MOTILAL OSWAL
FINANCIAL SERVICES

1 November 2023
2QFY24 Results Update | Sector: Consumer

Tata Consumer Products

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	TATACONS IN
Equity Shares (m)	922
M.Cap.(INRb)/(USDb)	838.9 / 10.1
52-Week Range (INR)	928 / 685
1, 6, 12 Rel. Per (%)	6/13/12
12M Avg Val (INR M)	1116
Free float (%)	65.6

Financials & valuations (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	137.8	153.7	167.5
EBITDA	18.6	22.0	25.8
Adj. PAT	10.8	13.9	17.9
EBITDA Margin (%)	13.5	14.3	15.4
Cons. Adj. EPS (INR)	11.7	14.6	19.4
EPS Gr. (%)	10.3	25.1	32.9
BV/Sh. (INR)	175.2	185.9	205.1
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	6.9	8.2	9.8
RoCE (%)	9.5	11.2	13.0
Payout (%)	46.7	45.0	34.9
Valuations			
P/E (x)	77.4	61.9	46.6
EV/EBITDA (x)	43.6	36.8	31.0
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	1.4	0.4	1.5

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	34.4	34.4	34.7
DII	16.9	16.3	14.9
FII	25.3	25.5	25.7
Others	23.4	23.8	24.8

Note: FII includes depository receipts

CMP: INR903 **TP: INR1,040 (+15%)** **Buy**

International business drives operating performance

Operating performance in line

- Tata Consumer Products (TATACONS) reported ~11% YoY revenue growth, driven by a strong traction in India food business (up 16% YoY) and NourishCo (up 25% YoY). EBIT grew 22% YoY to INR4.4b in 2QFY24 led by a healthy performance of the International business (EBIT up 60% YoY due to pricing interventions and savings from restructuring).
- We retain our FY24/FY25 EPS estimates. **Reiterate BUY with an SoTP-based TP of INR1,040.**

India food business along with NourishCo drives sales

- TATACONS reported revenue of INR37.3b in 2QFY24 (est. INR37.4b), up 11% YoY. EBITDA margin improved 150bp YoY to 14.4% (est. 14.3%) due to 70bp lower other expenses (incl. A&SP) as a % of sales (combined) and higher gross margin at 42.5% (vs. 41.7% in 2QFY23). EBITDA jumped 24% YoY to INR5.4b (est. INR5.3b) during the quarter.
- The Indian branded business grew 11% YoY to INR24b, fueled by 8%/16% YoY revenue growth of Indian branded beverage/Indian food businesses to INR13.4b/INR10.7b. EBIT rose 7% YoY to INR3.3b during the quarter.
- Volumes in India Beverages/Foods grew 3%/6% YoY in 2QFY24. The salt segment's revenue increased 8% YoY on a higher base of last year. The Tata Sampann portfolio jumped 47% YoY, aided by a robust volume growth and strong traction within dry fruits.
- NourishCo witnessed revenue growth of ~25% YoY to INR1.7b in 2QFY24, despite facing unfavorable weather conditions. Tata Starbucks' revenue grew 14% YoY. The business remained profitable at EBIT-level despite a rapid expansion of its store network.
- International branded beverage revenue grew 13% YoY to INR9.5b, with EBIT growth of 60% YoY to INR958m fueled by pricing action, better performance within the UK business, and savings from restructuring.
- Adj. PAT stood at INR3.5b (est. INR3.4b), up 43% YoY.
- For 1HFY24, revenue/EBITDA/Adj. PAT grew by 12%/21%/29% to INR74.7b/INR10.8b/INR6.7b.

Highlights from the management commentary

- **Tea:** TATACONS reported a blip in market share (down 95bp YoY) as tea prices declined. However, management expects to make up for the lost share going ahead, as tea prices have stabilized now.
- **NourishCo** remains on track to achieve INR10b of revenue in FY24. TATACONS launched its energy drink and sports drink at a low price point of ~INR10 in 2Q.
- **Guidance:** TATACONS will continue to focus on double-digit revenue growth and improved EBITDA margins, which will mainly be led by the growth businesses. The company is targeting mid-single-digit volume growth for its traditional business.

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Valuation and view

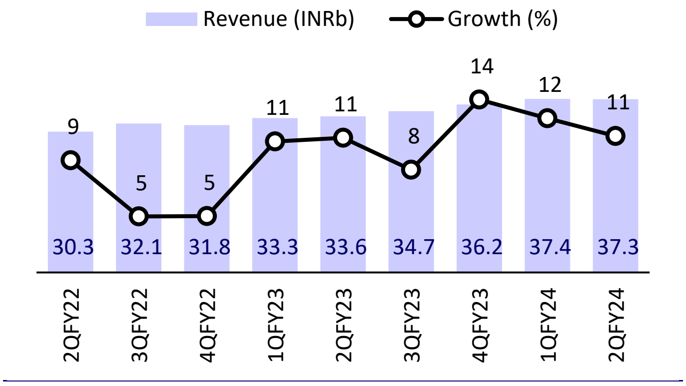
- TATACONS is following a two-pronged growth approach: 1) focusing on new growth engines such as Tata Sampann, NourishCo, Tata Soulfull, and the ready-to-eat/ready-to-consume business (Tata Smartfoodz); and 2) rapidly scaling up its distribution network along with digitization prowess across the supply chain, which will drive the next leg of growth.
- We expect a revenue/EBITDA/PAT CAGR of 10%/18%/28% over FY23-25. We retain our FY24/FY25E EPS. **Reiterate BUY with an SoTP-based TP of INR1,040.**

Consolidated - Quarterly Earning Model (INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	(%)
Gross Sales	**33.3**	**33.6**	**34.7**	**36.2**	**37.4**	**37.3**	**38.9**	**40.1**	**137.8**	**153.7**	**37.4**	**0**
YoY Change (%)	10.6	10.9	8.3	14.0	12.5	11.0	11.9	10.8	10.9	11.5	11.1	
Total Expenditure	28.7	29.3	30.2	31.1	32.0	32.0	33.4	34.5	119.3	131.8	32.0	
EBITDA	**4.6**	**4.3**	**4.5**	**5.1**	**5.5**	**5.4**	**5.5**	**5.6**	**18.6**	**22.0**	**5.3**	**0**
Margins (%)	13.7	12.9	13.1	14.1	14.6	14.4	14.2	14.1	13.5	14.3	14.3	
Depreciation	0.7	0.7	0.8	0.8	0.8	0.9	1.0	1.0	3.0	3.7	0.8	
Interest	0.2	0.2	0.2	0.3	0.3	0.3	0.2	0.2	0.9	0.9	0.2	
Other Income	0.4	0.3	0.5	0.6	0.6	0.9	0.6	0.7	1.7	2.7	0.3	
PBT before EO expense	**4.0**	**3.7**	**4.0**	**4.6**	**4.9**	**5.1**	**5.0**	**5.1**	**16.3**	**20.1**	**4.6**	
Extra-Ord expense	-0.2	1.1	0.8	-0.1	-0.1	-0.1	0.0	0.0	1.6	-0.2	0.0	
PBT	**3.8**	**4.8**	**4.8**	**4.5**	**4.9**	**4.9**	**5.0**	**5.1**	**17.9**	**19.9**	**4.6**	**6**
Tax	1.0	1.3	1.1	1.0	1.3	1.3	1.3	1.4	4.5	5.4	1.2	
Rate (%)	27.1	26.3	23.4	23.2	26.7	26.8	27.0	27.0	24.9	26.9	27.0	
Minority Interest	0.2	0.6	0.1	0.2	0.2	0.3	0.0	0.0	1.2	0.5	0.3	
Profit/Loss of Asso. Cos.	0.0	0.3	-0.1	-0.6	-0.2	0.0	0.0	-0.2	-0.3	-0.3	0.3	
Reported PAT	**2.6**	**3.3**	**3.5**	**2.7**	**3.2**	**3.4**	**3.6**	**3.6**	**12.0**	**13.8**	**3.4**	
Adj PAT	**2.7**	**2.4**	**2.9**	**2.7**	**3.2**	**3.5**	**3.6**	**3.6**	**10.8**	**13.9**	**3.4**	**2**
YoY Change (%)	45.4	-12.7	6.5	18.1	17.2	42.8	24.2	30.7	11.2	28.3	39.9	
Margins (%)	8.2	7.3	8.4	7.6	8.6	9.4	9.4	8.9	7.9	9.0	9.2	

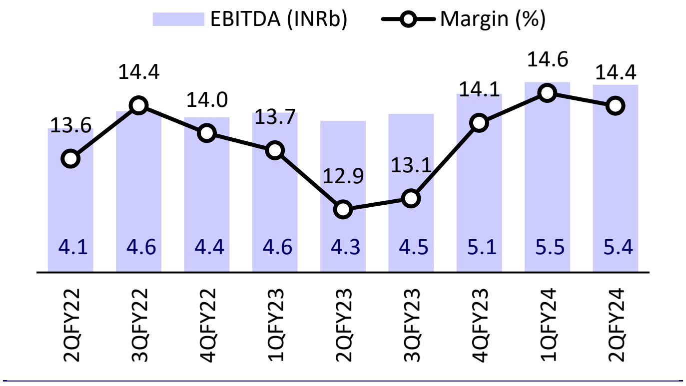
Key exhibits

Exhibit 1: Consolidated revenue trend



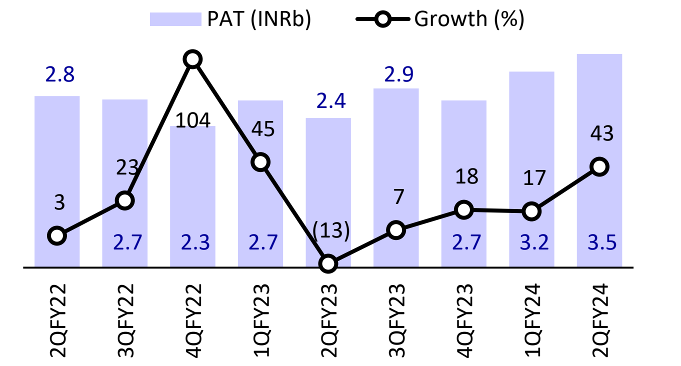
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



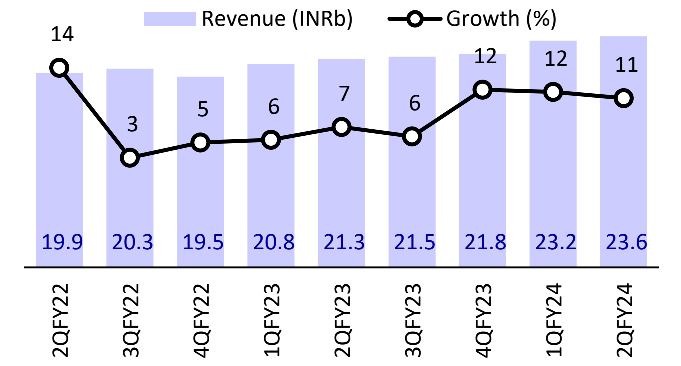
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



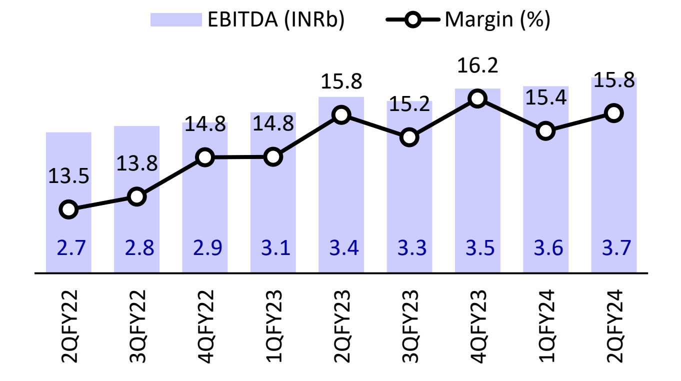
Source: Company, MOFSL

Exhibit 4: Standalone revenue trend



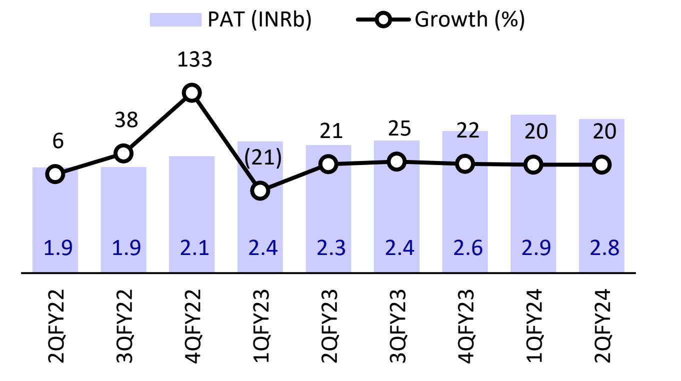
Source: Company, MOFSL

Exhibit 5: Standalone EBITDA trend



Source: Company, MOFSL

Exhibit 6: Standalone adjusted PAT trend



Source: Company, MOFSL

Exhibit 7: Revenue trend in TATACONS's overseas Tea business

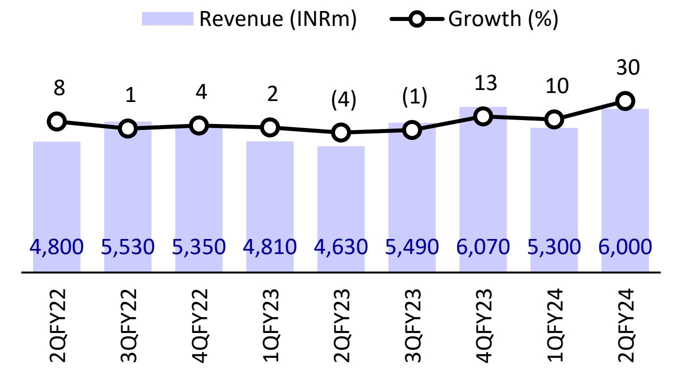


Exhibit 8: EBITDA trend in TATACONS's overseas Tea business

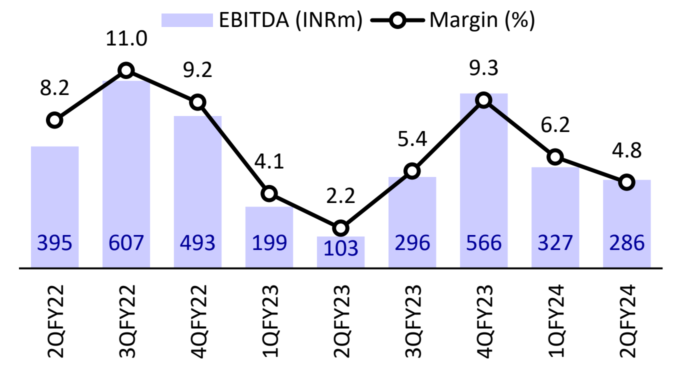


Exhibit 9: Consolidated revenue trend for Tata Coffee (TCL)

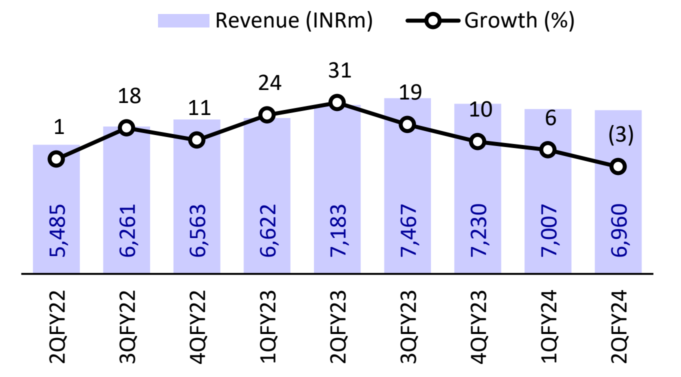


Exhibit 10: Consolidated EBITDA trend for TCL

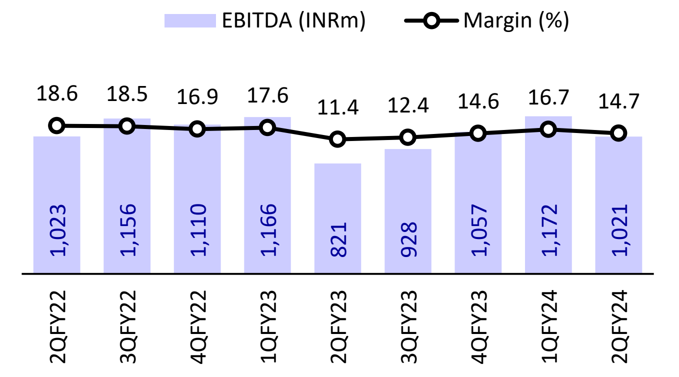


Exhibit 11: Standalone revenue trend for TCL

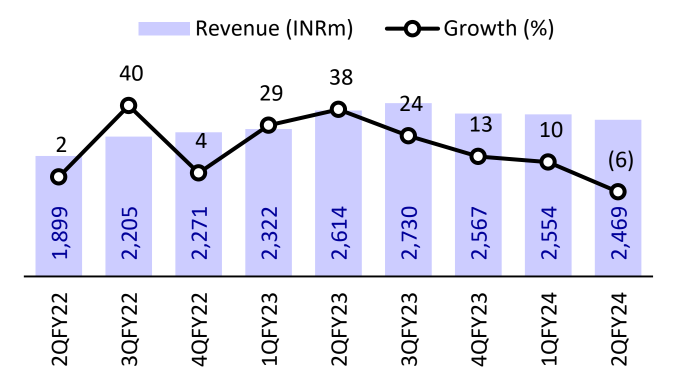


Exhibit 12: Standalone EBITDA trend for TCL

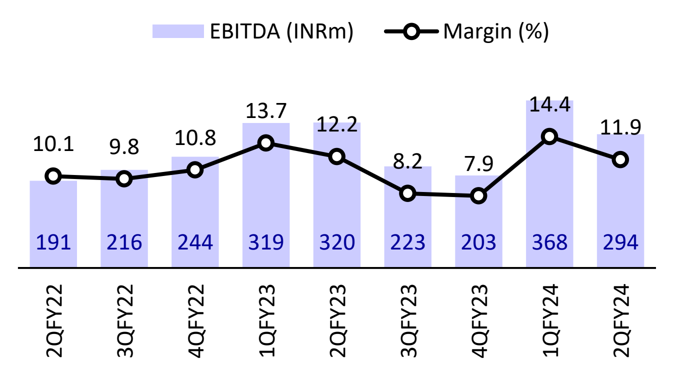
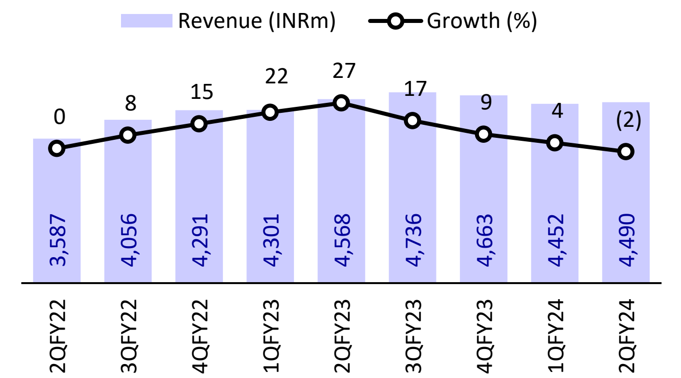
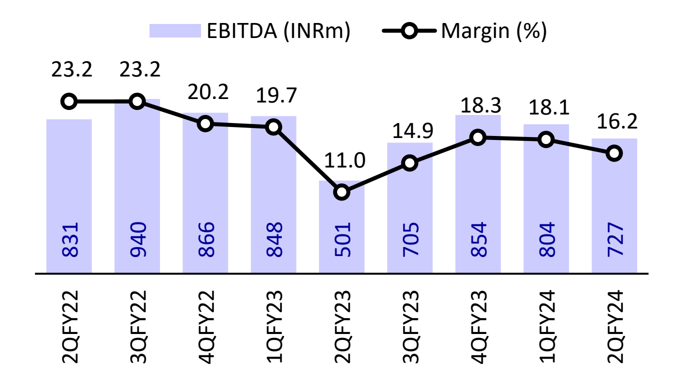


Exhibit 13: Tata Coffee's overseas revenue trend



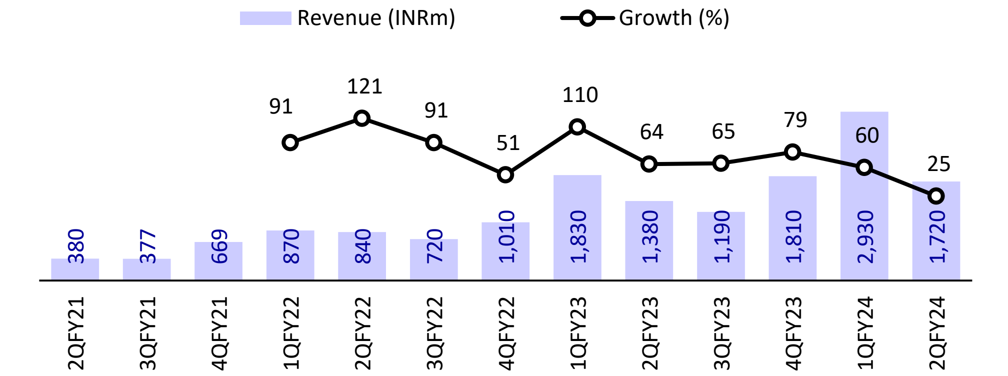
Source: Company, MOFSL

Exhibit 14: Tata Coffee's overseas EBITDA trend



Source: Company, MOFSL

Exhibit 15: NourishCo's revenue trend since acquisition



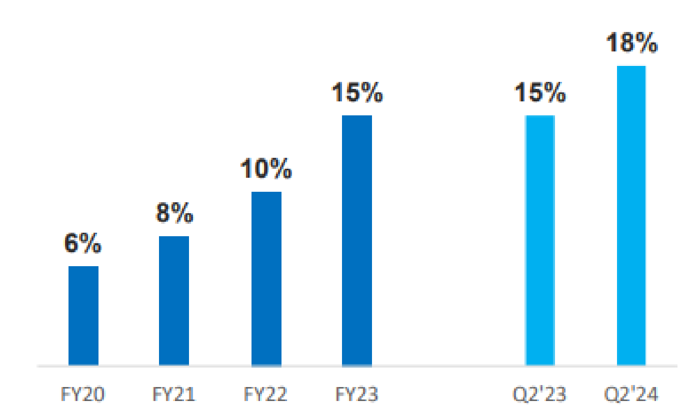
Source: Company, MOSL

Exhibit 16: Revenue at a glance (2QFY24)

In ₹ Cr (unless specified)	India Beverages	India Foods	US Coffee	International Tea*	Tata Coffee (incl. Vietnam)	Consolidated
Revenue	**1,337**	**1,066**	**350**	**600**	**348**	**3,734**
Revenue growth	8%	16%	-7%	30% [16%]*	2%	11% [9%]*
Constant currency growth			*-10%*	*23% [8%]**	*1%*	*10% [8%]*
Volume growth	3%	6%	-13%	15% [-5%]*	-9%	
Key Brands	TATA TEA, TATA GLUCO, TATA COPPER, Himalayan, GRAND	TATA Salt, TATA sampann, TATA SOULFULL, Yumside	EIGHT O'CLOCK	Tetley, teapigs, GOOD EARTH		

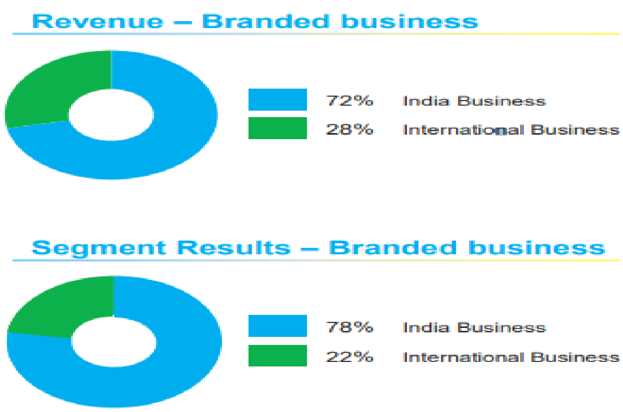
Source: Company

Exhibit 17: Growth business as a percentage of India branded business



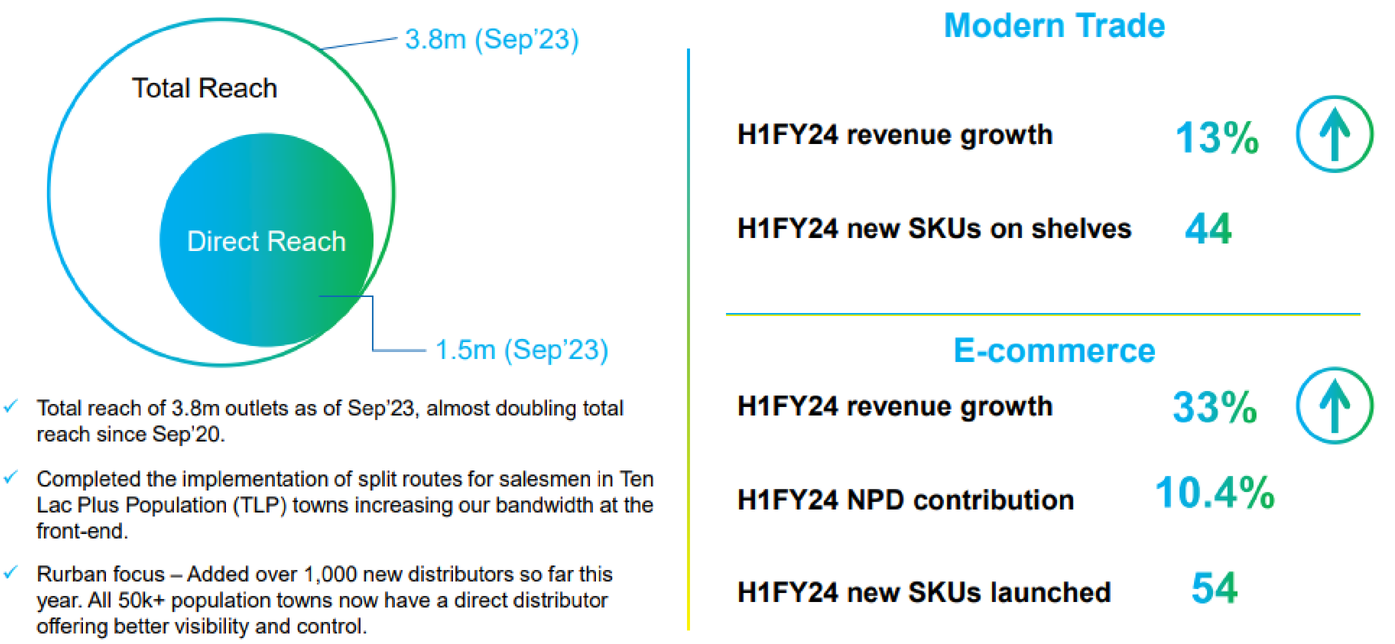
Source: Company

Exhibit 18: Segment-wise breakup (2QFY24)



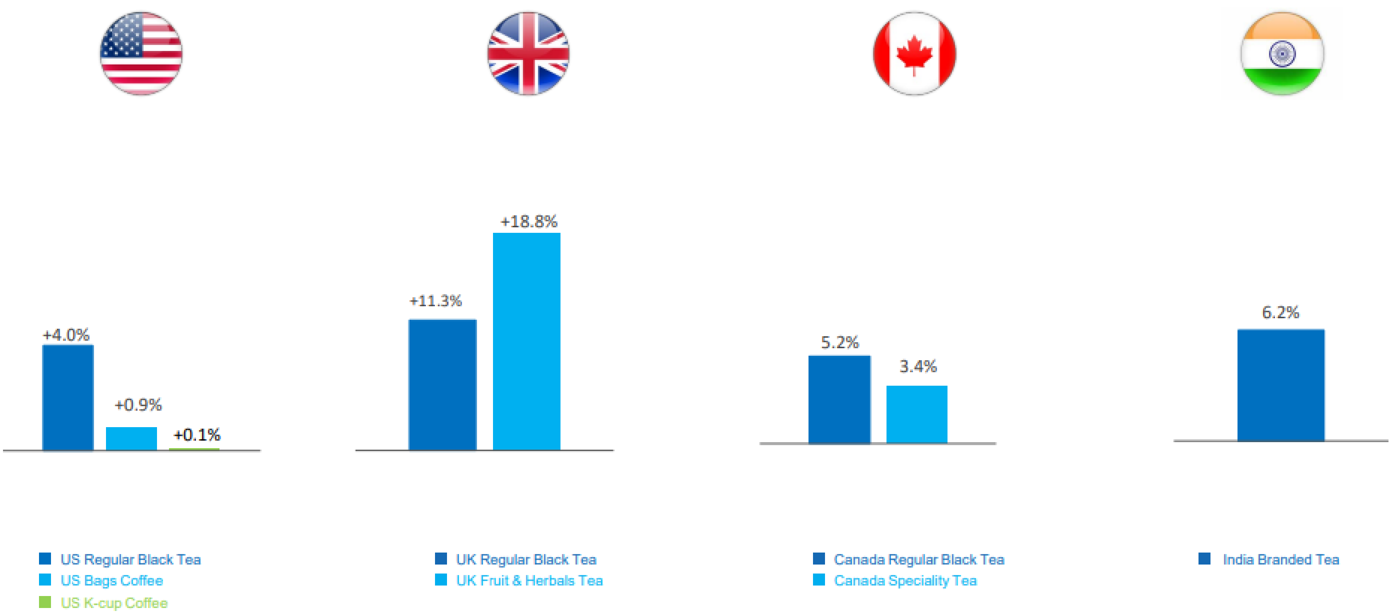
Source: Company

Exhibit 19: A strong focus on expansion of distribution network



Source: Company

Exhibit 20: Market and category growth rates for 2QFY24



Source: Company

Exhibit 21: Consolidated segmental results

INR m	2QFY23	1QFY24	2QFY24	%/bp ch YoY	%/bp ch QoQ
Segmental revenue					
Branded Business					
India - Beverages	12,380	14,440	13,370	8%	-7%
India - Foods	9,220	10,339	10,671	16%	3%
International - Beverages	8,389	8,948	9,497	13%	6%
Total Branded Business	**29,988**	**33,728**	**33,538**	**12%**	**-1%**
Non-Branded Business	3,718	3,771	3,883	4%	3%
Total Segment Revenue	**33,706**	**37,498**	**37,421**	**11%**	**0%**
Others	137	110	149		
Inter segment sales	-213	-196	-232		
Revenue from Operations	**33,631**	**37,412**	**37,338**	**11%**	**0%**
Segment Results					
Branded Business					
India - Business	3,077	3,285	3,306	7%	1%
International - Beverages	597	1,158	958	60%	-17%
Total Branded Business	**3,674**	**4,443**	**4,264**	**16%**	**-4%**
Non-Branded Business	**300**	**500**	**571**	**90%**	**14%**
Total Segment Results	**3,974**	**4,942**	**4,835**	**22%**	**-2%**
EBIT margins					
India - Business	14.2%	13.3%	13.8%	(49)	50
International - Beverages	7.1%	12.9%	10.1%	297	(285)
Total Branded Business	12.3%	13.2%	12.7%	46	(46)
Non-Branded Business	8.1%	13.2%	14.7%	664	146

Note: India – Business includes India – Beverages and India – Foods

Source: Company, MOFSL

Highlights from the management commentary

India Packaged Beverages

- The India Packaged Beverages business witnessed revenue growth of 5% YoY in 2QFY24 (four-year revenue CAGR of ~9%), backed by 3% volume growth. Premium brands outperformed popular and economy brands.
- **Tea**: The segment witnessed a market share loss of 95p YoY. The blip in market share was primarily due to declining tea prices. However, the prices have stabilized, and management expects to make up for the lost share going ahead.
- TATACONS launched various value-added tea products during the quarter, including 'Tetley Premium Black Leaf Tea'.
- **Coffee** continued its strong performance, with a revenue growth of 17% YoY in 2QFY24.

India Foods business

- The business registered 16% YoY revenue growth in 2QFY24. The segment recorded a volume growth of 6% YoY during the quarter.
- **Tata Sampann** portfolio witnessed another strong quarter with 47% YoY growth aided by robust volume growth (four-year revenue CAGR of ~36%). Growth in Sampann was aided by higher inflation, especially in pulses.
- Dry fruits witnessed another strong quarter with over 70% YoY growth.
- Pulses and staples commanded ~30% share in the e-commerce channel during the quarter.
- **TATA Soulfull** launched 'Ragi Bites Choco Sticks' (a millet-based wafer sticks with chocolate filling) during the quarter.
- Soulfull has completed its breakfast range and is now expanding to snacking.

India Salt

- The salt portfolio grew by 8% YoY growth during the quarter (four-year CAGR of 16%) on a high base of last year (2QFY23 growth of 27%). However, the company has lost ~44bp of market share YoY.
- Value-added salt accounted for ~6.6% of total sales revenue.
- Salt business, despite steep price increases taken over last year, has seen volume growth and consistent premiumization at play.
- Going ahead, management is expecting volume-led growth in 2HFY24.

Tata Coffee (including Vietnam ex EOC)

- Revenue grew 1% YoY (constant currency growth) because of 11% growth in the extractions business led by Vietnam operations.
- The Vietnam business continued to deliver strong sales with improved profitability driven by higher sales of premium products.
- Revenue from the plantation declined ~11% YoY for 2QFY24, on account of lower coffee volumes.

NourishCo

- NourishCo witnessed revenue growth of ~25% YoY to INR1.7b in 2QFY24, despite unfavorable weather conditions. The growth was broad-based across products and markets.
- Profitability improved significantly on YoY basis, led by cost controls and operating leverage.
- The company has launched a pilot project for its energy drink brand 'Say Never' at INR10 per cup in select North and South Indian markets.
- TATACONS cup format resulted in lower packaging and freight costs. This, coupled with lower quantity, helps it price its products very competitively.
- It also launched the Tata Gluco+ Sports Drink in India, in partnership with the Football World Champions, Argentina.
- Tata Copper+ witnessed revenue growth of ~48% YoY during the quarter.

JV: Starbucks

- Tata Starbucks revenue grew 14% YoY in 2QFY24. The business remained profitable at EBIT-level despite a rapid expansion of its store network.
- The company added 22 new net stores in 2QFY24, taking the total count to ~370. Starbucks entered two new cities during the quarter, taking the overall presence to 49 cities.

Distribution

- The company expanded its total reach to 3.8m outlets as of Sep'23
- It also continued to strengthen its distribution, with all 50k+ population towns now being serviced by a direct distributor.
- There is a decent shift of festive seasons from 2Q to 3Q leading to lower growth in 2QFY24 for modern trade. However, the company expects 3QFY24 to be stronger.
- New launches (which are exclusively online) are driving e-commerce sales for the company.

Guidance

- Going ahead, the company will continue to focus on double-digit growth and improved EBITDA margins.
- Traditional businesses are likely to grow volumes by mid-single-digit, while growth businesses will grow substantially faster than traditional business
- The company is targeting revenue of ~INR9-10b within Sampann and revenue of ~INR10b within the NourishCo segment. Soulfull is also on a strong trajectory.

US business

- **Coffee:** Revenue declined 10% YoY (constant currency) in 2QFY24. The company has released its new ad campaign 'Coffee Craze', which will run online and through social platforms.
- **Tea**: Revenue declined 9% YoY (constant currency) during the quarter. Tetley continued its outperformance vs. the mainstream hot black tea category.

Canada business

- Revenue grew 8% YoY (constant currency) in 2QFY24 driven by healthy pricing.
- Tetley outperformed both the regular tea and the specialty tea categories during the quarter
- Live Teas 2.0 has confirmed listings in leading retailers such as Metro, Walmart, LCL, and Sobeys.

UK business

- Revenue grew 13% YoY (constant currency) in 2QFY24. Reported revenue grew 25% YoY.
- The rollout of the revamped Tetley Tea continued through the quarter and consumer response has been positive
- The company launched a millet-based muesli range under the brand name Joyfull, in over 430 Tesco stores across the UK.

Other highlights

- Management is witnessing stable demand trends in India business and remains cautiously optimistic going ahead.
- However, the branded tea and the branded coffee categories continue to face demand headwinds within the International markets.
- Growth businesses continued their strong trajectory and have increased their contribution significantly, in line with the portfolio transformation ambitions of the company.
- NourishCo, Soulfull and Smartfoodz will have EBITDA margins equivalent to the India base business. Margins in Sampann will be lower than the rest of the growth businesses pack.
- The pricing actions and structural interventions have helped improve margins within the international businessIn line with the simplification agenda, TATACONS is amalgamating its wholly-owned subsidiaries, viz. NourishCo Beverages Ltd., Tata Consumer Soulfull Pvt. Ltd., and Tata SmartFoodz Ltd. with the parent entity. This is expected to result in synergies and savings for the company

Valuation and view

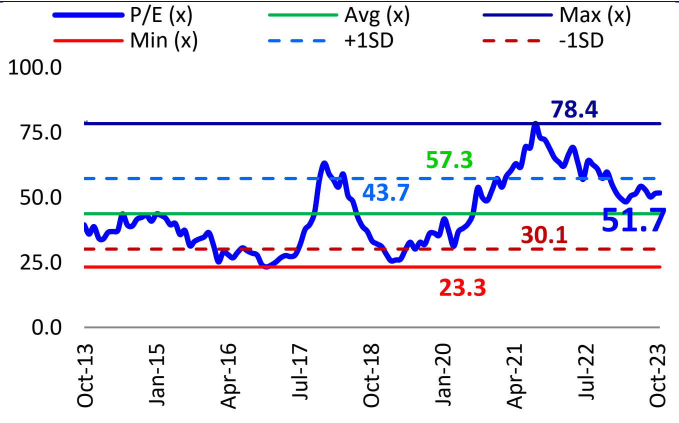
- TATACONS is following a two-pronged growth approach: 1) focusing on new growth engines such as Tata Sampann, NourishCo, Tata Soulfull, and the ready-to-eat/ready-to-consume business (Tata Smartfoodz); and 2) rapidly scaling up its distribution network along with digitization prowess across the supply chain, which will drive the next leg of growth.
- The management's holistic strategy is aimed at: 1) strengthening and accelerating its core business, 2) exploring new opportunities, 3) unlocking synergies, 4) digitizing the supply chain, 5) expanding its product portfolio and innovation, 6) enhancing its focus on premiumization and health & wellness products, 7) embedding sustainability, 8) expanding its sales and distribution infrastructure, and 9) building capability to become a multi-category FMCG player.
- We expect a revenue/EBITDA/PAT CAGR of 10%/18%/28% over FY23-25. We retain our FY24/FY25E EPS. **Reiterate BUY with an SoTP-based TP of INR1,040.**

Exhibit 22: Valuation methodology

EV/EBITDA	FY25 EBITDA	Multiple (x)	EV
India Branded Business*	18,203	43	7,87,300
Coffee India (ex-Starbucks)	1,201	12	14,413
Coffee Overseas	4,080	15	61,200
Overseas tea (Tetley UK)	2,335	15	35,021
DCF			
Starbucks JV			61,075
Enterprise value			**9,59,010**
Less: Net debt			(31,754)
Market value (INR m)			**9,90,764**
No. of shares (m)			953
Target price (INR)			**1,040**

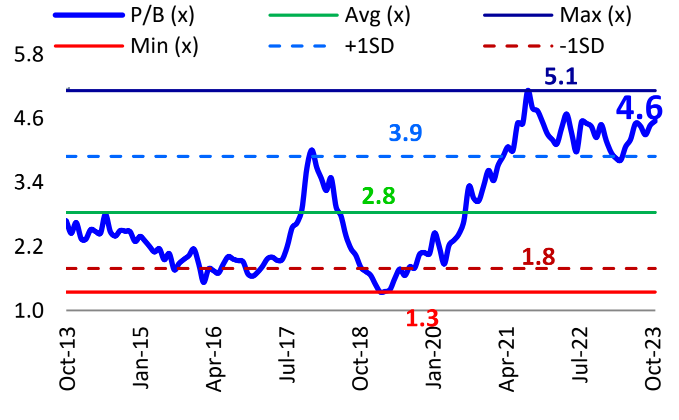
* includes Tea, Nourishco, Salt and other food products Source: MOFSL

Exhibit 23: One-year forward P/B (x)



Source: MOFSL

Exhibit 24: One-year forward P/E (x)



Source: MOFSL

Exhibit 25: Revisions in to our estimates

Earnings Change	Old		New		Change	
(INR m)	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	1,53,971	1,68,019	1,53,734	1,67,485	0%	0%
EBITDA	21,982	25,562	21,980	25,819	0%	1%
Adj. PAT	13,916	17,582	13,907	17,877	0%	2%

Source: MOFSL

Financials and valuations

Consolidated Income Statement									(INRb)
Y/E March	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Net Sales	**67.8**	**68.2**	**72.5**	**96.4**	**116.0**	**124.3**	**137.8**	**153.7**	**167.5**
Change (%)	2.2	0.5	6.4	32.9	20.4	7.1	10.9	11.5	8.9
Gross Profit	**32.2**	**31.2**	**32.4**	**42.3**	**47.0**	**53.4**	**57.8**	**65.5**	**71.4**
Margin (%)	47.5	45.7	44.7	43.9	40.5	43.0	41.9	42.6	42.6
Other operating exp.	24.3	22.8	24.6	29.3	31.6	36.2	39.2	43.5	45.6
EBITDA	**7.9**	**8.4**	**7.9**	**12.9**	**15.4**	**17.2**	**18.6**	**22.0**	**25.8**
Margin (%)	11.7	12.3	10.8	13.4	13.3	13.8	13.5	14.3	15.4
Depreciation	1.3	1.2	1.2	2.4	2.5	2.8	3.0	3.7	3.8
Net Interest	0.9	0.4	0.5	0.8	0.7	0.7	0.9	0.9	0.7
Other income	0.8	0.9	1.6	1.1	1.2	1.4	1.7	2.7	3.0
PBT before EO	**6.6**	**7.7**	**7.7**	**10.8**	**13.4**	**15.1**	**16.3**	**20.1**	**24.3**
EO income/(exp.)	0.1	-0.2	-0.3	-2.7	-0.3	-0.5	1.6	-0.2	0.0
PBT after EO	6.6	7.5	7.3	8.1	13.1	14.6	17.9	19.9	24.3
Tax	2.0	1.9	2.6	2.7	3.2	3.8	4.5	5.4	6.6
Rate (%)	30.0	24.7	35.5	33.9	24.2	25.9	24.9	26.9	27.0
Minority and Associates	0.7	0.7	0.7	0.8	1.4	1.4	1.4	0.8	-0.1
Reported PAT	**3.9**	**5.0**	**4.1**	**4.6**	**8.6**	**9.4**	**12.0**	**13.8**	**17.8**
Adjusted PAT	**3.8**	**5.2**	**4.4**	**7.2**	**8.7**	**9.7**	**10.8**	**13.9**	**17.9**
Change (%)	17.3	34.5	-14.6	63.5	20.8	11.8	11.2	28.3	28.5

Balance Sheet									(INRb)
Y/E March	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Share Capital	0.6	0.6	0.6	0.9	0.9	0.9	0.9	1.0	1.0
Reserves	62.0	69.7	72.7	137.2	144.4	150.5	161.8	176.2	188.1
Net Worth	**62.7**	**70.3**	**73.3**	**138.1**	**145.3**	**151.4**	**162.8**	**177.2**	**189.1**
Minority Interest	9.2	10.1	10.3	10.9	10.9	11.5	8.5	0.5	0.0
Loans	7.9	10.7	11.3	11.8	7.2	10.1	11.8	9.8	9.8
Capital Employed	**79.7**	**91.1**	**94.9**	**160.9**	**163.5**	**173.0**	**183.1**	**187.5**	**198.9**
Gross Block	23.7	25.4	27.7	59.1	61.8	66.7	71.7	75.7	79.7
Less: Accum. Deprn.	13.7	15.2	16.4	18.8	21.4	24.2	27.2	30.9	34.7
Net Fixed Assets	**10.1**	**10.2**	**11.3**	**40.3**	**40.4**	**42.5**	**44.5**	**44.8**	**45.0**
Capital WIP	0.6	1.4	4.2	1.0	1.1	4.6	5.1	5.1	5.1
Goodwill & Intangibles	35.0	37.2	37.9	73.3	76.0	77.5	80.3	80.3	80.3
Investments	13.5	6.4	6.0	4.9	4.8	6.0	6.8	6.5	6.6
Curr. Assets	**36.3**	**49.3**	**49.4**	**65.3**	**79.9**	**80.1**	**91.0**	**95.1**	**108.3**
Inventories	14.5	14.5	16.1	17.1	22.5	22.7	27.0	30.3	33.0
Account Receivables	5.9	6.5	6.8	9.2	7.6	8.4	8.0	11.8	12.8
Cash and Bank Balance	7.4	18.1	16.2	24.6	34.0	28.0	35.5	32.4	41.6
Others	8.4	10.3	10.3	14.4	15.8	21.1	20.5	20.5	20.8
Curr. Liability & Prov.	**14.3**	**13.5**	**12.9**	**20.8**	**33.2**	**30.2**	**36.4**	**36.1**	**38.1**
Account Payables	7.4	7.1	6.6	9.4	16.3	19.2	23.5	23.2	25.2
Other liabilities	3.4	3.6	4.2	8.6	14.0	8.6	10.5	10.5	10.5
Provisions	3.6	2.9	2.0	2.8	2.9	2.5	2.4	2.4	2.4
Net Curr. Assets	**22.0**	**35.8**	**36.5**	**44.5**	**46.6**	**49.8**	**54.6**	**59.0**	**70.1**
Def. tax liability	1.5	0.0	1.0	3.0	5.5	7.5	8.1	8.1	8.1
Appl. of Funds	**79.7**	**91.1**	**94.9**	**160.9**	**163.5**	**173.0**	**183.1**	**187.5**	**198.9**

Financials and valuations

Ratios									
Y/E March	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Basic (INR)									
EPS	**4.2**	**5.6**	**4.8**	**7.8**	**9.5**	**10.6**	**11.7**	**14.6**	**19.4**
Cash EPS	5.5	6.9	6.1	10.5	12.2	13.6	14.9	18.5	23.5
BV/Share	68.0	76.3	79.6	149.9	157.7	164.3	175.2	185.9	205.1
DPS	2.3	2.4	2.5	2.7	4.1	6.1	6.1	6.5	6.5
Payout (%)	36.5	29.9	38.7	54.1	43.6	59.6	46.7	45.0	34.9
Dividend yield (%)	0.2	0.3	0.3	0.3	0.4	0.7	0.7	0.7	0.7
Valuation (x)									
P/E	216.7	161.1	188.5	115.3	95.5	85.4	77.4	61.9	46.6
Cash P/E	163.1	131.5	147.5	86.4	73.9	66.4	60.4	48.9	38.4
P/BV	13.3	11.8	11.4	6.0	5.7	5.5	5.2	4.9	4.4
EV/Sales	12.3	12.1	11.4	8.5	6.9	6.6	5.9	5.3	4.8
EV/EBITDA	105.3	98.3	105.3	63.4	52.2	47.4	43.6	36.8	31.0
Dividend Yield (%)	0.2	0.3	0.3	0.3	0.4	0.7	0.7	0.7	0.7
FCF per share	9.6	-0.1	-1.1	10.0	15.7	13.5	12.4	3.5	13.7
Return Ratios (%)									
RoE	6.1	7.8	6.1	6.8	6.1	6.6	6.9	8.2	9.8
RoCE	9.0	9.4	8.6	8.5	8.3	9.0	9.5	11.2	13.0
RoIC	10.6	11.7	9.8	11.5	11.1	10.7	11.3	12.7	15.2
Working Capital Ratios									
Fixed Asset Turnover (x)	6.7	6.7	6.4	2.4	2.9	2.9	3.1	3.4	3.7
Asset Turnover (x)	0.9	0.7	0.8	0.6	0.7	0.7	0.8	0.8	0.8
Debtor (Days)	32	35	34	35	24	25	21	28	28
Creditor (Days)	40	38	33	36	51	56	62	55	55
Inventory (Days)	78	78	81	65	71	67	72	72	72
Leverage Ratio (x)									
Net Debt/Equity	0.0	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	-0.2

Cash flow statement									(INRb)
Y/E March	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
EBITDA	**7.9**	**8.4**	**7.9**	**12.9**	**15.4**	**17.2**	**18.6**	**22.0**	**25.8**
Prov. & FX	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
WC	1.5	-1.4	-2.3	-0.6	3.1	2.0	0.3	-9.1	-2.2
Others	0.1	-0.4	-0.8	1.4	1.2	-0.3	0.2	-0.2	0.0
Direct taxes (net)	-2.1	-3.0	-2.6	-2.7	-3.2	-3.8	-4.5	-5.4	-6.6
CF from Op. Activity	**7.4**	**3.6**	**2.1**	**10.8**	**16.6**	**15.2**	**14.6**	**7.3**	**17.0**
Capex	-1.4	-3.6	-2.8	-1.6	-2.1	-2.7	-3.1	-4.0	-4.0
FCFF	**6.0**	**0.0**	**-0.7**	**9.2**	**14.5**	**12.4**	**11.5**	**3.3**	**13.0**
Interest/dividend	0.6	0.5	0.5	0.6	0.7	0.9	1.2	2.7	3.0
Investments in subs/assoc.	-0.3	-0.1	-0.4	-0.2	-2.2	-7.4	-2.0	0.0	0.0
Others	2.5	10.2	3.4	-5.5	-0.5	-4.0	-4.4	0.0	0.0
CF from Inv. Activity	**1.4**	**7.0**	**0.7**	**-6.7**	**-4.1**	**-13.2**	**-8.3**	**-1.3**	**-1.0**
Share capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowings	-4.8	2.2	0.4	0.3	-0.6	-4.9	0.0	-2.0	0.0
Finance cost	-0.6	-0.3	-0.4	-0.7	-0.7	-0.6	-0.8	-0.9	-0.7
Dividend	-1.9	-2.1	-2.2	-2.2	-2.7	-4.0	-5.7	-6.2	-6.2
Others	-0.8	0.4	-2.5	6.9	0.9	1.6	7.8	0.0	0.0
CF from Fin. Activity	**-8.2**	**0.1**	**-4.7**	**4.3**	**-3.0**	**-7.9**	**1.2**	**-9.1**	**-6.9**
(Inc)/Dec in Cash	**0.7**	**10.7**	**-1.9**	**8.4**	**9.4**	**-6.0**	**7.5**	**-3.1**	**9.1**
Opening balance	6.7	7.4	18.1	16.2	24.6	34.0	28.0	35.5	32.4
Closing balance (as per B/S)	**7.4**	**18.1**	**16.2**	**24.6**	**34.0**	**28.0**	**35.5**	**32.4**	**41.6**

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