

Estimate change	↔
TP change	↓
Rating change	↔

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Bloomberg	HNDL IN
Equity Shares (m)	2247
M.Cap.(INRb)/(USDb)	1464.4 / 17.4
52-Week Range (INR)	773 / 481
1, 6, 12 Rel. Per (%)	-8/-4/13
12M Avg Val (INR M)	4602
Free float (%)	65.4

Financials & Valuations (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	2,319	2,454	2,679
EBITDA	301	284	317
Adj. PAT	152	140	165
EBITDA Margin (%)	13	12	12
Cons. Adj. EPS (INR)	68	63	74
EPS Gr. (%)	50	-8	18
BV/Sh. (INR)	419	476	544
Ratios			
Net D:E	0.4	0.3	0.2
RoE (%)	17.5	14.1	14.6
RoCE (%)	14.4	11.8	12.7
Payout (%)	8.8	9.5	9.4
Valuations			
P/E (x)	9.5	10.3	8.7
P/BV (x)	1.5	1.4	1.2
EV/EBITDA(x)	5.9	6.2	5.5
Div. Yield (%)	0.9	0.9	1.1
FCF Yield (%)	3.2	3.9	4.4

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	34.6	34.6	34.6
DII	24.6	25.8	26.0
FII	32.8	31.3	31.1
Others	8.0	8.3	8.2

FII Includes depository receipts

CMP: INR652 TP: INR780 (+20%) Buy

In-line revenue; lower costs lead to strong EBITDA beat

Consolidated performance

- HNDL's consolidated net sales stood at INR582b (+7 YoY/+2% QoQ) in 2QFY25 vs. our est. of INR569b, aided by better realizations and efficiencies in India operations.
- Consolidated EBITDA stood at INR79b (+40% YoY/+5% QoQ) vs. our est. of INR66b, driven by lower costs. APAT stood at INR43b (+97% YoY/+25% QoQ) vs. our est. of INR31b.
- HNDL reported one-time exceptional expenses of INR5.1b related to flooding at the Sierre plant.
- For 1HFY25, revenue stood at INR1,152b (+8% YoY), EBITDA came in at INR154b (+36% YoY), and APAT was INR77b (+66% YoY). For 2HFY25, we expect revenues, EBITDA and APAT to grow by 8%, 18% and 34% YoY, respectively.
- The net debt-to-EBITDA ratio stood at 1.19x in 2QFY25 vs. 1.24x in 1QFY25.

Aluminum business

- Upstream revenue stood at INR91b in 2QFY25 (+16% YoY), led by higher average aluminum prices.
- Aluminum upstream EBITDA stood at INR37b (+79% YoY), driven by lower input costs. EBITDA margin was 41% in 2QFY25 vs. 26.3% in 2QFY24.
- Downstream revenue stood at INR32b (+20% YoY) due to higher volumes. Downstream aluminum sales came in at 103kt (+10% YoY), led by market recovery.
- Downstream EBITDA/t was USD179 vs. USD138 in 1QFY25 and USD202 in 2QFY24.

Copper business

- Copper business revenues stood at INR131b (+5% YoY), aided by higher average copper prices.
- EBITDA was at an all-time high of INR8.3b in 2QFY25, up 27% YoY, backed by higher copper prices and robust operations.
- Copper metal sales stood at 117kt (-13% YoY) and CCR sales stood at 90kt (-10% YoY) in 2QFY25.

Novelis: In-line operating performance

- Shipment volumes stood at 945kt (+1% YoY/flat QoQ) vs. our estimate of 961kt. The growth was primarily led by strong demand for beverage packaging, offset by lower VAP shipments and automotive shipments. Volumes were also impacted by flooding-related production interruption at the Sierre plant.
- Novelis' 2QFY25 revenue stood at USD4.3b (+5% YoY/+3% QoQ), in line with our est. of USD4.2b, mainly driven by higher aluminum prices.

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

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- Adjusted EBITDA stood at USD462m (-5% YoY/-8% QoQ), in line with our estimate. The EBITDA decline was primarily driven by a rapid increase in aluminum scrap prices and an unfavorable product mix, along with USD25m impact at the Sierre plant due to floods.
- EBITDA/t stood at USD489 (est. USD496) and APAT came in at USD202m (-9% YoY/-15% QoQ) vs. our est. of USD187m.
- Total capex for 1HFY25 stood at USD717m, primarily attributed to new rolling and recycling capacity.
- For 1HFY25, Novelis posted revenue of USD8.5b (+3% YoY), EBITDA of USD962m (+3% YoY), and APAT of USD439m (+13% YoY).

Highlights from the management commentary

- Aluminium CoP in 2QFY25 was down 1.2% QoQ and is expected to increase marginally by 1-1.5% in 3QFY25 due to higher coal auction premiums.
- Management expects to clock an EBITDA run rate of INR6b per quarter in copper business.
- Coal sourcing: Linkages – 50%, Own mines – 2%, E-Auction – 48%
- Out of the 300MW of renewables capacity target by CY2025, HNDL achieved 183MW in 1H, and another 15MW of solar and 100MW Hybrid (with storage) would be commissioned by 1HCY25.
- The company has hedged 30% of commodity at USD2517/t, and additional 15% is hedged at USD2262/t with a ceiling price of USD2542/t.
- Bauxite supply disruption in Guinea and Alcoa pushed alumina prices higher to USD700/t. The high cost alumina impact will start reflecting from 3Q as ~80% of the contract is benchmarked to spot minus 1-month price and 20% on spot basis.

Valuation and view

- HNDL's 1HFY25 consolidated performance was better than our estimates, driven by favorable pricing and lower input costs. Novelis has also posted a decent performance as anticipated. Going forward, the cost of production in the aluminum business is expected to inch up, led by coal e-auction premium and rising scrap prices, which might impact margins in the near term. Novelis would continue to see margin-softened earnings in 2HFY25, due to rising scrap prices and a weak demand outlook in Europe.
- The ongoing capex in Novelis would establish HNDL as the global leader in beverage cans and automotive FRP segments. The capex is likely to be completed within the revised timeline, and management does not see any further capex increase.
- We maintained our FY26/FY27 estimates, while we raised our EBITDA/APAT estimates by 6%/9% for FY25. **At CMP, the stock trades at 5.5x EV/EBITDA and 1.1x P/B on FY27E. We reiterate our BUY rating on HNDL with a revised SoTP-based TP of INR780.**

Consolidated quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25 2QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	529.9	541.7	528.1	559.9	570.1	582.0	582.9	583.6	2,159.6	2,318.7	569.5	2.2
Change (YoY %)	-8.7	-3.6	-0.6	0.2	7.6	7.4	10.4	4.2	-3.2	7.4		
Change (QoQ %)	-5.1	2.2	-2.5	6.0	1.8	2.1	0.2	0.1	0.0	0.0		
Total Expenditure	472.8	485.6	469.4	493.1	495.1	503.2	510.9	508.1	1,920.9	2,017.2		
EBITDA	57.1	56.1	58.7	66.8	75.0	78.8	72.0	75.6	238.7	301.4	65.5	20.3
Change (YoY %)	-32.2	4.7	65.3	25.4	31.3	40.5	22.8	13.1	5.3	26.3		
Change (QoQ %)	7.3	-1.8	4.5	13.9	12.3	5.1	-8.6	4.9	0.0	0.0		
As % of Net Sales	10.8	10.4	11.1	11.9	13.2	13.5	12.4	12.9	11.1	13.0		
Interest	9.9	10.3	9.4	8.9	8.6	8.7	8.1	7.1	38.6	32.6		
Depreciation	17.9	18.4	18.7	20.2	18.9	19.3	18.7	17.0	75.2	73.9		
Other Income	3.9	4.6	2.8	3.6	4.2	10.8	3.8	4.2	15.0	23.0		
PBT (before EO item)	33.3	32.0	33.3	41.4	51.8	61.6	49.0	55.6	139.9	218.0		
Extra-ordinary Income	-0.1	0.3	0.0	0.0	-3.3	-5.1	0.0	0.0	0.2	-8.4		
PBT (after EO item)	33.2	32.3	33.3	41.4	48.5	56.4	49.0	55.6	140.1	209.5		
Total Tax	8.6	10.4	10.0	9.6	17.7	17.3	14.1	16.9	38.6	66.1		
% Tax	26.0	32.0	30.0	23.3	36.6	30.7	28.8	30.4	27.5	31.6		
PAT before MI and Associate	24.5	22.0	23.3	31.8	30.7	39.1	34.9	38.7	101.5	143.4		
MI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sh. of Associate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
PAT after MI and Associate	24.5	22.0	23.3	31.7	30.7	39.1	34.9	38.7	101.6	143.4		
Adjusted PAT	24.7	21.6	23.3	31.7	34.0	42.7	34.9	38.7	101.3	151.9	31.5	35.7
Change (YoY %)	-39.5	-1.9	71.1	31.6	38.0	97.3	49.6	22.0	0.0	0.0		
Change (QoQ %)	2.3	-12.3	7.7	36.2	7.2	25.4	-18.3	11.1				

Source: MOFSL, Company

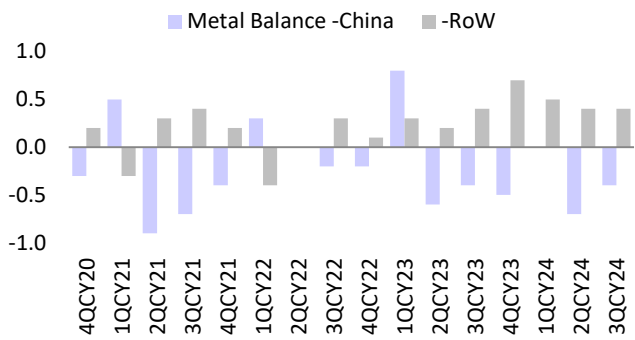
Quarterly performance for Novelis

(USD m)

Y/E March	FY24				FY25				FY24	FY25E	FY25 2QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Sales (000 tons)	879	933	910	951	951	945	951	953	3,673	3,800	961	-1.7
Change (YoY %)	-8.6	-5.2	0.2	1.6	8.2	1.3	4.5	0.2	-3.1	3.5		
Change (QoQ %)	-6.1	6.1	-2.5	4.5	0.0	-0.6	0.6	0.2	0.0	0.0		
Net Sales	4,091	4,107	3,935	4,077	4,187	4,295	4,398	4,394	16,210	17,274	4,156	3.3
Change (YoY %)	-19.6	-14.4	-6.3	-7.3	2.3	4.6	11.8	7.8	-12.3	6.6		
Change (QoQ %)	-7.0	0.4	-4.2	3.6	2.7	2.6	2.4	-0.1	0.0	0.0		
EBITDA (adjusted)	421	484	454	514	500	462	460	467	1,873	1,889	476	-3.0
Change (YoY %)	-25.0	-4.3	33.1	27.5	18.8	-4.5	1.4	-9.2	3.4	0.8		
Change (QoQ %)	4.5	15.0	-6.2	13.2	-2.7	-7.6	-0.4	1.4	0.0	0.0		
EBITDA per ton (USD)	479	519	499	540	526	489	484	490	510	497	496	-1.4
Interest	70	74	67	64	64	67	66	67	275	265		
Depreciation	131	136	139	148	140	141	148	151	554	580		
PBT (before EO item)	220	274	248	302	296	254	246	248	1,044	1,044		
Extra-ordinary Income	(10)	(66)	(73)	(77)	(86)	(74)	-	-	(226)	(160)		
PBT (after EO item)	210	208	175	225	210	180	246	248	818	884		
Total Tax	54	51	54	59	60	51	69	69	218	249		
% Tax	25.7	24.5	30.9	26.2	28.6	28.3	28.0	28.0	26.7	28.2		
Reported PAT (after MI)	156	157	121	166	151	128	177	179	600	635		
Change (YoY %)	-49	-14	908	6	-3	-18	47	8	-9	6		
Adjusted PAT	166	223	194	243	237	202	177	179	826	795	187	7.8
Change (YoY %)	-40.5	-9.3	33.8	23.4	42.8	-9.4	-8.6	-26.4	-4.7	-3.7		
Change (QoQ %)	-15.7	34.3	-13.0	25.3	-2.5	-14.8	-12.2	0.9				

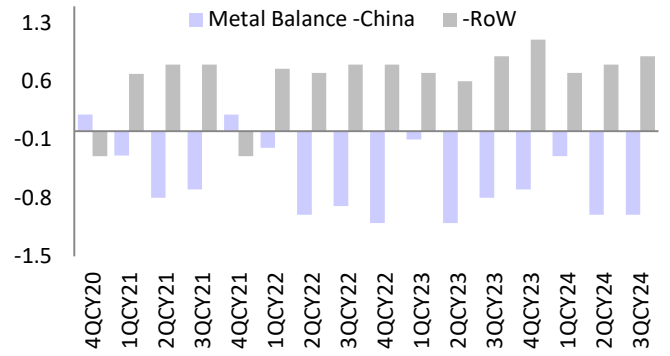
Source: MOFSL, Company

Exhibit 1: Aluminum market balance – Surplus/(deficit) (mt)



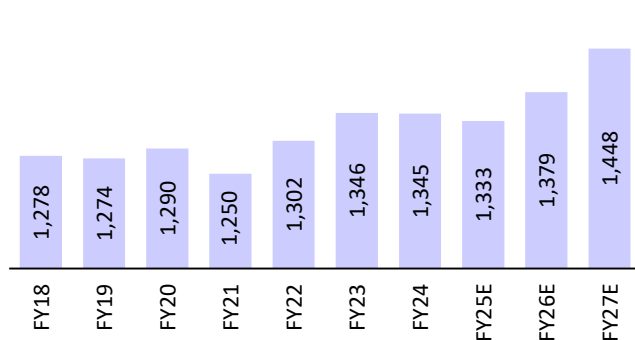
Source: MOFSL, Company

Exhibit 2: Copper market balance – Surplus/(deficit) (mt)



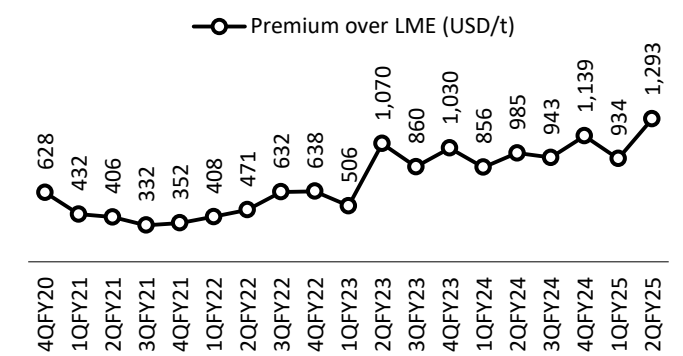
Source: MOFSL, Company

Exhibit 3: Al upstream production (kt) to hit 1.5mt



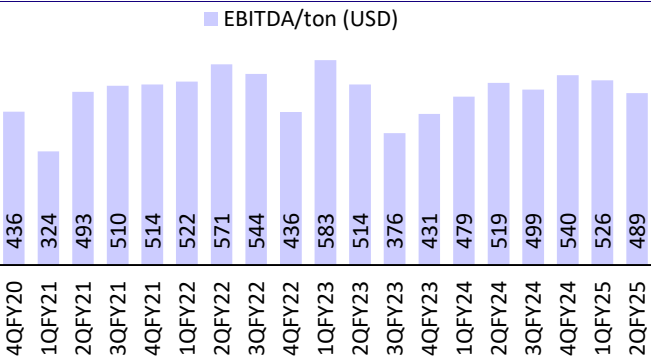
Source: MOFSL, Company

Exhibit 4: Aluminum premium rebound in 2Q



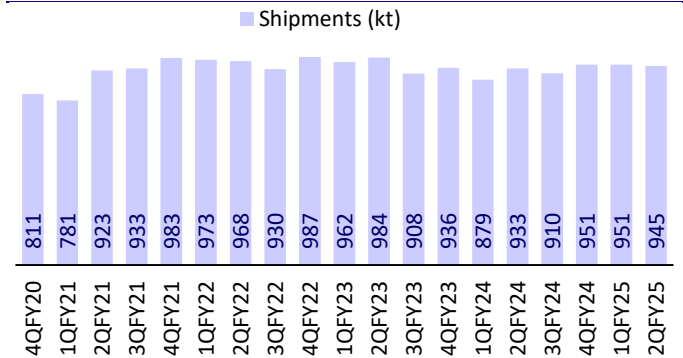
Source: MOFSL, Company

Exhibit 5: Novelis’ EBITDA/t (USD) remains robust



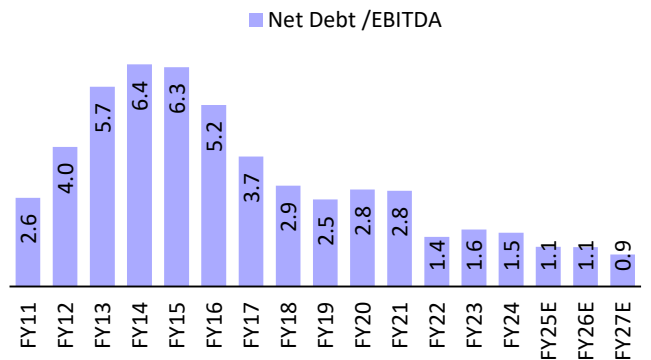
Source: MOFSL, Company

Exhibit 6: Novelis’ shipments (kt) stood flat QoQ



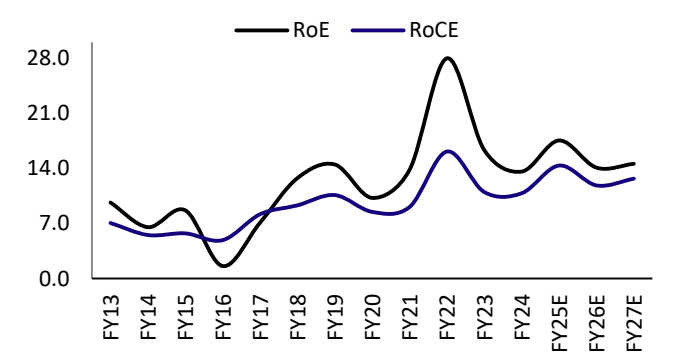
Source: MOFSL, Company

Exhibit 7: Leverage to remain below the current level



Source: MOFSL, Company

Exhibit 8: ROE and ROCE (%)



Source: MOFSL, Company



Highlights from the management commentary

Guidance/capacity update:

- Aluminium CoP in 2QFY25 was down 1.2% QoQ and is expected to increase marginally by 1-1.5% in 3QFY25 due to higher coal auction premiums.
- Management expects to clock an EBIDTA run rate of INR6b per quarter in copper business.
- Coal sourcing: Linkages – 50%, Own mines – 2%, E-Auction – 48%
- Out of the 300MW of renewables capacity target by CY2025, HNDL achieved 183MW in 1H, and another 15MW of solar and 100MW Hybrid (with storage) would be commissioned by 1HCY25.
- The company has hedged 30% of the commodity at USD2517/t, while additional 15% is hedged at USD2262/t with a ceiling price of USD2542/t.
- Bauxite supply disruption in Guinea and Alcoa pushed alumina prices higher to USD700/t. The high cost alumina impact will start reflecting from 3Q as ~80% of the contract is benchmarked to spot minus 1-month price and 20% on spot basis.

Capex:

- (Aluminum) Aditya FRP project is expected to be commissioned in FY26, increasing the total downstream capacity to 600kt. HNDL also announced upstream expansion of 180kt, which will be powered by renewable energy. This will increase its total upstream capacity to 1.52mtpa.
- Capex guidance: INR70-80b for FY26 and ~INR60b for FY25 (on track).
- HNDL announced 280-300kt copper smelting capacity expansion to take total upstream capacity to ~800kt, providing full integration advantages to the existing CCR mill and capturing the growing copper market in India.
- Both (aluminum and copper) announced smelters are brownfield and require a capex outlay of USD1b each and ~USD4-5b of capex for the next 3-3.5 years.
- For copper business, the company has also planned downstream capacity expansion: 1) 25Kt greenfield inner grooved tubes – expected in Jan'25; 2) 50kt of e-waste and copper scrap recycling plant.
- Aluminium smelter is expected to be commissioned by Oct'27, copper smelter should be commissioned by FY29, and the refinery will be on stream by FY28.
- Chakla captive coal mine received stage-I forest clearance and is likely to start operations by the end of CY25. The Meenakshi exploration program will start later this month, with allotment not given yet and expected to come on stream in CY27.

Global Outlook:

- Domestic auto segment demand has softened, led by muted demand for passenger vehicles.
- China is running at a deficit and additional Aluminum is coming in from Russia.
- China plans to process 20mt of scrap by 2025-26 and has the capacity to recycle this scrap.
- Indian FRP demand in FY25 is expected to grow by ~7-8% YoY, led by strong demand from packaging.

Takeaways from the Novelis conference call

Operating performance outlook

- The flood in Sierre in Jun'24 adversely affected EBITDA by USD25m (net of insurance). Sierre operations restarted in Sep'24, with a ramp-up planned for 3QFY25.
- Higher aluminum prices and increased FRP shipments boosted net sales. Beverage packaging shipments grew, while specialties and automotive shipments shrank, mainly due to the Sierre flood.
- Rising scrap aluminum prices adversely impacted performance, due to China's policy changes. Near-term EBITDA/t guidance is withheld until the market stabilizes.
- The automotive recycling center in Guthrie, Kentucky (US), is in its initial production and ramp-up phase.
- Aircraft demand remains strong, though OEMs face supply chain issues. Automotive sees a favorable mix of SUVs and trucks. The main concern is the volatility in aluminum scrap prices.
- Asia's EBITDA/t dropped from USD469 to USD460 YoY due to an unfavorable product mix (higher beverage, lower automotive demand), while South America saw an increase in EBITDA/t, driven by higher operating volumes, leverage, and improved product mix.
- The company remains optimistic about 3Q performance, led by its superior operational efficiency, despite scrap price pressures.
- The company is expanding aluminum scrap supply sources and focusing on technology efficiency for recycling. Management anticipates that the surge in scrap prices will impact 2HFY25 performance.
- Beverage packaging remains strong with momentum expected to continue. In North America, automotive demand shows no significant slowdown among Novelis' customers, though certain OEMs have scaled back.
- In Europe, German OEMs have been affected by the economic downturn, but conditions outside Germany remain stable.
- Specialty products continue to witness solid demand despite high interest rates.

Bay Minette capex:

- The Bay Minette project remains on schedule. Capex of USD1.1b was allocated to Bay Minette in 2QFY25, with commissioning expected in 2HCY26.
- The plant will have ~600kt capacity — 420kt for beverage packaging and 180kt for automotive (primarily) and specialties (if feasible). Long-term beverage packaging contracts have already been secured for this facility.
- Bay Minette's IRR is expected to stay in double digits, assuming scrap prices remain tight, as anticipated over time.
- The capacity would take about 18-24 months to fully ramp up to peak utilization.
- Capex budget of ~USD4.1b for 600kt capacity is unlikely to be revised upward.

Demand outlook:

- Volume guidance remains intact, aligning with the market growth of 4% in the aluminum FRP market.
- Growing signals are seen in the beverage cans market globally.

- The company has a cautiously positive outlook on the beverage packaging demand in Europe and Asia.
- Europe and Asia are witnessing a slowdown in demand for EV battery foils.
- Chinese imports are rising due to the lower supply in America. Bay Minette is being set up to capture the market share, becoming a domestic supplier.

Other highlights:

- Capex guidance for FY25 will be in the range of USD1.8-2.1b and about 60-65% of the capex would go for the Bay Minette plant. Overall ~USD3.4b capex outflow is expected over FY25-26E.
- The company expects net debt to increase this year due to capex commitments, but aims to keep the net debt-to-EBITDA ratio at 3x.

Exhibit 9: Changes to our estimates

Consolidated	Unit	FY25E			FY26E			FY27E		
		New	Old	% change	New	Old	% change	New	Old	% change
Revenue	INR b	2,319	2,362	-1.9	2,454	2,456	-0.1	2,679	2,679	0.0
EBITDA	"	301	285	5.7	284	284	-0.1	317	318	-0.4
- India	"	144	116	24.1	104	97	7.2	118	108	8.8
- Novelis	"	157	169	-6.9	179	186	-3.9	199	210	-5.1
Consol PAT	"	152	140	8.6	140	140	0.0	165	166	-0.3
EPS	"	68	63	8.6	63	63	0.0	74	75	-0.3

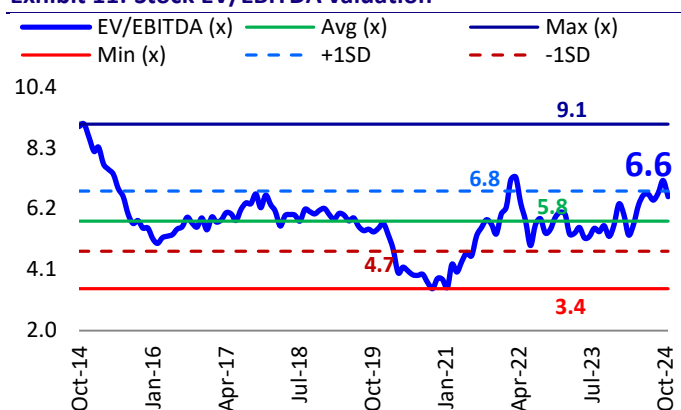
MOFSL estimates

Exhibit 10: TP calculation and valuation

Y/E March	UoM	Sep-26
Hindalco - India		
Aluminium		
Volumes	Kt	1,413
EBITDA	INR/t	70,839
EBITDA	USD/t	820
EBITDA	INR m	1,00,128
Copper		
Volumes	Kt	488
EBITDA	INR/t	53,292
EBITDA	USD/t	617
EBITDA	INR m	25,980
Others	INR m	(15,000)
EBITDA Hindalco - India	INR m	1,11,108
EV/EBITDA (x)	X	7.0
Target EV	INR m	7,77,759
Novelis		
Volumes	Kt	4,074
EBITDA	USD/t	537
USD/INR	X	86
EBITDA	INR m	1,89,070
EV/EBITDA (x)	X	6.0
Target EV	INR m	11,34,418
Target EV - Group	INR m	19,12,177
Net Debt	INR m	3,05,630
Equity Value	INR m	16,06,547
Equity Value	INR/sh	724
Investments (quoted)	INR/sh	63
Discount factor	%	10%
Target Price	INR/sh	780

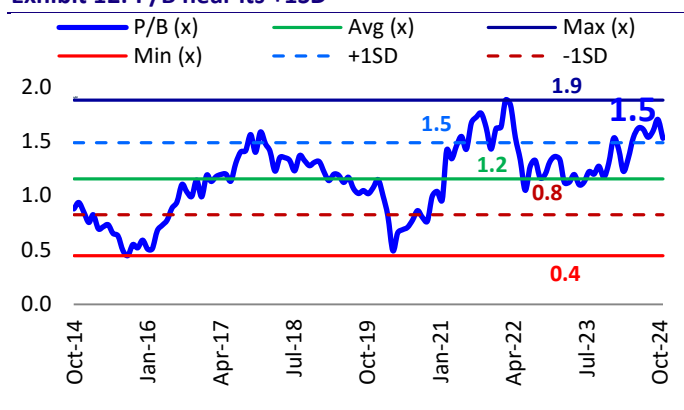
Source: MOFSL

Exhibit 11: Stock EV/EBITDA valuation



Source: Company Data

Exhibit 12: P/B near its +1SD



Source: Company Data

Financials and valuations

Consolidated Income Statement										(INR b)
Y/E March	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net sales	1,152	1,305	1,181	1,318	1,951	2,232	2,160	2,319	2,454	2,679
Change (%)	15.0	13.3	-9.5	11.6	48.0	14.4	-3.2	7.4	5.8	9.2
Total Expenses	1,014	1,150	1,039	1,144	1,667	2,005	1,921	2,017	2,170	2,363
EBITDA	138	155	142	174	283	227	239	301	284	317
% of Net Sales	12.0	11.9	12.0	13.2	14.5	10.2	11.1	13.0	11.6	11.8
Deprn. & Amortization	45	48	51	65	67	71	75	74	77	79
EBIT	93	107	91	109	216	156	164	228	207	238
Net Interest	39	38	42	37	38	36	39	33	33	30
Other income	10	11	12	12	11	13	15	23	13	13
PBT before EO	64	81	61	83	190	132	140	218	187	221
EO income (exp)	18	0	-2	-4	6	0	0	-8	0	0
PBT after EO	82	81	59	79	196	132	140	210	187	221
Current tax	16	19	15	19	38	29	30	66	47	56
Deferred tax (net)	5	7	6	8	16	3	9	0	0	0
Tax	21	26	22	27	54	31	39	66	47	56
Rate (%)	25.4	32.0	36.4	34.5	27.5	23.8	27.5	31.6	25.1	25.4
PAT (before MI and Sh. of Asso.)	61	55	38	52	142	101	102	143	140	165
Minority interests and disc. Operations	0	0	0	17	5	0	0	0	0	0
Share of asso.	-1	0	0	0	0	0	0	0	0	0
Reported PAT (after MI and Sh. of Asso.)	60	55	38	35	137	101	102	143	140	165
Adjusted PAT	42	55	40	56	136	101	101	152	140	165
Change (%)	120.7	30.6	-28.1	42.3	142.3	-26.2	0.8	49.9	-7.7	17.8

Balance Sheet										(INR b)
Y/E March	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Share Capital	2	2	2	2	2	2	2	2	2	2
Reserves	546	573	581	663	780	946	1,059	1,189	1,316	1,466
Net Worth	548	575	583	665	782	948	1,061	1,192	1,318	1,468
Minority Interest	0	0	0	0	0	0	0	0	0	0
Total Loans	520	524	674	660	632	583	545	528	510	493
Deferred Tax Liability	31	37	38	36	44	73	82	82	82	82
Capital Employed	1,100	1,136	1,295	1,361	1,459	1,605	1,688	1,801	1,910	2,042
Gross Block	1,083	1,131	1,200	1,343	1,459	1,567	1,651	1,806	1,965	2,125
Less: Accum. Deprn.	410	458	509	574	630	718	793	867	944	1,023
Net Fixed Assets	673	673	691	770	829	849	857	938	1,020	1,102
Goodwill	178	186	201	233	240	257	261	261	261	261
Capital WIP	21	41	77	102	49	77	149	149	149	149
Investments	69	52	31	77	87	83	122	122	122	122
Working capital Assets	530	567	685	706	1,014	969	919	979	1,031	1,123
Inventory	216	222	224	307	445	430	408	438	464	506
Account Receivables	100	115	93	130	211	162	164	176	186	204
Cash and Bank Balance	120	136	278	182	228	212	177	183	188	203
Others (incl. LT)	94	94	90	88	130	165	169	182	193	210
Working capital liability	370	383	391	527	760	630	619	648	673	714
Account Payables	204	207	183	283	442	418	393	422	446	487
Others (incl. LT)	166	175	208	244	318	212	226	226	226	226
Net Working Capital	160	184	294	180	254	339	300	331	359	409
Appl. of Funds	1,100	1,136	1,295	1,361	1,459	1,605	1,688	1,801	1,910	2,042

Financials and valuations

Ratios

Y/E March	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Basic (INR)										
EPS	18.9	24.7	17.8	25.3	61.3	45.3	45.6	68.4	63.1	74.4
Cash EPS	47.6	46.2	39.8	52.5	94.3	77.4	79.6	97.9	97.8	109.9
BV/Share (adj.)	166.1	175.0	171.7	194.3	244.3	311.1	360.7	419.3	476.4	543.7
DPS	1.2	1.2	1.0	3.0	4.0	3.0	0.0	6.0	6.0	7.0
Payout (%)	6.4	4.9	5.6	11.9	6.5	6.6	0.0	8.8	9.5	9.4
Valuation (x)										
P/E	34.4	26.3	36.6	25.7	10.6	14.3	14.2	9.5	10.3	8.7
Cash P/E	13.6	14.1	16.3	12.4	6.9	8.4	8.2	6.6	6.6	5.9
P/BV	3.9	3.7	3.8	3.3	2.7	2.1	1.8	1.5	1.4	1.2
EV/Sales	1.6	1.4	1.6	1.5	0.9	0.8	0.8	0.8	0.7	0.6
EV/EBITDA	13.4	11.8	13.0	11.1	6.5	8.0	7.6	5.9	6.2	5.5
Dividend Yield (%)	0.2	0.2	0.2	0.5	0.6	0.5	0.0	0.9	0.9	1.1
Return Ratios (%)										
EBITDA Margins (%)	12.0	11.9	12.0	13.2	14.5	10.2	11.1	13.0	11.6	11.8
Net Profit Margins (%)	3.7	4.2	3.3	4.3	7.0	4.5	4.7	6.5	5.7	6.2
RoE	12.8	14.5	10.2	13.8	28.0	16.3	13.6	17.5	14.1	14.6
RoCE (pre-tax)	9.3	10.6	8.5	9.1	16.1	11.0	10.8	14.4	11.8	12.7
RoIC (pre-tax)	10.8	11.9	10.3	11.5	21.6	14.6	14.6	17.6	14.8	15.7
Working Capital Ratios										
Fixed Asset Turnover (x)	1.1	1.2	1.0	1.0	1.3	1.4	1.3	1.3	1.2	1.3
Asset Turnover (x)	1.0	1.1	0.9	1.0	1.3	1.4	1.3	1.3	1.3	1.3
Debtor (Days)	32	32	29	36	39	27	28	28	28	28
Inventory (Days)	69	62	69	85	83	70	69	69	69	69
Payable (Days)	65	58	56	78	83	68	66	66	66	66
Leverage Ratio (x)										
Current Ratio	1.4	1.5	1.8	1.3	1.3	1.5	1.5	1.5	1.5	1.6
Interest Cover Ratio	2.4	2.8	2.2	2.9	5.7	4.3	4.2	7.0	6.3	8.0
Debt/Equity	1.1	1.0	1.0	1.1	0.7	0.5	0.5	0.4	0.3	0.2

Cash Flow Statement

(INR b)

Y/E March	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
EBITDA	138	155	142	174	283	227	239	301	284	317
Others	3	0	-2	-3	15	-3	9	-8	0	0
tax paid	-14	-19	-1	-13	-38	-27	-27	-66	-47	-56
Change in WC	-18	-17	-12	14	-92	-5	19	-26	-22	-36
CF from Op. Activity	109	120	127	172	168	192	241	201	215	224
(Inc)/Dec in FA + CWIP	-30	-60	-68	-56	-54	-98	-157	-155	-159	-160
Free Cash Flow to firm	79	60	60	117	114	94	83	46	56	64
(Pur)/Sale of Inv. & yield	25	7	7	9	-59	20	-4	23	13	13
Others & M&A	56	-3	-23	-210	42	-3	18	0	0	0
CF from Inv. Activity	50	-57	-84	-256	-71	-81	-143	-132	-146	-147
Equity raised/(repaid)	0	-1	0	0	-1	-1	-1	0	0	0
Debt raised/(repaid)	-123	-14	109	-10	-28	-55	-61	-18	-18	-18
Interest	-38	-36	-40	-37	-33	-38	-39	-33	-33	-30
Dividend (incl. tax)	-3	-3	-3	-2	-7	-9	-7	-13	-13	-16
CF from Fin. Activity	-164	-55	67	-49	-68	-103	-108	-63	-63	-63
(Inc)/Dec in Cash	-5	9	110	-133	30	7	-10	6	6	14
Add: Opening Balance	82	80	91	213	83	116	128	118	124	130
Changes in forex on CF	3	2	12	4	3	5	0	0	0	0
Closing cash Balance	80	91	213	83	116	128	118	124	130	144
Bank balance (inc. O/D adj.)	39	45	65	99	112	84	59	59	59	59
Closing Balance (incl. bank balance)	120	136	278	182	228	212	177	183	188	203

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