4 December 2024

2QFY25 Results Update | Sector: Internet

Swiggy

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	SWIGGY IN
Equity Shares (m)	2238
M.Cap.(INRb)/(USDb)	1123.4 / 13.3
52-Week Range (INR)	542 / 391
1, 6, 12 Rel. Per (%)	-/-/-
12M Avg Val (INR M)	13166

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
GOV	293.1	369.3	452.7
Net Sales	148.2	204.3	266.3
Change (%)	31.7	37.9	30.3
EBITDA	-22.3	-4.1	10.3
EBITDA margin (%)	-15.1	-2.0	3.9
Adj. PAT	-23.9	-8.0	4.8
PAT margin (%)	-16.1	-3.9	1.8
RoE (%)	-27.02	-8.42	5.13
RoCE (%)	-29.17	-11.06	1.84
EPS	-10.28	-3.44	2.06
EV/ Sales	7.5	5.5	4.2
Price/ Book	11.5	12.6	11.9

Shareholding Pattern (%)

As On	Sep-24
Promoter	0.0
DII	8.1
FII	5.2
Others	86.7

FII includes depository receipts

CMP: INR502 TP: INR475 (-5%) Neutral

An appetizing start

Decent growth across FD and quick commerce

- Swiggy delivered INR36.1b revenues in 2QFY25, up 11.7% QoQ. The food delivery business's GOV grew 14.6% YoY, whereas the contribution margin stood at 6.6%, posting a slight expansion over the previous quarter. FD's adjusted EBITDA as a % of GOV margin was up 80bp QoQ at 1.6%.
- Instamart's GOV was INR33.8b (GOV up 24.1% QoQ/75.5% YoY), whereas the contribution margin was -1.9%. Adjusted EBITDA as a % of GOV was -10.6%, an improvement of 110bp QoQ.
- Overall, Swiggy reported a net loss of INR6.2b, marking a 4.7% YoY decline.

Our view: FD stable; long Q-commerce runway to decide winners

Decent food delivery growth and strong growth outlook: Swiggy posted decent YoY growth of 14.5% in GOV for 2QFY25 (Zomato's GOV grew 21.4% for the same period). What was interesting, however, was Swiggy's guidance for growing faster than the "category average" (aka Zomato) over the medium term in food delivery. As we have written in our initiation report ("Quick" Commerce, delayed gratification on 18th November), Swiggy's food delivery business is on a strong footing and is part of a stable duopoly. We believe GOV growth in India could be 20%+ in the near term, and a tug-of-war on market share should not meaningfully alter valuations for either of these businesses unless a meaningful change emerges in the growth outlook.

- **Expect stable and expanding margins in FD, barring any major investment push:** Swiggy projects sustainable adjusted EBITDA margins of approximately 5% for its food delivery business in the medium term. We believe this to be broadly achievable as the unit economics are now stable, barring a major investment push toward Bolt, its 10-minute food delivery service.
- **Bolt's impact could be far-reaching; we wait and watch for now:** Swiggy has rolled out Bolt across 400 cities. Within eight weeks of its launch, Bolt achieved 5% of Swiggy's total food delivery orders. While this could be a joker in the pack and could meaningfully impact food delivery volumes, we wait and watch how the AOVs for this service pan out.
- **Q-commerce growth accelerates to 75.5% YoY and AOV expands as well:** Q-commerce's GOV growth of 75.5% YoY and AOV increase of INR499 was encouraging. While the growth was slower than that of Blinkit, Swiggy has outlined measures to accelerate this GOV growth.
- **We are, however, slightly unsure about the mega hubs strategy:** While we are enthused by Swiggy's aggressive approach to expanding its SKU range—tripling the selection in its dark stores over the past year and planning to house up to 20,000 SKUs in larger stores—there are a few concerns. The introduction of mega pods, with an extended capacity of over 50,000 SKUs, could potentially compromise the 10-minute delivery promise, a critical marker in competing against Blinkit and Zepto. Maintaining ultra-fast delivery times amidst such expansions will be a key challenge for Swiggy's Instamart.

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- Too early to decide the winners in Q-commerce: That said, we believe it is too early to decide the winners in the Q-commerce race. We will monitor Swiggy's AOV and take rates for quick commerce to gauge the success of its strategy.

Valuation and view

- Swiggy, through its innovation DNA, has played a pivotal role in effectively inventing both food delivery and quick commerce, leading the way in these categories. However, it has seen a decline in its lead in food delivery and is currently trailing behind its key rival, Blinkit, in quick commerce — both in terms of GOV growth and profitability. While the Q-commerce race is only getting started, Swiggy's re-rating depends on accelerating GOV growth, increasing AOVs, and improving execution in the Q-commerce business.
- We expect food delivery orders to grow at 12.5% annually with an AOV growth of 1.4%, leading to a GOV growth of 14.1% over FY24-37 (20.8% GOV CAGR over FY24-29). Q-commerce is expected to grow faster, with orders increasing at 23.6% annually, AOV growth at 3.2%, and GOV growth at 27.6% (59% GOV CAGR over FY24-29). Swiggy is expected to report PAT margin of -16.1%/-3.9%/1.8% in FY25/FY26/FY27. Our adjusted EBITDA remains unchanged; however, PAT has been impacted by increased ESOP expenses. Our DCF-based valuation of INR475 suggests a 5% downside from the current price. We reiterate our Neutral rating on the stock.

Overall decent set of numbers; aims to double dark store capacity by FY25

- Swiggy reported 2QFY25 net revenue of INR36.1b (+11.7% /30.4% QoQ /YoY).
- Food delivery GOV stood at INR71.9b (up 5.6%/14.6% QoQ/YoY). The food delivery business is expected to grow in high-teens for FY25.
- Instamart GOV came in at INR33.8b (up 75.5% YoY). It plans to double the dark store count by FY25 (vs 523 in FY24).
- For food delivery, adjusted EBITDA as a % of GOV margin was up 80bp QoQ at 1.6%. Contribution margin inched up slightly to 6.6% (6.4% in 1Q). Consol. adjusted EBITDA came in at negative INR3410m.
- Instamart reported a contribution margin of -1.9% (-3.2% in 1Q). Contribution margins are expanding and reaching breakeven due to an increase in AOV.
- Swiggy reported a net loss of INR6.2b, marking a 4.7% YoY decline.
- At the consolidated group level, the adjusted EBITDA margin is expected to achieve breakeven by 3QFY26 (Oct-Dec'25).

Key highlights from the management commentary

- Food delivery: Swiggy's flagship product, Bolt, has emerged as a game-changer in the food delivery business. Within just 40 days of its launch, Bolt's volumes accounted for 5% of the total food delivery volumes. The company is focusing on expanding its presence within existing cities, particularly those experiencing an increase in migrant populations (e.g. NCR, Bangalore). Unlocking new use cases: The company caters daily meals to corporate employees. Despite reduced same-store sales reported by QSR companies, Swiggy sees no impact on its business due to the growing preference for online food delivery over retail.
- Instamart: The company added 52 new stores during the quarter, bringing the total to 609 across 54 cities (doubling from FY24's 27 cities). It targets to double

the dark stores capacity by Mar'25 (vs 523 in Mar'24, with the average store size increasing 30-35%. The company believes that the target of 75 cities is optimum for growth. The company is focusing on TAM and differentiating itself in the QC business through a diverse product assortment.

- The company expects to leverage the supply chain and distribution business for Instamart sellers, which will help increase take rates for the Q-commerce business.
- The adjusted EBITDA margin is expected to achieve breakeven at the group level by 3QFY26 (Oct-Dec'25).

Valuation and view

- We expect food delivery orders to grow at 12.5% annually with an AOV growth of 1.4%, leading to a GOV growth of 14.1% over FY24-37 (20.8% GOV CAGR over FY24-29). Q-commerce is expected to grow faster with orders increasing at 23.6% annually, AOV growth at 3.2%, and GOV growth at 27.6% (59% GOV CAGR over FY24-29). Swiggy is expected to report PAT margin of -16.1%/-3.9%/1.8% in FY25/FY26/FY27. Our adjusted EBITDA remains unchanged; however, PAT has been impacted by increased ESOP expenses. Our DCF-based valuation of INR475 suggests a 5% downside from the current price. We reiterate our Neutral rating on the stock.

Consolidated - Quarterly Earning Model (INR Mn)

Y/E march	FY24		FY25				FY24	FY25
	1Q	2Q	1Q	2Q	3QE	4QE		
Revenue (net of delivery)	**23,898**	**27,633**	**32,249**	**36,044**	**38,509**	**41,358**	**1,12,474**	**1,48,160**
YoY Change (%)	NA	NA	34.9	30.4	NA	NA	36.1	31.7
Inventory of traded goods	9,100	11,446	11,954	13,874	14,927	16,045	46,042	56,799
Employee Expenses	4,858	5,367	5,892	6,073	7,000	7,790	20,122	26,755
Delivery expenses	7,490	8,263	10,460	10,949	14,187	15,009	33,511	50,604
Gross Profit	**2,450**	**2,558**	**3,943**	**5,149**	**2,395**	**2,514**	**12,800**	**14,001**
Margins (%)	10.3	9.3	12.2	14.3	6.2	6.1	11.4	9.5
Advertisement and sales promotion	4,871	4,939	4,454	5,371	5,171	5,005	18,508	20,001
Others	3,319	3,851	4,905	5,290	3,415	2,718	16,372	16,328
EBITDA	**-5,740**	**-6,232**	**-5,415**	**-5,512**	**-6,190**	**-5,209**	**-22,080**	**-22,328**
Margins (%)	-24.0	-22.6	-16.8	-15.3	-16.1	-12.6	-19.6	-15.1
Depreciation	913	1,046	1,217	1,309	1,348	1,448	4,206	5,321
Interest	174	155	198	231	200	200	714	829
Other Income	1,198	872	879	848	1,500	1,500	3,870	4,727
PBT before EO expense	**-5,629**	**-6,561**	**-5,951**	**-6,204**	**-6,238**	**-5,357**	**-23,130**	**-23,750**
Extra-Ord expense	-7	-3	-132	-21	0	0	-306	-153
PBT	**-5,636**	**-6,564**	**-6,083**	**-6,225**	**-6,238**	**-5,357**	**-23,436**	**-23,903**
Tax	0	0	0	0	0	0	0	0
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	NA	NA
Minority Interest & Profit/Loss of Asso. Cos.	5	6	1	1	0	0	66	2
Reported PAT	**-5,641**	**-6,570**	**-6,084**	**-6,226**	**-6,238**	**-5,357**	**-23,502**	**-23,905**
Adj PAT	**-5,634**	**-6,567**	**-5,952**	**-6,205**	**-6,238**	**-5,357**	**-23,196**	**-23,752**
YoY Change (%)	NA	NA	6	-6	NA	NA	-44.4	2.4
Margins (%)	-23.6	-23.8	-18.5	-17.2	-16.2	-13.0	-20.6	-16.0

Exhibit 1: Key performance indicator – FD business

Particulars	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Avg MTU (m)	12.9	12.5	12.9	14.0	14.7
Avg. MT Restaurant Partners (m)	0.19	0.20	0.22	0.22	0.23
GOV (INR m)	62,750	62,380	62,460	68,080	71,910
GOV/MTU	4,864	4,990	4,842	4,863	4,892

Source: Company, MOFSL

Exhibit 2: Key performance indicator – QC business

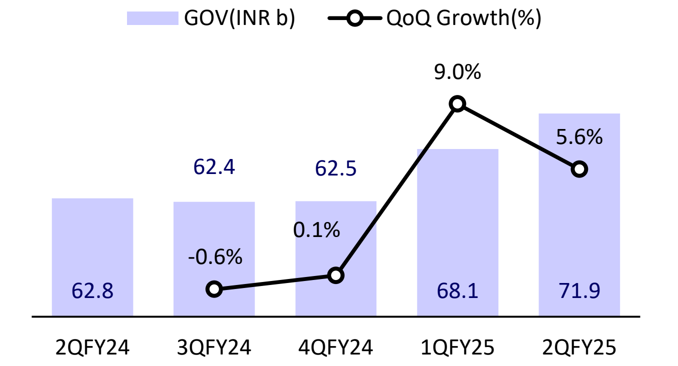
Particulars	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Orders (m)	42	44	50	56	68
AOV	463	469	465	487	499
Avg. MTU (m)	4.1	4.3	4.7	5.2	6.2
Active Dark Stores	442	487	523	557	609
Orders/Dark store/Day	1,024	989	1,050	1,103	1,210
Active Dark Store Area (m Sq ft)	1.27	1.40	1.52	1.66	1.95

Source: Company, MOFSL

Story in charts

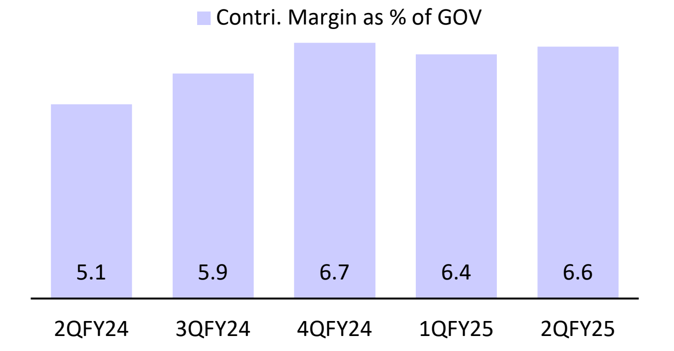
Food Delivery

Exhibit 3: GOV continued to witness good growth



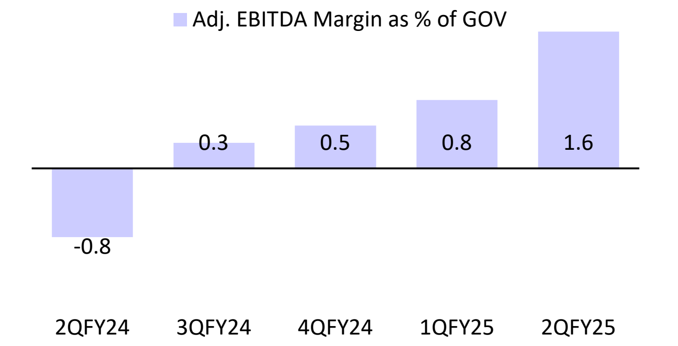
Source: MOFSL, Company

Exhibit 4: CM inches up 20bp QoQ



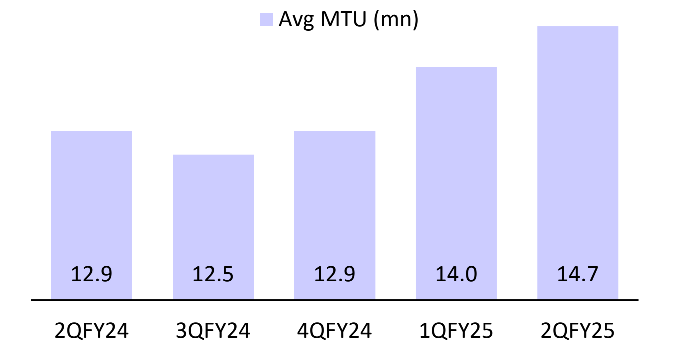
Source: MOFSL, Company

Exhibit 5: Adj. EBITDA margin remains positive



Source: MOFSL, Company

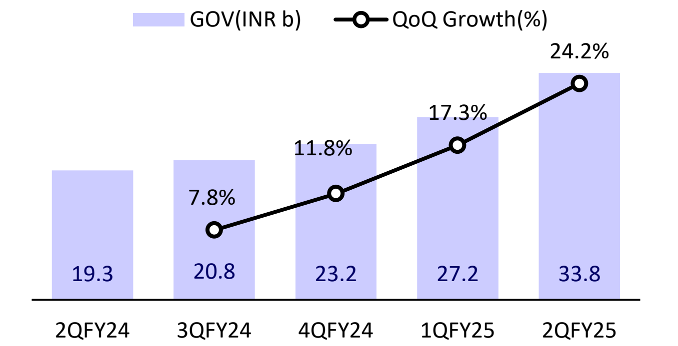
Exhibit 6: Avg. MTU growing sequentially



Source: MOFSL, Company

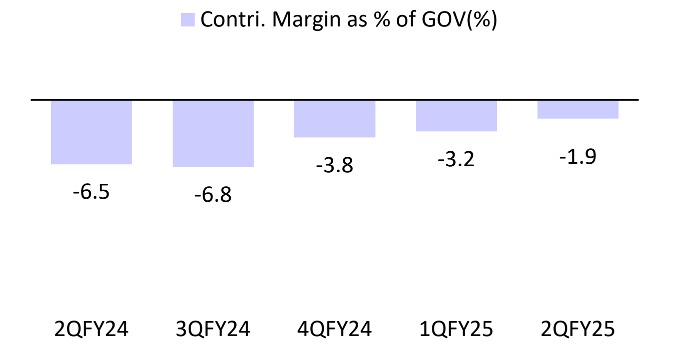
Instamart

Exhibit 7: GOV is growing strong sequentially



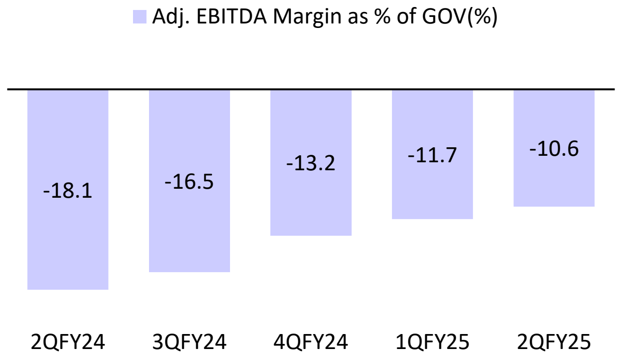
Source: MOFSL, Company

Exhibit 8: Contribution margin paving for breakeven path



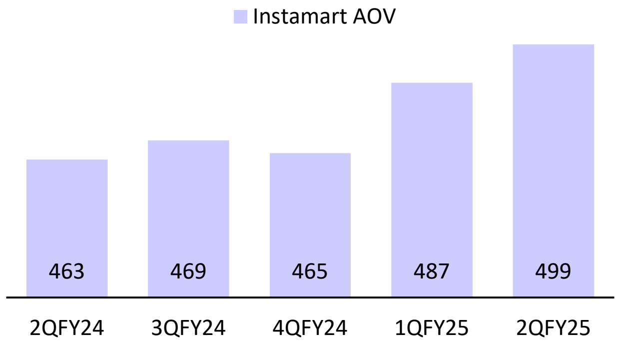
Source: MOFSL, Company

Exhibit 9: Negative Adj. EBITDA margin has been contracting



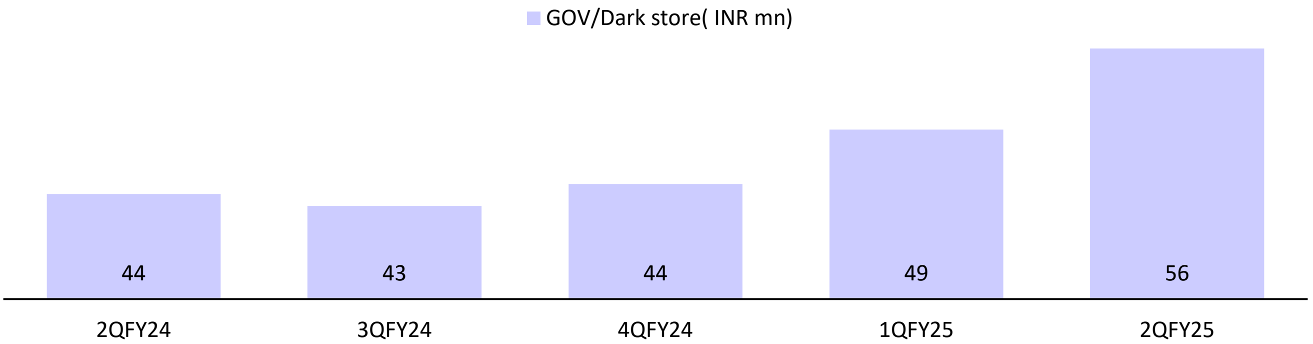
Source: MOFSL, Company

Exhibit 10: Instamart AOV continues to grow



Source: MOFSL, Company

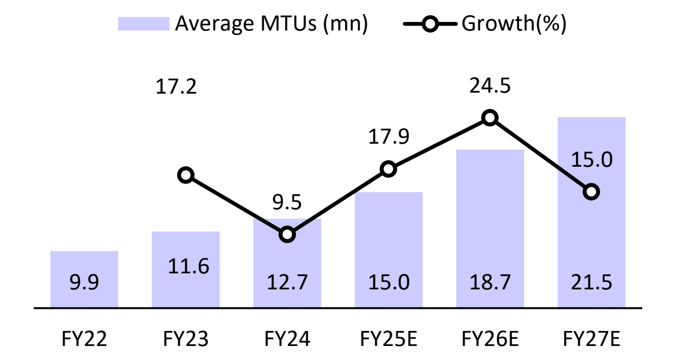
Exhibit 11: GOV per dark store expanded sizably in 2QFY25



Source: Company, MOFSL

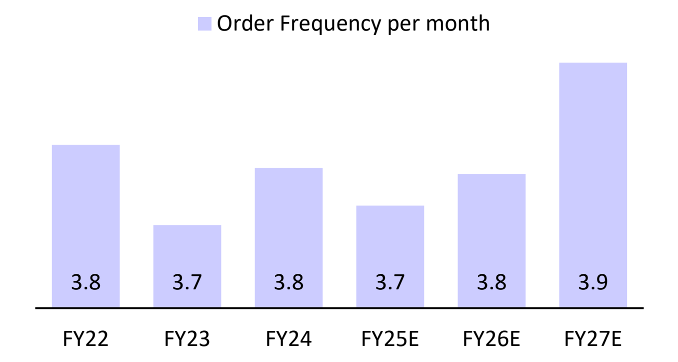
What do we expect - our estimates

Exhibit 12: Expect MTUs to grow in mid to high teens



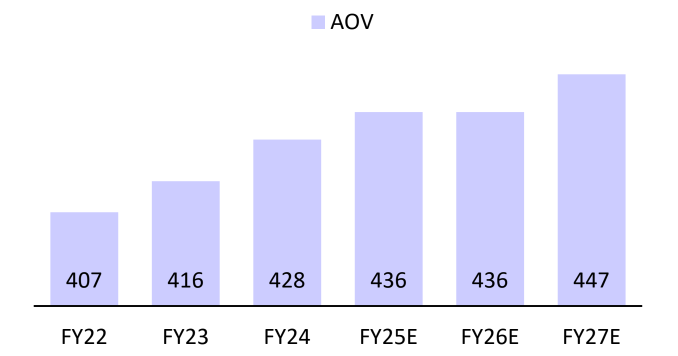
Source: MOFSL, Company

Exhibit 13: Order frequency to grow steadily



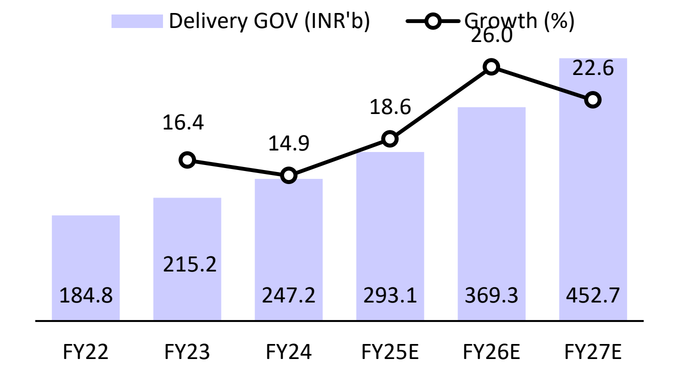
Source: MOFSL, Company

Exhibit 14: AOV to increase gradually



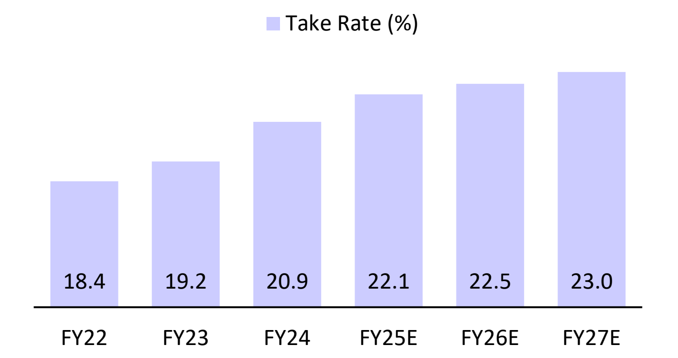
Source: MOFSL, Company

Exhibit 15: Food delivery GOV growth to accelerate



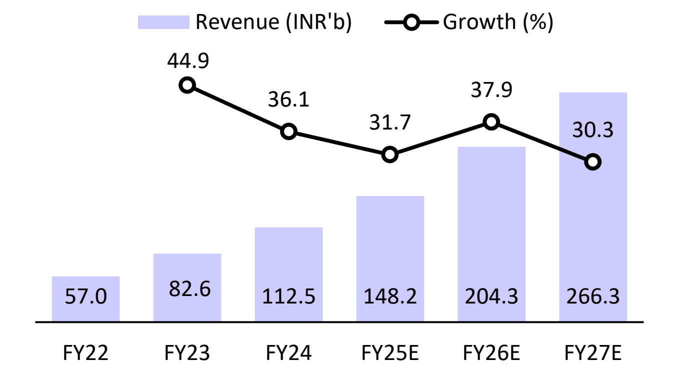
Source: MOFSL, Company

Exhibit 16: Take rates will continue to expand slowly



Source: MOFSL, Company

Exhibit 17: Revenue to grow 33% annually till FY27



Source: MOFSL, Company

CONFERENCE CALL

Key highlights from the management commentary

Demand and growth outlook

- **Food delivery**: Swiggy's flagship product, Bolt, has emerged as a huge game-changer in the food delivery business. Within just 40 days of its launch, Bolt's volumes accounted for 5% of the total food delivery volumes.
- Bolt features low last-mile distances (under 2 km) and fast preparation menus (30-40% of items ready within 4 minutes).
- The key value proposition of Bolt is its higher density, which not only allows for servicing through captive kitchens but also enables partnerships with more restaurants. This, in turn, drives a greater variety of menu options and increases demand. Inherently, the Bolt segment faces no issue with low AOV as it offers the same range of cuisines as the platform business.
- The company is focused on expanding within existing cities that experience an increase in migrant populations (e.g. NCR, Bangalore), which have extended their peripheral limits and, thus, the TAM.
- The company also emphasizes unlocking new use cases, thus creating more consumption occasions: catering daily meals to corporate employees.
- Despite reduced same-store sales reported by QSR companies, Swiggy sees no impact on its business due to the growing preference for online food delivery over retail.
- Take rates have witnessed a slight decline QoQ due to affordability initiatives such as discounts on subscriptions, PocketHero and Daily. Advertising fees alongside business enablement fees will aid in the take rate expansion. The company has been increasing its advertiser base.
- The company expects to outpace category growth. The food delivery business is expected to clock an 18-22% CAGR over the medium term while delivering sustainable adjusted EBITDA margin of 5%.
- **Instamart**: The company has added 52 new stores during the quarter, bringing the total to 609 across 54 cities (doubling from FY24's 27 cities).
- It plans to double the dark stores capacity by Mar'25 (vs 523 in Mar'24, with the average store size increasing 30-35%. The company is replacing its small-format stores (2,500-2,800 sq ft) with larger stores (3,500-4,500 sq ft) that can house up to 20k SKUs.
- Additionally, the company is introducing 'megapds' (8K-10K sq ft), which can house over 50k SKUs. These are expected to have a service time of up to 30-40 mins. The delivery time is traded off when higher SKUs are serviceable.
- More SKUs will lead to more delivery time. 10 mins delivery is serviceable with 10-15k SKUs.
- The company believes that the target of 75 cities is optimum for growth. In certain cities, the AOV has already surpassed projections for the next 3-4 months. The company is focusing on TAM and differentiating itself in the QC business through a diverse product assortment. Infrastructure, marketing, and discounting are the primary costs for the business.
- The combination of these three factors will help improve the value proposition. The ecosystem will prevent the use of discounting to capture market share after a point. Therefore, the key focus areas remain expanding the geographical

footprint (infrastructure) and convincing/reaching out to more consumers for business (marketing).

- Home appliances fetch higher AMVs and, thus, higher rupee gross margins. The company is also looking for Pharma products that have a high recall value and repetitive orders. The company sees an opportunity in the advertising business relative to the overall business.
- The company expects to leverage the supply chain and distribution business for Instamart sellers (Instamart sellers can use warehousing spaces), which will help increase take rates for the Q-commerce business.
- The company has established a subsidiary that acquired the Pickleball team rights for Mumbai City; however, it does not foresee a significant expansion in the sports business.
- Swiggy has co-branded with HDFC Bank to offer credit cards that provide cashbacks on spending. These are sponsored by Swiggy partners, which means there is no economic loss for Swiggy from the discounts and cashbacks.

Margins

- Adjusted EBITDA margin is expected to achieve breakeven at the group level by 3QFY26 (Oct-Dec'25).
- The contribution margin of Instamart is expected to reach breakeven by Oct-Dec'25. In the interim, the company will have to modulate and be responsive to market density.
- The company expects the food delivery business to deliver sustainable adjusted EBITDA margin of 5% in the medium term.

Valuation and view

- We expect food delivery orders to grow at 12.5% annually with an AOV growth of 1.4%, leading to a GOV growth of 14.1% over FY24-37 (20.8% GOV CAGR over FY24-29). Quick commerce is expected to grow faster, with orders increasing at 23.6% annually, AOV growth at 3.2%, and GOV growth at 27.6% (59% GOV CAGR over FY24-29). Swiggy is expected to report PAT margin of -16.1%/-3.9%/1.8% in FY25/FY26/FY27. Our adjusted EBITDA remains unchanged; however, PAT has been impacted by increased ESOP expenses. Our DCF-based valuation of INR475 suggests a 5% downside from the current price. We reiterate our Neutral rating on the stock.

Exhibit 18: Summary of our revised estimates

	Revised estimates			Earlier estimates			Change (%/bp)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue (INR m)	1,48,160	2,04,338	2,66,325	1,51,630	2,03,154	2,60,134	-2.3%	0.6%	2.4%
EBITDA (INR m)	-22,328	-4,051	10,308	-16,195	-3,802	10,448	37.9%	6.6%	-1.3%
EBITDA Margin	-15.1	-2.0	3.9	-10.7	-1.9	4.0	-439bp	-11bp	-15bp
PAT	-23,905	-8,003	4,794	-16,994	-6,147	5,051	40.7%	30.2%	-5.1%
PAT Margin	-16.1	-3.9	1.8	-11.2	-3.0	1.9	-493bp	-89bp	-14bp
EPS	-10.28	-3.44	2.06	-7.31	-2.64	2.17	40.7%	30.2%	-5.1%

Source: MOFSL

Exhibit 19: DCF assumptions & valuation

DCF Assumptions & Valuation	
Food Delivery	
Order growth (FY24-37E)	12.5%
AOV growth (FY24-37E)	1.4%
GOV growth (FY24-37E)	14.1%
Revenue growth (FY24-37E)	15.0%
FY37E GOV (USD mn)	16,410
FY37E EBITDA (% of GOV)	8.0%
Quick Commerce	
Order growth (FY24-37E)	23.6%
AOV growth (FY24-37E)	3.2%
GOV growth (FY24-37E)	27.6%
FY37E GOV (USD mn)	22,758
FY37E EBITDA (% of GOV)	6.0%
WACC	12.5%
Terminal growth	6.5%

Source: MOFSL

Financials and valuations

Revenue Model						(INR M)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
MTU (Mn)	9.9	11.6	12.7	15.0	18.7	21.5
Order Frequency	3.8	3.7	3.8	3.7	3.8	3.9
Orders/ Month	37.8	43.1	48.1	56.0	70.6	84.4
Orders/ Year	454	517	578	672	847	1,013
AOV	407	416	428	436	436	447
Delivery GOV	**1,84,788**	**2,15,171**	**2,47,174**	**2,93,134**	**3,69,260**	**4,52,676**
Take Rate (%)	18.4	19.2	20.9	22.1	22.5	23.0
Delivery Revenue	**33,913**	**41,300**	**51,601**	**64,646**	**83,084**	**1,04,115**
Instamart Revenue	828	4,514	9,786	20,295	35,057	54,424
Out-of-home consumption revenue	0	777	1,572	2,640	4,327	5,679
Others	22,307	36,056	49,515	60,579	81,871	1,02,107
Revenue	**57,049**	**82,646**	**1,12,474**	**1,48,160**	**2,04,338**	**2,66,325**

Income statement						(INR M)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Sales	**57,049**	**82,646**	**1,12,474**	**1,48,160**	**2,04,338**	**2,66,325**
Change (%)	NA	44.9	36.1	31.7	37.9	30.3
Inventory of traded goods	22,680	33,809	46,042	56,799	77,121	95,304
Employee Expenses	17,085	21,298	20,122	26,755	34,829	37,643
Other direct expenses	199	6,241	26,189	37,850	57,559	95,736
Gross Profit	**17,284**	**27,539**	**46,310**	**64,606**	**92,388**	**1,33,379**
% of Net Sales	30.3	33.3	41.2	43.6	45.2	50.1
Other Expenses	53,794	70,297	68,390	86,933	96,439	1,23,071
EBITDA	**-36,511**	**-42,758**	**-22,080**	**-22,328**	**-4,051**	**10,308**
% of Net Sales	-64.0	-51.7	-19.6	-15.1	-2.0	3.9
Depreciation	1,701	2,858	4,206	5,321	7,152	7,990
EBIT	**-38,212**	**-45,616**	**-26,286**	**-27,649**	**-11,203**	**2,318**
% of Net Sales	-67.0	-55.2	-23.4	-18.7	-5.5	0.9
Other Income (net)	3,665	3,917	3,156	3,898	3,200	3,750
PBT	**-34,547**	**-41,699**	**-23,130**	**-23,750**	**-8,003**	**6,068**
Tax	0	0	0	0	0	1,274
Rate (%)	0.0	0.0	0.0	0.0	0.0	21.0
PAT	**-34,547**	**-41,699**	**-23,130**	**-23,750**	**-8,003**	**4,794**
Extraordinary gains/loss	1,732	93	306	153	0	0
Adjusted PAT	**-36,279**	**-41,792**	**-23,436**	**-23,903**	**-8,003**	**4,794**
Minority Interest	10	1	66	2	0	0
Reported PAT	**-36,289**	**-41,793**	**-23,502**	**-23,905**	**-8,003**	**4,794**
Change (%)	NA	NA	NA	NA	NA	NA

Balance Sheet						(INR M)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Share capital	1,55,634	1,55,652	1,55,763	2,00,753	2,00,753	2,00,753
Reserves	-32,965	-65,086	-77,848	-1,01,753	-1,09,757	-1,04,963
Net Worth	**1,22,669**	**90,566**	**77,915**	**98,999**	**90,996**	**95,790**
Loans	0	0	960	960	960	960
Capital Employed	**1,22,669**	**90,566**	**78,874**	**99,959**	**91,956**	**96,750**
Net Block	**7,738**	**8,596**	**10,406**	**10,271**	**10,271**	**11,602**
Intangibles	272	6,455	10,008	10,008	10,008	10,008
Other LT assets	14,711	19,529	17,514	17,514	17,514	17,514
Curr. Assets	**1,21,336**	**78,227**	**67,366**	**91,536**	**87,933**	**96,250**
Debtors	11,119	10,623	9,639	12,697	17,511	22,823
Cash & Bank Balance	10,961	8,325	8,691	29,803	21,385	24,390
Investments	90,757	48,885	37,323	37,323	37,323	37,323
Other Current Assets	8,498	10,393	11,714	11,714	11,714	11,714
Current Liab. & Prov	**21,388**	**22,240**	**26,420**	**29,215**	**33,615**	**38,470**
Net Current Assets	**99,948**	**55,987**	**40,946**	**62,321**	**54,318**	**57,780**
Application of Funds	**1,22,669**	**90,566**	**78,874**	**1,00,114**	**92,111**	**96,905**

Financials and valuations

Ratios						
Y/E March	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Basic (INR)						
EPS	**-18.6**	**-19.3**	**-10.7**	**-10.3**	**-3.4**	**2.1**
Cash EPS	-17.8	-18.0	-8.8	-8.0	-0.4	5.5
Book Value	63.0	41.9	35.5	42.6	39.1	41.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Payout %	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)						
P/E	NA	NA	NA	NA	NA	NA
Cash P/E	NA	NA	NA	NA	NA	NA
EV/EBITDA	NA	NA	NA	NA	NA	NA
EV/Sales	16.6	12.7	9.5	7.5	5.5	4.2
Price/Book Value	7.8	11.7	13.8	11.5	12.6	11.9
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
Profitability Ratios (%)						
RoE	(29.6)	(39.2)	(27.8)	(27.0)	(8.4)	5.1
RoCE	(30.0)	(40.9)	(29.2)	(29.2)	(11.1)	1.8
Turnover Ratios						
Debtors (Days)	71	47	31	31	31	31
Fixed Asset Turnover (x)	7.4	9.6	10.8	14.4	19.9	23.0

Cash Flow Statement						(INR M)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
CF from Operations	-32,128	-39,460	-15,115	-10,858	3,909	14,434
Cash for Working Capital	-6,876	-1,139	1,988	-263	-414	-457
Net Operating CF	**-39,004**	**-40,599**	**-13,127**	**-11,121**	**3,494**	**13,976**
Net Purchase of FA	-2,274	-1,573	-3,440	0	0	0
Free Cash Flow	**-41,278**	**-42,172**	**-16,567**	**-11,121**	**3,494**	**13,976**
Net Purchase of Invest.	-89,327	41,251	18,025	-459	-3,152	-4,821
Net Cash from Invest.	**-91,601**	**39,678**	**14,585**	**-459**	**-3,152**	**-4,821**
Proc. from equity issues	1,39,058	0	0	33,520	-7,960	-5,400
Proceeds from LTB/STB	-918	0	1,076	0	0	0
Others	-1,799	-1,715	-2,304	-829	-800	-750
Dividend Payments	0	0	0	0	0	0
Cash Flow from Fin.	**1,36,341**	**-1,715**	**-1,228**	**32,691**	**-8,760**	**-6,150**
Net Cash Flow	**5,736**	**-2,636**	**229**	**21,112**	**-8,418**	**3,005**
Opening Cash Bal.	**5,225**	**10,961**	**8,325**	**8,691**	**29,803**	**21,385**
Forex differences	0	0	137	0	0	0
Add: Net Cash	5,736	-2,636	229	21,112	-8,418	3,005
Closing Cash Bal.	**10,961**	**8,325**	**8,691**	**29,803**	**21,385**	**24,390**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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