

May 09, 2024

RESULT REPORT Q4 FY24 | Sector: Automobile

# Escorts Kubota Ltd

## In-line; Valuations fully reflect merger synergies

### Valuation and View – Growth challenges in tractors led by high base

Escorts Kubota (ESCORTS) 4QFY24 results were steady with no major surprises across parameters. Better ASP, operating leverage and cost passthrough led construction equipment (CE) EBIT margins highest at 10.7% (+260bp YoY/ +240bp QoQ). However, the contraction in agri segment EBIT margins to 11.2% (+120bp YoY/ -270bp QoQ) is sharper than expected. The sustenance of margins to be influenced by weak operating leverage as tractor volumes are expected to be muted in 1HFY25E. The co guidance of low to mid-single digit volume growth for the domestic industry hinges primarily on normal monsoons as demand sentiments are weak. However, we remain constructive on growth opportunities for merged entity in tractor, implements, components sourcing and exports over mid-term.

We believe, EKL is more vulnerable v/s peers as 1) it derives ~70% of its revenues from agri segment and 2) aggressive expansion by Sonalika, TAFE, John Deere, etc. to necessitating tight balance between market share and margins. The valuations at 32.6x/28.8x FY25/26 EPS, do reflect positive synergies from merged entity. We believe, benefits arising out of Kubota JV to start reflecting meaningfully from 2HFY25E led by exports ramp-up and localization. Our FY25/26 EPS are largely unchanged as we maintain Neutral with revised TP of Rs3,232 (earlier Rs2,827). We value co at 27x Mar-26 EPS and build in revenue/EBITDA/PAT CAGR of 15.2%/21.3%/18.3% over FY24-26E.

### Result Highlights – Contraction in agri EBIT sharper than expected

- Revenues declined 4.6% YoY (-10.3% QoQ) at Rs20.8b (est Rs20.7b, cons Rs20.7b) as Agri/Railways/CE revenues declined -10.7%/-10.1%/ +23.8% YoY. Agri ASP grew ~4% YoY (+2.6% QoQ) at Rs654.3k/unit (est Rs642.3k/unit).
- Gross margins came in better at 31.9% (+340bp YoY/+130bp QoQ, est 30.6%). However, this was offset by higher other exp at Rs2.4b (+2.5% QoQ, est ~Rs2.1b) led to EBITDA in-line at Rs2.65b (+12.8% YoY/-15% QoQ) with margins at 12.8% (+200bp YoY/ -70bp QoQ, in-line).
- Segmental EBITM – Agri at 11.2% (+120 YoY/ -260bp QoQ), Railway at 16.9% (+290bp YoY/ -150bp QoQ), CE highest at 10.7% (+260bp YoY/ +240bp QoQ).
- Adj.PAT grew 18.8% YoY (+12.7% QoQ) at Rs2.42b (in-line).
- FY24 performance - Revenue/EBITDA/Adj.PAT grew 5%/50%/55%.

### Exhibit 1: Actual vs estimates

| Rs mn            | Actual | Estimate |           | % variation |           | Remarks             |
|------------------|--------|----------|-----------|-------------|-----------|---------------------|
|                  |        | Yes Sec  | Consensus | Yes Sec     | Consensus |                     |
| Sales            | 20,825 | 20,698   | 20,748    | 0.6         | 0.4       | In-line performance |
| EBITDA           | 2,659  | 2,715    | 2,655     | -2.1        | 0.2       |                     |
| EBITDA margins % | 12.8   | 13.1     | 12.8      | -30bp       | 0bp       |                     |
| Adjusted PAT     | 2,421  | 2,446    | 2,362     | -1.0        | 2.5       |                     |

Source: Company, YES Sec

|              |            |
|--------------|------------|
| Reco         | : NEUTRAL  |
| CMP          | : Rs 3,443 |
| Target Price | : Rs 3,232 |
| Return       | : -6.1%    |

### Stock data (as on May 09, 2024)

|                         |                  |
|-------------------------|------------------|
| Nifty                   | 21,958           |
| 52 Week h/l (Rs)        | 3,570 / 2,027    |
| Market cap (Rs/USD mn)  | 3,82,710 / 4,598 |
| Outstanding Shares (mn) | 108              |
| 6m Avg t/o (Rs mn):     | 1,101            |
| Div yield (%):          | 0.2              |
| Bloomberg code:         | ESCORTS IN       |
| NSE code:               | ESCORTS          |

### Stock performance



|                 | 1M   | 3M     | 1Y     |
|-----------------|------|--------|--------|
| Absolute return | +14% | +22.7% | +65.7% |

### Shareholding pattern (As of Mar'24)

|          |       |
|----------|-------|
| Promoter | 67.7% |
| FII+DII  | 15.6% |
| Others   | 14.9% |

### Δ in stance

| (1-Yr)       | New     | Old     |
|--------------|---------|---------|
| Rating       | NEUTRAL | NEUTRAL |
| Target Price | 3,232   | 2,827   |

### Δ in earnings estimates

|           | FY25E | FY26E  |
|-----------|-------|--------|
| EPS (New) | 105.7 | 119.7  |
| EPS (Old) | 105.0 | 120.1  |
| % change  | +0.7% | (0.3%) |

### Financial Summary

| Y/E Mar (Rs b) | FY24 | FY25E | FY26E |
|----------------|------|-------|-------|
| Sales          | 88.5 | 104.8 | 117.4 |
| EBITDA         | 11.7 | 14.9  | 17.2  |
| Adj. PAT       | 10.5 | 13.0  | 14.7  |
| EPS (INR)      | 85.6 | 105.7 | 119.7 |
| EPS Gr. (%)    | 24.1 | 23.5  | 13.2  |
| BV/Sh. (INR)   | 749  | 848   | 961   |
| RoE (%)        | 12.1 | 13.2  | 13.2  |
| RoCE (%)       | 16.1 | 17.6  | 17.7  |
| Payout (%)     | 8.2  | 6.6   | 5.8   |
| P/E (x)        | 40.2 | 32.6  | 28.8  |
| P/BV (x)       | 4.6  | 4.1   | 3.6   |
| EV/EBITDA (x)  | 35.2 | 27.2  | 23.1  |
| EV/Sales (x)   | 4.6  | 3.9   | 3.4   |

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Lead Analyst

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## Exhibit 2: Quarterly snapshot

| Y/e Mar (Rs. mn)          | Q4FY24 | Q4FY23 | YoY chg (%) | Q3FY24 | QoQ chg | FY24   | FY23   | YoY chg (%) |
|---------------------------|--------|--------|-------------|--------|---------|--------|--------|-------------|
| Net Revenues              | 20,825 | 21,830 | (4.6)       | 23,204 | (10.3)  | 87,767 | 83,450 | 5.2         |
| Raw Materials             | 14,181 | 15,615 | (9.2)       | 16,092 | (11.9)  | 60,371 | 60,669 | (0.5)       |
| % of Net Sales            | 68.1%  | 71.5%  |             | 69.4%  |         | 68.8%  | 72.7%  |             |
| Gross Margins %           | 31.9%  | 28.5%  |             | 30.6%  |         | 31.2%  | 27.3%  |             |
| Personnel                 | 1,577  | 1,565  | 0.7         | 1,635  | (3.6)   | 6,371  | 5,950  | 7.1         |
| % of Net Sales            | 7.6%   | 7.2%   |             | 7.0%   |         | 7.3%   | 7.1%   |             |
| Manufacturing & Other Exp | 2,408  | 2,291  | 5.1         | 2,349  | 2.5     | 9,338  | 9,026  | 3.4         |
| % of Net Sales            | 11.6%  | 10.5%  |             | 10.1%  |         | 10.6%  | 10.8%  |             |
| Total Expenditure         | 18,166 | 19,471 | (6.7)       | 20,077 | (9.5)   | 76,080 | 75,645 | 0.6         |
| EBITDA                    | 2,659  | 2,358  | 12.8        | 3,127  | (15.0)  | 11,688 | 7,804  | 49.8        |
| EBITDA Margin (%)         | 12.8%  | 10.8%  |             | 13.5%  |         | 13.3%  | 9.4%   |             |
| Depreciation              | 441    | 380    | 15.9        | 415    | 6.2     | 1,667  | 1,484  | 12.3        |
| EBIT                      | 2,218  | 1,978  | 12.1        | 2,712  | (18.2)  | 10,021 | 6,320  | 58.6        |
| Interest Expenses         | 35     | 28     | 25.5        | 24     | 45.0    | 108    | 103    | 5.7         |
| Non-operating income      | 1,053  | 763    | 38.1        | 1,035  | 1.8     | 3,983  | 2,806  | 42.0        |
| Extraordinary Expenses    | -      | 244.00 |             | -      |         | 0      | 971    |             |
| PBT                       | 3,237  | 2,470  | 31.1        | 3,723  | (13.0)  | 13,895 | 8,052  | 72.6        |
| Tax-Total                 | 817    | 615    | 32.8        | 950    | (14.0)  | 3,527  | 1,982  | 78.0        |
| Tax Rate (%) - Total      | 25.2%  | 24.9%  |             | 25.5%  |         | 25.4%  | 24.6%  |             |
| Reported PAT              | 2,421  | 1,855  | 30.5        | 2,773  | (12.7)  | 10,369 | 6,071  | 70.8        |
| Adj. PAT                  | 2,421  | 2,038  | 18.8        | 2,773  | (12.7)  | 10,369 | 6,791  | 52.7        |
| PAT Margin                | 11.6%  | 9.3%   |             | 11.9%  |         | 11.8%  | 8.1%   |             |

Source- Company, Yes Sec

## KEY CON-CALL HIGHLIGHTS

### Agriculture (FES) segment -

- Outlook – Expect low to mid-single digit growth in FY25E with decline in first few months.
  - Positive monsoon outlook would lead to industry growth pick-up post Sep'24.
  - **Channel inventory is well in control at 37-39 days and would be lower than industry levels.**
  - South and West markets would likely be under pressure (while decline would not be as steep vs FY24) whereas central, north markets are expected to do well.
  - Have lost market share in North region over past 2 years. Second focus is West region (20% of volumes), South (15% of volume).
  - New products launches expected in FY25, especially will address white spaces.
- Agri machinery capacity utilization at ~80% in FY24. JV capacity utilization (18-20k for Kubota and Job work for Escorts) at ~50% and expected to inch-up of the overall capacity of ~50k units. Combined tractor capacity is ~180k units.
- **New plant in RJ** by FY27/28– in discussion with state government for land acquisition (~Rs4b) and fiscal incentives. Yet to close the deal. Expect overall capex at Rs40-45b over 4-5 years.
- **Engine capacity** – existing plant will take care of Powertrac and Farmtrac where engine capacity is ~150-160k units.
  - **Greenfield capacity** will take care of engine requirements of Farmtrac and Kubota products.
- **Channel expansion** – total dealer counts as of Mar'24 at >1,200 (flat QoQ).
- **Exports** – EKL's exports at 1,341 units which declined YoY by 20.4% and 2.2% QoQ.
  - **Exports sales through Kubota channel contributed +37% in 4QFY24 and +39% in FY24 (vs +47% in 3QFY24, ~31% in 2QFY24 and ~32% in 1QFY24 and ~30% in FY23).**
  - Escorts exports market share at 5.1% in 4QFY24 and 5.7% in FY24 (vs 6.4% in 3QFY24 and ~10% in 9MFY24).
  - **Outlook** – New product development meeting Kubota standards to complete by 3QFY25 which should drive volumes. Expect FY25E, exports to grow higher vs domestic growth.
- **Farm implements opportunity will be sizeable** – Believe, major part of growth will come from JV as it has high value transplanter and combined harvesters. Combined entity (standalone and JV) would have revenue opportunity at Rs3-4b. Current penetration of tractor OEMs are 5-6% and the balance accounted by non tractor OEMs. Current products are largely traded with some components manufactured in India and outsourced.
- EKL's domestic market share at ~11.6% in 4QFY24 (vs ~10.5% in 3QFY24) and 10.3% in FY24.
- Domestic tractor volume mix –
  - Farmtrac/Powertrac at 47/53 (vs 43/57 QoQ and 44/56 YoY).
  - <40HP/>40HP – 36/64 (vs 34/66 QoQ and 37/63 YoY).

## Construction equipment

- Outlook – Expect positive volumes in FY25E despite some blip due to ongoing elections.
- Margins expansion was led by operating leverage, subsiding RM cost pressures and better price realizations, emission level inflation have also been fully passed on.
- Not much impact of Chinese imports - China imports were more on larger and earth moving cranes. In PnC there is not much of Chinese imports.
- In 4QFY24, BHL Industry up by 16.7% YoY, PnC Industry grew 52.3% YoY, compactors industry grew by 42.2% YoY. EKL's CE volume grew 17.7% YoY (flat QoQ) at 1,798 units.
- Capacity utilization at ~70% in FY24.

## Railways

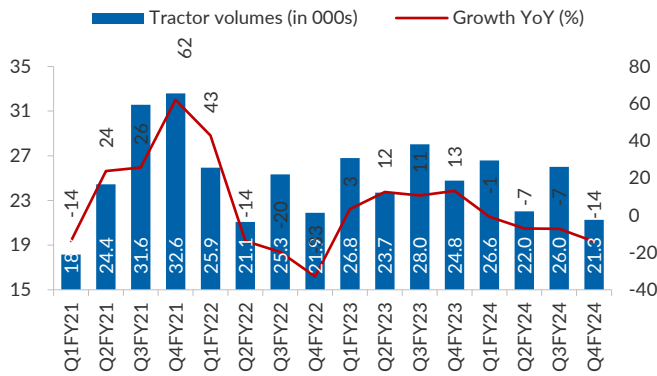
- **Outlook** – Expect double digit growth in FY25E.
- **Order book** at ~Rs9.5b (vs >Rs9b as of 3QFY24, Rs8.7b in 2QFY24, Rs9.5b in 1QFY24, Rs10.5b in 4QFY23).

## Financials

- **QoQ decline in Agri EBIT margins was led by negative operating leverage.** Expect margins to recover slightly from current levels and stabilize at 13-14%.
- **Price hikes** – early inflation of overhead costs etc. have been passed on with minor hike effective 1<sup>st</sup> May, 2024.
- Margins expansion in 4QFY24 YoY was led by better ASP, benign RM, cost control measures and operating leverage in CE and railway division.
- **Capex** for FY24 at Rs1.75b. **FY25E capex expected at ~Rs3b** (product side 33%, building green infra 33% and balance for CE and Railways) in addition to green field capex.
- **NBFC** – applications made with RBI in Mar'24 and typical approval cycle is 6-8 months for opting license. Working on backend. Don't see financing issues on the retail front ahead.
- Net cash and investment at >Rs60b.
- **PBT contribution from JV** is Rs450m in 4QFY24. Going forward increased localization would help drive margins.
- Expect CE and railway EBIT (plus minus 100bp) margins to sustain at current levels in FY25E.

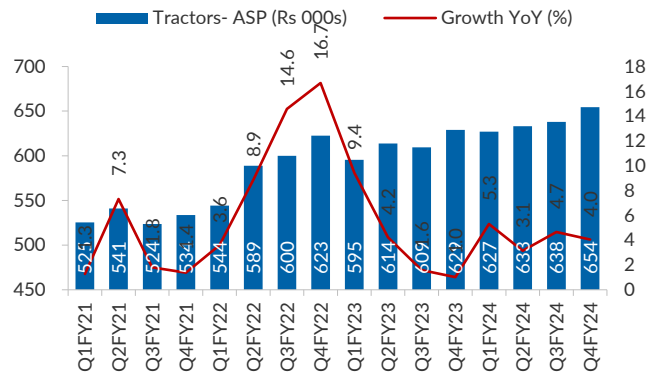
## CHARTS

**Exhibit 1: Tractor volume fell ~14% YoY/ ~18% QoQ**



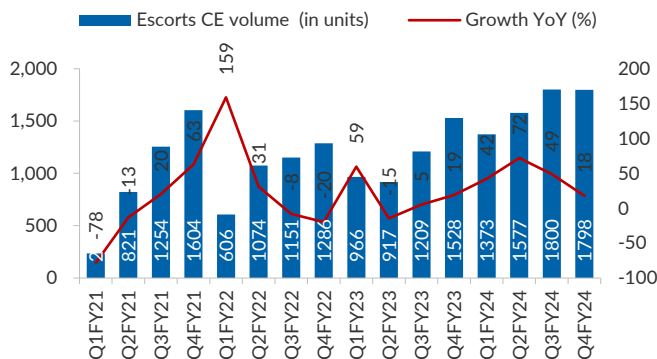
Source: Company, YES Sec

**Exhibit 2: ASPs grew 4% YoY led by price hikes and mix**



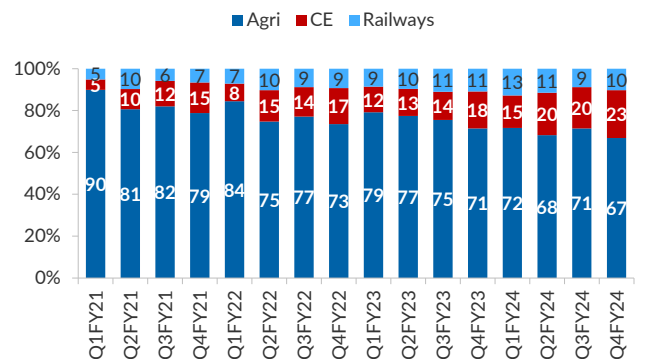
Source: Company, YES Sec

**Exhibit 3: CE volumes grew 18% YoY/ flat QoQ**



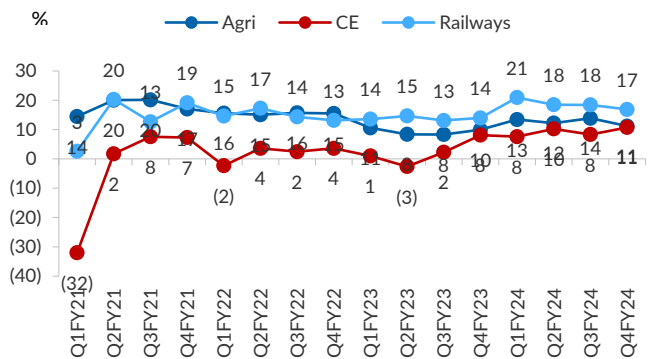
Source: Company, YES Sec

**Exhibit 4: Segment wise revenue share trend**



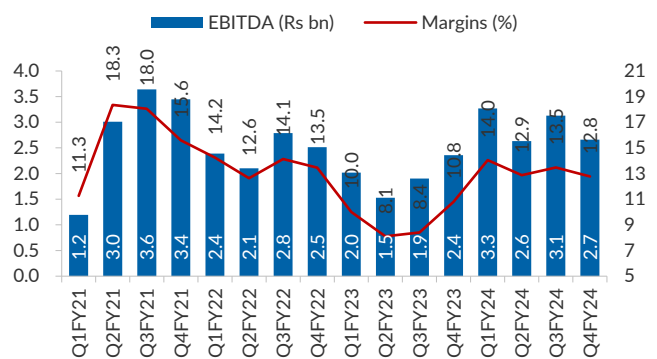
Source: Company, YES Sec

**Exhibit 5: Trend in segmental margins**



Source: Company, YES Sec

**Exhibit 6: EBITDA margin contracted ~70bp QoQ**



Source: Company, YES Sec

## FINANCIALS

### Exhibit 7: Balance Sheet

| Y/E March                | FY20   | FY21   | FY22   | FY23   | FY24   | FY25E   | FY26E   |
|--------------------------|--------|--------|--------|--------|--------|---------|---------|
| Equity Share Capital     | 1,226  | 1,348  | 1,319  | 1,319  | 1,226  | 1,226   | 1,226   |
| Total Reserves           | 29,948 | 48,913 | 74,680 | 80,548 | 90,658 | 102,747 | 116,552 |
| Net Worth                | 31,174 | 50,261 | 75,999 | 81,867 | 91,884 | 103,973 | 117,778 |
| Minority Interest        | 51     | (9)    | (38)   | (39)   | (39)   | (39)    | (39)    |
| Deferred Liabilities     | 307    | 233    | 373    | 646    | 1,149  | 1,223   | 1,306   |
| Total Loans              | 192    | 25     | -      | -      | 42     | 42      | 42      |
| Capital Employed         | 31,724 | 50,511 | 76,334 | 82,475 | 93,036 | 105,198 | 119,088 |
| Gross Block              | 28,253 | 28,652 | 29,973 | 31,687 | 33,406 | 35,245  | 37,213  |
| Less: Accum. Deprn.      | 11,026 | 11,388 | 12,389 | 13,573 | 15,242 | 16,958  | 18,770  |
| Net Fixed Assets         | 17,227 | 17,264 | 17,585 | 18,114 | 18,164 | 18,287  | 18,443  |
| Capital WIP              | 1,044  | 647    | 878    | 1,137  | 1,515  | 1,362   | 1,527   |
| Total Investments        | 7,974  | 20,079 | 49,184 | 48,465 | 52,746 | 55,383  | 58,152  |
| Curr. Assets, Loans&Adv. | 23,678 | 30,792 | 23,431 | 33,135 | 40,365 | 51,009  | 64,322  |
| Inventory                | 8,834  | 7,182  | 8,466  | 12,177 | 12,181 | 14,318  | 15,974  |
| Account Receivables      | 7,319  | 6,576  | 7,926  | 11,797 | 11,732 | 14,930  | 16,731  |
| Cash and Bank Balance    | 3,249  | 13,218 | 2,718  | 4,719  | 11,911 | 16,311  | 25,077  |
| Loans and Advances       | 4,277  | 3,817  | 4,320  | 4,442  | 4,542  | 5,450   | 6,540   |
| Curr. Liability & Prov.  | 18,211 | 18,271 | 14,743 | 18,375 | 19,754 | 20,843  | 23,357  |
| Account Payables         | 16,648 | 16,763 | 13,341 | 16,912 | 18,156 | 18,950  | 21,235  |
| Provisions               | 1,563  | 1,508  | 1,402  | 1,463  | 1,599  | 1,893   | 2,121   |
| Net Current Assets       | 5,467  | 12,521 | 8,687  | 14,760 | 20,611 | 30,166  | 40,965  |
| Deferred Tax assets      | 12     | -      | -      | -      | -      | -       | -       |
| Appl. of Funds           | 31,724 | 50,511 | 76,334 | 82,475 | 93,036 | 105,198 | 119,088 |

Source: Company, YES Sec

## Exhibit 8: Income statement

| Y/E March                    | FY20   | FY21   | FY22   | FY23   | FY24   | FY25E   | FY26E   |
|------------------------------|--------|--------|--------|--------|--------|---------|---------|
| Total Income from Operations | 58,101 | 70,144 | 72,827 | 84,287 | 88,496 | 104,799 | 117,438 |
| Change (%)                   | (7.2)  | 20.7   | 3.8    | 15.7   | 5.0    | 18.4    | 12.1    |
| Total Expenditure            | 51,477 | 58,877 | 62,872 | 76,512 | 76,829 | 89,902  | 100,275 |
| % of Sales                   | 88.6   | 83.9   | 86.3   | 90.8   | 86.8   | 85.8    | 85.4    |
| EBITDA                       | 6,624  | 11,268 | 9,954  | 7,775  | 11,667 | 14,897  | 17,163  |
| Margin (%)                   | 11.4   | 16.1   | 13.7   | 9.2    | 13.2   | 14.2    | 14.6    |
| Depreciation                 | 1,072  | 1,183  | 1,321  | 1,501  | 1,669  | 1,716   | 1,811   |
| EBIT                         | 5,552  | 10,085 | 8,634  | 6,275  | 9,998  | 13,181  | 15,352  |
| Int. and Finance Charges     | 172    | 133    | 150    | 133    | 137    | 130     | 124     |
| Other Income                 | 976    | 1,604  | 1,738  | 2,809  | 3,986  | 4,105   | 4,229   |
| PBT bef. EO Exp.             | 6,356  | 11,555 | 10,222 | 8,951  | 13,847 | 17,156  | 19,457  |
| EO Items                     | (92)   | -      | -      | (531)  | -      | -       | -       |
| PBT after EO Exp.            | 6,263  | 11,555 | 10,222 | 8,421  | 13,847 | 17,156  | 19,457  |
| Current Tax                  | 1,535  | 2,832  | 2,572  | 1,979  | 3,519  | 4,286   | 4,861   |
| Deferred Tax                 | -      | -      | -      | -      | -      | 74      | 84      |
| Tax Rate (%)                 | 24.5   | 24.5   | 25.2   | 23.5   | 25.4   | 25.4    | 25.4    |
| Less: Mionrity Interest      | 11     | 7      | 294    | 75     | (164)  | (164)   | (164)   |
| Reported PAT                 | 4,717  | 8,716  | 7,356  | 6,367  | 10,491 | 12,960  | 14,676  |
| Adjusted PAT                 | 4,787  | 8,716  | 7,356  | 6,772  | 10,491 | 12,960  | 14,676  |
| Change (%)                   | 1.2    | 82.1   | (15.6) | (7.9)  | 54.9   | 23.5    | 13.2    |
| Margin (%)                   | 8.2    | 12.4   | 10.1   | 8.0    | 11.9   | 12.4    | 12.5    |

Source: Company, YES Sec

## Exhibit 9: Cash Flow Statement

| Y/E March (Rs mn)          | FY20    | FY21     | FY22     | FY23    | FY24    | FY25E   | FY26E   |
|----------------------------|---------|----------|----------|---------|---------|---------|---------|
| OP/(Loss) before Tax       | 6,253   | 11,548   | 9,928    | 8,346   | 14,010  | 17,143  | 19,445  |
| Depreciation               | 1,072   | 1,183    | 1,321    | 1,501   | 1,669   | 1,716   | 1,811   |
| Interest & Finance Charges | 300     | 699      | 790      | 1,513   | 2,081   | 130     | 124     |
| Direct Taxes Paid          | (1,748) | (2,527)  | (2,547)  | (1,864) | (2,340) | (4,286) | (4,861) |
| (Inc)/Dec in WC            | 3,272   | 2,722    | (6,526)  | (4,102) | 512     | (5,155) | (2,033) |
| CF from Operations         | 9,148   | 13,625   | 2,966    | 5,393   | 15,932  | 9,549   | 14,486  |
| Others                     | (1,177) | (2,338)  | (2,644)  | (3,154) | (5,610) | 0       | 0       |
| CF from Operating incl EO  | 7,971   | 11,287   | 323      | 2,239   | 10,322  | 9,549   | 14,486  |
| (inc)/dec in FA            | (1,902) | (1,182)  | (1,759)  | (2,132) | (1,751) | (1,686) | (2,132) |
| Free Cash Flow             | 6,070   | 10,105   | (1,436)  | 107     | 8,571   | 7,863   | 12,353  |
| (Pur)/Sale of Investments  | (2,699) | (10,568) | (28,434) | 6,702   | (1,363) | 0       | 0       |
| Others                     | 388     | (10,160) | 11,625   | (5,187) | (6,165) | (2,637) | (2,769) |
| CF from Investments        | (4,212) | (21,910) | (18,567) | (618)   | (9,279) | (4,324) | (4,902) |
| Issue of Shares            | -       | 10,576   | 19,021   | 206     | 135     | 0       | 0       |
| Inc/(Dec) in Debt          | (82)    | (60)     | (78)     | (71)    | (84)    | 0       | 0       |
| Interest Paid              | (100)   | (76)     | (98)     | (91)    | (101)   | (130)   | (124)   |
| Dividend Paid              | (260)   | (245)    | (737)    | (757)   | (758)   | (858)   | (858)   |
| Others                     | (2,563) | (161)    | (8)      | -       | 42      | 164     | 164     |
| CF from Fin. Activity      | (3,005) | 10,033   | 18,099   | (712)   | (767)   | (825)   | (818)   |
| Inc/Dec of Cash            | 754     | (590)    | (145)    | 909     | 276     | 4,400   | 8,766   |

Source- Company, Yes Sec

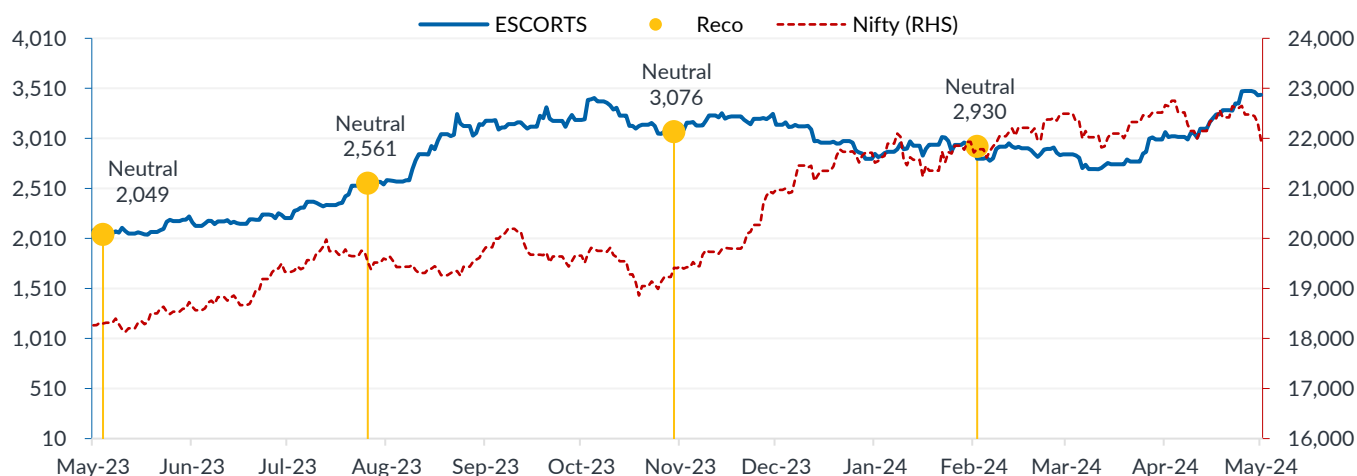


**Exhibit 10: Growth and Ratio matrix**

| Y/E March                     | FY20  | FY21  | FY22   | FY23  | FY24  | FY25E | FY26E |
|-------------------------------|-------|-------|--------|-------|-------|-------|-------|
| <b>Basic (INR)</b>            |       |       |        |       |       |       |       |
| EPS (ex treasury)             | 53.9  | 86.2  | 74.9   | 68.9  | 85.6  | 105.7 | 119.7 |
| Cash EPS                      | 65.9  | 97.9  | 88.3   | 84.2  | 99.2  | 119.7 | 134.5 |
| BV/Share                      | 350.7 | 497.0 | 773.6  | 833.3 | 749.5 | 848.1 | 960.7 |
| DPS                           | 2.5   | 7.5   | 7.0    | 7.0   | 7.0   | 7.0   | 7.0   |
| Payout (%)                    | 7.5   | 11.6  | 12.6   | 14.5  | 8.2   | 6.6   | 5.8   |
| <b>Valuation (x)</b>          |       |       |        |       |       |       |       |
| P/E                           | 63.9  | 39.9  | 46.0   | 49.9  | 40.2  | 32.6  | 28.8  |
| Cash P/E                      | 52.2  | 35.2  | 39.0   | 40.9  | 34.7  | 28.8  | 25.6  |
| P/BV                          | 9.8   | 6.9   | 4.5    | 4.1   | 4.6   | 4.1   | 3.6   |
| EV/Sales                      | 5.2   | 5.8   | 5.8    | 5.0   | 4.6   | 3.9   | 3.4   |
| EV/EBITDA                     | 45.7  | 36.3  | 42.1   | 53.7  | 35.2  | 27.2  | 23.1  |
| Dividend Yield (%)            | 0.1   | 0.2   | 0.2    | 0.2   | 0.2   | 0.2   | 0.2   |
| FCF per share                 | 49.5  | 74.9  | (10.9) | 0.8   | 69.9  | 64.1  | 100.8 |
| <b>Return Ratios (%)</b>      |       |       |        |       |       |       |       |
| RoE                           | 16.5  | 21.4  | 11.7   | 8.6   | 12.1  | 13.2  | 13.2  |
| RoCE                          | 21.5  | 28.6  | 16.4   | 11.5  | 16.1  | 17.6  | 17.7  |
| RoIC                          | 20.1  | 42.3  | 32.2   | 18.6  | 27.1  | 33.3  | 34.5  |
| <b>Working Capital Ratios</b> |       |       |        |       |       |       |       |
| Asset Turnover (x)            | 1.8   | 1.4   | 1.0    | 1.0   | 1.0   | 1.0   | 1.0   |
| Inventory (Days)              | 83.9  | 56.4  | 62.1   | 72.6  | 73.0  | 73.0  | 73.0  |
| Debtor (Days)                 | 46.0  | 34.2  | 39.7   | 51.1  | 48.4  | 52.0  | 52.0  |
| Creditor (Days)               | 104.6 | 87.2  | 66.9   | 73.2  | 74.9  | 66.0  | 66.0  |
| Working Cap. Turnover (Days)  | 13.9  | (3.6) | 29.9   | 43.5  | 35.9  | 48.3  | 49.4  |
| <b>Leverage Ratio (x)</b>     |       |       |        |       |       |       |       |
| Current Ratio                 | 1.3   | 1.7   | 1.6    | 1.8   | 2.0   | 2.4   | 2.8   |
| Interest Cover Ratio          | 32.2  | 75.6  | 57.7   | 47.3  | 72.9  | 101.1 | 124.0 |
| Debt/Equity                   | 0.0   | 0.0   | -      | -     | 0.0   | 0.0   | 0.0   |

Source- Company, Yes Sec

## Recommendation Tracker



Source - YES Sec

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