

Topline gains priority for FY25; recovery in demand crucial

Consumer Goods ▶ Result Update ▶ May 6, 2024

TARGET PRICE (Rs) : 5,550

Britannia is well poised for volume recovery in the domestic market (Q4 volume grew 6%). After elections, the management hopes to grow volume in double digits, despite the ~4% raw material inflation. Given its thrust on driving topline in FY25, Company is looking to maintain EBITDA margin YoY at ~19%. Its focus on topline is likely to enhance with route-to-market (RTM) 2.0, which is centered on giving wings to adjacencies (1/4th of overall sales) and its thrust on enhancing business in the organized channel (~15% of revenue now). Q4 EBITDA margin (at 19.5%) and PAT stood in line, though higher-than-expected price correction drove a 2% topline miss; market share gains in the biscuits category sustained. We now see 10% topline and 13% earnings CAGR over FY24-26E; maintain ADD with new Mar-25E TP of Rs5,550 based on 48x P/E.

Britannia Industries: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	141,363	163,006	167,693	184,822	202,362
EBITDA	22,015	28,309	31,698	35,220	39,328
Adj. PAT	15,258	19,462	21,427	24,279	27,853
Adj. EPS (Rs)	63.3	80.8	88.9	100.8	115.6
EBITDA margin (%)	15.6	17.4	18.9	19.1	19.4
EBITDA growth (%)	(12.3)	28.6	12.0	11.1	11.7
Adj. EPS growth (%)	(18.2)	27.5	10.1	13.3	14.7
RoE (%)	50.0	63.9	57.3	60.3	65.6
RoIC (%)	57.5	70.7	77.5	89.0	97.1
P/E (x)	79.9	62.6	56.9	50.2	43.8
EV/EBITDA (x)	55.6	42.9	38.1	34.3	30.7
P/B (x)	47.7	34.5	30.9	29.6	27.9
FCFF yield (%)	0.7	1.7	1.8	1.9	2.4

Source: Company, Emkay Research

Q4 volume growth at 6%; volume thrust intensified in FY25

Consol. revenue growth stood at ~1%, whereas domestic volume growth was ~6%, which was in line with expectations. Enhanced thrust on driving the price value equation has led to price cuts in part of the portfolio, leading to a 2% net sales miss. Adjacent businesses, which represent 1/4th of domestic revenues have seen a decent show, and are expected to see growth at 1.5x to that of Biscuits. For the core business of Biscuits, Management is positive on the volume recovery, where it expects volumes to grow in double-digits post-election. FY25 is likely to be a year of topline recovery, where Management is attentive toward distribution. Britannia is looking to revamp its route to market with RTM2.0, which will multiply adjacent business revenues, while continuing to build the core. It also strengthened its organized market thrust, now contributing ~15% of domestic sales (~3.5% e-com and ~11.5% MT contribution), with innovation, salience of brand, and quality of brand. It hopes to maintain its NPD contribution at 3.5%.

Topline thrust to limit margin expansion ahead

In Q4, gross margin stood flat YoY at 44.9%, while EBITDA margin contracted 55bps YoY to 19.5% (in line). The company has achieved ~19% EBITDA margin for FY24, which it expects to maintain in FY25 given its thrust on topline recovery. We believe any cost efficiency benefits ahead would be absorbed in higher A&P spends and RTM initiatives. From the raw material perspective, Management foresees inflation in flour and sugar, while palm and packaging material prices are likely to remain soft. For FY25, Management sees ~3% inflation, driven by ~4% inflation post-election. We see sales and earnings CAGR at 10% and 13% over FY24-26E.

Improved execution in the price; maintain ADD

Management's confidence in demand recovery has been fast-baked in the price. On the back of enhanced Management commentary on growth outlook, we maintain our topline estimates. We maintain ADD with new Mar-24 TP of Rs5,550 vs Rs5,475 earlier, based on 48x P/E (in line with its last 5Y avq. fwd. P/E).

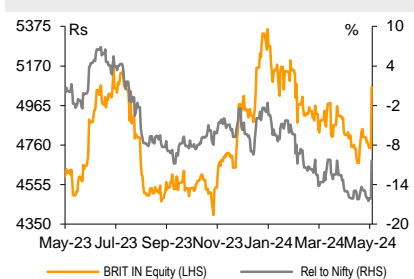
Target Price – 12M	Dec-25
Change in TP (%)	1.4
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	9.6
CMP (06-May-24) (Rs)	5,061.6

Stock Data	Ticker
52-week High (Rs)	5,386
52-week Low (Rs)	4,348
Shares outstanding (mn)	240.9
Market-cap (Rs bn)	1,219
Market-cap (USD mn)	14,602
Net-debt, FY25E (Rs mn)	-10,832
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	1,615.6
ADTV-3M (USD mn)	19.3
Free float (%)	49.5
Nifty-50	22,443
INR/USD	83.5
Shareholding, Mar-24	
Promoters (%)	50.6
FPIs/MFs (%)	18.2/15.8

Price Performance

(%)	1M	3M	12M
Absolute	5.2	1.1	9.4
Rel. to Nifty	5.5	(1.2)	(11.9)

1-Year share price trend (Rs)



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Management commentary

- During this quarter, **volume** grew 6%, while negative pricing (-3%) has been observed.

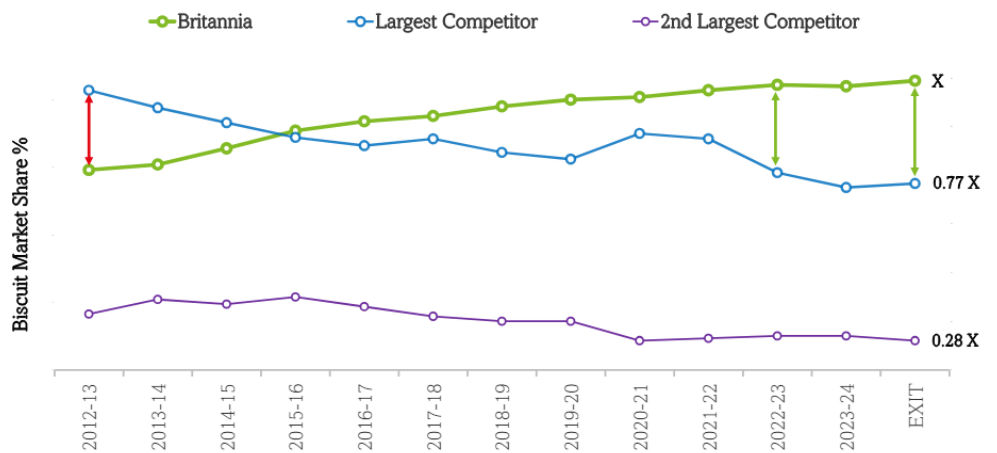
Exhibit 1: Strategic pricing actions in key SKUs and markets



Source: Company

- **Management’s** focus is to drive topline in FY25 on the back of high single-digit volume growth (post-election, double-digits volume growth) along with 3-4% price growth. Adjacent businesses aim to grow at 1.5x of Biscuits growth. Company has no intent for category addition, but only wants to consolidate its position in the existing categories.
- Management indicated that **private consumption** has been slow, while GDP is not affected due to gross fixed capital formation
- **Competition & market share:** After necessary interventions, the market share move remains positive.

Exhibit 2: Britannia – Biscuits category market share gained momentum



Source: Company

- **Distribution & Marketing:** Company has expanded direct distribution from 2.68mn outlets in Mar-23 to 2.79mn outlets as of Mar-24, the rural preferred dealer count has expanded to 30k, adding 2k outlets in FY24.

- **In the organized channel**, higher growth has been observed and alternative channels contribute 15% on sales (12.5% from MT & 3.5% from E-commerce); Management expects it would reach ~16-17% in the next couple of years. New businesses have seen faster growth in organized channels, followed by adjacencies.
- **Management has embarked on RTM 2.0** for the next leg of growth in adjacent business. In RTM 1, the company split the salesman in the top outlet and cities, where extra salesman handled a separate set of brands and SKUs. The objective of RTM 2.0 is to ensure multiplication of adjacent businesses, while continuing to grow the core. Focus on re-write 'Outlet segmentation' and to focus on Hi-Potential outlets. The total RTM project is for 11-12 months and the pilot is expected in 2HFY25 (engaged with Bain & Co.).
- **Cost & Margin:** On the commodity front, inflation has continued in flour (+7% YoY) and sugar (+9% YoY), while deflation has been visible in palm oil (-13% YoY), corrugated boxes (-10% YoY), and laminates (-6% YoY). Outlook for FY25 is at ~3% inflation, where Q1 inflation would be flat, post-election the management expects ~4% inflation. On wheat and sugar, outlook is to be slightly inflationary beyond the election. On operating margin, it would be in the similar range for FY25.
- **Innovation to fuel growth:** Jim Jam pops, treat (Choco vanilla and Choco variants), and 50:50 Gol Maal continued to do well. Fruit and Nut Good Day, Cake Rusk, Bourbon milkshakes have been launched in modern trade. Innovation contributes 2% to the business and Management expects it to reach 3.5% in FY25.

Exhibit 3: Key innovations



Source: Company

- **Adjacent business** contributes to 25% of the business where cake, rusk, bread, and dairy contribute equally (~Rs7-8bn) and rest is covered by Croissants (~0.7% on sales) and bars, makhana etc. The base format of cake performed well in GT. Rusk registered double-digits volume growth. Bread has improved profitability and cheese recorded double-digits growth. Management believes that potential of Laughing Cow is much bigger and expects it to bounce back in the business. At some stage, production will shift to India from Vietnam after getting the required volumes. Milkshakes business has been leveraging on the ongoing summer demand. The gross margin for adjacencies is slightly better vs Biscuits, but the net margin is lower.
- **International business** performed well, led by GCC and America, Nepal was a consistent performer on a small base.
- **Cost-efficiency program** has reflected in operating margin expansion and truck utilization, distance covered, fuel consumption, market damages, and improved in-line throughput are the major cost optimizations, which helped to reach 7x reduction compared to FY14.

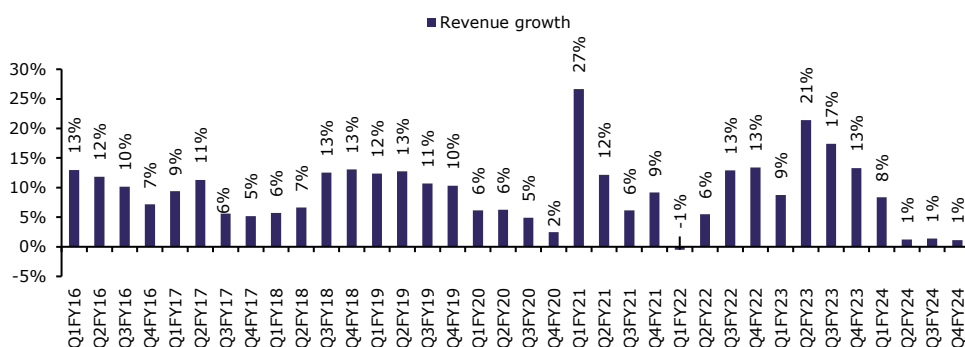
Quarterly performance

Exhibit 4: Q4FY24 performance

Y/E Mar (Rs mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	Q4FY24E	Var. (%)	FY24	FY23	YoY (%)
Total income	40,694	40,232	1.1	42,563	(4.4)	41,934	(3.0)	167,693	163,006	2.9
Cost of goods	22,425	22,159	1.2	23,891	(6.1)	23,183	(3.3)	94,920	95,913	(1.0)
Employee expenses	1,620	1,706	(5.0)	1,985	(18.4)	1,775	(8.7)	7,087	6,584	7.6
Other expenses	8,774	8,358	5.0	8,477	3.5	8,799	(0.3)	33,987	32,200	5.6
EBITDA	7,874	8,009	(1.7)	8,211	(4.1)	8,176	(3.7)	31,698	28,309	12.0
EBITDA Margin (%)	19.4	19.9	-60bps	19.3	10bps	19.5	-10bps	18.9	17.4	150bps
Depreciation	799	653	22.3	781	2.4	795	0.6	3,005	2,259	33.0
EBIT	7,075	7,356	(3.8)	7,430	(4.8)	7,381	(4.1)	28,694	26,050	10.1
EBIT Margin (%)	17.4	18.3	-90bps	17.5	-10bps	17.6	-20bps	17.1	16.0	110bps
Interest cost	264	349	(24.2)	311	(15.0)	345	(23.4)	1,640	1,691	(3.0)
Other income	573	564	1.7	506	13.4	582	(1.4)	2,142	2,159	(0.8)
PBT	7,384	7,571	(2.5)	7,625	(3.2)	7,618	(3.1)	29,196	26,518	10.1
Tax	1,980	2,035	(2.7)	2,026	(2.3)	1,986	(0.3)	7,793	7,165	8.8
Tax rate (%)	26.8	26.9	-10bps	26.6	20bps	26.1	2.8	26.7	27.0	-30bps
Non-recurring items	0	0.0	NA	-29	NA	0	NA	-29	3,756	NA
Minority Interest	17	11	57.5	7	128.8	21		(32)	54	(159.0)
Share of profit from associate / JV	(38)	(40)		(13)		(246)		56	55	
PAT	5,383	5,506	(2.2)	5,564	(3.3)	5,406	(0.4)	21,398	23,218	(7.8)
Adj Profit	5,383	5,506	(2.2)	5,593	(3.8)	5,406	(0.4)	21,427	19,462	10.1
Net profit margin (%)	13.2	13.7		13.1		12.9		12.8	11.9	
EPS (Rs)	22.3	23.2	(3.6)	23.2	(3.8)	22.4		88.9	80.8	10.1

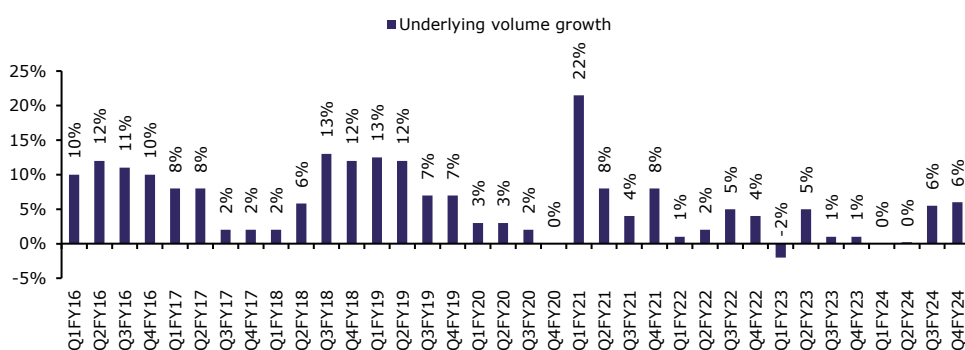
Source: Company, Emkay Research

Exhibit 5: Q4FY24 revenue growth for Britannia remains in low-single digit



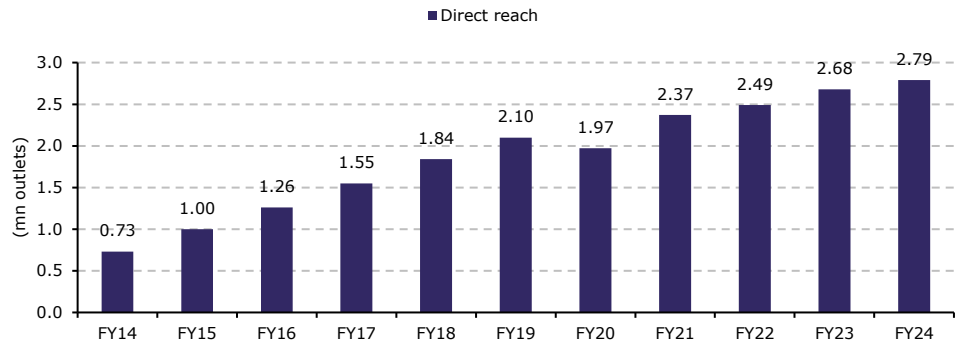
Source: Company, Emkay Research

Exhibit 6: Volume growth revived with price corrections



Source: Company, Emkay Research

Exhibit 7: Britannia – Direct outlet reach



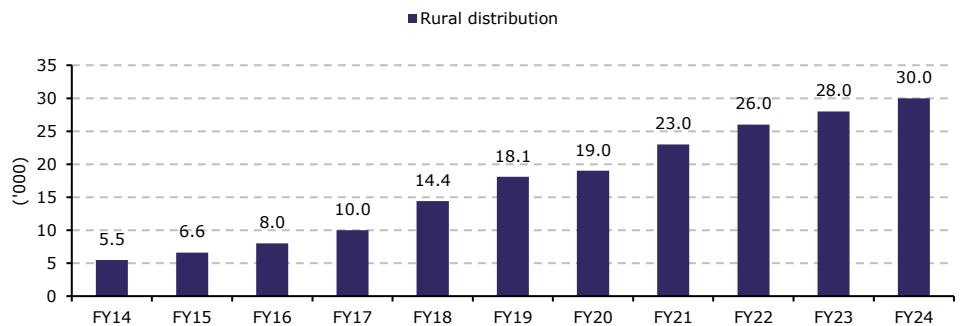
Source: Company, Emkay Research

Exhibit 8: Tactical consumer promotions to drive consumption



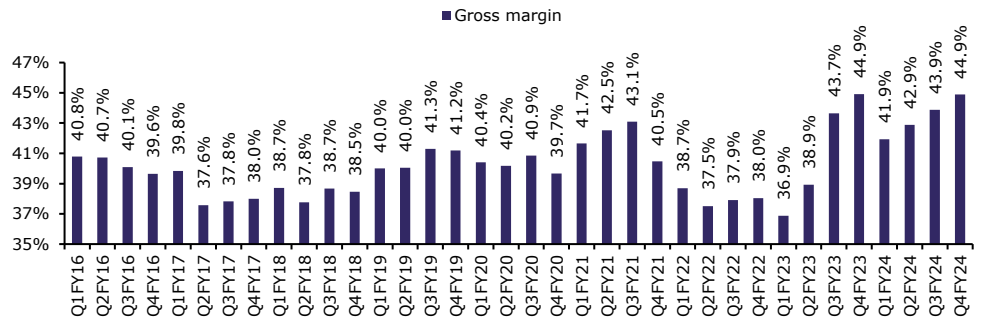
Source: Company

Exhibit 9: Rural distribution



Source: Company, Emkay Research

Exhibit 10: Gross margin



Source: Company, Emkay Research

Exhibit 11: Key raw materials for Britannia and the spot price trend

	RM mix	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY chg.	QoQ chg.
Wheat	25%	1,905	2,270	2,456	2,790	2,260	2,388	2,508	2,700	2,691	19.0%	-0.4%
Palm Oil (Crude)	15%	1,039	1,435	1,010	873	1,305	854	809	781	866	-33.7%	10.9%
Sugar	20%	913	1,073	815	810	726	648	622	582	576	-20.6%	-1.0%
Milk	10%	47	54	56	56	55	55	54	48	44	-19.9%	-8.2%
HDPE	15%	102,769	114,671	95,092	89,866	93,869	86,244	87,158	84,055	86,790	-7.5%	3.3%

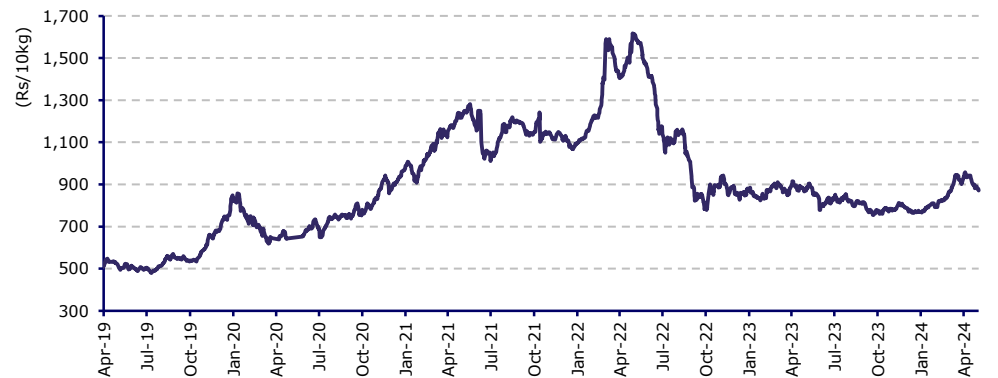
Source: Company, Bloomberg, NCDEX, Emkay Research; Note: Wheat and sugar price data is in Rs/Quintal, Crude Palm oil is in Rs/10kg, Milk is in Rs/ltr, and HDPE prices are in USD/mt

Exhibit 12: Wheat prices



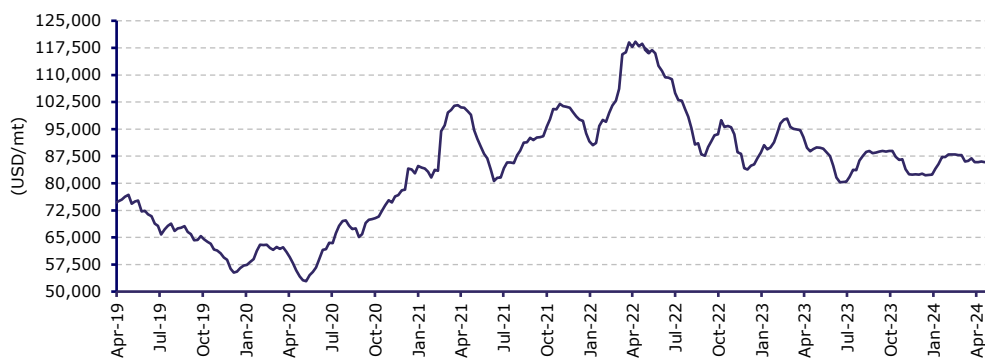
Source: NCDEX, Emkay Research

Exhibit 13: Crude Palm oil prices



Source: Bloomberg, Emkay Research

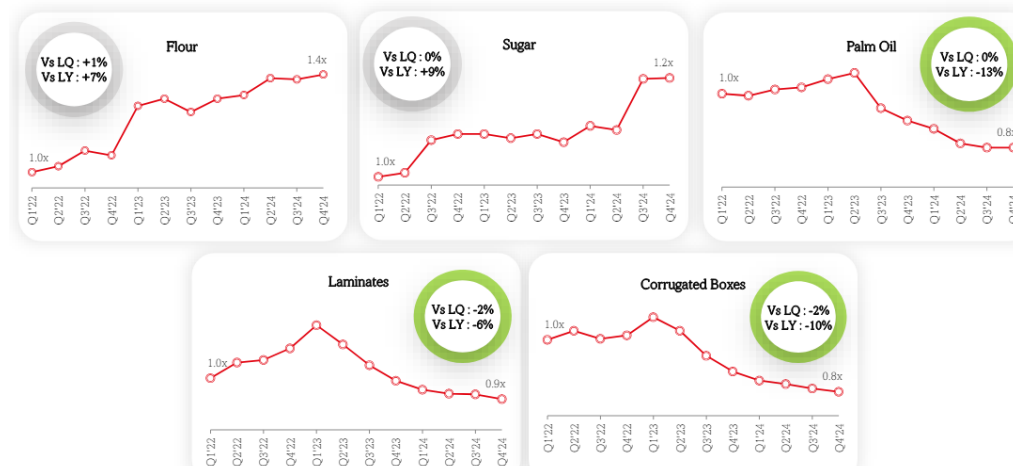
Exhibit 14: HDPE prices



Source: Bloomberg, Emkay Research

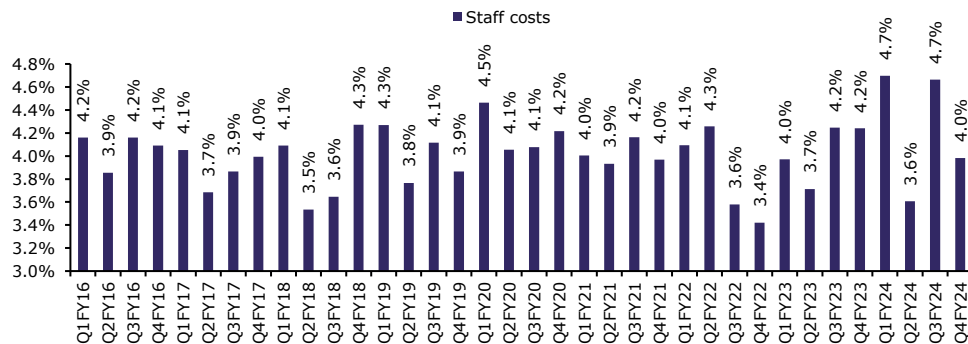
Exhibit 15: Overall commodity costs remain soft in Q4FY24

In Q4FY24, flour and sugar saw 7% and 9% YoY inflation, respectively, while Palm oil, corrugated boxes, and laminates eased 13%, 10%, and 6% YoY, respectively



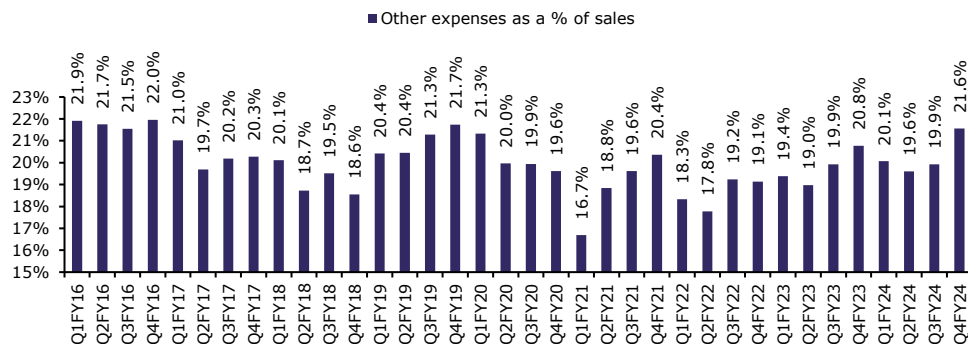
Source: Company

Exhibit 16: Staff costs as a % of sales



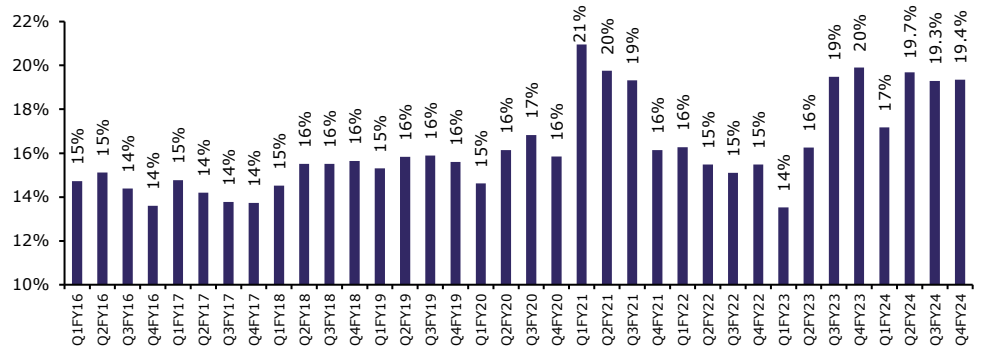
Source: Company, Emkay Research

Exhibit 17: Other expenses as a % of sales



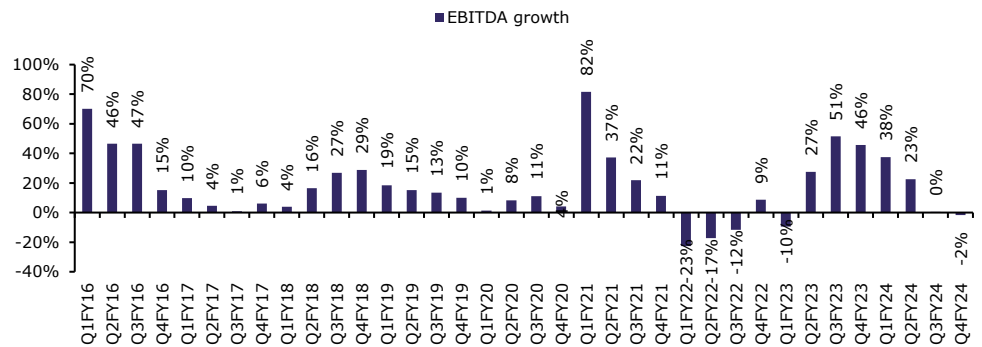
Source: Company, Emkay Research

Exhibit 18: EBITDA margin trend



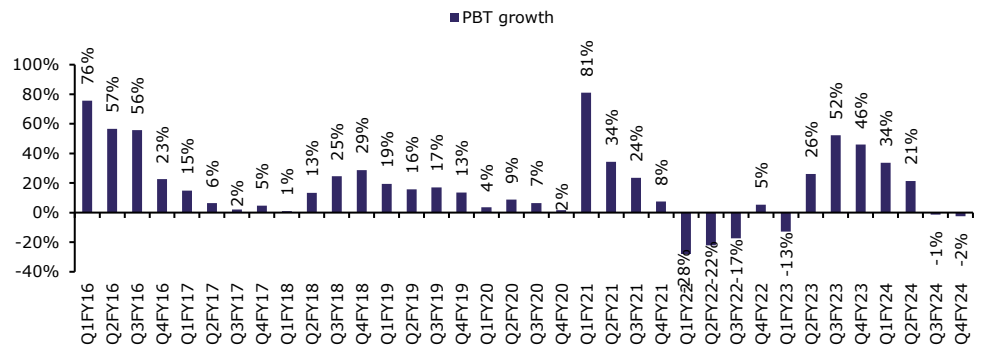
Source: Company, Emkay Research

Exhibit 19: EBITDA growth trend



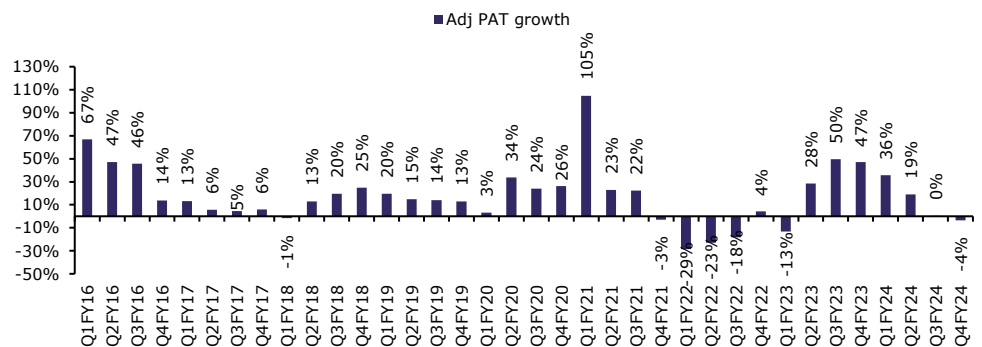
Source: Company, Emkay Research

Exhibit 20: Profit-before-tax growth (YoY)



Source: Company, Emkay Research

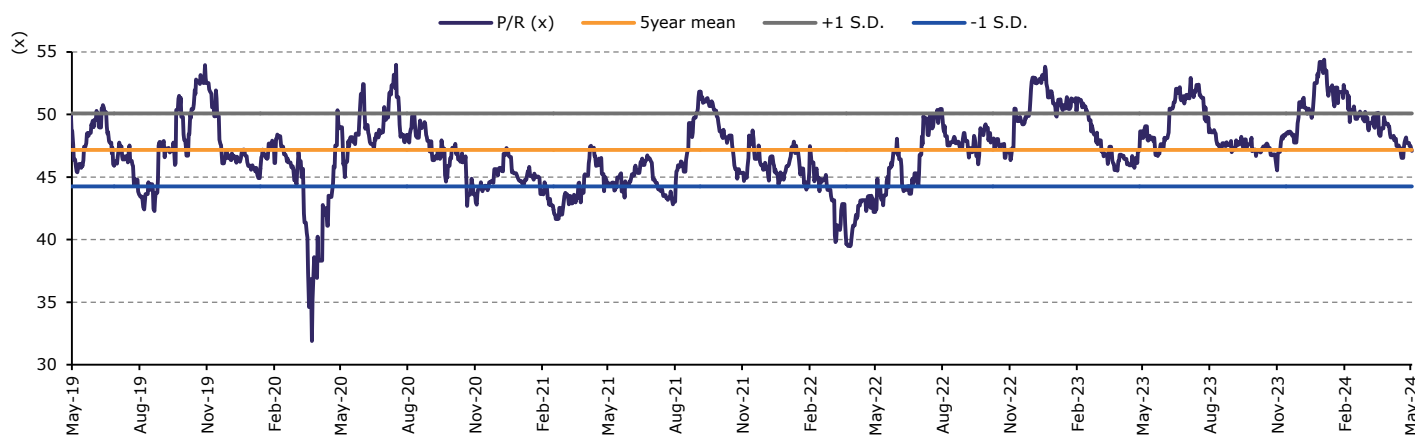
Exhibit 21: Adjusted Profit-after-tax growth (YoY)



Source: Company, Emkay Research

Maintain ADD with new Mar-25E TP of Rs5,550

Exhibit 22: Britannia's one-year forward P/E trend



Source: Company, Bloomberg, Emkay Research

Exhibit 23: Key assumptions

	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Income statement							
Standalone revenue growth	4%	12%	9%	16%	4%	11%	10%
International revenue growth	21%	26%	-7%	-1%	10%	10%	10%
Consolidated revenue growth	5%	13%	8%	15%	3%	10%	9%
Biscuits volume growth	2%	10%	3%	1%	2%	9%	7%
Biscuits value growth	3%	12%	9%	15%	2%	11%	9%
Earnings growth	22%	31%	-18%	28%	10%	13%	15%
Gross margin	40%	42%	38%	41%	43%	43%	43%
A&P spends as a % of sales	4%	4%	3%	4%	4%	4%	4%
Conversion costs as a % of sales	4%	4%	5%	5%	5%	5%	4%
Freight and handling costs as a % of sales	5%	5%	5%	4%	4%	4%	4%
EBITDA margin	16%	19%	16%	17%	19%	19%	19%
Adj. EPS (Rs)	59.0	77.4	63.3	80.8	88.9	100.8	115.6
DPS (Rs)	35.0	157.5	69.0	72.0	73.5	100.0	115.0
Dividend payout	59%	203%	109%	89%	83%	99%	99%
Balance Sheet							
ROE (%)	33%	47%	50%	64%	57%	60%	66%
ROCE (%)	32%	40%	38%	45%	46%	53%	58%
Total debt (Rs bn)	15.1	20.9	24.7	29.8	20.4	19.7	20.1
Capex (Rs bn)	4.1	1.5	1.9	12.1	4.1	3.0	3.0
Investments	28.9	27.8	17.6	33.2	27.7	20.0	20.0
Inventory days	24	31	36	27	26	30	30
Receivable days	10	7	9	8	9	9	9
Payable days	36	37	34	33	36	36	36
Net working capital days	-2	1	11	2	-1	3	3

Source: Company, Emkay Research

Exhibit 24: Changes to Emkay estimates

(Rs mn)	New estimates			Old estimates			Changes to our estimates		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Revenue	165,462	182,012	199,542	166,108	182,145	199,719	0%	0%	0%
Growth (%)	3.5%	10.0%	9.6%	3.9%	9.7%	9.6%			
EBITDA	31,698	35,220	39,328	32,000	35,219	39,310	-1%	0%	0%
Growth (%)	12.0%	11.1%	11.7%	13.0%	10.1%	11.6%			
EBITDA margin (%)	19.2%	19.4%	19.7%	19.3%	19.3%	19.7%			
Adj PAT	21,427	24,279	27,853	21,930	24,043	27,507	-2%	1%	1%
Growth (%)	10.1%	13.3%	14.7%	12.7%	9.6%	14.4%			
EPS (Rs)	88.9	100.8	115.6	91.0	99.8	114.2	-2%	1%	1%

Source: Emkay Research

Exhibit 25: Emkay vs Consensus estimates

(Rs mn)	Emkay estimates			Consensus estimates			Emkay vs Consensus		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Revenue	165,462	182,012	199,542	168,559	184,388	203,805	-2%	-1%	-2%
Growth (%)	3.5%	10.0%	9.6%	5.4%	9.4%	10.5%			
EBITDA	31,698	35,220	39,328	31,619	34,630	38,542	0%	2%	2%
Growth (%)	12.0%	11.1%	11.7%	11.7%	9.5%	11.3%			
EBITDA margin (%)	19.2%	19.4%	19.7%	18.8%	18.8%	18.9%			
Adj PAT	21,427	24,279	27,853	21,563	23,961	26,964	-1%	1%	3%
Growth (%)	10.1%	13.3%	14.7%	10.8%	11.1%	12.5%			

Source: Emkay Research

Britannia Industries : Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	141,363	163,006	167,693	184,822	202,362
Revenue growth (%)	7.6	15.3	2.9	10.2	9.5
EBITDA	22,015	28,309	31,698	35,220	39,328
EBITDA growth (%)	(12.3)	28.6	12.0	11.1	11.7
Depreciation & Amortization	2,005	2,259	3,005	3,200	3,350
EBIT	20,010	26,050	28,694	32,020	35,978
EBIT growth (%)	(13.4)	30.2	10.1	11.6	12.4
Other operating income	1,916	3,157	2,231	2,810	2,820
Other income	382	527	542	650	750
Financial expense	1,443	1,691	1,640	1,674	997
PBT	20,795	26,518	29,196	32,297	37,031
Extraordinary items	0	0	0	0	0
Taxes	5,624	7,165	7,793	8,397	9,628
Minority interest	88	55	56	80	100
Income from JV/Associates	(2)	54	(32)	300	350
Reported PAT	15,248	23,218	21,398	24,279	27,853
PAT growth (%)	(18.2)	52.3	(7.8)	13.5	14.7
Adjusted PAT	15,258	19,462	21,427	24,279	27,853
Diluted EPS (Rs)	63.3	80.8	88.9	100.8	115.6
Diluted EPS growth (%)	(18.2)	27.5	10.1	13.3	14.7
DPS (Rs)	69.0	72.0	73.5	100.0	115.0
Dividend payout (%)	108.9	89.1	82.6	99.2	99.5
EBITDA margin (%)	15.6	17.4	18.9	19.1	19.4
EBIT margin (%)	14.2	16.0	17.1	17.3	17.8
Effective tax rate (%)	27.0	27.0	26.7	26.0	26.0
NOPLAT (pre-IndAS)	14,599	19,012	21,035	23,695	26,623
Shares outstanding (mn)	240.9	240.9	240.9	240.9	240.9

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	20,795	26,518	29,196	32,297	37,031
Others (non-cash items)	(251)	(4,129)	(256)	380	450
Taxes paid	(5,869)	(7,258)	(7,649)	(8,397)	(9,628)
Change in NWC	(3,273)	4,057	1,611	(2,138)	(35)
Operating cash flow	12,995	25,262	25,730	25,065	30,114
Capital expenditure	(5,470)	(6,345)	(4,970)	(3,625)	(3,000)
Acquisition of business	0	0	0	0	0
Interest & dividend income	2,068	1,747	1,703	1,950	2,050
Investing cash flow	9,109	(15,171)	4,755	5,993	(950)
Equity raised/(repaid)	0	0	0	(80)	(100)
Debt raised/(repaid)	3,599	5,182	(9,342)	(682)	323
Payment of lease liabilities	22	0	0	0	0
Interest paid	(1,186)	(1,957)	(1,643)	(1,674)	(997)
Dividend paid (incl tax)	(24,849)	(13,592)	(17,325)	(22,524)	(25,295)
Others	(22)	83	4	0	0
Financing cash flow	(22,458)	(10,284)	(28,305)	(24,960)	(26,068)
Net chg in Cash	(354)	(192)	2,180	6,098	3,096
OCF	12,995	25,262	25,730	25,065	30,114
Adj. OCF (w/o NWC chg.)	16,268	21,206	24,119	27,203	30,150
FCFF	7,525	18,917	20,760	21,441	27,114
FCFE	8,150	18,973	20,822	21,717	28,168
OCF/EBITDA (%)	59.0	89.2	81.2	71.2	76.6
FCFE/PAT (%)	53.4	97.5	97.2	89.4	101.1
FCFF/NOPLAT (%)	51.5	99.5	98.7	90.5	101.8

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	241	241	241	241	241
Reserves & Surplus	25,340	35,102	39,174	40,930	43,488
Net worth	25,581	35,343	39,415	41,171	43,729
Minority interests	275	302	245	165	65
Deferred tax liability (net)	(509)	(554)	(418)	(418)	(418)
Total debt	24,655	29,805	20,412	19,730	20,053
Total liabilities & equity	50,003	64,896	59,654	60,648	63,429
Net tangible fixed assets	16,136	25,271	26,413	26,213	25,863
Net intangible assets	1,396	1,282	1,298	1,298	1,298
Net ROU assets	1,893	1,987	2,087	2,191	2,301
Capital WIP	5,357	1,050	1,875	2,500	2,500
Goodwill	1,396	1,282	1,298	1,298	1,298
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	19,473	35,222	32,131	30,562	33,658
Current assets (ex-cash)	32,277	30,130	28,579	33,565	36,850
Current Liab. & Prov.	24,636	28,058	30,643	33,491	36,740
NWC (ex-cash)	7,641	2,072	(2,063)	74	110
Total assets	50,003	64,896	59,654	60,648	63,429
Net debt	5,183	(5,417)	(11,719)	(10,832)	(13,605)
Capital employed	50,003	64,896	59,654	60,648	63,429
Invested capital	25,173	28,624	25,648	27,586	27,271
BVPS (Rs)	106.2	146.7	163.6	170.9	181.5
Net Debt/Equity (x)	0.2	(0.2)	(0.3)	(0.3)	(0.3)
Net Debt/EBITDA (x)	0.2	(0.2)	(0.4)	(0.3)	(0.3)
Interest coverage (x)	0.0	0.0	0.0	0.0	0.0
RoCE (%)	38.2	46.3	46.9	54.3	59.2

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	79.9	62.6	56.9	50.2	43.8
P/CE(x)	66.2	52.6	46.8	41.6	36.6
P/B (x)	47.7	34.5	30.9	29.6	27.9
EV/Sales (x)	8.8	7.6	7.3	6.6	6.0
EV/EBITDA (x)	55.6	42.9	38.1	34.3	30.7
EV/EBIT(x)	57.4	43.7	39.4	35.4	31.4
EV/IC (x)	45.6	39.7	44.1	41.0	41.4
FCFF yield (%)	0.7	1.7	1.8	1.9	2.4
FCFE yield (%)	0.7	1.7	1.8	1.9	2.5
Dividend yield (%)	1.4	1.4	1.5	2.0	2.3
DuPont-RoE split					
Net profit margin (%)	10.8	11.9	12.8	13.1	13.8
Total asset turnover (x)	2.6	2.8	2.7	3.1	3.3
Assets/Equity (x)	1.7	1.9	1.7	1.5	1.5
RoE (%)	50.0	63.9	57.3	60.3	65.6
DuPont-RoIC					
NOPLAT margin (%)	10.3	11.7	12.5	12.8	13.2
IC turnover (x)	5.6	6.1	6.2	6.9	7.4
RoIC (%)	57.5	70.7	77.5	89.0	97.1
Operating metrics					
Core NWC days	(13.9)	(12.6)	(16.6)	(16.4)	(15.5)
Total NWC days	19.7	4.6	(4.5)	0.1	0.2
Fixed asset turnover	5.0	4.6	3.8	3.9	4.0
Opex-to-revenue (%)	22.5	23.8	24.5	23.8	23.4

Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
15-Apr-24	4,762	5,475	Add	Nitin Gupta
07-Apr-24	4,813	5,475	Add	Nitin Gupta
14-Mar-24	4,939	5,450	Reduce	Nitin Gupta
07-Feb-24	5,078	5,450	Reduce	Nitin Gupta
23-Jan-24	5,048	5,450	Reduce	Nitin Gupta
07-Jan-24	5,272	5,450	Reduce	Nitin Gupta
12-Dec-23	4,903	5,250	Add	Nitin Gupta
30-Nov-23	4,853	5,250	Add	Nitin Gupta
24-Nov-23	4,644	5,250	Buy	Nitin Gupta
02-Nov-23	4,527	5,250	Buy	Nitin Gupta
20-Oct-23	4,580	5,350	Buy	Nitin Gupta
03-Oct-23	4,495	5,350	Buy	Nitin Gupta
28-Aug-23	4,511	5,350	Buy	Nitin Gupta
15-Aug-23	4,500	5,350	Buy	Nitin Gupta
07-Aug-23	4,660	5,350	Buy	Nitin Gupta
06-Aug-23	4,799	5,550	Buy	Nitin Gupta
18-Jun-23	5,045	5,700	Buy	Nitin Gupta
15-Jun-23	4,975	5,700	Buy	Nitin Gupta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

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