

Sapphire Foods

Estimate changes	↔
TP change	↓
Rating change	↔

Bloomberg	SAPPHIRE IN
Equity Shares (m)	321
M.Cap.(INRb)/(USDb)	99.9 / 1.2
52-Week Range (INR)	401 / 242
1, 6, 12 Rel. Per (%)	-4/-3/1
12M Avg Val (INR M)	259

Financials & Valuations (INR b)

Y/E Mar	2025	2026E	2027E
Sales	28.8	33.2	37.6
Sales Gr. (%)	11.1	15.2	13.4
EBITDA	4.8	5.8	6.9
Margins (%)	16.5	17.5	18.3
Adj. PAT	0.3	0.8	1.3
Adj. EPS (INR)	1.0	2.5	4.2
EPS Gr. (%)	-38.4	154.5	64.0
BV/Sh.(INR)	43.5	46.1	50.2

Ratios

RoE (%)	2.3	5.7	8.6
RoCE (%)	5.0	6.5	8.1

Valuations

P/E (x)	307.1	120.7	73.6
P/BV (x)	7.0	6.6	6.1
EV/Sales (x)	3.3	2.8	2.5
Pre Ind-AS EV/EBITDA (x)	37.3	28.4	22.4

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	26.1	26.1	30.8
DII	38.5	38.3	32.4
FII	30.4	30.7	30.0
Others	5.0	4.9	6.8

FII includes depository receipts

CMP: INR311

TP: INR400 (+29%)

Buy

Subdued performance but in line with expectation

- Sapphire Foods India (SAPPHIRE) reported revenue growth of 13% YoY (in line) in 4QFY25, driven by a 10% YoY increase in store count. KFC revenue grew 12% YoY, supported by 17% store expansion, though offset by a 1% decline in same-store sales (est. +1%). Pizza Hut (PH) revenue rose 5% YoY, with 5% YoY new store additions and 1% SSSG (est. 6%). Sri Lanka posted strong revenue growth of 31% YoY (+19% in LKR), driven by 16% LKR SSSG and 6% store growth.
- Gross margin contracted 70bp YoY and 40bp QoQ to 68.2% (est. 67.7%). KFC's ROM was down 300bp YoY/250bp QoQ at 15.7%, impacted by lower ADS (down 5% YoY to INR108k), a higher mix of delivery orders, and operating deleverage. PH's ROM contracted 190bp YoY/930bp QoQ to -4.6%. Margins are at an all-time low (excluding Covid period). Sri Lanka's ROM improved 250bp YoY to 14.8%. Consolidated restaurant EBITDA pre-Ind-AS declined 2% YoY to INR853m (miss), and margins contracted 180bp YoY to 12% (15.5% in 3QFY25). Pre-Ind-AS EBITDA was down 7% YoY at INR508m, with a 150bp contraction in margin to 7.1% (10.7% in 3QFY25).
- The company continues to face challenges in unit economics, with dine-in seeing more pressure than delivery. To drive recovery, the focus remains on product innovation, customer engagement, and value-led offerings. However, improvement in ADS and SSSG will be key monitorables, as they are essential for restoring unit-level profitability. The store expansion spree is expected to slow down in FY26 (mainly in PH) to fix profitability metrics. We reiterate our **BUY rating on the stock with a TP of INR400 (30x Mar'27E pre-IND-AS EV/EBITDA)**.

Operationally in line; moderate store addition

- In-line revenue growth:** Cons. sales grew 13% YoY to INR7.1b (in line). KFC revenue grew 12% YoY and same-store sales declined 1%. PH revenue grew 5% YoY with SSSG of 1%. ADS of KFC was down 5% YoY at INR108k, while PH ADS inched up 2% YoY to INR42k. Sri Lanka sales grew 31% YoY (+19% in LKR term) to INR1,066m and SSSG was 16%. ADS grew 27% YoY to INR95k.
- Moderate store addition:** Store count increased by 10% YoY in 4Q to 963. It added net zero stores during the quarter (added 6 KFC stores and 1 store in Sri Lanka and closed 5 PH stores and 2 stores in Maldives).
- Contraction in margins:** Consolidated gross profit grew 11% YoY to INR4.8b (est. INR4.8b). GM contracted 70bp YoY to 68.2%. Reported EBITDA grew 3% YoY to INR1.1b (in line), while margins contracted 140bp YoY and 280bp QoQ to 14.9% (est. 15.2%). Consolidated ROM (Pre Ind-AS) decreased 180bp YoY and 350bp QoQ to 12.0%. EBITDA Pre-Ind AS contracted 150bp YoY and 360bp QoQ to 7.1%. PBT was up 434% YoY at INR45m (est. of INR195mn) with margin of 0.6%. APAT was up 189% YoY at INR59m (est. INR139m).
- In FY25, net sales/EBITDA grew by 11%/3%, while APAT declined 38% YoY.

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Highlights from the management commentary

- The demand situation remains neutral, showing no significant improvement or deterioration compared to the last 3-4 quarters. Competitive pressure has intensified, but efforts are underway to drive growth.
- The cash balance declined during the year as capex and EBITDA (pre-Ind AS) for FY25 remained similar, while the company also repaid INR250m loan in Sri Lanka; however, working capital efficiency improved during the period.
- Dine-in footfalls remain challenging, although delivery growth continues, albeit at a slower pace than previously experienced.
- The company aims to maintain its KFC expansion run rate of 70–80 stores annually while taking a cautious approach to PH with 20-25 net store additions per year. In Sri Lanka, it plans high-single-digit store additions over the next two years.

Valuation and view

- We cut our EBITDA estimates by ~2% for FY26/FY27.
- KFC's store addition is expected to continue in FY26, while PH's store addition will be muted as management focuses on addressing ADS and profitability challenges within the current network.
- The company continues to face challenges in unit economics, with dine-in seeing more pressure than delivery. To drive recovery, the focus remains on product innovation, enhancing customer engagement, and strengthening value-led offerings. However, improvement in ADS and SSSG will be key monitorables, as they are essential for restoring unit-level profitability. The stock trades at 28x and 22x pre-Ind-AS EV/EBITDA on FY26E and FY27E, respectively. We reiterate **our BUY rating on the stock with a TP of INR400 (30x Mar'27 pre-IND-AS EV/EBITDA).**

Quarterly Performance

Y/E March	FY24				FY25				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY24	FY25E	FY25 4QE	Var. (%)
KFC - No. of stores	358	381	406	429	442	461	496	502	429	502	504	
PH - No. of stores	302	311	319	319	320	323	339	334	319	334	339	
KFC - SSSG (%)	0.0	0.0	-2.0	-3.0	-6.0	-8.0	-3.0	-1.0	-1.0	-4.0	1.0	
PH - SSSG (%)	-9.0	-20.0	-19.0	-15.0	-7.0	-3.0	5.0	1.0	-16.0	-1.0	6.0	
Net Sales	6,544	6,426	6,656	6,317	7,183	6,957	7,565	7,113	25,943	28,819	7,082	0.4
YoY change (%)	19.8	14.2	11.6	12.7	9.8	8.3	13.7	12.6	14.5	11.1	12.1	
Gross Profit	4,483	4,417	4,583	4,351	4,927	4,786	5,189	4,848	17,834	19,750	4,793	1.1
Margin (%)	68.5	68.7	68.9	68.9	68.6	68.8	68.6	68.2	68.7	68.5	67.7	
EBITDA	1,214	1,151	1,217	1,029	1,242	1,120	1,343	1,062	4,613	4,768	1,073	-1.0
EBITDA growth %	10.0	11.6	4.3	4.9	2.3	-2.7	10.3	3.2	7.7	3.4	4.2	
Margin (%)	18.6	17.9	18.3	16.3	17.3	16.1	17.8	14.9	17.8	16.5	15.2	
Depreciation	727	768	874	870	904	881	1,005	850	3,239	3,639	773	
Interest	226	245	263	275	273	271	275	298	1,009	1,116	279	
Other Income	75	75	60	124	53	85	105	130	334	372	174	
PBT	336	214	140	8	118	53	168	45	699	384	195	-77.0
Tax	88	62	42	-12	36	1	41	-14	180	64	56	
Rate (%)	26.0	28.9	30.0	-143.0	30.8	2.2	24.3	-31.7	25.7	16.7	28.7	
Adjusted PAT	249	152	98	20	82	52	127	59	520	320	139	-57.5
YoY change (%)	-34.8	-43.4	-69.9	-82.2	-67.1	-65.9	29.5	189.3	-52.4	-38.4	580.1	

E: MOFSL Estimates

Brand-wise performance

KFC Performance- Lower ADS led to a dip in ROM

- Sales grew 12% YoY to INR4.8b, with same-store sales down 1%.
- GP grew 11% YoY to INR3.3b and margins contracted 30bp YoY and 20bp QoQ to 68.0%
- ROM was down 6% YoY at INR753m and margins declined 300bp YoY and 250bp QoQ to 15.7%.
- ADS declined to INR108k from INR114k in 4QFY24, down 5% YoY.
- Added 6 stores for KFC, taking the total to 502 stores.

PH Performance – Disappointing performance

- Sales increased by 5% YoY to INR1.2b, with SSSG of 1%.
- GP grew 4% YoY to INR934m and margins contracted 70bp YoY and 80bp QoQ to 74.8%.
- ROM was down 79% YoY to -INR57m and margins contracted 190bp YoY/930bp QoQ to -4.6%.
- ADS inched up 2% YoY to INR42k vs. INR41k in 4QFY24.
- Closed five stores for PH, reaching 334.

Sri Lanka Performance- Strong growth trajectory

- Sales grew 31% YoY (+19% in LKR term) to INR1,066m. SSSG is 16% in LKR terms.
- GP grew 28% YoY to INR646m and margins fell 130bp YoY and 150bp QoQ to 60.6%.
- ROM grew 57% YoY to INR158m and margins improved 250bp YoY but contracted 300bp QoQ to 14.8%.
- ADS of INR95k vs. INR75k in 4QFY24, up 27% YoY.
- Added 1 store, taking the total store count to 127.

Brand wise Performance	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
KFC								
No. of stores	358	381	406	429	442	461	496	502
Net store addition	17	23	25	23	13	19	35	6
SSSG (%)	0	0	-2	-3	-6	-8	-3	-1
Net sales (INR m)	4,286	4,165	4,421	4,285	4,770	4,527	4,948	4,793
YoY growth (%)	21.2	19.3	16.0	16.1	11.3	8.7	11.9	11.9
ADS (INR '000)	138	125	125	114	122	111	115	108
Gross Margins (%)	68.1	67.9	68.4	68.3	68.2	68.3	68.2	68.0
Restaurant EBITDA Margin (%)	20.8	19.2	20.1	18.7	18.8	16.5	18.2	15.7
Channel mix (%)								
Delivery	36	38	38	39	40	42	41	43
Dine-in + Takeaway	64	62	62	61	60	58	59	57
Pizza Hut								
No. of stores	302	311	319	319	320	323	339	334
Net store addition	16	9	8	-	1	3	16	(5)
SSSG (%)	(9)	(20)	(19)	(15)	(7)	(3)	5	1
Net sales (INR m)	1,362	1,330	1,305	1,188	1,397	1,376	1,430	1,248
YoY growth (%)	11.7	(5.7)	(4.3)	(2.7)	2.6	3.5	9.6	5.1
ADS (INR '000)	52	48	45	41	48	47	48	42
Gross Margins (%)	75.1	76.1	75.7	75.5	76.1	76.5	75.6	74.8
Restaurant EBITDA Margin (%)	9.0	7.6	4.6	(2.7)	4.6	4.1	4.7	(4.6)
Channel mix (%)								
Delivery	50	49	49	50	50	52	51	52
Dine-in + Takeaway	50	51	51	50	50	48	49	48
Sri Lanka								
No. of stores	114	118	121	120	120	121	126	127
Net store addition	-	4	3	(1)	-	1	5	1
SSSG (%)	0	1	1	4	11	9	14	16
Net sales (INR m)	825	864	892	816	978	1,024	1,159	1,066
YoY growth (%)	26.9	29.1	22.0	22.3	18.5	18.5	29.9	30.6
ADS (INR '000)	81	81	81	75	89	93	103	95
Gross Margins (%)	60.5	66.2	61.8	61.9	60.6	61.1	62.1	60.6
Restaurant EBITDA Margin (%)	13.0	15.3	14.2	12.3	13.2	15.5	17.8	14.8



Highlights from the management commentary

Business environment

- The demand situation remains neutral, showing no significant improvement or deterioration compared to the last 3-4 quarters. Competitive pressure has intensified, but efforts are underway to drive growth.
- The company continues to pursue a multi-brand strategy and will consider adding a third brand if it is scalable and aligns with Sapphire's "7 Mantras of Acquisition."
- In Pizza Hut, the company is adopting a cautious store expansion strategy, with store sizes of 1,000-1,200 sq. feet.
- Dine-in footfalls remain challenging, although delivery growth continues, albeit at a slower pace than previously experienced.
- The company has closed all four stores in the Maldives as part of its ongoing portfolio optimization.
- The cash balance declined during the year as capex and EBITDA (pre-Ind AS) for FY25 remained similar, while the company also repaid an INR250m loan in Sri Lanka; however, working capital efficiency improved during the period.
- In the coming year, there may be a marginal dip in cash balances due to the renewal fees payable to Yum Brands upon the completion of the 10-year agreement.

- There is minimal variance in SSSG across different geographic regions for the brands.

Segmental information

KFC

- KFC's SSSG improved QoQ to -1% in 4QFY25, while same-store turnover growth (SSTG) remained flat.
- Restaurant revenue grew by 12% YoY, driven by continued network expansion and improving performance of newly opened stores.
- Restaurant EBITDA margin declined by 300bp YoY to 15.7%, impacted by lower ADS of INR108k, a higher mix of delivery orders, and operating deleverage.
- The company continued to invest in strengthening its own delivery channel, resulting in better SSSG performance compared to aggregator platforms in FY25.
- In FY25, KFC revenue grew by 11% YoY to INR19.0b, while restaurant EBITDA margin contracted by 240bp to 17.3%.
- Sapphire opened 73 new KFC restaurants during FY25, ending the year with a total store count of 502.
- Sapphire is enhancing the relevance of its Fried Chicken category through the "Taste The Epic" campaign, aimed at driving visibility and trial for its core variety offerings including Chicken Buckets, Boneless Chicken, Zinger Burgers, and Rolls.
- The company launched a premium sub-line under the KFC Gold banner, introducing elevated variants of the Zinger Burger and Chicken Strips to drive premiumization and improve brand perception.
- To strengthen its value proposition, the company has implemented a structured 3-tier pricing strategy: 1) Entry-level core products starting at INR99, 2) Individual meal offerings priced at INR149, and 3) Group meals retained at an attractive price point of INR399.
- The company maintains the current expansion run rate of 70-80 new KFC stores annually to deepen penetration and capture incremental demand.
- Digital kiosks were deployed across 238 restaurants to enhance in-store ordering efficiency.
- App downloads crossed 50.7 million, with 2.1 million monthly active users, indicating strong digital engagement.
- A low single-digit SSSG is sufficient to sustain current margin levels, and the company's near-term focus is on maintaining these margins.
- If SSSG exceeds 5%, there is potential for margin expansion driven by improved operating leverage.

PH

- Pizza Hut reported a weak performance in 4QFY25, with ADS at INR42k, lower than the INR48k average seen during Apr-Dec'24, and SSSG at just 1% YoY.
- Despite a 5% YoY increase in restaurant sales, restaurant EBITDA turned negative at -4.6%, declining by 190bp YoY due to weak throughput and cost deleverage.
- The muted performance highlights the extended timeline required to revive the brand's positioning and profitability.

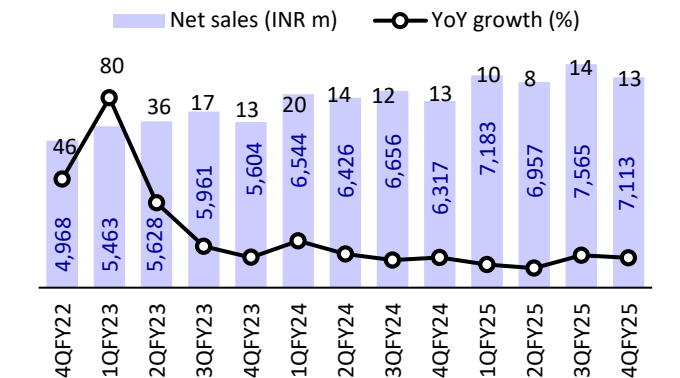
- Product innovation efforts remain ongoing, with the launch of the refreshed core “Juicylicious” pizza range in Apr’25. The company has launched three flavours of it.
- The refreshed pizza launch will be supported by a targeted marketing campaign. Mass-media advertising will be focused on Tamil Nadu, an exclusive market for Sapphire, while other markets will see support through below-the-line media, such as local promotions and direct marketing, to generate awareness and drive sales.
- In FY25, Pizza Hut revenue grew by 5% YoY to INR5.5b, while restaurant EBITDA margin declined 250bp YoY to 2.4%.
- The company added 15 new Pizza Hut outlets during the year, taking the total restaurant count to 334.
- The company has not invested in mass-media advertising during the quarter, which led to a decline in transactions. The reduced marketing spend has likely affected brand visibility and consumer engagement in the short term.
- Total app downloads crossed 16.6m, with 1.4m monthly active users, indicating strong digital engagement.
- The company expects Pizza Hut to deliver low single-digit ROM over the next 12-18 months
- The company remains cautious about store expansion and plans to add 20-25 net stores per year.

Sri Lanka business

- The Sri Lanka business delivered strong performance in 4QFY25, with SSSG of 16% in LKR and similarly robust SSTG.
- Restaurant EBITDA margin expanded by 250bp YoY to 14.8%, reflecting improved operating efficiency and strong sales recovery.
- Restaurant sales grew by 19% YoY in LKR terms and 31% YoY in INR terms, supported by volume growth and favorable currency movement. This quarter marks the culmination of a strong turnaround year for the Sri Lanka business.
- In FY25, the Sri Lanka segment grew by 14% YoY to LKR15b, with restaurant EBITDA margin improving by 170bp YoY to 15.4%.
- Sapphire added 7 new restaurants in Sri Lanka during FY25, taking the total store count to 127.
- For Sri Lanka, the company plans to add a high single-digit number of new stores over the next two years.

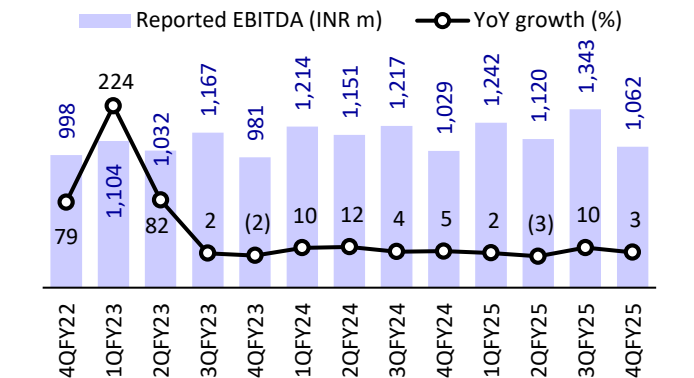
Key exhibits

Exhibit 1: Net sales grew 13% YoY to INR7.1b



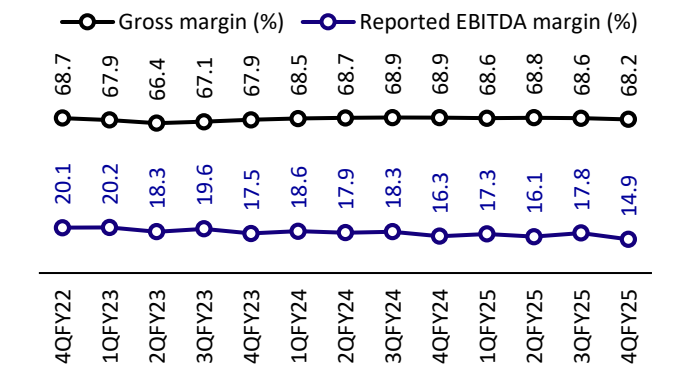
Source: Company, MOFSL

Exhibit 2: EBITDA grew 3% YoY to INR1.1b



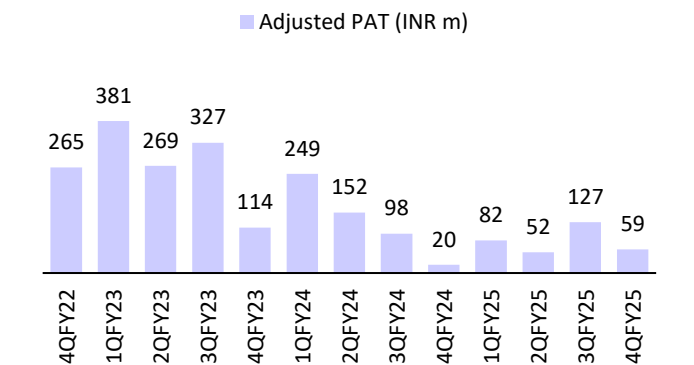
Source: Company, MOFSL

Exhibit 3: Gross margin contracted 70bp YoY to 68.2%, while EBITDA margin contracted 140bp YoY to 14.9%



Source: MOFSL, Company

Exhibit 4: Adjusted PAT came in at INR59m



Source: MOFSL, Company

Valuation and view

- We marginally cut our EBITDA estimates by ~2% for FY26/FY27.
- KFC's store addition is expected to continue in FY26, while PH's store addition will be muted as management focuses on addressing ADS and profitability challenges within the current network.
- The company continues to face challenges in unit economics, with dine-in seeing more pressure than delivery. To drive recovery, the focus remains on product innovation, enhancing customer engagement, and strengthening value-led offerings. However, improvement in ADS and SSSG will be key monitorables, as they are essential for restoring unit-level profitability. The stock trades at 28x and 22x pre-Ind-AS EV/EBITDA on FY26E and FY27E, respectively. We reiterate **our BUY rating on the stock with a TP of INR400 (30x Mar'27E pre-IND-AS EV/EBITDA).**

Exhibit 5: We marginally cut our EBITDA estimates by ~2% for FY26/FY27

(INR b)	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Net Sales	33.2	37.6	33.1	37.4	0.5	0.6
EBITDA	5.8	6.9	6.0	7.0	-2.3	-2.0
Adjusted PAT	0.8	1.3	1.0	1.5	-19.6	-13.6

Source: Company, MOFSL

Financials and valuations

Income Statement consol.

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	11,938	13,404	10,196	17,216	22,656	25,943	28,819	33,201	37,649
Change (%)		12.3	-23.9	68.8	31.6	14.5	11.1	15.2	13.4
Raw Materials	3,946	4,317	3,099	5,278	7,407	8,109	9,068	10,485	11,813
Gross Profit	7,992	9,087	7,097	11,938	15,249	17,834	19,750	22,716	25,836
Margin (%)	66.9	67.8	69.6	69.3	67.3	68.7	68.5	68.4	68.6
Operating Expenses	6,532	7,232	5,853	8,888	10,965	13,221	14,983	16,902	18,942
EBITDA	1,460	1,856	1,244	3,050	4,284	4,613	4,768	5,814	6,894
Change (%)		27.1	-33.0	145.2	40.4	7.7	3.4	21.9	18.6
Margin (%)	12.2	13.8	12.2	17.7	18.9	17.8	16.5	17.5	18.3
Depreciation	1,547	1,913	2,091	2,135	2,642	3,239	3,639	3,991	4,428
Int. and Fin. Charges	720	722	756	781	869	1,009	1,116	1,230	1,356
Other Income	125	113	616	380	311	334	372	495	675
Profit before Taxes	-683	-666	-987	514	1,084	699	384	1,088	1,785
Change (%)		-2.5	48.2	-152.1	111.0	-35.5	-45.0	183.2	64.0
Margin (%)	-5.7	-5.0	-9.7	3.0	4.8	2.7	1.3	3.3	4.7
Total tax	11	-17	12	54	-7	180	64	274	449
Tax Rate (%)	-1.6	2.6	-1.2	10.5	-0.6	25.7	16.7	25.2	25.2
Adjusted PAT	-694	-649	-999	460	1,091	520	320	814	1,336
Change (%)		-6.6	54.0	-146.0	137.2	-52.4	-38.4	154.5	64.0
Margin (%)	-5.8	-4.8	-9.8	2.7	4.8	2.0	1.1	2.5	3.5
Reported PAT	-694	-1,592	-999	460	2,364	520	167	814	1,336

Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	431	502	528	635	635	637	642	642	642
Reserves	3,585	4,742	4,271	9,436	11,924	12,754	13,338	14,153	15,488
Net Worth	4,016	5,245	4,799	10,071	12,559	13,391	13,981	14,795	16,131
Loans	959	712	757	612	443	276	199	59	-41
Other Liability	5,455	5,744	5,692	7,280	9,185	11,363	12,723	14,084	15,445
Minority Interest	11	3	-12	-17	-20	7	-19	-19	-19
Deferred tax liability (net)	156	117	107	87	-1,184	-1,095	-1,098	-1,098	-1,098
Capital Employed	10,597	11,820	11,343	18,034	20,983	23,942	25,786	27,821	30,417
Gross Block	5,473	6,567	6,905	8,948	12,134	15,480	17,653	18,122	20,072
Less: Accum. Depn.	1,587	2,221	2,974	3,487	4,428	5,856	7,468	9,279	11,284
Net Fixed Assets	3,886	4,346	3,932	5,462	7,706	9,624	10,185	8,843	8,788
Capital WIP	206	184	213	320	550	673	567	300	300
Goodwill	2,539	1,622	1,622	1,622	1,622	1,622	1,583	1,583	1,583
Other Intangible assets	770	719	642	573	661	720	680	665	673
Right to Use Assets	4,859	4,953	4,739	6,249	7,915	9,818	10,935	12,296	13,657
Investments	0	155	267	1,525	659	0	1,437	1,437	1,437
Curr. Assets, L&A	3,414	1,828	2,074	5,890	5,607	4,815	3,909	6,665	8,283
Inventory	381	444	474	652	993	969	956	1,105	1,246
Account Receivables	224	46	78	141	179	344	366	421	478
Cash and Bank Balance	1,865	392	500	2,546	2,204	1,676	783	2,968	3,996
Others	944	947	1,022	2,551	2,231	1,826	1,804	2,169	2,563
Curr. Liab. and Prov.	5,078	1,987	2,147	3,605	3,738	3,330	3,509	3,968	4,303
Account Payables	1,142	1,307	1,440	1,991	2,170	2,308	2,425	2,804	3,159
Other Liabilities	3,789	529	544	1,438	1,391	793	800	781	718
Provisions	147	151	163	176	177	229	284	383	425
Net Current Assets	-1,664	-158	-73	2,285	1,870	1,485	399	2,696	3,980
Application of Funds	10,597	11,820	11,343	18,034	20,983	23,943	25,786	27,821	30,417

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)									
EPS	-3.2	-2.6	-3.8	1.4	3.4	1.6	1.0	2.5	4.2
Cash EPS	4.0	5.0	4.1	8.2	11.7	11.8	12.3	15.0	17.9
BV/Share	18.6	20.9	18.2	31.7	39.5	42.0	43.5	46.1	50.2
Valuation (x)									
P/E	N/M	N/M	N/M	211.4	89.1	187.6	307.1	120.7	73.6
Cash P/E	77.3	60.8	73.9	37.5	26.0	25.9	24.8	20.5	17.1
EV/Sales	5.4	5.7	7.9	5.4	4.2	3.7	3.3	2.8	2.5
EV/EBITDA	44.6	41.5	64.9	30.7	22.1	20.8	20.2	16.2	13.5
EV/EBITDA (Pre Ind AS)	149.7	116.4	211.5	51.9	35.8	35.4	36.8	27.9	22.1
P/BV	16.4	14.7	16.8	9.7	7.7	7.3	7.0	6.6	6.1
Return Ratios (%)									
RoE		-14.0	-19.9	6.2	9.6	4.0	2.3	5.7	8.6
RoCE		0.5	-2.0	7.9	10.1	5.7	5.0	6.5	8.1
RoIC		-0.6	-7.8	6.3	9.9	5.1	4.1	5.6	7.3
Working Capital Ratios									
Debtor (Days)	7	1	3	3	3	5	5	5	5
Asset Turnover (x)	1.1	1.1	0.9	1.0	1.1	1.1	1.1	1.2	1.2
Leverage Ratio									
Debt/Equity (x)	0.2	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Profit before Tax	-683	-1,610	-987	514	1,084	699	231	1,088	1,785
Depreciation	1,547	1,913	2,091	2,135	2,642	3,239	3,639	3,991	4,428
Net interest	720	722	756	781	869	1,009	1,116	1,230	1,356
Others	1	950	-409	-10	-86	-122	-9	-495	-675
Direct Taxes Paid	0	0	-28	-63	-21	-20	-42	-274	-449
(Incr)/Decr in WC	-84	155	118	592	-669	-317	144	37	-107
CF from Operations	1,501	2,130	1,541	3,949	3,818	4,488	5,080	5,577	6,337
Incr in FA	-1,752	-1,430	-740	-2,853	-3,842	-3,851	-2,631	-1,484	-1,950
Free Cash Flow	-252	701	801	1,096	-23	637	2,449	4,093	4,388
Pur of Investments	-1,599	1,409	-39	-4,063	1,806	1,982	-1,350	-156	-180
Others	1,719	-2,063	-159	1,884	-176	-1,022	113	1,593	482
CF from Invest.	-1,632	-2,083	-938	-5,032	-2,212	-2,891	-3,868	-47	-1,647
Issue of Shares	2,321	0	444	4,690	0	83	227	0	0
Incr in Debt	156	-822	-180	-780	-1,084	-1,203	-1,216	-118	-76
Dividend Paid	0	0	0	0	0	0	0	0	0
Net interest Paid	-709	-699	-758	-780	-864	-1,005	-1,117	-3,226	-3,586
Others									
CF from Fin. Activity	1,767	-1,520	-494	3,130	-1,948	-2,125	-2,106	-3,344	-3,662
Incr/Decr of Cash	1,636	-1,473	109	2,046	-342	-528	-894	2,186	1,028
Add: Opening Balance	228	1,865	392	500	2,546	2,204	1,676	783	2,968
Closing Balance	1,865	392	500	2,546	2,204	1,676	783	2,968	3,996

E: MOFSL Estimates

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SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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