

Tepid Q3; FY24E revenues at lower end of the guidance

Although, PI Industries' (PI's) headline numbers looked optically strong with Revenues/EBITDA/PAT rising 18%/33%/26% YoY, operating performance was in line due to Rs700mn one-off embedded in GP which further benefited EBITDA. One of the shipments which was lost in Q2FY24 was recovered in Q3FY24 for which the RM cost was booked in Q2 while revenues were booked in Q3. Pharma segment revenues surged 77.2% QoQ at Rs1.3bn with marginal Rs4mn EBITDA vs. loss QoQ. Management cited that the global agrochem environment remained challenging amidst Chinese generics offloading and higher trade inventories hence it guided challenging Q4 impacted by external conditions. Subsequently, the company is likely to attain lower end of its FY24E revenue guidance of 18-20%. It expects 25-26% sustainable EBITDA margins in future. Based on 9M performance, we have lowered our FY24E/FY25E/FY26E revenue estimates marginally by 0.6%/1.7%/2.6% while upping our EBITDA margins. Based on our revised estimates, we continue to maintain Add with revised TP of Rs3,826 (earlier Rs3,785).

Despite one-off CSM robust CSM margins in Q3

During Q3, PI's agrochem CSM revenues rose 13.2% YoY at Rs15.0bn vs. Rs13.3bn. Growth was entirely driven by volumes. New molecules commercialised over the past three years grew by 60%+ which provides growth visibility for future. Domestic agrochem revenues declined 6.7% YoY at Rs2.7bn vs 2.8bn impacted by Kharif impact. Overall EBITDA margins improved YoY due to favourable product mix and operating leverage.

Pharma segment reports marginal positive EBITDA

Pharma segment reported strong improvement in QoQ performance with 77.3% QoQ jump in revenues while reporting Rs4mn EBITDA vs loss of Rs183mn in Q2. Considering ~Rs350mn development spend, the proforma EBITDA margins for 9MFY24 stood at ~16%. Management guided pharma margins to scale back to companywide margins after completing the development expenditure which is made to support the business. Development expenditure is expected to continue for a quarter or so.

To attain lower end of 18-20% rev. guidance for FY24E, sust. EBITDA margins at 25-26%

Due to challenging global agrochem environment, management remained skeptical for near term citing to attain lower end of 18-20% revenue guidance for FY24E. However, it remained confident of 25-26% sustainable EBITDA margins. FY25E guidance would be provided post Q4. We believe CSM segment to face near term challenge considering global inventory destocking and Kumiai's reduced guidance for Pyroxasulfone which is among the key CSM molecules for PI. We have thus lowered our CSM revenue growth estimates while upping the EBITDA margin estimates. The stock is currently trading at 22.1x/ 18.6x FY25E/ FY26E EV/ EBITDA. We maintain Add with a marginally increased TP of Rs3,826 (earlier Rs3,785).

Risks – Sharper than expected demand slowdown in CSM segment, slower than expected scale up in pharma

Financial and valuation summary

YE Mar (Rs mn)	3QFY24A	3QFY23A	YoY (%)	2QFY24A	QoQ (%)	FY24E	FY25E	FY26E
Revenues	18,975	16,132	17.6	21,169	(10.4)	77,309	90,551	1,05,305
EBITDA	5,536	4,151	33.4	5,514	0.4	20,143	22,121	25,829
EBITDA margin (%)	29.2	25.7	350bps	26.0	320bps	26.1	24.4	24.5
Adj. Net profit	4,486	3,518	27.5	4,805	(6.6)	16,305	17,489	19,199
Adj. EPS (Rs)	29.5	23.1	27.5	31.6	(6.6)	107.3	115.1	126.3
EPS growth (%)						32.6	7.3	9.8
PE (x)						31.7	29.6	26.9
EV/EBITDA (x)						24.6	22.1	18.6
PBV (x)						6.0	5.1	4.4
RoE (%)						20.6	18.6	17.4
RoCE (%)						20.8	18.7	17.6

Source: Company, Centrum Broking

Result Update

India I Chemicals

12 February, 2024

ADD

Price: Rs3,403

Target Price: Rs3,826

Forecast return: 12%

Institutional Research

Market Data

Bloomberg:	PI IN
52 week H/L:	4,011/2,869
Market cap:	Rs516.4bn
Shares Outstanding:	151.7mn
Free float:	51.4%
Avg. daily vol. 3mth:	4,89,286

Source: Bloomberg

Changes in the report

Rating:	ADD, unchanged
Target price:	Rs3,826; up 1.1%; from Rs3,785
EPS:	FY24E: Rs 107.3 Up 8.5% FY25E: Rs 115.1 Up 3.2% FY26E: Rs 126.3 down 1.0%

Source: Centrum Broking

Shareholding pattern

	Dec-23	Sep-23	Jun-23	Mar-23
Promoter	46.1	46.1	46.1	46.1
FIIIs	20.4	20.0	19.2	18.6
DIIIs	23.2	23.3	24.0	24.2
Public/other	10.3	10.6	10.8	11.1

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q3FY24	Actual Q3FY24	Variance (%)
Revenue	18,300	18,975	3.7
EBITDA	4,482	5,536	23.5
EBITDA margin %	24.5	29.2	468bps
Adj. PAT	3,517	4,486	27.5

Source: Bloomberg, Centrum Broking



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Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY25E New	FY25E Old	% chg.	FY26E New	FY26E Old	% chg.
Revenue	90,551	92,121	(1.7)	1,05,305	1,08,103	(2.6)
EBITDA	22,121	22,302	(0.8)	25,829	25,950	(0.5)
EBITDA margin%	24.4	24.2	20bps	24.5	24.0	50bps
Adj. PAT	17,489	16,952	3.2	19,199	19,391	(1.0)
Diluted EPS (Rs)	115.1	111.5	3.2	126.3	127.6	(1.0)

Source: Centrum Broking

PI Industries versus NIFTY 50

	1m	6m	1 year
PI IN	(1.4)	(11.6)	8.6
NIFTY 50	(1.3)	11.3	21.1

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY24E	FY25E	FY26E
Revenue growth (%)	19.1	17.1	16.3
CSM Revenue growth (%)	19.0	17.0	17.0
Domestic Revenue growth (%)	(4.6)	10.6	12.1
Pharma Revenue growth (%)	-	42.3	18.7
EBITDA margins (%)	26.1	24.4	24.5

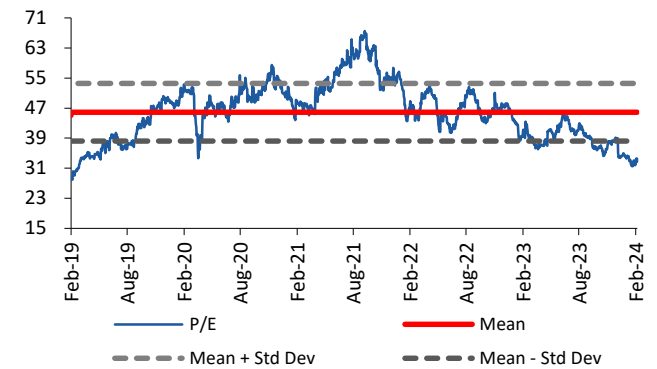
Source: Centrum Broking

Valuations

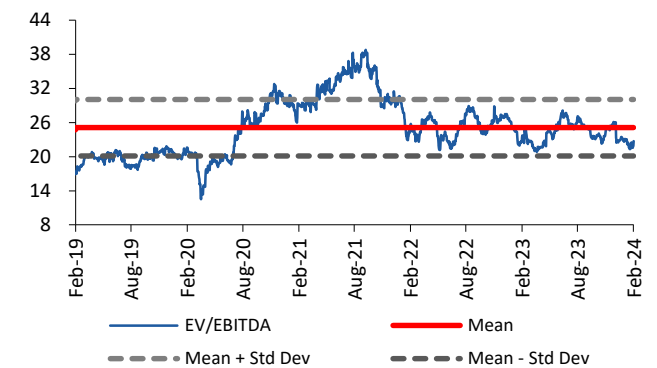
Based on 9M performance, we have lowered our FY24E/FY25E/ FY26E revenue estimates marginally by 0.6%/1.7%/2.6% while upping our EBITDA margins. The stock is currently trading at 22.1x/ 18.6x FY25E/ FY26E EV/ EBITDA. Based on our revised estimates, We maintain Add with a marginally increased TP of Rs3,826 (earlier Rs3,785).

SOTP valuation	1HFY26E EBITDA	EV/ EBITDA (x)	Value (Rs mn)
CSM	19,907	25	4,97,668
Domestic	2,970	12	35,642
Pharma	1,105	15	16,575
Net debt			(31,673)
Implied value (Rs mn)			5,81,559
No. of shares			152
Target price			3,826
CMP (Rs)			3,403
Upside (%)			12.4

P/E mean and standard deviation



EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer comparison

Company	Mkt Cap	CAGR (FY23A-26E)			P/E (x)			EV/EBITDA (x)			ROE (%)		
	(Rs bn)	Sales	EBITDA	EPS	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Aarti Industries	244.7	10.1	19.8	22.1	63.7	32.4	24.6	27.5	18.5	15.0	7.5	13.4	15.5
Anupam Rasayan	90.2	20.4	22.6	29.4	42.4	30.9	22.8	18.6	15.0	11.8	8.5	10.7	13.0
Atul	187.7	6.9	12.8	9.5	50.7	36.2	27.8	27.9	20.9	16.7	7.6	9.9	11.8
Deepak Nitrite	299.3	11.2	23.7	24.0	38.9	21.9	18.4	26.0	14.7	12.2	17.4	25.4	24.2
Dhanuka Agritech	46.7	10.2	14.5	10.3	19.9	17.4	15.0	14.2	12.2	10.3	20.5	19.9	19.7
Galaxy Surfactants	93.2	1.9	2.2	0.8	29.8	26.5	24.1	18.1	16.2	14.5	15.7	15.6	15.2
Gujarat Fluorochemicals	375.1	16.2	5.6	1.1	87.4	42.7	28.5	41.3	25.0	17.6	7.7	14.2	18.2
Navin Fluorine	151.9	17.8	16.2	13.1	70.1	38.4	28.1	39.6	24.8	19.2	9.4	15.3	18.0
PI Industries	514.5	17.5	18.8	16.0	31.7	29.6	26.9	24.6	22.1	18.6	20.6	18.6	17.4
Rossari Biotech	40.5	13.4	16.5	23.4	30.5	25.6	20.0	15.9	13.3	10.8	13.5	14.2	15.8
SRF	676.7	6.2	7.8	5.0	53.9	35.7	27.1	28.1	20.5	16.3	11.6	15.6	17.7
UPL	344.5	(3.0)	(3.6)	(4.5)	-	22.9	10.6	12.0	7.0	5.3	(3.0)	5.2	10.5
Vinati Organics	166.0	10.9	7.8	6.8	46.4	35.7	29.7	35.1	26.5	22.0	15.1	17.1	17.7

Source: Company, Centrum Broking

Exhibit 1: Quarterly review

Y/E March (Rs mn)	Q3FY24	Q3FY23	YoY (%)	Q2FY24	QoQ (%)	9M FY24	9M FY23	% chg.
Net sales	18,975	16,132	17.6	21,169	(10.4)	59,248	49,264	20.3
Cost of Goods	8,813	8,525	3.4	11,311	(22.1)	30,342	26,888	12.8
% of sales	46.4	52.8		53.4		51.2	54.6	
Employee benefit expenses	1,856	1,333	39.2	1,638	13.3	5,229	3,921	33.4
% of sales	40.0	25.2		30.7		102.1	71.8	
Other expenditure	2,770	2,123	30.5	2,706	2.4	7,949	6,529	21.7
% of sales	14.6	13.2		12.8		13.4	13.3	
Operating profit	5,536	4,151	33.4	5,514	0.4	15,728	11,926	31.9
OPM (%)	29.2	25.7		26.0		26.5	24.2	
Dep. and amor.	783	567	38.1	803	(2.5)	2,283	1,687	35.3
EBIT	4,753	3,584	32.6	4,711	0.9	13,445	10,239	31.3
Interest	70	89	(21.3)	78	(10.3)	191	236	(19.1)
Other income	561	502	11.8	469	19.6	1,499	1,060	41.4
Excp. Item	0	0		0		0	0	
PBT	5,244	3,997	31.2	5,102	2.8	14,753	11,063	33.4
Provision for tax	772	484	59.5	317	143.5	1,714	1,629	5.2
eff. tax rate	14.7	12.1		6.2		11.6	14.7	
PAT (rep.)	4,472	3,513	27.3	4,785	(6.5)	13,039	9,434	38.2
Share of Profit/ (loss) of asso.	14	5		20		81	56	
PAT Cons.	4,486	3,518	27.5	4,805	(6.6)	13,120	9,490	38.3
NPM (%)	23.0	21.1		22.2		21.6	18.9	
EPS (Rs)	29.5	23.1	27.5	31.6	(6.6)	95.1	68.8	38.3

Segment revenue (Rs mn)	Q3FY24	Q3FY23	YoY (%)	Q2FY24	QoQ (%)	9M FY24	9M FY23	% chg.
Agrochemicals	17,702	16,132	9.7	20,451	(13.4)	56,814	49,264	15.3
Pharma	1,273	0		718	77.3	2,434	0	
Total	18,975	16,132	17.6	21,169	(10.4)	59,248	49,264	20.3

EBIT (Rs mn)	Q3FY24	Q3FY23	YoY (%)	Q2FY24	QoQ (%)	9M FY24	9M FY23	% chg.
Agrochemicals	5,441	4,049	34.4	5,504	(1.1)	15,548	11,192	38.9
% EBIT	30.7	25.1		26.9		27.4	22.7	
Pharma	(183)	(47)	289.4	(382)	(52.1)	(714)	(73)	
% EBIT	(14.4)			(53.2)		(29.3)	-	
Total	5,258	4,002	31.4	5,122	2.7	14,834	11,119	33.4
% EBIT	27.7	24.8		24.2		25.0	22.6	

Segment revenue (Rs mn)	Q3FY24	Q3FY23	YoY (%)	Q2FY24	QoQ (%)	9M FY24	9M FY23	% chg.
Domestic	2,655	2,846	(6.7)	4,840	(45.1)	10,979	11,774	(6.8)
CSM	16,320	13,286	22.8	16,329	(0.1)	48,269	37,490	28.8
Total	18,975	16,132	17.6	21,169	(10.4)	59,248	49,264	20.3

Source: Company, Centrum Broking

Exhibit 2: Quarterly Trend

(Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YoY (%)	QoQ (%)
Revenues	13,952	15,432	17,700	16,132	15,656	19,104	21,169	18,975	17.6	(10.4)
Q-o-Q gr. (%)	2.9	10.6	14.7	(8.9)	(3.0)	22.0	10.8	(10.4)		
Raw Mat. Cons.	7,465	8,037	9,151	8,169	8,289	9,541	10,164	8,389	2.7	(17.5)
% of net sales	53.5	52.1	51.7	50.6	52.9	49.9	48.0	44.2		
Purchase of prod.	339	629	546	356	350	677	1,147	424	19.1	(63.0)
% of net sales	2.4	4.1	3.1	2.2	2.2	3.5	5.4	2.2		
Employee Costs	1,140	1,246	1,342	1,333	1,345	1,735	1,638	1,856	39.2	13.3
% of net sales	8.2	8.1	7.6	8.3	8.6	9.1	7.7	9.8		
Others	1,958	2,064	2,342	2,123	2,244	2,473	2,706	2,770	30.5	2.4
% of net sales	14.0	13.4	13.2	13.2	14.3	12.9	12.8	14.6		
EBITDA	3,050	3,456	4,319	4,151	3,428	4,678	5,514	5,536	33.4	0.4
Q-o-Q growth (%)	2.9	13.3	25.0	(3.9)	(17.4)	36.5	17.9	0.4		
EBITDA Margin (%)	21.9	22.4	24.4	25.7	21.9	24.5	26.0	29.2		
Dep. & Amor.	536	560	560	567	577	697	803	783	38.1	(2.5)
EBIT	2,514	2,896	3,759	3,584	2,851	3,981	4,711	4,753	32.6	0.9
Interest exp.	27	36	111	89	33	43	78	70	(21.3)	(10.3)
Other Income	200	241	317	502	495	469	469	561	11.8	19.6
EBT	2,687	3,101	3,965	3,997	3,313	4,407	5,102	5,244	31.2	2.8
Provision for tax	649	516	629	484	519	625	317	772	59.5	143.5
Eff. tax rate (%)	24.2	16.6	15.9	12.1	15.7	14.2	6.2	14.7		
Net Profit	2,038	2,585	3,336	3,513	2,794	3,782	4,785	4,472	27.3	(6.5)
Share of Profit/(loss) of asso.	6	39	12	5	12	47	20	14		
Net Profit	2,044	2,624	3,348	3,518	2,806	3,829	4,805	4,486	27.5	(6.6)
Q-o-Q gr. (%)	(8.2)	28.4	27.6	5.1	(20.2)	36.5	25.5	(6.6)		
PAT Margin (%)	14.4	16.7	18.6	21.1	17.4	19.6	22.2	23.0		
Segment revenue (Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YoY (%)	QoQ (%)
Domestic	4,011	4,917	2,846	2,842	2,842	3,474	4,840	2,655	(6.7)	(45.1)
CSM	11,421	12,783	13,286	12,814	12,814	15,630	16,329	16,320	22.8	(0.1)
Total	13,952	15,432	17,700	16,132	15,656	19,104	21,169	18,975	17.6	(10.4)

Source: Company, Centrum Broking

Exhibit 3: Pharma Segment financials

Y/E March (Rs mn)	Q3FY24 proforma	Q3FY24 reported	Difference (%)	9MFY24 proforma	9MFY24 reported	Difference (%)
Revenue	1,207	1,273	5.5	2,839	2,435	(14.2)
COGS	557	624	12.0	1,072	1,021	(4.8)
Gross Profit	650	649	(0.1)	1,767	1,414	(20.0)
Gross Margins (%)	53.9	51.0		62.2	58.1	
Overheads	650	650	0.0	1,650	1,650	0.0
EBITDA	1	4	300.0	118	(234)	-
EBITDA margin (%)	0.1	0.3		4.2	(9.6)	

Source: Company, Centrum Broking

Q3FY24 Concall highlights

Growth momentum to continue in FY25E, specific guidance post Q4, sustainable EBITDA margins at 25-26%

Financial Performance – 300bps one time impact on EBITDA margins due to lost shipment

- One time positive impact on EBITDA – 300bps, Rs700mn revenues from the item which was lost
- Gross margin expansion – Favourable product mix
- CFO – Rs11.56bn
- 9M capex – Rs9bn
- Lower tax rate – Due to growth in export revenues

Business/ operational highlights – Robust 60%+ growth from new products

- China offloading material in global markets, trade channels are yet at high inventory and the flow of products for manufacturers is therefore impaired
- PI ranks among the top three CSM companies in the world
- R&D – 800+ scientists
- Continues to seek inorganic opportunities
- 50 molecules in R&D
- 60%+ growth from new products in Q3, launched in last three years
- Rs400mn Shipment lost – Material/ RM booked in Q2, revenues of Rs700mn booked in Q3
- Some impact due to Red Sea issue to Europe and the US, costs have increased and shared with customers, in most cases passed on to the customers

CSM – Multiple molecules can become large in future, growth driven by newly launched molecules

- Order book – USD1.7bn
- Pyroxasulfone – Registrations on for several countries, based on market intelligence price erosion expected to be 10-15%
- No issues in terms of orders for 2024 while talking with global CSM customers
- Visibility for 5 new molecules to become large
- Share of non-agro molecules in enquiries up by 30%

Domestic – Product launches continue, horticulture focus area

- Recent launch of brands have seen a healthy uptake from the insecticide carrots and paddy, herbicide Focus on High quality revenues and superior margins
- Horticulture category – 60 brands in Jivagro
- Biologicals done well, continues to expand the pipeline

Pharma – Development expenditure to continue for a quarter or so

- Focusing on CRDMO, contract research services
- Investments made to support business pipeline
- Post development phase, EBITDA margins similar to current companywide margins
- Development expenditure to continue for a quarter or so

Guidance and outlook – Organic capex to continue, margins at 25-26%

- Expect challenges in Q4 due to external conditions
- FY24E revenues – 18-20% guidance incl. agro+pharma maintained, likely to be at the lower end
- FY24E tax rate – 14-15%, similar rate for FY25E
- FY25E capex – Rs6-8bn for organic growth
- Confident of sustaining current growth momentum in FY25E, specific guidance post Q4
- EBITDA margins – 25-26% sustainable level
- Expect 25% company revenues coming from non-agrochem space over the next 4-5 years

Q3FY24 Snippets from presentation

Strong performance, significant cash balance, volume led growth in CSM

Q3 Financial highlights

- Consolidated revenue – 18% YoY growth
- Pharma contribution – Rs1.27bn (10% of total export revenues)
- CSM – 13% YoY growth, led by volume growth and newly commercialised products
- Domestic revenues – 6% YoY degrowth due to delayed & erratic monsoon although favourable product mix and improved WC management helped reducing impact
- GMs – Improved to 54% due to better product mix
- EBITDA margins – Improved 348bps YoY due to favourable product mix and operating leverage and one-time impact of recovery of theft material contributing ~300bps improvement in EBITDA
- PAT – Up 28% to Rs4.49bn attributable to EBITDA growth + low ETR

9MFY24 financial highlights

- Consolidated revenue – 20% YoY growth
- Pharma contribution – Rs2.43bn (7% of total export revenues)
- CSM – 22% YoY growth, led by volume growth ~21% + price ~1% + currency + favourable product mix and introduction of 4 new products
- Domestic revenues – Subdued due to delayed & erratic monsoon + El Niño conditions leading to dry spells impacting sales although favourable product mix and improved WC management reduced the impact
- GMs – Improved to 49% due to better product mix
- EBITDA margins – Overall favourable product mix and significant increase in operating leverage reflected in improvement in EBITDA by 31%
- PAT – Up 38% to Rs13.12bn attributable to EBITDA growth + low ETR

Business performance – 4 molecules commercialised in CSM and 5 in domestic

- Commercialised 4 new products in exports and 5 in domestic Agri Brands
- CSM exports order book – ~USD1.7bn
- Net fixed asset – Up Rs7.82bn YoY
- 9M capex – Rs9bn including Pharma acquisitions of Rs4.97bn, Rs4.03bn asset capex vs Rs2.59bn YoY
- 9MFY24 WC days – Improved to 80 days YoY from 90 days
- 9M CFO– Rs11.56bn incl. Pharma & Rs12.9bn excl. Pharma (Rs9.95bn YoY)
- 9M surplus cash – Rs32.93bn
- 9M Inventory days – 59days (81days)
- 1st Indian company to get new ISO approval 'Pioxanilliprole'

Pharma update

- Revenues of Rs1.3bn including revenues of acquired businesses of Archimica S.p.A. + Therachem Medilab and PIHS Hyderabad
- 9MFY24 capex – Rs1bn
- Inventory of Rs870mn which has reduced from Rs1.2bn as on 30-Sep-23
- Proforma EBITDA for 9MFY24, before development spend of ~Rs350mn, works out to ~16%

Outlook

- **Domestic** – Monsoon deficit in south and low reservoir levels. Elevated inventory levels in the industry for row crop agchem products and price pressure from generics. Focused to support farmers with a crop solution approach with improved quality of revenue and efficient WC management
- **CSM** – Continued scale up in demand of the existing and newly commercialised products Solid R&D pipeline of diversified portfolio of agchem, electronic, imaging and other specialty chemicals -4 to 5 products to be commercialized every year.~30% from Agchem. Capacity expansion in line with plan to commission 2 plants in next 1 year
- **Health Science** – Build-up of Hyderabad research center and staffing at full swing and soon to get commissioned. Operating model, functional and IT integration of acquired companies (Archimica, Therachem Medilab) underway. New business development efforts intensified. Capex committed for upgrade of facilities and building cutting-edge capabilities at Lodi and Jaipur facilities
- **Strategic initiatives** – Strong pipeline of Biologicals and Biostimulant products at different stages of development
- Discussions continues with global innovators for development partnership of promising R&D leads. Evaluation of opportunities for inorganic growth continues in multiple strategic areas

P&L					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenues	52,995	64,920	77,309	90,551	1,05,305
Operating Expense	29,228	35,527	39,369	47,923	55,627
Employee cost	4,804	5,266	7,135	8,563	10,275
Others	7,539	8,706	10,661	11,944	13,574
EBITDA	11,424	15,421	20,143	22,121	25,829
Depreciation & Amortisation	2,018	2,265	3,109	3,658	4,377
EBIT	9,406	13,156	17,034	18,463	21,452
Interest expenses	128	371	260	286	315
Other income	1,014	1,590	2,083	2,291	2,749
PBT	10,292	14,375	18,857	20,468	23,887
Taxes	1,890	2,148	2,654	3,086	4,800
Effective tax rate (%)	18.4	14.9	14.1	15.1	20.1
PAT	8,402	12,227	16,203	17,382	19,087
Minority/Associates	36	68	102	107	112
Recurring PAT	8,438	12,295	16,305	17,489	19,199
Extraordinary items	0	0	0	0	0
Reported PAT	8,438	12,295	16,305	17,489	19,199
Ratios					
YE Mar	FY22A	FY23A	FY24E	FY25E	FY26E
Growth (%)					
Revenue	15.8	22.5	19.1	17.1	16.3
EBITDA	12.9	35.0	30.6	9.8	16.8
Adj. EPS	14.3	45.7	32.6	7.3	9.8
Margins (%)					
Gross	44.8	45.3	49.1	47.1	47.2
EBITDA	21.6	23.8	26.1	24.4	24.5
EBIT	17.7	20.3	22.0	20.4	20.4
Adjusted PAT	15.9	18.9	21.1	19.3	18.2
Returns (%)					
ROE	14.7	18.5	20.6	18.6	17.4
ROCE	14.2	18.5	20.8	18.7	17.6
ROIC	15.0	22.1	22.3	20.9	20.5
Turnover (days)					
Gross block turnover ratio (x)	1.7	1.9	1.6	1.5	1.5
Debtors	54	46	40	40	41
Inventory	155	145	142	139	139
Creditors	107	91	85	82	82
Net working capital	256	252	222	225	232
Solvency (x)					
Net debt-equity	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)
Interest coverage ratio	89.3	41.6	77.5	77.3	82.1
Net debt/EBITDA	(1.0)	(1.5)	(1.1)	(1.3)	(1.4)
Per share (Rs)					
Adjusted EPS	55.5	80.9	107.3	115.1	126.3
BVPS	402.7	473.6	568.0	669.2	780.4
CEPS	68.8	95.8	127.7	139.1	155.1
DPS	5.0	5.5	12.9	13.8	15.2
Dividend payout (%)	9.0	6.8	12.0	12.0	12.0
Valuation (x)					
P/E	61.3	42.1	31.7	29.6	26.9
P/BV	8.5	7.2	6.0	5.1	4.4
EV/EBITDA	44.3	32.1	24.6	22.1	18.6
Dividend yield (%)	0.1	0.2	0.4	0.4	0.4

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity share capital	152	152	152	152	152
Reserves & surplus	61,052	71,833	86,181	1,01,571	1,18,467
Shareholders fund	61,204	71,985	86,333	1,01,723	1,18,619
Minority Interest	0	0	0	0	0
Total debt	2,678	0	0	0	0
Non Current Liabilities	651	781	781	781	781
Def tax liab. (net)	875	213	213	213	213
Total liabilities	65,408	72,979	87,327	1,02,717	1,19,613
Gross block	31,039	34,606	49,852	60,091	70,314
Less: acc. Depreciation	(7,709)	(9,662)	(12,654)	(16,193)	(20,447)
Net block	23,330	24,944	37,198	43,898	49,867
Capital WIP	638	625	625	625	625
Net fixed assets	25,860	27,637	39,794	46,395	52,260
Non Current Assets	2,019	433	433	433	433
Investments	258	55	55	55	55
Inventories	14,234	13,976	16,750	19,619	22,816
Sundry debtors	8,687	7,720	9,234	10,816	12,578
Cash & Cash Equivalents	14,102	22,429	21,830	27,861	35,817
Loans & advances	30	83	83	83	83
Other current assets	12,586	12,415	12,415	12,415	12,415
Trade payables	9,242	8,380	9,878	11,570	13,456
Other current liab.	3,167	3,160	3,160	3,160	3,160
Provisions	94	278	278	278	278
Net current assets	37,136	44,805	46,996	55,786	66,815
Total assets	65,408	72,979	87,327	1,02,717	1,19,613
Cashflow					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Profit Before Tax	10,328	14,443	18,959	20,575	23,999
Depreciation & Amortisation	2,018	2,265	3,109	3,658	4,377
Net Interest	128	371	260	286	315
Net Change – WC	(5,368)	2,685	(2,790)	(2,759)	(3,074)
Direct taxes	(1,950)	(2,650)	(2,654)	(3,086)	(4,800)
Net cash from operations	4,142	15,524	14,801	16,383	18,068
Capital expenditure	(3,214)	(3,590)	(15,266)	(10,259)	(10,243)
Acquisitions, net	0	0	0	0	0
Investments	(1,672)	(1,093)	0	0	0
Others	1,014	1,590	2,083	2,291	2,749
Net cash from investing	(3,872)	(3,093)	(13,183)	(7,968)	(7,494)
FCF	374	12,747	1,841	8,658	10,826
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	104	(2,678)	0	0	0
Dividend paid	(758)	(1,137)	(1,957)	(2,099)	(2,304)
Interest paid	(128)	(371)	(260)	(286)	(315)
Others	(12,177)	(13,620)	0	0	0
Net cash from financing	(12,959)	(17,806)	(2,217)	(2,385)	(2,619)
Net change in Cash	(12,689)	(5,375)	(599)	6,031	7,956

Source: Company, Centrum Broking

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