

JK Cement (JKCE)'s standalone EBITDA grew 51% YoY (declined 10% QoQ) to Rs5.5bn, coming in 7-9% below consensus/our estimates. The miss was largely owing to higher than expected opex cost. Blended EBITDA/t came in at Rs1,075 (grew 35% YoY/declined 19% QoQ) for Q4FY24. Company's grey cement volumes in FY24 were 900-950bps higher than industry growth (growing at 19% to 16.9mt), driven by healthy ramp-up in the recently commissioned Panna plant (CU of 83% in first year of operations). Besides, orders for the 3.3mt clinker line-2 at Panna and the 1mt GU plants as well as the machinery released and construction work have all started. This would be followed by another 5mt of GU in Bihar and the central markets (to reach capacity of 30mt by FY26-27). We broadly maintain FY26E EBITDA and reiterate our ADD rating on the stock, with unchanged TP of Rs4,400/share (14x Mar 26 EV/E).

JK Cement: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	79,908	97,202	115,560	126,398	142,335
EBITDA	14,824	13,143	20,598	23,425	27,293
Adj. PAT	6,871	4,263	7,963	10,483	12,511
Adj. EPS (Rs)	88.9	55.2	103.1	135.7	161.9
EBITDA margin (%)	18.6	13.5	17.8	18.5	19.2
EBITDA growth (%)	(6.0)	(11.3)	56.7	13.7	16.5
Adj. EPS growth (%)	(3.2)	(38.0)	86.8	31.6	19.3
RoE (%)	17.0	9.5	15.8	18.0	18.4
RoIC (%)	13.2	7.9	11.9	14.8	15.9
P/E (x)	44.1	71.1	38.1	28.9	24.2
EV/EBITDA (x)	21.9	25.6	16.2	14.4	12.4
P/B (x)	7.0	6.5	5.6	4.8	4.1
FCFF yield (%)	(2.0)	(1.5)	2.3	0.2	1.6

Source: Company, Emkay Research

Result Summary

On a standalone basis, JKCE reported overall volume growth of 12% YoY to 5.1mt in Q4FY24 (in line with estimates). Grey cement volume grew 13% YoY to 4.7mt, with utilization of 85%. Volume for white cement and wall putty declined 2% YoY to 0.42mt. Given the weak pricing scenario in Q4, grey cement realization declined by Rs235/t QoQ to Rs4,928/t. On the cost front, total cost/t declined by Rs59/t QoQ to Rs4,697 (Emkay: Rs4,622), with Rs39/t sequential reduction seen in 'RM plus P&F' expense. Consolidated net debt (excl. w/cap) declined by Rs4bn QoQ to Rs26bn as of Mar-24. Company has generated consolidated FCF of Rs4.6bn after the working-capital release of Rs630mn and capex of Rs11.8bn in FY24. JKCE has consistently maintained a healthy capacity-addition trajectory, with grey cement capacity CAGR of 17% during FY19-24, at 22.2mt. It has established a clear roadmap to reach 30mt in the medium term. We expect Company to generate Rs36bn OCF during FY25-26E, with subsequent capex of Rs37bn. Despite the capex plans, we expect net debt/EBITDA at <2x during FY25E-26E (vs. 1.5x in FY24).

What we liked: Better than industry volume growth in Q4 and FY24

What we did not like: Lower than expected profitability

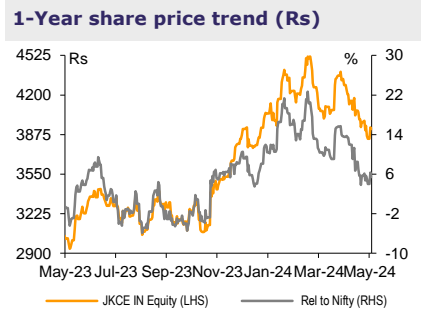
Key takeaways from the earnings call

a) Despite near-term weak demand owing to the elections, Company expects 10% volume growth in FY25. There will be healthy growth from central India owing to recent capacity expansion, while the North and South will grow at par with the industry. b) Expects Rs150-200/t sustainable cost savings over a couple of years, driven through logistics (Rs50/t), and green power (already at 50% share). c) The upcoming clinker line-2 in Panna to be commissioned by Sep-25. A fully integrated plant is likely to be operational by Q3FY26. d) The Toshali plant would incur capex of Rs400mn towards modernization. Expects the plant to contribute volumes of 0.3-0.4mtpa. e) Management expects prices to move upward, largely from Q3FY25. f) For the paints segment, revenue in FY24 stood at Rs1.53bn, with EBITDA loss of Rs200mn. For FY25, Company targets revenue of Rs3bn. However, EBITDA losses would widen to Rs350-400mn owing to higher brand investments. Expects the paints business to turn EBITDA-positive FY27 onwards. g) Incentives for Q4FY24 stood at Rs700mn.

Target Price – 12M	Mar-25
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	12.2
CMP (14-May-24) (Rs)	3,921.7

Stock Data	Ticker
52-week High (Rs)	4,575
52-week Low (Rs)	2,893
Shares outstanding (mn)	77.3
Market-cap (Rs bn)	303
Market-cap (USD mn)	3,629
Net-debt, FY25E (Rs mn)	34,843
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	669.9
ADTV-3M (USD mn)	8.0
Free float (%)	-
Nifty-50	22,218
INR/USD	83.5
Shareholding, Mar-24	
Promoters (%)	45.7
FPIs/MFs (%)	15.9/23.4

Price Performance			
(%)	1M	3M	12M
Absolute	(8.4)	(6.4)	28.5
Rel. to Nifty	(7.1)	(8.0)	5.9



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Quarterly Analysis

Exhibit 1: Actual vs. Estimates (Q4Y24)

(Rs mn)	Actual	Estimates		Variation (%)		Comment
		Emkay	Consensus	Emkay	Consensus	
Net sales	28,560	28,893	29,680	(1.2)	(3.8)	
EBITDA	5,475	6,012	5,908	(8.9)	(7.3)	Higher than expected costs led to the EBITDA miss
PAT	2,265	3,016	2,796	(24.9)	(19.0)	
Volumes (mt)	5.1	5.2		(1.4)		
Blended realization (Rs/ton)	5,610	5,597		0.2		
EBITDA/ton (Rs)	1,075	1,165		(7.7)		

Source: Bloomberg, Emkay Research

Exhibit 2: Standalone – Quarterly results

(Rs mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
Net Sales	26,130	25,406	24,765	26,900	28,560	17.9	8.6	90,942	105,631	16.2
Other operating income	516	830	943	948	829	61.5	0.6	2,161	3,550	64.3
Revenue	26,646	26,236	25,707	27,848	29,389	19.0	8.3	93,102	109,180	17.3
Expenditure	23,010	22,212	21,241	21,764	23,914	3.9	2.5	79,899	89,130	11.6
Total RM	4,252	4,323	4,223	3,721	4,916	(7.7)	(11.9)	15,444	17,184	11.3
Power & Fuel	7,523	6,619	5,952	6,153	5,873	(7.5)	3.4	24,491	24,597	0.4
Freight	5,678	5,588	5,040	5,905	6,484	18.7	17.2	19,328	23,016	19.1
Staff cost	1,479	1,665	1,650	1,820	1,963	25.9	10.3	5,753	7,098	23.4
Other expenditure	4,078	4,016	4,376	4,164	4,678	8.6	(4.9)	14,882	17,235	15.8
EBITDA	3,636	4,024	4,467	6,084	5,475	147.2	36.2	13,204	20,050	51.9
Depreciation	1,117	1,178	1,196	1,178	1,307	16.6	(1.5)	3,922	4,859	23.9
EBIT	2,519	2,847	3,270	4,906	4,169	238.1	50.0	9,282	15,191	63.7
Other Income	361	293	278	352	431	91.9	26.8	851	1,353	59.0
Interest	976	1,055	1,091	1,109	1,112	50.3	1.7	2,956	4,366	47.7
PBT	1,904	2,085	2,457	4,149	3,488	362.7	68.9	7,177	12,179	69.7
Total Tax	510	672	668	1,254	1,223	291.9	87.9	2,150	3,817	77.5
Adjusted PAT	1,394	1,413	1,789	2,895	2,265	402.1	61.8	5,027	8,361	66.3
Extraordinary items	-	(150)	-	-	95			-	(55)	
Reported PAT	1,394	1,263	1,789	2,895	2,360	402.1	61.8	5,027	8,306	65.2
Adjusted EPS (Rs)	18.0	18.3	23.2	37.5	29.3	402.1	61.8	65.1	108.2	66.3
(%)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (bps)	QoQ (bps)	FY23	FY24	YoY (bps)
EBITDAM	13.6	15.3	17.4	21.8	18.6	36.5	(14.7)	14.2	18.4	418
EBITM	9.5	10.9	12.7	17.6	14.2	50.1	(19.5)	10.0	13.9	394
EBTM	7.1	7.9	9.6	14.9	11.9	66.1	(20.3)	7.7	11.2	345
PATM	5.2	5.4	7.0	10.4	7.7	47.3	(25.9)	5.4	7.7	226
Effective Tax Rate	26.8	32.2	27.2	30.2	35.1			30.0	31.3	

Source: Company, Emkay Research

Exhibit 3: Standalone Quarterly analysis, on a per-ton basis

(Rs/ton)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
Grey Cement volumes (mt)	4.1	4.1	3.9	4.2	4.7	13.0	12.6	14.2	16.9	18.9
White Cement + Wall putty volumes (mt)	0.4	0.4	0.4	0.4	0.4	(1.8)	(2.0)	1.6	1.7	2.1
Total volume (mt)	4.6	4.5	4.3	4.6	5.1	11.6	11.3	15.8	18.5	17.2
Grey Cement realization	5,007	4,967	4,985	5,164	4,928	(1.6)	(4.6)	4,976	5,009	0.7
White Cement realization	12,785	12,357	12,105	12,258	12,556	(1.8)	2.4	12,604	12,319	(2.3)
Blended Realization	5,729	5,636	5,702	5,878	5,610	(2.1)	(4.6)	5,754	5,704	(0.9)
Raw Material cost	932	959	972	813	966	3.6	18.7	977	928	(5.0)
Power & Fuel cost	1,649	1,468	1,370	1,345	1,154	(30.1)	(14.2)	1,550	1,328	(14.3)
Freight cost	1,245	1,239	1,160	1,290	1,274	2.3	(1.3)	1,223	1,243	1.6
Staff cost	324	369	380	398	386	18.9	(3.0)	364	383	5.3
Other expenditure	894	891	1,008	910	919	2.8	1.0	942	931	(1.2)
Operating cost	5,045	4,927	4,890	4,756	4,697	(6.9)	(1.2)	5,055	4,813	(4.8)
Other operating income	113	184	217	207	163	44.1	(21.4)	137	192	40.2
Blended EBITDA	797	893	1,028	1,330	1,075	34.9	(19.1)	835	1,083	29.6

Source: Company, Emkay Research

Exhibit 4: Consolidated – Quarterly results

(Rs mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
Net Sales	27,260	26,800	26,630	28,430	30,170	10.7	6.1	95,040	112,030	17.9
Other operating income	519	826	898	918	888	71.1	(3.3)	2,162	3,530	63.3
Revenue	27,779	27,626	27,528	29,348	31,058	11.8	5.8	97,202	115,560	18.9
Expenditure	24,284	23,548	22,858	23,097	25,458	4.8	10.2	84,059	94,962	13.0
Total RM cost	4,556	4,644	4,584	3,849	5,269	15.7	36.9	15,928	18,347	15.2
Power & Fuel cost	7,748	6,910	6,332	6,506	6,156	(20.5)	(5.4)	25,634	25,904	1.1
Freight cost	5,905	5,842	5,362	6,148	6,810	15.3	10.8	20,331	24,162	18.8
Staff cost	1,681	1,839	1,829	1,988	2,182	29.7	9.7	6,378	7,838	22.9
Other expenditure	4,393	4,312	4,752	4,606	5,041	14.8	9.5	15,788	18,712	18.5
EBITDA	3,495	4,078	4,670	6,251	5,599	60.2	(10.4)	13,143	20,598	56.7
Depreciation	1,285	1,348	1,371	1,404	1,530	19.0	8.9	4,582	5,653	23.4
EBIT	2,210	2,730	3,299	4,847	4,069	84.1	(16.0)	8,560	14,945	74.6
Other Income	380	316	293	385	457	20.3	18.8	874	1,451	66.0
Interest	1,011	1,090	1,150	1,141	1,149	13.6	0.7	3,122	4,531	45.2
PBT	1,578	1,956	2,442	4,090	3,377	114.0	(17.4)	6,313	11,865	88.0
Total Tax	481	671	657	1,252	1,275	165.2	1.8	2,122	3,855	81.7
Share of JV	3	-	-	-	-	-	-	-	-	-
Minority Interest	(22)	(12)	4	(0)	(1)	(96.8)	414.7	(72)	(9)	(87.6)
Adjusted PAT	1,123	1,297	1,781	2,838	2,103	87.3	(25.9)	4,263	8,018	88.1
Extraordinary items	-	(150)	-	-	95	-	-	-	(55)	-
Reported PAT	1,123	1,147	1,781	2,838	2,198	95.7	(22.6)	4,263	7,963	86.8
Adjusted EPS (Rs)	14.5	16.8	23.1	36.7	27.2	87.3	(25.9)	55.2	103.8	88.1
(%)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (bps)	QoQ (bps)	FY23	FY24	YoY (bps)
EBITDAM	12.6	14.8	17.0	21.3	18.0	43.3	(15.4)	13.5	17.8	430
EBITM	8.0	9.9	12.0	16.5	13.1	64.7	(20.7)	8.8	12.9	413
EBTM	5.7	7.1	8.9	13.9	10.9	91.4	(22.0)	6.5	10.3	377
PATM	4.0	4.7	6.5	9.7	6.8	67.5	(30.0)	4.4	6.9	255
Effective Tax Rate	30.5	34.3	26.9	30.6	37.8			33.6	32.5	

Source: Company, Emkay Research

Exhibit 5: Consolidated quarterly analysis, on a per-ton basis

(Rs/ton)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
Grey Cement volumes (mt)	4.1	4.1	3.9	4.2	4.7	13.0	12.6	14.2	16.9	18.9
White Cement + Wall putty volumes (mt)	0.5	0.5	0.6	0.6	0.5	2.6	(1.1)	2.0	2.2	8.8
Total volume (mt)	4.7	4.6	4.5	4.7	5.2	11.8	11.0	16.2	19.1	17.6
Grey Cement realization	5,007	4,968	4,984	5,164	0	(100.0)	(100.0)	4,971	3,643	(26.7)
White Cement realization	12,270	11,807	11,054	11,791	54,241	342.1	360.0	11,973	22,015	83.9
Blended Realization	5,836	5,789	5,871	6,043	5,777	(1.0)	(4.4)	5,855	5,868	0.2
Raw Material cost	975	1,003	1,010	818	1,009	3.5	23.3	981	961	(2.1)
Power & Fuel cost	1,659	1,493	1,396	1,383	1,179	(28.9)	(14.8)	1,579	1,357	(14.1)
Freight cost	1,264	1,262	1,182	1,307	1,304	3.1	(0.2)	1,252	1,265	1.0
Staff cost	360	397	403	423	418	16.0	(1.2)	393	411	4.5
Other expenditure	941	932	1,048	979	965	2.6	(1.4)	973	980	0.8
Operating cost	5,199	5,087	5,039	4,909	4,875	(6.2)	(0.7)	5,178	4,974	(4.0)
Other operating income	111	178	198	195	170	53.0	(12.9)	133	185	38.8
Blended EBITDA	748	881	1,029	1,329	1,072	43.3	(19.3)	810	1,079	33.3

Source: Company, Emkay Research

Exhibit 6: Annual assumptions (Consolidated)

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	CAGR (%)		
											FY19-24	FY24-26E	
Grey Cement													
Capacity (mt)	10.5	10.5	10.5	14.7	14.7	15.0	20.7	22.2	24.2	28.2		16.2	12.7
Volumes (mt)	6.8	7.9	8.6	8.4	10.3	12.1	14.2	16.9	18.6	20.8		14.5	11.1
Utilization (%)	65	75	82	58	70	81	69	76	77	74			
Realizations (Rs/ton)	3,645	3,906	4,001	4,527	4,495	4,774	4,971	5,013	5,033	5,097			
White Cement													
Capacity (mt)	1.9	1.9	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2			
Volumes (mt)	1.4	1.5	1.6	1.8	1.7	1.9	2.0	2.2	2.3	2.3			
Utilization (%)	75	81	78	85	79	86	93	101	103	104			
Total													
Volumes (mt)	8.2	9.4	10.2	10.2	11.9	14.0	16.2	19.1	20.8	23.1		13.3	10.1
Blended Realizations (Rs/ton)	4,813	4,916	5,072	5,603	5,449	5,592	5,854	5,868	5,898	5,982			
EBITDA/ton (Rs)	880	807	817	1,186	1,320	1,057	810	1,079	1,125	1,180		5.7	4.6
P&L (Rs bn)													
Revenue	40	48	53	58	66	80	97	116	126	142		17.1	11.0
EBITDA	7	8	8	12	16	15	13	21	23	27		19.8	15.1
Adj. Net Profit	2	3	3	5	8	7	4	8	10	13		21.9	25.3
Balance Sheet (Rs bn)													
Equity	17	20	27	30	37	43	47	54	63	73			
Net Debt	26	23	21	23	17	22	34	30	35	35			
Net Debt:EBITDA (x)	3.6	2.9	2.5	1.9	1.1	1.5	2.6	1.5	1.5	1.3			
Net Debt:Equity (x)	1.5	1.2	0.8	0.8	0.4	0.5	0.7	0.6	0.6	0.5			
Cash Flow (Rs bn)													
OCF before NWC change	4	5	5	9	12	16	7	10	17	21			
Change in NWC	(1)	1	(1)	3	2	(4)	2	1	(1)	(1)			
Capex	(3)	(1)	(6)	(12)	(8)	(15)	(19)	(12)	(19)	(18)			
FCF	(0)	5	(2)	(1)	7	(4)	(9)	(1)	(2)	2			
Return ratios (%)													
RoE	11.8	16.0	12.7	17.2	22.8	17.0	9.5	15.8	18.0	18.4			
RoCE	7.2	9.8	8.5	10.9	13.3	10.5	6.6	10.0	11.3	12.0			
RoIC	7.8	8.6	9.1	12.8	15.8	13.2	7.9	11.8	14.8	15.9			
Valuations (x)													
P/E							71.1	38.1	28.9	24.2			
EV/EBITDA							24.7	16.3	14.2	12.4			
EV/ton							188	174	162	140			

Source: Company, Emkay Research

Exhibit 7: We broadly maintain our EBITDA estimates for FY26

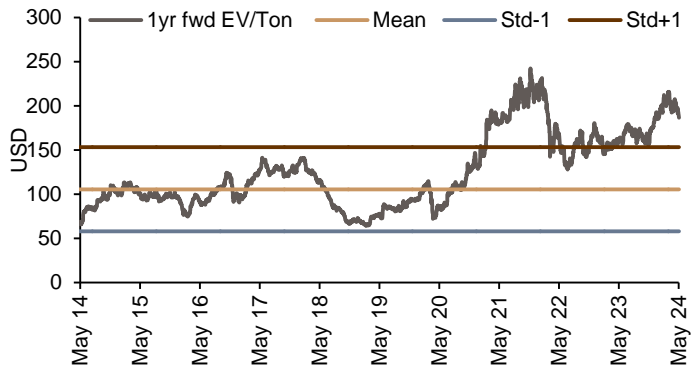
Earnings revision	FY25E			FY26E		
	Old	New	Change (%)	Old	New	Change (%)
Revenue (Rs mn)	124,791	126,398	1.3	139,530	142,335	2.0
EBITDA (Rs mn)	24,052	23,425	(2.6)	27,259	27,293	0.1
PAT (Rs mn)	10,979	10,483	(4.5)	12,841	12,511	(2.6)

Source: Emkay Research

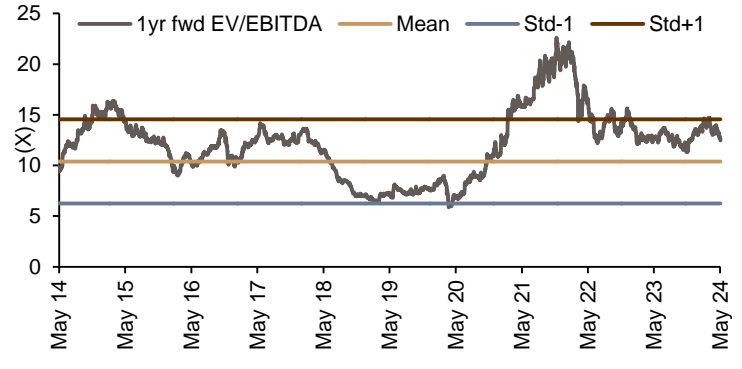
Exhibit 8: We retain our ADD rating on JK Cement and TP of Rs4,400/share, based on Mar-26E EV/E of 14x

EV/E valuation	
Mar-26E EBITDA (Rs bn)	27
EV/E (x)	14
Enterprise Value (Rs bn)	375
Net debt (Mar-25E; Rs bn)	35
Equity value (Rs bn)	340
No. of shares (mn)	77
Mar-25E Target Price (Rs/share)	4,400

Source: Emkay Research

Exhibit 9: One-year forward EV/ton

Source: Bloomberg, Emkay Research

Exhibit 10: One-year forward EV/EBITDA

Source: Bloomberg, Emkay Research

JK Cement : Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue	79,908	97,202	115,560	126,398	142,335
Revenue growth (%)	21.0	21.6	18.9	9.4	12.6
EBITDA	14,824	13,143	20,598	23,425	27,293
EBITDA growth (%)	(6.0)	(11.3)	56.7	13.7	16.5
Depreciation & Amortization	3,425	4,582	5,726	6,220	6,975
EBIT	11,399	8,561	14,872	17,206	20,318
EBIT growth (%)	(10.3)	(24.9)	73.7	15.7	18.1
Other operating income	1,495	2,172	3,530	3,601	3,961
Other income	1,429	874	1,451	1,489	1,593
Financial expense	2,697	3,122	4,531	4,673	5,175
PBT	10,131	6,313	11,791	14,021	16,736
Extraordinary items	0	0	0	0	0
Taxes	3,337	2,122	3,837	3,547	4,234
Minority interest	(79)	(72)	(9)	(9)	(9)
Income from JV/Associates	(2)	0	0	0	0
Reported PAT	6,871	4,263	7,963	10,483	12,511
PAT growth (%)	(3.2)	(38.0)	86.8	31.6	19.3
Adjusted PAT	6,871	4,263	7,963	10,483	12,511
Diluted EPS (Rs)	88.9	55.2	103.1	135.7	161.9
Diluted EPS growth (%)	(3.2)	(38.0)	86.8	31.6	19.3
DPS (Rs)	15.0	15.0	20.0	20.4	24.3
Dividend payout (%)	16.9	27.2	19.4	15.0	15.0
EBITDA margin (%)	18.6	13.5	17.8	18.5	19.2
EBIT margin (%)	14.3	8.8	12.9	13.6	14.3
Effective tax rate (%)	32.9	33.6	32.5	25.3	25.3
NOPLAT (pre-IndAS)	7,645	5,683	10,033	12,853	15,178
Shares outstanding (mn)	77.3	77.3	77.3	77.3	77.3

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	10,131	6,313	11,791	14,021	16,736
Others (non-cash items)	(967)	(785)	(1,395)	701	837
Taxes paid	(2,137)	(1,622)	(1,542)	(3,547)	(4,234)
Change in NWC	(4,308)	2,264	630	(852)	(379)
Operating cash flow	8,785	13,771	19,591	19,736	23,526
Capital expenditure	(15,275)	(18,697)	(11,782)	(19,000)	(18,000)
Acquisition of business	6,737	4,245	3,032	0	0
Interest & dividend income	921	570	951	1,489	1,593
Investing cash flow	(7,617)	(13,882)	(7,799)	(17,511)	(16,407)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	4,545	11,562	1,201	5,000	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(2,676)	(2,942)	(4,200)	(4,673)	(5,175)
Dividend paid (incl tax)	(1,156)	(1,159)	(1,158)	(1,572)	(1,877)
Others	(96)	(49)	0	(481)	(193)
Financing cash flow	617	7,413	(4,157)	(1,726)	(7,245)
Net chg in Cash	1,784	7,302	7,635	499	(126)
OCF	8,785	13,771	19,591	19,736	23,526
Adj. OCF (w/o NWC chg.)	13,093	11,507	18,960	20,588	23,905
FCFF	(6,491)	(4,926)	7,809	736	5,526
FCFE	(1,946)	6,636	9,010	5,736	5,526
OCF/EBITDA (%)	59.3	104.8	95.1	84.3	86.2
FCFE/PAT (%)	(28.3)	155.7	113.1	54.7	44.2
FCFF/NOPLAT (%)	(84.9)	(86.7)	77.8	5.7	36.4

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share capital	773	773	773	773	773
Reserves & Surplus	42,476	46,095	52,899	61,809	72,443
Net worth	43,249	46,868	53,671	62,582	73,216
Minority interests	(343)	(444)	(455)	(569)	(711)
Deferred tax liability (net)	7,383	8,094	10,756	11,457	12,294
Total debt	38,549	49,951	52,385	57,385	57,385
Total liabilities & equity	88,838	104,469	116,358	130,855	142,184
Net tangible fixed assets	60,919	83,987	92,514	91,661	108,737
Net intangible assets	469	469	469	469	469
Net ROU assets	4,055	4,055	4,055	4,055	4,055
Capital WIP	10,321	5,920	4,639	18,639	12,639
Goodwill	0	0	0	0	0
Investments [JV/Associates]	110	215	2,681	2,681	2,681
Cash & equivalents	17,049	16,210	22,044	22,542	22,416
Current assets (ex-cash)	21,113	26,050	25,674	26,094	27,554
Current Liab. & Prov.	25,192	28,382	31,663	31,232	32,313
NWC (ex-cash)	(4,078)	(2,332)	(5,990)	(5,138)	(4,759)
Total assets	88,838	104,469	116,358	130,855	142,184
Net debt	21,500	33,741	30,342	34,843	34,969
Capital employed	88,838	104,469	116,358	130,855	142,184
Invested capital	61,359	82,124	86,993	86,992	104,447
BVPS (Rs)	559.7	606.6	694.6	809.9	947.6
Net Debt/Equity (x)	0.5	0.7	0.6	0.6	0.5
Net Debt/EBITDA (x)	1.5	2.6	1.5	1.5	1.3
Interest coverage (x)	4.8	3.0	3.6	4.0	4.2
RoCE (%)	15.5	9.8	14.8	15.1	16.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24	FY25E	FY26E
P/E (x)	44.1	71.1	38.1	28.9	24.2
P/CE(x)	29.4	34.3	22.1	18.1	15.6
P/B (x)	7.0	6.5	5.6	4.8	4.1
EV/Sales (x)	4.1	3.5	3.0	2.8	2.4
EV/EBITDA (x)	21.9	25.6	16.2	14.4	12.4
EV/EBIT(x)	28.5	39.3	22.4	19.6	16.6
EV/IC (x)	5.3	4.1	3.8	3.9	3.2
FCFF yield (%)	(2.0)	(1.5)	2.3	0.2	1.6
FCFE yield (%)	(0.6)	2.0	2.7	1.7	1.6
Dividend yield (%)	0.4	0.4	0.5	0.5	0.6
DuPont-RoE split					
Net profit margin (%)	8.6	4.4	6.9	8.3	8.8
Total asset turnover (x)	1.0	1.0	1.0	1.0	1.0
Assets/Equity (x)	2.1	2.1	2.2	2.1	2.0
RoE (%)	17.0	9.5	15.8	18.0	18.4
DuPont-RoIC					
NOPLAT margin (%)	9.6	5.8	8.7	10.2	10.7
IC turnover (x)	1.4	1.4	1.4	1.5	1.5
RoIC (%)	13.2	7.9	11.9	14.8	15.9
Operating metrics					
Core NWC days	(18.6)	(8.8)	(18.9)	(14.8)	(12.2)
Total NWC days	(18.6)	(8.8)	(18.9)	(14.8)	(12.2)
Fixed asset turnover	0.9	0.9	0.9	1.0	1.0
Opex-to-revenue (%)	65.3	70.1	66.3	65.4	64.9

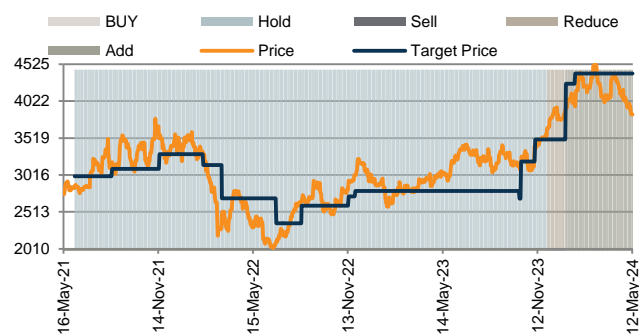
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
01-Apr-24	4,283	4,400	Add	Dharmesh Shah
04-Mar-24	4,464	4,400	Add	Dharmesh Shah
23-Jan-24	3,948	4,400	Add	Dharmesh Shah
05-Jan-24	3,931	4,260	Add	Dharmesh Shah
30-Nov-23	3,644	3,500	Reduce	Dharmesh Shah
30-Nov-23	3,644	3,500	Hold	Dharmesh Shah
21-Nov-23	3,527	3,500	Hold	Dharmesh Shah
07-Nov-23	3,365	3,500	Hold	Dharmesh Shah
11-Oct-23	3,186	3,200	Hold	Dharmesh Shah
08-Oct-23	3,161	2,696	Hold	Dharmesh Shah
28-Sep-23	3,145	2,800	Hold	Dharmesh Shah
18-Sep-23	3,320	2,800	Hold	Dharmesh Shah
03-Jun-23	3,181	2,800	Hold	Dharmesh Shah
04-May-23	3,024	2,800	Hold	Dharmesh Shah
02-Mar-23	2,871	2,800	Hold	Dharmesh Shah
09-Feb-23	2,771	2,800	Hold	Dharmesh Shah
05-Feb-23	2,629	2,800	Hold	Dharmesh Shah
29-Dec-22	2,928	2,800	Hold	Dharmesh Shah
22-Dec-22	3,039	2,800	Hold	Dharmesh Shah
05-Dec-22	3,191	2,800	Hold	Dharmesh Shah
27-Nov-22	3,015	2,800	Hold	Dharmesh Shah
14-Nov-22	2,940	2,725	Hold	Dharmesh Shah
05-Nov-22	2,780	2,600	Hold	Dharmesh Shah
04-Oct-22	2,589	2,600	Hold	Dharmesh Shah
04-Sep-22	2,705	2,600	Hold	Dharmesh Shah
16-Aug-22	2,653	2,600	Hold	Dharmesh Shah
04-Jul-22	2,197	2,360	Hold	Dharmesh Shah
28-Jun-22	2,100	2,360	Hold	Dharmesh Shah
23-May-22	2,436	2,700	Hold	Dharmesh Shah
16-Mar-22	2,486	2,700	Hold	Dharmesh Shah
11-Mar-22	2,296	3,150	Hold	Dharmesh Shah
06-Mar-22	2,640	3,150	Hold	Dharmesh Shah
08-Feb-22	3,306	3,150	Hold	Dharmesh Shah
31-Dec-21	3,399	3,300	Hold	Dharmesh Shah
02-Dec-21	3,333	3,300	Hold	Dharmesh Shah
16-Nov-21	3,518	3,300	Hold	Dharmesh Shah
05-Sep-21	3,500	3,100	Hold	Dharmesh Shah
17-Aug-21	3,192	3,100	Hold	Dharmesh Shah
13-Jun-21	2,851	3,000	Hold	Dharmesh Shah
06-Jun-21	2,838	3,000	Hold	Dharmesh Shah

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Bloomberg, Company, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

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