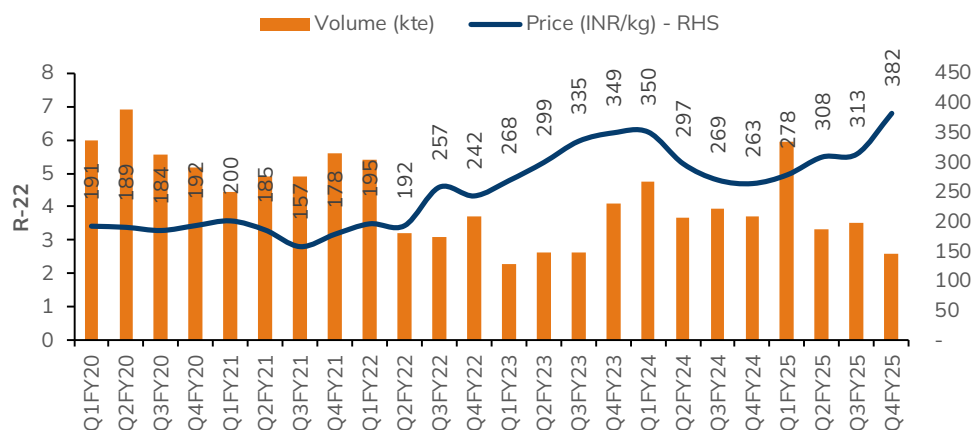
Source: I-Sec research, Commerce Ministry

### Exhibit 9: R-134a prices up 45.4% YoY



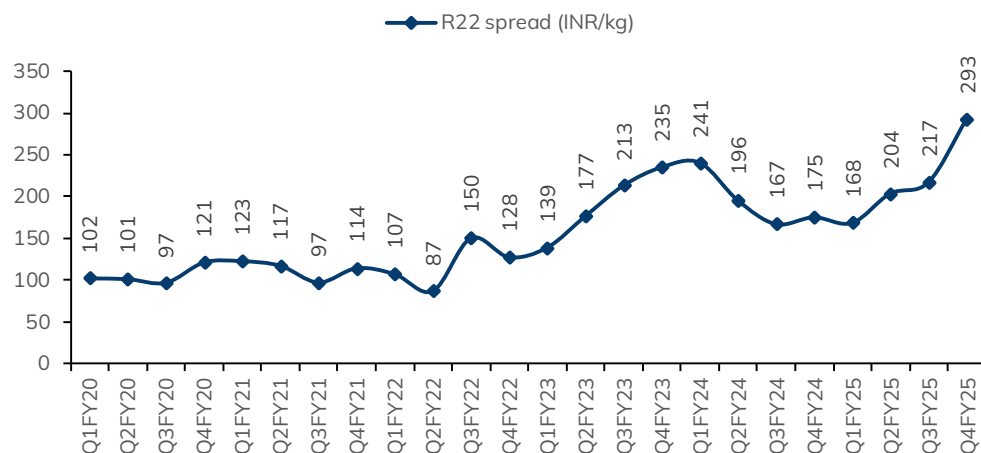
Source: I-Sec research, Commerce Ministry

### Exhibit 10: R22 prices up 21.9% QoQ/ 45% YoY



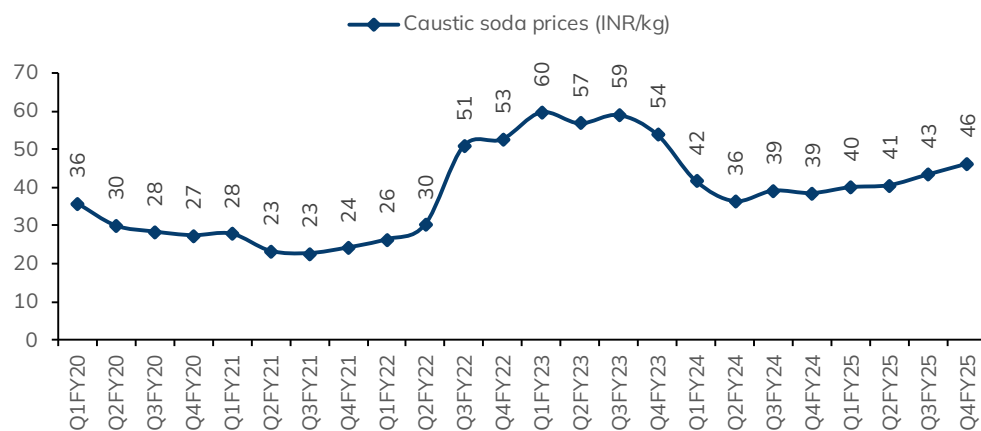
Source: I-Sec research, Commerce Ministry

### Exhibit 11: R22 spread up 66.9% YoY



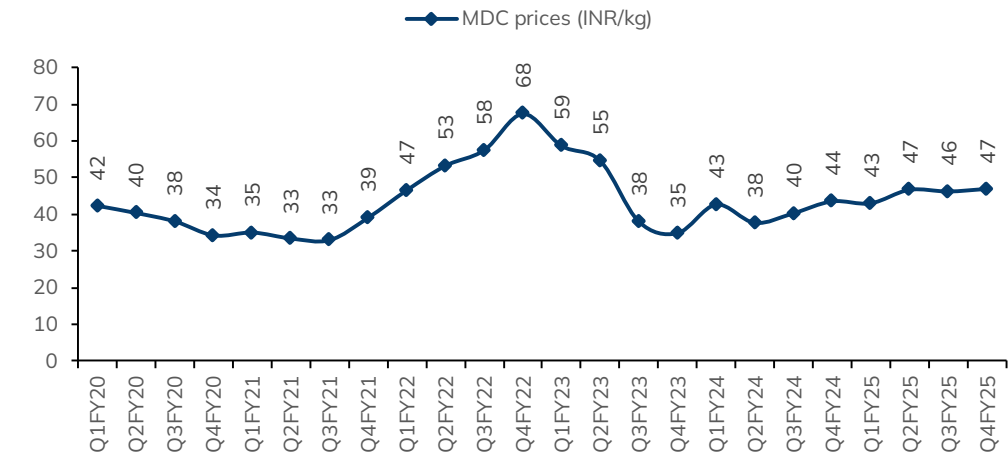
Source: I-Sec research, Commerce Ministry

### Exhibit 12: Caustic soda prices up 20% YoY



Source: I-Sec research, Commerce Ministry

Exhibit 13: MDC (chloromethane) prices up 7.8% YoY



Source: I-Sec research, Commerce Ministry

## Financials

### Exhibit 14: Revenue to grow at CAGR of 21.1% over FY25–27E

INR mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (%) FY25-27E
<b>Revenue</b>								
Bulk Chemical	7,094	10,092	11,398	6,888	6,710	7,498	7,194	3.5
Fluorochemical	6,405	6,287	15,182	10,689	12,200	14,458	17,204	18.7
Fluoropolymers	12,719	22,126	29,362	24,356	27,500	34,288	40,997	22.1
Others/Battery Chemicals	-	-	-	4	960	3,008	4,058	105.6
<b>Total</b>	<b>26,219</b>	<b>38,504</b>	<b>55,942</b>	<b>41,937</b>	<b>47,370</b>	<b>59,251</b>	<b>69,453</b>	<b>21.1</b>
Growth (%)		46.9	45.3	(25.0)	13.0	25.1	17.2	
<b>Mix (%)</b>								
Bulk Chemical	27.1	26.2	20.4	16.4	14.2	12.7	10.4	
Fluorochemical	24.4	16.3	27.1	25.5	25.8	24.4	24.8	
Fluoropolymers	48.5	57.5	52.5	58.1	58.1	57.9	59.0	
Others/ Battery Chemicals	-	-	-	0.0	2.0	5.1	5.8	

Source: I-Sec research, Company data

### Exhibit 15: EBITDA to grow at CAGR of 33.8% over FY25–27E

INR mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (%) FY25-27E
<b>Financial</b>								
Revenue	26,505	39,536	56,847	42,808	47,370	60,158	70,378	21.9
COGS	8,883	12,146	15,705	14,533	15,130	18,613	22,479	
<b>Gross profit</b>	<b>17,622</b>	<b>27,390</b>	<b>41,141</b>	<b>28,275</b>	<b>32,240</b>	<b>41,545</b>	<b>47,899</b>	<b>21.9</b>
GMP (%)	66.5	69.3	72.4	66.0	68.1	69.1	68.1	
Growth (%)		55.4	50.2	(31.3)	14.0	28.9	15.3	
Employee cost	2,179	2,655	3,221	3,504	4,330	4,980	5,577	13.5
% of revenue	8.2	6.7	5.7	8.2	9.1	8.3	7.9	
Other expenses	9,067	13,051	18,267	15,697	16,340	18,791	21,610	15.0
% of revenue	34.2	33.0	32.1	36.7	34.5	31.2	30.7	
Total expenses	10,894	15,705	21,488	19,201	20,670	23,771	27,187	14.7
<b>EBITDA</b>	<b>6,729</b>	<b>11,685</b>	<b>19,653</b>	<b>9,074</b>	<b>11,570</b>	<b>17,775</b>	<b>20,712</b>	<b>33.8</b>
EBITDA (%)	25.4	29.6	34.6	21.2	24.4	29.5	29.4	
Growth (%)		73.7	68.2	(53.8)	27.5	53.6	16.5	
D&A	2,021	2,054	2,361	2,861	3,550	4,014	5,132	20.2
<b>EBIT</b>	<b>4,708</b>	<b>9,630</b>	<b>17,292</b>	<b>6,213</b>	<b>8,020</b>	<b>13,761</b>	<b>15,581</b>	<b>39.4</b>
Growth (%)		104.5	79.6	(64.1)	29.1	71.6	13.2	
Other income	1,241	1,606	1,723	1,069	580	609	639	5.0
Finance cost	1,126	784	1,168	1,331	1,470	1,584	1,761	
<b>PBT</b>	<b>4,824</b>	<b>10,452</b>	<b>17,847</b>	<b>5,951</b>	<b>7,130</b>	<b>12,785</b>	<b>14,459</b>	<b>42.4</b>
Growth (%)		116.7	70.8	(66.7)	19.8	79.3	13.1	
Tax expenses	7,039	2,693	4,617	1,601	1,670	3,222	3,644	47.7
ETR (%)	145.9	25.8	25.9	26.9	23.4	25.2	25.2	
<b>PAT</b>	<b>(2,187)</b>	<b>7,872</b>	<b>13,288</b>	<b>4,350</b>	<b>5,460</b>	<b>9,563</b>	<b>10,815</b>	<b>40.7</b>
Growth (%)		(459.9)	68.8	(67.3)	25.5	75.2	13.1	
<b>Adj. EPS (INR)</b>	<b>33.1</b>	<b>71.7</b>	<b>121.0</b>	<b>39.6</b>	<b>49.7</b>	<b>87.0</b>	<b>98.4</b>	<b>40.7</b>

Source: Company data, I-Sec research



**Exhibit 16: ROCE (pre-tax) to improve to 14% in FY27E**

INR mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (%) FY25-27E
<b>Capital productivity</b>								
<b>Gross block</b>	<b>32,048</b>	<b>35,541</b>	<b>42,890</b>	<b>56,524</b>	<b>59,929</b>	<b>75,119</b>	<b>82,714</b>	<b>17.5</b>
Revenue/GB (x)	0.83	1.11	1.33	0.76	0.79	0.80	0.85	
EBITDA/GB (x)	0.21	0.33	0.46	0.16	0.19	0.24	0.25	
<b>Capex</b>								
<b>Capex</b>	<b>2,737</b>	<b>6,740</b>	<b>6,750</b>	<b>9,556</b>	<b>8,190</b>	<b>15,190</b>	<b>7,595</b>	
Intensity (% of revenue)	10.3	17.0	11.9	22.3	17.3	25.3	10.8	
D&A/capex (x)	0.7	0.3	0.3	0.3	0.4	0.3	0.7	
Capital employed	50,597	57,830	69,990	79,321	92,870	1,06,665	1,16,069	11.8
pre-tax ROCE (%)	9.0	17.8	27.1	8.3	9.3	13.8	14.0	
<b>Leverage</b>								
Net debt	11,690	11,375	13,171	17,973	14,870	23,447	22,106	
ND/EBITDA (x)	1.7	1.0	0.7	2.0	1.3	1.3	1.1	
<b>Cash conversion</b>								
Inventory days	119	87	95	134	140	130	130	
Debtor days	92	72	71	72	92	87	82	
Creditor days	47	47	44	44	47	47	47	
<b>Cash conversion</b>	<b>164</b>	<b>112</b>	<b>122</b>	<b>162</b>	<b>186</b>	<b>171</b>	<b>166</b>	
WC as % of revenue	45.0	30.7	33.4	44.3	50.9	46.7	45.4	

Source: Company data, I-Sec research

**Exhibit 17: CFO to grow at CAGR of 47.4% over FY25–27E; FCF to turn positive in FY27E**

INR mn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	CAGR (%) FY25-27E
Ops CF (after tax & lease)	7,778	9,934	16,183	7,614	9,430	14,553	17,069	34.5
% of EBITDA	115.6	85.0	82.3	83.9	81.5	81.9	82.4	
Chg of WC	(1,642)	(2,543)	(8,827)	(1,440)	(4,150)	(6,196)	(5,600)	
<b>CFO</b>	<b>6,136</b>	<b>7,390</b>	<b>7,356</b>	<b>6,174</b>	<b>5,280</b>	<b>8,357</b>	<b>11,469</b>	<b>47.4</b>
% of revenue	23.2	18.7	12.9	14.4	11.1	13.9	16.3	
Capex (incl acquisition)	(2,737)	(6,740)	(6,750)	(9,669)	(8,700)	(15,190)	(7,595)	
<b>FCF</b>	<b>3,400</b>	<b>650</b>	<b>606</b>	<b>(3,495)</b>	<b>(3,420)</b>	<b>(6,833)</b>	<b>3,874</b>	
% of revenue	12.8	1.6	1.1	(8.2)	(7.2)	(11.4)	5.5	
Finance cost	(1,125)	(870)	(1,336)	(1,406)	(1,800)	(1,584)	(1,761)	
<b>FCFE</b>	<b>2,274</b>	<b>(220)</b>	<b>(729)</b>	<b>(4,901)</b>	<b>(5,220)</b>	<b>(8,418)</b>	<b>2,112</b>	

Source: Company data, I-Sec research

## Peer Comparison

Exhibit 18: Specialty chemicals coverage valuation snapshot

INR mn	CMP (INR)	Mcap (INR bn)	Revenue			CAGR (%) FY25-27E	EPS (INR)			CAGR (%) FY25-27E
			FY25A	FY26E	FY27E		FY25A	FY26E	FY27E	
SRF	2,990	886	1,46,931	1,71,964	1,90,832	14%	42.2	67.8	82.0	39%
Navin Fluorine	4,595	228	23,494	31,394	36,708	25%	58.2	91.7	111.1	38%
Gujarat Fluoro	3,968	436	47,370	60,158	70,378	22%	49.7	87.0	98.4	41%
Atul Ltd	7,042	207	55,834	68,654	77,647	18%	164.3	228.9	277.8	30%
Deepak Nitrite	1,908	260	83,792	1,00,714	1,11,234	15%	47.2	63.1	70.7	22%
Chemplast	407	64	43,461	52,142	54,553	12%	(7.2)	9.0	14.0	
Galaxy	2,277	81	42,237	48,296	49,155	8%	86.0	101.7	117.1	17%
Rossari	691	38	20,803	24,648	28,752	18%	24.6	27.2	36.9	22%
EPL	198	63	42,133	46,471	51,365	10%	11.2	13.9	16.0	20%
Sudarshan	1,049	73	28,050	32,144	35,025	12%	24.6	36.7	41.5	30%
Tatva Chintan	722	17	3,827	5,529	6,981	35%	2.4	31.0	40.1	305%
Clean Science	1,329	141	9,666	12,913	17,011	33%	24.9	31.7	38.8	25%
BlueJet Healthcare	630	109	10,300	12,583	14,339	18%	17.6	20.4	22.3	13%
Archean Chemical	602	74	10,410	16,633	18,919	35%	13.1	35.7	41.6	78%
PCBL	369	139	84,043	91,191	98,235	8%	13.3	14.2	18.7	19%
Himadri	462	228	46,126	55,990	69,027	22%	11.3	14.3	16.5	21%
<b>Median</b>						<b>18%</b>				<b>25%</b>

Source: I-Sec research, Company data

Exhibit 19: Specialty chemicals coverage valuation snapshot

INR mn	PE (x)		EV/EBITDA (x)		ROCE (pre-tax)		GB turnover (x)		Capex (INR mn)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
SRF	44.1	36.5	24.9	21.1	16.2	17.4	0.8	0.8	25,379	24,404
Navin Fluorine	50.1	41.4	29.6	25.1	15.2	16.5	0.8	0.9	5,000	5,250
Gujarat Fluoro	45.6	40.3	25.9	22.1	13.8	14.0	0.8	0.9	15,190	7,595
Atul Ltd	30.8	25.3	16.6	13.9	14.0	15.4	1.4	1.5	3,000	2,700
Chemplast	30.2	27.0	19.8	19.6	17.5	14.0	2.5	2.7	16,575	31,654
Galaxy	45.5	29.1	14.3	12.3	9.9	11.6	1.1	1.1	2,800	2,940
Rossari	22.4	19.4	13.5	11.5	16.1	16.7	2.5	2.4	1,500	1,650
EPL	25.4	18.7	13.6	10.8	14.8	17.5	2.4	2.4	2,570	953
Sudarshan	14.3	12.3	6.8	5.9	19.4	20.6	1.0	1.0	3,800	3,500
Tatva Chintan	28.6	25.3	14.7	12.9	19.7	19.7	1.5	1.6	1,000	1,000
Clean Science	23.3	18.0	14.2	11.4	10.1	11.2	0.8	0.8	1,121	1,534
BlueJet Healthcare	41.9	34.2	28.7	23.3	26.5	27.7	1.1	1.3	2,998	1,100
Archean Chemical	30.9	28.3	23.4	20.9	34.2	31.9	2.2	2.1	2,000	1,000
PCBL	16.9	14.5	11.2	9.1	24.6	24.1	0.9	1.0	1,000	1,100
Himadri	26.0	19.7	12.6	10.4	9.9	11.9	1.7	1.6	6,000	7,000
<b>Median</b>	<b>30.2</b>	<b>25.3</b>	<b>14.7</b>	<b>12.9</b>	<b>16.1</b>	<b>16.7</b>	<b>1.1</b>	<b>1.3</b>		

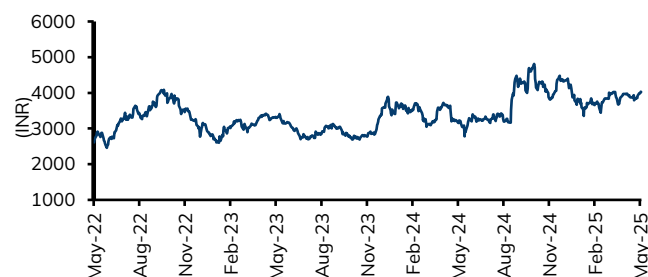
Source: I-Sec research, Company data

Exhibit 20: Shareholding pattern

%	Sep'24	Dec'24	Mar'25
Promoters	62.6	62.6	62.6
Institutional investors	14.5	14.7	15.3
MFs and others	7.7	7.5	7.4
FIs/Banks	0.0	0.0	0.0
Insurance	1.2	1.8	2.3
FIIIs	5.6	5.4	5.6
Others	22.9	22.7	22.1

Source: Bloomberg, I-Sec research

Exhibit 21: Price chart



Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 22: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	47,370	60,158	70,378	81,750
<b>Operating Expenses</b>	<b>35,800</b>	<b>42,383</b>	<b>49,665</b>	<b>56,722</b>
EBITDA	11,570	17,775	20,712	25,027
<b>EBITDA Margin (%)</b>	<b>24.4</b>	<b>29.5</b>	<b>29.4</b>	<b>30.6</b>
Depreciation & Amortization	3,550	4,014	5,132	5,378
EBIT	8,020	13,761	15,581	19,649
Interest expenditure	1,470	1,584	1,761	1,761
Other Non-operating Income	580	609	639	671
Recurring PBT	7,130	12,785	14,459	18,559
<b>Profit / (Loss) from Associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Less: Taxes</b>	<b>1,670</b>	<b>3,222</b>	<b>3,644</b>	<b>4,677</b>
PAT	5,460	9,563	10,815	13,882
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	5,460	9,563	10,815	13,882
<b>Net Income (Adjusted)</b>	<b>5,460</b>	<b>9,563</b>	<b>10,815</b>	<b>13,882</b>

Source Company data, I-Sec research

### Exhibit 23: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	40,040	47,885	56,616	71,537
of which cash & cash eqv.	2,220	1,433	2,774	8,570
Total Current Liabilities & Provisions	9,320	11,601	13,329	15,206
<b>Net Current Assets</b>	<b>30,720</b>	<b>36,284</b>	<b>43,287</b>	<b>56,330</b>
Investments	2,900	110	110	110
Net Fixed Assets	55,640	66,816	69,279	67,699
ROU Assets	1,900	1,900	1,900	1,900
Capital Work-in-Progress	15,240	15,240	15,240	15,240
Total Intangible Assets	520	520	520	520
Other assets	4,790	5,030	5,281	5,545
Deferred Tax Assets	60	60	60	60
<b>Total Assets</b>	<b>1,06,090</b>	<b>1,22,625</b>	<b>1,34,123</b>	<b>1,47,785</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>19,880</b>	<b>24,880</b>	<b>24,880</b>	<b>24,880</b>
<b>Deferred Tax Liability</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>
Provisions	610	830	1,002	1,195
Other Liabilities	890	1,130	1,322	1,536
Equity Share Capital	110	110	110	110
Reserves & Surplus	72,420	81,215	90,620	1,01,998
<b>Total Net Worth</b>	<b>72,530</b>	<b>81,325</b>	<b>90,729</b>	<b>1,02,108</b>
Minority Interest	460	460	460	460
<b>Total Liabilities</b>	<b>1,06,090</b>	<b>1,22,625</b>	<b>1,34,123</b>	<b>1,47,785</b>

Source Company data, I-Sec research

### Exhibit 24: Quarterly trend

(INR mn, year ending March)

	Jun-24	Sep-24	Dec-24	Mar-25
Net Sales	11,760	11,880	11,480	12,250
% growth (YOY)	(2.8)	25.5	15.8	8.1
EBITDA	2,620	2,950	2,940	3,060
Margin %	22.3	24.8	25.6	25.0
Other Income	90	90	140	260
Extraordinaries	0	0	0	0
Adjusted Net Profit	1,080	1,210	1,260	1,910

Source Company data, I-Sec research

### Exhibit 25: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Operating Cashflow</b>	<b>9,600</b>	<b>14,553</b>	<b>17,069</b>	<b>20,350</b>
Working Capital Changes	(4,150)	(6,196)	(5,600)	(7,163)
Capital Commitments	(8,190)	(15,190)	(7,595)	(3,798)
<b>Free Cashflow</b>	<b>(2,740)</b>	<b>(6,833)</b>	<b>3,874</b>	<b>9,390</b>
<b>Other investing cashflow</b>	<b>(2,620)</b>	<b>3,399</b>	<b>639</b>	<b>671</b>
Cashflow from Investing Activities	(2,500)	3,399	639	671
Issue of Share Capital	-	-	-	-
Interest Cost	(1,800)	(1,584)	(1,761)	(1,761)
Inc (Dec) in Borrowings	(90)	5,000	-	-
Dividend paid	(330)	(769)	(1,410)	(2,504)
Others	8,380	-	-	-
Cash flow from Financing Activities	5,990	2,647	(3,172)	(4,266)
<b>Chg. in Cash &amp; Bank balance</b>	<b>240</b>	<b>(787)</b>	<b>1,342</b>	<b>5,795</b>
Closing cash & balance	550	1,433	2,774	8,570

Source Company data, I-Sec research

### Exhibit 26: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Per Share Data (INR)</b>				
Reported EPS	49.7	87.0	98.4	126.3
Adjusted EPS (Diluted)	49.7	87.0	98.4	126.3
Cash EPS	82.0	123.5	145.1	175.3
Dividend per share (DPS)	3.0	7.0	12.8	22.8
Book Value per share (BV)	664.1	744.2	829.7	933.3
Dividend Payout (%)	6.0	8.0	13.0	18.0
<b>Growth (%)</b>				
Net Sales	10.7	27.0	17.0	16.2
EBITDA	27.5	53.6	16.5	20.8
EPS (INR)	25.5	75.2	13.1	28.4
<b>Valuation Ratios (x)</b>				
P/E	80.3	45.8	40.5	31.6
P/CEPS	48.6	32.3	27.5	22.8
P/BV	6.0	5.4	4.8	4.3
EV / EBITDA	39.2	26.0	22.2	18.2
EV/SALES	9.6	7.7	6.5	5.6
Dividend Yield (%)	0.1	0.2	0.3	0.6
<b>Operating Ratios</b>				
Gross Profit Margins (%)	68.1	69.1	68.1	67.1
EBITDA Margins (%)	24.4	29.5	29.4	30.6
Effective Tax Rate (%)	23.4	25.2	25.2	25.2
Net Profit Margins (%)	11.5	15.9	15.4	17.0
NWC / Total Assets (%)	29.0	29.6	32.3	38.1
Net Debt / Equity (x)	0.2	0.3	0.2	0.2
Net Debt / EBITDA (x)	1.3	1.3	1.1	0.7
<b>Profitability Ratios</b>				
RoCE (%)	7.1	10.3	10.5	12.1
RoE (%)	8.3	12.4	12.6	14.4
RoC (%)	7.4	10.7	10.7	12.7
Fixed Asset Turnover (x)	0.8	0.8	0.9	0.9
Inventory Turnover Days	140.2	130.0	130.0	130.0
Receivables Days	92.2	87.2	82.2	82.2
Payables Days	46.7	46.7	46.7	46.7

Source Company data, I-Sec research

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