

Crompton Greaves Consumer Electricals | BUY

1Q a miss; indications of market share gains a silver lining

1Q for Crompton was a miss on our and street estimates. Performance was weak across all the segments, with its ECD business, ~80% of revenue declining 8% YoY, owing to a weak summer which dragged down the performance of fans and coolers. Revenue from lighting and Butterfly largely remained flat. However, management commentary indicated that the decline that Crompton witnessed was lesser than what the broader industry experienced, hence market share gains seem likely. What also stood out was the doubling of revenue from solar pumps, wherein Crompton also won certain marquee orders. We cut our FY26-28E estimates by 4-5%, mainly realigning our margin expectations. Maintain BUY with a target price of INR 400, (vs. INR 420 earlier), set at 35x Mar'27E EPS (unchanged).

- **1Q misses estimates owing to weak performance in ECD:** 1Q revenue at INR 20bn declined 7% YoY, missing our and consensus estimate by 12% and 9% respectively. Revenue performance was weak across the board, with revenue from ECD declining 8% YoY (80% of total revenue), while lighting (12% of total revenue) and Butterfly remained flat YoY. Consolidated gross margin remained largely flat YoY, but negative operating leverage drove an 110bps EBITDA margin contraction. Segmentally, ECD was impacted the highest, its margins contracting 165bps YoY, while lighting and Butterfly saw a YoY margin expansion of 380bps and 190bps respectively. Absolute EBITDA declined 17% YoY to INR 2.4bn. 1Q PAT at INR 1.2bn, declined 19% YoY, missing estimate.
- **Outperformed industry, likely to have gained market share:** Crompton's ECD business declined 8% YoY in 1Q vs. the industry decline of 11%. Hence, it is likely that Crompton has gained market share across categories. A large part of the 8% decline was owing to seasonal categories which include fans (specifically TPW fans), and air coolers. However, in seasonal products too, the decline was lower than broader industry trends. New BLDC fan products have been received well, and Crompton remains the #2 player in this category. Lastly, while channel inventory remains above normalised levels it is beginning to clear now, and management indicated that feedback from the market is positive.
- **Solar rising through the ranks:** Solar pump category is leading the growth for Crompton, through the quarter as solar pump revenue has double YoY. Additionally during the quarter Crompton secured the largest-ever solar pumps order of INR 1bn from Maharashtra Energy Development Agency (MEDA), and has also expanded its presence of solar pump tenders across states. While Crompton is responsible for the entire product, the execution and installation is done by of the partner the model that they are following for past 2 years, and management reiterated that it will continue to remain the same as EBIT margins and working capital in solar pump orders is are similar to existing levels with high return on investment.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	73,128	78,636	86,008	97,218	1,08,752
Sales Growth (%)	6.5	7.5	9.4	13.0	11.9
EBITDA	7,137	8,882	9,483	10,761	12,218
EBITDA Margin (%)	9.8	11.3	11.0	11.1	11.2
Adjusted Net Profit	4,418	5,641	6,337	7,424	8,626
Diluted EPS (INR)	6.9	8.8	9.8	11.5	13.4
Diluted EPS Growth (%)	-8.3	27.5	12.3	17.2	16.2
ROIC (%)	11.7	14.5	15.7	17.7	20.0
ROE (%)	15.6	17.7	17.7	18.6	19.0
P/E (x)	46.4	36.4	32.4	27.7	23.8
P/B (x)	6.8	6.1	5.5	4.9	4.3
EV/EBITDA (x)	29.1	23.0	21.2	18.3	15.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 07/Aug/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	400
Upside/(Downside)	25.3%
Previous Price Target	420
Change	-4.8%

Key Data – CROMPTON IN

Current Market Price	INR319
Market cap (bn)	INR205.6/US\$2.3
Free Float	100%
Shares in issue (mn)	626.8
Diluted share (mn)	643.8
3-mon avg daily val (mn)	INR798.6/US\$9.1
52-week range	484/301
Sensex/Nifty	80,623/24,596
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	-9.2	-12.7	-26.6
Relative*	-5.7	-15.7	-28.2

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Key highlights from concall

ECD: Market share gains across categories in a weak quarter

- **Have gained market share across product categories:** ECD business declined 8% YoY vs. industry decline of 11%. Hence, have gained market share across categories. A large part of the 8% decline was owing to seasonal categories which include fans (specifically TPW fans), and air coolers. However, here too, decline is lower than what the industry witnessed. Further, revenue from solar pumps business has doubled YoY and small domestic appliances have also seen double digit growth, around 15-18%.
- **Fans performance weak:** Fans, especially TPW performance was weak owing to seasonal weakness. However, decline lower than broader industry, hence market share gains likely. New BLDC fan products being received well; Crompton remains the #2 player in this category. Indications from the market are positive. Channel inventory above normalised levels does exist in the channel, which is beginning to clear now.
- **Pumps growth driven by solar pumps:** Residential and agricultural segments witnessed headwinds due to unseasonal rains, while delayed government initiatives impacted agricultural pumps. However, through the quarter, execution of solar pump orders, helped double solar pump revenue YoY, while industry remained flat. Crompton secured the largest-ever solar pumps order of INR 1bn from Maharashtra Energy Development Agency (MEDA), and also expanded its presence of solar pump tenders across states. Crompton, here is responsible for the entire product, while the execution and installation is the responsibility of the partner. This was the model followed for the last 2 years, and remains the same. EBIT margins and working capital in solar pump orders is similar to existing levels.
- **Appliances:** Mixer grinders, dry irons, and induction cooktop drove growth in small domestic appliances. Sale of air coolers was impacted due to shortened summer and early arrival of monsoons
- **Progressing in the recently launched solar rooftop products:** Currently work in progress, will share more once orders are received. A good portion of this vertical is supported by the PM KUSUM scheme, which is closer to its end. However, expect that the subsidies have set the direction right towards continuous power supply, which management expects should continue.
- Several new categories being considered under the segment, more clarity on which will be shared closer to launch.

Lighting: Value erosion persists; B2B lighting sees double-digit growth

- Industry wide price erosion persisted in this quarter as well. What stood out was a sharp increase in profitability. Crompton achieved double-digit growth led by strong performance in commercial, flood and high mast/pole categories. Crompton also secured several large wins in the industrial segment
- B2C growth was driven by outdoor and decorative lighting

Butterfly: change in brand positioning with focus on portfolio premiumisation

- Unveiled a fresh brand positioning for Butterfly, built around the philosophy of 'Celebrating Change,' supported by a series of 40+ new SKUs, under the 'Ideas First Series,' introduced to strengthen Butterfly's premium portfolio.
- Strong growth was seen in mixer grinders, reflecting improved traction across channels. Butterfly also saw market share gains in core categories driven by execution and channel recovery. Further, pricing improved across categories, led by retail, indicating premiumisation momentum.
- Target double digit growth revenue for FY26 and a 100bps margin expansion.

Exhibit 1. Crompton – 1QFY26 consolidated result review

Year End Mar31 (INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q1FY26E
Net Revenue	18,769	17,823	16,927	19,610	73,128	21,377	18,960	17,692	20,606	78,636	19,983	22,661
YoY	1%	5%	12%	9%	6%	14%	6%	5%	5%	8%	-7%	6%
Raw Material Costs	(12,983)	(12,240)	(11,428)	(13,352)	(50,003)	(14,561)	(12,756)	(11,801)	(13,615)	(52,733)	(13,560)	(15,523)
Gross Profit	5,786	5,582	5,499	6,258	23,125	6,816	6,204	5,891	6,991	25,902	6,424	7,138
Gross Profit margin %	30.8%	31.3%	32.5%	31.9%	31.6%	31.9%	32.7%	33.3%	33.9%	32.9%	32.1%	31.5%
Employee Cost	(1,434)	(1,501)	(1,457)	(1,507)	(5,899)	(1,617)	(1,597)	(1,497)	(1,679)	(6,390)	(1,698)	(1,820)
% of sales	7.6%	8.4%	8.6%	7.7%	8.1%	7.6%	8.4%	8.5%	8.1%	8.1%	8.5%	8.0%
Other expenses	(2,494)	(2,336)	(2,544)	(2,715)	(10,089)	(2,875)	(2,572)	(2,514)	(2,668)	(10,630)	(2,808)	(2,900)
% of sales	13.3%	13.1%	15.0%	13.8%	13.8%	13.5%	13.6%	14.2%	12.9%	13.5%	14.1%	12.8%
EBITDA	1,858	1,745	1,498	2,036	7,137	2,324	2,034	1,880	2,644	8,882	1,917	2,418
YoY	-16%	-10%	-2%	-4%	-8%	25%	17%	26%	30%	24%	-17%	4%
EBITDA margin%	9.9%	9.8%	8.8%	10.4%	9.8%	10.9%	10.7%	10.6%	12.8%	11.3%	9.6%	10.7%
Total D&A Expense	(292)	(321)	(325)	(350)	(1,288)	(372)	(382)	(379)	(396)	(1,528)	(395)	(415)
EBIT	1,566	1,424	1,173	1,686	5,849	1,952	1,653	1,501	2,248	7,354	1,522	2,003
EBIT margin%	8.3%	8.0%	6.9%	8.6%	8.0%	9.1%	8.7%	8.5%	10.9%	9.4%	7.6%	8.8%
Other Income	198	149	167	160	674	238	175	116	159	688	237	165
Finance Costs	(206)	(215)	(215)	(156)	(792)	(155)	(120)	(105)	(100)	(480)	(98)	(105)
PBT	1,558	1,358	1,125	1,690	5,731	2,035	1,707	1,512	2,308	7,562	1,661	2,063
YoY	-13.6%	-11.4%	-1.9%	-0.8%		30.6%	25.8%	34.4%	36.5%		-18.4%	1.4%
Income Tax Expense	(338)	(349)	(270)	(356)	(1,313)	(511)	(427)	(393)	(590)	(1,921)	(422)	(518)
Rate %	21.7%	25.7%	24.0%	21.1%	22.9%	25.1%	25.0%	26.0%	25.6%	25.4%	25.1%	25.1%
Net Profit	1,220	1,009	855	1,334	4,418	1,524	1,281	1,119	1,718	5,641	1,239	1,545
Margins	6.5%	5.7%	5.0%	6.8%	6.0%	7.1%	6.8%	6.3%	8.3%	7.2%	6.2%	6.8%
YoY	-8%	-23%	-3%	1%	-8%	25%	27%	31%	29%	28%	-19%	1%
Minority Interest	(37)	(37)	5	49	(19)	(6)	(32)	(21)	(23)	(81)	(16)	(23)
As % of NP	3.0%	3.6%	-0.6%	-3.7%	0.4%	0.4%	2.5%	1.9%	1.3%	1.4%	1.3%	1.5%
Net Profit to Shareholders	1,184	972	860	1,384	4,399	1,517	1,249	1,098	1,695	5,560	1,223	1,522
YoY	-7.1%	-22.7%	0.9%	5.5%	-6%	28.2%	28.5%	27.7%	22.5%	26%	-19.4%	0.3%
Net Margin%	6.3%	5.5%	5.1%	7.1%	6.0%	7.1%	6.6%	6.2%	8.2%	7.1%	6.1%	6.7%

Source: Company, JM Financial

Exhibit 2. Crompton – 1QFY26 consolidated segmental result review

Year End Mar31 (INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
Segmental Revenues											
Electric Consumer Durables	14,290	12,380	12,093	15,160	53,922	17,266	13,927	12,878	16,029	60,100	15,863
Lighting Products	2,290	2,387	2,494	2,811	9,982	2,333	2,531	2,577	2,761	10,203	2,330
Butterfly Products	2,189	3,056	2,341	1,639	9,225	1,777	2,502	2,237	1,817	8,333	1,791
Revenue YoY											
Electric Consumer Durables	6.1%	16.5%	18.5%	14.3%	13.4%	20.8%	12.5%	6.5%	5.7%	11.5%	-8.1%
Lighting Products	-12.7%	-11.5%	0.7%	0.9%	-5.7%	1.9%	6.0%	3.4%	-1.8%	2.2%	-0.2%
Butterfly Products	-13.7%	-16.9%	-5.8%	-12.2%	-12.7%	-18.8%	-18.1%	-4.4%	10.8%	-9.7%	0.8%
Revenue Mix											
Electric Consumer Durables	76.1%	69.5%	71.4%	77.3%	73.7%	80.8%	73.5%	72.8%	77.8%	76.4%	79.4%
Lighting Products	12.2%	13.4%	14.7%	14.3%	13.6%	10.9%	13.4%	14.6%	13.4%	13.0%	11.7%
Butterfly Products	11.7%	17.1%	13.8%	8.4%	12.6%	8.3%	13.2%	12.6%	8.8%	10.6%	9.0%
Segmental EBIT											
Electric Consumer Durables	1,816	1,755	1,642	2,533	7,747	2,587	2,064	1,957	2,675	9,283	2,116
Lighting Products	273	250	280	251	1,053	209	271	278	440	1,196	296
Butterfly Products	160	202	(19)	(261)	82	41	177	123	123	464	76
Segmental EBIT Margins											
Electric Consumer Durables	12.7%	14.2%	13.6%	16.7%	14.4%	15.0%	14.8%	15.2%	16.7%	15.4%	13.3%
Lighting Products	11.9%	10.5%	11.2%	8.9%	10.6%	8.9%	10.7%	10.8%	15.9%	11.7%	12.7%
Butterfly Products	7.3%	6.6%	-0.8%	-15.9%	0.9%	2.3%	7.1%	5.5%	6.7%	5.6%	4.2%

Source: Company, JM Financial

Exhibit 3. Crompton – 1QFY26 standalone result review

Year End Mar31 (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
Net Revenue	16,575	14,762	14,581	17,966	63,884	19,595	16,453	15,450	18,785	70,283	18,187
YoY	3%	11%	15%	12%	10%	18%	11%	6%	5%	10%	-7%
Raw Material Costs	(11,708)	(10,312)	(9,900)	(12,210)	(44,129)	(13,466)	(11,208)	(10,406)	(12,529)	(47,609)	(12,535)
Gross Profit	4,867	4,450	4,682	5,756	19,755	6,129	5,246	5,044	6,256	22,674	5,652
Gross Profit margin %	29.4%	30.1%	32.1%	32.0%	30.9%	31.3%	31.9%	32.6%	33.3%	32.3%	31.1%
Employee Cost	(1,127)	(1,164)	(1,183)	(1,269)	(4,742)	(1,344)	(1,330)	(1,235)	(1,440)	(5,349)	(1,435)
% of sales	6.8%	7.9%	8.1%	7.1%	8.8%	6.9%	8.1%	8.0%	7.7%	10.0%	7.9%
Other expenses	(2,083)	(1,780)	(2,028)	(2,235)	(8,126)	(2,560)	(2,113)	(2,100)	(2,359)	(9,131)	(2,439)
% of sales	12.6%	12.1%	13.9%	12.4%	15.1%	13.1%	12.8%	13.6%	12.6%	17.0%	13.4%
EBITDA	1,657	1,506	1,471	2,253	6,887	2,225	1,803	1,709	2,457	8,194	1,777
YoY	-14%	0%	13%	15%	3%	34%	20%	16%	9%	19%	-20%
EBITDA margin%	10.0%	10.2%	10.1%	12.5%	10.8%	11.4%	11.0%	11.1%	13.1%	11.7%	9.8%
Total D&A Expense	(140)	(156)	(165)	(191)	(652)	(196)	(207)	(210)	(228)	(842)	(228)
EBIT	1,517	1,350	1,306	2,062	6,235	2,028	1,596	1,499	2,229	7,352	1,550
YoY	-16%	-2%	13%	14%	1%	34%	18%	15%	8%	18%	-24%
EBIT margin%	9.2%	9.1%	9.0%	11.5%	9.8%	10.4%	9.7%	9.7%	11.9%	10.5%	8.5%
Other Income	186	124	149	144	603	218	155	103	156	632	220
Finance Costs	(192)	(198)	(196)	(142)	(728)	(140)	(105)	(94)	(90)	(428)	(91)
PBT	1,511	1,277	1,259	2,064	6,110	2,107	1,646	1,508	2,295	7,556	1,679
YoY	-12%	-5%	17%	18%	4%	39%	29%	20%	11%	24%	-20%
Income Tax Expense	(358)	(329)	(305)	(454)	(1,446)	(531)	(413)	(391)	(589)	(1,924)	(428)
Rate %	24%	26%	24%	22%	24%	25%	25%	26%	26%	25%	25%
Net Profit	1,153	948	954	1,610	4,665	1,576	1,233	1,117	1,705	5,632	1,252
Margins	7%	6%	7%	9%	7%	8%	7%	7%	9%	8%	7%
YoY	-10%	-28%	13%	22%	-1%	37%	30%	17%	6%	21%	-21%

Source: Company, JM Financial

Exhibit 4. Crompton – 1QFY26 standalone segmental result review

Year End Mar31 (INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
Segmental Revenues											
Electric Consumer Durables	14,290	12,380	12,093	15,160	53,922	17,266	13,927	12,878	16,029	60,100	15,863
Electric Lamps	2,285	2,382	2,489	2,806	9,962	2,328	2,526	2,572	2,756	10,183	2,325
Butterfly Products											
Revenue YoY	3%	11%	15%	12%	10.0%	18%	11%	6%	5%	10.0%	-7%
Electric Consumer Durables	6%	17%	19%	14%	13.4%	21%	13%	6%	6%	11.5%	-8%
Electric Lamps	-12%	-12%	1%	1%	-5.5%	2%	6%	3%	-2%	2.2%	0%
Revenue Mix											
Electric Consumer Durables	86.2%	83.9%	82.9%	84.4%	84.4%	88.1%	84.6%	83.4%	85.3%	85.5%	87.2%
Electric Lamps	13.8%	16.1%	17.1%	15.6%	15.6%	11.9%	15.4%	16.6%	14.7%	14.5%	12.8%
Segmental EBIT											
Electric Consumer Durables	1,816	1,755	1,642	2,533	7,747	2,587	2,064	1,957	2,675	9,283	2,116
Electric Lamps	273	250	280	251	1,054	208	270	279	439	1,197	294
Segmental EBIT Margins											
Electric Consumer Durables	12.7%	14.2%	13.6%	16.7%	14.4%	15.0%	14.8%	15.2%	16.7%	15.4%	13.3%
Electric Lamps	12.0%	10.5%	11.2%	8.9%	10.6%	8.9%	10.7%	10.8%	15.9%	11.8%	12.6%

Source: Company, JM Financial

Exhibit 5. Butterfly – 1QFY26 segmental result review

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
Net Revenue	2,190	3,080	2,379	1,664	9,313	1,817	2,577	2,381	1,870	8,645	1,874
YoY	-14%	-16%	-4%	-11%	-12%	-17%	-16%	0%	12%	-7%	3%
Raw Material Costs	(1,271)	(1,942)	(1,563)	(1,162)	(5,938)	(1,130)	(1,616)	(1,530)	(1,137)	(5,413)	(1,106)
Gross Profit	919	1,138	816	502	3,375	687	961	851	733	3,232	767
Gross Profit margin %	42.0%	37.0%	34.3%	30.2%	36.2%	37.8%	37.3%	35.7%	39.2%	37.4%	41.0%
Employee Cost	(306)	(337)	(274)	(239)	(1,157)	(277)	(269)	(270)	(227)	(1,043)	(266)
% of sales	14.0%	11.0%	11.5%	14.3%	12.4%	15.3%	10.4%	11.3%	12.2%	12.1%	14.2%
Other expenses	(415)	(550)	(519)	(461)	(1,945)	(318)	(464)	(410)	(344)	(1,536)	(374)
% of sales	19.0%	17.8%	21.8%	27.7%	20.9%	17.5%	18.0%	17.2%	18.4%	17.8%	20.0%
EBITDA	197	251	24	(198)	274	92	229	171	161	653	128
YoY	-24%	-39%	-89%	-353%	-72%	-53%	-9%	627%	-182%	138%	39%
EBITDA margin%	9.0%	8.2%	1.0%	-11.9%	2.9%	5.1%	8.9%	7.2%	8.6%	7.5%	6.8%
Total D&A Expense	(38)	(51)	(46)	(45)	(181)	(61)	(61)	(55)	(54)	(231)	(53)
EBIT	159	200	(22)	(243)	93	31	168	116	108	422	74
YoY	-27%	-46%	-113%	-774%	-88%	-81%	-16%	-617%	-144%	353%	143%
EBIT margin%	7.3%	6.5%	-0.9%	-14.6%	1.0%	1.7%	6.5%	4.9%	5.8%	4.9%	4.0%
Other Income	11	13	14	11	49	20	16	11	22	70	20
Finance Costs	(13)	(18)	(19)	(14)	(64)	(16)	(15)	(11)	(10)	(52)	(7)
PBT	157	195	(28)	(246)	77	35	169	115	120	440	87
YoY	-23%	-50%	-115%	-882%	-90%	-77%	-13%	-514%	-149%	468%	146%
Income Tax Expense	(9)	(49)	6	70	18	(10)	(42)	(32)	(30)	(114)	(22)
Rate %	6%	25%	22%	28%	-22.7%	28%	25%	28%	25%	26.0%	26%
Exceptional	-	-	-	(21)	(21)	-	-	-	-	-	-
Net Profit	147	146	(22)	(198)	74	25	127	83	90	325	64
Margins	6.7%	4.7%	-0.9%	-11.9%	1%	1.4%	4.9%	3.5%	4.8%	4%	3.4%
YoY	11%	-42%	-118%	-1367%	-84%	-83%	-13%	-484%	-146%	374%	155%

Source: Company, JM Financial

Exhibit 6. Crompton - EPS revision table

INR mn	FY26E	FY27E	FY28E
Revenue			
New	86,008	97,218	1,08,752
Old	86,931	97,127	1,08,437
Change	-1.1%	0.1%	0.3%
EBITDA			
New	9,483	10,761	12,218
Old	9,890	11,248	12,789
Change	-4.1%	-4.3%	-4.5%
EBITDA Margin %			
New	11.0%	11.1%	11.2%
Old	11.4%	11.6%	11.8%
Change	-3.1%	-4.4%	-4.7%
PAT			
New	6,248	7,320	8,505
Old	6,566	7,624	8,821
Change	-4.8%	-4.0%	-3.6%
EPS			
New	9.7	11.4	13.2
Old	10.2	11.9	13.7
Change	-4.8%	-4.0%	-3.6%

Source: Company, JM Financial

Exhibit 7. Crompton – 1-yr forward P/E band chart (last 5 years)

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	73,128	78,636	86,008	97,218	1,08,752
Sales Growth	6.5%	7.5%	9.4%	13.0%	11.9%
Other Operating Income	0	0	0	0	0
Total Revenue	73,128	78,636	86,008	97,218	1,08,752
Cost of Goods Sold/Op. Exp	50,003	52,733	58,175	66,673	75,205
Personnel Cost	5,899	6,390	6,870	7,385	7,939
Other Expenses	10,089	10,630	11,480	12,399	13,391
EBITDA	7,137	8,882	9,483	10,761	12,218
EBITDA Margin	9.8%	11.3%	11.0%	11.1%	11.2%
EBITDA Growth	-7.4%	24.5%	6.8%	13.5%	13.5%
Depn. & Amort.	1,288	1,528	1,529	1,610	1,692
EBIT	5,849	7,354	7,954	9,151	10,527
Other Income	674	688	831	943	1,180
Finance Cost	792	480	333	192	202
PBT before Excep. & Forex	5,731	7,562	8,452	9,902	11,505
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	5,731	7,562	8,452	9,902	11,505
Taxes	1,313	1,921	2,115	2,477	2,878
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	4,418	5,641	6,337	7,424	8,626
Adjusted Net Profit	4,418	5,641	6,337	7,424	8,626
Net Margin	6.0%	7.2%	7.4%	7.6%	7.9%
Diluted Share Cap. (mn)	643.1	643.8	643.8	643.8	643.8
Diluted EPS (INR)	6.9	8.8	9.8	11.5	13.4
Diluted EPS Growth	-8.3%	27.5%	12.3%	17.2%	16.2%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	5,712	7,481	8,363	9,798	11,384
Depn. & Amort.	1,288	1,528	1,529	1,610	1,692
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	2,423	87	-809	-1,036	-1,264
Others	-23	-99	0	0	0
Taxes Paid	-1,313	-1,921	-2,115	-2,477	-2,878
Operating Cash Flow	8,087	7,076	6,969	7,895	8,933
Capex	-1,077	-2,067	-1,250	-1,250	-1,250
Free Cash Flow	7,010	5,009	5,719	6,645	7,683
Inc (-) / Dec in Investments	-1,536	-299	0	0	0
Others	244	-168	-64	-67	-70
Investing Cash Flow	-2,368	-2,534	-1,314	-1,317	-1,320
Inc / Dec (-) in Capital	926	595	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-3,219	-2,046	-2,909	94	99
Others	-1,913	-2,168	-2,484	-2,468	-2,452
Financing Cash Flow	-4,206	-3,619	-5,392	-2,375	-2,353
Inc / Dec (-) in Cash	1,513	923	263	4,203	5,260
Opening Cash Balance	1,095	2,608	3,530	3,793	7,996
Closing Cash Balance	2,608	3,530	3,793	7,996	13,256

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	29,996	33,900	37,576	42,324	48,257
Share Capital	1,286	1,286	1,286	1,286	1,286
Reserves & Surplus	28,710	32,614	36,290	41,038	46,971
Preference Share Capital	0	0	0	0	0
Minority Interest	4,494	4,576	4,665	4,769	4,890
Total Loans	5,990	2,998	0	0	0
Def. Tax Liab. / Assets (-)	99	0	0	0	0
Total - Equity & Liab.	40,579	41,474	42,241	47,093	53,147
Net Fixed Assets	32,553	33,092	32,813	32,452	32,011
Gross Fixed Assets	22,037	24,547	25,797	27,047	28,297
Intangible Assets	12,855	12,855	12,855	12,855	12,855
Less: Depn. & Amort.	2,923	4,452	5,981	7,591	9,282
Capital WIP	585	142	142	142	142
Investments	127	106	106	106	106
Current Assets	28,137	30,101	32,675	40,229	49,079
Inventories	8,304	8,817	9,921	11,598	13,343
Sundry Debtors	7,209	6,912	7,938	9,421	11,065
Cash & Bank Balances	2,608	3,530	3,793	7,996	13,256
Loans & Advances	0	0	0	0	0
Other Current Assets	10,016	10,842	11,024	11,214	11,414
Current Liab. & Prov.	20,238	21,824	23,352	25,694	28,049
Current Liabilities	15,750	17,291	18,799	21,120	23,453
Provisions & Others	4,488	4,533	4,553	4,574	4,596
Net Current Assets	7,899	8,277	9,323	14,535	21,030
Total - Assets	40,579	41,474	42,241	47,093	53,147

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	6.0%	7.2%	7.4%	7.6%	7.9%
Asset Turnover (x)	1.7	1.8	1.9	2.0	2.0
Leverage Factor (x)	1.5	1.4	1.3	1.2	1.2
RoE	15.6%	17.7%	17.7%	18.6%	19.0%

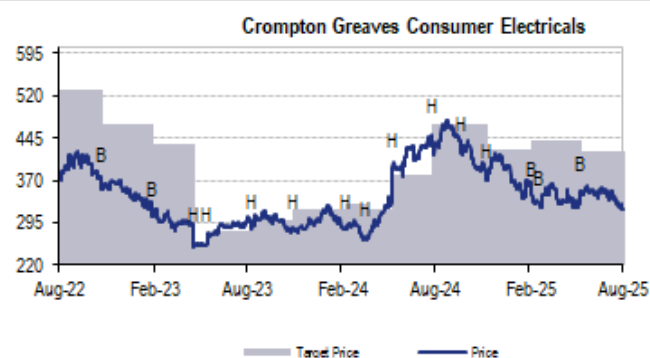
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	46.6	52.7	58.4	65.7	75.0
ROIC	11.7%	14.5%	15.7%	17.7%	20.0%
ROE	15.6%	17.7%	17.7%	18.6%	19.0%
Net Debt/Equity (x)	0.1	0.0	-0.1	-0.2	-0.3
P/E (x)	46.4	36.4	32.4	27.7	23.8
P/B (x)	6.8	6.1	5.5	4.9	4.3
EV/EBITDA (x)	29.1	23.0	21.2	18.3	15.7
EV/Sales (x)	2.8	2.6	2.3	2.0	1.8
Debtor days	36	32	34	35	37
Inventory days	41	41	42	44	45
Creditor days	73	73	73	74	75

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
31-Jan-22	Buy	560	
24-Feb-22	Buy	560	0.0
24-Feb-22	Buy	560	0.0
31-May-22	Buy	520	-7.1
25-Jul-22	Buy	530	1.9
27-Oct-22	Buy	470	-11.3
4-Feb-23	Buy	435	-7.6
27-Apr-23	Hold	261	-39.9
22-May-23	Hold	280	7.2
16-Aug-23	Hold	300	7.1
6-Nov-23	Hold	320	6.7
15-Feb-24	Hold	330	3.1
25-Mar-24	Hold	320	-3.0
17-May-24	Hold	380	18.8
1-Aug-24	Hold	470	23.7
26-Sep-24	Hold	470	0.0
16-Nov-24	Hold	425	-9.6
12-Feb-25	Buy	440	3.5
27-Feb-25	Buy	440	0.0
16-May-25	Buy	420	-4.5

Recommendation History



APPENDIX I

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Rating	Meaning
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Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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