

## Schaeffler India

### Sustained domestic growth and softer exports

Schaeffler India's Q3CY24 print was in-line with our estimates; Revenue/EBITDA/APAT grew 12.1%/9.8%/5.2%, driven by 13% growth in bearing and industrial segment and 11% growth in Automotive technology revenue. Management said operating performance in Q3 was driven by, (1) Continued strong performance across power-transmission, railways, wind & raw-material segments, (2) 11% growth in automotive technology, and (3) Aftermarket segment growing 7% YoY. Though it was partially offset by 15% QoQ decline reported in export revenues due to softer demand in European markets. New Order inflow for double clutch systems for CV, HD valve bridge & Clutches PV & SRB, CRB for industrial segment continued during the quarter. With higher other expenses/employee cost +18%/+21%, EBITDA margins stood at 18.1% (-39bp), while PAT margin declined to 11.9% (-79bp). We reckon sustained momentum led by, (1) resilient demand for Bearings & industrial segments, (2) better margin outlook over on account of localization and backward integration, and (3) new business wins. We expect localization and strengthening supply chain, the company may improve operating margin. We tweak our estimates and maintain REDUCE rating with revised TP of Rs.3, 866 (implying 50x H1CY26E EPS).

**Q3CY24 revenues grew 12.1%; led by Total Bearing & Industrial +13%, Auto motives +11%**  
Schaeffler India's Q3CY24 print was in-line with our estimates; Revenue/EBITDA/APAT grew 12.1%/9.8%/5.2%, driven by 13% growth in bearing and industrial segment and 11% growth in Automotive technology revenue. Management said operating performance in Q3 was driven by, (1) Continued strong performance across power-transmission, railways, wind & raw-material segments, (2) 11% growth in automotive technology, and (3) Aftermarket segment growing 7% YoY. Though it was partially offset by 15% sequential decline seen in export revenues due to softer demand in European market. Management alluded with festive season being soft for the auto industry, leading to high inventory levels among dealers, as a result, there hasn't been an increase in production numbers seen during the quarter. Management believes that a boost in production is essential for Q4.

#### Margin stabilization with improved localization and revenue mix

Q3CY24 gross margin increased by 95bp to 38.2%. With higher other expenses/employee cost +18%/+21%, EBITDA margins stood at 18.1% (-39bp). Sequentially margins declined by 21bp. Employee cost as % of sales stood at ~6.5%, 9MCY24 margin remained lower YoY due to higher employee costs this year as compared to last year 9MCY23. PAT margin stood at 11.9% (-79bp). However, we believe the backward integration/localization of components and change in revenue mix, to help maintain margins and mitigate inflationary pressures for material costs.

#### Valuation and Risk

We expect Schaeffler India to continue its growth momentum across Industrial and Automotive segment, along with cautious optimism in the export revenue, we remain optimistic on operating performance given, (1) Healthy order book, (2) resilient domestic performance, (3) Wind, PV & Power transmission segment performing alongside improvements in other industrial segment, (4) Renewed focus on localization, and (5) New order wins in select sectors. That said these trends provide substantial head-room for growth in our view. We cut earnings for CY24E/FY25E by 2.3%/7.6% and given steep valuation maintain REDUCE rating with revised TP of Rs.3, 866 (implying 50x H1CY26E EPS). Risks: Slower than expected growth in domestic business and lower pace of growth in exports.

#### Financial and valuation summary

YE Dec (Rs mn)	3QCY24A	3QCY23A	YoY (%)	2QCY24A	QoQ (%)	CY24E	CY25E	CY26E
Revenues	20,728	18,483	12.1	20,719	0.0	81,668	92,067	1,01,041
EBITDA	3,754	3,420	9.8	3,796	(1.1)	15,177	17,383	18,990
EBITDA margin (%)	18.1	18.5	(38bps)	18.3	(1.2)	18.6	18.9	18.8
Adj. Net profit	2,471	2,350	5.2	2,535	(2.5)	10,372	11,641	12,530
Adj. EPS (Rs)	15.8	15.0	5.2	16.2	(2.5)	66.4	74.5	80.2
EPS growth (%)						13.5	12.2	7.6
PE (x)						55.7	49.7	46.1
EV/EBITDA (x)						36.8	32.0	29.2
PBV (x)						10.7	9.5	8.4
RoE (%)						20.3	20.2	19.3
RoCE (%)						21.8	21.6	20.6

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.

#### Result Update

India | Indian Bearing

24 October, 2024

#### REDUCE

Price: Rs3,698

Target Price: Rs3,866

Forecast return: 0%

Institutional Research

#### Market Data

Bloomberg:	SCHFL IN
52 week H/L:	4,951/2,612
Market cap:	Rs577.9bn
Shares Outstanding:	156.3mn
Free float:	25.9%
Avg. daily vol. 3mth:	1,13,923
Source: Bloomberg	

#### Changes in the report

Rating:	REDUCE; Unchanged
Target price:	Rs3,866 (earlier Rs3,945)
	CY25E Rs. 74.5 (earlier Rs. 75.0)
EPS:	75.0
	CY26ERs. 80.2(earlier Rs. 82.7)
Source: Centrum Broking	

#### Shareholding pattern

	Sep-24	Jun-24	Mar-24	Dec-23
Promoter	74.1	74.1	74.1	74.1
FIIs	5.1	5.7	4.4	4.4
DIIIs	15.2	14.7	15.9	15.7
Public/other	5.6	5.4	5.6	5.8
Source: BSE				

#### Centrum estimates vs Actual results

YE Dec (Rs mn)	Centrum Q3CY24	Actual Q3CY24	Variance (%)
Revenue	20,609	20,728	0.6
EBITDA	3,778	3,754	(0.7)
EBITDA margin	18.3	18.1	(22bp)
Rep. PAT	2,560	2,471	(3.5)
Source: Centrum Broking			



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Auto Ancillaries

# Thesis Snapshot

## Estimate revision

YE Mar (Rs mn)	CY24E		% chg	CY25E		% chg
	New	Old		New	Old	
Revenue	81,668	81,668	(0.0)	92,067	92,543	(9.1)
EBITDA	15,177	15,504	(2.1)	17,383	17,499	(8.7)
EBITDA margin	18.6	19	-42bps	18.9	18.9	-2bps
Adj. PAT	10,372	10,615	(2.3)	11,641	11,724	(7.6)
Diluted EPS (Rs)	66.4	67.9	(2.3)	74.5	75.1	(7.6)

Source: Centrum Broking

## SCHFL India versus NIFTY Midcap 100

	1m	6m	1 year
SCHFL IN	(5.5)	12.8	24.0
NIFTY Midcap 100	(5.7)	8.1	46.8

Source: Bloomberg, NSE

## Key assumptions

YE Dec	CY24E	CY25E	CY26E
<b>YoY Growth %</b>			
Total Automotive	14	11	10
Total Bearings & Industrial	15	14	10
Total exports and others	3	13	10

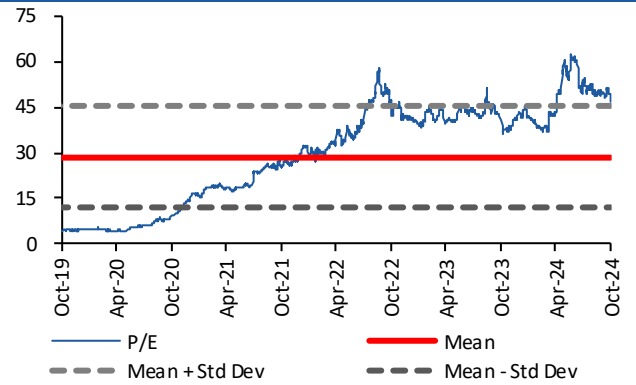
Source: Centrum Broking

## Valuations

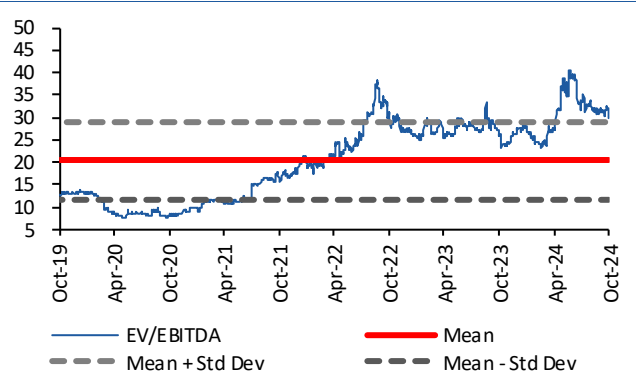
We expect Schaeffler India to continue its growth momentum across Industrial and Automotive segment, along with cautious optimism in the export revenue, we remain optimistic on operating performance given, (1) Healthy order book, (2) resilient domestic performance, (3) Wind, PV & Power transmission segment performing alongside improvements in other industrial segment, (4) Renewed focus on localization, and (5) New order wins in select sectors. That said these trends provide substantial head-room for growth in our view. We cut earnings for CY24E/FY25E by 2.3%/7.6% and given steep valuations maintain REDUCE rating with revised TP of Rs.3, 866 (implying 50x H1CY26E EPS). Risks: Slower than expected growth in domestic business and lower pace of growth in exports.

Valuations	Rs/Share
H1CY26E EPS	77.3
Target Multiple (x)	50
<b>Target price (Rs)</b>	<b>3,866</b>

### P/E mean and standard deviation



### EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

## Peer comparison

Company	Mkt Cap (Rs bn)	CAGR (CY23/FY24E-CY25E/ FY26E) (%)			P/E (x)			ROE (%)			ROCE (%)		
		Sales	EBITDA	EPS	CY23/ FY24E	CY24E/ FY25E	CY25E/ FY26E	CY23/ FY24E	CY24E/ FY25E	CY25E/ FY26E	CY23/ FY24E	CY24E/ FY25E	CY25E/ FY26E
SKF India	227	13	18.3	16.5	50.6	41.6	37.3	22	25.8	26.2	24.2	28.5	28
Timken India	254	14.8	21.4	23.7	52.1	61.8	79.8	17.6	17.6	19.0	18	18.1	19.6
<b>Schaeffler India*</b>	<b>578</b>	<b>13.2</b>	<b>14.8</b>	<b>13.6</b>	<b>58.3</b>	<b>66.4</b>	<b>75.0</b>	<b>20.1</b>	<b>20.3</b>	<b>20.1</b>	<b>21.7</b>	<b>21.8</b>	<b>21.7</b>

Source: Companies, Centrum Broking Note - \* CY

**Exhibit 1: Quarterly commentary**

Centrum Quarterly Monitor	Q2CY24	Q3CY24	Our Comments
<b>Demand environment</b>	Demand driven by bearing & industrial segment with growth across Power transmission, railways, raw material and wind. Automotive Technologies growth was led by demand for 2W and 3W, driven by rural demand along with PV growth supported by SUVs	Demand driven by growth in Bearings and Industrial Solutions segment, though export business was down sequentially with sluggishness seen in European markets.	Demand in domestic business will continue to be driven by bearings & industrial segment while recovery in export volumes will aid further growth.
<b>Outlook and guidance</b>	Management expect share of exports to remain at export sales % to be around 10-15% over medium to long term	Bearings demand will continue to show good traction with Auto segment growth being soft due to lower anticipated productions from OEMs on account of softer festive demand and higher inventory levels	We remain optimistic on operating performance given, (1) Healthy order book, (2) consistent domestic performance, (3) Wind, PV & Power transmission segment performing alongside improvements in other industrial segment, (4) Renewed focus on localization, and (5) New order wins in select sectors
<b>Key interventions</b>	In Industrial space, new business for deep groove ball bearings, taper, cylindrical and needle roller bearings in the Off-Road segment and cylindrical roller bearings for the Raw Material sector	New business wins for Automotive, Industrial & Aftermarkets continued during the quarter.	New business wins across segments and better localization will help Schaeffler to have a competitive advantage.
<b>On margins and exceptional items</b>	Gross margin declined by 37bp to 38.2% EBITDA margin stood at 18.3%, with higher employee costs and other expenses contributing to the margin pressure	Gross margin grew by 95bp to 38.2%. EBITDA margin stood at 18.1%(-39bp), with higher employee costs and other expenses contributing to the margin pressure	We expect margins to improve going ahead on back of localization & recovery in export volumes and favourable product mix.

Source: Company, Centrum Broking

## Conference Call Key Takeaways

### Overall Commentary

- In Q3 net sales grew 12.1% to Rs20.7bn driven by growth in Bearings and Industrial Solutions segment
- Industrial segment growth was driven by Power transmission, railways, raw material and wind, wind sector which continued to show strong performance
- Automotive Technologies growth remained sluggish on sequential basis due to lower production in Auto industry, though 2W saw a good volumes
- Management alluded with festive season being soft for the auto industry, leading to high inventory levels among dealers, as a result, there hasn't been an increase in production numbers seen during the quarter. Management believes that a boost in production is essential for Q4
- While tractor production has started to pick up in recent months, other factors such as liquidity and cash availability could also hinder overall production, which could results in lower than expected demand
- New business in Automotive; In CVs company won double clutch systems Business win for CRS and Dampers. In PV segment company won business for HD valve bridge & clutches
- Additionally for Aftermarket business newly launched steering and suspension product has started to gain momentum alongside new business wins for FEAD/ Timing Kit, wipers and lubrications. With continued focus on portfolio expansion and penetration through range extension
- In Bearing & Industrial Company won new business for needle roller bearings for and adapter sleeves for the Raw Material sector. Company won business for cylindrical roller bearings for the Off-Road sector

- During the quarter export business was down 15% on sequential basis. Management highlighted this being due to Industrial sale in Europe seeing challenges impacting the business in European market though Asian & South-Asian markets continued their performance
- Capex during the quarter was at Rs2,076mn & Rs5,362mn for 9M CY24. This capex has been major used localization of the products
- The homologation of the E-axel product relies on customer feedback, and testing is currently underway. Initially scheduled for H2 CY24, the timeline has now shifted to Q1 CY25. Management said they are actively pursuing new partnerships with other EV customers
- The Hosur Greenfield plant is progressing as planned and is set to begin manufacturing early next year, initially focusing on production of components at the transmission level

## Margins

- Gross margin grew by 95bp to 38.2%
- EBITDA margin stood at 18.1%(-39bp), with higher employee costs and other expenses contributing to the margin pressure
- Employee cost as % of sales stood at ~6.5%.
- On 9M CY24 margin were lower YoY due to higher employee costs this year as compared to last year 9MCY23
- Q3 PAT Margin were at 11.9% (-79bp)
- Backward integration/localization of components, to help maintain margins and combat inflationary pressures on material costs

## Quarterly Performance Trend

### Exhibit 2: Quarterly Financial Snapshot

Y/E Dec (Rsmn)	Q4CY22	Q1CY23	Q2CY23	Q3CY24	Q4CY23	Q1CY24	Q2CY24	Q3CY24	YOY (%)	QOQ (%)
<b>Revenue</b>	<b>17,947</b>	<b>16,936</b>	<b>18,291</b>	<b>18,483</b>	<b>18,551</b>	<b>18,492</b>	<b>20,719</b>	<b>20,728</b>	<b>12.1</b>	<b>0.0</b>
Direct Cost	10,942	10,367	11,229	11,602	11,588	11,416	12,795	12,815	10.5	0.2
<b>Gross Profit</b>	<b>7,005</b>	<b>6,569</b>	<b>7,062</b>	<b>6,881</b>	<b>6,963</b>	7,076	7,924	7,914	15.0	-0.1
Staff Cost	1,082	1,139	1,185	1,141	1,119	1,218	1,439	1,344	17.8	-6.6
Other Expenses	2,471	2,283	2,458	2,321	2,563	2,506	2,690	2,816	21.3	4.7
<b>Total Expenditure</b>	<b>14,494</b>	<b>13,789</b>	<b>14,871</b>	<b>15,063</b>	<b>15,270</b>	<b>15,140</b>	<b>16,923</b>	<b>16,975</b>	<b>12.7</b>	<b>0.3</b>
<b>EBIDTA</b>	<b>3,452</b>	<b>3,147</b>	<b>3,420</b>	<b>3,420</b>	<b>3,281</b>	<b>3,352</b>	<b>3,796</b>	<b>3,754</b>	<b>9.8</b>	<b>-1.1</b>
Depreciation	530	525	539	556	571	599	640	701	25.9	9.4
<b>EBIT</b>	<b>2,922</b>	<b>2,622</b>	<b>2,881</b>	<b>2,864</b>	<b>2,710</b>	<b>2,753</b>	<b>3,156</b>	<b>3,053</b>	<b>6.6</b>	<b>-3.3</b>
Interest	9	8	8	16	10	8	12	8	-47.1	-33.9
Other Income	183	327	308	309	305	312	256	287	-7.2	12.0
<b>PBT</b>	<b>3,096</b>	<b>2,941</b>	<b>3,180</b>	<b>3,157</b>	<b>3,005</b>	<b>3,056</b>	<b>3,399</b>	<b>3,332</b>	<b>5.5</b>	<b>-2.0</b>
Tax	786	748	808	807	784	780	864	860	6.6	-0.4
Extraordinary item	0	0	0	0	-47	-	-	-		
<b>PAT</b>	<b>2,310</b>	<b>2,194</b>	<b>2,373</b>	<b>2,350</b>	<b>2,174</b>	<b>2,277</b>	<b>2,535</b>	<b>2,471</b>	<b>5.2</b>	<b>-2.5</b>
EPS (Rs/share)	14.8	14.0	15.2	15.0	13.9	14.6	16.2	15.8	5.2	-2.5
<b>As a % of revenue</b>										
Direct Cost	61.0	61.2	61.4	62.8	62.5	61.7	61.8	61.8		
Gross Profit	39.0	38.8	38.6	37.2	37.5	38.3	38.2	38.2		
Staff Cost	6.0	6.7	6.5	6.2	6.0	6.6	6.9	6.5		
Other Expenses	13.8	13.5	13.4	12.6	13.8	13.6	13.0	13.6		
EBIDTA Margin	19.2	18.6	18.7	18.5	17.7	18.1	18.3	18.1		
PAT Margin	12.9	13.0	13.0	12.7	11.7	12.3	12.2	11.9		
Tax Rate	25.4	25.4	25.4	25.6	26.1	25.5	25.4	25.8		

Source: Company Data, Centrum Broking

### Exhibit 3: Quarterly segmental snapshot

Y/E Dec	Q4CY22	Q1CY23	Q2CY23	Q3CY23	Q4CY22	Q1CY24	Q2CY24	Q3CY24	YOY (%)	QOQ (%)
<b>Revenue (Rsmn)</b>										
Automotive Technologies	7,005	5,961	6,155	7,729	6,220	6,524	6,837	6,889	11.8	0.8
Automotive Aftermarket/Vehicle Lifetime Solutions	1,691	1,464	1,848	1,678	1,850	1,606	1,837	1,794	8.7	-2.4
Bearings and Industrial Solutions	3,207	4,232	4,600	3,490	4,975	4,583	5,147	5,363	6.5	4.2
Intercompany Exports and others	2,406	1,899	1,851	1,495	1,512	1,639	1,974	1,710	17.4	-13.4
<b>Total</b>	<b>14,309</b>	<b>13,556</b>	<b>14,453</b>	<b>14,392</b>	<b>14,557</b>	<b>14,352</b>	<b>15,795</b>	<b>15,756</b>	<b>10.2</b>	<b>-0.3</b>
<b>Others</b>										
Automotive Technologies	-	-	-	-	-	-	-	-	NA	NA
Automotive Aftermarket/Vehicle Lifetime Solutions	2,719	-	-	-	-	-	-	-	NA	NA
Bearings and Industrial Solutions	919	2,543	2,992	3,355	3,392	3,250	3,840	4,071	18.2	6.0
Intercompany Exports and others	3,638	838	846	736	603	891	1,082	902	22.5	-16.6
<b>Total</b>	<b>3,638</b>	<b>3,381</b>	<b>3,838</b>	<b>4,091</b>	<b>3,994</b>	<b>4,140</b>	<b>4,922</b>	<b>4,973</b>	<b>19.0</b>	<b>1.0</b>
<b>Revenue Mix (%)</b>										
Automotive Technologies	39.0	35.2	33.7	41.8	33.5	35.3	33.0	33.2		
Automotive Aftermarket/Vehicle Lifetime Solutions	9.4	8.6	10.1	9.1	10.0	8.7	8.9	8.7		
Bearings and Industrial Solutions	33.0	40.0	41.5	37.0	45.1	42.4	43.4	45.5		
Intercompany Exports and others	18.5	16.2	14.7	12.1	11.4	13.7	14.8	12.6		
<b>EBIT (Rsmn)</b>										
Mobility Components and related solutions	2,229	1,902	2,165	1,956	1,974	1,907.2	2,101.1	2,216.6		
Others	693	720	716	908	736	846.0	1,054.7	836.6		
<b>EBIT Margin (%)</b>										
Mobility Components and related solutions	15.6	14.0	15.0	13.6	13.6	13.3	13.3	14.1		
Others	19.1	21.3	18.7	22.2	18.4	20.4	21.4	16.8		

Source: Company Data, Centrum Broking

### Exhibit 4: Quarterly segmental YoY growth rate (%)

Particulars	Q2CY22	Q3CY22	Q4CY22	Q1CY23	Q2CY23	Q3CY23	Q4CY23	Q1CY24	Q2CY24	Q3CY24
Total Automotive	42.6	23.1	20.9	1.1	12.7	8.4	(7.2)	9.5	8.4	11.1
Total Bearings & Industrial	33.7	(0.1)	0.5	15.7	(2.3)	13.0	41.2	15.6	18.4	11.3
Intercompany Exports & others	61.9	61.0	55.3	10.4	(3.5)	(21.1)	(36.4)	(7.6)	13.4	13.4

Source: Company Data, Centrum Broking

P&L					
YE Dec (Rs mn)	CY22A	CY23A	CY24E	CY25E	CY26E
<b>Revenues</b>	<b>68,674</b>	<b>72,261</b>	<b>81,668</b>	<b>92,067</b>	<b>1,01,041</b>
Operating Expense	45,923	48,612	54,905	61,862	68,179
Employee cost	4,306	4,583	5,020	5,280	5,597
Others	5,502	5,799	6,565	7,541	8,275
<b>EBITDA</b>	<b>12,944</b>	<b>13,268</b>	<b>15,177</b>	<b>17,383</b>	<b>18,990</b>
Depreciation & Amortisation	2,065	2,191	2,494	2,962	3,501
<b>EBIT</b>	<b>10,879</b>	<b>11,077</b>	<b>12,683</b>	<b>14,421</b>	<b>15,489</b>
Interest expenses	36	42	46	46	43
Other income	777	1,249	1,304	1,272	1,418
<b>PBT</b>	<b>11,621</b>	<b>12,284</b>	<b>13,941</b>	<b>15,647</b>	<b>16,864</b>
Taxes	2,978	3,147	3,569	4,006	4,334
Effective tax rate (%)	25.6	25.6	25.6	25.6	25.7
<b>PAT</b>	<b>8,642</b>	<b>9,137</b>	<b>10,372</b>	<b>11,641</b>	<b>12,530</b>
Minority/Associates	0	0	0	0	0
<b>Recurring PAT</b>	<b>8,642</b>	<b>9,137</b>	<b>10,372</b>	<b>11,641</b>	<b>12,530</b>
Extraordinary items	150	(47)	0	0	0
<b>Reported PAT</b>	<b>8,792</b>	<b>9,090</b>	<b>10,372</b>	<b>11,641</b>	<b>12,530</b>

Ratios					
YE Dec	CY22A	CY23A	CY24E	CY25E	CY26E
<b>Growth (%)</b>					
Revenue	23.5	5.2	13.0	12.7	9.7
EBITDA	33.2	2.5	14.4	14.5	9.2
Adj. EPS	(72.5)	5.7	13.5	12.2	7.6
<b>Margins (%)</b>					
Gross	38.1	38.0	38.3	38.4	38.2
EBITDA	18.8	18.4	18.6	18.9	18.8
EBIT	15.8	15.3	15.5	15.7	15.3
Adjusted PAT	12.8	12.5	12.7	12.7	12.4
<b>Returns (%)</b>					
ROE	21.8	20.1	20.3	20.2	19.3
ROCE	23.0	21.7	21.8	21.6	20.6
ROIC	28.9	25.0	27.2	26.8	25.6
<b>Turnover (days)</b>					
Gross block turnover ratio (x)	3.2	2.8	2.7	2.6	2.4
Debtors	50	53	50	50	51
Inventory	100	104	101	101	102
Creditors	89	88	83	86	86
Net working capital	55	56	55	57	58
<b>Solvency (x)</b>					
Net debt-equity	(0.4)	(0.3)	(0.4)	(0.4)	(0.4)
Interest coverage ratio	364.6	318.2	326.5	374.0	437.7
Net debt/EBITDA	(1.2)	(1.2)	(1.3)	(1.2)	(1.3)
<b>Per share (Rs)</b>					
Adjusted EPS	55.3	58.5	66.4	74.5	80.2
BVPS	274.2	308.1	346.2	390.4	438.2
CEPS	68.5	72.5	82.3	93.4	102.6
DPS	24.0	26.0	28.0	30.0	32.0
Dividend payout (%)	42.7	44.7	42.2	40.3	39.9
<b>Valuation (x)</b>					
P/E	66.9	63.3	55.7	49.7	46.1
P/BV	13.5	12.0	10.7	9.5	8.4
EV/EBITDA	43.5	42.4	36.8	32.0	29.2
Dividend yield (%)	0.6	0.7	0.8	0.8	0.9

Source: Company, Centrum Broking

Balance sheet					
YE Dec (Rs mn)	CY22A	CY23A	CY24E	CY25E	CY26E
Equity share capital	313	313	313	313	313
Reserves & surplus	42,546	47,841	53,792	60,700	68,184
Shareholders fund	42,859	48,154	54,105	61,013	68,497
Minority Interest	0	0	0	0	0
Total debt	100	105	105	105	105
Non Current Liabilities	629	560	527	527	527
Def tax liab. (net)	0	0	0	0	0
<b>Total liabilities</b>	<b>43,589</b>	<b>48,818</b>	<b>54,737</b>	<b>61,645</b>	<b>69,129</b>
Gross block	21,699	25,443	30,373	36,009	42,184
Less: acc. Depreciation	(10,472)	(12,640)	(15,134)	(18,096)	(21,597)
Net block	11,227	12,803	15,238	17,913	20,587
Capital WIP	2,493	4,908	2,000	2,000	2,000
Net fixed assets	13,721	17,711	17,238	19,913	22,587
Non Current Assets	3,629	2,196	2,677	3,027	3,377
Investments	0	1,424	1,924	2,174	2,424
Inventories	12,434	13,111	14,722	16,607	18,287
Sundry debtors	10,324	10,492	11,859	13,369	14,672
Cash & Cash Equivalents	15,545	15,850	20,079	21,667	24,166
Loans & advances	365	409	418	418	418
Other current assets	865	1,044	1,250	1,450	1,550
Trade payables	11,117	10,515	12,525	14,075	15,447
Other current liab.	1,983	2,676	2,676	2,676	2,676
Provisions	578	681	681	681	681
Net current assets	25,854	27,036	32,446	36,079	40,289
<b>Total assets</b>	<b>43,589</b>	<b>48,818</b>	<b>54,737</b>	<b>61,645</b>	<b>69,129</b>

Cashflow					
YE Dec (Rs mn)	CY22A	CY23A	CY24E	CY25E	CY26E
Profit Before Tax	11,770	12,237	13,941	15,647	16,864
Depreciation & Amortisation	2,065	2,191	2,494	2,962	3,501
Net Interest	(609)	(947)	(945)	(1,012)	(1,018)
Net Change – WC	(2,459)	(1,454)	(1,181)	(2,046)	(1,711)
Direct taxes	(3,136)	(2,973)	(3,569)	(4,006)	(4,334)
<b>Net cash from operations</b>	<b>7,505</b>	<b>9,000</b>	<b>10,740</b>	<b>11,545</b>	<b>13,302</b>
Capital expenditure	(4,830)	(5,195)	(2,022)	(5,636)	(6,175)
Acquisitions, net	0	0	0	0	0
Investments	0	(1,424)	(500)	(250)	(250)
Others	(515)	505	0	0	0
<b>Net cash from investing</b>	<b>(5,345)</b>	<b>(6,114)</b>	<b>(2,522)</b>	<b>(5,886)</b>	<b>(6,425)</b>
<b>FCF</b>	<b>2,160</b>	<b>2,886</b>	<b>8,218</b>	<b>5,659</b>	<b>6,877</b>
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	0	0	0	0	0
Dividend paid	(2,501)	(3,751)	(4,376)	(4,689)	(5,002)
Interest paid	(5)	(12)	(46)	(46)	(43)
Others	(64)	(92)	357	662	655
<b>Net cash from financing</b>	<b>(2,570)</b>	<b>(3,856)</b>	<b>(4,065)</b>	<b>(4,074)</b>	<b>(4,390)</b>
Net change in Cash	(410)	(970)	4,153	1,585	2,487

Source: Company, Centrum Broking



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