

Near-term triggers absent; retain REDUCE

Retail ▶ Result Update ▶ February 15, 2024

TARGET PRICE (Rs): 230

ABFRL's Q3 topline tracked a muted, though in-line, trend. However, lower participation in discounting and festive shift to Q3 led to margin beat of 40-280bps vs. estimates; this is likely to reverse in Q4, with focus on growth and subdued demand. Pantaloons (value format), Athleisure, and tier-2/3 towns are facing more challenges compared with premium formats. Expansion will be curtailed and focus will now be more on metro/tier-1 cities, as ABFRL expects rationalization of loss-making stores in tier-2/3 towns. Despite the weak trends, ABFRL remains confident about healthy liquidation of its inventory. Net debt was flat at ~Rs40bn QoQ, with FY24 expected to end at Rs28bn net-debt, aided by inflow of Rs15bn GIC investment. In spite of the significant under-performance, we retain REDUCE on ABFRL, due to lack of near-term triggers. Our revised TP stands at Rs230 (Rs220 earlier); TP revision is led by 3M rollover. Pantaloons/TCNS turnaround and D2C value-creation remain potential upsides, while prolonged weakness may possibly lead to further equity dilution.

Aditya Birla Fashion & Retail: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	81,362	124,179	142,136	180,044	215,597
EBITDA	10,999	14,936	15,280	21,760	28,077
Adj. PAT	(1,087)	(360)	(6,059)	(4,724)	(2,407)
Adj. EPS (Rs)	(1.2)	(0.4)	(5.6)	(4.4)	(2.2)
EBITDA margin (%)	13.5	12.0	10.8	12.1	13.0
EBITDA growth (%)	98.3	35.8	2.3	42.4	29.0
Adj. EPS growth (%)	0.0	0.0	0.0	0.0	0.0
RoE (%)	(4.0)	(1.2)	(16.0)	(11.9)	(6.6)
RoIC (%)	3.1	5.8	(2.0)	1.8	6.0
P/E (x)	(205.8)	(628.6)	(42.2)	(54.2)	(106.3)
EV/EBITDA (x)	20.8	16.1	18.6	13.2	10.2
P/B (x)	8.1	6.8	6.1	6.8	7.3
FCFF yield (%)	3.4	(2.3)	(5.9)	4.5	6.2

Source: Company, Emkay Research

Festive shift leads to in-line Q3 print; macro tailwinds needed for growth:

Standalone revenue at Rs35bn was up 5%, led by 2%/12% growth in Madura/Pantaloons. Consolidation of TCNS/D2C helped consol. growth of 16% in Q3. LTL remained sluggish at 3% for Pantaloons and flattish for Lifestyle. Innerwear also saw weak growth, at 5%, due to 10% growth in the EBO/e-com channels, while Athleisure remained sluggish. ABFRL attributed the muted growth to the delayed winters, fewer weddings, and lower participation in EOSS/discounting channels. Basis low footfall visibility, the focus on profitability was a tactical move, given ABFRL's expectation of lower demand elasticity with discounting. However, medium-term focus still remains on growth vs. margins. Standalone EBITDA margin at 16.2% was 280bps higher, aided by gross-margin gains (+100bps) with lower participation in discounting. Lifestyle/Pantaloons's margin improved by 230/360bps, to reach 19.2%/18.1%. Reebok reported another profitable quarter, with over Rs1bn sales. Growth in Ethnic subsidiaries remained in-line, at 184%, helped by consolidation of TCNS and strong traction in *Sabyasachi*.

Earnings call KTAs: 1) ABFRL saw mixed trends, with Nov-23 reporting robust festive sales, while Oct/Dec-23 saw muted trends on account of the 'inauspicious' period, fewer weddings, and a delayed winter. Q4TD trend also remained muted. 2) TCNS consolidation came in effect from Q3. However, aligning of TCNS as per ABFRL policies will continue to hamper TCNS's profitability for another 2-3 quarters. 3) New business lines, i.e. Ethnic, Digital and Sportswear, continued to be key growth levers with ~20% contribution to the topline. 4) Net debt stood at Rs40bn; FY24 debt guidance was maintained at Rs28bn. 5) Lifestyle brands witnessed good margin performance, with Company's conscious strategy of cutting off less profitable channels, albeit at the cost of topline growth. 6) *American Eagle/Reebok* performance was encouraging and ABFRL foresees these as 'mega' brands complementing its existing four lifestyle brands. 7) Luxury retail format 'The Collective' grew 16% and remained resilient, despite market slowdown. 8) '*Sabyasachi*' saw strong LTL performance and reached Rs1.5bn quarterly run-rate; Jewelry has grown faster vs. apparel/accessories, to contribute 25%-30% of its mix. 9) *Tasva* topline doubled with festive LTL of 62%, albeit on a small base. Metro/Tier-1 cities are seeing relatively better traction vs. Tier-2/3 towns. ABFRL plans to exit the year with 70 stores, and aspires reaching 200 stores by FY27/28. 10) TMRW is at an ARR of Rs6bn; however, profitability will take time (at least 3 more years). 11) ABFRL believes the major gaps in the portfolio have been filled and focus is now to harp on the existing opportunity. 12) *Pantaloons*, over the last 5 years, has premiumized towards a less competitive space; new format *Style Up* caters to the value side, with 20-25 stores and target to add another 25-30.

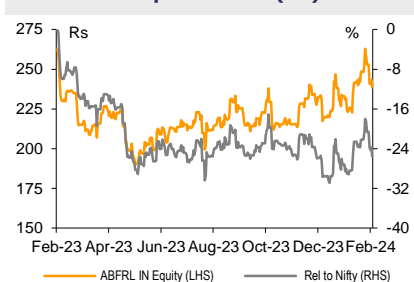
Target Price – 12M	Mar-25
Change in TP (%)	4.5
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(3.6)
CMP (15-Feb-24) (Rs)	238.5

Stock Data	Ticker
52-week High (Rs)	266
52-week Low (Rs)	184
Shares outstanding (mn)	949.1
Market-cap (Rs bn)	226
Market-cap (USD mn)	2,726
Net-debt, FY24E (Rs mn)	28,996
ADTV-3M (mn shares)	5
ADTV-3M (Rs mn)	1,126.1
ADTV-3M (USD mn)	13.6
Free float (%)	35.0
Nifty-50	21,911
INR/USD	83.0
Shareholding, Dec-23	
Promoters (%)	55.5
FPIs/MFs (%)	13.9/17.3

Price Performance

(%)	1M	3M	12M
Absolute	3.3	10.9	(7.1)
Rel. to Nifty	4.2	(0.5)	(23.7)

1-Year share price trend (Rs)



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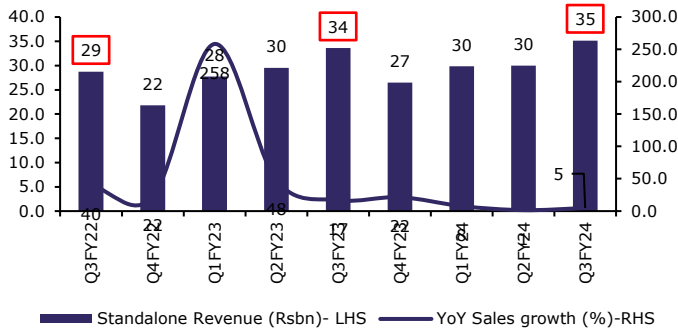
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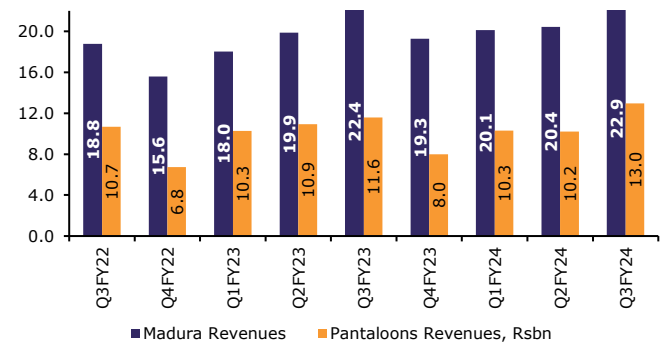
Story in Charts

Exhibit 1: Standalone topline was up 5%, led by 12% growth in Pantaloons, Reebok consolidation, and 3% decline in Lifestyle



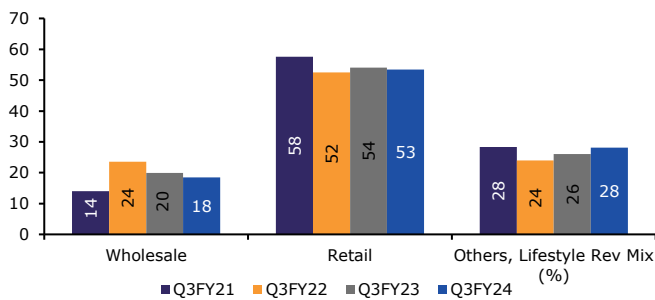
Source: Company, Emkay Research

Exhibit 2: Madura/Pantaloons saw 2/12% growth; the muted growth was owing to delayed winter sales and lower discounting



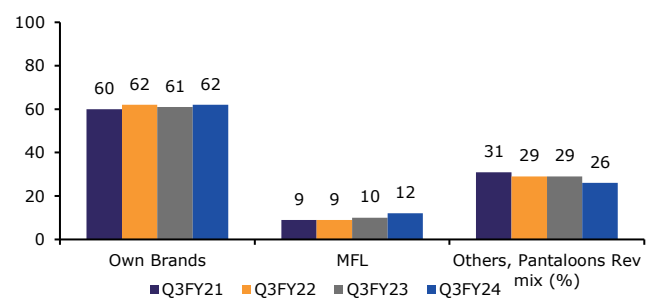
Source: Company, Emkay Research

Exhibit 3: Wholesale/Retail saw negative trends, with 10%/4% decline, whereas Online saw a muted 5% growth



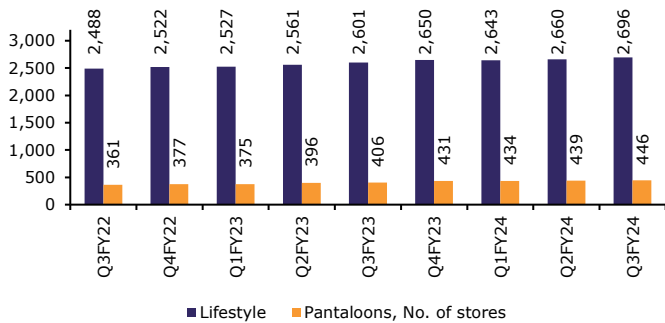
Source: Company, Emkay Research

Exhibit 4: Contribution of own brands/Madura continues to increase, while that of third-party brands saw a 300bps decline YoY



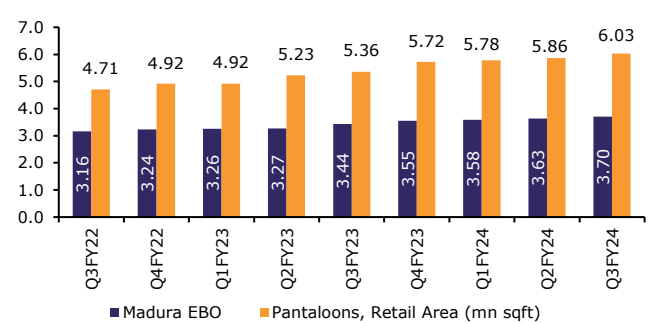
Source: Company, Emkay Research

Exhibit 5: ABFRL added 36/46 stores for Lifestyle in Q3/9M; for Pantaloons, the count stood at 7/15 stores.



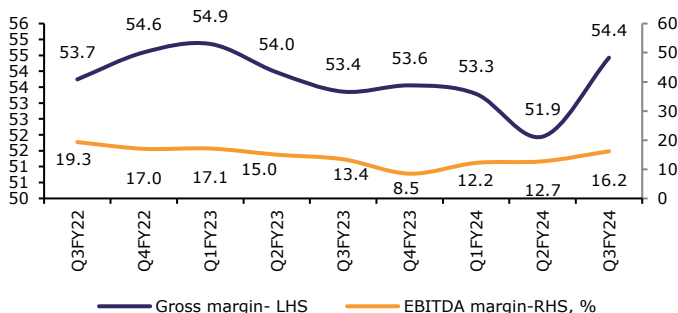
Source: Company, Emkay Research

Exhibit 6: Retail space addition was on account of new store additions in Q3



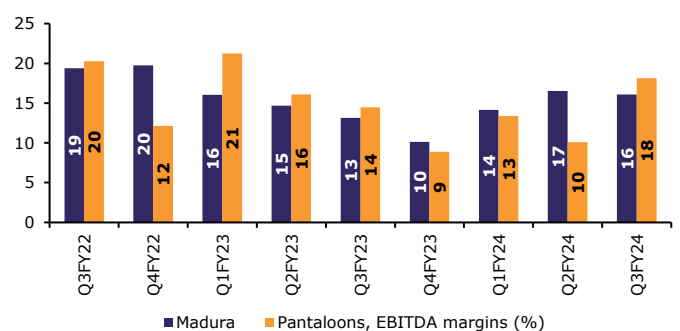
Source: Company, Emkay Research

Exhibit 7: Standalone EBITDA margin was up by 280bps, amid better gross margin (>100bps) and lower participation in discounting/EOSS



Source: Company, Emkay Research

Exhibit 8: Madura/Pantaloons margin was up by ~300/360bps led by cost optimization and lower participation in low-margin channels



Source: Company, Emkay Research

Exhibit 9: Actual vs. Estimates (Q3FY24)

(Rs mn)	Actual	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net Sales	41,667	41,804	40,290	-0.3%	3.4%	Consol. revenue was in line with our estimates.
EBITDA*	5,533	4,372	5,178	26.5%	6.9%	EBITDA margin was higher, led by lower participation in discounting and better SSG in Pantaloons on festive shift to Q3
EBITDA margin*	13.3%	10.5%	12.9%	282	43	
PAT	-779	-1,119	-356	NA	NA	PAT loss was lower, due to EBITDA beat and higher loss sharing by minority shareholders

Source: Company, Emkay Research; *Post-IndAS-116 EBITDA

Exhibit 10: Summary of quarterly results

Y/E, Mar (Rs mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	YoY (%)	QoQ (%)	FY23TD	FY24TD	Gr (%)
Revenue	35,888	28,797	31,961	32,264	41,667	16.1	29.1	95,382	105,892	11.0
Expenditure	31,532	26,869	29,037	29,031	36,134	14.6	24.5	82,374	94,203	14.4
Consumption of RM	16,284	12,738	14,460	15,037	18,127	11.3	20.5	42,782	47,624	11.3
as % of sales	45.4%	44.2%	45.2%	46.6%	43.5%			44.9%	45.0%	
Other expenditure	15,248	14,131	14,577	13,994	18,008	18.1	28.7	39,592	46,579	17.6
as % of sales	42.5%	49.1%	45.6%	43.4%	43.2%			41.5%	44.0%	
EBITDA	4,356	1,928	2,923	3,233	5,533	27.0	71.1	13,008	11,689	-10.1
Depreciation	3,175	3,485	3,670	3,888	4,441	39.8	14.2	8,785	11,998	36.6
EBIT	1,181	-1,557	-747	-655	1,092	-7.5	-266.8	4,223	-309	-107.3
Other Income	269	364	603	457	441	63.6	-3.7	801	1,501	87.5
Interest	1,321	1,422	1,873	2,084	2,454	85.7	17.8	3,301	6,411	94.2
PBT	129	-2,615	-2,017	-2,281	-922			1,722	-5,219	
Total Tax	62	-646	-397	-282	227			416	-452	
Reported PAT	67	-1,969	-1,620	-1,999	-1,149			1,306	-4,767	
(Profit)/loss from JVs/Ass/MI	91	100	206	207	370			204	783	
APAT after MI	158	-1,869	-1,414	-1,792	-779			1,509	-3,985	
Extra ordinary items	0	0	0	0	0			0	0	
Adjusted PAT	158	-1,869	-1,414	-1,792	-779			1,509	-3,985	
Adjusted EPS (Rs)	0.2	-2.0	-1.5	-1.9	-0.8			1.6	-4.2	
(%)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	(bps)	(bps)	FY23TD	FY24TD	(bps)
EBITDAM	12.1	6.7	9.1	10.0	13.3	110	330	13.6	11.0	-260
EBITM	3.3	-5.4	-2.3	-2.0	2.6	-70	470	4.4	-0.3	-470
EBTM	0.4	-9.1	-6.3	-7.1	-2.2	-260	490	1.8	-4.9	-670
PATM	0.4	-6.5	-4.4	-5.6	-1.9	-230	370	1.6	-3.8	-530
Effective Tax rate	48.3	24.7	19.7	12.4	-24.6			24.2	8.7	

Source: Company, Emkay Research; *Post IndAS-116 EBITDA

Exhibit 11: Segment-wise performance...

	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Segment Revenue (Rs mn)									
Madura Fashion (Standalone)	18,760	15,590	18,020	19,880	22,360	19,270	20,120	20,440	22,890
YoY Growth	51%	28%	225%	43%	19%	24%	12%	3%	2%
[A] Lifestyle brands	15,890	13,420	15,200	16,810	18,730	15,350	15,940	15,860	18,150
YoY Growth	55%	34%	249%	45%	18%	14%	5%	-6%	-3%
[B] Others (Intl./Innerwear/Reebok)	2,870	2,170	2,820	3,070	3,630	3,920	4,180	4,580	4,740
YoY Growth	30%	1%	135%	31%	26%	81%	48%	49%	31%
Pantaloons	10,660	6,750	10,270	10,940	11,590	7,980	10,300	10,210	12,970
YoY Growth	31%	13%	367%	65%	9%	18%	0%	-7%	12%
Less: Inter-segmental revenues	700	520	550	1,280	360	740	550	710	700
Net Revenue (Standalone)	28,720	21,820	27,740	29,540	33,590	26,510	29,870	29,940	35,160
YoY Growth	39%	22%	258%	48%	17%	21%	8%	1%	5%
Ethnic/D2C business	1,140	1,010	1,010	1,210	2,300	2,280	2,090	2,290	6,510
YoY Growth	571%	166%	166%	109%	102%	126%	107%	89%	183%
Net Revenue (Consol)	29,860	22,830	28,750	30,750	35,890	28,790	31,960	32,230	41,670
YoY Growth	44%	25%	254%	50%	20%	26%	11%	5%	16%

Source: Company, Emkay Research

Exhibit 12: (contd.)...Segment-wise performance

	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Segment EBITDA									
Madura Fashion (Standalone)	3,640	3,080	2,890	2,920	2,940	1,950	2,850	3,380	3,680
YoY Growth	68%	64%	-466%	38%	-19%	-37%	-1%	16%	25%
Margin	19.4%	19.8%	16.0%	14.7%	13.1%	10.1%	14.2%	16.5%	16.1%
[A] Lifestyle brands	3,460	3,120	2,660	2,860	3,170	2,250	2,920	3,390	3,490
YoY Growth	80%	77%	-567%	52%	-8%	-28%	10%	19%	10%
Margins	21.8%	23.2%	17.5%	17.0%	16.9%	14.7%	18.3%	21.4%	19.2%
[B] Others (Intl./Innerwear/Reebok)	180	-40	230	60	-230	-300	-70	-10	190
YoY Growth	-28%	-133%	-205%	-75%	-228%	650%	-130%	-117%	-183%
Pantaloons	2,160	820	2,180	1,760	1,680	710	1,380	1,030	2,350
YoY Growth	14%	-5%	-496%	41%	-22%	-13%	-37%	-41%	40%
Margins	20.3%	12.1%	21.2%	16.1%	14.5%	8.9%	13.4%	10.1%	18.1%
Elimination	20	-70	30	30	-160	80	0	140	-90
Total EBITDA (Standalone)	5,780	3,970	5,040	4,650	4,780	2,580	4,230	4,270	6,120
YoY Growth	36%	44%	-468%	38%	-17%	-35%	-16%	-8%	28%
Margins	20.1%	18.2%	18.2%	15.7%	14.2%	9.7%	14.2%	14.3%	17.4%
Ethnic/D2C Business	310	50	-40	-470	-110	-270	-700	-580	-60
Total EBITDA (Consol)	6,090	4,020	5,000	4,180	4,670	2,310	3,530	3,690	6,060
Margins	20.4%	17.6%	17.4%	13.6%	13.0%	8.0%	11.0%	11.4%	14.5%

Source: Company, Emkay Research, *Post-IndAS-116 EBITDA

Exhibit 13: Peer comparison

Company name	Price (Rs/sh)	Mcap (Rs bn)	Reco	Target Price (Rs/sh)	EPS (Rs)			P/E (x)			EV/EBITDA (x)*		
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Titan Company	3,622	3,216	Buy	4,200	40.4	52.9	66.7	89.6	68.5	54.3	58.9	45.2	36.7
Page Industries	36,304	405	Reduce	38,500	538.9	672.8	798.7	67.4	54.0	45.5	43.2	35.3	30.0
Jubilant FoodWorks	479	316	Sell	400	4.3	5.3	6.7	110.3	90.3	71.2	27.8	24.2	20.7
Devyani International	150	181	Reduce	160	0.7	1.5	2.3	227.1	99.1	64.7	27.6	22.0	17.1
ABFRL	239	226	Reduce	230	-5.6	-4.4	-2.2	NA	NA	NA	16.2	11.4	8.8
Westlife Foodworld	816	127	Buy	900	5.0	7.4	11.2	163.7	110.0	73.0	33.0	27.0	21.5
Sapphire Foods	1,340	85	Buy	1,650	8.7	19.2	28.6	153.8	69.9	46.8	17.8	13.8	10.8
Go Fashion	1,197	65	Buy	1,300	15.2	19.4	27.0	78.9	61.7	44.4	26.3	21.5	16.4
Ethos	2,399	59	Buy	2,850	34.6	41.4	52.7	69.4	58.0	45.5	35.9	26.9	20.1
Senco Gold	774	60	Buy	900	23.1	29.2	36.9	33.5	26.5	21.0	17.4	14.1	11.4
Varun Beverages	1,425	1,852	Add	1,400	15.8	20.4	26.8	90.1	69.8	53.1	52.4	41.6	33.5
Aditya Vision	3,496	42	Buy	5,000	63.9	93.2	133.7	54.8	37.5	26.2	27.4	19.9	14.9

Source: Company, Emkay Research; *Post-IndAS-116 EBITDA

Exhibit 14: Changes in estimates

(Rs mn)	FY24E			FY25E			FY26E		
	Old	New	% change	Old	New	% change	Old	New	% change
Revenue	146,274	142,136	-2.8	185,578	180,044	-3.0	220,623	215,597	-2.3
EBITDA*	15,063	15,280	1.4	22,723	21,760	-4.2	28,842	28,077	-2.7
EBITDA margin (%)*	10.3	10.8	50 bps	12.2	12.1	-20 bps	13.1	13.0	0 bps
Net profit	-5,454	-6,059	NA	-3,895	-4,708	NA	-2,337	-2,395	NA
EPS (Rs)	-5.1	-5.6	NA	-3.6	-4.4	NA	-2.2	-2.2	NA

Source: Company, Emkay Research, *Post-IndAS-116 EBITDA

Aditya Birla Fashion & Retail: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	81,362	124,179	142,136	180,044	215,597
Revenue growth (%)	55.0	52.6	14.5	26.7	19.7
EBITDA	10,999	14,936	15,280	21,760	28,077
EBITDA growth (%)	98.3	35.8	2.3	42.4	29.0
Depreciation & Amortization	9,970	12,270	16,486	20,405	23,541
EBIT	1,029	2,666	(1,206)	1,355	4,536
EBIT growth (%)	0.0	159.1	(145.2)	0.0	234.9
Other operating income	0	0	0	0	0
Other income	1,006	1,165	1,900	2,090	2,299
Financial expense	3,507	4,724	8,904	10,486	10,989
PBT	(1,473)	(893)	(8,211)	(7,042)	(4,153)
Extraordinary items	0	0	0	0	0
Taxes	(266)	(230)	(1,043)	(1,408)	(1,047)
Minority interest	96	235	1,009	750	500
Income from JV/Associates	23	68	100	160	200
Reported PAT	(1,087)	(360)	(6,059)	(4,724)	(2,407)
PAT growth (%)	0.0	0.0	0.0	0.0	0.0
Adjusted PAT	(1,087)	(360)	(6,059)	(4,724)	(2,407)
Diluted EPS (Rs)	(1.2)	(0.4)	(5.6)	(4.4)	(2.2)
Diluted EPS growth (%)	0.0	0.0	0.0	0.0	0.0
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0
EBITDA margin (%)	13.5	12.0	10.8	12.1	13.0
EBIT margin (%)	1.3	2.1	(0.8)	0.8	2.1
Effective tax rate (%)	18.0	25.7	12.7	20.0	25.2
NOPLAT (pre-IndAS)	843	1,980	(1,053)	1,084	3,393
Shares outstanding (mn)	938.3	948.8	1,072.6	1,072.6	1,072.6

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	(1,473)	(893)	(8,211)	(7,042)	(4,153)
Others (non-cash items)	9,970	12,270	16,486	20,405	23,541
Taxes paid	(179)	113	(622)	473	10
Change in NWC	544	(2,426)	(11,125)	(1,124)	(1,434)
Operating cash flow	11,365	12,623	3,533	21,109	26,653
Capital expenditure	(3,509)	(18,094)	(20,400)	(8,270)	(8,700)
Acquisition of business	(23)	(100)	0	0	0
Interest & dividend income	1,006	1,165	1,900	2,090	2,299
Investing cash flow	(5,165)	(12,773)	(18,500)	(6,180)	(6,401)
Equity raised/(repaid)	2,618	3,004	14,830	0	0
Debt raised/(repaid)	960	10,732	9,895	0	(395)
Payment of lease liabilities	(7,979)	(10,088)	(12,094)	(14,957)	(17,993)
Interest paid	(1,364)	(1,695)	(3,209)	(3,295)	(2,620)
Dividend paid (incl tax)	0	0	0	0	0
Others	(1,846)	4,003	665	525	400
Financing cash flow	(7,612)	5,955	10,087	(17,727)	(20,608)
Net chg in Cash	(1,412)	5,805	(4,881)	(2,798)	(356)
OCF	11,365	12,623	3,533	21,109	26,653
Adj. OCF (w/o NWC chg.)	10,820	15,049	14,658	22,233	28,087
FCFF	7,855	(5,471)	(16,867)	12,839	17,953
FCFE	5,354	(9,030)	(23,872)	4,442	9,263
OCF/EBITDA (%)	103.3	84.5	23.1	97.0	94.9
FCFE/PAT (%)	(492.4)	2,508.5	394.0	(94.0)	(384.9)
FCFF/NOPLAT (%)	931.5	(276.3)	1,601.5	1,184.8	529.1

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Share capital	9,383	9,488	10,726	10,726	10,726
Reserves & Surplus	18,350	23,945	31,478	26,755	24,348
Net worth	27,733	33,433	42,204	37,480	35,073
Minority interests	152	27	(1,082)	(1,992)	(2,692)
Deferred tax liability (net)	(4,033)	(4,149)	(5,814)	(6,749)	(7,786)
Total debt	12,323	23,055	32,950	32,950	32,555
Total liabilities & equity	36,176	52,366	68,258	61,689	57,150
Net tangible fixed assets	6,312	10,091	13,314	15,179	16,988
Net intangible assets	6,940	13,935	14,413	14,895	15,376
Net ROU assets	(3,452)	(6,439)	(11,994)	(19,235)	(27,142)
Capital WIP	1,026	1,457	1,457	1,457	1,457
Goodwill	19,973	23,297	34,797	34,797	34,797
Investments [JV/Associates]	778	878	878	878	878
Cash & equivalents	7,287	8,835	3,954	1,156	800
Current assets (ex-cash)	50,363	68,440	83,696	99,755	116,719
Current Liab. & Prov.	53,057	68,707	72,839	87,774	103,303
NWC (ex-cash)	(2,694)	(268)	10,857	11,982	13,416
Total assets	36,176	52,366	68,258	61,689	57,150
Net debt	5,037	14,220	28,996	31,794	31,755
Capital employed	36,176	52,366	68,258	61,689	57,150
Invested capital	27,085	41,196	61,969	58,198	54,015
BVPS (Rs)	29.6	35.2	39.3	34.9	32.7
Net Debt/Equity (x)	0.2	0.4	0.7	0.8	0.9
Net Debt/EBITDA (x)	0.5	1.0	1.9	1.5	1.1
Interest coverage (x)	1.7	1.2	12.8	3.0	1.6
RoCE (%)	5.8	8.7	1.1	5.3	11.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY22	FY23	FY24E	FY25E	FY26E
P/E (x)	(205.8)	(628.6)	(42.2)	(54.2)	(106.3)
P/CE(x)	25.2	19.0	24.5	16.3	12.1
P/B (x)	8.1	6.8	6.1	6.8	7.3
EV/Sales (x)	2.8	1.9	2.0	1.6	1.3
EV/EBITDA (x)	20.8	16.1	18.6	13.2	10.2
EV/EBIT(x)	222.4	90.2	(236.1)	212.3	63.4
EV/IC (x)	8.4	5.8	4.6	4.9	5.3
FCFF yield (%)	3.4	(2.3)	(5.9)	4.5	6.2
FCFE yield (%)	2.4	(4.0)	(9.3)	1.7	3.6
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
DuPont-RoE split					
Net profit margin (%)	(1.3)	(0.3)	(4.3)	(2.6)	(1.1)
Total asset turnover (x)	2.3	2.8	2.4	2.8	3.6
Assets/Equity (x)	1.3	1.4	1.6	1.6	1.6
RoE (%)	(4.0)	(1.2)	(16.0)	(11.9)	(6.6)
DuPont-RoIC					
NOPLAT margin (%)	1.0	1.6	(0.7)	0.6	1.6
IC turnover (x)	3.0	3.6	2.8	3.0	3.8
RoIC (%)	3.1	5.8	(2.0)	1.8	6.0
Operating metrics					
Core NWC days	(59.5)	(42.1)	(32.6)	(28.8)	(30.2)
Total NWC days	(12.1)	(0.8)	27.9	24.3	22.7
Fixed asset turnover	2.1	2.7	2.3	2.6	3.1
Opex-to-revenue (%)	40.8	43.3	44.5	44.7	44.2

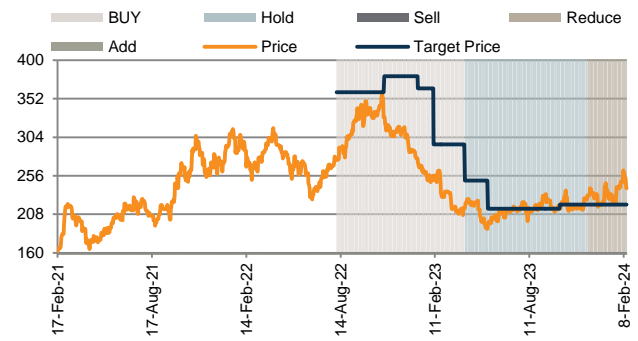
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
10-Jan-24	227	220	Reduce	Devanshu Bansal
30-Nov-23	232	220	Reduce	Devanshu Bansal
11-Nov-23	217	220	Hold	Devanshu Bansal
08-Oct-23	219	220	Hold	Devanshu Bansal
06-Aug-23	210	215	Hold	Devanshu Bansal
10-Jul-23	215	215	Hold	Devanshu Bansal
23-May-23	195	215	Hold	Devanshu Bansal
07-May-23	214	250	Hold	Devanshu Bansal
09-Apr-23	216	250	Hold	Devanshu Bansal
23-Feb-23	231	295	Buy	Devanshu Bansal
08-Feb-23	250	295	Buy	Devanshu Bansal
09-Jan-23	274	365	Buy	Devanshu Bansal
05-Nov-22	329	380	Buy	Devanshu Bansal
06-Aug-22	278	360	Buy	Devanshu Bansal

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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