

# Jyothy Laboratories

Estimate change



TP change



Rating change



**CMP: INR441**

**TP: INR500 (+13%)**

**Neutral**

## Miss on sales; focus on volume-driven growth

Motilal Oswal values your support in the EXTEL POLL 2024 for India Research, Sales, Corporate Access and Trading team. We request your ballot.



Bloomberg	JYL IN
Equity Shares (m)	367
M.Cap.(INRb)/(USDb)	162.1 / 1.9
52-Week Range (INR)	596 / 367
1, 6, 12 Rel. Per (%)	-12/-12/-17
12M Avg Val (INR M)	541

### Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Net Sales	29.2	32.1	35.3
Sales Gr. (%)	5.8	10.0	9.9
EBITDA	5.2	5.7	6.3
EBITDA Margins (%)	18.0	17.8	17.7
Adj PAT	4.0	4.3	4.7
Adj. EPS (INR)	10.8	11.7	12.9
EPS Gr. (%)	9.9	8.7	10.3
BV/Sh (INR)	51.8	57.0	63.4
<b>Ratios</b>			
RoE (%)	21.3	21.5	21.5
RoCE (%)	20.9	21.7	21.7
Payout (%)	60.6	55.7	50.5
<b>Valuation</b>			
P/E (x)	44.2	40.7	36.9
P/BV (x)	9.2	8.4	7.5
EV/EBITDA	32.4	29.4	26.4
Div. Yield (%)	1.1	1.1	1.1

### Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	62.9	62.9	62.9
DII	15.3	14.4	14.1
FII	15.1	15.1	14.6
Others	6.7	7.7	8.4

FII includes depository receipts

- Jyothy Laboratories (JYL) reported flat sales YoY (miss) in 2QFY25. It posted a five-year CAGR of 10%. Volume growth was at 3%, on account of a high base (+11% in 1QFY25, +9% in 2QFY24) and muted consumer demand. Jul'24 saw muted performance, impacted by flooding in the South (40% sales contribution), while Sept'24 delivered double-digit volume growth. Oct'24 volume growth is expected in the mid- to high-single digits, supported by the festive demand.
- The company is focused on volume-led growth, targeting mid- to high-single digit growth in 2HFY25 to capture market share across categories. Price hikes are anticipated in the soap category in 3QFY25, with potential low single-digit increases across other segments in 2HFY25, aiming for high single-digit revenue growth.
- The revenue growth was subdued across all segments. Fabric care sales were flat YoY. Dish wash growth stood at 1% YoY. Pril larger packs are gaining momentum in MT. HI sales were flat YoY, with LV delivering double-digit growth, though coil faced a negative impact. Personal care experienced a 5% sales decline (vs. ~22% growth in 2QFY24).
- Gross Margin (GM) was up 100bp YoY but down 100bp QoQ to 50.3%. EBITDA margin inched up 30bp YoY to 18.9%, a 33-quarter high. EBITDA grew 2% YoY during the quarter on account of a high base (~68% EBITDA growth in 2QFY24), and the five-year CAGR is 12%.
- We model a 9%/9% revenue/EBITDA CAGR over FY24-27E. With a stable RM basket, we expect the EBITDA margin to be ~18% in FY25.
- We believe that the margin-led growth will be normalized in FY25. From here on, market share gains and the success of new launches will be critical for JYL's earnings growth. **We reiterate our Neutral rating on the stock with a TP of INR500 (premised on 40x Sep'26E P/E).**

### Miss on sales

- Flat sales YoY:** JYL reported flat YoY net sales of INR7,338m (est. INR7,983m). Volume growth was 3% (est. 10%) in 2QFY25. Fabric Care and HI sales were flat YoY, Dishwashing grew 1% YoY, while Personal Care sales declined 5% in 2QFY25.
- Improvement in margins:** Gross margin expanded ~100bp YoY to 50.2% (est. 51.2%). As a percentage of sales, the staff cost increased 50bp YoY to 11.5%, ad spends increased 50bp YoY to 8.3%, while other expenses declined 40bp YoY to 12.0%. EBITDA margin expanded marginally by 30bp YoY to 18.9%. (est. 18.9%).
- Segmental profitability:** EBIT margins in the Personal Care and Household Insecticides expanded 260bp/810bp YoY to 13.6%/(9.5%), while Fabric Care and Dishwashing margin contracted 120bp/180bp YoY to 24.9%/19.1% in 2QFY25.

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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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- **Marginal growth in profitability:** EBITDA grew 2% YoY to INR1,385m (est. of INR1,509m). PBT was flat YoY at INR1,357m (est. INR1,496m). Adj. PAT grew 1% YoY to INR1,050m (est. INR1,146m).
- In 1HFY25, net sales, EBITDA, and APAT grew 4%/8%/8%. In 2HFY25, we expect net sales, EBITDA, and APAT to grow 8%, 11%, and 12%.

### Highlights from the management commentary

- The value-volume gap is due to the increase in grammage and price cuts implemented by the company in certain SKUs .
- July saw subdued performance, partly due to flooding in the South, which contributed 40% to sales. September, however, experienced double-digit volume growth.
- The company plans to implement a price hike in the soap portfolio in 3QFY25 as well as in other categories in 2HFY25 if required.
- New products and category expansions are anticipated in CY25.
- Modern Trade (MT) and e-commerce channels are also experiencing double-digit growth rates.

### Valuation and view

- We cut our EPS estimates by 3% for FY25 and 6% for FY26.
- We believe that the margin-led growth will be normalized in FY25. From here on, market share gains and the success of new launches will be critical for JYL's earnings growth. JYL's margin expansion beyond ~18% is also constrained by its focus on the mass and rural segments. Therefore, we believe its growth potential is adequately priced-in at the current valuation. **We reiterate our Neutral rating on the stock with a TP of INR500 (premised on 40x Sep'26E P/E).**

### Consolidated Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Volume growth (%)	9%	9%	11%	10%	11%	3%	6%	6%	9%	9%	10%	
<b>Net Sales</b>	<b>6,871</b>	<b>7,323</b>	<b>6,775</b>	<b>6,600</b>	<b>7,418</b>	<b>7,338</b>	<b>7,317</b>	<b>7,094</b>	<b>27,569</b>	<b>29,167</b>	<b>7,983</b>	-8.1
YoY change (%)	15.1	11.1	10.6	7.0	8.0	0.2	8.0	7.5	10.9	5.8	9.0	
<b>Gross Profit</b>	<b>3,289</b>	<b>3,604</b>	<b>3,371</b>	<b>3,267</b>	<b>3,805</b>	<b>3,683</b>	<b>3,695</b>	<b>3,605</b>	<b>13,531</b>	<b>14,787</b>	<b>4,087</b>	-9.9
Margins (%)	47.9	49.2	49.8	49.5	51.3	50.2	50.5	50.8	49.1	50.7	51.2	
<b>EBITDA</b>	<b>1,174</b>	<b>1,354</b>	<b>1,186</b>	<b>1,084</b>	<b>1,335</b>	<b>1,385</b>	<b>1,317</b>	<b>1,210</b>	<b>4,798</b>	<b>5,246</b>	<b>1,509</b>	-8.2
EBITDA growth %	96.2	68.3	40.6	18.7	13.7	2.3	11.0	11.7	51.9	9.3	11.4	
Margins (%)	17.1	18.5	17.5	16.4	18.0	18.9	18.0	17.1	17.4	18.0	18.9	
Depreciation	120	123	128	129	134	139	136	126	500	535	130	
Interest	11	12	12	13	14	14	13	11	47	52	13	
Other Income	79	132	106	130	137	125	125	128	447	515	130	
<b>PBT</b>	<b>1,123</b>	<b>1,351</b>	<b>1,152</b>	<b>1,072</b>	<b>1,324</b>	<b>1,357</b>	<b>1,293</b>	<b>1,201</b>	<b>4,698</b>	<b>5,174</b>	<b>1,496</b>	-9.3
Tax	250	311	243	291	307	307	292	310	1,095	1,216	350	
Rate (%)	22.3	23.0	21.1	27.1	23.2	22.6	22.6	25.8	23.3	23.5	23.4	
<b>Adjusted PAT</b>	<b>873</b>	<b>1,040</b>	<b>909</b>	<b>781</b>	<b>1,017</b>	<b>1,050</b>	<b>1,001</b>	<b>890</b>	<b>3,603</b>	<b>3,958</b>	<b>1,146</b>	-8.3
YoY change (%)	124.1	78.2	34.9	31.9	16.6	1.0	10.1	14.0	54.8	9.9	10.2	

E: MOFSL Estimates

**Key Performance Indicators**

Y/E March	FY24				FY25	
	1Q	2Q	3Q	4Q	1Q	2Q
<b>2Y average growth %</b>						
Sales	14.7	12.5	13.2	10.0	11.5	5.6
EBITDA	44.1	44.1	40.0	39.0	54.9	35.3
PAT	60.6	58.4	62.6	54.9	70.3	39.6
<b>% sales</b>						
COGS	52.1	50.8	50.2	50.5	48.7	49.8
Other expenditure	30.8	30.7	32.3	33.1	33.3	31.3
Depreciation	1.7	1.7	1.9	1.9	1.8	1.9
<b>YoY change %</b>						
COGS	-0.3	-5.2	-2.4	-0.5	0.9	-1.7
Other expenditure	18.7	20.6	21.6	14.4	16.8	2.1
Other income	80.0	147.8	-30.6	127.5	72.8	-5.3
EBIT	125.2	82.6	46.5	20.4	13.8	1.2

E: MOFSL Estimates

**Highlights from the management commentary****Performance and outlook**

- Volume growth remained muted at 3% in 2QFY25, impacted by a high base effect (9% in 2QFY24 and 11% in 1QFY25) and muted consumer demand.
- The value-volume gap is due to the increase in grammage and price cuts implemented by the company in certain SKUs.
- July saw subdued performance, partly due to flooding in the South, which contributed 40% to sales. September, however, experienced double-digit volume growth.
- October's volume growth is expected in the mid- to high-single digits, supported by the festive demand.
- Volume growth in 3QFY25 is expected to reach mid- to high-single digits.
- Consumers are being selective in their pack choices, with large packs and LUPs gaining traction as they better align with their needs.
- The company plans to implement a price hike in the soap portfolio in 3QFY25 as well as in other categories in 2HFY25 if required.
- The company achieved market share gains across segments.
- New products and category expansions are anticipated in CY25.
- Modern Trade (MT) and e-commerce channels are also experiencing double-digit growth rates.
- Quick commerce is rapidly gaining traction in metro areas, shifting the channel dynamics.
- The company focuses on rural distribution, innovation, and the introduction of SKUs to cater to specific consumer segments.
- Operating working capital days is 9 as of Sep'24.

**Costs and margins**

- Raw material inflation has been decelerated but not declined.
- The gross margin expanded due to a more favorable product mix and improved operational efficiencies.
- It maintains an EBITDA guidance of 16-17% for FY25.

**Segmental details****Fabric care**

- Sales were flat YoY in 2QFY25.
- Henko Stain Care Liquid Detergent was launched in a large pack exclusively on e-commerce. The brand expanded to East and Central zones.
- In Oct'24, Mr. White liquid detergents were launched in the key markets.
- The company focuses on deepening consumer engagement through a range of programs, promotions, and channel-specific SKUs.

**Dish wash**

- It delivered 1% sales growth in 2QFY25.
- Pril larger packs are gaining momentum in MT.
- Exo held 13.6% market share in dish wash bar and Pril held 14.0% market share in dish wash liquids in 2Q.
- JYL will continue to enhance its brand equity by driving LUPs, increasing digital awareness, and implementing ground activations to strengthen its position.

**Household insecticides**

- Sales were flat YoY in 2QFY25.
- Maxo experienced robust double-digit growth in liquids, while coil sales continue to be impacted by a shift in consumer preference toward incense sticks.
- Maxo Coil and liquid vaporizer market share stood at 24% and 7.1% in 2Q.
- The company continues to prioritize expanding its liquid vaporizer category, investing strategically in consumer engagement initiatives aimed at enhancing brand loyalty and fueling growth within the category.

**Personal care**

- Sales declined 5% YoY in 2QFY25.
- The company uses the brand equity of Margo to venture into new formats and categories.
- The company focuses on increasing the visibility and appeal of Margo Neem Naturals, with dedicated campaigns aimed at boosting brand visibility and consumer engagement.

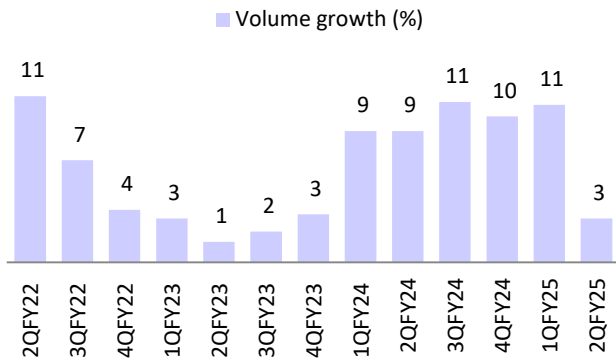
## Key exhibits

### Exhibit 1: Consolidated quarterly performance

Sales (INR m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Fabric Care	2,511	2,862	2,635	2,553	2,966	3,166	2,948	2,811	3,228	3,168
Dishwashing	2,093	2,279	2,213	2,062	2,315	2,507	2,361	2,183	2,480	2,540
Household Insecticides	448	435	434	800	494	450	457	722	503	451
Personal Care	694	733	591	524	841	896	723	618	932	856
Other Products	225	284	253	230	256	304	286	266	274	323
<b>Total</b>	<b>5,972</b>	<b>6,592</b>	<b>6,127</b>	<b>6,170</b>	<b>6,871</b>	<b>7,323</b>	<b>6,775</b>	<b>6,600</b>	<b>7,418</b>	<b>7,338</b>
<b>Sales salience (%)</b>										
Fabric Care	42	43	43	41	43	43	44	43	44	43
Dishwashing	35	35	36	33	34	34	35	33	33	35
Household Insecticides	8	7	7	13	7	6	7	11	7	6
Personal Care	12	11	10	8	12	12	11	9	13	12
Other Products	4	4	4	4	4	4	4	4	4	4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Sales growth (%)</b>										
Fabric Care	39	34	26	20	18	11	12	10	9	0
Dishwashing	10	6	10	9	11	10	7	6	7	1
Household Insecticides	(38)	(31)	(16)	1	10	3	5	(10)	2	0
Personal Care	2	11	12	12	21	22	22	18	11	(4)
Other Products	68	7	4	26	14	7	13	16	7	6
<b>Total</b>	<b>14</b>	<b>13</b>	<b>14</b>	<b>13</b>	<b>15</b>	<b>11</b>	<b>11</b>	<b>7</b>	<b>8</b>	<b>0</b>
<b>EBIT (INR m)</b>										
Fabric Care	308	433	485	499	656	828	744	647	802	789
Dishwashing	275	352	338	361	463	523	425	393	495	484
Household Insecticides	(45)	(79)	(69)	(9)	(94)	(79)	(93)	(75)	(54)	(43)
Personal Care	25	74	90	70	153	98	93	52	103	116
Other Products	(10)	(15)	(15)	(8)	5	1	15	(3)	(5)	24
<b>Total</b>	<b>554</b>	<b>765</b>	<b>830</b>	<b>912</b>	<b>1,184</b>	<b>1,370</b>	<b>1,183</b>	<b>1,014</b>	<b>1,341</b>	<b>1,371</b>
<b>EBIT salience (%)</b>										
Fabric Care	56	57	58	55	55	60	63	64	60	58
Dishwashing	50	46	41	40	39	38	36	39	37	35
Household Insecticides	(8)	(10)	(8)	(1)	(8)	(6)	(8)	(7)	(4)	(3)
Personal Care	4	10	11	8	13	7	8	5	8	8
Other Products	(2)	(2)	(2)	(1)	0	0	1	(0)	(0)	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>EBIT margin (%)</b>										
Fabric Care	12.3	15.1	18.4	19.5	22.1	26.1	25.2	23.0	24.9	24.9
Dishwashing	13.2	15.4	15.3	17.5	20.0	20.9	18.0	18.0	20.0	19.1
Household Insecticides	(10.0)	(18.2)	(15.9)	(1.2)	(19.0)	(17.6)	(20.4)	(10.4)	(10.8)	(9.5)
Personal Care	3.6	10.1	15.3	13.3	18.2	10.9	12.9	8.5	11.0	13.6
Other Products	(4.4)	(5.3)	(6.1)	(3.5)	1.9	0.2	5.3	(1.1)	(1.6)	7.5
<b>Total</b>	<b>9.3</b>	<b>11.6</b>	<b>13.5</b>	<b>14.8</b>	<b>17.2</b>	<b>18.7</b>	<b>17.5</b>	<b>15.4</b>	<b>18.1</b>	<b>18.7</b>

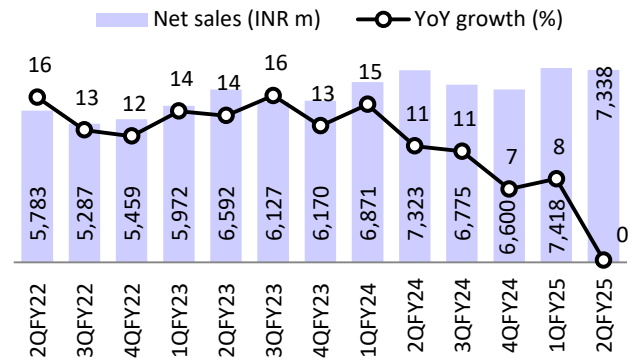
Source: Company, MOFSL

**Exhibit 2: Volume growth was 3% in 2QFY25**



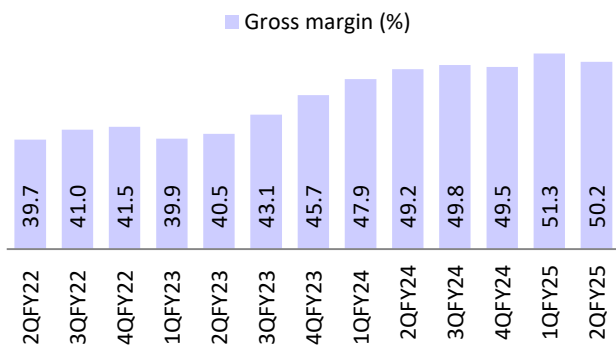
Source: Company, MOFSL

**Exhibit 3: Net sales were flat YoY**



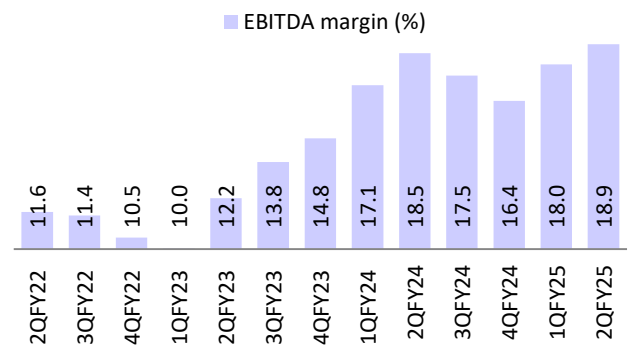
Source: Company, MOFSL

**Exhibit 4: Gross margin expanded 100bp YoY to 50.2%**



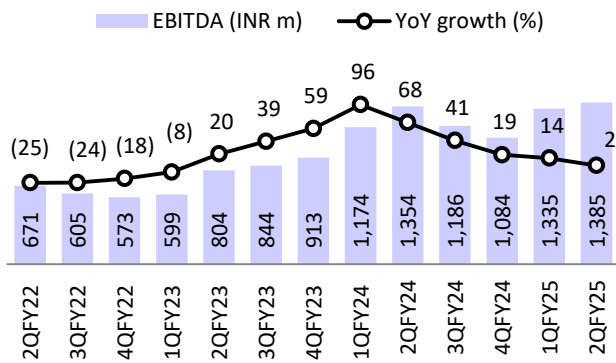
Source: Company, MOFSL

**Exhibit 5: EBITDA margin expanded 30bp YoY to 18.9%**



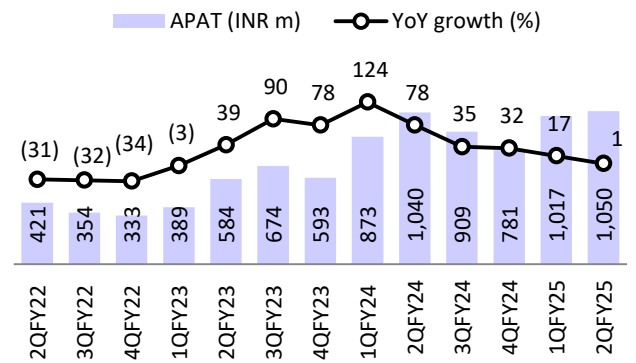
Source: Company, MOFSL

**Exhibit 6: EBITDA grew 2% YoY in 2QFY25**



Source: Company, MOFSL

**Exhibit 7: APAT grew 1% YoY in 2QFY25**



Source: Company, MOFSL

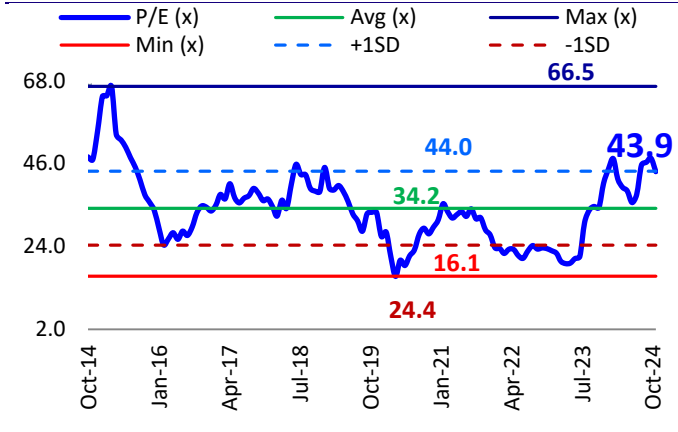
**Valuation and view**

- We cut our EPS estimates by 3% for FY25 and 6% for FY26.
- We believe that the margin-led growth will be normalized in FY25. From here on, market share gains and the success of new launches will be critical for JYL’s earnings growth. JYL’s margin expansion beyond ~18% is also constrained by its focus on the mass and rural segments. Therefore, we believe its growth potential is adequately priced-in at the current valuation. **We reiterate our Neutral rating on the stock with a TP of INR500 (premised on 40x Sep’26E P/E).**

**Exhibit 8: We cut our EPS estimates by 3% for FY25 and 6% for FY26**

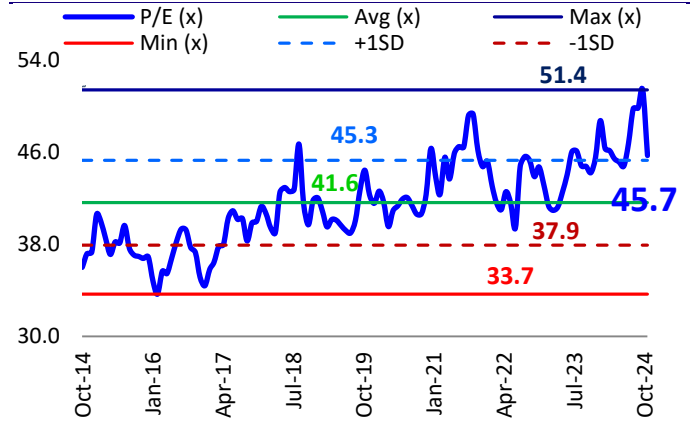
	New		Old		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Sales	29,167	32,096	30,213	33,428	-3.5%	-4.0%
EBITDA	5,246	5,703	5,398	6,041	-2.8%	-5.6%
PAT	3,958	4,304	4,064	4,563	-2.6%	-5.7%

**Exhibit 9: P/E (x) for JYL**



Source: Company, MOFSL

**Exhibit 10: P/E (x) for the Consumer sector**



Source: Company, MOFSL



## Financials and valuations

### Consolidated - Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Total Income from Operations</b>	<b>18,136</b>	<b>17,112</b>	<b>19,091</b>	<b>21,965</b>	<b>24,860</b>	<b>27,569</b>	<b>29,167</b>	<b>32,096</b>	<b>35,286</b>
Change (%)	8.4	-5.6	11.6	15.1	13.2	10.9	5.8	10.0	9.9
<b>Gross Profit</b>	<b>8,429</b>	<b>8,103</b>	<b>8,987</b>	<b>9,135</b>	<b>10,511</b>	<b>13,531</b>	<b>14,787</b>	<b>16,401</b>	<b>18,066</b>
Margin (%)	46.5	47.4	47.1	41.6	42.3	49.1	50.7	51.1	51.2
<b>EBITDA</b>	<b>2,811</b>	<b>2,511</b>	<b>3,145</b>	<b>2,482</b>	<b>3,159</b>	<b>4,798</b>	<b>5,246</b>	<b>5,703</b>	<b>6,252</b>
Margin (%)	15.5	14.7	16.5	11.3	12.7	17.4	18.0	17.8	17.7
Depreciation	306	529	556	582	501	500	535	572	612
<b>EBIT</b>	<b>2,505</b>	<b>1,982</b>	<b>2,589</b>	<b>1,901</b>	<b>2,657</b>	<b>4,298</b>	<b>4,711</b>	<b>5,131</b>	<b>5,640</b>
Int. and Finance Charges	352	329	192	118	131	47	52	55	57
Other Income	278	203	185	187	395	447	515	550	625
<b>PBT bef. EO Exp.</b>	<b>2,430</b>	<b>1,856</b>	<b>2,581</b>	<b>1,969</b>	<b>2,922</b>	<b>4,698</b>	<b>5,174</b>	<b>5,626</b>	<b>6,208</b>
EO Items	0	-38	-235	0	70	90	0	0	0
<b>PBT after EO Exp.</b>	<b>2,430</b>	<b>1,818</b>	<b>2,346</b>	<b>1,969</b>	<b>2,992</b>	<b>4,788</b>	<b>5,174</b>	<b>5,626</b>	<b>6,208</b>
Current Tax	454	189	440	378	595	1,095	1,216	1,322	1,459
Tax Rate (%)	18.7	10.4	18.7	19.2	19.9	22.9	23.5	23.5	23.5
<b>Reported PAT</b>	<b>2,051</b>	<b>1,706</b>	<b>1,994</b>	<b>1,620</b>	<b>2,397</b>	<b>3,695</b>	<b>3,958</b>	<b>4,304</b>	<b>4,749</b>
<b>Adjusted PAT</b>	<b>1,976</b>	<b>1,667</b>	<b>2,142</b>	<b>1,591</b>	<b>2,327</b>	<b>3,603</b>	<b>3,958</b>	<b>4,304</b>	<b>4,749</b>
Change (%)	10.5	-15.6	28.5	-25.7	46.2	54.8	9.9	8.7	10.3
Margin (%)	10.9	9.7	11.2	7.2	9.4	13.1	13.6	13.4	13.5

### Consolidated - Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	367	367	367	367	367	367	367	367	367
Total Reserves	12,898	11,919	13,918	14,068	15,123	17,716	18,670	20,575	22,924
<b>Net Worth</b>	<b>13,265</b>	<b>12,286</b>	<b>14,286</b>	<b>14,435</b>	<b>15,490</b>	<b>18,083</b>	<b>19,037</b>	<b>20,942</b>	<b>23,291</b>
Minority Interest	-215	-291	-379	-407	21	19	19	19	19
Deferred Liabilities	-928	-1,027	-962	-907	-845	-594	-594	-594	-594
Total Loans	2,809	2,830	1,169	1,265	0	1,062	0	0	0
<b>Capital Employed</b>	<b>14,932</b>	<b>13,798</b>	<b>14,114</b>	<b>14,387</b>	<b>14,665</b>	<b>18,570</b>	<b>18,462</b>	<b>20,366</b>	<b>22,716</b>
Gross Block	12,046	13,050	13,556	13,764	14,125	13,715	14,215	14,415	14,615
Less: Accum. Deprn.	1,040	1,558	2,089	2,546	2,962	2,462	2,997	3,569	4,181
<b>Net Fixed Assets</b>	<b>11,006</b>	<b>11,492</b>	<b>11,467</b>	<b>11,218</b>	<b>11,163</b>	<b>11,253</b>	<b>11,218</b>	<b>10,846</b>	<b>10,434</b>
Capital WIP	143	245	101	76	155	134	123	123	123
<b>Total Investments</b>	<b>1,044</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,915</b>	<b>1,915</b>	<b>1,915</b>	<b>1,915</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>6,301</b>	<b>5,598</b>	<b>7,029</b>	<b>8,027</b>	<b>8,454</b>	<b>10,108</b>	<b>11,339</b>	<b>14,560</b>	<b>18,439</b>
Inventory	1,974	2,251	2,786	2,972	3,019	2,835	4,083	4,493	4,940
Account Receivables	1,534	1,224	944	1,431	1,378	2,014	1,458	1,605	1,764
Cash and Bank Balance	964	289	1,938	2,112	2,835	1,661	3,053	5,442	8,414
Loans and Advances & Others	1,830	1,834	1,361	1,512	1,222	3,599	2,745	3,021	3,321
<b>Curr. Liability &amp; Prov.</b>	<b>3,563</b>	<b>3,537</b>	<b>4,483</b>	<b>4,933</b>	<b>5,107</b>	<b>4,840</b>	<b>6,134</b>	<b>7,078</b>	<b>8,195</b>
Account Payables	2,134	1,450	2,143	2,364	2,143	2,761	2,917	3,210	3,529
Other Current Liabilities	715	1,299	1,520	1,767	2,037	1,756	2,196	2,745	3,432
Provisions	715	788	820	802	927	324	1,021	1,123	1,235
<b>Net Current Assets</b>	<b>2,738</b>	<b>2,061</b>	<b>2,546</b>	<b>3,093</b>	<b>3,347</b>	<b>5,268</b>	<b>5,205</b>	<b>7,482</b>	<b>10,244</b>
<b>Appl. of Funds</b>	<b>14,932</b>	<b>13,798</b>	<b>14,114</b>	<b>14,387</b>	<b>14,665</b>	<b>18,570</b>	<b>18,462</b>	<b>20,366</b>	<b>22,716</b>

E: MOFSL Estimates



## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>5.4</b>	<b>4.5</b>	<b>5.8</b>	<b>4.3</b>	<b>6.3</b>	<b>9.8</b>	<b>10.8</b>	<b>11.7</b>	<b>12.9</b>
Cash EPS	6.2	6.0	7.3	5.9	7.7	11.2	12.2	13.3	14.6
BV/Share	36.1	33.5	38.9	39.3	42.2	49.2	51.8	57.0	63.4
DPS	6.0	0.0	4.0	2.5	3.0	3.5	5.4	5.4	5.4
Payout (%)	134	0	83	70	57	43	61	56	51
<b>Valuation (x)</b>									
P/E	88.6	105.1	81.8	110.1	75.3	48.6	44.2	40.7	36.9
Cash P/E	76.8	79.8	64.9	80.6	61.9	42.7	39.0	35.9	32.7
P/BV	13.2	14.3	12.3	12.1	11.3	9.7	9.2	8.4	7.5
EV/Sales	9.7	10.4	9.1	7.9	6.9	6.3	5.8	5.2	4.7
EV/EBITDA	62.6	70.8	55.4	70.2	54.6	36.0	32.4	29.4	26.4
Dividend Yield (%)	1.3	0.0	0.8	0.5	0.6	0.7	1.1	1.1	1.1
FCF per share	7.2	3.5	10.3	4.9	8.6	2.7	13.6	11.7	13.1
<b>Return Ratios (%)</b>									
RoE	16.0	13.0	16.1	11.1	15.6	21.5	21.3	21.5	21.5
RoCE	13.7	12.6	14.7	10.8	15.7	21.1	20.9	21.7	21.7
RoIC	15.7	13.6	16.6	12.7	17.8	25.0	25.5	29.9	34.3
<b>Working Capital Ratios</b>									
Asset Turnover (x)	1.2	1.2	1.4	1.5	1.7	1.5	1.6	1.6	1.6
Inventory (Days)	39.7	48.0	53.3	49.4	44.3	37.5	51.1	51.1	51.1
Debtor (Days)	30.9	26.1	18.0	23.8	20.2	26.7	18.3	18.3	18.3
Creditor (Days)	80.2	58.7	77.4	67.3	54.5	71.8	74.0	74.6	74.8
Working Cap. Turnover (Days)	35.7	37.8	11.6	16.3	7.5	47.8	26.9	23.2	18.9
<b>Leverage Ratio (x)</b>									
Current Ratio	1.8	1.6	1.6	1.6	1.7	2.1	1.8	2.1	2.2
Interest Cover Ratio	7	6	13	16	20	91	91	94	98
Debt/Equity	0.2	0.2	0.1	0.1	0.0	0.1	0.0	0.0	0.0

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY19E	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	2,430	1,815	2,346	1,969	2,992	4,698	5,174	5,626	6,208
Depreciation	306	529	556	582	501	500	535	572	612
Interest & Finance Charges	314	304	161	82	54	47	52	55	57
Other income	-25	-21	232	-36	-197	-507	-515	-550	-625
Direct Taxes Paid	-418	-386	-327	-313	-567	-1,095	-1,216	-1,322	-1,459
(Inc)/Dec in WC	409	-527	1,055	-259	502	-3,095	1,455	112	211
<b>CF from Operations</b>	<b>3,016</b>	<b>1,715</b>	<b>4,022</b>	<b>2,025</b>	<b>3,286</b>	<b>547</b>	<b>5,485</b>	<b>4,493</b>	<b>5,004</b>
<b>CF from Operating incl EO</b>	<b>3,016</b>	<b>1,715</b>	<b>4,022</b>	<b>2,025</b>	<b>3,286</b>	<b>547</b>	<b>5,485</b>	<b>4,493</b>	<b>5,004</b>
(inc)/dec in FA	-383	-415	-257	-214	-122	432	-489	-200	-200
(Pur)/Sale of Investments	112	1,061	0	0	0	-1,915	0	0	0
Others	37	4	45	29	65	303	-90	550	625
<b>CF from Investments</b>	<b>-234</b>	<b>650</b>	<b>-212</b>	<b>-185</b>	<b>-57</b>	<b>-1,181</b>	<b>-579</b>	<b>350</b>	<b>425</b>
Issue of Shares	4	0	0	0	0	0	0	0	0
(Inc)/Dec in Debt	-610	41	-1,669	100	-1,250	1,062	-1,062	0	0
Interest Paid	-342	-212	-281	-74	-104	-47	-52	-55	-57
Dividend Paid	-182	-2,656	0	-1,469	-918	-1,555	-2,399	-2,399	-2,399
Others	-2,055	-211	-212	-224	-235	0	0	0	0
<b>CF from Fin. Activity</b>	<b>-3,185</b>	<b>-3,039</b>	<b>-2,161</b>	<b>-1,667</b>	<b>-2,507</b>	<b>-540</b>	<b>-3,513</b>	<b>-2,454</b>	<b>-2,457</b>
<b>Inc/Dec of Cash</b>	<b>-403</b>	<b>-674</b>	<b>1,649</b>	<b>174</b>	<b>723</b>	<b>-1,174</b>	<b>1,392</b>	<b>2,389</b>	<b>2,972</b>
Opening Balance	1,367	964	289	1,938	2,112	2,835	1,661	3,053	5,442
<b>Closing Balance</b>	<b>964</b>	<b>289</b>	<b>1,938</b>	<b>2,112</b>	<b>2,835</b>	<b>1,661</b>	<b>3,053</b>	<b>5,442</b>	<b>8,414</b>

E: MOSL Estimates

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BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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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.