

Sustaining margin leadership; upgrade to ADD

Cement ▶ Result Update ▶ May 15, 2024

TARGET PRICE (Rs): 29,500

Shree Cement's Q4FY24 EBITDA was a strong beat on our/consensus estimates by 14-22%, mainly led by better-than-expected blended realizations and lower cost. EBITDA grew 49% YoY/8% QoQ to Rs13.3bn (Emkay est: Rs11bn) with EBITDA/t improving marginally QoQ to Rs1,393 (industry leading). Shree is one of the few companies (along with Birla Corp and Orient Cement) with a rising EBITDA/t vs industry profitability, which declined by an average of Rs135, sequentially. Volumes grew 7% YoY to 9.5mt. Management has reiterated its target to achieve grey cement capacity of 75mt/80mt by FY27/28E, respectively. Moreover, in recent times, the company has significantly enhanced its focus on brand building in a bid to improve price positioning and share of premium products. Factoring in the low cement prices, we marginally cut our EBITDA estimates (by 1-2%) in FY25-26E. The stock price has declined ~13% over the past three months. Hence, we upgrade the stock to ADD from Reduce with a TP of Rs29,500/share (based on ~17x Mar-26E EV/EBITDA).

Shree Cement: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	150,096	178,523	205,210	227,893	260,214
EBITDA	37,079	29,595	45,167	51,455	61,145
Adj. PAT	23,319	12,707	23,957	23,951	29,250
Adj. EPS (Rs)	646.3	352.2	664.0	663.8	810.7
EBITDA margin (%)	24.7	16.6	22.0	22.6	23.5
EBITDA growth (%)	(8.5)	(20.2)	52.6	13.9	18.8
Adj. EPS growth (%)	2.0	(45.5)	88.5	0.0	22.1
RoE (%)	14.2	7.0	12.2	11.1	12.3
RoIC (%)	27.1	12.7	20.6	16.9	0.0
P/E (x)	39.9	73.3	38.9	38.9	31.8
EV/EBITDA (x)	23.2	29.4	19.3	17.0	14.3
P/B (x)	5.3	5.0	4.5	4.1	3.7
FCFF yield (%)	0.5	(0.8)	0.2	(0.3)	0.6

Source: Company, Emkay Research

Result Summary:

Volumes growth was moderate at 8% YoY to 9.5mt (vs industry growth of 9-10%). Company lost volumes for four days (0.4mt) owing to IT transition (Oracle to SAP) and a branding event. Cement realization declined 6% QoQ to Rs4,721/t on account of weak prices in Q4. Shree witnessed healthy reduction in costs, with total cost/t dropping by Rs165 QoQ to Rs3,960 (Emkay est: Rs4,090). The reduction was mainly driven by lower expenses (others expenses + employees cost declined Rs131/t QoQ). RM+P&F cost fell by Rs36/t QoQ, on account of softening fuel costs. Shree has successfully commissioned 3mt GU in Guntur, AP in Apr-24, taking the overall domestic capacity to 56mt. The work on 18mt capacity expansion projects already announced is running as per schedule, which will increase total capacity to 75mt by FY27E. In FY24, consolidated FCF stood at Rs3bn after working capital blockage of Rs7.2bn and capex of Rs32bn. Despite its aggressive expansion plans, we expect Company to generate a positive FCF going ahead.

What we liked: Robust EBITDA growth and other cost reductions.

KTAs from the earnings call:

i) For Q4, volume growth for Shree was around 20% YoY in East, 5% in North, and 9-10% YoY in South. ii) For power segment, revenue stood at Rs4.4bn and EBITDA margins was ~10%. iii) Company is looking for rail connectivity at all sites in FY28, which will help to reduce logistics cost. Currently, the cost of rail is Rs2.6/ptpk and road is Rs3/ptpk. Targeting rail share of 25% by FY28E from the current 12%. iv) Coal cost increased marginally to Rs1.82/kcal in Q4 vs Rs1.78/Kcal in Q3. Shree has around four months of coal inventory (~1.4mt) at an average cost of Rs1.8/Kcal. v) Share of green power stood at 54% in Q4. In the process of commissioning 34MW WHRS and 154MW of Solar plant by FY26. vi) Lead distance for the quarter stood at 435km (Q3FY24: 457km). vii) Looking to incur capex of Rs120bn by FY27 (Rs40bn p.a.).

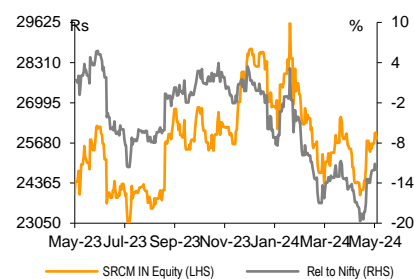
Target Price – 12M	Mar-25
Change in TP (%)	(1.7)
Current Reco.	ADD
Previous Reco.	REDUCE
Upside/(Downside) (%)	14.3
CMP (15-May-24) (Rs)	25,819.7

Stock Data	Ticker
52-week High (Rs)	30,738
52-week Low (Rs)	22,601
Shares outstanding (mn)	36.1
Market-cap (Rs bn)	932
Market-cap (USD mn)	11,157
Net-debt, FY25E (Rs mn)	-56,120
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	1,022.9
ADTV-3M (USD mn)	12.3
Free float (%)	-
Nifty-50	22,201
INR/USD	83.5
Shareholding, Mar-24	
Promoters (%)	62.6
FPIs/MFs (%)	12.5/12.3

Price Performance

(%)	1M	3M	12M
Absolute	2.1	(1.9)	5.0
Rel. to Nifty	2.4	(3.2)	(13.0)

1-Year share price trend (Rs)



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Quarterly Analysis

Exhibit 1: Actual vs. Estimates (Q4FY24)

Standalone (Rs mn)	Actual	Estimates		Variation (%)		Comment
		Emkay	Consensus	Emkay	Consensus	
Net sales	51,010	49,481	50,601	3.1	0.8	Strong beat owing to reduction in operational costs
EBITDA	13,272	10,856	11,673	22.3	13.7	
PAT	6,618	6,033	6,109	9.7	8.3	
Volumes (mt)	9.5	9.4		0.9		
Blended realization (Rs/ton)	5,353	5,240		2.1		
EBITDA (Rs/ton)	1,393	1,150		21.1		

Source: Bloomberg, Emkay Research

Exhibit 2: Standalone quarterly analysis

(Rs mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
Revenue	47,851	49,991	45,846	49,008	51,010	6.6	4.1	168,375	195,855	16.3
Expenditure	38,927	40,665	37,146	36,671	37,738	(3.1)	2.9	138,952	152,220	9.5
Total RM cost	4,312	5,759	4,558	4,393	3,608	(16.3)	(17.9)	12,598	18,317	45.4
Power and fuel cost	15,729	15,240	13,696	12,809	14,490	(7.9)	13.1	55,449	56,234	1.4
Freight cost	10,308	10,630	9,508	9,732	10,451	1.4	7.4	37,332	40,321	8.0
Staff cost	2,209	2,349	2,332	2,347	2,352	6.5	0.2	8,658	9,379	8.3
Other expenditure	6,369	6,688	7,053	7,391	6,838	7.4	(7.5)	24,915	27,969	12.3
EBITDA	8,925	9,326	8,701	12,337	13,272	48.7	7.6	29,423	43,635	48.3
Depreciation	4,419	3,085	3,315	3,466	6,281	42.1	81.2	15,462	16,147	4.4
EBIT	4,505	6,241	5,386	8,871	6,991	55.2	(21.2)	13,961	27,489	96.9
Other income	1,353	1,617	1,261	1,354	1,379	1.9	1.8	4,315	5,611	30.0
Interest	726	753	681	561	648	(10.8)	15.4	2,689	2,643	(1.7)
PBT	5,132	7,105	5,965	9,664	7,722	50.5	(20.1)	15,586	30,456	95.4
Total Tax	(330)	1,294	1,052	2,322	1,105	(434.7)	(52.4)	2,305	5,772	150.4
Adjusted PAT	5,462	5,811	4,913	7,342	6,618	21.2	(9.9)	13,281	24,684	85.9
Extraordinary items	-	-	-	-	-			-	-	
Reported PAT	5,462	5,811	4,913	7,342	6,618	21.2	(9.9)	13,281	24,684	85.9
Adjusted EPS (Rs)	151.4	161.1	136.2	203.5	183.4	21.2	(9.9)	368.1	684.2	85.9

(%)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (bps)	QoQ (bps)	FY23	FY24	YoY (bps)
EBITDA	18.7	18.7	19.0	25.2	26.0	737	85	17.5	22.3	480
EBIT	9.4	12.5	11.7	18.1	13.7	429	(439)	8.3	14.0	574
EBT	10.7	14.2	13.0	19.7	15.1	441	(458)	9.3	15.6	629
PAT	11.4	11.6	10.7	15.0	13.0	156	(201)	7.9	12.6	472
Effective tax rate	(6.4)	18.2	17.6	24.0	14.3			14.8	19.0	416

Source: Company, Emkay Research

Exhibit 3: Quarterly analysis on a per-ton basis

Rs/ton	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
Cement volumes (mt)	8.8	8.9	8.2	8.9	9.5	8.0	7.2	31.8	35.5	11.7
Blended realization	5,420	5,607	5,594	5,513	5,353	(1.3)	(2.9)	5,292	5,512	4.2
Raw Material	488	646	556	494	379	(22.5)	(23.4)	396	516	30.2
Power and fuel cost	1,782	1,709	1,671	1,441	1,520	(14.7)	5.5	1,743	1,583	(9.2)
Freight	1,168	1,192	1,160	1,095	1,097	(6.1)	0.2	1,173	1,135	(3.3)
Staff cost	250	263	285	264	247	(1.4)	(6.5)	272	264	(3.0)
Other expenditure	721	750	861	831	717	(0.6)	(13.7)	783	787	0.5
Operating cost	4,409	4,561	4,533	4,125	3,960	(10.2)	(4.0)	4,367	4,284	(1.9)
EBITDA	1,011	1,046	1,062	1,388	1,393	37.8	0.4	925	1,228	32.8

Source: Company, Emkay Research

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Exhibit 4: Consolidated quarterly analysis

(Rs mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
Revenue	51,002	50,648	48,002	52,232	54,328	26.4	4.0	178,523	205,210	14.9
Expenditure	42,110	41,199	39,141	39,592	40,110	12.3	1.3	148,928	160,042	7.5
Total RM cost	5,322	3,697	3,973	4,628	3,400	26.0	(26.5)	14,324	15,698	9.6
Power and fuel cost	17,219	16,982	15,369	14,035	16,307	11.1	16.2	60,807	62,692	3.1
Freight cost	10,501	10,759	9,824	10,025	10,898	14.6	8.7	37,836	41,505	9.7
Staff cost	2,482	2,659	2,664	2,697	2,625	5.9	(2.7)	9,778	10,644	8.9
Other expenditure	6,586	7,102	7,312	8,207	6,881	8.1	(16.2)	26,183	29,502	12.7
EBITDA	8,892	9,449	8,860	12,640	14,218	95.7	12.5	29,595	45,167	52.6
Depreciation	4,728	3,395	4,117	4,439	7,023	58.7	58.2	16,607	18,973	14.3
EBIT	4,164	6,055	4,743	8,201	7,195	153.2	(12.3)	12,988	26,194	101.7
Other Income	1,457	1,691	1,320	1,475	1,496	(14.1)	1.5	4,591	5,981	30.3
Interest	713	743	671	549	621	(11.5)	13.0	2,629	2,583	(1.7)
PBT	4,908	7,002	5,392	9,126	8,071	108.0	(11.6)	14,950	29,592	97.9
Total Tax	(344)	1,283	926	2,108	1,313	23.6	(37.7)	2,259	5,630	149.2
Adjusted PAT	5,252	5,719	4,466	7,019	6,758	139.8	(3.7)	12,691	23,962	88.8
(Profit)/loss from JVs/Ass/MI	(6)	(4)	(0)	(0)	9			(16)	5	
PAT after MI	5,257	5,723	4,466	7,019	6,749	139.3	(3.8)	12,707	23,957	88.5
Extraordinary items	-	-	-	-	-			-	-	
Reported PAT	5,257	5,723	4,466	7,019	6,749	139.3	(3.8)	12,707	23,957	88.5
Adjusted EPS (Rs)	145.7	158.6	123.8	194.5	187.1	139.3	(3.8)	352.2	664.0	88.5
(%)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (bps)	QoQ (bps)	FY23	FY24	YoY (bps)
EBITDA	17.4	18.7	18.5	24.2	26.2	874	197	16.6	22.0	543
EBIT	8.2	12.0	9.9	15.7	13.2	508	(246)	7.3	12.8	549
EBT	9.6	13.8	11.2	17.5	14.9	523	(262)	8.4	14.4	605
PAT	10.3	11.3	9.3	13.4	12.4	211	(102)	7.1	11.7	456
Effective tax rate	(7.0)	18.3	17.2	23.1	16.3			15.1	19.0	392

Source: Company, Emkay Research

Exhibit 5: We have cut our EBITDA by 1-2% in FY25-26E

Earnings revision	FY25E			FY26E		
	Old	New	Change (%)	Old	New	Change (%)
Revenue (Rs mn)	220,295	215,703	(2.1)	252,976	247,835	(2.0)
EBITDA (Rs mn)	51,148	50,545	(1.2)	61,591	60,128	(2.4)
PAT (Rs mn)	26,209	24,300	(7.3)	31,982	29,602	(7.4)

Source: Emkay Research

Exhibit 6: We upgrade Shree Cement to ADD, with a TP of Rs29,500/share

EV/E valuation, backed by DCF analysis	
Mar-26E EBITDA (Rs bn)	61
EV/E (x)	16.5
Enterprise value (Rs bn)	1004
Net cash (Mar-25E; Rs bn)	60
Equity value (Rs bn)	1064
No. of shares (mn)	36.1
Dec-24E Target Price (Rs/share)	29,500

Source: Emkay Research

Exhibit 7: Annual Financials (Consolidated)

Key Assumptions	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	CAGR (%)	
										FY18-23	FY23-26E
Capacity (mt)	35	42	44	45.4	50.4	50	57	70	79	6.5	17.3
Volumes (mt)	23	29	28	30	31	35	39	44	49	6.5	11.8
Utilization (%)	76	75	65	66	66	70	69	63	62		
Blended Realization (Rs/ton)	4,364	4,368	4,609	4,523	4,765	5,091	5,208	5,217	5,281	3.6	0.7
EBITDA/ton (Rs/ton)	1,074	1,008	1,346	1,360	1,177	844	1,146	1,178	1,241	2.6	4.0
P&L (Rs bn)											
Revenue	98	126	129	135	150	179	205	228	260	10.3	12.6
EBITDA	24	29	38	41	37	30	45	51	61	9.3	16.4
Adj. Net Profit	13	12	15	23	23	13	24	24	29	15.7	10.5
Balance Sheet (Rs bn)											
Equity	89	97	132	154	175	186	207	226	250		
Net Cash	24	(1)	37	67	73	63	65	60	62		
Cash Flow (Rs bn)											
OCF before WC change	26	27	32	33	39	32	48	46	54		
Change in WC	(1)	(7)	7	9	(8)	(1)	(7)	(1)	(1)		
Capex	(25)	(19)	(15)	(11)	(22)	(33)	(32)	(45)	(45)		
FCF	(0)	1	23	31	8	(1)	9	(0)	8		
Return ratios (%)											
RoE	16.1	12.4	13.4	16.0	14.2	7.0	12.2	11.1	12.3		
RoCE	14.1	12.8	12.8	15.2	14.0	7.6	12.4	11.5	12.7		
RoIC	31.6	20.9	20.1	29.8	27.1	12.7	20.6	16.9	17.2		
Valuations (x)											
PER (x)							38.9	38.9	31.8		
EV/EBITDA (x)							19.2	16.8	14.3		
EV/ton (USD)							191	158	139		

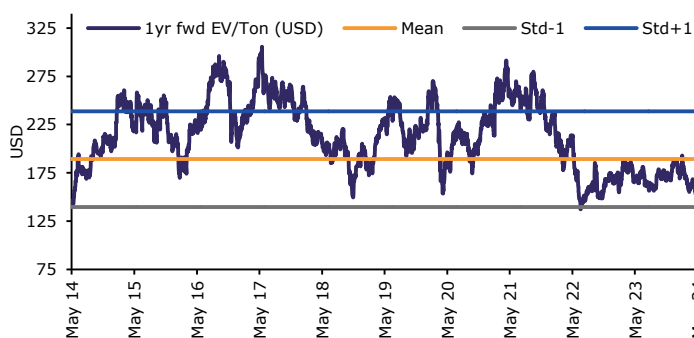
Source: Company, Emkay Research

Exhibit 8: Annual analysis on a per-ton basis (Standalone)

(Rs/ton)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Blended realization	4,364	4,533	4,776	4,690	5,158	5,292	5,512	5,420	5,463
YoY (%)	4.8	3.9	5.4	(1.8)	10.0	2.6	4.2	(1.7)	0.8
Raw-material cost	342	334	308	326	410	396	516	535	549
Power and fuel cost	879	1,061	942	758	1,140	1,743	1,592	1,425	1,398
Freight cost	1,120	1,118	1,046	1,132	1,169	1,173	1,135	1,145	1,161
Staff cost	261	262	293	283	291	272	264	247	234
Other expenses	688	697	713	718	833	783	778	798	796
Operating costs	3,289	3,473	3,302	3,216	3,843	4,367	4,284	4,150	4,138
YoY (%)	11.5	5.6	(4.9)	(2.6)	19.5	13.7	(1.9)	(3.1)	(0.3)
Blended EBITDA	1,074	1,060	1,474	1,473	1,315	925	1,228	1,270	1,325
YoY (%)	(11.5)	(1.4)	39.1	(0.1)	(10.7)	(29.7)	32.8	3.4	4.3

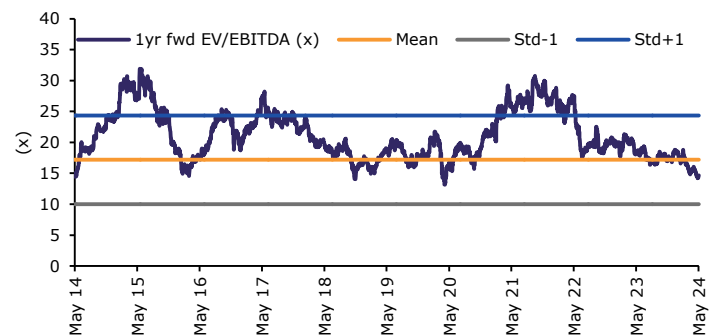
Source: Company, Emkay Research

Exhibit 9: One-year forward EV/ton



Source: Bloomberg, Emkay Research

Exhibit 10: One-year forward EV/EBITDA



Source: Bloomberg, Emkay Research

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Shree Cement: Consolidated Financials and Valuations

Profit and Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	150,096	178,523	205,210	227,893	260,214
Revenue growth (%)	11.4	18.9	14.9	11.1	14.2
EBITDA	37,079	29,595	45,167	51,455	61,145
EBITDA growth (%)	(8.5)	(20.2)	52.6	13.9	18.8
Depreciation & Amortization	11,459	16,607	18,973	22,192	24,993
EBIT	25,621	12,988	26,194	29,263	36,151
EBIT growth (%)	(8.1)	(49.3)	101.7	11.7	23.5
Other operating income	0	0	0	0	0
Other income	5,459	4,591	5,981	5,483	5,592
Financial expense	2,161	2,629	2,583	2,784	2,633
PBT	28,918	14,950	29,592	31,962	39,110
Extraordinary items	0	0	0	0	0
Taxes	5,552	2,259	5,630	8,007	9,856
Minority interest	47	(16)	5	5	5
Income from JV/Associates	0	0	0	0	0
Reported PAT	23,319	12,707	23,957	23,951	29,250
PAT growth (%)	2.0	(45.5)	88.5	0.0	22.1
Adjusted PAT	23,319	12,707	23,957	23,951	29,250
Diluted EPS (Rs)	646.3	352.2	664.0	663.8	810.7
Diluted EPS growth (%)	2.0	(45.5)	88.5	0.0	22.1
DPS (Rs)	90.0	100.0	105.0	132.8	162.1
Dividend payout (%)	13.9	28.4	15.8	20.0	20.0
EBITDA margin (%)	24.7	16.6	22.0	22.6	23.5
EBIT margin (%)	17.1	7.3	12.8	12.8	13.9
Effective tax rate (%)	19.2	15.1	19.0	25.1	25.2
NOPLAT (pre-IndAS)	20,702	11,026	21,210	21,933	27,041
Shares outstanding (mn)	36.1	36.1	36.1	36.1	36.1

Source: Company, Emkay Research

Cash Flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	28,918	14,950	29,592	31,962	39,110
Others (non-cash items)	(5,369)	(4,650)	(5,961)	0	0
Taxes paid	(2,013)	(3,332)	(4,442)	(8,007)	(9,856)
Change in NWC	(8,477)	(516)	(7,270)	(951)	(1,069)
Operating cash flow	26,680	25,687	33,520	42,493	50,215
Capital expenditure	(22,094)	(32,791)	(31,695)	(45,300)	(45,300)
Acquisition of business	0	0	0	5,000	(2,000)
Interest & dividend income	3,031	3,631	3,497	5,483	5,592
Investing cash flow	(19,894)	(22,679)	(12,719)	(34,818)	(41,708)
Equity raised/(repaid)	(8)	(9)	(2)	0	0
Debt raised/(repaid)	(2,552)	3,072	(11,111)	0	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(2,091)	(2,586)	(2,197)	(2,784)	(2,633)
Dividend paid (incl tax)	(3,843)	(3,245)	(3,790)	(4,790)	(5,850)
Others	0	0	0	8	8
Financing cash flow	(8,494)	(2,767)	(17,101)	(7,566)	(8,474)
Net chg in Cash	(1,709)	241	3,701	110	33
OCF	26,680	25,687	33,520	42,493	50,215
Adj. OCF (w/o NWC chg.)	35,156	26,203	40,791	43,444	51,284
FCFF	4,586	(7,104)	1,825	(2,807)	4,916
FCFE	2,034	(4,031)	(9,286)	(2,807)	4,916
OCF/EBITDA (%)	72.0	86.8	74.2	82.6	82.1
FCFE/PAT (%)	8.7	(31.7)	(38.8)	(11.7)	16.8
FCFF/NOPLAT (%)	22.2	(64.4)	8.6	(12.8)	18.2

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	361	361	361	361	361
Reserves & Surplus	174,242	186,003	206,668	225,829	249,229
Net worth	174,603	186,364	207,029	226,190	249,590
Minority interests	503	406	411	419	428
Deferred tax liability (net)	(6,744)	(6,823)	(6,293)	(6,293)	(6,293)
Total debt	20,142	25,398	14,749	14,749	14,749
Total liabilities & equity	188,504	205,345	215,897	235,066	258,474
Net tangible fixed assets	67,242	69,228	90,329	115,270	143,823
Net intangible assets	573	573	573	573	573
Net ROU assets	5,008	5,008	5,008	5,008	5,008
Capital WIP	10,535	27,966	19,297	17,464	9,217
Goodwill	0	0	0	0	0
Investments [JV/Associates]	1,321	1,321	4,017	4,017	4,017
Cash & equivalents	91,902	87,120	75,760	70,869	72,902
Current assets (ex-cash)	54,164	65,301	77,971	81,817	85,933
Current Liab. & Prov.	42,241	51,171	57,056	59,952	62,998
NWC (ex-cash)	11,923	14,130	20,915	21,866	22,935
Total assets	188,504	205,345	215,897	235,066	258,474
Net debt	(71,760)	(61,721)	(61,010)	(56,120)	(58,153)
Capital employed	188,504	205,345	215,897	235,066	258,474
Invested capital	84,746	88,938	116,824	142,716	172,338
BVPS (Rs)	4,839.3	5,165.3	5,738.1	6,269.1	6,917.7
Net Debt/Equity (x)	(0.4)	(0.3)	(0.3)	(0.2)	(0.2)
Net Debt/EBITDA (x)	(1.9)	(2.1)	(1.4)	(1.1)	(1.0)
Interest coverage (x)	0.1	0.1	0.1	0.1	0.1
RoCE (%)	17.3	8.9	15.3	15.4	16.9

Source: Company, Emkay Research

Valuations and Key Ratios					
Y/E Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	39.9	73.3	38.9	38.9	31.8
P/CE(x)	26.8	31.8	21.7	20.2	17.2
P/B (x)	5.3	5.0	4.5	4.1	3.7
EV/Sales (x)	5.7	4.9	4.2	3.8	3.4
EV/EBITDA (x)	23.2	29.4	19.3	17.0	14.3
EV/EBIT(x)	33.6	67.0	33.2	29.9	24.2
EV/IC (x)	10.1	9.8	7.5	6.1	5.1
FCFF yield (%)	0.5	(0.8)	0.2	(0.3)	0.6
FCFE yield (%)	0.2	(0.5)	(1.1)	(0.3)	0.6
Dividend yield (%)	0.3	0.4	0.4	0.5	0.6
DuPont-RoE split					
Net profit margin (%)	15.5	7.1	11.7	10.5	11.2
Total asset turnover (x)	0.8	0.9	1.0	1.0	1.1
Assets/Equity (x)	1.1	1.1	1.1	1.0	1.0
RoE (%)	14.2	7.0	12.2	11.1	12.3
DuPont-RoIC					
NOPLAT margin (%)	13.8	6.2	10.3	9.6	10.4
IC turnover (x)	2.0	2.1	2.0	1.8	1.7
RoIC (%)	27.1	12.7	20.6	16.9	0.0
Operating metrics					
Core NWC days	29.0	28.9	37.2	35.0	32.2
Total NWC days	29.0	28.9	37.2	35.0	32.2
Fixed asset turnover	1.0	1.1	1.0	0.9	0.9
Opex-to-revenue (%)	68.4	75.4	70.3	66.6	65.7

Source: Company, Emkay Research

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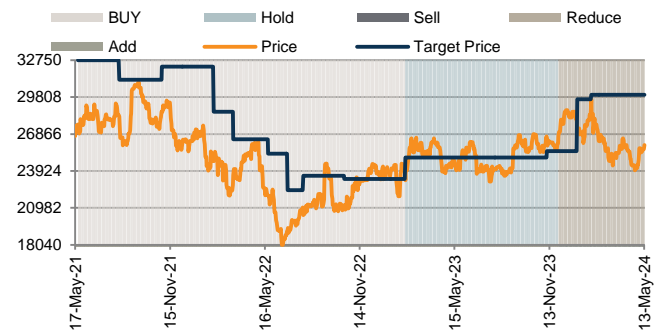
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Date	Closing Price (INR)	TP (INR)	Rating	Analyst
01-Apr-24	26,458	30,000	Reduce	Dharmesh Shah
04-Mar-24	25,730	30,000	Reduce	Dharmesh Shah
01-Feb-24	29,614	30,000	Reduce	Dharmesh Shah
05-Jan-24	27,023	29,650	Reduce	Dharmesh Shah
30-Nov-23	26,742	25,500	Reduce	Dharmesh Shah
30-Nov-23	26,742	25,500	Hold	Dharmesh Shah
08-Nov-23	26,271	25,500	Hold	Dharmesh Shah
28-Sep-23	25,632	25,000	Hold	Dharmesh Shah
18-Sep-23	26,392	25,000	Hold	Dharmesh Shah
27-Jul-23	23,870	25,000	Hold	Dharmesh Shah
03-Jun-23	25,038	25,000	Hold	Dharmesh Shah
23-May-23	24,766	25,000	Hold	Dharmesh Shah
04-May-23	24,456	25,000	Hold	Dharmesh Shah
07-Apr-23	26,165	25,000	Hold	Dharmesh Shah
20-Mar-23	25,076	25,000	Hold	Dharmesh Shah
02-Mar-23	26,577	25,000	Hold	Dharmesh Shah
09-Feb-23	23,200	25,000	Hold	Dharmesh Shah
05-Feb-23	24,468	23,300	Buy	Dharmesh Shah
29-Dec-22	23,257	23,300	Buy	Dharmesh Shah
05-Dec-22	23,756	23,300	Buy	Dharmesh Shah
05-Nov-22	22,964	23,300	Buy	Dharmesh Shah
15-Oct-22	21,189	23,300	Buy	Dharmesh Shah
04-Oct-22	21,010	23,550	Buy	Dharmesh Shah
04-Sep-22	21,088	23,550	Buy	Dharmesh Shah
28-Jul-22	20,415	23,550	Buy	Dharmesh Shah
12-Jul-22	19,962	22,400	Buy	Dharmesh Shah
04-Jul-22	19,292	22,400	Buy	Dharmesh Shah
28-Jun-22	19,237	22,400	Buy	Dharmesh Shah
22-May-22	22,001	25,300	Buy	Dharmesh Shah
16-Mar-22	23,595	26,450	Buy	Dharmesh Shah
06-Feb-22	24,724	28,650	Buy	Dharmesh Shah
31-Dec-21	26,987	32,250	Buy	Dharmesh Shah
02-Dec-21	26,290	32,250	Buy	Dharmesh Shah
30-Oct-21	28,635	32,250	Buy	Dharmesh Shah
15-Sep-21	31,040	31,200	Buy	Dharmesh Shah
05-Sep-21	30,441	31,200	Buy	Dharmesh Shah
09-Aug-21	28,273	31,200	Buy	Dharmesh Shah
06-Aug-21	28,387	32,750	Buy	Dharmesh Shah
06-Jun-21	28,154	32,750	Buy	Dharmesh Shah
22-May-21	27,623	32,750	Buy	Dharmesh Shah

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
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