

January 25, 2025

RESULT REPORT Q3 FY25 | Sector: Energy

Hindustan Petroleum Ltd

Core performance in line, inventory losses in refining and marketing along with LPG burden drags profitability

Hindustan Petroleum's Q3FY25 reported performance showcases in line core refining performance while marketing marginally lower. With an EBITDA of Rs59.7bn and PAT at Rs20.2bn, a subsidy burden of Rs31bn on LPG weakened the reported performance. Reported EBITDA and PAT is lower than our expectations. The reported GRM is of USD6/bbl and Rs6/ltr of blended gross marketing margins, while the core integrated margins stood at USD5.9/bbl. We maintain BUY rating with a revised TP of Rs500 (earlier 475) valuing it on SOTP (core business at 7x EV/EBITDA and investments at Rs113) including Rs47/share from Lubes business.

Result Highlights

- **EBITDA/PAT** at Rs 59.7/30.2bn is up 1.76x/4.7x YoY and 1.2x/3.8x QoQ. This is lower than ours, we estimated EBITDA/PAT at Rs 72.5/38.8bn, also impacted by higher interest expenses. The integrated margins were down impacted by weaker marketing while GRMs were in line. The marketing segment continues to be impacted by LPG subsidy burden.
- The **reported GRM** of USD6.01/bbl in line to ours USD 5.97/bbl (USD3.1 the previous quarter, USD8.5 a year ago), while the Arab heavy-light difference was USD1.9/bbl (USD1.3 in the quarter prior). The **core GRM** at USD6.9/bbl, (USD4.8 the prior quarter, USD10.7 a year ago), a USD1.9/bbl premium to the benchmark USD5, higher than our estimates with a distillate yield of 75.5% vs 76.5% the last quarter. We calculate USD0.9/bbl **refining inventory loss** for the quarter (a loss of USD1.7 the prior quarter and USD2.2/bbl a year ago). **Refinery throughput** was 6.47mmt at 111% utilization (108% the previous quarter, 95% a year ago).
- **Integrated core EBITDA margin** of USD5.9/bbl (USD3.7 the prior quarter, USD2.6 a year ago) meeting our expectation of USD5.9/bbl.
- **Core marketing EBITDA (back-calculated)** was Rs3.4/ltr (Rs2.3 the prior quarter, negative Rs0.2 a year back), lower than our expectation of Rs3.9/ltr. **Domestic marketing throughput** was 12.3mmt, up 8.5% YoY and 14.2% QoQ (vs. the industry's growth of 4.8% YoY and 7.9% QoQ). Motor spirit sales were 2.5mmt (up 9.2% YoY and 3.8% QoQ), and diesel 5.4mmt, up 4.9% YoY and 19.4% QoQ. Industry motor spirit and diesel sales were up 9.7%/4.8% YoY and 3.5%/18.9% QoQ. The company has a negative buffer for LPG subsidy amounting to Rs 76bn as of end 9MFY25, and Rs 31bn in Q3FY25 pertaining to LPG subsidy. This is in an absence of GOI receivables and the revenue to that extent has not been recognized. **Product market shares.** Hindustan Petroleum maintained their marginal market share for high-speed diesel and motor spirits at 22.4% and 24.5% respectively. The Rs4.8bn, **forex losses** impacted the quarterly profitability.
- **Capex** for 9MFY25 was Rs 95bn (Rs29bn in Q3FY25) and a target of Rs150bn for FY25. **Debt** of Rs540.2bn was up Rs40.2bn YoY and down Rs116.5bn YoY.
- **9MFY25 performance:** EBITDA at Rs 108bn (vs Rs 200.4bn in 9MFY24) while PAT at Rs 40.1bn (vs Rs 118.5bn) and the reported GRM at USD4.7/bbl (vs USD9.8). The core integrated margins were at USD3.9/bbl vs USD6.1/bbl while the marketing EBITDA/ltr (Rs) was at 1.9 vs 2.6 in 9MFY24.

Valuation

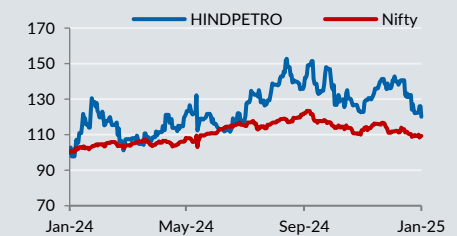
At CMP, the stock trades at 8.4/6.8/6.8x FY25e/26e/27e EV/EBITDA and 1.7/1.5/1.4x P/BV (excl. investments, it trades at 6.9/5.6/5.7x FY25e/26e EV/EBITDA and 1.1/1.0/0.9x P/BV). We maintain BUY rating with a revised TP of Rs500 (earlier 475) valuing it on SOTP (core business at 7x EV/EBITDA and investments at Rs113) including Rs47/share from Lubes business.

Reco	: BUY
CMP	: Rs 353
Target Price	: Rs 500
Potential Return	: +42%

Stock data (as on Jan 24, 2025)

Nifty	23,103
52 Week h/l (Rs)	457 / 278
Market cap (Rs/USD mn)	787507 / 9138
Outstanding Shares (mn)	2,128
6m Avg t/o (Rs mn):	3,343
Div yield (%):	5.8
Bloomberg code:	HPCL IN
NSE code:	HINDPETRO

Stock performance



	1M	3M	1Y
Absolute return	-14.6%	-12.9%	16.9%

Shareholding pattern (As of Dec'24 end)

Promoter	54.9%
FII+DII	36.3%
Others	8.8%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	500	475

Δ in estimates

(1-Yr)	FY25e	FY26e	FY27E
EPS (New)	30.5	42.0	39.9
EPS (Old)	25.8	41.6	35.1
% Change	18.4	1.0	13.8

Financial Summary

(Rs bn)	FY25E	FY26E	FY27E
Revenue	3,589.9	3,543.0	3,619.2
YoY Growth	(17.2)	(1.3)	2.1
EBIDTA	162.5	201.0	203.0
OPM %	4.5	5.7	5.6
PAT	64.9	89.3	85.0
YoY Growth	(55.8)	37.6	(4.9)
ROE	15.1	18.7	16.0
EPS	30.5	42.0	39.9
P/E	11.6	8.4	8.8
BV	211.3	237.3	261.2
EV/EBITDA	8.4	6.8	6.8

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Exhibit 1: Actual vs estimate

Rs mn	Actual	Estimate		% Variation		Remarks
		YES Sec	Consensus	YES Sec	Consensus	
Sales	1,099,796	1,110,128	1,015,748	-0.93	8.27	Core performance in line, inventory losses in refining and marketing along with LPG burden drags profitability
EBITDA	59,702	72,506	59,735	-17.66	-0.06	
EBITDA Margin (%)	5.43	6.53	5.88	-110bps	-45bps	
Adjusted PAT	30,229	38,754	30,303	-22.00	-0.24	

Exhibit 2: Earnings snapshot

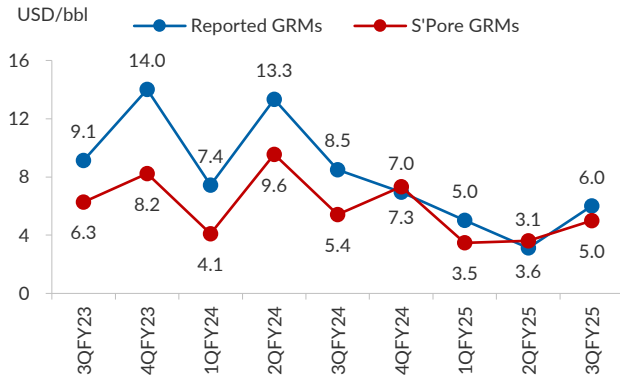
Particulars (Rs mn)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	y/y (%)	q/q (%)	9MFY24	9MFY25	y/y (%)
Revenue	1,113,063	1,145,569	1,138,045	999,259	1,105,054	(0.7)	10.6	3,189,680	3,242,358	1.7
Expenditure	1,091,428	1,097,531	1,116,968	972,015	1,045,353	(4.2)	7.5	2,989,328	3,134,336	4.9
-Raw Material	1,037,357	1,040,462	1,064,322	918,821	983,403	(5.2)	7.0	2,833,469	2,966,546	4.7
-Staff Cost	8,413	8,894	7,645	7,515	9,516	13.1	26.6	25,330	24,675	(2.6)
- Other Expenses	45,658	48,176	45,002	45,679	52,434	14.8	14.8	130,528	143,114	9.6
Operating Profit	21,636	48,038	21,076	27,244	59,702	175.9	119.1	200,353	108,022	(46.1)
OPM(%)	1.9	4.2	1.9	2.7	5.4	-318 bps	355 bps	6.3	3.3	-295 bps
Other Income	5,564	8,536	5,699	5,750	4,791	(13.9)	(16.7)	15,285	16,239	6.2
Depreciation	13,378	16,113	14,757	15,216	15,097	12.8	(0.8)	39,410	45,069	14.4
Interest	6,141	7,340	7,307	9,424	9,291	51.3	(1.4)	17,817	26,022	46.1
Excpnl Loss/(Profit)	-	-	-	-	-	n.a.	n.a.	-	-	n.a.
PBT	7,681	33,121	4,712	8,354	40,104	422.2	380.0	158,411	53,170	(66.4)
Tax	2,390	4,693	1,154	2,043	9,875	313.1	383.5	39,900	13,072	(67.2)
PAT	5,290	28,427	3,558	6,312	30,229	471.4	378.9	118,511	40,099	(66.2)
Adj PAT	5,290	28,427	3,558	6,312	30,229	471.4	378.9	118,511	40,099	(66.2)

Exhibit 3: Operating highlights

Particulars	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	y/y (%)	q/q (%)	9MFY24	9MFY25	y/y (%)
Throughput (mmt)										
Refinery	5.3	5.8	5.8	6.3	6.5	21.2	2.7	16.5	18.5	12.4
Marketing (domestic)	11.4	11.8	12.1	10.8	12.3	8.5	14.2	32.9	35.2	7.0
Pipeline	6.7	6.5	6.8	6.5	6.9	3.3	6.1	19.3	20.3	5.0
Margins (USD/bbl)										
Reported GRMs	8.5	7.0	5.0	3.1	6.0	(29.2)	92.6	9.8	4.7	(52.0)
Inventory gain/loss	(2.2)	1.0	(0.3)	(1.7)	(0.9)	-	-	0.1	(1.0)	(1,084.5)
Core GRM	10.7	6.0	5.4	4.8	6.9	(35.8)	44.4	9.7	5.7	(41.5)
S'Pore GRMs	5.4	7.3	3.5	3.6	5.0	(7.7)	38.3	6.4	4.1	(36.9)
Marketing EBITDA (Rs/ltr)	(0.3)	2.4	0.6	2.2	3.4	(1,180)	55.5	2.6	2.0	(22.2)
EBITDA Integrated margin (USD/bbl)	2.6	4.6	2.0	3.7	5.9	128.5	59.2	6.1	3.9	(35.2)
Inventory gain/loss (Rs mn)										
Refining	(7,469)	3,455	(1,153)	(6,531)	(3,606)	(51.7)	(44.8)	955	(11,290)	(1,282.6)
Marketing	777	(6,577)	(1,554)	(7,498)	(4,600)	(692.1)	(38.6)	8,480	(13,652)	(261.0)
Rs mn										
Gross Debt	499,990	602,540	574,050	656,660	540,200	8.0	(17.7)	499,990	540,200	8.0
Forex gain/losses	360	(620)	280	(720)	(4,810)	-	-	(650)	(5,250)	-
Core EBITDA (Rs mn)	27,968	51,779	23,504	41,993	72,717	160.0	73.2	191,568	138,214	(27.9)
Marketing market share (%)										
HSD	22.4	22.4	22.8	22.3	22.4	0.1	0.4	22.3	22.5	1.0
MS	24.6	24.9	24.8	24.5	24.5	(0.4)	0.2	24.7	24.6	(0.3)

*YES Sec estimates

Exhibit 4: GRMs



Source: Company, YES Sec

Exhibit 5: Throughput

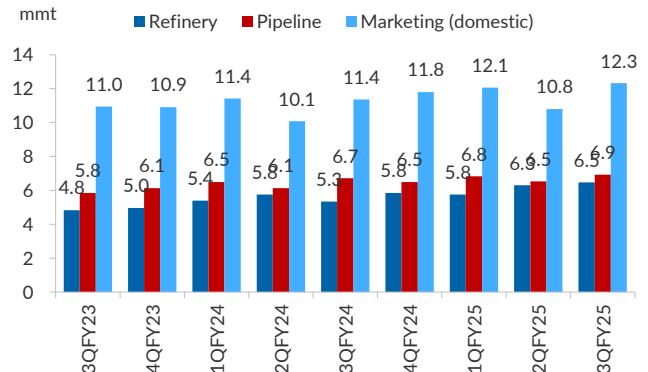
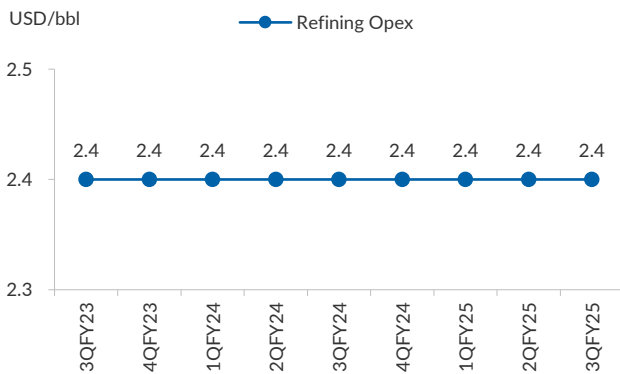


Exhibit 6: Refining Opex



Source: Company, YES Sec

Exhibit 7: Premium and AL-AH difference

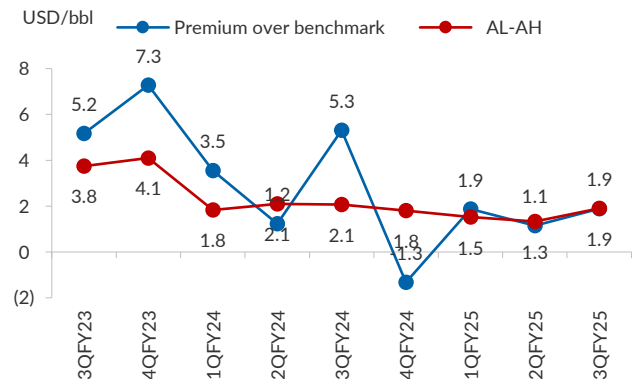
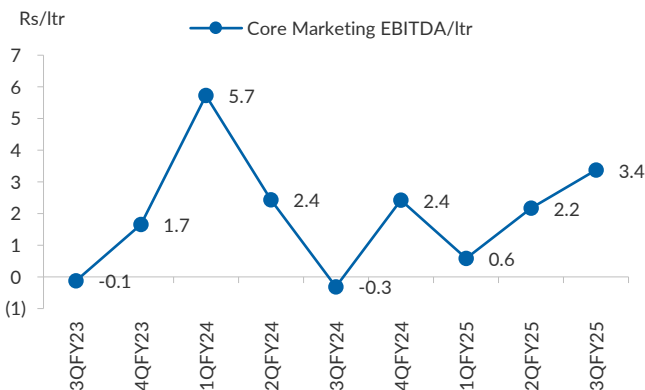


Exhibit 8: Core marketing EBITDA



Source: Company, YES Sec

Exhibit 9: Integrated EBITDA margins

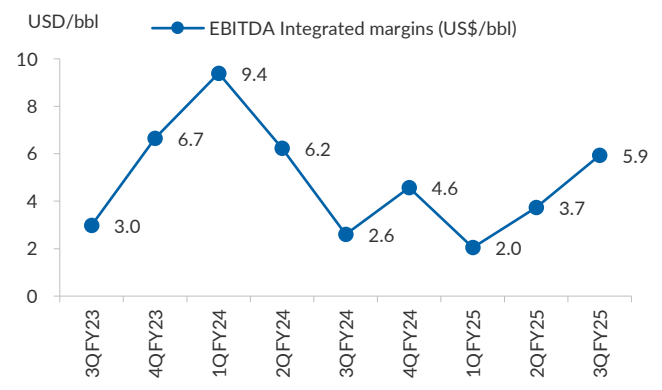
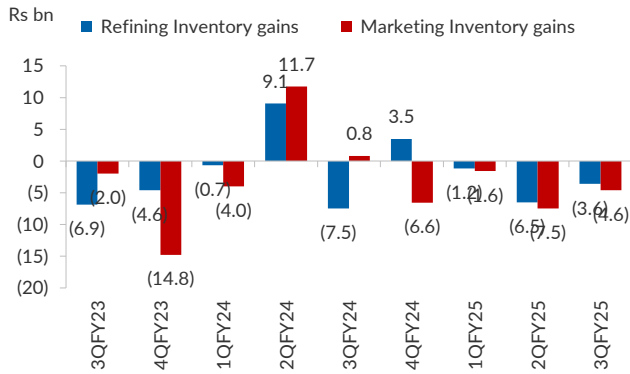


Exhibit 10: Inventory gain / loss



Source: Company, YES Sec

Exhibit 11: Auto fuel – gross marketing margins

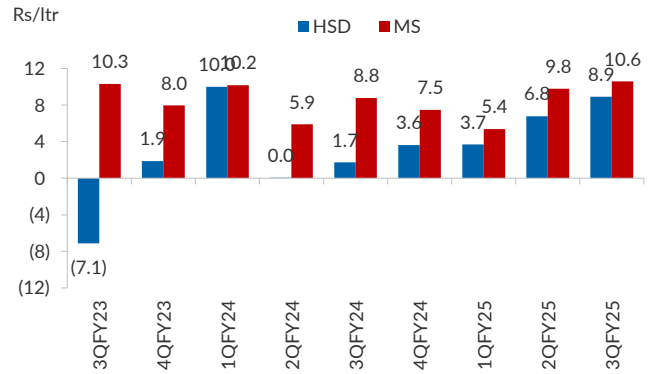
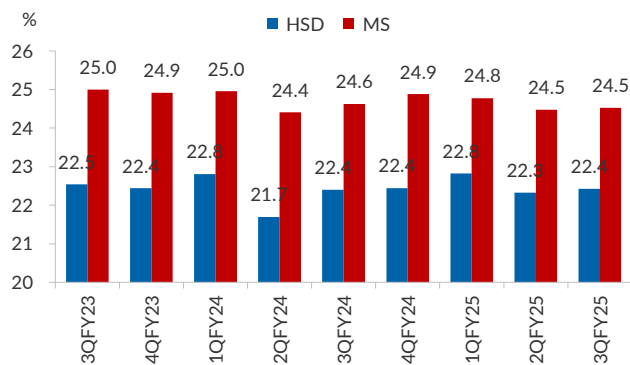


Exhibit 12: Auto fuel – market share



Source: Company, YES Sec

Exhibit 13: Marketing volume growth, YoY

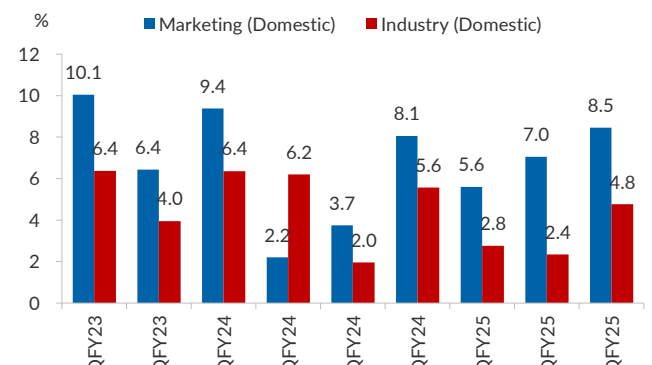
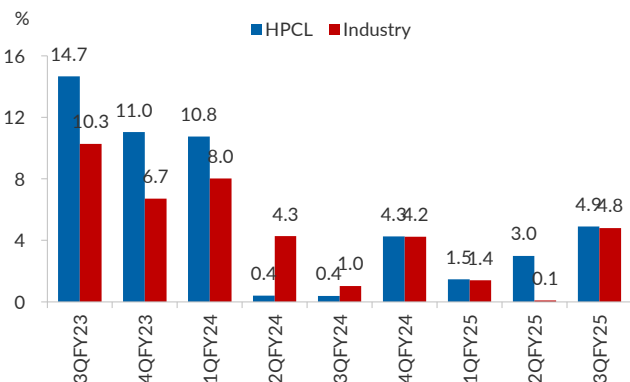


Exhibit 14: HSD volume growth, YoY



Source: Company, YES Sec

Exhibit 15: MS volume growth, YoY

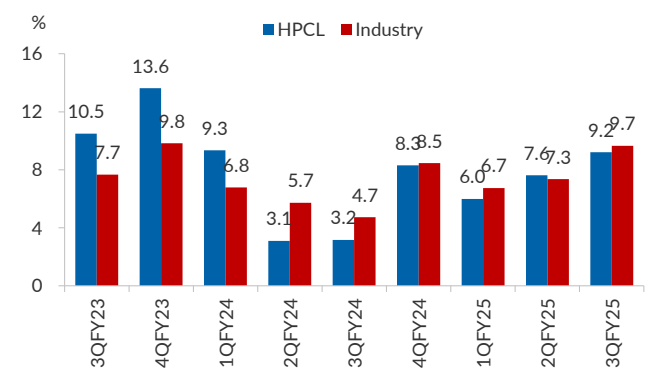


Exhibit 16: Capex

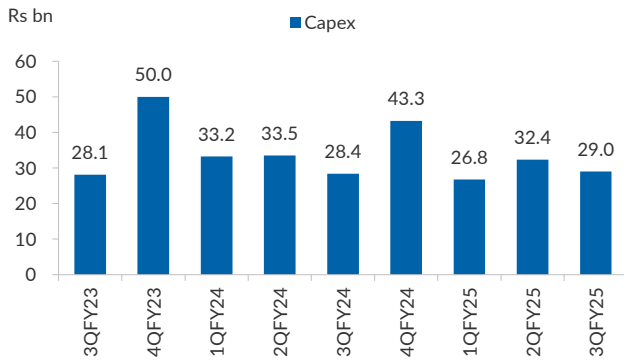
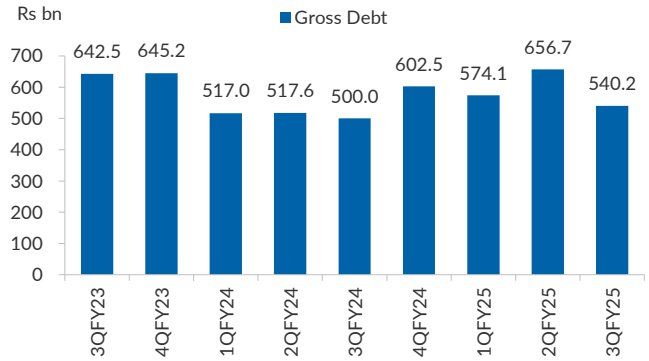


Exhibit 17: – Gross debt



Source: Company, YES Sec

CONCALL HIGHLIGHTS

- **Profitability:** HPCL delivered an exceptional quarter, with PAT higher due to robust physical performance and operational efficiency across refining and marketing segments, coupled with improved margins. The fuel and loss were 6.66%, and Vizag's was 7%, both showing significant improvement.
- **GRMs:** Reported GRM stood at USD6.01/bbl. Core GRM was USD6.89/bbl. Higher yields contributed to the performance. Singapore GRM was USD5/bbl during the quarter and is likely to sustain at similar levels. Currently, MS cracks are softening, but negative FO cracks have strengthened, GRMs are expected to remain stable for the next 2–3 quarters.
- **Inventory Loss:** During Q3FY25, Brent crude prices softened from USD80/bbl in Q2FY25 to USD75/bbl, leading to inventory losses. Refining segment incurred a loss of Rs3.55bn (~USD0.9/bbl), and marketing reported a loss of Rs4.6bn. Cumulative 9MFY25 losses stood at Rs11bn in refining and Rs14.5bn in marketing. The company holds crude inventory for 15–20 days and finished goods for 25–30 days.
- **LPG Under-Recovery:** Total LPG under-recovery as of Q3FY25 was Rs76bn, of which Rs31bn was in Q3. The company is hopeful that the government will provide support, possibly in the upcoming budget.
- **Russian Crude:** Russian imports constituted ~35–40% of crude supply, driven by discounts. HPCL consumes 35–40% Russian crude monthly, with contracts secured up to Mar'25. The company clarified that this is not a permanent strategy and that it continues to source crude from over 40 countries. Despite US sanctions, HPCL does not foresee disruptions, advising a wait-and-watch approach for Russian crude.
- **Mumbai Refinery:** The board approved a Rs470bn Lube Modernization and Bottom Upgradation project, scheduled for completion by Mar'28. It will enhance base oil refinery capacity from 475ktpa to 765ktpa and increase bitumen capacity by ~487ktpa, improving margins and distillate yield. During Q3FY25, HPCL also commissioned hydrotreating in BHP, increasing MS production by ~100tmtpa.
- **Vizag Refinery Modernization:** The Residue Upgradation Facility (RUF), with a capacity of 3.55mmtpa, achieved mechanical completion, and pre-commissioning activities are underway. The project is expected to be operational by Q4FY25, contributing USD6–8/bbl to GRMs, with an additional USD2/bbl from broader refinery upgrades. The project cost is ~Rs300bn, with 90% of capex already spent. The refinery is now operating at full capacity of 15mmtpa. Utilizing the world's first LCMAT technology, the unit is designed to convert 93% of bottoms to high-value distillates such as diesel, naphtha, and gasoil, eliminating fuel oil production. Supporting infrastructure, including the Vizag-Lipur pipeline and LPG-focused projects, is underway, with the RUF unit set to significantly boost margins and product yields upon commissioning in Q4FY25.

- **Rajasthan Refinery:** The project is 83% complete (92% for refining units), with key units like the BHP and Hydrogen Generation Unit in pre-commissioning. The refinery and petrochemical complex are targeted for mechanical completion by Mar'25 and commissioning in CY25. The project total commitment stands at Rs718.1bn and Rs530bn was spent as of Dec'24.
 - **Capex:** HPCL spent Rs29bn in Q3FY25 and Rs95bn during 9MFY25. Full-year FY25 capex is expected to be Rs130–150bn, with similar levels planned for FY26. The capex split includes Rs40bn for refining, Rs60–80bn for marketing, and balance contributions to JVs such as HRRL, HPLNG, and HPRG.
 - **Chhara LNG Terminal:** The 5mmt regasification terminal was commissioned in Jan'25. Long-term sourcing contracts are being negotiated, with plans to scale to 2.5mmt in FY26. Breakwater construction is 1,015m of the 1.9km planned. The terminal will operate on a tolling model and achieve breakeven at 30% utilization expected within 1-2years. Captive requirements of 1.5–1.75mmtpa are expected. Currently, spot cargoes are being procured to meet demand, including captive requirements for HPCL's refineries, Rajasthan Refinery, and HMEL.
 - **Pipeline Projects:** The Vishakh–Raipur pipeline is operational. Two additional pipelines are planned for LPG. Details will be shared post board approvals.
 - **HMEL Performance:** GRMs for Q3FY25 were USD9/bbl. However, integrated operations reported a Rs7bn loss, primarily due to subdued polymer prices. Capacity utilization exceeded 90%, with an EBITDA positive, but interest and depreciation impacted profitability.
 - **Retail Outlets:** 450 retail outlets were commissioned during Q3FY25, bringing the total to 22,953. Six new LPG distributorships were added, taking the total to 6,370.
 - **CGD:** EBITDA from CGD operations turned positive. The company operates in 25 GAs across 14 states. CNG sales commenced in Darjeeling, Jalpaiguri, and Jaunpur, while PNG sales started in Budaun.
 - **Lubricants Business:** HPCL's lubricant segment recorded sales of 178tmt, a YoY growth of 11.5%.
 - **Market Share Expansion:** HPCL gained a 0.36% market share during the quarter. ATF volumes are expected to cross 1mmt for the first time in FY25.
 - **Renewable Energy:** HPCL's R&D center signed an MOU with EIL for PSA technology commercialization. 14 new patents were filed, taking the total to 620, with 236 granted. Renewable energy projects, including solar and wind, are progressing, with 2,000–3,000 acres of land requested for hybrid projects. CBG production capacity stands at 878pnp per annum with 141 active LOIs. Ethanol blending reached 16.2% during Q3FY25 (~57cr liters). HPCL added 50 CNG facilities, taking the total to 1,850, and surpassed 5,000 EV charging points.
- Non-Fuel Business:** HPCL added three new Happy Shops in Q3FY25, totaling 482 outlets. Non-fuel retail remains a focus area for enhancing revenue through customer engagement initiatives.

VIEW & VALUATION

BUY with a TP of Rs 500/share.

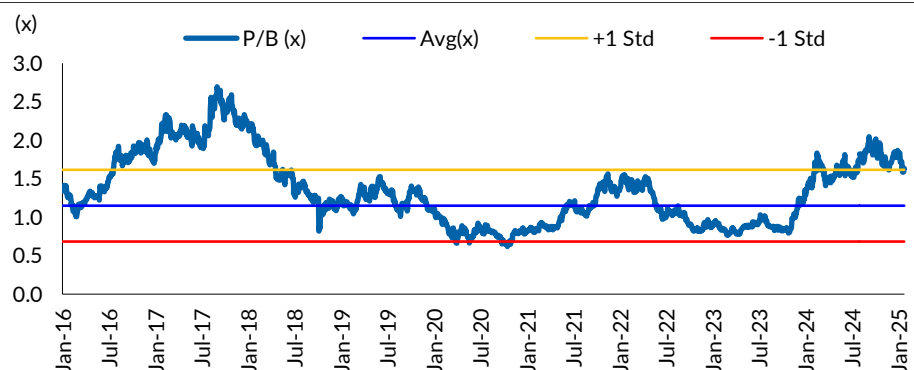
HPCL has a Rs17.6bn/Rs16.9bn sensitivity to a change of Rs0.5/ltr and USD1/bbl, respectively. A dividend yield of 3.4/4.5/4.5% FY25e/26e/27e would be key for the shareholders, following the high dividend and bonus issue in FY24. The BV/share for FY25e/26e/27e is at Rs 211/237/261 and the net debt: equity is highest amongst the OMCs for HPCL at 1.1/0.9/0.9x for FY25e/26e/27e.

At CMP, the stock trades at 8.4/6.8/6.8x FY25e/26e/27e EV/EBITDA and 1.7/1.5/1.4x P/BV (excl. investments, it trades at 6.9/5.6/5.7x FY25e/26e EV/EBITDA and 1.1/1.0/0.9x P/BV). We maintain BUY rating with a revised TP of Rs500 (earlier 475) valuing it on SOTP (core business at 7x EV/EBITDA and investments at Rs113) including Rs47/share from Lubes business.

Exhibit 18: SOTP Valuation table

EV/EBITDA method	FY27E EBITDA (Rs mm)	EV/EBITDA (x)	Fair Value (Rs mm)	Fair Value (Rs/share)
Standalone	203,010	7.0 x	1,421,072	668
Refining	62,433	7.0 x	437,034	205
Marketing	127,675	7.0 x	893,725	420
Pipeline	12,902	7.0 x	90,313	42
Cash & Current Investments			76,444	36
Gross Debt			671,466	316
Standalone Equity Value (Using EV/EBITDA)			826,049	387
Listed Investments	Full Value (Rs mm)	Holdco discount (%)	Fair Value (Rs mm)	Fair Value (Rs/share)
MRPL (Refining segment)	40,116	30%	28,081	13
Oil India (Upstream segment)	17,477	30%	12,234	6
Listed Investments Equity Value			40,315	19
Unlisted Investments	FY27E EBITDA (Rs mm)	EV/EBITDA (x)	Fair Value (Rs mm)	Fair Value (Rs/share)
HMEL (Bhatinda refinery)	33,654	7.0 x	235,576	111
HMEL (Bhatinda refinery) - Debt			186,200	88
HBRL (Rajasthan refinery)	31,637	7.0 x	221,462	104
HBRL (Rajasthan refinery) - Debt			178,112	84
Value from Lubes business	10,000	10.0 x	100,000	47
HSEPL (Chhara LNG terminal)	7,500	1.0 x	7,500	4
Unlisted Investments Equity Value			200,226	94
Equity Value			1,066,590	500

Exhibit 19: P/BV (x) band, one-year-forward



FINANCIALS

Exhibit 20: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenue	3,496,829	4,404,030	4,335,249	3,589,913	3,543,043	3,619,166
Total Expense	3,395,071	4,479,252	4,086,859	3,427,388	3,342,089	3,416,156
Operating Profit	101,759	(75,222)	248,390	162,525	200,953	203,010
Other Income	29,697	20,691	23,822	24,298	24,784	25,280
Depreciation	39,691	43,300	55,524	71,133	80,742	88,790
EBIT	91,764	(97,831)	216,688	115,690	144,995	139,500
Interest	9,727	21,319	25,157	28,961	25,621	25,954
Extraordinary Item	-	-	-	-	-	-
PBT	82,037	(119,149)	191,531	86,729	119,374	113,545
Tax	18,211	(29,409)	44,593	21,830	30,046	28,579
PAT	63,826	(89,740)	146,938	64,899	89,327	84,966
Adj. PAT	63,826	(89,740)	146,938	64,899	89,327	84,966
Eps	30.0	(42.2)	69.1	30.5	42.0	39.9

Exhibit 21: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity capital	14,189	14,189	14,189	14,189	14,189	14,189
Reserves	372,581	262,945	396,108	435,473	490,755	541,676
Net worth	386,770	277,134	410,298	449,663	504,945	555,866
Debt	469,404	680,054	641,199	641,199	641,199	661,199
Deferred tax liab (net)	59,783	30,110	69,899	69,899	69,899	69,899
Capital Employed	915,957	987,298	1,121,395	1,160,760	1,216,042	1,286,963
Fixed assets	838,996	903,414	954,775	1,016,388	1,085,646	1,146,855
Investments	179,437	212,107	256,781	256,781	256,781	256,781
Net working capital	(102,476)	(128,223)	(90,161)	(112,408)	(126,384)	(116,673)
Inventories	353,456	293,440	339,665	263,354	256,282	262,108
Sundry debtors	63,318	68,172	93,211	59,012	58,242	59,493
Cash & Bank Balance	1,310	5,386	3,524	29,059	17,181	24,617
Other current assets	65,094	68,148	89,874	89,874	89,874	89,874
Sundry creditors	264,479	228,524	272,024	210,683	205,026	209,686
Other liabilities	321,175	334,844	344,411	343,024	342,937	343,079
Application of Funds	915,957	987,298	1,121,395	1,160,760	1,216,042	1,286,963

Exhibit 22: Cash flow statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
PBT	82,037	(119,149)	191,531	86,729	119,374	113,545
Depreciation & amortization	39,691	43,300	55,524	71,133	80,742	88,790
Interest expense	9,727	21,319	25,157	28,961	25,621	25,954
(Inc)/Dec in working capital	(9,035)	(10,209)	(8,734)	-	-	-
Tax paid	52,176	13,860	(26,846)	47,783	2,098	(2,275)
Less: Interest/Dividend Income Received	14,510	1,598	2,835	(21,830)	(30,046)	(28,579)
Other operating Cash Flow	(30,209)	15,687	(267)	-	-	-
Cash flow from operating activities	158,898	(33,595)	239,200	212,776	197,788	197,436
Capital expenditure	(110,811)	(89,900)	(97,167)	(132,746)	(150,000)	(150,000)
Inc/(Dec) in investments	9,040	10,206	8,722	-	-	-
Add: Interest/Dividend Income Received	(23,881)	(29,633)	(45,675)	-	-	-
Cash flow from investing activities	(125,653)	(109,328)	(134,120)	(132,746)	(150,000)	(150,000)
Inc/(Dec) in share capital	-	-	-	-	-	-
Inc/(Dec) in debt	28,150	205,732	(98,315)	-	-	20,000
Interest Paid	(16,712)	(31,101)	(38,482)	(28,961)	(25,621)	(25,954)
Dividend Paid	(3,229)	(19,857)	(21,305)	(25,534)	(34,045)	(34,045)
Others	(39,404)	-	-	-	-	-
Cash flow from financing activities	(31,194)	154,774	(158,103)	(54,495)	(59,666)	(39,999)
Net cash flow	2,050	11,851	(53,022)	25,535	(11,878)	7,436

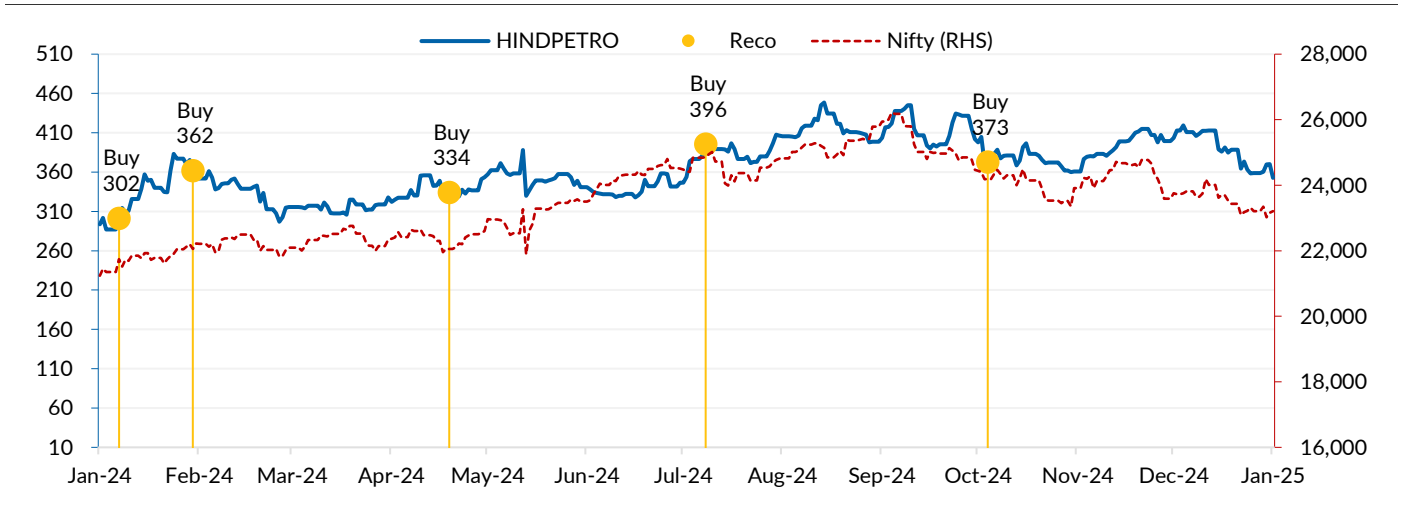
Exhibit 23: Du-pont analysis

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Tax burden (x)	0.8	0.8	0.8	0.7	0.7	0.7
Interest burden (x)	0.9	1.2	0.9	0.7	0.8	0.8
EBIT margin (x)	0.0	(0.0)	0.0	0.0	0.0	0.0
Asset turnover (x)	2.5	2.9	2.6	2.1	2.0	2.0
Financial leverage (x)	3.8	4.6	4.8	4.0	3.6	3.4
RoE (%)	17.1	(27.0)	42.7	15.1	18.7	16.0

Exhibit 24: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25E	FY26E	FY27E
Growth matrix (%)						
Revenue growth	50.1	25.9	(1.6)	(17.2)	(1.3)	2.1
Op profit growth	(36.1)	(173.9)	(430.2)	(34.6)	23.6	1.0
EBIT growth	(39.5)	(206.6)	(321.5)	(46.6)	25.3	(3.8)
Net profit growth	(40.1)	(240.6)	(263.7)	(55.8)	37.6	(4.9)
Profitability ratios (%)						
OPM	2.9	(1.7)	5.7	4.5	5.7	5.6
EBIT margin	2.6	(2.2)	5.0	3.2	4.1	3.9
Net profit margin	1.8	(2.0)	3.4	1.8	2.5	2.3
RoCE	10.4	(10.3)	20.6	10.1	12.2	11.1
RoE	17.1	(27.0)	42.7	15.1	18.7	16.0
RoA	4.5	(5.9)	8.9	3.8	5.1	4.7
Per share ratios						
EPS	30.0	(42.2)	69.1	30.5	42.0	39.9
Dividend per share	12.0	-	31.5	12.0	16.0	16.0
Cash EPS	48.6	(21.8)	95.1	63.9	79.9	81.7
Book value per share	181.8	130.2	192.8	211.3	237.3	261.2
Valuation ratios						
P/E	11.8	(8.4)	5.1	11.6	8.4	8.8
P/CEPS	7.3	(16.2)	3.7	5.5	4.4	4.3
P/B	1.9	2.7	1.8	1.7	1.5	1.4
EV/EBIDTA	12.0	(19.0)	5.6	8.4	6.8	6.8
Payout (%)						
Dividend payout	40.0	-	45.6	39.3	38.1	40.1
Tax payout	22.2	24.7	23.3	25.2	25.2	25.2
Liquidity ratios						
Debtor days	6.6	5.6	7.8	6.0	6.0	6.0
Inventory days	34.4	26.4	28.3	32.1	28.4	27.7
Creditor days	23.1	20.1	22.4	25.7	22.7	22.2

Recommendation Tracker



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