

Estimate change

TP change

Rating change



Bloomberg	HNDL IN
Equity Shares (m)	2247
M.Cap.(INRb)/(USDb)	1489.3 / 17.4
52-Week Range (INR)	773 / 546
1, 6, 12 Rel. Per (%)	5/-1/-9
12M Avg Val (INR M)	4350
Free float (%)	65.4

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	2,385	2,461	2,628
EBITDA	318	318	329
Adj. PAT	166	154	164
EBITDA Margin (%)	13	13	13
Cons. Adj. EPS (INR)	75	70	74
EPS Gr. (%)	64	-7	6
BV/Sh. (INR)	437	500	566

Ratios

Net D:E	0.4	0.3	0.2
RoE (%)	18.8	14.9	13.8
RoCE (%)	14.7	12.6	12.4
Payout (%)	6.7	10.1	9.5

Valuations

P/E (x)	8.9	9.6	9.0
P/BV (x)	1.5	1.3	1.2
EV/EBITDA(x)	5.9	5.7	5.3
Div. Yield (%)	0.8	1.1	1.1
FCF Yield (%)	2.5	8.4	5.0

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	34.6	34.6	34.6
DII	25.0	24.9	26.0
FII	32.3	32.2	31.0
Others	8.0	8.3	8.4

FII includes depository receipts

CMP: INR663

TP: INR790 (+19%)

Buy

Strong operating performance; lower tax outgo in Novelis leads to a strong beat on APAT

Consolidated performance

- Hindalco (HNDL)'s consolidated net sales stood at INR649b (+16% YoY and +11% QoQ) vs. our est. of INR588b, driven by a strong performance of its Indian operations, supported by favorable macros.
- Consolidated EBITDA stood at INR88.4b (+32% YoY and +17% QoQ) against our est. of INR78b, driven by lower costs and favorable macros.
- APAT was INR52.8b (+66% YoY/+40% QoQ) vs. our estimate of INR41.3b. This beat was mainly led by lower tax outgo in the Novelis operations.
- For FY25, HNDL's revenue was up 10% YoY to INR2,385b, whereas its adj. EBITDA/PAT increased 33%/ 64% YoY to INR318b/INR166b.
- The Board recommended a dividend of INR5/share (+43% YoY) for FY25.
- Consol. net debt/EBITDA stood at 1.06x as of 4QFY25 vs. 1.21x in 4QFY24.

Aluminum business

- Upstream revenue stood at INR103b in 4QFY25 (+22% YoY), led by higher average aluminum prices. Aluminum Upstream EBITDA stood at INR48.4b (+79% YoY; USD1,684/t) driven by lower input costs with favorable macro.
- EBITDA margin for the upstream business was 47% in 4Q vs. 42% in 3QFY25.
- Downstream revenue stood at INR36b (+23% YoY) on account of favorable pricing. Downstream EBITDA stood at INR2.2b (+52% YoY), led by better product mix, and translates into an EBITDA/t of USD240 (+46% YoY) in 4QFY25 vs. USD179 in 3QFY25 and USD186/t (+4% YoY) in FY25.
- Upstream aluminum sales stood at 332kt (-2% YoY), and downstream aluminum sales came in at 105kt (flat YoY) in 4QFY25.

Copper business

- Copper business revenue stood at INR146b (+8% YoY), on account of higher average copper prices.
- EBITDA for the copper business dipped 21% YoY to INR6.1b in 4QFY25, led by a sharp decline in TC/RCs.
- Copper metal sales came in at 135KT (flat YoY), while CCR sales stood at 109KT (+12% YoY) during the quarter.

Novelis' 4QFY25 performance

- Shipment volumes stood at 957kt (flat YoY and 6% QoQ) against our estimate of 930kt. The growth was primarily fueled by higher beverage packaging, specialties, and aerospace, partially offset by lower automotive shipments.

Alok Deora - Research analyst (Alok.Deora@MotilalOswal.com)

Sonu Upadhyay - Research analyst (Sonu.Upadhyay@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

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- Novelis' 4QFY25 revenue stood at USD4.6b (+13% YoY and +12% QoQ) against our estimate of USD4.4b, mainly driven by higher aluminum prices.
- Adjusted EBITDA stood at USD473m (-8% YoY and +29% QoQ) against our estimate of USD443m. EBITDA was primarily hit by higher aluminum scrap prices and operating costs, partially offset by higher product pricing.
- Adj. EBITDA/t stood at USD494 (-9% YoY and +22% QoQ) vs. our estimate of USD476 during the quarter.
- APAT stood at USD294m in 4QFY25 (vs. our estimate of USD162m), primarily driven by lower income tax outgo. Net Debt/EBITDA as of Mar'25 stood at 2.9x.
- For FY25, revenue grew 6% YoY to USD17.2b, while adj. EBITDA declined 3% YoY to USD1.8b and APAT dipped 1% to USD816m. Shipment stood at 3.76mt, registering a growth of 2% YoY during FY25.

Highlights from the management commentary

- Coal mix for FY25: linkage was 50%, e-auction was 47%, and the rest was from own mines. Management does not foresee any substantial change in FY26 and indicates the major changes to be seen post commissioning of Chakla and Bandha mines.
- The company expects alumina prices to remain range-bound in the range of USD350-400/t during FY26.
- Downstream EBITDA/t is expected to be USD250-300 for FY26.
- Alumina sales for FY26 are expected to be 700-800kt.
- Out of the 300MW of renewables capacity, HNDL commissioned 6.3MW of floating solar capacity at Mahan, bringing the total RE power to 189MW. Further, 100MW hybrid capacity (with storage) will be commissioned in H1CY25. 9MW of solar capacity is underway, and an additional 20MW of hybrid capacity (Solar + Wind) is expected to be operational by 2HFY26.
- The company hedged around 15% of the aluminum at USD2,695/t and 13% of the currency at INR86/USD.

Valuation and view

- HNDL posted a decent performance in 4QFY25. The earnings growth was driven by favorable pricing and lower input costs. Novelis' performance rebounded in 4Q, which was hurt by higher scrap prices and weak demand in 3Q.
- The ongoing capex in Novelis will establish HNDL as the global leader in the beverage can and automotive FRP segments. The capex is likely to be completed within the stated timeline, and management does not see any further capex increase.
- We expect a healthy consolidated performance for FY26/27E, mainly driven by the strong domestic operations. We increase our EBITDA estimates for FY26/27E by 3%/2%. At CMP, the stock trades at 5x EV/EBITDA and 1.2x P/B on FY27E. **We reiterate our BUY rating on HNDL with a revised SoTP-based TP of INR790.**

Consolidated quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25 4QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	529.9	541.7	528.1	559.9	570.1	582.0	583.9	648.9	2,159.6	2,385.0	588.4	10.3
Change (YoY %)	(8.7)	(3.6)	(0.6)	0.2	7.6	7.4	10.6	15.9	(3.2)	10.4		
Change (QoQ %)	(5.1)	2.2	(2.5)	6.0	1.8	2.1	0.3	11.1	-	-		
Total Expenditure	472.8	485.6	469.4	493.1	495.1	503.2	508.1	560.5	1,920.9	2,066.9		
EBITDA	57.1	56.1	58.7	66.8	75.0	78.8	75.8	88.4	238.7	318.1	77.8	13.6
Change (YoY %)	(32.2)	4.7	65.3	25.4	31.3	40.5	29.3	32.3	5.3	33.2		
Change (QoQ %)	7.3	(1.8)	4.5	13.9	12.3	5.1	(3.8)	16.5	-	-		
As % of Net Sales	10.8	10.4	11.1	11.9	13.2	13.5	13.0	13.6	11.1	13.3		
Interest	9.9	10.3	9.4	8.9	8.6	8.7	8.2	8.7	38.6	34.2		
Depreciation	17.9	18.4	18.7	20.2	18.9	19.3	19.4	21.2	75.2	78.8		
Other Income	3.9	4.6	2.8	3.6	4.2	10.8	5.1	7.0	15.0	27.1		
PBT (before EO item)	33.3	32.0	33.3	41.4	51.8	61.6	53.4	65.4	139.9	232.1		
Extra-ordinary Income	(0.1)	0.3	-	-	(3.3)	(5.1)	(0.4)	0.1	0.2	(8.8)		
PBT (after EO item)	33.2	32.3	33.3	41.4	48.5	56.4	53.0	65.5	140.1	223.3		
Total Tax	8.6	10.4	10.0	9.6	17.7	17.3	15.6	12.7	38.6	63.4		
% Tax	26.0	32.0	30.0	23.3	36.6	30.7	29.5	19.3	27.5	28.4		
PAT before MI and Associate	24.5	22.0	23.3	31.8	30.7	39.1	37.3	52.8	101.5	160.0		
Adjusted PAT	24.7	21.6	23.3	31.7	33.1	42.7	37.6	52.8	101.3	166.2	41.3	27.7
Change (YoY %)	(39.5)	(1.9)	71.1	31.6	34.0	97.3	61.5	66.3	0.8	63.9		
Change (QoQ %)	2.3	(12.3)	7.7	36.2	4.1	29.2	(11.8)	40.2				

Source: MOFSL, Company

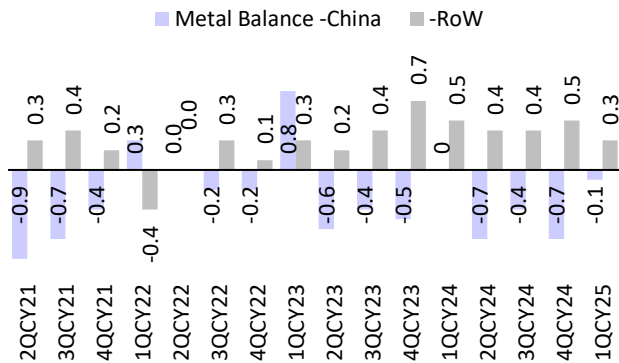
Quarterly performance for Novelis

(USD m)

Y/E March	FY24				FY25				FY24	FY25	FY25 4QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales (000 tons)	879	933	910	951	951	945	904	957	3,673	3,757	930	2.9
Change (YoY %)	-8.6	-5.2	0.2	1.6	8.2	1.3	-0.7	0.6	-3.1	2.3		
Change (QoQ %)	-6.1	6.1	-2.5	4.5	0.0	-0.6	-4.3	5.9	0.0	0.0		
Net Sales	4,091	4,107	3,935	4,077	4,187	4,295	4,080	4,587	16,210	17,149	4,365	5.1
Change (YoY %)	-19.6	-14.4	-6.3	-7.3	2.3	4.6	3.7	12.5	-12.3	5.8		
Change (QoQ %)	-7.0	0.4	-4.2	3.6	2.7	2.6	-5.0	12.4	0.0	0.0		
EBITDA (adjusted)	421	484	454	514	500	462	367	473	1,873	1,802	443	6.9
Change (YoY %)	-25.0	-4.3	33.1	27.5	18.8	-4.5	-19.2	-8.0	3.4	-3.8		
Change (QoQ %)	4.5	15.0	-6.2	13.2	-2.7	-7.6	-20.6	28.9	0.0	0.0		
EBITDA per ton (USD)	479	519	499	540	526	489	406	494	510	480	476	3.8
Interest	70	74	67	64	64	67	61	60	275	252		
Depreciation	131	136	139	148	140	141	142	152	554	575		
PBT (before EO item)	220	274	248	302	296	254	164	261	1,044	975		
Extra-ordinary Income	(10)	(66)	(73)	(77)	(86)	(74)	(15)	42	(226)	(133)		
PBT (after EO item)	210	208	175	225	210	180	149	303	818	842	222	
Total Tax	54	51	54	59	60	51	39	9	218	159		
% Tax	25.7	24.5	30.9	26.2	28.6	28.3	26.2	3.0	26.7	18.9		
Reported PAT (after MI)	156	157	121	166	151	128	110	294	600	683		
Change (YoY %)	-49	-14	908	6	-3	-18	-9	77	-9	14		
Adjusted PAT	166	223	194	243	237	202	125	252	826	816	162	55.1
Change (YoY %)	-40.5	-9.3	33.8	23.4	42.8	-9.4	-35.6	3.7	-4.7	-1.2		
Change (QoQ %)	-15.7	34.3	-13.0	25.3	-2.5	-14.8	-38.1	101.6				

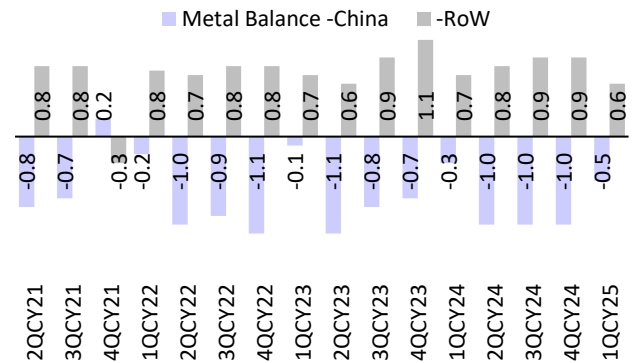
Source: MOFSL, Company

Exhibit 1: Aluminum market balance – Surplus/(deficit) (mt)



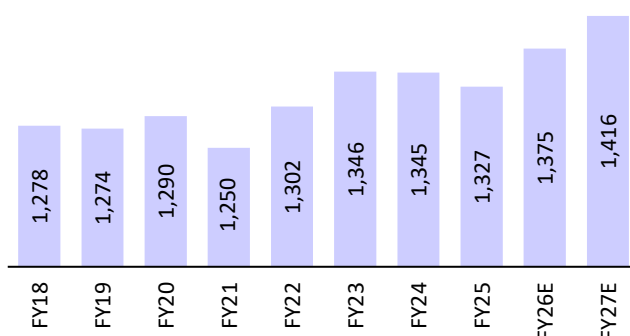
Source: MOFSL, Company

Exhibit 2: Copper market balance – Surplus/(deficit) (mt)



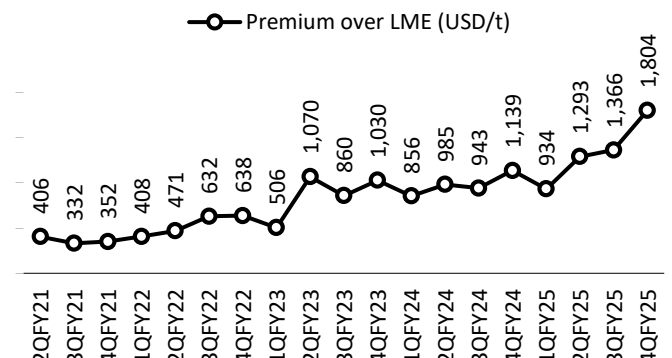
Source: MOFSL, Company

Exhibit 3: Al upstream production (kt) to hit 1.4mt



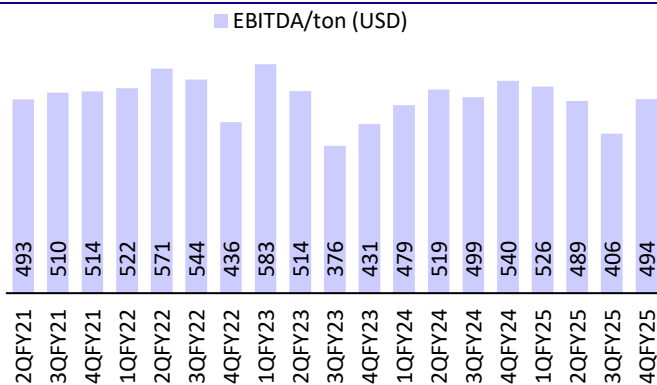
Source: MOFSL, Company

Exhibit 4: Aluminum premium increased QoQ



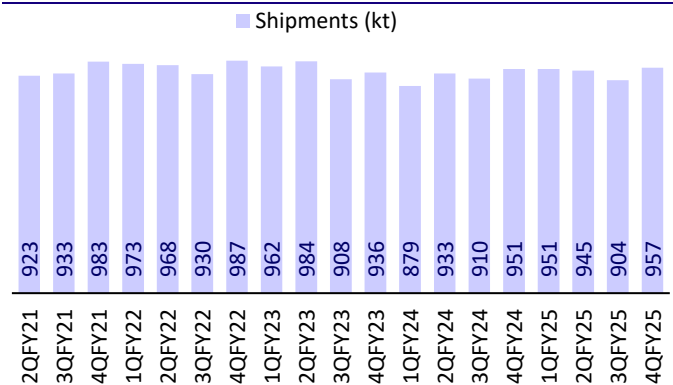
Source: MOFSL, Company

Exhibit 5: Novelis' EBITDA/t (USD) rebounded



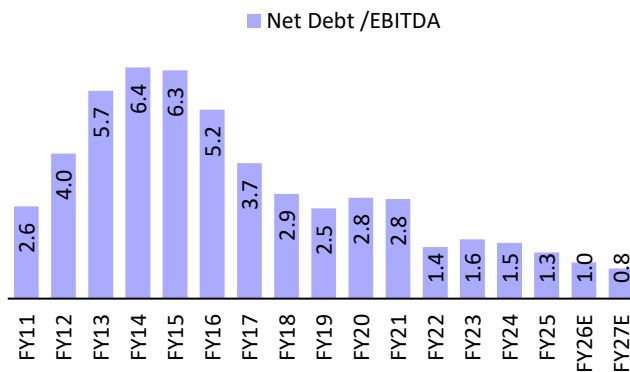
Source: MOFSL, Company

Exhibit 6: Novelis' shipments (kt) improved QoQ



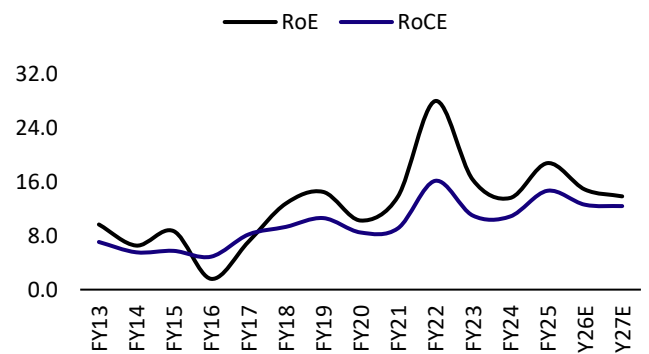
Source: MOFSL, Company

Exhibit 7: Leverage to remain below the current level



Source: MOFSL, Company

Exhibit 8: RoE and RoCE (%)



Source: MOFSL, Company

Highlights from the management commentary

Guidance:

- Coal mix for FY25: linkage was 50%, e-auction was 47%, and the rest was from own mines. Management does not foresee any substantial change in FY26 and indicates the major changes to be seen post commissioning of Chakla and Bandha mines.
- The company expects alumina prices to remain range-bound in the range of USD350-400/t during FY26.
- Downstream EBITDA/t is expected to be USD250-300 for FY26.
- Alumina sales for FY26 are expected to be 700-800kt.
- Out of the 300MW of renewables capacity, HNDL commissioned 6.3MW of floating solar capacity at Mahan, bringing the total RE power to 189MW. Further, 100MW hybrid capacity (with storage) will be commissioned in H1CY25. 9MW of solar capacity is underway, and an additional 20MW of hybrid capacity (Solar + Wind) is expected to be operational by 2HFY26.
- The company hedged around 15% of the aluminum at USD2,695/t and 13% of the currency at INR86/USD.
- With a rising share of renewable energy, the carbon intensity is expected to reduce going forward.
- **Alumina:** The Belgavi facility is currently running on renewable energy for half the year, which aids in lowering the Alumina carbon footprint.
- **Dahej (Copper):** Use of hybrid power supported in reducing the carbon footprint.
- **Aluminum Smelter:** The real challenge is the aluminum smelter, as it requires round-the-clock power.
- Alumina sales were mostly based on long-term contracts (50% based on a % of LME + flat premium index for alumina).
- Aluminum CoP for 4QFY25 declined 1% QoQ, and management expects 1QFY26 to be flat to slightly up QoQ.

Capex:

- The company acquired Bandha coal block with mineable reserves of ~197mt with mine-life of ~45 years and has a proximity to its Mahan power plant and smelter. Bandha mines cost of acquisition of equity shares INR4.8m (share capital) + INR10b (debt they have on the books)
- Northern Coalfield Limited (NCL)'s coal availability is diminishing, and the premium is higher compared to that of Bandha.
- Aditya FRP will start contributing in June and has sold about 20 coils already. June will start witnessing the volumes pick up and target ~60-70kt of commercial sales in FY26.
- The expansion of Aditya Alumina Refinery (850KT) in Odisha is under construction, with a total capex of INR75-80b. The Aditya Aluminum FRP project of 200KT will be commissioned in Jun'25 (FY26), bringing the total downstream capacity to 600kt.
- The 180KT aluminum smelter expansion at Aditya and 300KT copper smelter expansion are awaiting environmental clearance. These projects will be

commissioned phase-wise over FY28-29 (aluminum smelter expected to start contributing from FY29 onwards).

- The Silvassa Extrusion Facility is set to be commissioned in mid-2025, which will increase aluminum extrusion production.
- Capex guidance is INR75-80b for FY26, and the company spent ~INR65b in FY25. Key projects include alumina refinery expansion, copper smelter expansion, and aluminum smelter expansion.
- For the copper business, the company has also planned downstream capacity expansion: 1) 25Kt Greenfield inner grooved tubes (INR27b) expected in 4QFY25, and 2) 50kt of e-waste and copper scrap recycling plant.
- The Chakla captive coal mine is on track to start operations by the end of 3Q-4QFY26. HNDL has secured the Meenakshi coal mine, which has a 12mtpa capacity and will boost captive consumption. The company applying for clearance and approvals, which is expected to take close to two years, with completion targeted by FY28.

Global outlook:

- Management expects scrap markets could get tighter as the demand starts increasing because of new capacities coming on stream. HNDL (Novelis) itself will need more scrap for ramping up its new capacities (Guthrie and Ulsan)
- 2/3rd of Primary aluminum imports come from Canada into the US. Midwest premiums have risen, and are seeing better spreads for the recycling business, which offset the coil imports from Canadian facilities into the US (affected by the tariffs).
- Shipments to get support from the beverage market in the US. US Imports ~150kt annually from the SK and Brazil, which will be affected.

Key takeaways from the Novelis conference call

Operating performance outlook

- Short-term demand outlook remains uncertain because of volatile market conditions caused by tariffs and trade tension.
- Management foresees potential difficulties in the automotive market, while strong tailwinds are expected in the specialty market.
- The average recycling rate stood at 63% (target to achieve 75%), whereas the ramp-up of the Guthrie 240kt and Ulsan 100kt recycling plants will lead to more absorption of scrap, increasing scrap consumption.
- The company expects stability in the scrap market as the withdrawal of the VAT subsidy by China has muted the Chinese export.
- If aluminum and scrap prices stay constant, the higher Midwest premiums would benefit Novelis' profitability.
- In 4QFY25, Novelis completed a new debt raising and refinancing transaction: a) USD750m in senior unsecured notes due Jan'30, and b) USD1.25b Term Loan B due Mar'32 (proceeds primarily used to repay earlier issued Term Loan A).
- The company has also announced a USD300m cost-cutting target by FY28E, out of which USD200mn will be through increasing operational efficiencies and the remaining through reduction in SG&A costs.
- The company is expecting an USD40m impact from the tariff announcements, which will reflect during 1QFY26E.

Bay Minette capex

- Novelis raised USD750m of senior notes in Jan'25 and plans to raise an additional amount later in the year to fund Bay Minette. The capex budget of ~USD4.1b for 600kt capacity is unlikely to be revised upwards.
- The Bay Minette project remains on schedule. A capex of USD1.3b was spent by the end of Q3FY25, with commissioning expected in 2HCY26.
- The plant will have ~600kt capacity — 420kt for beverage packaging and 180kt for automotive (primarily) and FRP specialties (if feasible). Long-term beverage packaging contracts have already been secured for this facility.
- Bay Minette's IRR is expected to stay in double digits, assuming scrap prices remain tight, as anticipated over time.

Capital Allocation Update

- Some capacity enhancement projects are on track for commissioning in FY26: a) USD130m to debottleneck 65kt of rolling capacity in Oswego, US b) USD150m to debottleneck 80kt in Logan, US c) USD50m to debottleneck 30kt in Pinda, Brazil (following a previously completed 40kt expansion).
- Total capex in FY25 stood at USD1.69b, towards new rolling and recycling capacity. Management expects to spend ~USD1.9-2.2b in FY26 and about USD300-350m for maintenance capex.
- The Bay Minette 600kt project remains on schedule for commissioning by 2HCY26. Novelis incurred ~USD1.6b as of FY25, out of the USD4.1b total announced capex for the Bay Minette.

Other highlights

- Volume outlook: FY26 is expected to see strong demand across the geographies, especially for the Beverage Can business, however, guidance is not provided owing to the price volatility and the current tariff situation.
- Cautious on the UBC scrap pricing going ahead. The company believes that the prices shall remain above the last 5-year average going forward.
- North America shipments were lower towards the automotive and beverage industries. EBITDA was hit by higher scrap prices, but offset by higher product prices.
- EU demand was robust for beverage packaging, higher specialty shipments and offset by lower automotive demand due to softer demand.
- The company foresees a 4% growth in the aluminum FRP market. Global beverage packaging demand remains strong.
- Asia beverage demand was strong, offset by lower automotive and specialty shipments. Higher volume and favorable FX supported EBITDA, offset by unfavorable product mix and higher operating costs.

Exhibit 9: Changes to our estimates

Consolidated	Unit	FY26E			FY27E		
		New	Old	% change	New	Old	% change
Revenue	INR b	2,461	2,488	-1.1	2,628	2,649	-0.8
EBITDA	"	318	310	2.5	329	323	1.9
Consol PAT	"	154	146	5.8	164	157	4.2
EPS	"	70	66	5.8	74	71	4.2

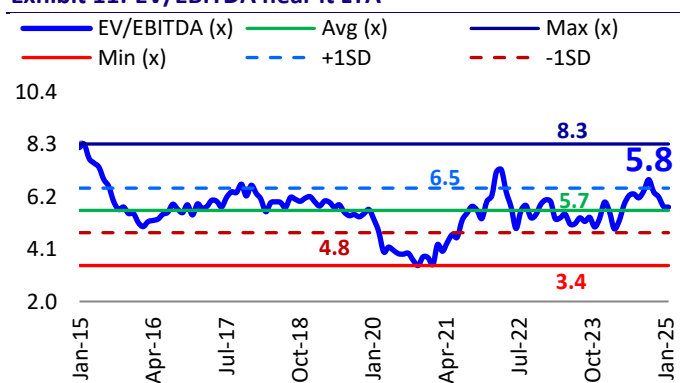
MOFSL estimates

Exhibit 10: TP calculation and valuation

Y/E March	UoM	FY27E
Hindalco - India		
Aluminium		
Volumes	Kt	1,416
EBITDA	INR/t	1,01,857
EBITDA	USD/t	1,173
EBITDA	INR m	1,44,255
Copper		
Volumes	Kt	490
EBITDA	INR/t	69,006
EBITDA	USD/t	795
EBITDA	INR m	33,813
Others	INR m	(28,000)
EBITDA Hindalco - India	INR m	1,50,068
EV/EBITDA (x)	X	5.5
Target EV	INR m	8,25,371
Novelis		
Volumes	Kt	4,172
EBITDA	USD/t	494
USD/INR	X	87
EBITDA	INR m	1,78,826
EV/EBITDA (x)	X	6.0
Target EV	INR m	10,72,958
Target EV - Group	INR m	18,98,329
Net Debt	INR m	2,73,748
Equity Value	INR m	16,24,581
Equity Value	INR/sh	732
Investments (quoted)	INR/sh	63
Discount factor	%	10%
Target Price	INR/sh	790

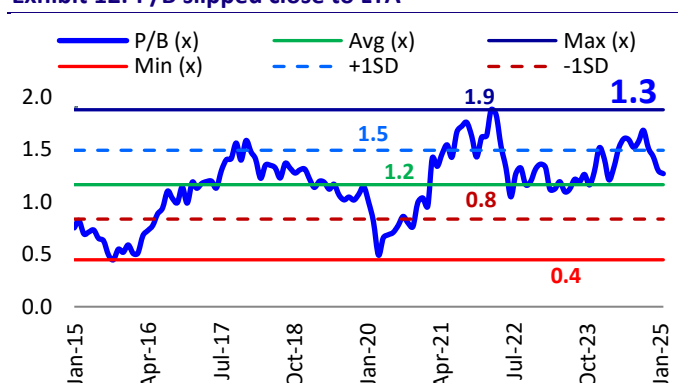
Source: MOFSL

Exhibit 11: EV/EBITDA near it LTA



Source: Company Data

Exhibit 12: P/B slipped close to LTA



Source: Company Data

Financials and valuations

Consolidated Income Statement

(INR b)

Y/E March	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
Net sales	1,152	1,305	1,181	1,318	1,951	2,232	2,160	2,385	2,461	2,628
Change (%)	15.0	13.3	-9.5	11.6	48.0	14.4	-3.2	10.4	3.2	6.8
Total Expenses	1,014	1,150	1,039	1,144	1,667	2,005	1,921	2,067	2,144	2,299
EBITDA	138	155	142	174	283	227	239	318	318	329
% of Net Sales	12.0	11.9	12.0	13.2	14.5	10.2	11.1	13.3	12.9	12.5
Depn. & Amortization	45	48	51	65	67	71	75	79	80	82
EBIT	93	107	91	109	216	156	164	239	238	247
Net Interest	39	38	42	37	38	36	39	34	35	33
Other income	10	11	12	12	11	13	15	27	15	17
PBT before EO	64	81	61	83	190	132	140	232	218	231
EO income (exp)	18	0	-2	-4	6	0	0	-9	0	0
PBT after EO	82	81	59	79	196	132	140	223	218	231
Current tax	16	19	15	19	38	29	30	64	63	68
Deferred tax (net)	5	7	6	8	16	3	9	0	0	0
Tax	21	26	22	27	54	31	39	63	63	68
Rate (%)	25.4	32.0	36.4	34.5	27.5	23.8	27.5	28.4	29.1	29.3
PAT (before MI and Sh. of Asso.)	61	55	38	52	142	101	102	160	154	164
Minority interests and disc. Operations	0	0	0	17	5	0	0	0	0	0
Share of asso.	-1	0	0	0	0	0	0	0	0	0
Reported PAT (after MI and Sh. of Asso.)	60	55	38	35	137	101	102	160	154	164
Adjusted PAT	42	55	40	56	136	101	101	166	154	164
Change (%)	120.7	30.6	-28.1	42.3	142.3	-26.2	0.8	63.9	-7.1	6.0

Balance Sheet

(INR b)

Y/E March	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
Share Capital	2	2	2	2	2	2	2	2	2	2
Reserves	546	573	581	663	780	946	1,059	1,235	1,374	1,522
Net Worth	548	575	583	665	782	948	1,061	1,237	1,376	1,524
Minority Interest	0	0	0	0	0	0	0	0	0	0
Total Loans	520	524	674	660	632	583	545	619	602	584
Deferred Tax Liability	31	37	38	36	44	73	82	88	88	88
Capital Employed	1,100	1,136	1,295	1,361	1,459	1,605	1,688	1,944	2,066	2,196
Gross Block	1,083	1,131	1,200	1,343	1,459	1,567	1,651	1,771	1,930	2,090
Less: Accum. Depn.	410	458	509	574	630	718	793	872	952	1,034
Net Fixed Assets	673	673	691	770	829	849	857	899	978	1,056
Goodwill	178	186	201	233	240	257	261	267	267	267
Capital WIP	21	41	77	102	49	77	149	274	274	274
Investments	69	52	31	77	87	83	122	136	136	136
Working capital Assets	530	567	685	706	1,014	969	919	1,067	1,130	1,213
Inventory	216	222	224	307	445	430	408	488	465	497
Account Receivables	100	115	93	130	211	162	164	198	187	200
Cash and Bank Balance	120	136	278	182	228	212	177	214	285	311
Others (incl. LT)	94	94	90	88	130	165	169	167	193	206
Working capital liability	370	383	391	527	760	630	619	699	719	750
Account Payables	204	207	183	283	442	418	393	427	448	478
Others (incl. LT)	166	175	208	244	318	212	226	272	272	272
Net Working Capital	160	184	294	180	254	339	300	369	411	463
Appl. of Funds	1,100	1,136	1,295	1,361	1,459	1,605	1,688	1,944	2,066	2,196

Financials and valuations

Ratios

Y/E March	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
Basic (INR)										
EPS	18.9	24.7	17.8	25.3	61.3	45.3	45.7	74.8	69.5	73.7
Cash EPS	47.6	46.2	39.8	52.5	94.3	77.4	79.6	107.6	105.6	110.6
BV/Share (adj.)	166.1	175.0	171.7	194.3	244.3	311.1	360.7	437.1	499.6	566.3
DPS	1.2	1.2	1.0	3.0	4.0	3.0	0.0	5.0	7.0	7.0
Payout (%)	6.4	4.9	5.6	11.9	6.5	6.6	0.0	6.7	10.1	9.5
Valuation (x)										
P/E	35.3	27.0	37.5	26.4	10.9	14.7	14.6	8.9	9.6	9.0
Cash P/E	14.0	14.4	16.7	12.7	7.1	8.6	8.4	6.2	6.3	6.0
P/BV	4.0	3.8	3.9	3.4	2.7	2.1	1.8	1.5	1.3	1.2
EV/Sales	1.6	1.4	1.6	1.5	1.0	0.8	0.9	0.8	0.7	0.7
EV/EBITDA	13.6	12.1	13.2	11.3	6.6	8.2	7.7	5.9	5.7	5.3
Dividend Yield (%)	0.2	0.2	0.2	0.5	0.6	0.5	0.5	0.8	1.1	1.1
Return Ratios (%)										
EBITDA Margins (%)	12.0	11.9	12.0	13.2	14.5	10.2	11.1	13.3	12.9	12.5
Net Profit Margins (%)	3.7	4.2	3.3	4.3	7.0	4.5	4.7	7.0	6.3	6.2
RoE	12.8	14.5	10.2	13.8	28.0	16.3	13.6	18.8	14.9	13.8
RoCE (pre-tax)	9.3	10.6	8.5	9.1	16.1	11.0	10.8	14.7	12.6	12.4
RoIC (pre-tax)	10.8	11.9	10.3	11.5	21.6	14.6	14.6	18.7	17.7	17.4
Working Capital Ratios										
Fixed Asset Turnover (x)	1.1	1.2	1.0	1.0	1.3	1.4	1.3	1.3	1.3	1.3
Asset Turnover (x)	1.0	1.1	0.9	1.0	1.3	1.4	1.3	1.2	1.2	1.2
Debtor (Days)	32	32	29	36	39	27	28	28	28	28
Inventory (Days)	69	62	69	85	83	70	69	69	69	69
Payable (Days)	65	58	56	78	83	68	66	66	66	66
Leverage Ratio (x)										
Current Ratio	1.4	1.5	1.8	1.3	1.3	1.5	1.5	1.5	1.6	1.6
Interest Cover Ratio	2.4	2.8	2.2	2.9	5.7	4.3	4.2	7.0	6.9	7.6
Debt/Equity	1.1	1.0	1.0	1.1	0.7	0.5	0.5	0.4	0.3	0.2

Cash Flow Statement

(INR b)

Y/E March	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
EBITDA	138	155	142	174	283	227	239	318	318	329
Others	3	0	-2	-3	15	-3	9	4	0	0
tax paid	-14	-19	-1	-13	-38	-27	-27	-55	-63	-68
Change in WC	-18	-17	-12	14	-92	-5	19	-23	29	-27
CF from Op. Activity	109	120	127	172	168	192	241	244	283	234
(Inc)/Dec in FA + CWIP	-30	-60	-68	-56	-54	-98	-157	-206	-159	-160
Free Cash Flow to firm	79	60	60	117	114	94	83	38	124	74
(Pur)/Sale of Inv. & yield	25	7	7	9	-59	20	-4	32	15	17
Others & M&A	56	-3	-23	-210	42	-3	18	-73	0	0
CF from Inv. Activity	50	-57	-84	-256	-71	-81	-143	-247	-144	-143
Equity raised/(repaid)	0	-1	0	0	-1	-1	-1	-1	0	0
Debt raised/(repaid)	-123	-14	109	-10	-28	-55	-61	48	-18	-18
Interest	-38	-36	-40	-37	-33	-38	-39	-58	-35	-33
Dividend (incl. tax)	-3	-3	-3	-2	-7	-9	-7	-8	-16	-16
CF from Fin. Activity	-164	-55	67	-49	-68	-103	-108	-18	-68	-66
(Inc)/Dec in Cash	-5	9	110	-133	30	7	-10	-21	71	25
Add: Opening Balance	82	80	91	213	83	116	128	118	98	169
Changes in forex on CF	3	2	12	4	3	5	0	1	0	0
Closing cash Balance	80	91	213	83	116	128	118	98	169	195
Bank balance (inc. O/D adj.)	39	45	65	99	112	84	59	116	116	116
Closing Balance (incl. bank balance)	120	136	278	182	228	212	177	214	285	311

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Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
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