

Strong earnings driven by gas trading business

GAIL's 3QFY24 standalone EBITDA was INR 38.2bn, significantly higher than JMFe/consensus of INR 31.8bn/ INR 33.4bn due to continued stronger-than-expected gas trading EBITDA; further LPG and Petchem segment earnings was also better than expected while gas transmission earning was slightly lower than expected. Gas trading EBITDA was significantly higher at INR 20.7bn vs. JMFe of INR 13.8bn driven by further strengthening of competitiveness of GAIL's US LNG vis-à-vis higher spot LNG prices during the quarter. Gas transmission EBITDA was lower at INR 15.6bn vs. JMFe of INR 16.8bn due to lower transmission EBITDA margin at INR 1,396/tcm on account of higher-than-expected gas cost due to further cut in APM allocation. We maintain BUY (revised TP of INR 175) on higher tariff and steady growth visibility in the gas transmission business on account of various policy tailwinds (given the government's target to increase the share of gas in India's energy mix to ~15% by 2030 vs. ~7% currently). At CMP, the stock trades at 1.6x FY26E P/B and 12.6x FY26E PE.

- Earnings beat driven by continued strength in gas trading margins:** GAIL's 3QFY24 standalone EBITDA at INR 38.2bn is significantly higher than JMFe/consensus of INR 31.8bn/ INR 33.4bn due to continued stronger-than-expected gas trading EBITDA; further, LPG and Petchem segment earnings was also better than expected while gas transmission earning was slightly lower than expected. Hence, PAT at INR 28.4bn was also significantly higher than JMFe/consensus of INR 21.4bn/ INR 23.2bn aided by higher other income and lower taxes. Gas trading EBITDA was significantly higher at INR 20.7bn vs. JMFe of INR 13.8bn (and vs INR 19.5bn in 2QFY24) – this seems to be on account of further strengthening of competitiveness of its US LNG due to rise in spot LNG during the quarter. Hence, gas trading margin improved to INR 2,296/tcm in 3QFY24 vs. JMFe of INR 1,500/tcm (vs. INR 2,189/tcm in 2QFY24); however, volume was slightly lower than expected at 98.1mmscmd (vs. 97mmscmd in 2QFY24).
- Gas transmission EBITDA lower than expected due to higher cost on account of cut in APM gas allocation; volume largely in line:** Gas transmission EBITDA was lower at INR 15.6bn vs. JMFe of INR 16.8bn (INR 16.5bn in 2QFY24) due to lower transmission EBITDA margin at INR 1,396/tcm vs. JMFe of INR 1,495/tcm, on account of higher-than-expected cost at INR 774/tcm (vs. INR 713/tcm in 2QFY24) due to further cut in APM gas allocation. However, transmission volume was largely in line at 121.5mmscmd (vs. 120.3mmscmd in 2QFY24).
- Petchem segment earnings recovered better than expected; LPG segment earnings was also higher than expected:** Petchem segment earnings recovered better than expected as the segment reported EBITDA of +INR 2.1bn in 3QFY24 vs. JMFe of +INR 0.7bn (vs. negative INR 0.4bn in 2QFY24). Petchem sales volume was higher at 215ktpa or 106% utilisation vs. JMFe of 185ktpa (from 168ktpa in 2QFY24); further, EBITDA margin also improved significantly to +USD 115/tn (vs. negative USD 27/tn in 2QFY24) vs. JMFe of +USD 45/tn due to lower gas cost (of USD 8-9/mmbtu) as per the management. LPG & OHC segment EBITDA was also higher at INR 2.8bn vs. JMFe of INR 2.5bn as EBITDA

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	175
Upside/(Downside)	2.1%
Previous Price Target	160
Change	9.6%

Key Data – GAIL IN

Current Market Price	INR172
Market cap (bn)	INR1,129.3/US\$13.6
Free Float	34%
Shares in issue (mn)	6,765.2
Diluted share (mn)	6,594.1
3-mon avg daily val (mn)	INR3,574.7/US\$43.0
52-week range	175/91
Sensex/Nifty	71,942/21,738
INR/US\$	83.1

Price Performance

%	1M	6M	12M
Absolute	6.0	46.2	73.2
Relative*	5.1	35.5	45.0

* To the BSE Sensex

Financial Summary (Consolidated)

Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	916,457	1,443,016	1,585,376	1,669,208	1,762,500
Sales Growth (%)	61.5	57.5	9.9	5.3	5.6
EBITDA	138,290	66,989	127,756	126,770	135,976
EBITDA Margin (%)	15.1	4.6	8.1	7.6	7.7
Adjusted Net Profit	103,640	53,015	87,286	84,839	89,872
Diluted EPS (INR)	15.8	8.0	13.2	12.9	13.6
Diluted EPS Growth (%)	114.7	-48.3	64.6	-2.8	5.9
ROIC (%)	19.9	6.5	12.2	10.8	10.7
ROE (%)	20.3	9.5	15.0	13.5	13.3
P/E (x)	10.9	21.4	13.0	13.4	12.6
P/B (x)	2.0	2.0	1.9	1.7	1.6
EV/EBITDA (x)	7.8	17.5	9.3	9.4	8.8
Dividend Yield (%)	5.8	2.3	3.5	3.4	3.6

Source: Company data, JM Financial. Note: Valuations as of 29/Jan/2024

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

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margin improved to USD 135/tn vs. JMFe of USD 125/tn (vs. USD 2/tn in 2QFY24) and sales volume was also higher at 249kt (vs. JMFe of 240kt).

- **Maintain BUY on higher tariff and steady growth visibility in gas transmission business:** We raise our FY24 EBITDA estimate by ~13% to account for higher gas trading EBITDA during 3QFY24, and increase our FY25-26 EBITDA estimates by ~2% factoring in slightly better gas trading margins. Further, we also raise our EV/EBITDA multiple for gas trading business to normalised 5x (from 4x) due to improved earnings visibility. Hence, our TP has risen to INR 175 (from INR 160), also incorporating rise in value of other investments (which is valued at CMP less 20% holding discount). We maintain BUY due to steady growth visibility in the gas transmission business, coupled with higher tariff, on account of various policy tailwinds (given the government's target to increase the share of gas in India's energy mix to ~15% by 2030 vs. ~7% currently). Our TP comprises: **a)** core business value of INR 152/share; **b)** other investments at INR 43/share; and **c)** net debt of INR 20/share. At CMP, the stock trades at 1.6x FY26E P/B and 12.6x FY26E PE. **Key risks:** **a)** sharp weakness in crude/spot LNG and/or jump in US HH gas price posing risk to US LNG margin; **b)** slow recovery in domestic gas demand impacting volume for gas transmission and trading segment.

3QFY24 concall takeaways

- 1) **Gas trading EBITDA was strong aided by cost efficiencies due to time and destination swaps; however, management conservatively maintains guidance of gas trading EBITDA in FY25 of INR 40bn.** Gas trading EBITDA in 9MFY24 was INR 51.3bn (vs INR 34bn in FY23). Further, it expects **gas trading volume to grow by 5-6% in FY25.**
- 2) **Natural gas transmission volume FY24 exit rate guided at 123-124mmcmd (Vs 121.4mmcmd in 3QFY24); and the management expects gas transmission volume to grow by around 12mmcmd in FY25** (3mmcmd from commissioning of IOCL Dadri pipeline; 3mmcmd from CGD business; 0.5mmcmd from IOCL Barauni refinery).
- 3) **APM allocation for gas transmission has gone down to NIL from 16th Dec'2023;** this had led to rise in cost in gas transmission business.
- 4) **The management reiterated that GAIL is in the market to source 1mmtpa of LNG every year for the next 4-5 years** and is in advanced stages of discussion with multiple suppliers and hopes to soon conclude a deal.
- 5) **Petchem business achieved break-even in 3QFY24 due to higher volume and lower input gas cost (at around USD 8-9/mmbtu); the management expects Petchem business to earn a reasonable profit in FY25.** It expects **JBF petchem plant to be commissioned by Mar'25;** it also expects to incur INR 20bn to bring the plant to commissioning stage.
- 6) **FY25 capex guidance is INR 90bn (INR 30bn pipeline, INR 33bn Petchem, INR 10bn equity contribution in JV/subsidiaries, INR 7.5bn operational capex).**

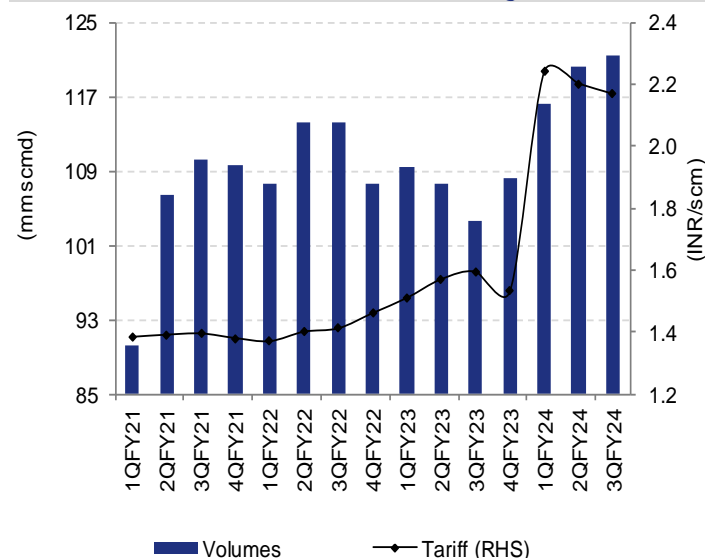
3QFY24 Result Review

Exhibit 1. GAIL quarterly snapshot

INR Mn	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	QoQ %	YoY%
Net Sales	375,625	384,786	353,654	328,432	322,121	318,068	342,365	7.6	-3.2
Operational Expenses	331,968	367,139	351,041	325,360	297,794	283,155	304,139	7.4	-13.4
EBITDA	43,657	17,647	2,613	3,072	24,327	34,913	38,226	9.5	1,362.7
EBITDA margin (%)	12%	5%	1%	1%	8%	11%	11%	19 bps	1043 bps
Interest	481	683	1,050	903	1,758	1,718	1,564	-9.0	49.0
Depreciation	6,030	6,194	6,226	6,432	6,358	7,503	7,843	4.5	26.0
Other Income	1,798	7,988	6,889	10,172	2,676	5,609	8,121	44.8	17.9
PBT	38,944	18,759	2,227	5,909	18,887	31,301	36,940	18.0	1,559.0
Tax	9,792	3,388	(231)	(127)	4,767	7,252	8,514	17.4	-3,792.0
PAT	29,152	15,371	2,457	6,035	14,120	24,049	28,426	18.2	1,056.8
EPS (INR)	4.4	2.3	0.4	0.9	2.1	3.7	4.3		

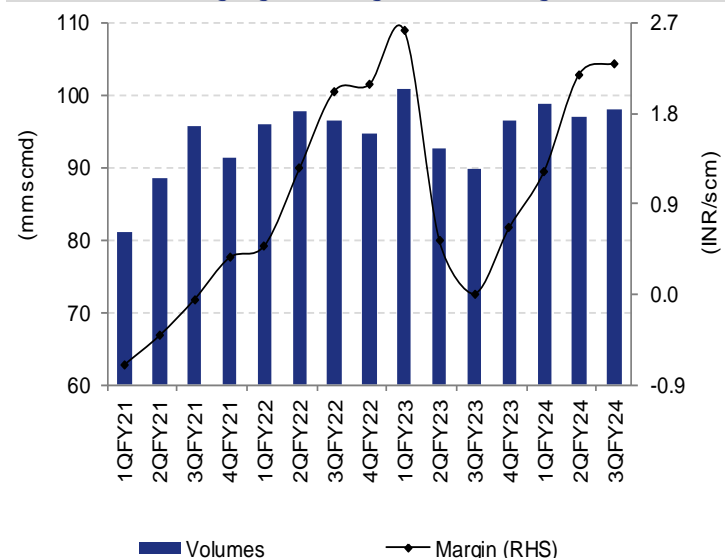
Source: Company, JM Financial

Exhibit 2. Gas transmission volume continues to grow



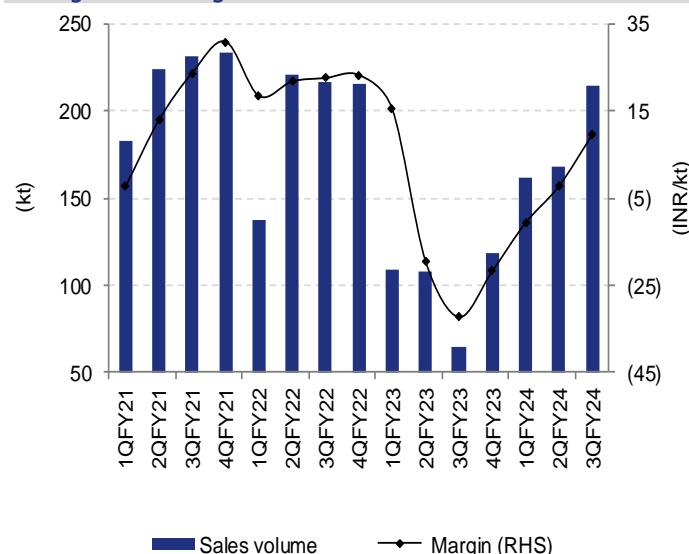
Source: Company, JM Financial

Exhibit 3. Gas trading segment margin further strengthened QoQ



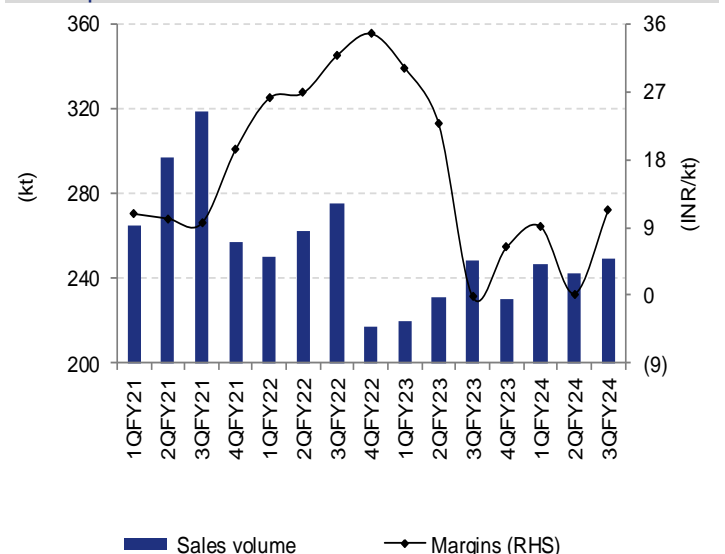
Source: Company, JM Financial

Exhibit 4. Petchem margin recovers on back of positive operating leverage and lower gas cost



Source: Company, JM Financial

Exhibit 5. LPG and LHC segment margin and volume slightly better than expected



Source: Company, JM Financial

Exhibit 6. GAIL operational details

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	QoQ %	YoY%
Gas transmission									
Gas transmission volume (mmscmd)	109.5	107.7	103.7	108.2	116.3	120.3	121.5	1.0	17.2
Gas transmission tariff (INR/tcm)	1,511	1,571	1,596	1,532	2,242	2,204	2,171	-1.5	36.0
Gas transmission cost (INR/tcm)	417	552	838	1,227	965	713	774	8.6	-7.6
Gas transmission EBITDA (INR/tcm)	1,094	1,019	758	305	1,276	1,491	1,396	-6.4	84.3
Gas marketing									
Gas trading volume (mmscmd)	100.8	92.5	89.9	96.5	98.8	97.0	98.1	1.2	9.2
Gas trading EBITDA (INR/tcm)	2,618	531	4	663	1,226	2,189	2,296	4.9	63,191.2
Petrochemical									
Production volume (kt)	132	95	68	147	164	160	205	28.1	201.5
Sales volume (kt)	109	108	65	118	162	168	215	28.0	230.8
Realisation (INR/ton)	132,661	123,333	112,308	113,220	104,630	102,976	94,419	-8.3	-15.9
Margins (INR/ton)	15,505	(19,444)	(32,308)	(21,780)	(10,679)	(2,262)	9,535	-521.5	-129.5
LHC and other hydrocarbons									
Production volume (kt)	227	227	247	232	243	238	249	4.6	0.8
Sales volume (kt)	220	231	248	230	247	242	249	2.9	0.4
Realisation (INR/ton)	63,864	53,506	48,589	47,783	45,749	34,298	45,301	32.1	-6.8
Margins (INR/ton)	30,136	22,684	(242)	6,348	9,109	207	11,245	5,342.6	-4,747.9
LPG transmission segment									
LPG transmission volume (ktpa)	1,055	1,100	1,101	1,079	1,073	1,114	1,095	-1.7	-0.5
LPG transmission tariff (INR/ton)	1,592	1,773	1,617	1,603	1,631	1,643	1,662	1.2	2.8
LPG transmission cost (INR/ton)	645	591	636	704	736	709	740	4.3	16.3
LPG transmission EBITDA (INR/ton)	948	1,182	981	899	895	934	922	-1.2	-6.0
Segment wise EBITDA (INR Mn)									
Gas transmission	10,900	10,100	7,230	2,970	13,510	16,500	15,610	-5.4	115.9
Gas trading	24,020	4,520	30	5,760	11,030	19,530	20,730	6.1	69,000.0
LPG and LHC	6,630	5,240	(60)	1,460	2,250	50	2,800	5,500.0	-4,766.7
Petrochemicals	1,690	(2,100)	(2,100)	(2,570)	(1,730)	(380)	2,050	-639.5	-197.6
LPG pipeline	1,000	1,300	1,080	970	960	1,040	1,010	-2.9	-6.5
Other segment	1,210	6,580	3,320	4,650	980	3,780	4,150	9.8	25.0
Total	45,450	25,640	9,500	13,240	27,000	40,520	46,350	14.4	387.9
Segment wise EBIT (INR Mn)									
Gas transmission	8,005	7,096	4,260	(164)	10,246	12,907	12,151	-5.9	185.2
Gas trading	23,145	3,629	(860)	4,874	10,136	17,846	18,804	5.4	-2,286.0
LPG and LHC	6,349	5,002	(292)	1,225	2,021	(167)	2,575	-1,643.0	-982.9
Petrochemicals	352	(3,462)	(3,489)	(4,009)	(3,009)	(1,600)	619	-138.7	-117.8
LPG pipeline	837	1,140	917	792	802	819	794	-3.0	-13.4
Other segment	1,526	1,437	768	1,338	1,528	1,588	1,294	-18.5	68.5
Total	40,213	14,842	1,305	4,056	21,724	31,392	36,238	15.4	2,676.9

Source: Company, JM Financial

Assumptions and Estimates

Exhibit 7. Key assumptions

	FY21	FY22	FY23	FY24E	FY25E	FY26E	Comments
Macro assumptions							
Brent crude price (USD/bbl)	45	80	95	75	65	65	
Exchange rate (INR/USD)	72	75	80	82	84	85	
Gas transmission segment							
Gas transmission volume (mmscmd)	104	111	107	120	127	132	Based on higher domestic gas production and gradual rise in LNG imports
Gas transmission tariff (INR/tcm)	1,409	1,431	1,575	2,284	2,307	2,330	Based on revised tariff order
Gas transmission cost (INR/tcm)	177	221	779	800	808	816	
Gas transmission EBITDA (INR/tcm)	1,232	1,210	797	1,484	1,499	1,514	
Gas trading segment							
Gas trading volume (mmscmd)	89	96	95	99	105	109	Based on increase in LNG imports and domestic gas that would be available for
Gas trading EBITDA (INR/tcm)	(45)	1,458	991	1,800	1,050	1,050	
Petrochemical segment							
Volume (ktpa)	871	791	400	750	788	903	
Global HDPE prices (USD/ton)	971	1,170	1,054	1,077	1,027	1,027	Based on crude price assumption and historical linkage of HDPE price to crude
GAIL realisation (USD/ton)	1,127	1,451	1,530	1,239	1,232	1,232	
Margin (USD/ton)	242	294	(158)	(48)	176	179	
Margin (INR/ton)	17,425	21,884	-12,711	-3,897	14,726	15,238	
LPG and other liquid hydrocarbon							
Volume (ktpa)	937	865	791	812	827	843	Based on guidance of volume growth due to better availability of rich gas
Global LPG prices (USD/ton)	420	700	711	479	528	528	Based on crude price assumption and historical linkage of LPG price to crude
GAIL realisation (USD/ton)	444	722	778	490	531	531	
Margin (USD/ton)	206	463	209	148	196	202	
Margin (INR/ton)	14,799	34,499	16,785	12,153	16,419	17,217	
LPG transmission segment							
LPG transmission volume (ktpa)	4,163	4,199	4,335	4,465	4,599	4,737	As per guidance
LPG transmission tariff (INR/ton)	1,588	1,577	1,652	1,668	1,685	1,702	Based on historical tariff
LPG transmission cost (INR/ton)	598	630	649	656	662	669	
LPG transmission EBITDA (INR/ton)	990	946	1,002	1,012	1,022	1,033	

Source: JM Financial, Company

Exhibit 8. Change in estimates

	New	Old	Divergence
EBITDA (INR Mn)			
FY24	127,756	113,153	12.9%
FY25	126,770	124,351	1.9%
FY26	135,976	133,447	1.9%
PAT (INR Mn)			
FY24	87,286	76,479	14.1%
FY25	84,839	83,048	2.2%
FY26	89,872	88,001	2.1%
EPS (INR)			
FY24	13.2	11.6	14.1%
FY25	13	13	2.2%
FY26	13.6	13.3	2.1%

Source: JM Financial, Bloomberg

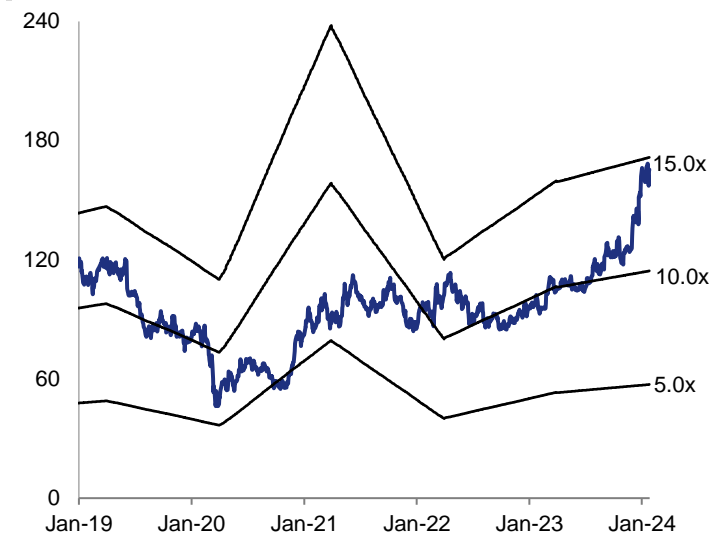
Valuation

Exhibit 9. SOTP-based valuation

	FY26 EBITDA (INR Bn)	EV/EBITDA multiple (x)	EV (INR Bn)	Valuation (INR/share)
Core business segment				
Natural gas transmission	73.2	8.0	586	89
Natural gas trading	41.7	5.0	209	32
LPG transmission	4.9	8.0	39	6
Petrochemical	13.8	6.0	83	13
LPG & OHC	14.5	6.0	87	13
Total core business	148		1003	152
Other investment				
			288	44
Total enterprise value			1291	196
Less: Net Debt/(cash)			135	20
Equity value			1156	175

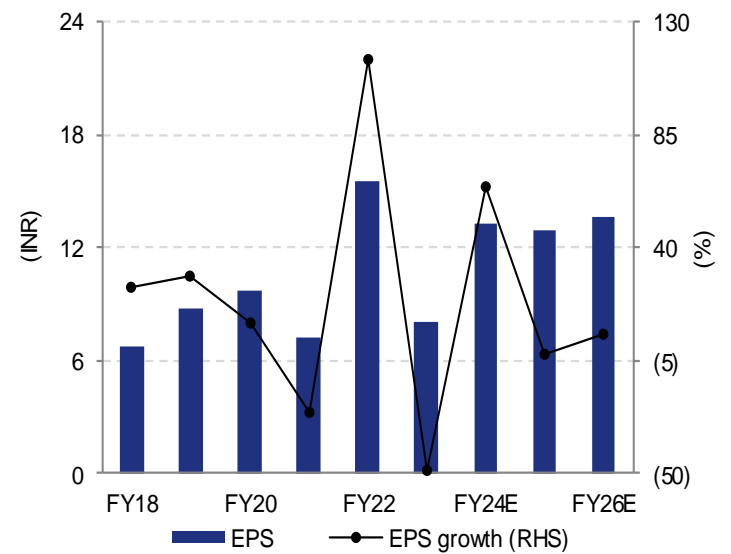
Source: JM Financial

Exhibit 10. 1-year forward PE chart



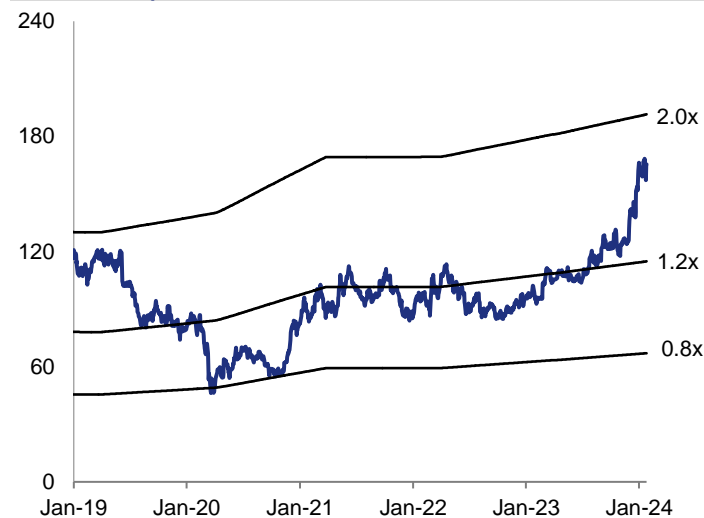
Source: Company, JM Financial

Exhibit 11. EPS vs EPS growth



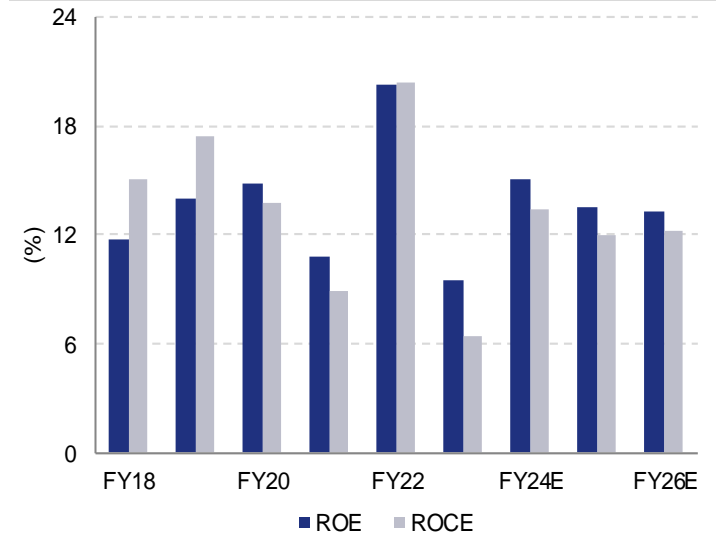
Source: Company, JM Financial

Exhibit 12. 1-year forward PB Chart



Source: Company, JM Financial

Exhibit 13. RoE vs RoCE



Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Sales	916,457	1,443,016	1,585,376	1,669,208	1,762,500	
Sales Growth	61.5%	57.5%	9.9%	5.3%	5.6%	
Other Operating Income	0	0	0	0	0	
Total Revenue	916,457	1,443,016	1,585,376	1,669,208	1,762,500	
Cost of Goods Sold/Op. Exp	707,822	1,288,759	1,334,526	1,361,217	1,388,441	
Personnel Cost	17,112	17,738	19,511	21,463	23,609	
Other Expenses	53,233	69,530	103,582	159,757	214,474	
EBITDA	138,290	66,989	127,756	126,770	135,976	
EBITDA Margin	15.1%	4.6%	8.1%	7.6%	7.7%	
EBITDA Growth	114.6%	-51.6%	90.7%	-0.8%	7.3%	
Depn. & Amort.	21,112	24,881	29,292	31,280	33,791	
EBIT	117,179	42,108	98,464	95,491	102,184	
Other Income	20,469	26,847	24,162	24,162	24,162	
Finance Cost	1,744	3,117	4,672	5,006	4,898	
PBT before Excep. & Forex	135,903	65,838	117,954	114,647	121,449	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	135,903	65,838	117,954	114,647	121,449	
Taxes	32,263	12,823	30,668	29,808	31,577	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	0	0	0	0	0	
Reported Net Profit	103,640	53,015	87,286	84,839	89,872	
Adjusted Net Profit	103,640	53,015	87,286	84,839	89,872	
Net Margin	11.3%	3.7%	5.5%	5.1%	5.1%	
Diluted Share Cap. (mn)	6,575.1	6,594.1	6,594.1	6,594.1	6,594.1	
Diluted EPS (INR)	15.8	8.0	13.2	12.9	13.6	
Diluted EPS Growth	114.7%	-48.3%	64.6%	-2.8%	5.9%	
Total Dividend + Tax	65,751	26,376	39,279	38,177	40,443	
Dividend Per Share (INR)	10.0	4.0	6.0	5.8	6.1	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Shareholders' Fund	555,868	556,537	604,544	651,205	700,635	
Share Capital	44,404	65,751	65,751	65,751	65,751	
Reserves & Surplus	511,464	490,786	538,793	585,454	634,884	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	63,528	143,087	166,599	165,221	159,397	
Def. Tax Liab. / Assets (-)	47,673	46,628	46,628	46,628	46,628	
Total - Equity & Liab.	667,068	746,252	817,770	863,054	906,659	
Net Fixed Assets	528,523	579,698	628,188	681,057	722,644	
Gross Fixed Assets	511,297	580,581	672,026	768,471	854,916	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	113,487	137,508	166,800	198,080	231,871	
Capital WIP	130,713	136,625	122,962	110,666	99,599	
Investments	128,383	130,170	121,217	112,892	105,149	
Current Assets	206,499	251,448	298,904	309,387	329,852	
Inventories	30,152	52,813	58,023	61,091	64,505	
Sundry Debtors	83,660	114,106	125,363	131,992	139,369	
Cash & Bank Balances	13,676	1,738	24,559	20,535	24,856	
Loans & Advances	60,049	33,848	37,187	39,153	41,342	
Other Current Assets	18,962	48,944	53,773	56,616	59,780	
Current Liab. & Prov.	196,337	215,064	230,540	240,282	250,986	
Current Liabilities	54,660	72,992	74,452	75,941	77,460	
Provisions & Others	141,677	142,072	156,087	164,341	173,526	
Net Current Assets	10,162	36,384	68,364	69,105	78,866	
Total - Assets	667,068	746,252	817,770	863,054	906,659	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Profit before Tax	135,903	65,838	117,954	114,647	121,449	
Depn. & Amort.	21,112	24,881	29,292	31,280	33,791	
Net Interest Exp. / Inc. (-)	-12,979	-18,320	5,130	7,117	9,629	
Inc (-) / Dec in WCcap.	-30,198	-30,932	-15,007	-8,208	-9,273	
Others	5,662	1,791	0	0	0	
Taxes Paid	-31,960	-15,178	-30,668	-29,808	-31,577	
Operating Cash Flow	87,540	28,080	106,701	115,028	124,020	
Capex	-59,511	-74,191	-77,783	-84,149	-75,378	
Free Cash Flow	28,029	-46,111	28,918	30,879	48,642	
Inc (-) / Dec in Investments	-4,566	-10,586	784	3,516	2,390	
Others	19,948	19,244	24,162	24,162	24,162	
Investing Cash Flow	-44,130	-65,533	-52,836	-56,471	-48,826	
Inc / Dec (-) in Capital	0	-13,289	0	0	0	
Dividend + Tax thereon	0	0	0	0	0	
Inc / Dec (-) in Loans	3,621	79,560	23,511	-1,378	-5,824	
Others	-45,477	-40,756	-54,555	-61,203	-65,049	
Financing Cash Flow	-41,857	25,515	-31,044	-62,581	-70,873	
Inc / Dec (-) in Cash	1,553	-11,938	22,821	-4,024	4,321	
Opening Cash Balance	12,122	13,676	1,738	24,559	20,535	
Closing Cash Balance	13,676	1,738	24,559	20,535	24,856	

Source: Company, JM Financial

Dupont Analysis		FY22A	FY23A	FY24E	FY25E	FY26E
Net Margin		11.3%	3.7%	5.5%	5.1%	5.1%
Asset Turnover (x)		1.5	2.0	2.0	2.0	2.0
Leverage Factor (x)		1.2	1.3	1.3	1.3	1.3
RoE		20.3%	9.5%	15.0%	13.5%	13.3%

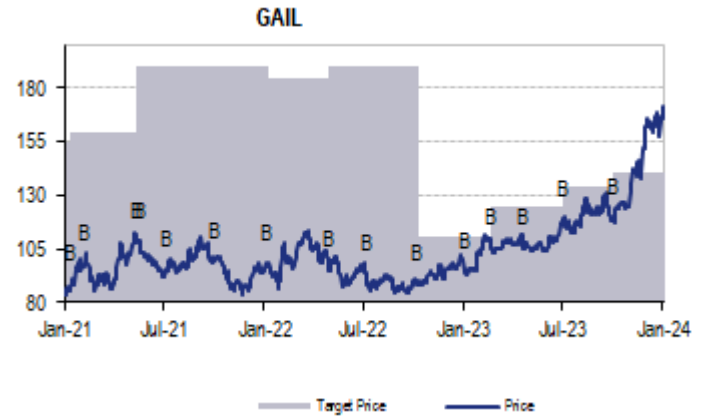
Key Ratios		FY22A	FY23A	FY24E	FY25E	FY26E
BV/Share (INR)		84.5	84.4	91.7	98.8	106.3
ROIC		19.9%	6.5%	12.2%	10.8%	10.7%
ROE		20.3%	9.5%	15.0%	13.5%	13.3%
Net Debt/Equity (x)		-0.1	0.0	0.0	0.0	0.0
P/E (x)		10.9	21.4	13.0	13.4	12.6
P/B (x)		2.0	2.0	1.9	1.7	1.6
EV/EBITDA (x)		7.8	17.5	9.3	9.4	8.8
EV/Sales (x)		1.2	0.8	0.7	0.7	0.7
Debtor days		33	29	29	29	29
Inventory days		12	13	13	13	13
Creditor days		26	19	19	18	17

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
11-Feb-20	Buy	180	
25-Jun-20	Buy	125	-30.3
13-Aug-20	Buy	120	-4.0
10-Nov-20	Buy	125	3.9
6-Jan-21	Buy	155	24.1
10-Feb-21	Buy	160	3.1
5-Mar-21	Buy	160	0.0
10-Jun-21	Buy	190	19.3
15-Jun-21	Buy	190	0.0
5-Aug-21	Buy	190	-0.4
31-Oct-21	Buy	190	0.2
3-Feb-22	Buy	185	-3.0
28-May-22	Buy	190	3.1
4-Aug-22	Buy	190	-0.2
5-Nov-22	Buy	110	-41.9
30-Jan-23	Buy	110	-0.1
22-Mar-23	Buy	125	13.4
18-May-23	Buy	125	-0.2
31-Jul-23	Buy	135	7.8
31-Oct-23	Buy	140	4.2

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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* REITs refers to Real Estate Investment Trusts.

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