

January 30, 2024

RESULT REPORT Q3 FY24 | Sector: Energy

# Bharat Petroleum Ltd

**Strong reported GRMs, core GRMs highest amongst Indian refiners; marketing disappoints**

## Our View

BPCL's Q3FY24 results underscore a commendable financial rebound, with a substantial YoY surge in EBITDA and Adj. PAT, standing at Rs 62.3bn and Rs 34bn, respectively. The robust core GRM at USD14/bbl and strengthened market share in diesel and motor spirits highlight the company's operational prowess. Despite sequential challenges reflected in QoQ declines, BPCL's strategic reduction in debt, targeted capex of Rs100bn, and enhanced refining efficiency position it as a compelling investment, reflecting a positive outlook for sustained growth. We retain our BUY rating with a 12-mth TP of Rs620.

## Result Highlights

- BPCL exhibited robust financial performance in Q3FY24 with EBITDA/Adj. PAT showing remarkable YoY growth of 47%/73%, totaling Rs 62.3/34bn. This is marginally lower than our estimates but better than the consensus. The **reported GRM** was USD13.35/bbl vs USD18.5/bbl the previous quarter and USD15.9/bbl a year ago. As per our assumptions, the **core GRM** was USD14/bbl (USD15.5 the previous quarter, USD18.3 a year back), a USD8.6/bbl premium to the benchmark USD5.4, the best amongst Indian refiners. The assumed **refining inventory loss** was USD0.6/bbl (gain of USD3 the prior quarter, a loss of USD2.4/bbl a year ago). **Refinery throughput** was 9.9mmt (MR/KR/BR 3.1/4.7/2.1) at ~110% utilisation (105% the previous quarter, ~106% a year ago).
- The **integrated core EBITDA margin** was USD4.9/bbl vs our estimates of 7.3 (USD7.2 the prior quarter, USD4.7 a year ago). It was impacted by weak core marketing performance on HSD margins.
- The **core marketing EBITDA** was negative Rs0.3/ltr (Rs1.3 the prior quarter, negative Rs2 a year back). The **domestic marketing throughput** was 12.9mmt, up 1% YoY 6% QoQ (vs. the industry's growth of 2% YoY and 5.5% QoQ). MS sales were 2.5mmt, up 3.7% YoY and 1% QoQ, while diesel at 5.87mmt, down 3% YoY and up 12% QoQ. Industry motor spirit and diesel sales were up 4.7%/1% YoY and 1.4%/13.5% QoQ. The reported marketing adventitious/inventory loss was Rs3.7bn. **Product market share**. Bharat Petroleum's market share of high-speed diesel and motor spirits improved QoQ at 25.8% and 27.2% respectively.
- Debt position improved significantly, standing at Rs160.2bn (0.23x), reflecting a considerable reduction of Rs242.4bn YoY and Rs65.5bn QoQ. Despite a forex loss of Rs290mn, the company showcased resilience in its financial stability.
- 9MFY24 performance** indicated a substantial recovery, with EBITDA at Rs349.4bn and PAT at Rs224.5bn. The FY24 capex target remained at Rs100bn, highlighting BPCL's commitment to growth and efficiency. The overall performance positions BPCL optimistically for the future, leveraging its refining capabilities and market presence.

## Valuation

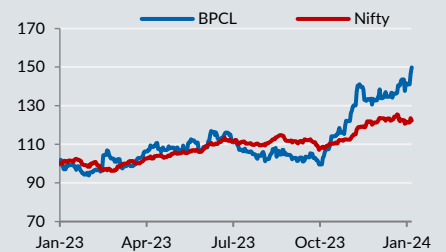
BPCL has Rs20.2bn and Rs23.5bn sensitivity to a change of Rs0.5/ltr and USD1/bbl, respectively. An expectation of higher dividend in FY24 (8.9% yield), 4.4%/4% FY25e/26e would be key for shareholders, compensating lower dividend of FY23. The BV/share for FY25e/26e is at Rs 360/387 and the debt: equity is least amongst OMCs at 0.4/0.3/0.3x for FY24e/25e/26e. At CMP, the stock trades at 5.9x/6.5x FY25e/26e EV/EBITDA and 1.4x/1.3x P/BV (excl. investments, trades at 4.8x/5.3x FY25e/26e EV/EBITDA and 1.1x/1.0x P/BV). We maintain a BUY rating with a target price of Rs620 valuing it on a sum-of-parts basis (core business at 6.5x EV/EBITDA and investments at Rs118).

Reco	: BUY
CMP	: Rs 504
Target Price	: Rs 620
Potential Return	: +23%

## Stock data (as on Jan 30, 2024)

Nifty	21,522
52 Week h/l (Rs)	518 / 314
Market cap (Rs/USD mn)	1065314 / 12821
Outstanding Shares (mn)	2,162
6m Avg t/o (Rs mn):	2,151
Div yield (%):	1.2
Bloomberg code:	BPCL IN
NSE code:	BPCL

## Stock performance



	1M	3M	1Y
Absolute return	11.9%	45.3%	50.5%

## Shareholding pattern (As of Dec '23 end)

Promoter	53.0%
FII+DII	36.5%
Others	10.2%

## Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	620	618

## Δ in estimates

(1-Yr)	FY24e	FY25e	FY26e
EPS (New)	126.3	56.7	47.2
EPS (Old)	118.1	56.8	47.5
% Change	7.0	(0.2)	(0.7)

## Financial Summary

(Rs bn)	FY24E	FY25E	FY26E
Revenue	4,246.5	4,010.7	3,792.7
YoY Growth	(10.2)	(5.6)	(5.4)
EBIDTA	424.2	226.5	206.2
OPM %	10.0	5.6	5.4
PAT	269.0	120.8	100.5
YoY Growth	1,338.6	(55.1)	(16.8)
ROE	38.8	15.7	12.2
EPS	126.3	56.7	47.2
P/E	4.0	8.9	10.7
BV	325.5	360.2	387.4
EV/EBITDA	2.2	4.6	5.3

## HARSHRAJ AGGARWAL

Lead Analyst

harshraj.aggarwal@ysil.in



## Exhibit 1: Actual vs estimate

Rs mn	Actual	Estimate		% Variation		Remarks
		YES Sec	Consensus	YES Sec	Consensus	
Sales	1,154,942	1,196,483	1,052,000	-3.47%	9.79%	Strong reported GRMs, core GRMs highest amongst Indian refiners); marketing disappoints
EBITDA	62,262	74,362	44,354	-16.27%	40.38%	
EBITDA Margin (%)	5.39%	6.22%	4.22%	-82bps	117bps	
Adjusted PAT	33,973	39,986	32,700	-15.04%	3.89%	

## Exhibit 2: Earnings snapshot

Particulars (Rs mn)	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	y/y (%)	q/q (%)	9M FY23	9M FY24	y/y (%)
Revenue	1,191,581	1,181,121	1,129,782	1,029,856	1,154,942	(3.1)	12.1	2,358,545	3,314,580	40.5
Expenditure	1,149,242	1,069,584	971,685	900,776	1,092,680	(4.9)	21.3	2,402,854	2,965,140	23.4
-Raw Material	1,081,751	1,002,311	908,869	837,520	1,019,127	(5.8)	21.7	2,248,081	2,765,517	23.0
-Staff Cost	7,396	8,389	8,825	7,590	10,680	44.4	40.7	11,855	27,095	128.6
- Other expenses	60,096	58,884	53,991	55,666	62,872	4.6	12.9	142,918	172,529	20.7
Operating Profit	42,339	111,537	158,098	129,080	62,263	47.1	(51.8)	-44,309	349,440	(888.6)
OPM(%)	4%	9%	14%	13%	5%	51.7	(57.0)	-2%	11%	12 bps
Other Income	4,519	7,330	4,920	7,712	6,801	50.5	(11.8)	9,991	19,434	94.5
Depreciation	15,820	15,958	16,093	15,998	18,244	15.3	14.0	31,697	50,336	58.8
Interest	9,780	8,124	6,793	7,676	5,019	(48.7)	(34.6)	14,261	19,488	36.6
Excpnl Loss/(Profit)	-	(13,600)	-	-	-			0	0	n.a.
PBT	21,258	81,185	140,131	113,118	45,801	115.4	(59.5)	-80,276	299,050	(472.5)
Tax	1,663	16,405	34,622	28,106	11,828	611.4	(57.9)	-14,604	74,557	(610.5)
PAT	19,596	64,780	105,509	85,012	33,973	73.4	(60.0)	-65,672	224,493	(441.8)
Adj PAT	19,599	75,631	105,509	85,012	33,973	73.3	(60.0)	-65,672	224,493	(441.8)

## Exhibit 3: Operating highlights

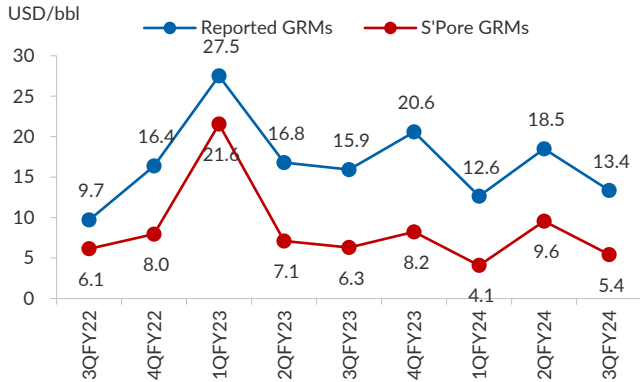
Particulars	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	y/y (%)	q/q (%)	9M FY23	9M FY24	y/y (%)
Dom Marketing Throughput - mmt	12.8	12.9	12.8	12.2	12.9	0.9	6.0	36.0	37.9	5.1
Refining Throughput - mmt	9.4	10.6	10.4	9.4	9.9	5.0	5.5	27.9	29.6	6.0
Mumbai	3.9	4.1	4.0	4.1	3.1	(20.2)	(25.4)	10.6	11.2	6.0
Kochi	3.5	4.5	4.5	4.0	4.7	35.7	15.8	11.6	13.2	13.5
Bina	2.1	2.0	1.9	1.2	2.1	1.0	78.6	5.7	5.2	(9.5)
GRM (USD/bbl)										
Mumbai	11.3	15.7	6.5	14.5	7.9	(29.7)	(45.5)	15.1	9.8	(34.9)
Kochi	14.6	22.5	15.5	19.7	14.0	(3.9)	(29.0)	20.6	16.3	(20.9)
Bina	26.9	26.1	18.8	28.2	20.0	(25.6)	(29.1)	29.0	21.4	(26.2)
Reported GRM	15.9	20.6	12.6	18.5	13.4	(16.1)	(27.8)	20.2	14.7	(27.2)
Inventory gain/loss	(2.4)	(1.5)	(0.3)	3.0	(0.6)	(74.8)	(120.0)	0.7	0.6	(11.5)
Core GRMs (US\$/bbl)	18.3	22.1	12.9	15.5	14.0	(23.8)	(10.0)	19.5	14.1	(27.7)
Singapore GRMs	6.3	8.2	4.1	9.6	5.4	(13.9)	(43.2)	11.8	6.3	(47.1)
Marketing EBITDA (Rs/ltr)	(1.9)	1.3	6.6	1.3	(0.3)	(87.0)	(119.0)	(6.6)	2.7	(140.2)

Particulars	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	y/y (%)	q/q (%)	9M FY23	9M FY24	y/y (%)
EBITDA Integrated margin (USD/bbl)	4.7	10.3	11.8	7.2	4.9	3.2	(32.8)	0.4	8.0	1,831.0
Inventory gain/loss (Rs mn)										
Refining	(13,781)	(9,835)	(1,916)	17,390	(3,694)	(73.2)	(121.2)	10,732	11,779	9.8
Marketing	(7,520)	(19,130)	(10,700)	14,970	(3,690)	(50.9)	(124.6)	(15,070)	580	(103.8)
Rs mn										
Gross Debt	402,556	358,548	279,394	225,680	160,167	(60.2)	(29.0)	1,207,766	665,241	(44.9)
Forex gain/losses	(1,410)	1,930	245	(1,280)	(290)	(79.4)	(77.3)	(16,930)	(1,325)	(92.2)
Core EBITDA (Rs mn)	65,053	152,171	170,469	98,000	69,937	7.5	(28.6)	19,301	338,406	1,653.3
Marketing market share (%)										
HSD	26.8	27.1	25.8	26.0	25.8	(3.8)	(1.0)	26.4	25.9	(2.1)
MS	27.5	27.6	27.0	27.3	27.2	(1.0)	(0.2)	27.4	27.2	(1.0)

## Key result highlights:

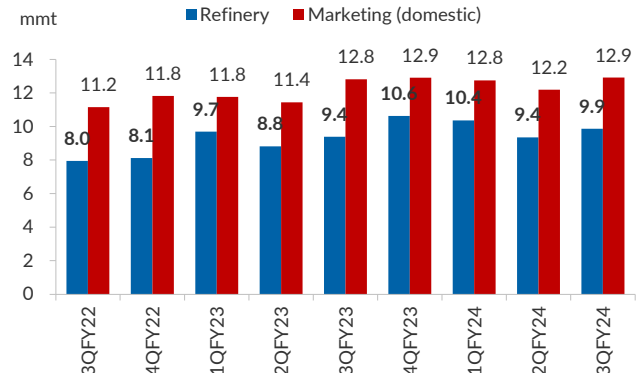
- **EBITDA/Adj. PAT** were Rs 62.3/34bn is up 47%/73% YoY but down 52%/60% QoQ. This marginally lower than our estimates but better than the consensus.
- The **reported GRM** was USD13.35/bbl (MR/KR/BR USD7.9/USD14/USD20) vs USD18.5/bbl the previous quarter (MR/KR/BR USD14.5/USD19.7/USD28.2) and USD15.9/bbl a year ago (MR/KR/BR USD11.3/USD14.6/USD26.9), while the Arab heavy-light difference was USD2.1/bbl (same the quarter prior).
- As per our assumptions, the **core GRM** was USD14/bbl (USD15.5 the previous quarter, USD18.3 a year back), a USD8.6/bbl premium to the benchmark USD5.4, the best amongst Indian refiners. The assumed **refining inventory loss** was USD0.6/bbl (gain of USD3 the prior quarter, a loss of USD2.4/bbl a year ago).
- **Refinery throughput** was 9.9mmt (MR/KR/BR 3.1/4.7/2.1) at ~110% utilisation (105% the previous quarter, ~106% a year ago).
- **The integrated core EBITDA margin** was USD4.9/bbl vs our estimates of 7.3 (USD7.2 the prior quarter, USD4.7 a year ago). It was impacted by weak core marketing performance on HSD margins.
- **The core marketing EBITDA (back-calculated)** was negative Rs0.3/ltr (Rs1.3 the prior quarter, negative Rs2 a year back).
- The **domestic marketing throughput** was 12.9mmt, up 1% YoY 6% QoQ (vs. the industry's growth of 2% YoY and 5.5% QoQ). MS sales were 2.5mmt, up 3.7% YoY and 1% QoQ, while diesel at 5.87mmt, down 3% YoY and up 12% QoQ. Industry motor spirit and diesel sales were up 4.7%/1% YoY and 1.4%/13.5% QoQ. The reported marketing adventitious/inventory loss was Rs3.7bn.
- **Product market share.** Bharat Petroleum's market share of high-speed diesel and motor spirits improved QoQ at 25.8% and 27.2% respectively. Given marketing margins for diesel and petrol are strong, expect OMCs to lose market share to private operators.
- The Rs290mn **forex loss** impacted to the quarter's profitability.
- **Capex** as per PPAC was Rs33bn (Rs80.3bn in 9MFY24); and FY24 target of Rs100bn.
- **Debt** at Rs160.2bn (0.23x) was sharply down Rs242.4bn YoY and Rs65.5bn QoQ on stronger cashflows, lower capex and purchase of discounted crude which resulted in lowering the working capital requirements.
- **9MFY24 performance.** EBITDA at Rs 349.4bn (vs a loss of Rs 44.3bn previous period last year) while PAT at Rs 224.5bn (vs loss of Rs 65.7bn previous period last year) and the reported GRM at USD14.7/bbl (vs USD20.2). The core integrated margins were at USD8/bbl vs USD0.4/bbl the previous period last year while the marketing EBITDA/ltr (Rs) was at 2.7 vs negative 6.6 last year same period.

**Exhibit 4: GRMs**



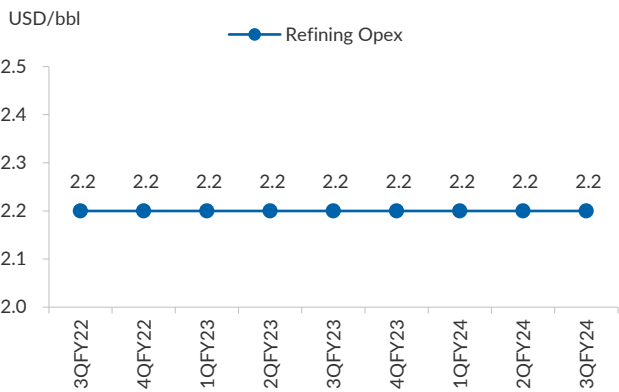
Source: Company, YES Sec

**Exhibit 5: Throughput**



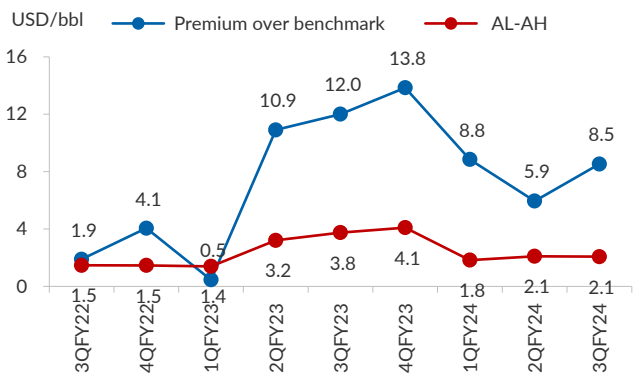
Source: Company, YES Sec

**Exhibit 6: Refining Opex**



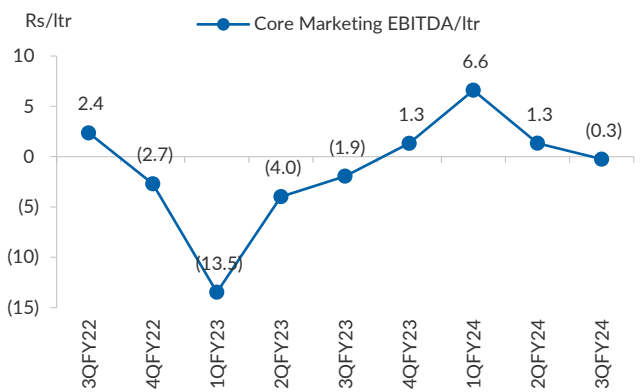
Source: Company, YES Sec

**Exhibit 7: Premium to the benchmark and AL-AH difference**



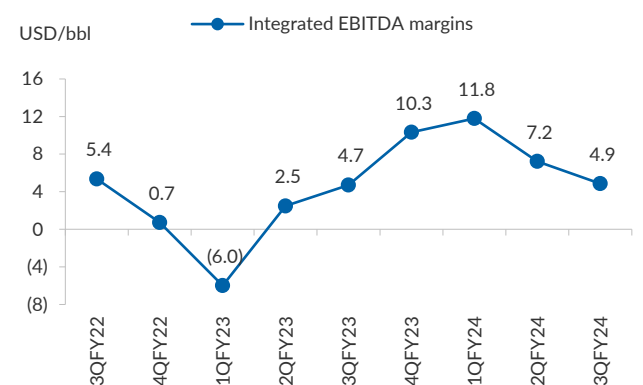
Source: Company, YES Sec

**Exhibit 8: Core marketing EBITDA**



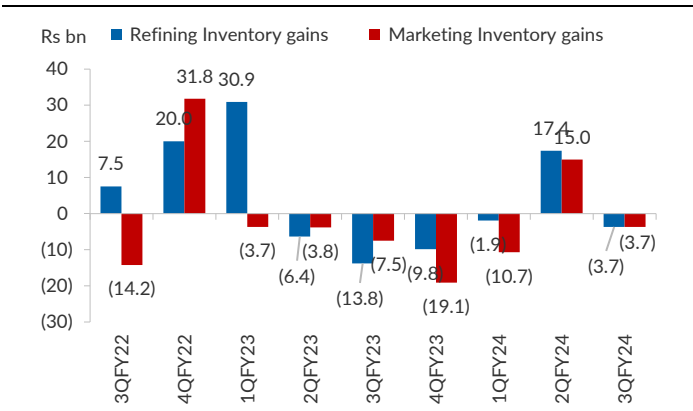
Source: Company, YES Sec

**Exhibit 9: Integrated EBITDA margins**



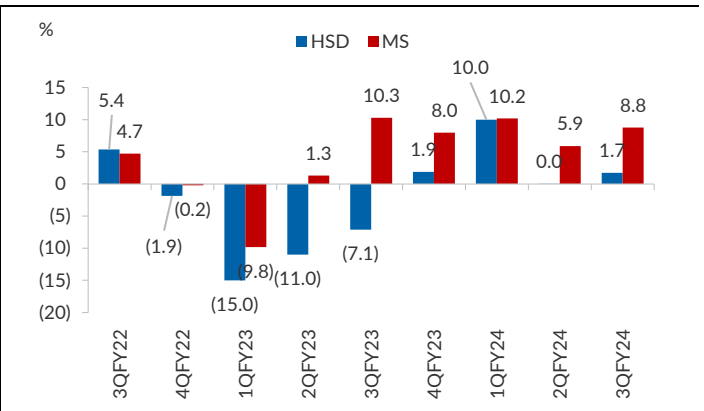
Source: Company, YES Sec

**Exhibit 10: Inventory gain / loss**



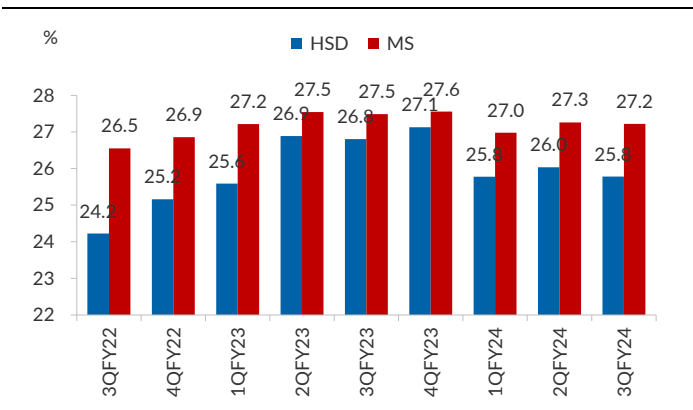
Source: Company, YES Sec

**Exhibit 11: Auto fuel – gross marketing margins**



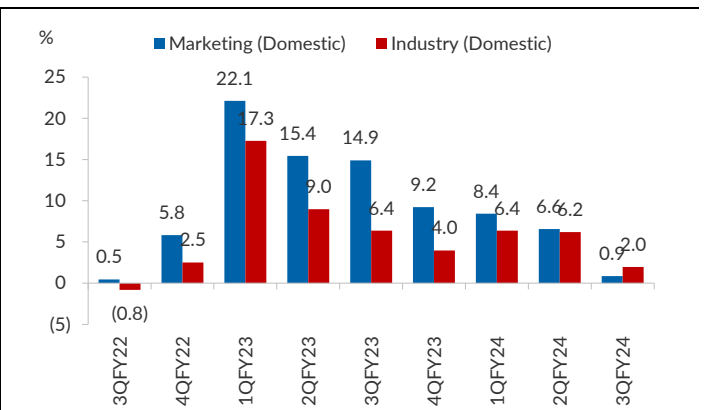
Source: Company, YES Sec

**Exhibit 12: Auto fuel – market share**



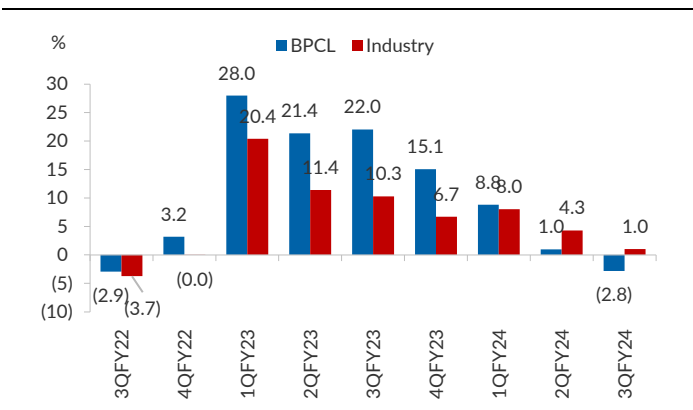
Source: Company, YES Sec

**Exhibit 13: Marketing volume growth, YoY**



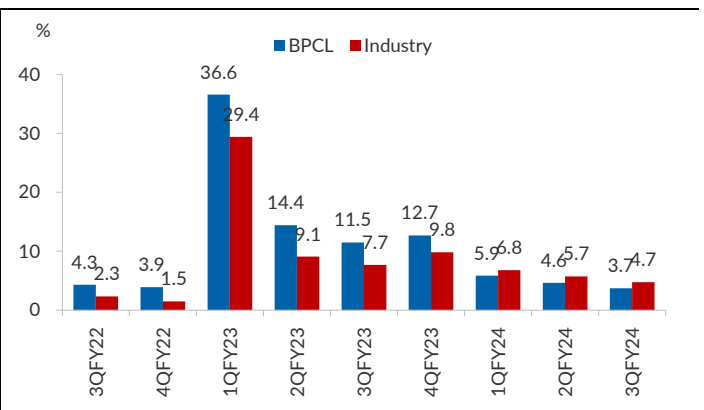
Source: Company, YES Sec

**Exhibit 14: HSD volume growth, YoY**



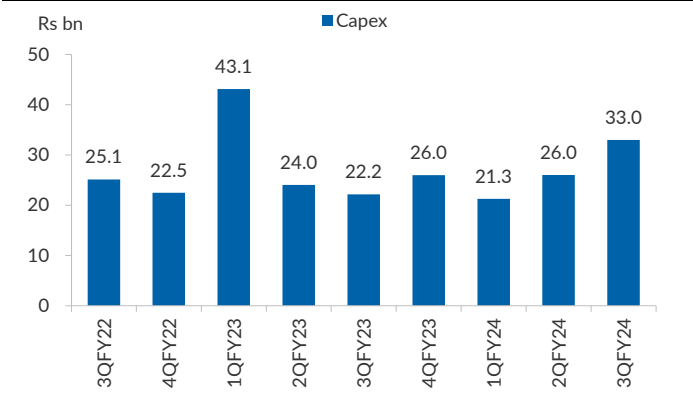
Source: Company, YES Sec

**Exhibit 15: MS volume growth, YoY**



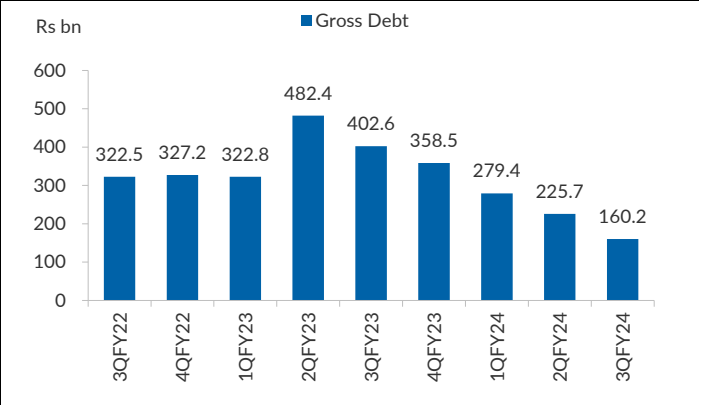
Source: Company, YES Sec

**Exhibit 16: Capex**



Source: Company, YES Sec

**Exhibit 17: - Gross debt**



Source: Company, YES Sec

## CONCALL HIGHLIGHTS

- **Capex:** Capex as of 9MFY24 was at 80bn, targeting Rs 100bn for FY24. FY25 Capex is expected to be 150bn, BPCL plans a capex of Rs 1500-1700bn over the next 5 years, out of which Rs750bn will be used for refinery and petchem, Rs420bn for the upstream business, Rs250bn for gas, marketing, and infrastructure, Rs100bn initial outlay for renewables and alternate fuel.
- **Volumes and GRMs:** Achieved a combined throughput of 9.86mmt which is more than 100% of main slate capacity, distillate yield was at 84.21 which is one of the highest among Indian refineries, this quarter faced sharp fall in international product cracks vs the previous quarter, despite this the refineries recorded a GRM of USD13.35/bbl and 9MFY24 GRM was USD14.72/bbl. Current GRMs are at a premium to Singapore benchmark GRM mainly on account of continuous optimization of refinery production, product distribution and crude procurement, use of advance processing capabilities at Bina and Kochi refinery.
- **Russian Crude sourcing:** Across the three refineries, BPCL can utilize ~40% of Russian crude of both Low and High Sulphur grades. As of date, there is no payment balance for Russian crude. BR/KR/MR can take diesel processing upto 57%/45%/45%.
- **Inventory days:** The company holds 15-20days of crude inventory. The diesel cracks are strong should yield better GRMs. Mumbai refinery had a shutdown so there was an impact.
- **GRMs:** The PDP petchem in GRMs added USD 0.5/bbl during the quarter, is lower on weaker petchem spreads, while currently it is not profitable, the management expects it to improve in coming quarters which could uplift GRMs.
- **Plant shutdowns:** Mumbai refinery was shut in for a period of 40 days during Q3 FY24. In FY25, there will be 15days shutdown at Kochi and Bina refinery.
- **Debt:** The company highlighted the gross debt at Rs 160bn while the net debt is at Rs6bn after considering both current investments and cash on books.
- **Petchem:** Capacity utilization for PDPP (Petchem complex in Kochi refinery) was ~73% in Q2FY24 and contributed USD 0.5/bbl. A new petchem capacity is under progress at Bina refinery, which will have 2.2mmt capacity with products – HDPE, LDPE and Polypropylene and Naphtha would be the key input used as feedstock despite it being a dual fuel feed plant.
- **Rights issue:** The process is ongoing and targeting to complete in FY24 itself. It is a requirement for long term capex and emission reduction achievement.
- **Mozambique:** The security situation has substantially improved and could restart by Jul'24, the EPC contracts are intact and expect gas supply from 2027-28.
- **Renewable Energy Capacity:** BPCL during the quarter it entered into an MOU with TATA Motors for EV charging stations.

## VIEW & VALUATION

### BUY with a TP of Rs 620/share.

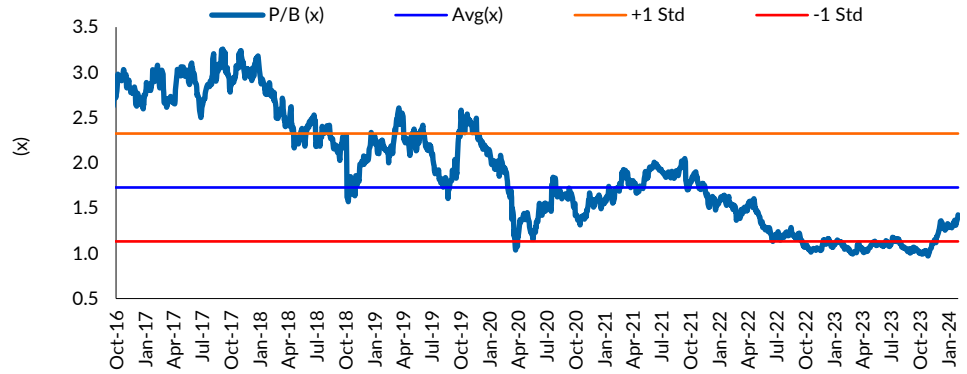
BPCL has Rs20.2bn and Rs23.5bn sensitivity to a change of Rs0.5/ltr and USD1/bbl, respectively. An expectation of higher dividend in FY24 (8.9% yield), 4.4%/4% FY25e/26e would be key for shareholders, compensating lower dividend of FY23. The BV/share for FY25e/26e is at Rs 360/387 and the debt: equity is least amongst OMCs at 0.4/0.3/0.3x for FY24e/25e/26e. At CMP, the stock trades at 5.9x/6.5x FY25e/26e EV/EBITDA and 1.4x/1.3x P/BV (excl. investments, trades at 4.8x/5.3x FY25e/26e EV/EBITDA and 1.1x/1.0x P/BV). We maintain a BUY rating with a target price of Rs620 valuing it on a sum-of-parts basis (core business at 6.5x EV/EBITDA and investments at Rs118).

### Exhibit 18: SOTP Valuation table

EV/EBITDA method	FY26e EBITDA (Rs mm)	EV/EBITDA (x)	Fair Value (Rs mm)	Fair Value (Rs/share)
<b>Standalone</b>	<b>206,238</b>	<b>6.5 x</b>	<b>1,340,549</b>	<b>608</b>
Refining	101,757	6.5 x	661,418	311
Marketing	97,355	6.5 x	632,807	297
Pipeline	7,127	6.5 x	46,323	22
Cash & Current Investments			52,681	25
Gross Debt			324,473	152
<b>Standalone Equity Value (Using EV/EBITDA)</b>			<b>1,068,756</b>	<b>502</b>
Listed Investments	Full Value (Rs mm)	Holdco discount (%)	Fair Value (Rs mm)	Fair Value (Rs/share)
Petronet LNG	50,250	30%	35,175	17
Indraprastha Gas	67,253	30%	47,077	22
Oil India	11,369	30%	7,958	4
<b>Listed Investments Equity Value</b>			<b>90,210</b>	<b>42</b>
Unlisted Investments	FY25E EBITDA (Rs mm)	EV/EBITDA (x)	Fair Value (Rs mm)	Fair Value (Rs/share)
Mozambique (Upstream)			122,777	58
Vankor, Taas, Lower Zakum (Upstream)			27,485	13
<b>Unlisted Investments Equity Value</b>			<b>150,263</b>	<b>71</b>
Treasury Stock	16,313	30%	11,419	5
<b>Equity Value</b>			<b>1,320,648</b>	<b>620</b>



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



Source: Company, YES Sec

## FINANCIALS

### Exhibit 20: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	3,466,439	4,731,247	4,246,548	4,010,655	3,792,715
Total Expense	3,276,179	4,621,680	3,822,359	3,784,150	3,586,476
Operating Profit	190,260	109,566	424,189	226,505	206,238
Other Income	26,294	21,840	22,277	22,722	23,177
Depreciation	54,179	63,475	64,115	69,883	77,279
EBIT	162,375	67,931	382,351	179,344	152,136
Interest	22,088	32,165	22,822	17,950	17,874
Extraordinary Item	16,431	(13,600)	-	-	-
PBT	156,717	22,167	359,528	161,394	134,262
Tax	43,084	3,466	90,493	40,623	33,794
PAT	113,634	18,701	269,035	120,771	100,468
Adj. PAT	97,203	32,301	269,035	120,771	100,468
Eps	53.4	8.8	126.3	56.7	47.2

### Exhibit 21: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Equity capital	21,295	21,295	21,295	21,295	21,295
Reserves	495,160	498,669	671,879	745,802	803,681
Net worth	516,455	519,963	693,173	767,097	824,976
Debt	422,153	447,751	287,751	287,751	287,751
Deferred tax liab (net)	58,660	70,683	70,683	70,683	70,683
Capital Employed	997,268	1,038,398	1,051,608	1,125,531	1,183,410
Fixed assets	888,035	922,696	963,581	1,028,698	1,126,418
Investments	142,748	131,364	131,364	131,364	131,364
Net working capital	(33,515)	(15,662)	(43,337)	(34,530)	(74,371)
Inventories	421,765	380,647	312,047	332,681	293,991
Sundry debtors	96,996	67,219	69,806	65,929	62,346
Cash & Bank Balance	14,509	21,204	31,973	20,597	9,909
Other current assets	77,793	84,910	84,910	84,910	84,910
Sundry creditors	303,301	240,108	212,540	209,114	195,994
Other liabilities	341,276	329,534	329,534	329,534	329,534
Application of Funds	997,268	1,038,398	1,051,608	1,125,531	1,183,411

## Exhibit 23: Cash flow statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	156,717	22,167	359,528	161,394	134,262
Depreciation & amortization	54,179	63,475	64,115	69,883	77,279
Interest expense	22,088	32,165	22,822	17,950	17,874
(Inc)/Dec in working capital	18,750	(610)	38,444	(20,182)	29,153
Tax paid	(18,227)	(8,014)	(90,493)	(40,623)	(33,794)
Less: Interest/Dividend Income Received	(3,185)	(8,005)			
Other operating Cash Flow	(22,188)	5,463			
Cash flow from operating activities	208,135	106,641	394,416	188,422	224,774
Capital expenditure	(73,656)	(67,797)	(105,000)	(135,000)	(175,000)
Inc/(Dec) in investments	23,635	23	-	-	-
Add: Interest/Dividend Income Received	6,121	23,181	-	-	-
Cash flow from investing activities	(43,900)	(44,593)	(105,000)	(135,000)	(175,000)
Inc/(Dec) in share capital	50,162	71,114	-	-	-
Inc/(Dec) in debt	(71,909)	(65,767)	(160,000)	-	-
Dividend Paid	(144,828)	(12,816)	(95,825)	(46,848)	(42,589)
Others	(20,043)	(29,190)	(22,822)	(17,950)	(17,874)
Cash flow from financing activities	(186,618)	(36,659)	(278,647)	(64,798)	(60,463)
Net cash flow	(22,383.6)	25,389.2	10,768.5	(11,375.5)	(10,688.6)

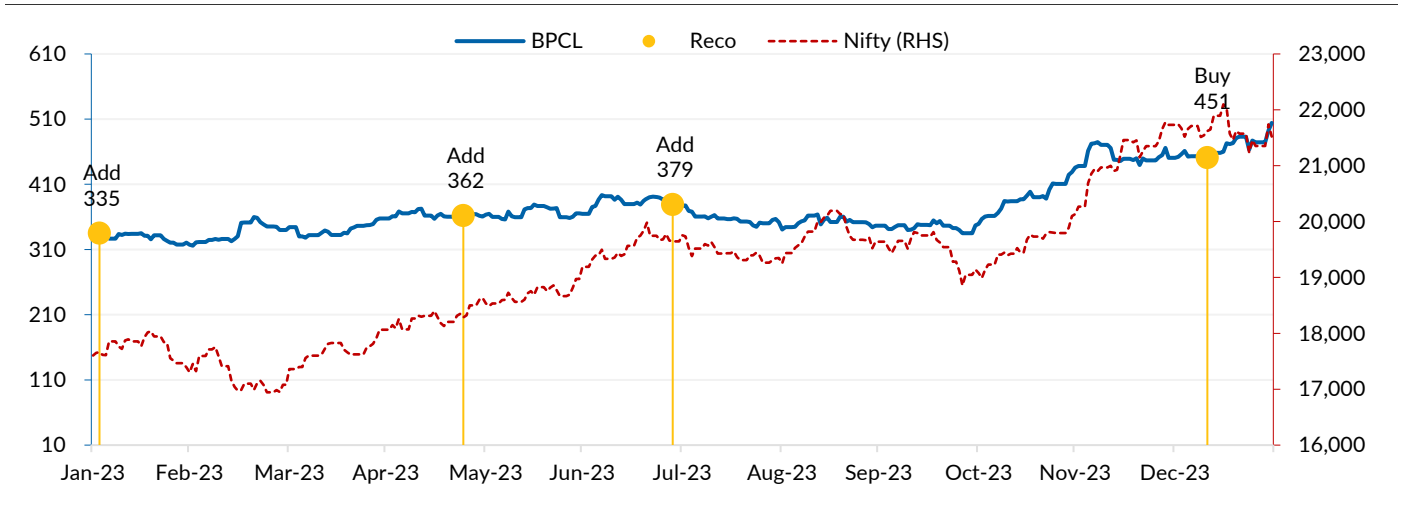
## Exhibit 24: Du-pont analysis

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Tax burden (x)	0.7	0.8	0.7	0.7	0.7
Interest burden (x)	1.0	0.3	0.9	0.9	0.9
EBIT margin (x)	0.0	0.0	0.1	0.0	0.0
Asset turnover (x)	2.3	2.9	2.7	2.5	2.2
Financial leverage (x)	2.9	3.1	2.6	2.2	2.1
RoE (%)	21.4	3.6	44.4	16.5	12.6

## Exhibit 25: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24E	FY25E	FY26E
<b>Growth matrix (%)</b>					
Revenue growth	49.1	36.5	(10.2)	(5.6)	(5.4)
Op profit growth	11.1	(42.4)	287.2	(46.6)	(8.9)
EBIT growth	(7.2)	(58.2)	462.8	(53.1)	(15.2)
Net profit growth	(40.3)	(83.5)	1,338.6	(55.1)	(16.8)
<b>Profitability ratios (%)</b>					
OPM	5.5	2.3	10.0	5.6	5.4
EBIT margin	4.7	1.4	9.0	4.5	4.0
Net profit margin	3.3	0.4	6.3	3.0	2.6
RoCE	16.3	6.5	36.4	15.9	12.9
RoE	22.0	3.6	38.8	15.7	12.2
RoA	7.5	1.2	16.8	7.4	6.0
<b>Per share ratios</b>					
EPS	53.4	8.8	126.3	56.7	47.2
Dividend per share	33.0	4.0	45.0	22.0	20.0
Cash EPS	78.8	38.6	156.4	89.5	83.5
Book value per share	242.5	244.2	325.5	360.2	387.4
<b>Valuation ratios</b>					
P/E	6.7	39.2	4.0	8.9	10.7
P/CEPS	4.6	8.9	3.2	5.6	6.0
P/B	1.5	1.4	1.5	1.4	1.3
EV/EBIDTA	4.9	8.6	2.2	4.6	5.3
<b>Payout (%)</b>					
Dividend payout	61.8	45.5	35.6	38.8	42.4
Tax payout	27.5	15.6	25.2	25.2	25.2
<b>Liquidity ratios</b>					
Debtor days	10.2	9.2	6.3	6.0	6.0
Inventory days	44.1	41.5	33.8	32.3	35.0
Creditor days	26.9	28.0	22.9	22.0	22.0

## Recommendation Tracker



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### YES Securities (India) Limited

**Registered Address:** 2<sup>nd</sup> Floor, North Side, YES BANK House,  
Off Western Express Highway, Santacruz East,  
Mumbai - 400 055, Maharashtra, India.

**Correspondence Address:** 7<sup>th</sup> Floor, Urmi Estate Tower A, Ganpatrao  
Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West),  
Mumbai - 400 013, Maharashtra, India.

✉ research@ysil.in | Website: www.yesinvest.in

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**Details of Compliance Officer:** Name: Aditya Goenka,  
**Email id:** compliance@ysil.in, **Contact No:** 022- 65078127 (Extn: 718127)

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