

# Jubilant FoodWorks

Estimate changes



TP change



Rating change



	JUBI IN
Bloomberg	
Equity Shares (m)	660
M.Cap.(INRb)/(USDb)	397.2 / 4.7
52-Week Range (INR)	715 / 421
1, 6, 12 Rel. Per (%)	-1/21/-6
12M Avg Val (INR M)	1554

## Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	78.7	89.1	100.7
Sales Gr. (%)	39.2	13.2	13.0
EBITDA	15.7	18.6	21.7
EBITDA Margin (%)	19.9	20.9	21.6
Adj. PAT	3.4	5.1	6.6
Adj. EPS (INR)	5.1	7.7	10.0
EPS Gr. (%)	29.9	50.7	29.7
BV/Sh.(INR)	34.9	37.0	40.6

## Ratios

RoE (%)	14.7	20.9	24.7
RoCE (%)	9.9	11.4	13.2

## Valuation

P/E (x)	117.5	77.9	60.1
P/BV (x)	17.2	16.3	14.8
EV/EBITDA (x)	27.5	23.1	19.6
EV/Sales (x)	5.5	4.8	4.2

## Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	41.9	41.9	41.9
DII	30.4	29.9	22.4
FII	21.4	20.8	26.4
Others	6.3	7.4	9.4

FII Includes depository receipts

CMP: INR602

TP: INR 625 (+4%)

Neutral

## Stable performance; focus on network expansion

- Jubilant Foodworks (JUBI) reported standalone sales growth of 9% YoY to INR14.7b (in line), led by 20% order growth. LFL grew 2.8% (in line). The delivery business performed well, growing 16% YoY; the business raised its share to 70%. Dine-in revenue, however, dipped 6% YoY. Waving of delivery charges has been shifting the dine-in demand to delivery.
- Domino's India has added 50 new stores and entered 20 new cities in 2Q. The store expansion spree for Domino's and other brands will continue to broaden the customer reach and gain market share.
- Standalone gross margin was down marginally (-30bp YoY to 76.1%), and EBITDA margin contracted 150bp YoY to 19.4%. The contraction is due to higher investments in technology, supply chain enhancements, and negative operating leverage. Additionally, the company intensified its value proposition by offering free delivery. JUBI emphasized that customer retention and acquisition are critical priorities in the current demand environment.
- Weak operating margins were further hurt by higher depreciation (investments on backend capabilities) and interest costs. Standalone PBT declined 28% YoY, and margin came in at 4.8% in 2QFY25. Standalone PAT declined 28% YoY during the quarter.
- The QSR industry is still reeling under pressure due to growth metrics-led weakness on unit economics. Outperformance of delivery demand has supported healthy traffic growth for Jubilant. The growth recovery still looks more gradual, and operating margin would see slower recovery. **We reiterate our Neutral rating on the stock with a TP of INR625.**

## Overall performance in line; LFL up 2.8%

- Positive LFL growth:** sales growth of 9% YoY to INR14.7b (est. INR14.7b) led by order growth of 20.2%. Dominos LFL grew by 2.8% (in line) led by delivery LFL growth of 11.4%.
- Store expansion continues:** In India, JUBI opened 51 net stores, taking the total count to 2,199. Domino's opened 50 new Domino's Pizza stores, taking the count to 2,079. Popeyes opened four new stores, taking the count to 54. Hong's Kitchen opened one store, taking the count to 34. Dunkin' Donuts closed four stores, taking the count to 32.
- Weak EBITDA margin:** Gross profit grew 9% YoY to INR11.1b (in line). GM dipped 30bp YoY, while it was flat QoQ at 76.1% (est. 75.5%). EBITDA margin contracted 150bp YoY, while it expanded 10bp QoQ to 19.4% (est. 19.4%). PBT margin was 4.8% vs. 7.2% 2QFY24 and 4.7% 1QFY25.
- Decline in PBT/PAT:** EBITDA inched up 1% YoY to INR2.8b (est. INR2.8b). PBT (before exceptional) continued to decline and was down 28% YoY to INR698m (est. INR710m). Adj. PAT dipped 28% YoY to INR521m (est. 531m).
- In 1HFY25, net sales/EBITDA rose 10%/1%, while APAT declined 30% YoY. In 2HFY25, we model sales/EBITDA growth of 12%/5% and flat APAT YoY.

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

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

### International business

- Domino's Sri Lanka revenue rose 34% YoY to INR170m, led by strategic store relocations, new product launches, and focused local initiatives. No store has been opened during the quarter.
- Domino's Bangladesh revenue declined 5% YoY to INR126m on account of temporary store closures amidst a challenging operating environment. However, all stores are now operational. Five stores were opened in Bangladesh, taking the total count to 35 stores.

### DPEU

- Domino's system sales stood at INR6,924m. Domino's Turkey LFL growth was down 6%.
- COFFY's system sales came in at INR651m. COFFY's LFL growth dipped 4%.
- Revenue for DPEU came in at INR4,605m, with operating EBITDA of 26.1% and PAT margin of 10.5%.
- In DP Eurasia, the company opened 17 stores in 2QFY25, taking the total count to 846.

### Highlights from the management commentary

- JUBI has achieved strong volume growth momentum driven by its own initiatives, even in a softer demand environment. Growth momentum is expected to accelerate in 3QFY25 compared to 2Q.
- A lunch menu priced at INR99 boosted in-store traffic during off-peak hours (11 AM to 3 PM), supporting sales growth.
- No price hikes have been taken in the past nine quarters, with inflation absorbed through internal cost optimization and productivity enhancements.
- Margins have been impacted by the company's free delivery initiatives; however, approximately two-thirds of these costs have been offset through internal cost-efficiency measures.
- Operating margin recovery will be slower than growth recovery as the company is in a reinvestment mode.

### Valuation and view

- There are no material changes to our EPS estimates for FY25 and FY26.
- The QSR industry is still reeling under pressure on unit economics. JUBI was the beneficiary of healthy traffic growth for the delivery business. Delivery is expected to outperform in the near term, which will continue to lead to better growth metrics than JUBI's peers in the near term. Operating margin is likely to experience slower recovery owing to JUBI's continuous reinvestment in its core capabilities.
- We value the India business at 35x EV/EBITDA (pre-IND AS) and the international business at 15x EV/EBITDA (pre-IND AS) on Sep'26E to arrive at our TP of INR625. **We reiterate our Neutral rating on the stock.**

## Quarterly Standalone Perf.

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>No of stores (Dominos)</b>	<b>1,838</b>	<b>1,888</b>	<b>1,928</b>	<b>1,995</b>	<b>2,029</b>	<b>2,079</b>	<b>2,127</b>	<b>2,175</b>	<b>1,995</b>	<b>2,175</b>	<b>2,077</b>	
<b>LFL growth (%)</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-2.9</b>	<b>0.1</b>	<b>3.0</b>	<b>2.8</b>	<b>4.0</b>	<b>4.5</b>	<b>-1.4</b>	<b>3.6</b>	<b>2.5</b>	
<b>Net Sales</b>	<b>13,097</b>	<b>13,448</b>	<b>13,551</b>	<b>13,313</b>	<b>14,396</b>	<b>14,669</b>	<b>15,109</b>	<b>14,883</b>	<b>53,409</b>	<b>59,056</b>	<b>14,659</b>	<b>0.1%</b>
YoY change (%)	5.6	4.5	2.9	6.3	9.9	9.1	11.5	11.8	4.8	10.6	9.0	
<b>Gross Profit</b>	<b>9,956</b>	<b>10,275</b>	<b>10,387</b>	<b>10,200</b>	<b>10,955</b>	<b>11,157</b>	<b>11,483</b>	<b>11,289</b>	<b>40,817</b>	<b>44,883</b>	<b>11,067</b>	<b>0.8%</b>
Gross margin (%)	76.0	76.4	76.7	76.6	76.1	76.1	76.0	75.8	76.4	76.0	75.5	
<b>EBITDA</b>	<b>2,764</b>	<b>2,807</b>	<b>2,827</b>	<b>2,543</b>	<b>2,782</b>	<b>2,842</b>	<b>2,916</b>	<b>2,729</b>	<b>10,941</b>	<b>11,269</b>	<b>2,844</b>	<b>-0.1%</b>
EBITDA growth %	-9.2	-10.2	-2.5	0.8	0.6	1.3	3.1	7.3	-5.6	3.0	1.3	
Margins (%)	21.1	20.9	20.9	19.1	19.3	19.4	19.3	18.3	20.5	19.1	19.4	
Depreciation	1,328	1,379	1,465	1,511	1,552	1,654	1,685	1,628	5,684	6,519	1,574	
Interest	513	534	583	609	619	640	640	645	2,239	2,544	635	
Other Income	91	69	40	86	73	150	125	102	285	450	75	
<b>PBT</b>	<b>1,014</b>	<b>963</b>	<b>819</b>	<b>508</b>	<b>683</b>	<b>698</b>	<b>716</b>	<b>558</b>	<b>3,303</b>	<b>2,655</b>	<b>710</b>	<b>-1.7%</b>
YoY Change (%)	-38.2	-40.5	-31.4	-45.3	-32.6	-27.5	-12.6	9.9	-38.6	-19.6	-26.3	
Tax	262	241	209	132	168	177	180	138	844	664	179	
Rate (%)	25.8	25.1	25.6	26.0	24.6	25.4	25.2	24.8	25.6	25.0	25.2	
<b>Adjusted PAT</b>	<b>752</b>	<b>721</b>	<b>610</b>	<b>345</b>	<b>515</b>	<b>521</b>	<b>536</b>	<b>420</b>	<b>2,428</b>	<b>1,992</b>	<b>531</b>	<b>-2.0%</b>
YoY change (%)	-38.2	-39.5	-31.16	-44.38	-31.5	-27.8	-12.11	21.72	-38.0	-18.0	-26.4	

E: MOFSL Estimates

## Exhibit 1: Store count

Total Stores	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
<b>Management control</b>										
<b>India:</b>										
Domino's	1,625	1,701	1,760	1,816	1,838	1,888	1,928	1,995	2,029	2,079
Popeye's	6	8	12	13	17	22	32	42	50	54
Dunkin	25	24	24	21	21	21	25	31	36	32
Hong's Kitchen	17	14	12	13	15	18	22	28	33	34
Ekdum	3	6	6	-	-	-	-	-	-	-
<b>Total Stores in India</b>	<b>1,676</b>	<b>1,753</b>	<b>1,814</b>	<b>1,863</b>	<b>1,891</b>	<b>1,949</b>	<b>2,007</b>	<b>2,096</b>	<b>2,148</b>	<b>2,199</b>
<b>Store addition</b>	<b>51</b>	<b>77</b>	<b>61</b>	<b>49</b>	<b>28</b>	<b>58</b>	<b>58</b>	<b>89</b>	<b>52</b>	<b>51</b>
Sri Lanka and Bangladesh	46	51	60	65	70	73	76	78	80	85
<b>Total Stores under MGT control</b>	<b>1,722</b>	<b>1,804</b>	<b>1,874</b>	<b>1,928</b>	<b>1,961</b>	<b>2,022</b>	<b>2,083</b>	<b>2,174</b>	<b>2,228</b>	<b>2,284</b>
<b>Store addition</b>	<b>53</b>	<b>82</b>	<b>70</b>	<b>54</b>	<b>33</b>	<b>61</b>	<b>61</b>	<b>91</b>	<b>54</b>	<b>56</b>
DP Eurasia	-	-	859	859	714	742	761	817	829	846
<b>Total</b>	<b>1,722</b>	<b>1,804</b>	<b>2,733</b>	<b>2,787</b>	<b>2,675</b>	<b>2,764</b>	<b>2,844</b>	<b>2,991</b>	<b>3,057</b>	<b>3,130</b>
<b>Store addition</b>	<b>53</b>	<b>82</b>	<b>929</b>	<b>54</b>	<b>(112)</b>	<b>89</b>	<b>80</b>	<b>147</b>	<b>66</b>	<b>73</b>

## Exhibit 2: Domino's growth metrics

Growth metrics	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Revenue Growth (%)	41.1	16.9	10.3	8.2	5.6	4.5	2.9	6.3	9.9	9.1
Store Growth (%)	17.8	18.5	17.7	15.9	13.1	11.0	9.5	9.9	10.4	10.1
Like-like SSG (%)	28.3	8.4	0.3	(0.6)	(1.3)	(1.3)	(2.9)	0.1	3.0	2.8
ADS per store (INR)	85,397	84,105	83,609	77,822	78,773	78,463	78,044	75,413	78,625	77,626
YoY Gr (%)	(0.8)	(1.1)	(5.6)	(7.4)	(7.8)	(6.7)	(6.7)	(3.1)	(0.2)	(1.1)

## Consolidated performance

- Consolidated net sales up 43% YoY to INR19.5b.
- Gross margin contracted 370bp YoY, while it remained stable QoQ to 72.5% due to the DPEU business.
- EBITDA margin expanded marginally by 10bp YoY to 20.4% and 60bp QoQ to 20.4%.
- PBT up by only 4% due to higher depreciation (+42%) and interest cost (+143%). PBT margin came at 4.6%.
- APAT declined 26% YoY to INR715m.

## Quarterly Consolidated Perf.

(INR m)

Y/E March	FY24				FY25	
	1Q	2Q	3Q	4Q	1Q	2Q
<b>Net Sales</b>	13,345	13,686	13,781	15,728	19,331	19,547
YoY change (%)	6.3	5.2	3.5	23.9	44.9	42.8
<b>Gross Profit</b>	10,113	10,426	10,537	12,055	14,034	14,168
Gross margin (%)	75.8	76.2	76.5	76.6	72.6	72.5
<b>EBITDA</b>	2,758	2,772	2,801	3,103	3,830	3,986
EBITDA growth %	(9.3)	(11.1)	(2.2)	24.6	38.9	43.8
Margins (%)	20.7	20.3	20.3	19.7	19.8	20.4
Depreciation	1,357	1,419	1,515	1,689	1,836	2,014
Interest	543	568	624	1,142	1,344	1,381
Other Income	93	71	42	213	171	302
<b>PBT</b>	951	855	703	487	821	893
YoY Change (%)	(40.8)	(45.9)	(37.0)	(42.4)	(13.7)	4.4
Tax	254	233	201	161	188	155
Rate (%)	46.8	19.4	23.5	29.4	23.6	17.8
Share of profit of associates	408	(350)	(155)	(62)	26	23
<b>Adjusted PAT</b>	289	972	657	887	607	715
YoY change (%)	(74.3)	(26.1)	(18.2)	210.8	109.9	(26.4)

## Highlights from the management commentary

### Business environment

- JUBI has achieved strong volume growth momentum driven by its own initiatives, even in a softer demand environment.
- Domino's India leverages contextual, occasion-based in-app offers (e.g., Independence Day, Rakhi, Friendship Day) to boost sales through its digital platforms.
- Growth momentum is expected to accelerate in 3QFY25 compared to 2Q.
- Enhanced consumer value offerings aided volume growth and market share gains.
- Continued app improvements have led to record-high Monthly Active Users (MAUs) at 12.8 million (+18.5% YoY), with new customer acquisitions also seeing strong growth (+21% YoY).
- Delivery channel revenue rose 15.9% YoY, driven by a delivery LFL growth of 11.4%, with delivery orders rising 32.3%.
- Dine-in revenue declined 5.6% YoY due to moderate order growth and a decrease in ticket size.
- No price hikes have been taken in the past nine quarters, with inflation absorbed through internal cost optimization and productivity enhancements.
- The shift from dine-in to delivery continues in both India and international markets.
- The company remains focused on reducing delivery times from 30 minutes to 20 minutes and expanding stores in new cities.
- In Turkey, business growth is supported by margin improvements and network expansion.
- JUBI prioritizes innovation, delivery improvements, and partnerships with aggregators to drive growth.
- A lunch menu priced at INR99 boosted in-store traffic during off-peak hours (11 AM to 3 PM), supporting sales growth.

- The 20-minute delivery initiative and free delivery options have driven delivery growth, although takeaway demand has decelerated.

**Costs and Margins**

- Margins have been impacted by the company’s free delivery initiatives; however, approximately two-thirds of these costs have been offset through internal cost-efficiency measures.
- Operating margin recovery will be slower than growth recovery as the company is in a reinvestment mode.
- Project Vijay has mitigated the adverse impact of raw material costs and inflation, with deflationary trends observed in key inputs.
- Inflationary pressures persist in wages and food costs, though rent expenses remained below previous levels.
- Store productivity has improved by 30-35%, driven by enhanced throughput per store.

**Product Innovation**

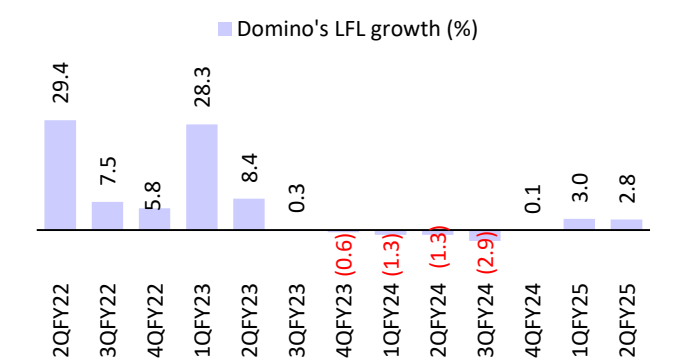
- Introduction of “Cheese Volcano Pizzas” with various flavors
- Domino’s India launched “Cheesiken,” a fusion of chicken, cheese, and rice, in three southern states.
- In Domino’s Bangladesh, it launched Texas BBQ Chicken and Choco Breadstick.
- Launched Popeyes Chicken Wings in Six New Flavors.
- In Hong Kong Kitchen, it launched Momos of India range.

**International business**

- Domino’s Bangladesh revenue declined 5% YoY to INR126m on account of temporary store closures amidst a challenging operating environment. However, all stores are now operational.
- Domino’s Sri Lanka revenue rose 34% YoY to INR170m, led by strategic store relocations, new product launches, and focused local initiatives.

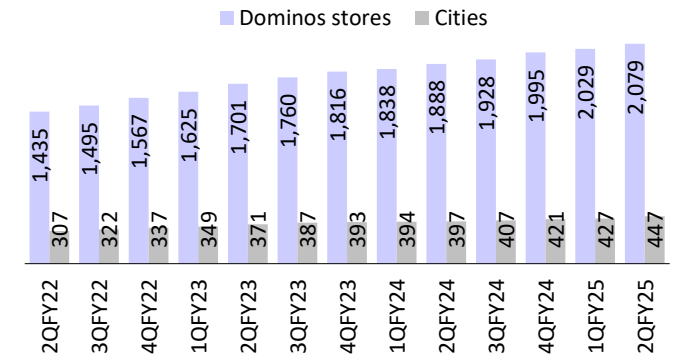
**Key exhibits**

**Exhibit 3: Domino’s LFL grew 2.8% in 2QFY25**



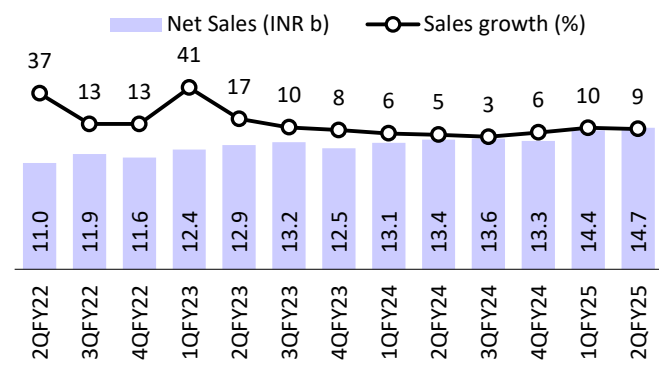
Source: Company, MOFSL

**Exhibit 4: Domino’s – Added 50 new stores, 20 new cities**



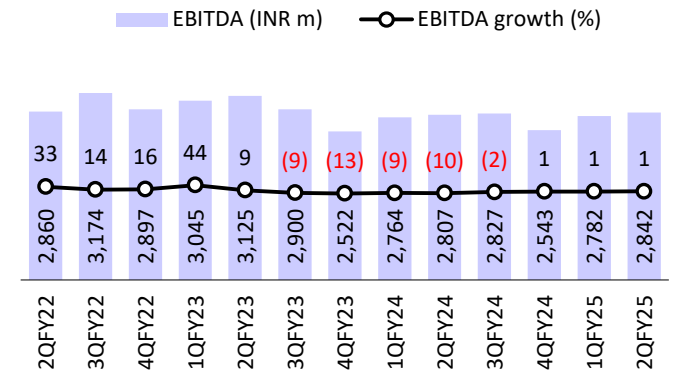
Source: Company, MOFSL

**Exhibit 5: Net sales grew 9% YoY to INR14.7b**



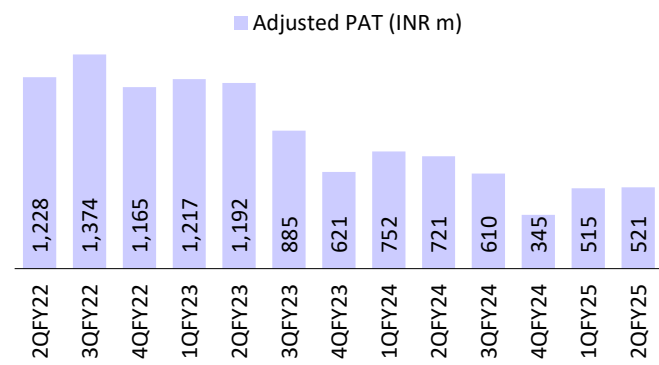
Source: Company, MOFSL

**Exhibit 6: EBITDA growth was flat YoY at INR2.8b**



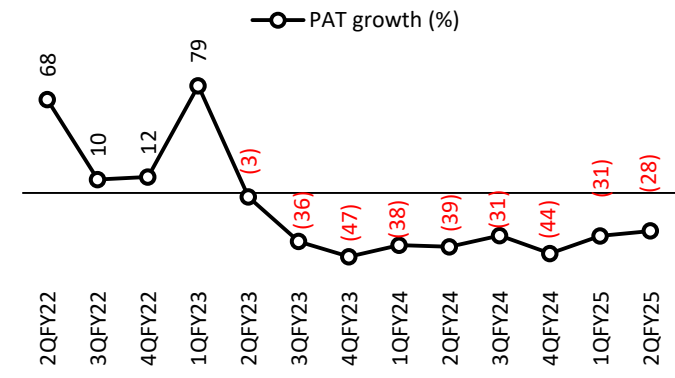
Source: Company, MOFSL

**Exhibit 7: Adjusted PAT declined YoY to INR521m**



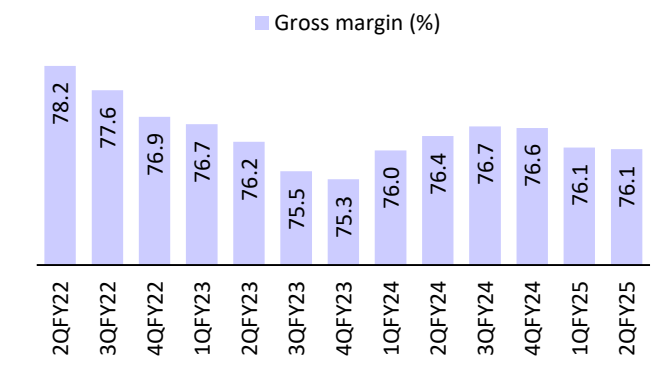
Source: MOFSL, Company

**Exhibit 8: PAT declined 28% YoY in 2QFY25**



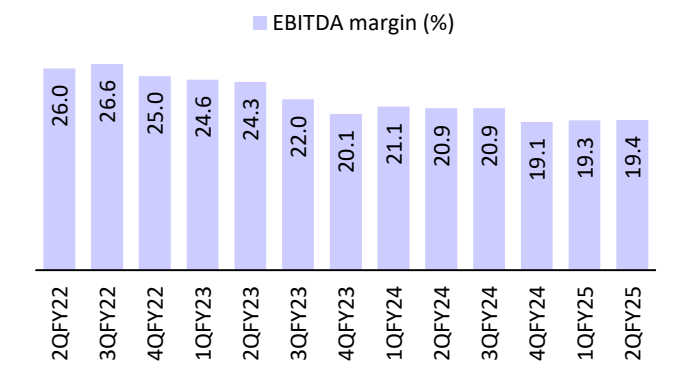
Source: MOFSL, Company

**Exhibit 9: Gross margin contracted marginally by 30bp YoY to 76.1%**



Source: MOFSL, Company

**Exhibit 10: EBITDA margin contracted 150bp YoY to 19.4%**



Source: MOFSL, Company

**Valuation and view**

- There are no material changes to our EPS estimates for FY25 and FY26.
- The QSR industry is still reeling under pressure on unit economics. JUBI was the beneficiary of healthy traffic growth for the delivery business. Delivery is expected to outperform in the near term, which will continue to lead to better growth metrics than JUBI's peers in the near term. Operating margin is likely to experience slower recovery owing to JUBI's continuous reinvestment in its core capabilities.
- We value the India business at 35x EV/EBITDA (pre-IND AS) and the international business at 15x EV/EBITDA (pre-IND AS) on Sep'26E to arrive at our TP of INR625. **We reiterate our Neutral rating on the stock.**

**Exhibit 11: No material changes to our EPS estimates for FY25/FY26**

INR m	New		Old		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Sales	78,718	89,129	78,879	89,312	-0.2%	-0.2%
EBITDA	15,652	18,610	15,808	18,863	-1.0%	-1.3%
Adjusted PAT	3,381	5,097	3,510	5,278	-3.7%	-3.4%

Source: MOFSL



## Financials and valuations

Income Statement									(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>35,631</b>	<b>39,273</b>	<b>33,119</b>	<b>43,961</b>	<b>51,582</b>	<b>56,541</b>	<b>78,718</b>	<b>89,129</b>	<b>1,00,708</b>
Change (%)	18.0	10.2	-15.7	32.7	17.3	9.6	39.2	13.2	13.0
Material Consumed	8,861	9,835	7,262	9,899	12,478	13,411	14,174	16,229	18,744
<b>Gross Profit</b>	<b>26,770</b>	<b>29,438</b>	<b>25,856</b>	<b>34,062</b>	<b>39,104</b>	<b>43,130</b>	<b>64,545</b>	<b>72,900</b>	<b>81,963</b>
Gross Margin %	75.1	75.0	78.1	77.5	75.8	76.3	82.0	81.8	81.4
Operating expenses	20,773	20,682	18,144	22,974	27,589	31,695	48,893	54,290	60,233
<b>EBITDA</b>	<b>5,998</b>	<b>8,756</b>	<b>7,712</b>	<b>11,088</b>	<b>11,516</b>	<b>11,435</b>	<b>15,652</b>	<b>18,610</b>	<b>21,731</b>
Change (%)	36.3	46.0	-11.9	43.8	3.9	-0.7	36.9	18.9	16.8
Margin (%)	16.8	22.3	23.3	25.2	22.3	20.2	19.9	20.9	21.6
Depreciation	1,575	3,523	3,754	3,931	4,859	5,980	7,872	8,913	10,071
Int. and Fin. Ch.	0	1,652	1,627	1,761	2,012	2,878	4,181	3,791	3,842
Other Non-recurring Inc.	474	447	731	236	243	2,280	850	890	998
<b>PBT</b>	<b>4,897</b>	<b>4,028</b>	<b>3,062</b>	<b>5,633</b>	<b>4,887</b>	<b>4,857</b>	<b>4,449</b>	<b>6,796</b>	<b>8,816</b>
Change (%)	61.6	-17.7	-24.0	83.9	-13.2	-0.6	-8.4	52.8	29.7
Margin (%)	13.7	10.3	9.2	12.8	9.5	8.6	5.7	7.6	8.8
Tax	1,717	1,240	757	1,452	1,357	850	1,068	1,699	2,204
Tax Rate (%)	35.1	30.8	24.7	25.8	27.8	17.5	24.0	25.0	25.0
<b>Adjusted PAT</b>	<b>3,180</b>	<b>3,537</b>	<b>2,266</b>	<b>4,254</b>	<b>3,883</b>	<b>2,604</b>	<b>3,381</b>	<b>5,097</b>	<b>6,612</b>
Change (%)	65.8	11.2	-35.9	87.8	-8.7	-32.9	29.9	50.7	29.7
Margin (%)	8.9	9.0	6.8	9.7	7.5	4.6	4.3	5.7	6.6
Non-rec. (Exp)/Inc.	0	-249	0	-73	0	1,702	0	0	0
<b>Reported PAT</b>	<b>3,180</b>	<b>2,788</b>	<b>2,306</b>	<b>4,181</b>	<b>3,530</b>	<b>4,008</b>	<b>3,381</b>	<b>5,097</b>	<b>6,612</b>

Balance Sheet									(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320
Reserves	11,277	9,901	12,949	18,130	19,058	20,387	21,709	23,085	25,476
Share Premium	477	477	477	477	477	477	477	477	0
P&L Balance	10799	9423	12471	17653	19103	19923	20282	20353	0
<b>Net Worth</b>	<b>12,596</b>	<b>11,220</b>	<b>14,268</b>	<b>19,450</b>	<b>20,378</b>	<b>21,706</b>	<b>23,029</b>	<b>24,405</b>	<b>26,796</b>
Loans	5	16,706	16,205	21,066	25,537	41,973	45,371	45,982	46,593
<b>Capital Employed</b>	<b>12,627</b>	<b>28,033</b>	<b>30,567</b>	<b>40,617</b>	<b>45,915</b>	<b>64,406</b>	<b>69,125</b>	<b>71,112</b>	<b>74,115</b>
<b>Goodwill</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,706</b>	<b>7,706</b>	<b>7,706</b>	<b>7,706</b>
Gross Block	12,288	27,542	28,778	35,390	45,564	57,999	62,912	67,957	72,703
Less: Accum. Depn.	4,577	6,036	7,688	8,591	11,759	15,761	20,974	25,637	30,711
<b>Net Fixed Assets</b>	<b>7,711</b>	<b>21,506</b>	<b>21,090</b>	<b>26,798</b>	<b>33,805</b>	<b>42,238</b>	<b>41,939</b>	<b>42,320</b>	<b>41,992</b>
<b>Intangible property</b>	<b>383</b>	<b>381</b>	<b>365</b>	<b>567</b>	<b>1,141</b>	<b>11,894</b>	<b>11,894</b>	<b>11,894</b>	<b>11,894</b>
Capital WIP	157	412	285	465	1,838	1,178	715	715	715
Investments	1,808	512	5,167	9,268	8,218	3,080	3,742	3,942	4,142
Deferred tax assets	-500	751	831	526	743	-1613	-1613	-1613	-1613
<b>Curr. Assets, L&amp;A</b>	<b>8,498</b>	<b>10,137</b>	<b>9,881</b>	<b>10,192</b>	<b>8,077</b>	<b>14,280</b>	<b>16,053</b>	<b>18,827</b>	<b>23,476</b>
Inventory	771	947	1,331	1,612	1,770	4,099	2,701	3,058	3,456
Account Receivables	274	166	168	220	287	2,695	438	496	561
Cash and Bank Balance	4,943	6,559	5,344	5,634	2,506	1,570	8,008	9,812	13,382
Others	2,510	2,464	3,038	2,726	3,514	5,916	4,905	5,460	6,077
<b>Curr. Liab. and Prov.</b>	<b>5,430</b>	<b>5,666</b>	<b>7,053</b>	<b>7,200</b>	<b>7,906</b>	<b>14,357</b>	<b>11,312</b>	<b>12,679</b>	<b>14,198</b>
Other Current Liabilities	919	873	1,300	1,420	1,873	4,344	2,266	2,493	2,742
Creditors	4,209	4,470	5,330	5,370	5,614	9,216	8,627	9,768	11,036
Provisions	303	322	423	411	419	796	419	419	419
<b>Net Curr. Assets</b>	<b>3,067</b>	<b>4,471</b>	<b>2,828</b>	<b>2,992</b>	<b>171</b>	<b>-77</b>	<b>4,741</b>	<b>6,147</b>	<b>9,278</b>
<b>Appl. of Funds</b>	<b>12,627</b>	<b>28,032</b>	<b>30,566</b>	<b>40,616</b>	<b>45,915</b>	<b>64,406</b>	<b>69,125</b>	<b>71,112</b>	<b>74,115</b>

E: MOFSL Estimates



## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>									
EPS	4.8	5.4	3.4	6.4	5.9	3.9	5.1	7.7	10.0
BV/Share	19.1	17.0	21.6	29.5	30.9	32.9	34.9	37.0	40.6
DPS	1.0	1.2	1.2	1.2	1.2	1.8	1.8	1.8	1.8
Payout %	20.8	22.4	34.9	18.6	20.4	44.4	34.2	22.7	17.5
<b>Valuation (x)</b>									
P/E	124.9	112.3	175.3	93.4	102.3	152.6	117.5	77.9	60.1
EV/Sales	11.0	10.4	12.2	9.2	8.0	7.7	5.5	4.8	4.2
EV/EBITDA	65.1	46.5	52.2	36.4	35.8	38.0	27.5	23.1	19.6
P/BV	31.5	35.4	27.8	20.4	19.5	18.3	17.2	16.3	14.8
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3
<b>Return Ratios (%)</b>									
RoE	25.2	31.5	15.9	21.9	19.1	12.0	14.7	20.9	24.7
RoCE	28.5	19.4	12.1	15.5	11.5	11.6	9.9	11.4	13.2
RoIC	50.7	27.6	14.8	23.6	16.4	9.8	10.3	12.8	15.5
<b>Working Capital Ratios</b>									
Debtor (Days)	3	2	2	2	2	17	2	2	2
Inventory (Days)	8	9	15	13	13	26	13	13	13
Creditor (Days)	43	42	59	45	40	59	40	40	40
Asset Turnover (x)	2.8	1.4	1.1	1.1	1.1	0.9	1.1	1.3	1.4
<b>Leverage Ratio</b>									
Debt/Equity (x)	0.0	1.5	1.1	1.1	1.3	1.9	2.0	1.9	1.7

### Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>(INR m)</b>									
OP/(loss) before Tax	4,897	4,028	3,062	5,633	4,887	4,850	4,449	6,796	8,816
Int./Div. Received	-200	-395	-414	-294	-267	-194	-900	-940	-1,048
Depreciation & Amort.	1,575	3,523	3,754	3,931	4,859	5,980	7,872	8,913	10,071
Interest Paid	0	1,652	1,627	1,761	2,012	2,878	4,181	3,791	3,842
Direct Taxes Paid	-1,779	-1,402	-869	-1,410	-1,263	-893	-1,068	-1,699	-2,204
Incr in WC	-36	-82	509	-275	-83	-956	1,822	864	959
<b>CF from Operations</b>	<b>4,235</b>	<b>7,278</b>	<b>7,506</b>	<b>9,436</b>	<b>10,262</b>	<b>10,096</b>	<b>16,356</b>	<b>17,725</b>	<b>20,435</b>
Others	(221)	(47)	(162)	91	117	(1,568)	0	0	0
Increase in FA	-1,657	-2,883	-2,427	-4,563	-8,382	-8,476	-3,958	-5,000	-5,200
<b>Free Cash Flow</b>	<b>2,578</b>	<b>4,395</b>	<b>5,080</b>	<b>4,873</b>	<b>1,879</b>	<b>1,620</b>	<b>12,399</b>	<b>12,725</b>	<b>15,235</b>
Others	4,376	334	554	694	-2,968	-930	-1,069	-2,871	-3,004
Pur of Investments	-3,134	1,502	-3,961	-2,212	2,225	-5,399	-864	-667	-719
<b>CF from Invest.</b>	<b>-416</b>	<b>-1,047</b>	<b>-5,834</b>	<b>-6,080</b>	<b>-9,126</b>	<b>-14,805</b>	<b>-5,890</b>	<b>-8,538</b>	<b>-8,923</b>
Issue of Shares	44	95	0	29	-262	0	0	0	0
Incr in Debt	0	-1,323	0	1,198	629	10,094	-500	-500	-500
Dividend Paid	-329	-1,448	0	-790	-790	-790	-1154.73	-1154.73	-1154.73
Others	118	-1,937	-2,887	-3,504	-3,841	-5,531	-5,488	-5,746	-6,297
<b>CF from Fin. Activity</b>	<b>-167</b>	<b>-4,614</b>	<b>-2,887</b>	<b>-3,066</b>	<b>-4,264</b>	<b>3,772</b>	<b>-7,143</b>	<b>-7,401</b>	<b>-7,951</b>
<b>Incr/Decr of Cash</b>	<b>3,652</b>	<b>1,616</b>	<b>-1,215</b>	<b>290</b>	<b>-3,128</b>	<b>-936</b>	<b>3,323</b>	<b>1,786</b>	<b>3,561</b>
Add: Opening Balance	1,290	4,943	6,559	5,344	5,634	2,506	1,570	4,893	6,679
<b>Closing Balance</b>	<b>4,943</b>	<b>6,559</b>	<b>5,344</b>	<b>5,634</b>	<b>2,506</b>	<b>1,570</b>	<b>4,893</b>	<b>6,679</b>	<b>10,240</b>

E: MOFSL Estimates

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NOTES

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BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Email Id: na@motilaloswal.com, Contact No.:022-40548085.

#### Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.