

Choice

# Hindware Home Innovation Limited

Building Materials



Choice Equity Broking Private Ltd.

## Hindware Home Innovation Limited

**Building Materials**

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## Hindware Home Innovation Limited

### Innovate, Integrate & Elevate- Poised for Healthy growth

Hindware Home Innovation Ltd (HHIL) was demerged from AGI Greenpac Ltd (erstwhile HSIL Ltd) in August 2019. Hindware Home Innovation Limited (formerly known as Somany Home Innovation Limited) is a prominent player in the building products industry and a rapidly growing force in the Indian consumer appliances sector. The company is dedicated to serving consumers and engages in manufacturing, branding, marketing, sales & distribution, and servicing across various product categories. The company is structured into three business verticals, each overseen by its own CEO or COO, and has established a framework of independent Strategic Business Units (SBUs).

#### Investment Rationale

**The primary beneficiary of the growth in the Sanitaryware and faucet industry:** Hindware is India's one of largest bathware company with a market share of 23/6% in organized sanitaryware and faucetware market respectively. The Rs 180bn industry is likely to grow by 8% CAGR over next 3-years & HHIL having prominent market share should witness healthy growth. In 2014 Hindware ventured its product offering from Sanitaryware to faucets later due to rise in competition in the bathware segment, Hindware entered into the consumer appliances segment in 2015, and into plastic pipes and fittings in 2018. (revenue share increased from 15% FY20 to 26% 9MFY24). Hindware has lost market share due to competition. However, the company has managed to stabilize its decline in revenue market share compared to Cera, showing improvement from FY22 onwards (rising from 47% in FY21 to 57% in 9MFY24) and during the same period revenue grew at CAGR 15%. This positive trend is attributed to the successful performance of its faucetware portfolio such as coloured faucets of Gold, Rose-Gold and Chrome Black and the introduction of new sanitaryware products. These Products contributed 24% of revenue as of 9MFY24.

**Expanding presence in rapidly growing pipe market:** Hindware via its brand "TRUFLO" has done excellent sales growth to Rs 7.8bn in FY23 a revenue CAGR of 57% over FY19 to FY23 and we expect going forward Volume/Revenue to grow at CAGR 13/10% over FY23 to FY26E, to fuel this growth Hindware expanding and putting up the new capex in Roorkee (Uttarakhand) of Rs 1.8bn and increasing pipes capacity by 12,500MT P.A (expandable up to 25,000MT P.A.) after this, total capacity will be 66,500MT P.A. and this project is expected to complete by 3QFY25, total addressable market for hindware will increase from Rs400bn to RS>600bn by FY26. Hindware has adjusted revenue mix to reduce dependence on Bathware sales. In FY19, Bathware accounted for (76%) of revenue, but now it's down to (53%). Hindware diversified into pipes (27%), consumer products (17%) and Retail (2%) to create a more balanced income portfolio.

**Improving Balance Sheet and Return Ratios:** As of 1HFY24, HHIL's debt amounted to Rs8.35 billion, (Debt/Equity – 1.4x) mainly attributed to capacity enhancement and working capital requirements. While the company plans to reduce debt by Rs1 billion annually, we expect this will support the improvement in return ratio. Therefore, we project ROE/ROCE to expand to 18.8%/18.9% in FY26E, compared to 10.4%/14.8% in FY23.

**View and Valuation:** We initiate coverage on Hindware Home Innovation with outperform rating led by 1) focusing on expanding its bathware product range to capture more market share and increase profitability, 2) Growing Plastic piping business by setting up the Greenfield plant at Roorkee with capacity of 12,500MT P.A. 3) strengthening its balance sheet by lowering its debt burden 4) increasing its market size by venturing into new business segments. We expect HHIL to registered a healthy revenue/EBIDTA/PAT growth of 7/20/40% CAGR over FY23-26E and RoCE expansion from ~14.8% in FY23 to ~18.9% in FY26E. We ascribe a multiple of **23x** on **FY26E EPS** to arrive at a **TP of Rs.503** with a rating of **"OUTPERFORM"**.

<b>CMP (Rs)</b>	<b>375</b>
<b>Target Price (Rs)</b>	<b>503</b>
<b>Potential Upside (%)</b>	<b>34</b>

\* CMP as on 28<sup>th</sup> Mar 2024

#### Company Info

BB Code	HINDWARE IN EQUITY
ISIN	INE05AN01011
Indices	SMLCAP,S&P MIDSML CAP,ALLCAP
Face Value (Rs.)	2
52 Week High (Rs.)	664
52 Week Low (Rs.)	315
Mkt Cap (Rs bn.)	27.10
Mkt Cap (\$ bn.)	0.33
Shares o/s (Mn.)/Free Float (%)	72.3/48
Adj. TTM EPS (Rs)	6.59
EPS FY26E (Rs)	21.9

#### Shareholding Pattern (%)

	Dec-23	Sep-23	Jun-23
Promoters	51.32	51.32	51.32
FII's	7.59	7.15	5.03
DII's	9.82	9.16	9.02
Public	31.27	32.37	34.63

#### Relative Performance (%)

YTD	3Y	2Y	1Y
Hindware	40.8	3.4	10.3
BSEsmallcap	112.9	56.1	65.0

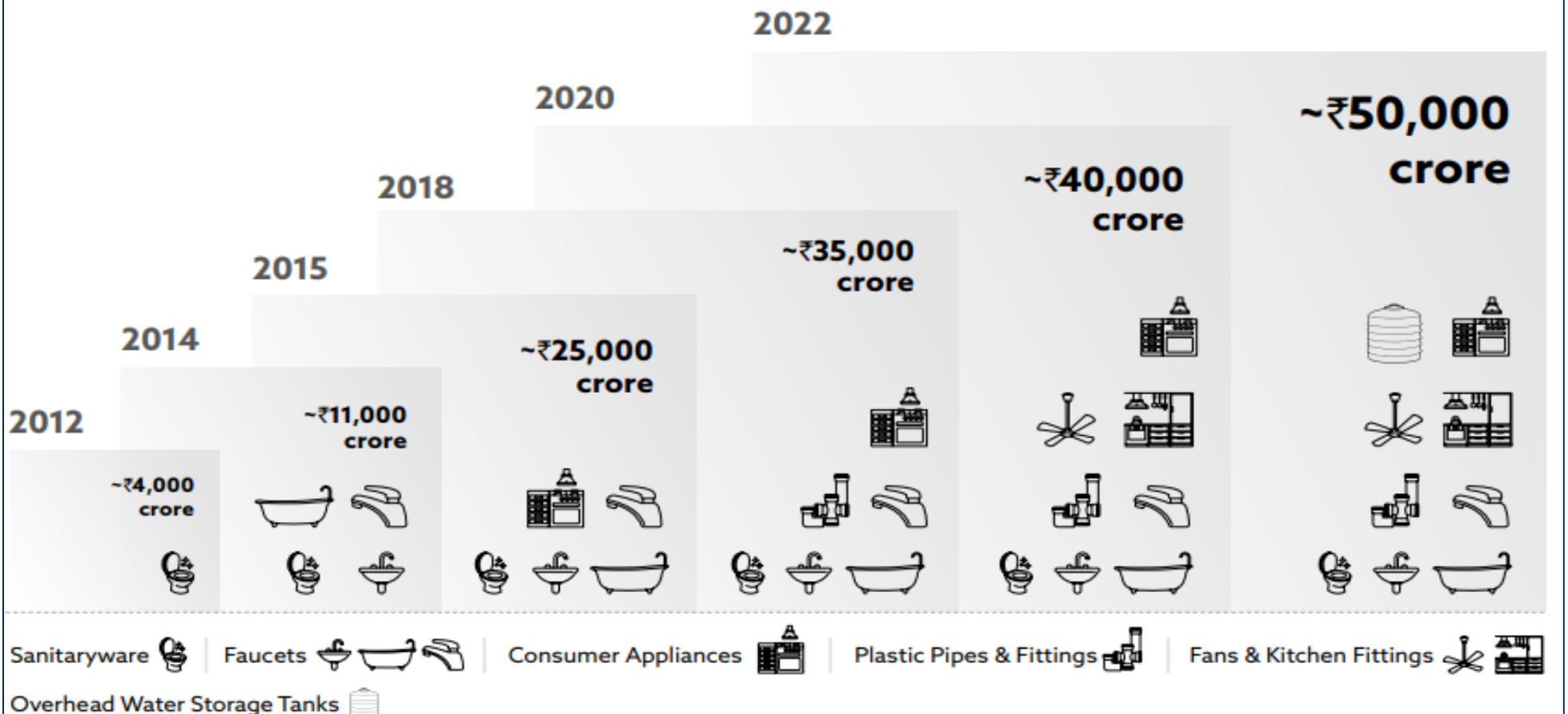
#### Rebased Price Performance



**Expanding the Targetable Market by venturing into new Product categories.**

Hindware expanded its targetable market size from 40bn to Rs600bn by extending its well know brand ‘Hindware’ to new product categories. In 2014 Hindware ventured its product offering from Sanitaryware to faucets, to consumer appliances in 2015, and into plastic pipes and fittings in 2018. Hindware ranks in the top five in sanitaryware, faucets, kitchen chimney, and air coolers, and sixth in water heaters. The management aims to make the company one of the top five pipe manufacturers while keeping it one of the fastest-growing in the industry.

**ADDRESSABLE MARKET SIZE GROWN BY ~10x**

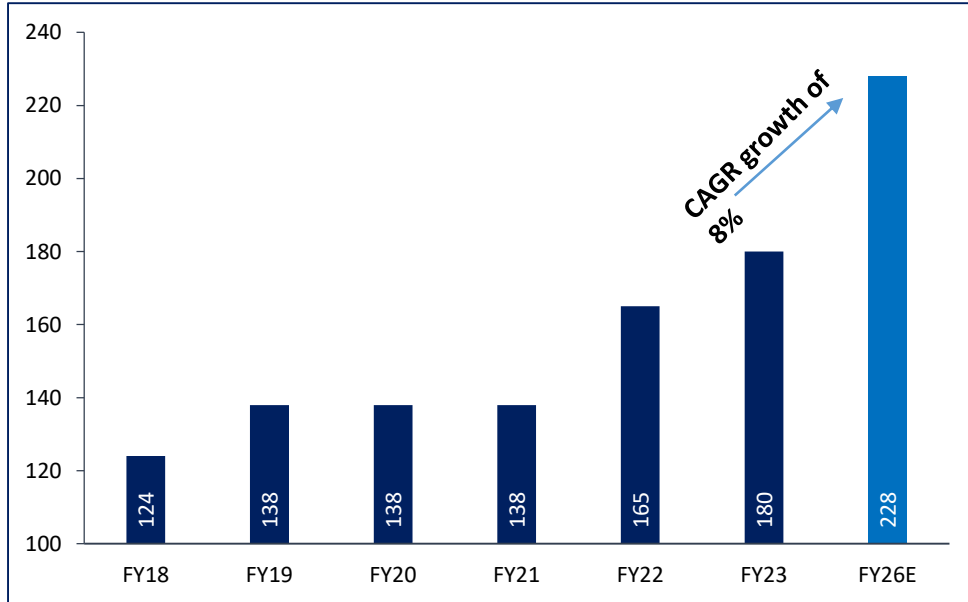


Source: CEBPL

**Bathware segment to grow by 8% CAGR backed by healthy Real estate demand and Replacement Demand**

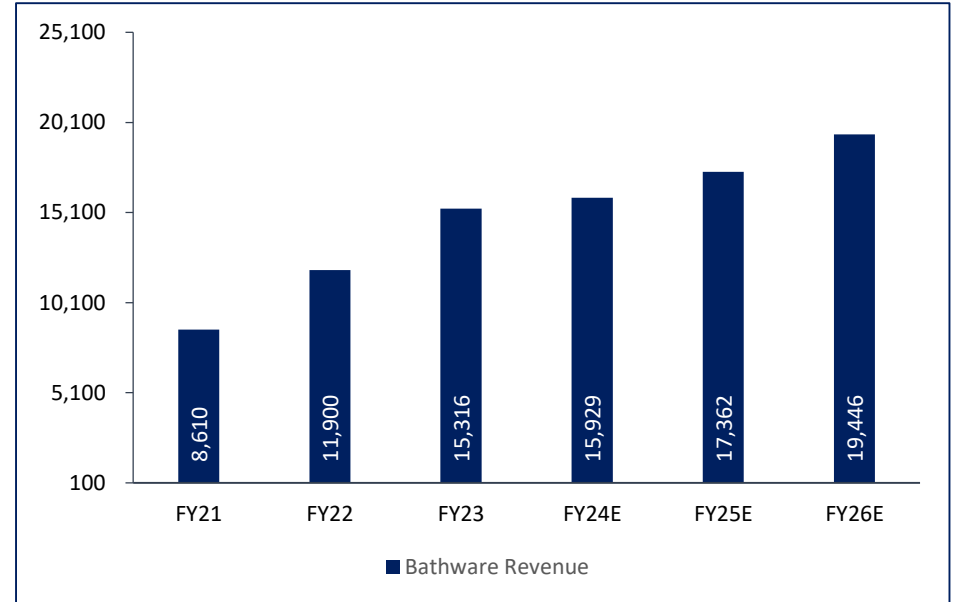
- Hindware is the market leader in sanitaryware, owns Prominent market share in organised market and owns 5% of the market share in Faucetware. The Sanitaryware and Faucetware this industry is valued at Rs180bn, wherein sanitaryware is Rs60bn and faucets is valued at Rs120bn and this industry to grow by 9% CAGR over FY23 to FY26. aggregate, the industry is 55% organised & 45% is unorganised. Hindware continue to maintain leadership position in sanitaryware and remained one of the top player in faucets segment within India.
- Hindware's famous brands includes Queo, a luxury brand that specializes in bath lounges, providing an indulgent bathing experience and Hindware Italian collection a premium brand known for its modern designs, offers a perfect blend of style and functionality and this caters to premium market. Hindware has access to large client base is provided by more than 575+ brand stores, over 35,000 active retail touchpoints, and more than 500+ distributors.
- Hindware has dedicated staff cater to over 1,200 prominent institutional clients. Ensuring exceptional service for the customers, the nationwide network includes 650+ technicians strategically positioned across 700+ districts. Hindware Italian brand offers top-quality tiles for commercial and residential use, including flooring and bathrooms. The percentage of sanitaryware/faucets manufactured in-house currently stands at 70%/55–60%. In sanitaryware, the management is focusing on increasing outsourcing (currently: 30–35%).

**Bathware industry to clock 8% CAGR over FY23 to FY26E (Rs/bn)**



Source:CEBPL

**Hindware Bathware segment to clock 8% (Rs/mn)**



Source: CEBPL

## Easy Clean Washbasin



Source: CEBPL

## Water Closets with inbuilt Sensor Flushing



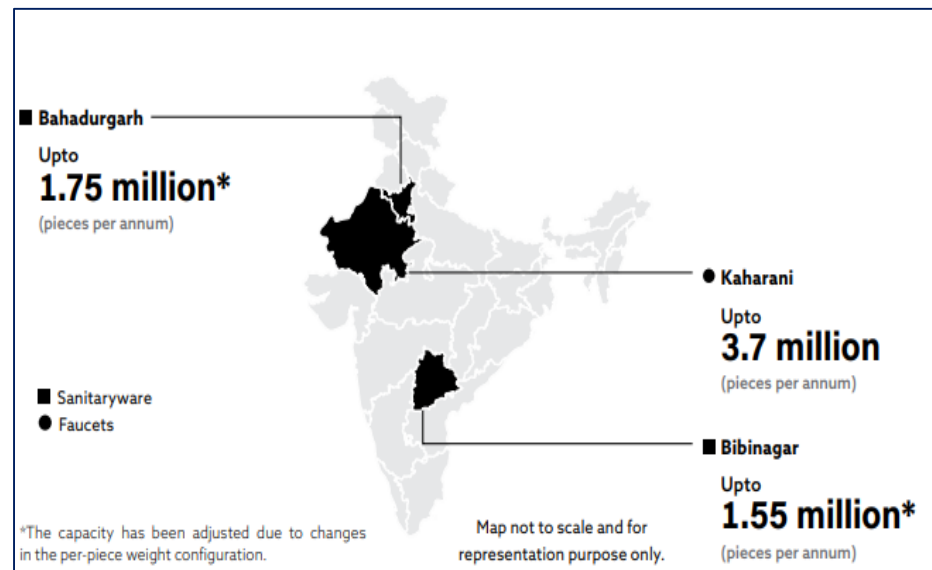
Source: CEBPL

## Hindware Italian Collection Edge Chrome Black Series



Source: CEBPL

## Manufacturing excellence

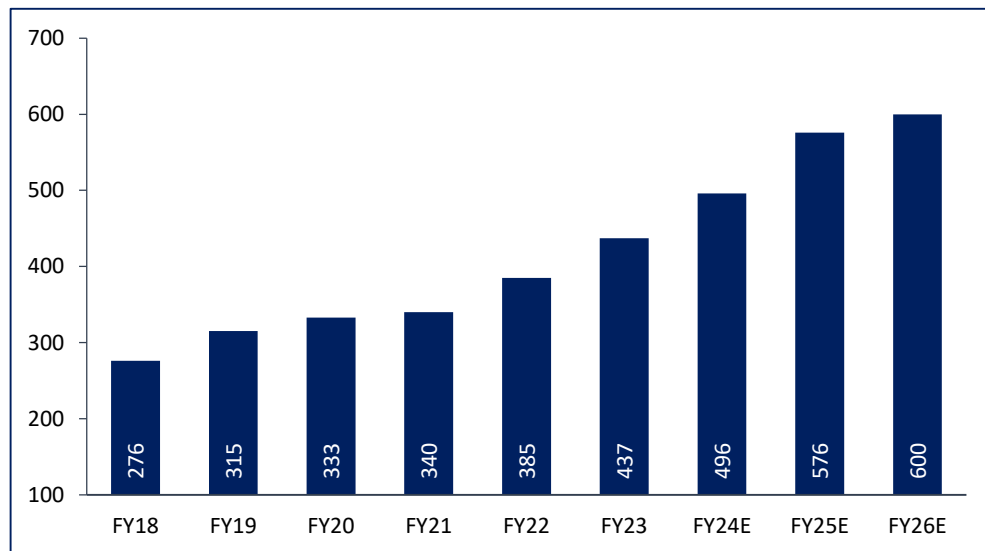


Source: CEBPL

**Plastic Pipes and Fittings segment to grow by 10% CAGR backed by Real estate demand and infra push by Government**

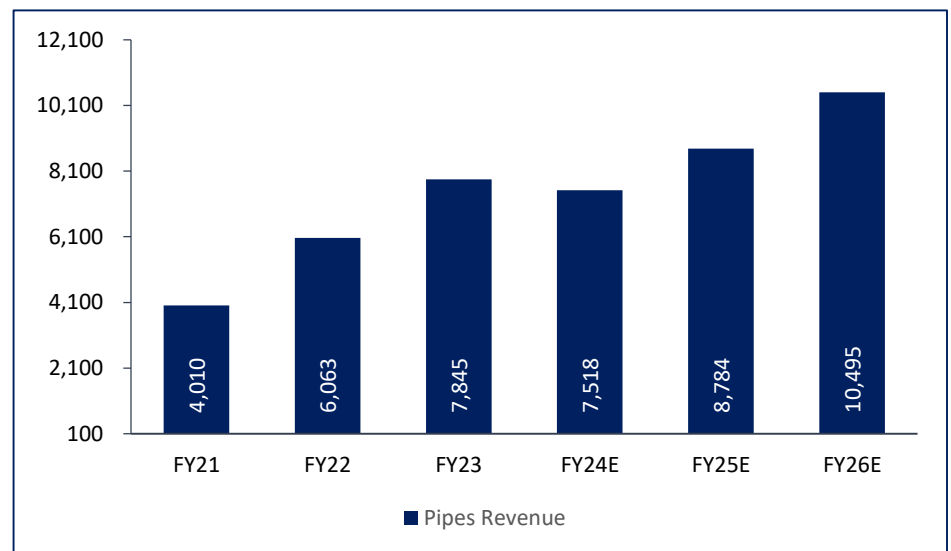
- Truflor by Hindware has reported exceptional revenue CAGR of 57% over FY19 to FY23 backed by market share gain from unorganized players and plumbing demand. Hindware has signed an agreement with Japan's Sekisui Chemical to have technological superior products. The PVC pipe industry market estimated at Rs 220bn which is grew by 15% CAGR over last 3 years. Approximately 60-65% of the PVC market is dominated by organized players.
- The PVC market is expected to grow by 15% CAGR over FY23-26E. 45% of the industry's demand is accounted for Irrigation pipes used in agriculture, 40% by plumbing pipes used in residential and commercial real estate, and 5-15% by infrastructure and industrial projects, the Government Schemes like Jal Jeevan mission, Har Ghar Jal and Nal se Jal will increase demand for PVC, CPVC and other pipes.
- The break down of plastic piping sector – UPVC pipes have gained prominence as a key material used for the supply of potable water and sewerage and expected to grow 12% CAGR hereon, CPVC pipes accounts 40% of the domestic pipes and fittings industry renowned for their exceptional durability, fire and corrosion resistance, and ability to withstand extreme temperatures, are carving out a prominent niche in the hot and cold potable water distribution systems plumbing segment and expected to grow 20% CAGR hereon. HDPE pipes are used in irrigation, sewerage and drainage, city gas distribution, and chemical and processing industries and expected to 13% CAGR hereon. PPR Pipes - Polypropylene Random Copolymer (PPR) pipes, renowned for their durability and versatility, have established a niche market in various industrial sectors and expected to grow ta 7% CAGR hereon.
- Hindware has access to large client base is provided by more than 2000+ SKU, over 30,000 active retail touchpoints, and more than 300 active distributors. To participate in this growth Hindware is setting up new greenfield capacity of 12,500MT at Roorkee (Uttarakhand).

**Plastic pipes and fittings industry to clock 11% CAGR over FY23 to FY26E (Rs/bn)**



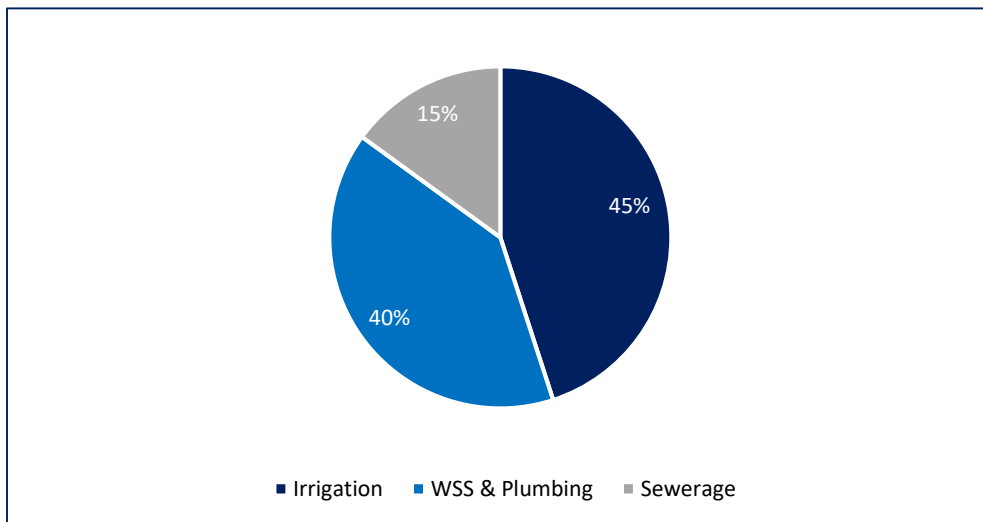
Source: CEBPL

**Hindware Plastic pipes and fittings segment to clock 10% (Rs/mn)**



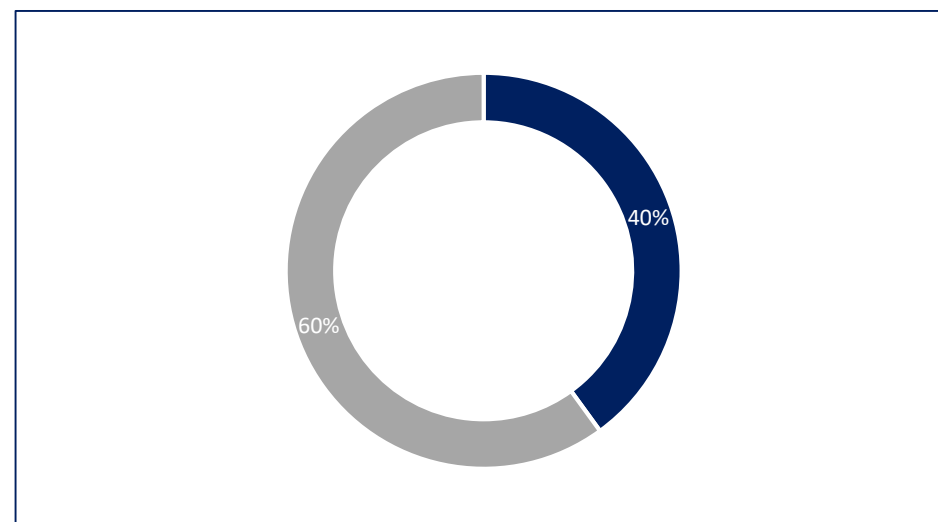
Source: CEBPL

## Industry Break up by Application



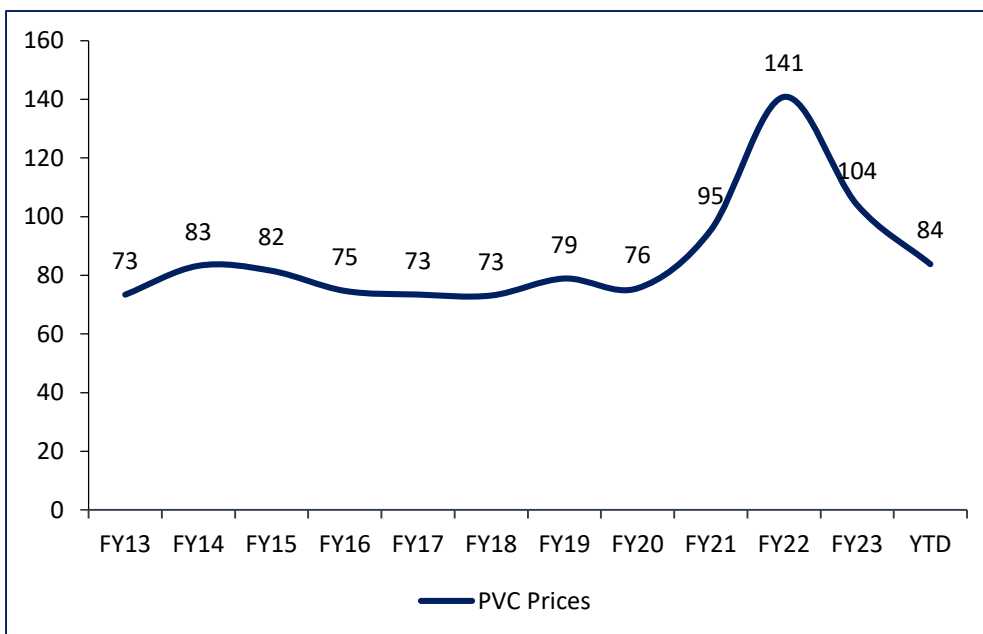
Source: CEBPL

## Hindware CPVC Revenue Contribution as on 9MFY24



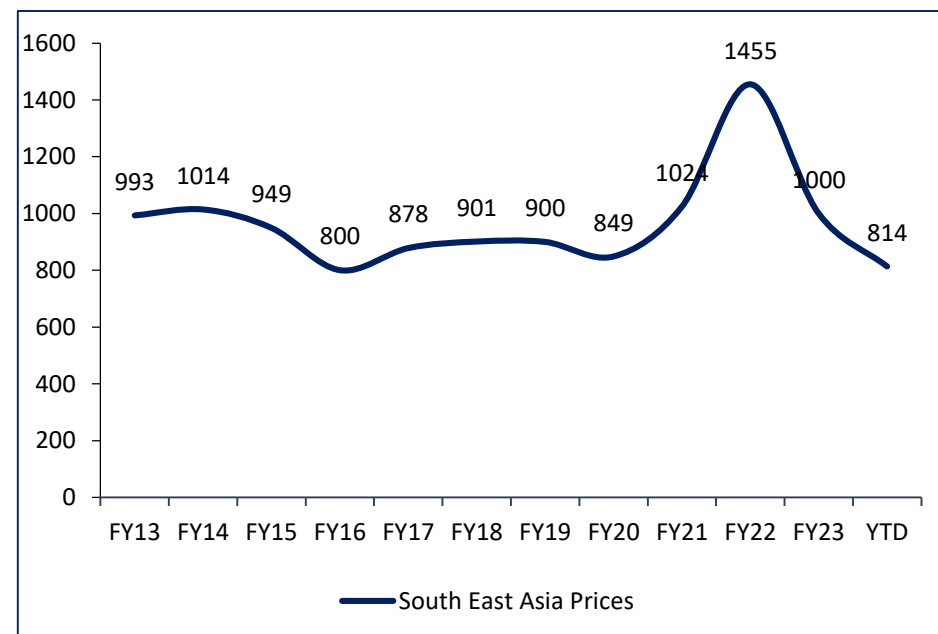
Source: CEBPL

## PVC Price stabilising at 10 year average (Rs/kg)



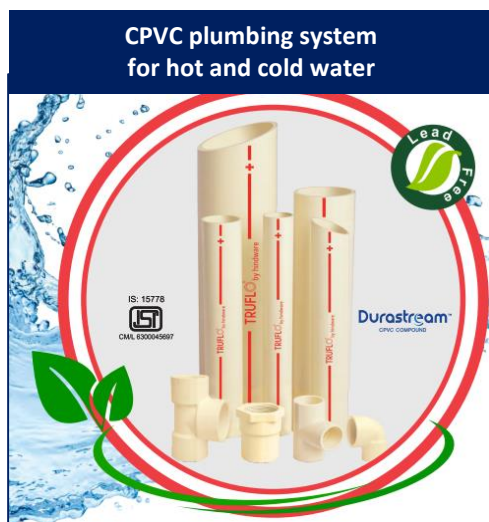
Source: Plastemart Polymer Prices

## Import PVC Prices (USD/MT)



Source: Bloomberg





Source:, CEBPL



Source: CEBPL



Source: CEBPL

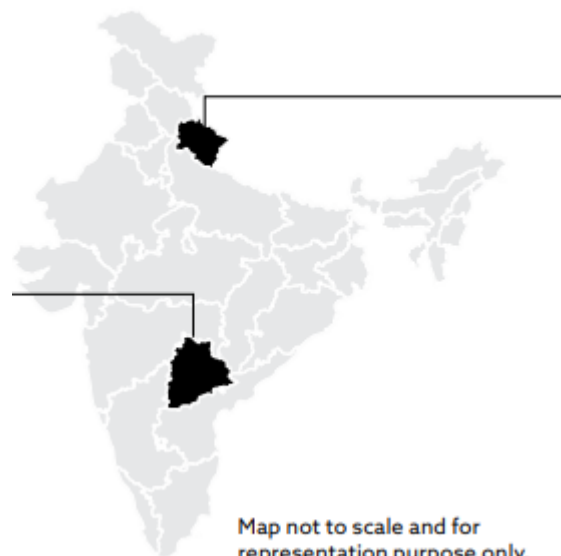


Source: CEBPL

## Manufacturing Units

The presence includes two manufacturing plants located in Isnapur, Hyderabad. Both plants are green sustainable buildings, with a collective production capacity of 54,000 tones per annum.

**Sangareddy**  
Up to 54,000 tonnes per annum



### Roorkee

The expansion continues with the upcoming third plant in Roorkee. Currently in the process of advancing the civil project work and it will ready by 3QFY25 with an initial capacity of 12,500 MTPA .(Expandable up to 25,000MTPA)

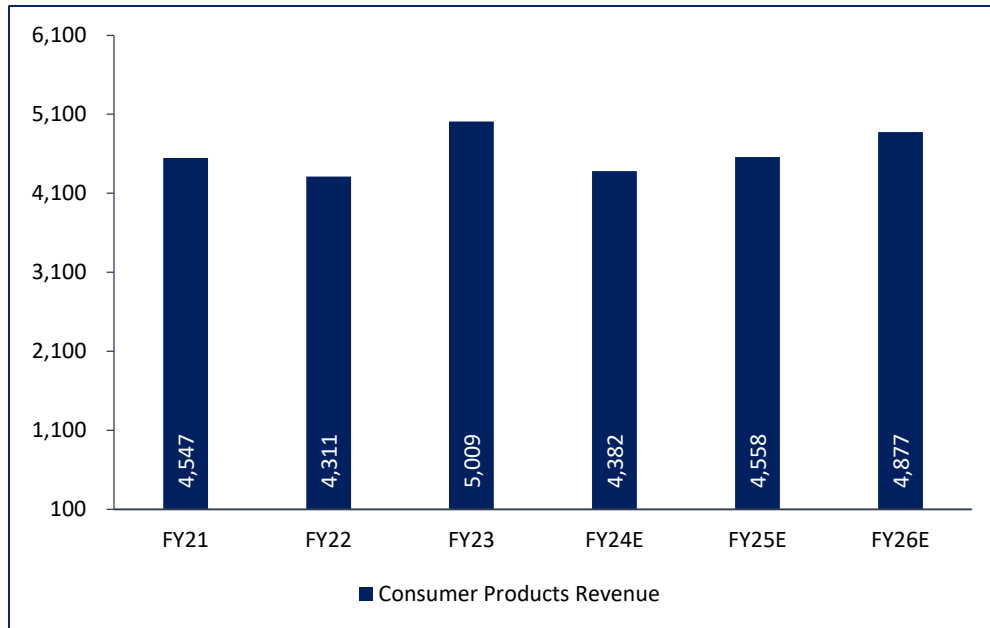
Map not to scale and for representation purpose only.

Source: Company, CEBPL

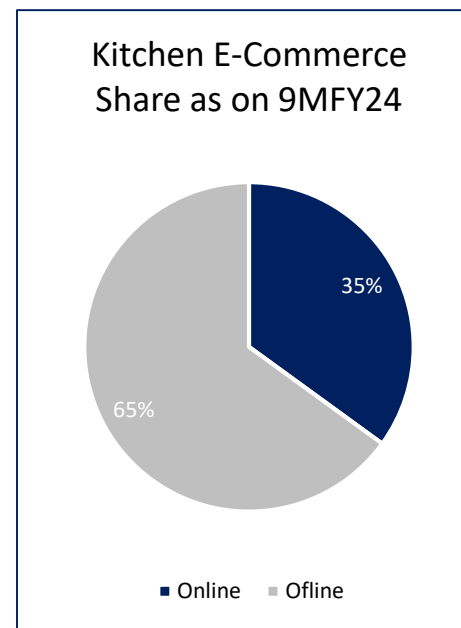
**Consumer Appliance Segment to report healthy growth backed by introduction of New products as per demand.**

- Hindware is one of the prominent player in Consumer appliance business and 2<sup>nd</sup> largest player in kitchen chimneys, Among top 5 Players in fragmented water heaters and air coolers. Under the Consumer Appliances Business, Hindware have an extensive portfolio of categories including kitchen appliances, sinks, water heaters, air coolers, fans, and kitchen and furniture fittings.
- Hindware has Extensive *distribution network of 14,000+ retail outlets, 1300+ distributors, 700+ large format retail stores, and 180+ exclusive brand stores, supported by a team of 600+ professionals and a strong focus on innovation evidenced by 33 patents in 7 years*, with particular success in online sales of kitchen chimneys.
- The steady growth from Tier 3 cities and beyond, the shift in the way people live after the COVID-19 pandemic, premiumisation trends, pent-up demand, and policy initiatives are going to drive the growth of this segment which is anticipates the consumer appliances reach US\$ 21.18bn by FY25. The integration of AI in the consumer appliances and electronics industry is driving substantial growth, with the home automation products industry projected to reach a value of US\$ 8.6 billion by 2027 due to increasing internet penetration, particularly with the rise of connected home appliances.
- This growth is fueled by the demand for smart and interconnected devices that offer enhanced convenience, efficiency, and customization options for consumers. To Strengthen the kitchen appliances category *Hindware introduced total number 53 Chimneys, 45 cooktops, 13 hobs and 1 induction cooktop.*

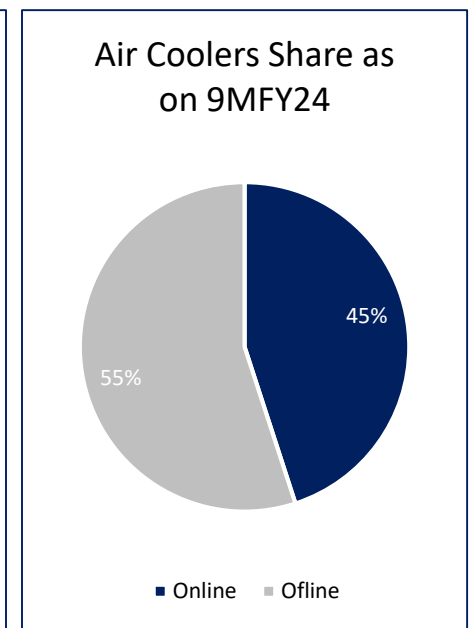
**Consumer Appliance Segment to report sustainable growth (Rs/mn)**



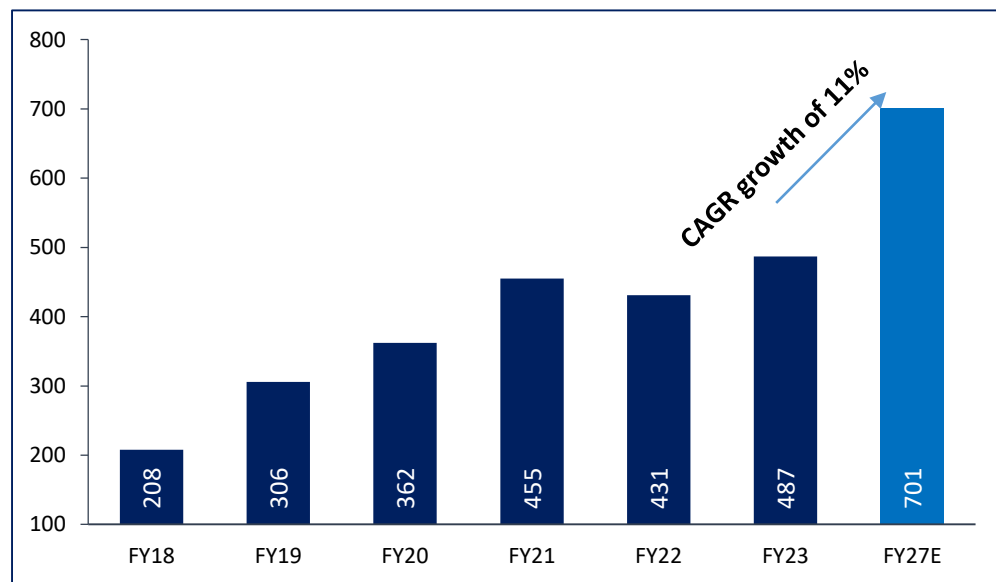
Source: Company, CEBPL



Source: Company, CEBPL

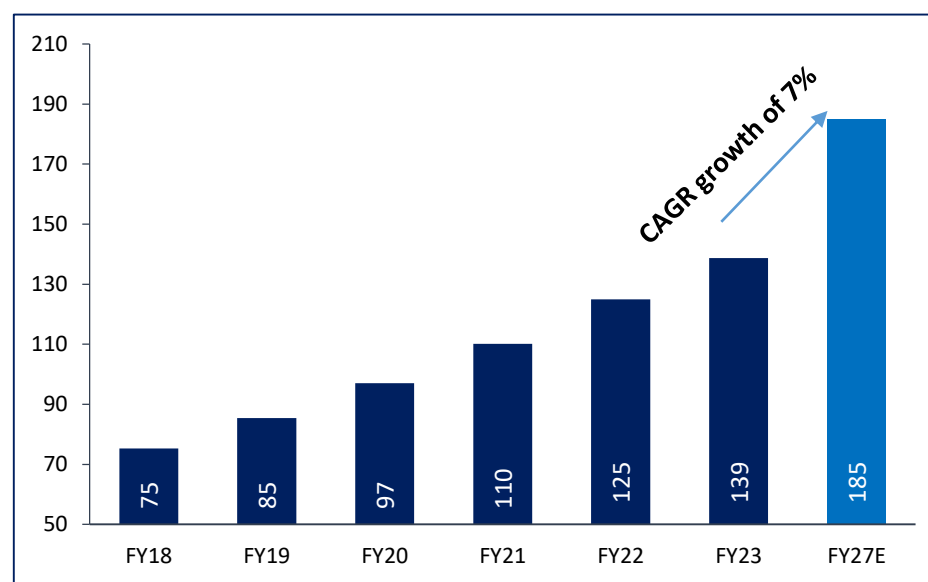


## Consumer Appliance Industry to Clock 11% CAGR over FY23-27E (Rs/bn)



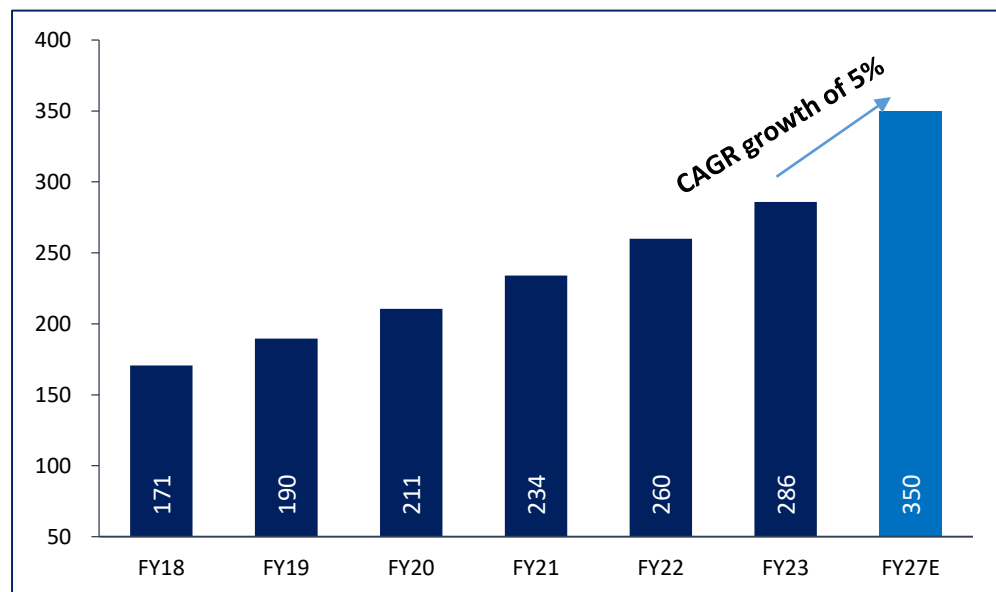
Source: CEBPL

## Fans market to grow 7% CAGR over FY23-27E (Rs/bn)



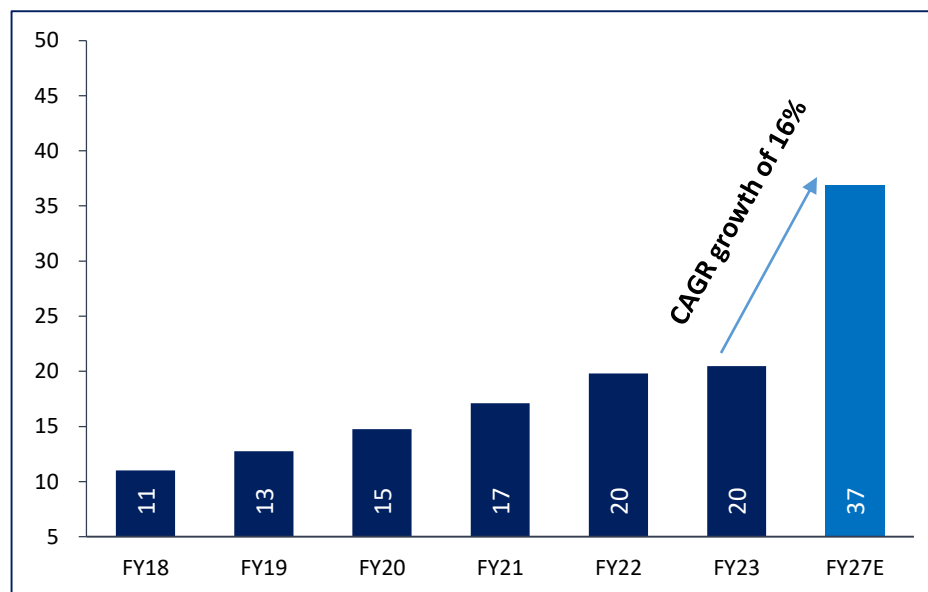
Source: CEBPL

## Water Heater market to grow by 5% CAGR over FY23-27E (Rs/bn)



Source: CEBPL

## Hobs Market to grow by 16% CAGR over FY23-27E (Rs/bn)



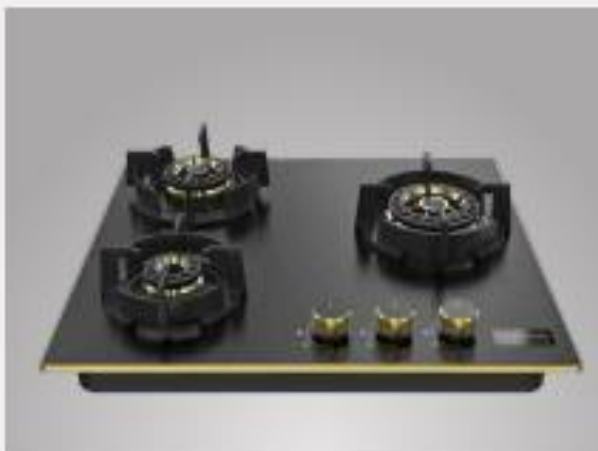
Source: CEBPL

## Consumer Appliance Product Portfolio

### CHIMNEYS



### BUILT-IN-HOB



### COOKTOP



### Ceiling fans



### Air coolers



### Water heaters



### Room heaters



Source: CEBPL

## Peer Comparison of Hindware - Bathware vs Cera Sanitaryware and Hindware (truflo) vs Prince Pipes

	FY22		FY23		FY24E		FY25E		FY26E	
	Hindware	Cera	Hindware	Cera	Hindware	Cera*	Hindware	Cera*	Hindware	Cera*
Revenue	11,900	14,458	15,316	18,035	15,929	19,227	17,362	21,992	19,446	25,109
EBITDA	1,363	2,287	2,126	2,930	2,230	3,022	2,622	3,554	3,014	4,181
EBITDA %	11.5	15.8	13.9	16.2	14.0	15.7	15.1	16.2	15.5	16.6
EBIT	1,166	2,136	1,534	2,604	1,718	2,801	1,941	3,391	2,213	3,921
EBIT %	9.8	14.8	10.0	14.4	10.8	14.6	11.2	15.4	11.4	15.6
Adv spends % sales	3.7	3.0	3.6	3.0	4.0	3.5	3.0	4.0	3.0	4.0

	Hindware	Prince Pipes	Hindware	Prince Pipes	Hindware	Prince Pipes*	Hindware	Prince Pipes*	Hindware	Prince Pipes*
Revenue	6,063	26,568	7,845	27,109	7,518	25,709	8,784	29,984	10,495	34,831
EBITDA	460	4,156	438	2,503	509	3,213	627	4,063	835	4,878
EBITDA %	7.6	15.6	5.6	9.2	6.8	12.5	7.1	13.6	8.0	14.0
EBIT	420	3,508	210	1,759	280	2,318	336	3,065	470	3,619
EBIT %	6.9	13.2	2.7	6.5	3.7	9.0	3.8	10.2	4.5	10.4
Capacity (MT)	35,000	2,82,597	48,000	3,15,088	54,000	3,38,959	66,500	3,38,959	66,500	3,88,959

\* Bloomberg Consensus

Source: CEBPL

## Key Management Personnel's

Name and Designation	Brief description
<b>Mr. SANDIP SOMANY</b> CHAIRMAN & NON-EXECUTIVE DIRECTOR	Mr. Sandip Somany, has over 38 years in Ceramics & Glass, has led roles like FICCI President (2018-19) and Chairman of the Indian Council of Sanitaryware Manufacturers (NCOSAMA). He holds degrees from the University of California, USA, and Delhi University.
<b>Mr. SANDEEP SIKKA</b> GROUP CHIEF FINANCIAL OFFICER	Mr. Sandeep Sikka has over 28 years of experience in project finance, business strategy, and structured finance. He previously worked as VP and Head of Corporate Finance at Jindal Stainless and as the Group CFO at Usha International.
<b>Mr. NAVEEN MALIK</b> CHIEF FINANCIAL OFFICER, HINDWARE HOME INNOVATION	Mr. Naveen Malik has over 28 years of experience in banking, strategy, project finance, and investor relations. He previously worked at Godrej & Boyce and with the GMR Group's Delhi International Airport Limited.
<b>Mr. SUDHANSHU POKHRIYAL</b> CHIEF EXECUTIVE OFFICER, BATH BUSINESS	Mr. Sudhanshu Pokhriyal has more than 21 years of experience in FMCG, building products, sales, and marketing. He has worked with renowned companies like Asian Paints, CocaCola, SC Johnson, and Raymond.
<b>MR. RAJESH PAJNOO</b> CHIEF EXECUTIVE OFFICER, PIPES BUSINESS	Mr. Rajesh Pajnoo has over 25 years of experience in the plastic and PVC industry. He worked as COO at Kisan Mouldings.

Source: CEBPL

## Key Milestones

2012**Bathware**

- Over the past decade HHIL has undergone a remarkable transformation, expanding its market presence from solely focusing on sanitaryware in 2012 to venturing into various customer-facing sectors.
- Initially operating within a Rs.40bn market, HHIL has since broadened its horizons significantly, now operating within an expansive Rs.500 to 600bn addressable market.
- In 2015 HHIL ventured into faucets tapping into a market worth Rs.110bn.

2015**Entry into Consumer Appliance Business**

- In 2015 HHIL ventured into Consumer appliance business a market size of Rs 250bn.
- HHIL holds leading position in Kitchen appliances and growing presence in water heating and air coolers segments.
- In the big market for air cooler and water heaters, HHIL is one of the top five makers. HHIL doing well among lots of competition, and committed to making good products.
- HHIL files 33 Patents since inception for Consumer Appliances Business

2018**Entry into Pipes & Fittings Business.**

- In 2018 HHIL ventured into pipes and Fittings business a market size of Rs 220bn.
- Truflo by Hindware over FY19 to FY23, Revenue from piping business has increased at a healthy rate of 57% CAGR to Rs 7.8bn.
- The capacity Utilization is best in the industry at 78%.
- HHIL investing Rs 1.8bn in a greenfield capacity expansion project with initial capacity of 12,500 MT P.A (expandable upto 25,000MT P.A. in Roorkee, Uttarakhand.

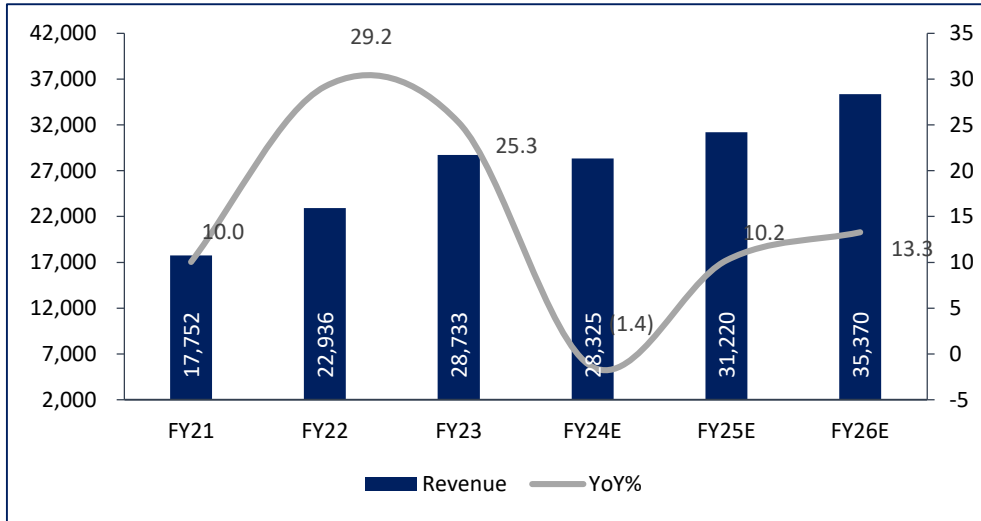
2023**Joint Venture - Hintastica Private Limited**

- In October 2023 Hintastica Private Limited, a 50:50 joint venture between HHIL and Groupe Atlantic, has commenced commercial production of heating appliances in Telangana.
- The facility, which spans six acres, has a yearly production capacity of six lakh water heaters and other equipment.
- In 2022, the worldwide heating appliances market was worth \$51.38 bn. It's expected to increase to \$53.25 bn in 2023 and reach \$67.58 bn by 2030.

Source: Company, CEBPL

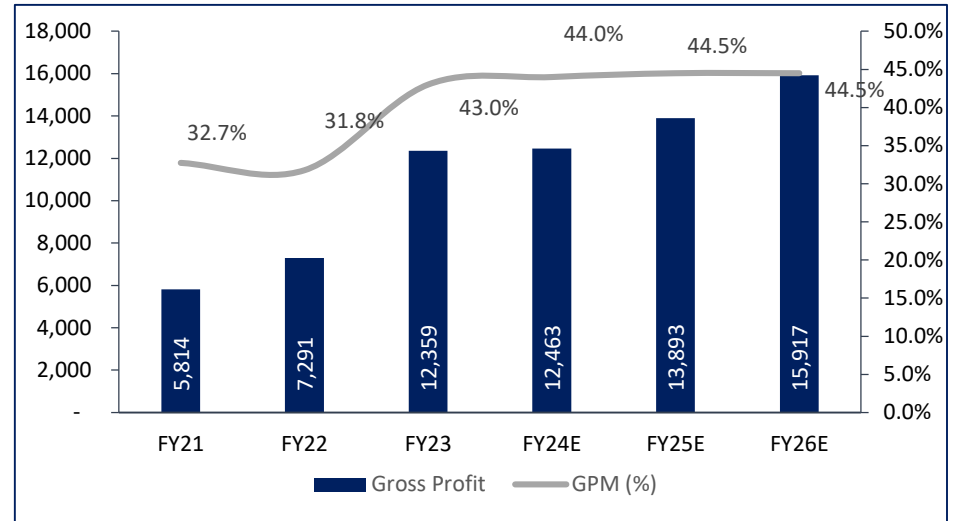
Story in charts

Revenue to grow by 7% CAGR backed by entry in new segments (Rs/mn)



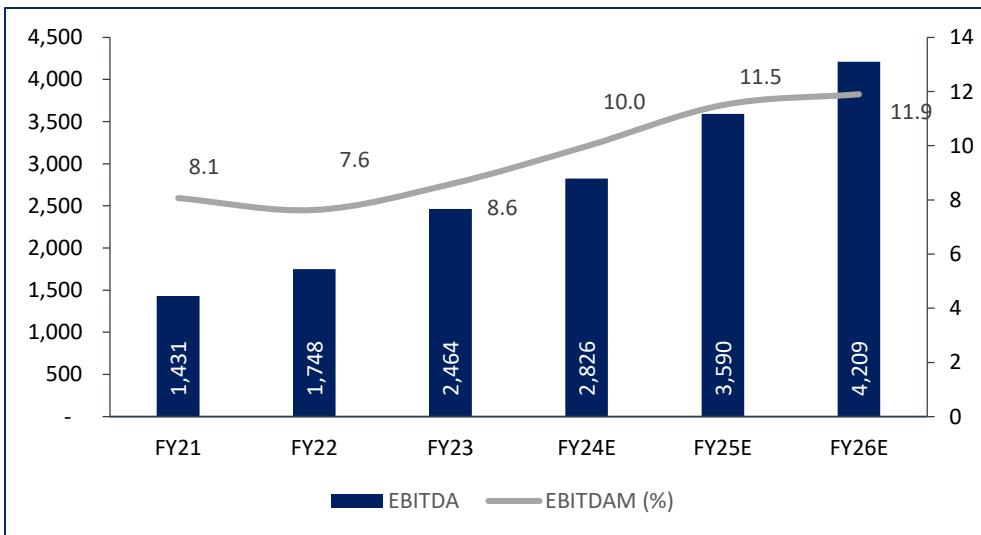
Source: CEBPL

Gross Margins to improve on back of in-house manufacturing (Rs/mn)



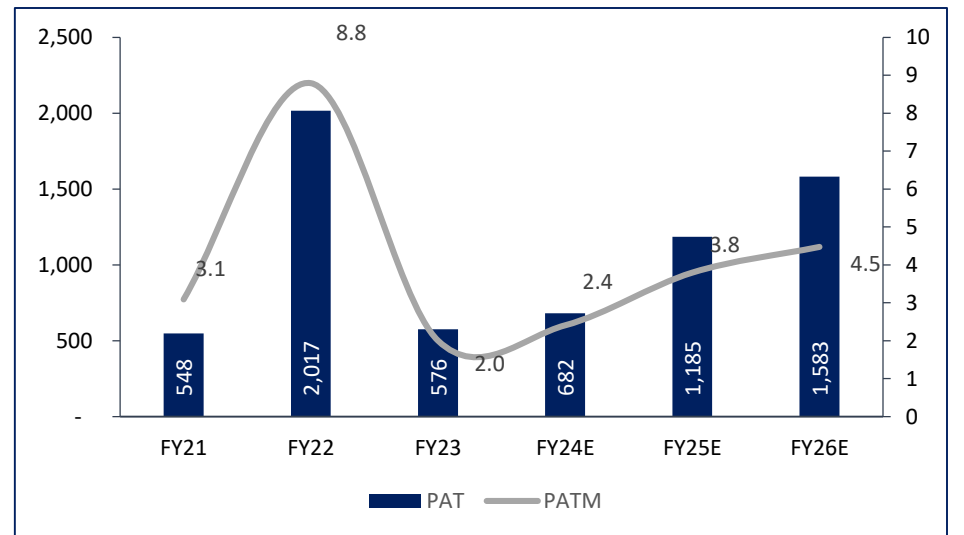
Source: CEBPL

EBITDA Margins to improve on back of cost controls (Rs/mn)



Source: CEBPL

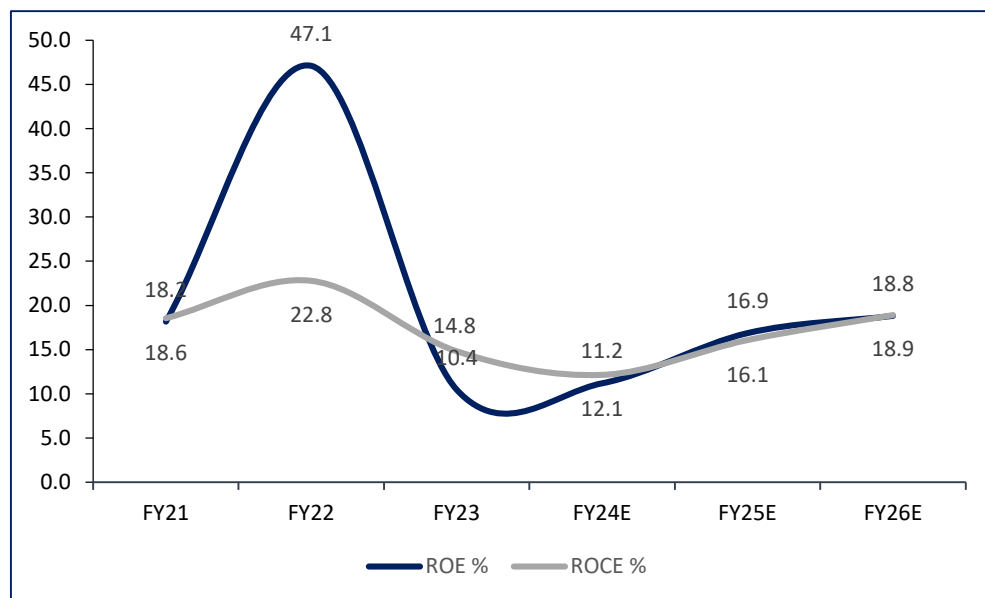
PAT CAGR likely at 40% over FY23- FY26E



Source: CEBPL

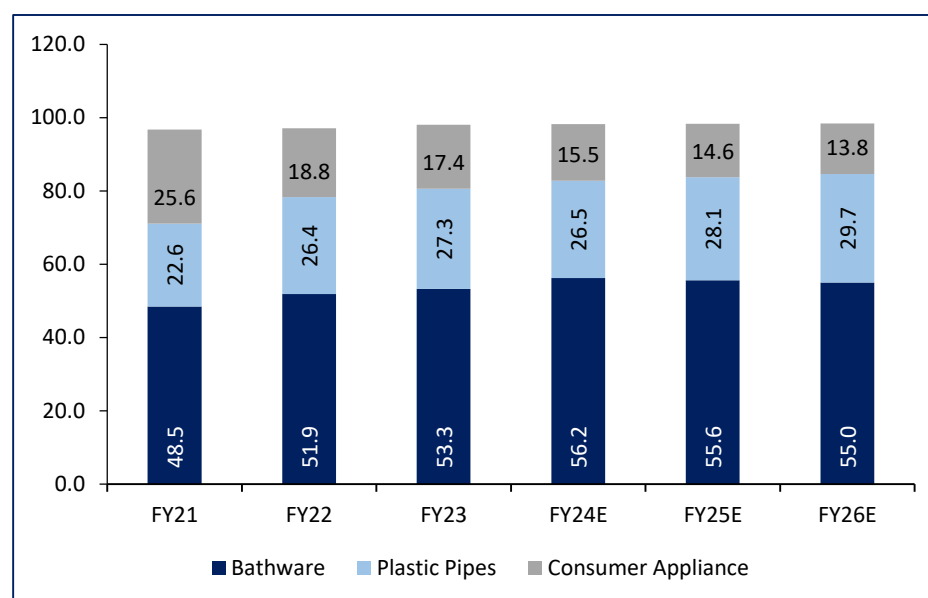


### Return ratios to improve over FY23-26E on the back of better profits



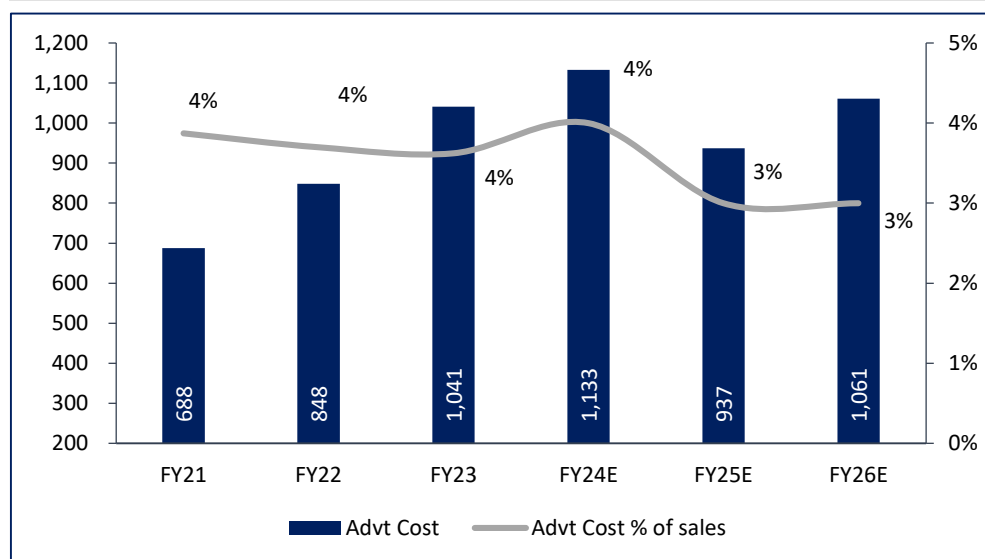
Source: CEBPL

### Revenue Mix %



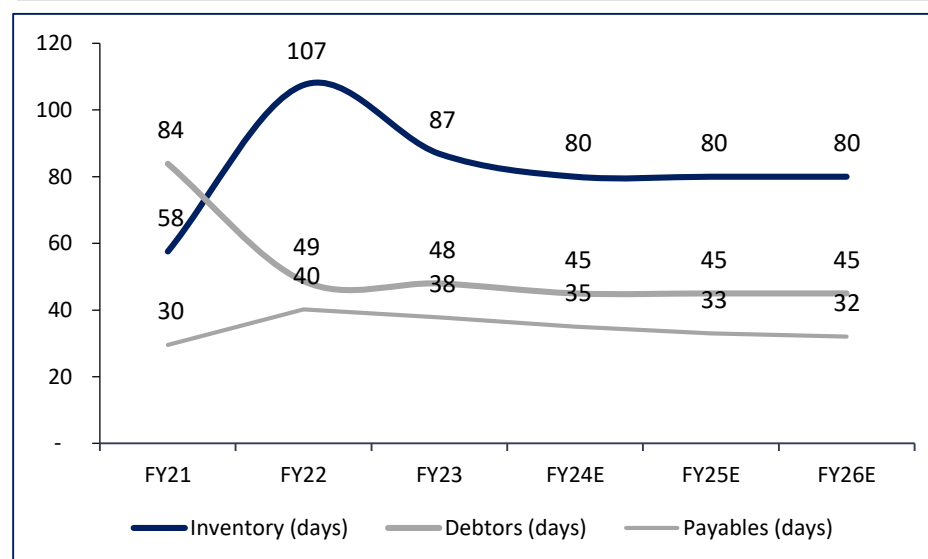
Source: CEBPL

### Advt Cost and % of Sales



Source: CEBPL

### Working Capital Cycle



Source: CEBPL

Hindware Home Innovation Ltd (INR mn.)	FY22	FY23	FY24E	FY25E	FY26E
<b>Income Statement</b>					
Net Revenues	22,936	28,733	28,325	31,220	35,370
Gross profit	7,291	12,359	12,463	13,893	15,917
EBITDA	1,748	2,464	2,826	3,590	4,209
Depreciation	393	1,010	1,195	1,335	1,485
EBIT	1,355	1,455	1,631	2,255	2,724
Other Income (Including EO Items)	293	346	370	396	424
Interest	204	771	816	706	596
Exceptional Items	1,009	-	-	-	-
PBT	2,452	1,030	1,186	1,946	2,552
Tax (Incl Deferred)	417	365	415	671	880
RPAT	2,035	665	771	1,274	1,672
Profit/Loss of Associate Company	(18)	(89)	(89)	(89)	(89)
APAT	2,017	576	682	1,185	1,583
Adjusted EPS (Rs)	27.9	8.0	9.4	16.4	21.9
<b>Reported PBT</b>					
Interest expenses	204	771	816	706	596
Depreciation	393	1,010	1,195	1,335	1,485
Working Capital Change	913	101	457	(621)	(1,199)
Tax Paid	(611)	(361)	(415)	(671)	(880)
Other operating Items	(1,073)	(254)	-	-	-
<b>OPERATING CASH FLOW ( a )</b>	<b>2,261</b>	<b>2,208</b>	<b>3,149</b>	<b>2,605</b>	<b>2,464</b>
Capex	(393)	(1,944)	(1,263)	(1,425)	(1,400)
Free cash flow (FCF)	1,867	263	1,887	1,180	1,064
Investments	(279)	181	-	-	-
Non-operating Income	(567)	(5,284)	(10)	(10)	(15)
<b>INVESTING CASH FLOW ( b )</b>	<b>(1,240)</b>	<b>(7,047)</b>	<b>(1,272)</b>	<b>(1,435)</b>	<b>(1,415)</b>
Debt Issuance/(Repaid)	(462)	5,685	300	(1,000)	(1,000)
Interest Expenses	(123)	(542)	(816)	(706)	(596)
FCFE	1,282	5,406	1,371	(525)	(531)
Dividend paid	(57)	0	(1)	(1)	(1)
Other Financing item	(189)	(476)	-	-	-
<b>FINANCING CASH FLOW ( c )</b>	<b>(832)</b>	<b>4,667</b>	<b>(516)</b>	<b>(1,706)</b>	<b>(1,596)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>189</b>	<b>(173)</b>	<b>1,360</b>	<b>(536)</b>	<b>(546)</b>
Opening bal of Cash & Cash Equ	76	265	92	1,452	916
Closing Cash & Equivalents	265	92	1,452	916	370

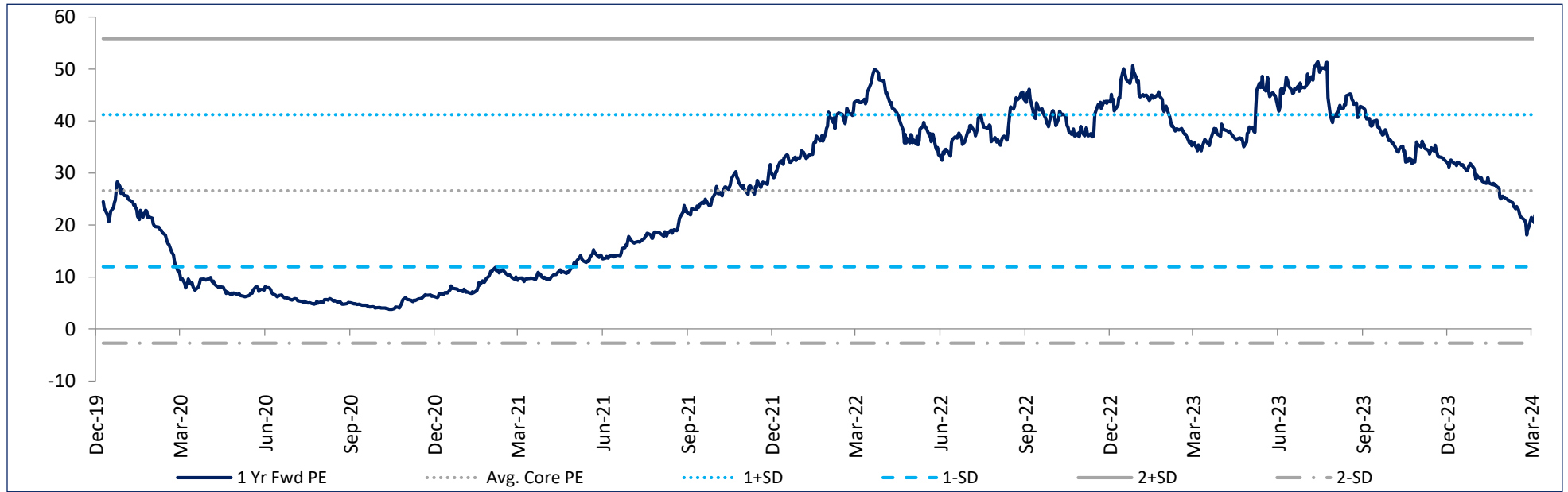
Source: Company, CEBPL

Hindware Home Innovaton (INR mn)	FY22	FY23	FY24E	FY25E	FY26E
<b>SOURCES OF FUNDS</b>					
Share Capital - Equity	145	145	145	145	145
Share Capital - Preference					
Reserves	5,119	5,613	6,294	7,479	9,061
<b>Total Shareholders Funds</b>	<b>5,264</b>	<b>5,757</b>	<b>6,439</b>	<b>7,623</b>	<b>9,205</b>
Minority Interest	-	73	73	73	73
Long Term Debt	105	3,281	3,081	2,581	2,081
Short Term Debt	1,327	3,836	4,336	3,836	3,336
<b>Total Debt</b>	<b>1,432</b>	<b>7,117</b>	<b>7,417</b>	<b>6,417</b>	<b>5,417</b>
Other Financial Liability	8,856	3,465	3,643	3,863	4,099
Lease Liability	2,308	2,459	2,459	2,459	2,459
Long Term Provisions & Others	158	181	181	181	181
<b>TOTAL SOURCES OF FUNDS</b>	<b>18,017</b>	<b>19,052</b>	<b>20,211</b>	<b>20,616</b>	<b>21,434</b>
<b>APPLICATION OF FUNDS</b>					
Net Block	7,411	9,101	9,205	9,370	9,385
CWIP	585	362	325	250	150
Goodwill	19	19	19	19	19
Investments	873	879	879	879	879
LT Loans & Advances & Others	685	691	694	765	902
<b>Total Non-current Assets</b>	<b>9,574</b>	<b>11,052</b>	<b>11,123</b>	<b>11,284</b>	<b>11,335</b>
Investments	271	-	-	-	-
Inventories	6,753	6,838	6,208	6,843	7,752
Debtors	3,059	3,776	3,492	3,849	4,361
Other Current Assets	1,536	1,269	1,558	1,717	1,945
Cash & Equivalents	265	92	1,452	916	370
<b>Total Current Assets</b>	<b>11,883</b>	<b>11,974</b>	<b>12,711</b>	<b>13,325</b>	<b>14,428</b>
Creditors	2,524	2,972	2,716	2,994	3,198
Other Current Liabilities & Provns	916	1,003	906	999	1,132
<b>Total Current Liabilities</b>	<b>3,440</b>	<b>3,975</b>	<b>3,623</b>	<b>3,993</b>	<b>4,330</b>
<b>Net Current Assets</b>	<b>8,444</b>	<b>8,000</b>	<b>9,088</b>	<b>9,333</b>	<b>10,099</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>18,017</b>	<b>19,052</b>	<b>20,211</b>	<b>20,616</b>	<b>21,434</b>

KEY RATIOS	FY22	FY23	FY24E	FY25E	FY26E
<b>PROFITABILITY (%)</b>					
GPM	31.8	43.0	44.0	44.5	45.0
EBITDA Margin	7.6	8.6	10.0	11.5	11.9
APAT Margin	8.8	2.0	2.4	3.8	4.5
RoE	47.1	10.4	11.2	16.9	18.8
RoCE	22.8	14.8	12.1	16.1	18.9
<b>EFFICIENCY</b>					
Tax Rate (%)	17.0	35.5	35.0	34.5	34.5
Fixed Asset Turnover (x)	3.1	3.2	3.1	3.3	3.8
Inventory (days)	107	87	80	80	80
Debtors (days)	49	48	45	45	45
Other Current Assets (days)	24	16	20	20	20
Payables (days)	40	38	35	35	33
Other Current Liab & Provns (days)	15	13	12	12	12
Cash Conversion Cycle (days)	126	100	98	98	100
Debt/EBITDA (x)	0.8	2.9	2.6	1.8	1.3
Net D/E (x)	0.2	1.2	0.9	0.7	0.5
Interest Coverage (x)	6.6	1.9	2.0	3.2	4.6
<b>PER SHARE DATA (Rs)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24E</b>	<b>FY25E</b>	<b>FY26E</b>
EPS	27.9	8.0	9.4	16.4	21.9
CEPS	33.3	21.9	26.0	34.9	42.4
Dividend	0.5	0.5	0.5	0.5	0.5
Book Value	72.8	79.6	89.1	105.4	127.3
<b>VALUATION</b>					
P/E (x)	17.0	59.7	39.8	22.9	17.1
P/BV (x)	6.5	6.0	4.2	3.6	2.9
EV/EBITDA (x)	20.3	16.8	11.7	9.1	7.6
EV/Revenues (x)	1.5	1.4	1.2	1.0	0.9
OCF/EV (%)	6.4	5.3	9.5	8.0	7.7
FCF/EV (%)	5.3	0.6	5.7	3.6	3.3
FCFE/Mkt Cap (%)	3.7	15.7	5.1	(1.9)	(2.0)
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1

Source: CEBPL

PE Band



4 Years Price Chart



Source: Company, CEBPL

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