

LG Electronics (LG)'s Q2FY26 results were weak, similar to peers' due to GST-led demand postponement by both—trade partners and consumers, weak consumer sentiment, and muted B2B revenue in the HE segment due to tariff-related impact. Despite this, LG has gained market share in both, the HA and HE segments, thus reinforcing its category leadership. The management believes industry demand would pick up in Q3, led by the festive and wedding seasons as well as GST rate realignment. The LG Essential series (launched in Oct-25) is gaining early traction, given first-time buyers in underpenetrated regional markets. Though profitability was under pressure due to elevated costs, LG has taken 1.5-2% price increases in the WM and Ref categories in Oct-25. LG intends to drive long-term profitability led by better operating efficiency, entry in mass premium products, higher AMC, improvement in the B2B business, rising localization, and higher exports. H1 turned out to be significantly weaker-than-expected as the weak summer and GST transition impacted revenue and margin; this has caused a meaningful cut (~17%) in FY26E EPS. However, we expect growth/margin to rebound in FY27E (refer to our initiation note [Growth Acceleration Ahead; Valuations Attractive](#)). We broadly maintain our FY27-28 estimates and build in FY26E-28E revenue CAGR of ~14% with EBITDAM of 10.7%/12.5%/12.8% in FY26E/FY27E/FY28E, respectively. We maintain BUY on the stock with unchanged TP of Rs2,050 on 50x Sep-27E PER.

Weak Q2 albeit in line with peers; improved market share across categories

Q2 revenue stood at Rs61.7bn, largely flat YoY (+1% YoY), as growth in HE (+3%) was offset by the flat growth in HA (-0.1%). Demand was slow due to change in GST rates which is in line with the broader weakness across peers. EBITDA was down ~28% YoY at Rs5.5bn, as EBITDAM declined by 351bps YoY to 8.9% with gross margin too declining by 232bps to 29.4% due to rising commodity prices and incremental investments during the festive season. PAT fell ~27% YoY to Rs3.9bn and PATM declined by 245bps to 6.3%.

Earnings call KTAs

1) Q2 was impacted by the temporary deferment of demand ahead of the GST rate cut. LG expects industry demand to regain momentum in Q3, led by GST-rate realignment with enhanced festive demand. 2) Margins were impacted by rising commodity prices and increasing spending for GTM. LG expects margins to improve in the long run, driven by boost in operating efficiency, increased localization, higher-premium products, better AMC, and improvement in the B2B business. 3) Capex guidance remains at Rs50bn for the next 4-5Y. The Sri City plant will help reduce lead time and save on logistics costs. LG will manufacture RAC by Q3FY27, compressor line by Q4FY27, followed by WM and Ref. 4) In HE, the premium segment is faring much better, while the B2B business (6% of revenue) is pressed by US tariff and the geopolitical situation. 5) LG has taken a price increase of 1.5-2% during Oct-25 in WM and Ref. Exports during H1FY26 stood at 7% v 6% in H1FY25. Localization stands at 55.4%, which the and mgmt targets improving by 2-3% pa, thus reaching 70% in a few years. 12) Capex guidance: 2-2.5% of revenue.

Target Price – 12M	Sep-26
Change in TP (%)	NA
Current Reco.	BUY
Previous Reco.	
Upside/(Downside) (%)	26.7

Stock Data	LGEL IN
52-week High (Rs)	1,749
52-week Low (Rs)	1,580
Shares outstanding (mn)	678.8
Market-cap (Rs bn)	1,098
Market-cap (USD mn)	12,374
Net-debt, FY26E (Rs mn)	(41,478.2)
ADTV-3M (mn shares)	0
ADTV-3M (Rs mn)	0.0
ADTV-3M (USD mn)	0.0
Free float (%)	15.0
Nifty-50	25,910.1
INR/USD	88.7

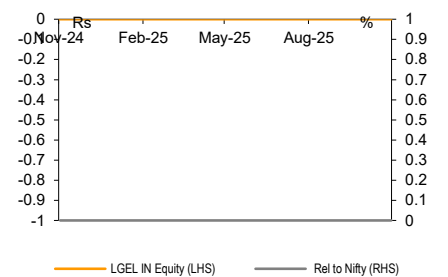
Shareholding, Oct-25

Promoters (%)	85.0
FPIs/MFs (%)	2.9/4.4

Price Performance

(%)	1M	3M	12M
Absolute	(4.3)	0.0	0.0
Rel. to Nifty	(7.1)	0.0	0.0

1-Year share price trend (Rs)



LG Electronics India: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	213,520	243,666	253,990	289,539	330,733
EBITDA	22,249	31,101	27,155	36,250	42,376
Adj. PAT	15,111	22,033	19,117	25,667	29,658
Adj. EPS (Rs)	22.3	32.5	28.2	37.8	43.7
EBITDA margin (%)	10.4	12.8	10.7	12.5	12.8
EBITDA growth (%)	17.1	39.8	(12.7)	33.5	16.9
Adj. EPS growth (%)	12.1	45.8	(13.2)	34.3	15.5
RoE (%)	37.2	45.2	28.3	32.2	33.4
RoIC (%)	97.4	119.3	66.6	62.8	58.1
P/E (x)	72.7	49.8	57.4	42.8	37.0
EV/EBITDA (x)	48.4	34.1	38.9	29.2	25.0
P/B (x)	29.1	18.4	14.6	13.1	11.8
FCFF yield (%)	1.5	1.2	0.7	1.4	2.1

Source: Company, Emkay Research

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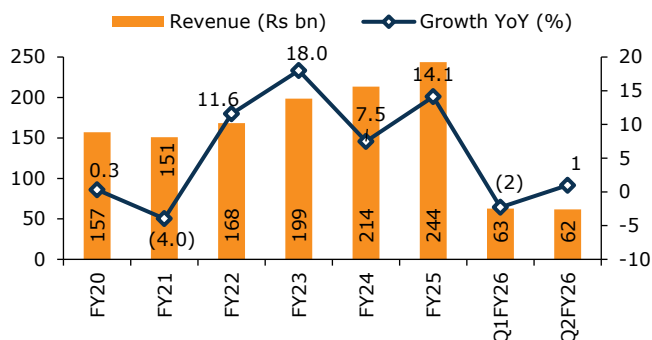
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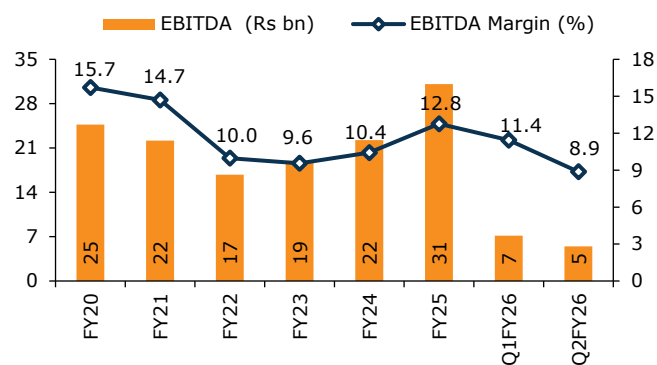
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Exhibit 1: Revenue was up 1% YoY during Q2FY26, as demand was deferred ahead of the GST rate cut...



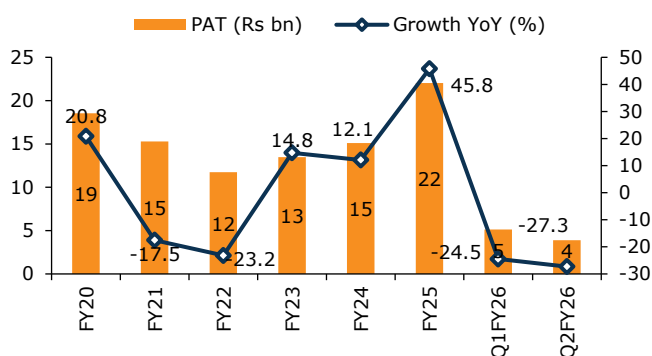
Source: Company, Emkay Research

Exhibit 2: ...with EBITDA margin declining by 351bps YoY



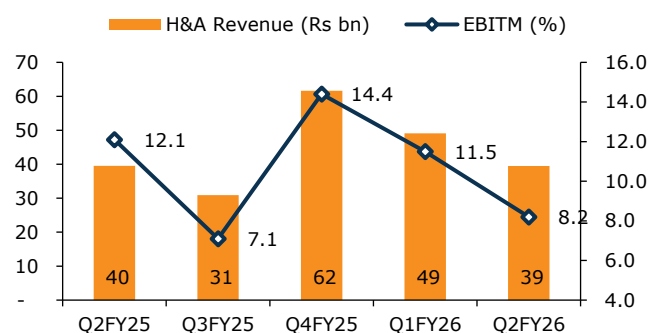
Source: Company, Emkay Research

Exhibit 3: PAT too declined sharply, by 27% YoY...



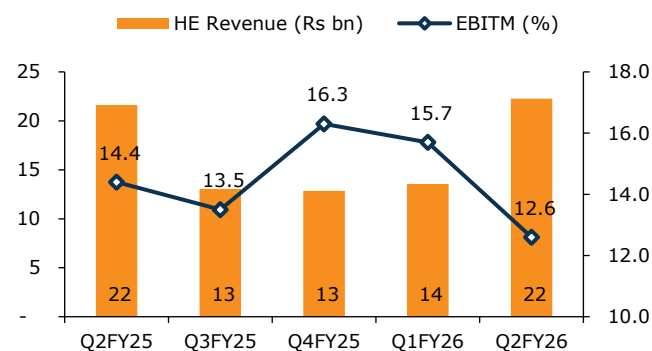
Source: Company, Emkay Research

Exhibit 4: Home Appliances (HA) – Revenue was largely flat YoY, with EBIT margin declining by 390bps



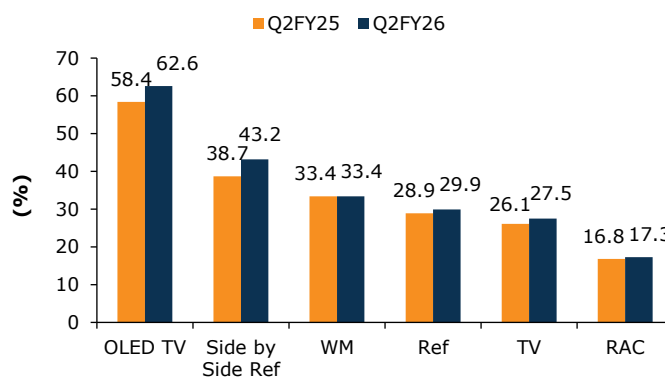
Source: Company, Emkay Research

Exhibit 5: Home Entertainment (HE) – Revenue increased ~3% YoY, with EBIT margin declining by 180bps



Source: Company, Emkay Research

Exhibit 6: Increase in market share across categories



Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 7: Q2FY26 was an operationally weak quarter for LG, with revenue increasing only 1% YoY and EBITDA/PAT decreasing as much as 28%/27% YoY, respectively

Quarterly Snapshot (Rs mn)	Q2FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)	H1FY25	H1FY26	YoY (%)
Revenue from operations	61,139	62,629	61,740	1.0	(1.4)	125,227	124,370	(0.7)
Growth YoY (%)		(2)	1					
Total Operating Expenses	53,569	55,467	56,265	5.0	1.4	108,076	111,731	3.4
Growth YoY (%)		1.8	5.0					
Raw Material cost	41,721	42,831	43,561	4.4	1.7	84,545	86,393	2.2
As a (%) of Revenue	68.2	68.4	70.6			67.5	69.5	
Employee expense	2,345	2,536	2,480	5.8	(2.2)	4,753	5,016	5.5
As a (%) of Revenue	3.8	4.0	4.0			3.8	4.0	
Other expense	9,503	10,099	10,224	7.6	1.2	18,778	20,323	8.2
As a (%) of Revenue	15.5	16.1	16.6			15.0	16.3	
EBITDA	7,570	7,163	5,476	(27.7)	(23.6)	17,151	12,638	(26.3)
EBITDA Margin (%)	12.4	11.4	8.9			15.9	11.3	
Gross Profit	19,418	19,798	18,179	(6.4)	(8.2)	40,682	37,977	(6.6)
Gross Margin (%)	31.8	31.6	29.4			32.5	30.5	
Less: Depreciation	973	902	935			1,941	1,837	
EBIT	6,597	6,260	4,541	(31.2)	(27.5)	15,210	10,801	(29.0)
EBIT Margin (%)	10.8	10.0	7.4			12.1	8.7	
Add: Other income	668	744	798			1,248	1,542	
Less: Interest	65	85	90			135	175	
PBT	7,199	6,920	5,249	(27.1)	(24.1)	16,323	12,168	(25.5)
Less: Taxes	1,842	1,787	1,354			4,169	3,141	
Add/Less: Exceptional Items	-	-	-			-	-	
PAT	5,357	5,133	3,894	(27.3)	(24.1)	12,153	9,027	(25.7)
PAT Margin (%)	8.8	8.2	6.3			9.7	7.3	
Share of profit/(loss) of an associate and a JV	-	-	-					
Non-controlling interests	-	-	-					
Reported PAT	5,357	5,133	3,894	(27.3)	(24.1)	12,153	9,027	(25.7)
Reported PAT (%)	8.8	8.2	6.3			9.7	7.3	

Source: Company, Emkay Research

Exhibit 8: Growth for the HA segment was flat, while that for the HE segment was ~3% YoY; EBITM for HA/HE decreased by 394/182bps

Segmental Snapshot (Rs mn)	Q2FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)	H1FY25	H1FY26	YoY (%)
Revenue								
Home Appliances and Air Solutions	39,537	49,086	39,481	(0.1)	(19.6)	90,152	88,566	(1.8)
Home Entertainment	21,607	13,547	22,262	3.0	64.3	35,085	35,809	2.1
Total	61,144	62,633	61,743	1.0	(1.4)	125,237	124,376	(0.7)
EBIT								
Home Appliances and Air Solutions	4,807	5,643	3,245	(32.5)	(42.5)	12,378	8,888	(28.2)
Home Entertainment	3,121	2,125	2,810	(10.0)	32.2	5,458	4,935	(9.6)
Total	7,928	7,767	6,055	(23.6)	(22.0)	17,836	13,822	(22.5)
EBIT Margin (%)								
Home Appliances and Air Solutions	12.2	11.5	8.2			13.7	10.0	
Home Entertainment	14.4	15.7	12.6			15.6	13.8	
Total	13.0	12.4	9.8			14.2	11.1	

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Exhibit 9: LG's Home Appliances segment revenue is flat YoY vs ~23% decline in Voltas UCP, ~10% decline in Blue Star UCP, ~18% decline in Lloyd (Havells), and ~4% decline in Whirlpool

Revenue (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
LG - Home Appliances				50,615	39,537	30,920	61,630	49,086	39,481
Growth (% YoY)				-	-	-	-	(3.0)	(0.1)

Voltas (UCP)	12,088	14,826	29,551	38,022	15,822	17,711	34,584	28,679	12,151
Growth (% YoY)	15.4	21.9	44.2	51.2	30.9	19.5	17.0	(24.6)	(23.2)

Blue Star (UCP)	7,295	9,554	17,089	17,295	7,670	11,643	19,602	14,994	6,938
Growth (% YoY)	39.0	35.5	34.8	44.3	5.1	21.9	14.7	(13.3)	(9.5)

Lloyd (Havells)	4,974	6,561	13,459	19,287	5,896	7,422	18,736	12,711	4,822
Growth (% YoY)	20.1	8.1	5.9	47.1	18.5	13.1	39.2	(34.1)	(18.2)

Whirlpool	15,216	15,357	17,340	24,969	17,130	17,049	20,047	24,323	16,473
Growth (% YoY)	(5.6)	17.9	3.7	22.5	12.6	11.0	15.6	(2.6)	(3.8)

EBIT (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
LG - Home Appliances				7,571	4,807	2,195	8,875	5,643	3,245
EBITM (%)				15.0	12.2	7.1	14.4	11.5	8.2

Voltas (UCP)	928	1,229	2,704	3,270	1,162	1,043	3,448	1,044	(458)
EBITM (%)	7.7	8.3	9.2	8.6	7.3	5.9	10.0	3.6	(3.8)

Blue Star (UCP)	616	679	1,414	1,580	539	948	1,645	875	427
EBITM (%)	8.4	7.1	8.3	9.1	7.0	8.1	8.4	5.8	6.2

Lloyd (Havells)	(745)	(654)	360	636	(243)	(361)	1,144	(209)	(1,060)
EBITM (%)	(15.0)	(10.0)	2.7	3.3	(4.1)	(4.9)	6.1	(1.6)	(22.0)

Whirlpool	240	153	822	1,548	351	179	1,294	1,576	60
EBITM (%)	1.6	1.0	4.7	6.2	2.1	1.1	6.5	6.5	0.4

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Exhibit 10: Revenue model – We build in ~14%/25%/25% revenue/EBITDA/PAT CAGR, respectively, over FY26E-28E

LG Electronics - Consolidated (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	213,520	243,666	253,990	289,539	330,733
Growth YoY (%)	7.5	14.1	4.2	14.0	14.2
Home Appliances (HA) and Air Solutions division	156,797	182,678	190,188	219,356	253,532
Growth YoY (%)	4.3	16.5	4.1	15.3	15.6
-Refrigerators (ie Ref)	57,845	66,965	72,426	82,032	93,667
Growth YoY (%)	(0.4)	15.8	8.2	13.3	14.2
-Washing machines (ie WM)	44,919	50,417	53,586	60,467	68,813
Growth YoY (%)	6.4	12.2	6.3	12.8	13.8
- Air conditioners	42,902	52,708	51,210	62,594	75,363
Growth YoY (%)	7.5	22.9	(2.8)	22.2	20.4
-Others	11,132	12,589	12,966	14,263	15,689
Growth YoY (%)	9.8	13.1	3.0	10.0	10.0
Home Entertainment (HE) division	56,723	60,988	63,802	70,182	77,201
Growth YoY (%)	17.3	7.5	4.6	10.0	10.0
-Televisions	45,583	49,248	51,710	56,881	62,570
Growth YoY (%)	15.9	8.0	5.0	10.0	10.0
-Others	11,139	11,740	12,092	13,301	14,631
Growth YoY (%)	23.5	5.4	3.0	10.0	10.0
Gross Profit	64,218	77,865	78,737	93,811	107,488
Gross Margin (%)	30.1	32.0	31.0	32.4	32.5
EBITDA	22,249	31,101	27,155	36,250	42,376
EBITDA margin (%)	10.4	12.8	10.7	12.5	12.8
Depreciation	3,644	3,804	3,926	4,574	5,401
EBIT	18,605	27,298	23,229	31,676	36,974
EBIT margin (%)	8.7	11.2	9.1	10.9	11.2
Home Appliance and Air Solution division	16,743	23,434	19,885	27,109	31,888
EBIT margin (%)	10.7	12.8	10.5	12.4	12.6
Growth YoY (%)	116.6	40.0	(15.1)	36.3	17.6
Home Entertainment division	6,880	9,309	8,966	10,982	12,080
EBIT margin (%)	12.1	15.3	14.1	15.6	15.6
Growth YoY (%)	(96.5)	35.3	(3.7)	22.5	10.0
Other Income	2,051	2,640	2,696	3,080	3,183
Interest	285	306	368	441	507
PBT before Exceptional Item	20,371	29,631	25,557	34,314	39,650
Exceptional Item					
PBT	20,371	29,631	25,557	34,314	39,650
Tax rate (%)	25.8	25.6	25.2	25.2	25.2
PAT before MI	15,111	22,033	19,117	25,667	29,658
Minority Interest					
Share of profit/(loss) of joint ventures (net of tax)					
Adj PAT	15,111	22,033	19,117	25,667	29,658
PAT margin (%)	7.1	9.0	7.5	8.9	9.0
Growth YoY (%)	12.1	45.8	(13.2)	34.3	15.5
EPS (Rs)	22	32	28	38	44

Source: Company, Emkay Research

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Exhibit 11: We decrease our revenue and EBITDA estimates which results in ~17% decrease in FY26E earnings; we factor in revenue/EBITDA/PAT CAGR of 14%/25%/25%, respectively, over FY26-28E

Actuals vs Estimates	FY26E				FY27E				FY28E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Consolidated (Rs mn)												
Revenue	261,785	253,990	(3)	4	295,303	289,539	(2)	14	333,945	330,733	(1)	14
Home Appliances (HA)	194,934	190,188	(2)	4	223,392	219,356	(2)	15	254,842	253,532	(1)	16
Home Entertainment (HE)	66,852	63,802	(5)	5	71,912	70,182	(2)	10	79,103	77,201	(2)	10
EBITDA	31,533	27,155	(14)	(13)	36,797	36,250	(1)	33	42,612	42,376	(1)	17
EBITDA Margin (%)	12.0	10.7			12.5	12.5			12.8	12.8		
EBIT	30,996	25,925	(16)	(13)	35,636	34,756	(2)	34	40,613	40,158	(1)	16
Home Appliances (HA)	23,551	19,885	(16)	(15)	27,800	27,109	(2)	36	32,098	31,888	(1)	18
Home Entertainment (HE)	10,460	8,966	(14)	(4)	11,238	10,982	(2)	22	12,362	12,080	(2)	10
EBIT Margin (%)	11.8	10.2			12.1	12.0			12.2	12.1		
Home Appliances (HA)	12.1	10.5			12.4	12.4			12.6	12.6		
Home Entertainment (HE)	15.6	14.1			15.6	15.6			15.6	15.6		
PAT	22,910	19,117	(17)	(13)	26,326	25,667	(3)	34	29,999	29,658	(1)	16
PAT Margin (%)	8.8	7.5			8.9	8.9			9.0	9.0		
EPS (Rs)	34	28	(17)	(13)	39	38	(3)	34	44	44	(1)	16

Source: Company, Emkay Research

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LG Electronics India: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	213,520	243,666	253,990	289,539	330,733
Revenue growth (%)	7.5	14.1	4.2	14.0	14.2
EBITDA	22,249	31,101	27,155	36,250	42,376
EBITDA growth (%)	17.1	39.8	(12.7)	33.5	16.9
Depreciation & Amortization	3,644	3,804	3,926	4,574	5,401
EBIT	18,605	27,298	23,229	31,676	36,974
EBIT growth (%)	16.4	46.7	(14.9)	36.4	16.7
Other operating income	-	-	-	-	-
Other income	2,051	2,640	2,696	3,080	3,183
Financial expense	285	306	368	441	507
PBT	20,371	29,631	25,557	34,314	39,650
Extraordinary items	0	0	0	0	0
Taxes	5,260	7,598	6,440	8,647	9,992
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	15,111	22,033	19,117	25,667	29,658
PAT growth (%)	12.1	45.8	(13.2)	34.3	15.5
Adjusted PAT	15,111	22,033	19,117	25,667	29,658
Diluted EPS (Rs)	22.3	32.5	28.2	37.8	43.7
Diluted EPS growth (%)	12.1	45.8	(13.2)	34.3	15.5
DPS (Rs)	30.8	0	5.0	25.0	30.0
Dividend payout (%)	138.5	0	17.8	66.1	68.7
EBITDA margin (%)	10.4	12.8	10.7	12.5	12.8
EBIT margin (%)	8.7	11.2	9.1	10.9	11.2
Effective tax rate (%)	25.8	25.6	25.2	25.2	25.2
NOPLAT (pre-IndAS)	13,801	20,298	17,375	23,694	27,657
Shares outstanding (mn)	679	679	679	679	679

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,131	6,788	6,788	6,788	6,788
Reserves & Surplus	36,591	52,914	68,637	77,335	86,629
Net worth	37,722	59,702	75,425	84,122	93,417
Minority interests	-	-	-	-	-
Non-current liab. & prov.	(1,720)	(2,040)	(2,040)	(2,040)	(2,040)
Total debt	0	0	0	0	0
Total liabilities & equity	40,522	63,208	79,166	88,672	98,905
Net tangible fixed assets	9,836	9,450	13,568	19,289	25,110
Net intangible assets	83	94	94	94	94
Net ROU assets	3,268	3,746	4,046	7,546	9,046
Capital WIP	244	753	2,409	3,613	2,891
Goodwill	-	-	-	-	-
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	22,226	37,415	41,478	38,497	39,791
Current assets (ex-cash)	45,554	59,314	64,611	72,067	80,508
Current Liab. & Prov.	42,742	49,921	49,497	55,235	61,734
NWC (ex-cash)	2,812	9,393	15,113	16,832	18,774
Total assets	40,522	63,208	79,166	88,673	98,905
Net debt	(22,226)	(37,415)	(41,478)	(38,497)	(39,791)
Capital employed	40,522	63,208	79,165	88,672	98,905
Invested capital	13,776	20,247	31,906	43,585	51,587
BVPS (Rs)	55.6	88.0	111.1	123.9	137.6
Net Debt/Equity (x)	(0.6)	(0.6)	(0.5)	(0.5)	(0.4)
Net Debt/EBITDA (x)	(1.0)	(1.2)	(1.5)	(1.1)	(0.9)
Interest coverage (x)	72.5	97.7	70.5	78.8	79.1
RoCE (%)	50.8	61.5	38.4	43.6	45.2

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	20,371	29,631	25,557	34,314	39,650
Others (non-cash items)	199	(2,636)	0	0	0
Taxes paid	(5,698)	(7,539)	(6,440)	(8,647)	(9,992)
Change in NWC	(125)	(7,025)	(5,585)	(1,253)	(1,403)
Operating cash flow	18,660	16,539	17,825	29,429	34,165
Capital expenditure	(2,411)	(3,393)	(10,000)	(15,000)	(12,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	1,989	2,477	0	0	0
Investing cash flow	(211)	(275)	(10,000)	(15,000)	(12,000)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(654)	(1,065)	0	0	0
Payment of lease liabilities	-	-	-	-	-
Interest paid	(269)	0	(368)	(441)	(507)
Dividend paid (incl tax)	(20,929)	0	(3,394)	(16,970)	(20,363)
Others	-	-	-	-	-
Financing cash flow	(21,852)	(1,065)	(3,762)	(17,411)	(20,871)
Net chg in Cash	(3,403)	15,199	4,063	(2,981)	1,294
OCF	18,660	16,539	17,825	29,429	34,165
Adj. OCF (w/o NWC chg.)	18,785	23,564	23,410	30,683	35,567
FCFF	16,249	13,146	7,825	14,429	22,165
FCFE	17,953	15,317	7,457	13,988	21,657
OCF/EBITDA (%)	83.9	53.2	65.6	81.2	80.6
FCFE/PAT (%)	118.8	69.5	39.0	54.5	73.0
FCFF/NOPLAT (%)	117.7	64.8	45.0	60.9	80.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	72.7	49.8	57.4	42.8	37.0
EV/CE(x)	28.5	17.8	14.0	12.6	11.3
P/B (x)	29.1	18.4	14.6	13.1	11.8
EV/Sales (x)	5.0	4.4	4.2	3.7	3.2
EV/EBITDA (x)	48.4	34.1	38.9	29.2	25.0
EV/EBIT(x)	57.8	38.9	45.5	33.5	28.6
EV/IC (x)	78.1	52.4	33.1	24.3	20.5
FCFF yield (%)	1.5	1.2	0.7	1.4	2.1
FCFE yield (%)	1.6	1.4	0.7	1.3	2.0
Dividend yield (%)	1.9	0	0.3	1.5	1.9
DuPont-RoE split					
Net profit margin (%)	7.1	9.0	7.5	8.9	9.0
Total asset turnover (x)	5.3	5.0	3.8	3.7	3.9
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	37.2	45.2	28.3	32.2	33.4
DuPont-RoIC					
NOPLAT margin (%)	6.5	8.3	6.8	8.2	8.4
IC turnover (x)	15.1	14.3	9.7	7.7	7.0
RoIC (%)	97.4	119.3	66.6	62.8	58.1
Operating metrics					
Core NWC days	4.8	14.1	21.7	21.2	20.7
Total NWC days	4.8	14.1	21.7	21.2	20.7
Fixed asset turnover	6.8	7.1	6.4	5.7	5.2
Opex-to-revenue (%)	19.7	19.2	20.3	19.9	19.7

Source: Company, Emkay Research

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REDUCE	5% upside to 15% downside
SELL	>15% downside

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