Market snapshot

Equities - India	Close	Chg .%	CY23.%
Sensex	71,501	-2.2	20.2
Nifty-50	21,572	-2.1	21.7
Nifty-M 100	47,152	-1.1	51.3
Equities-Global	**Close**	**Chg .%**	**CY23.%**
S&P 500	4,739	-0.6	24.1
Nasdaq	14,856	-0.6	42.8
FTSE 100	7,446	-1.5	1.4
DAX	16,432	-0.8	19.0
Hang Seng	5,133	-3.9	-20.3
Nikkei 225	35,478	-0.4	36.5
Commodities	**Close**	**Chg .%**	**CY23.%**
Brent (US$/Bbl)	79	-0.5	-1.9
Gold ($/OZ)	2,006	-1.1	11.2
Cu (US$/MT)	8,174	-1.1	-1.2
Almn (US$/MT)	2,131	-1.5	-7.9
Currency	**Close**	**Chg .%**	**CY23.%**
USD/INR	83.1	0.1	0.4
USD/EUR	1.1	0.1	1.6
USD/JPY	148.2	0.7	12.3
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.2	0.02	-0.2
10 Yrs AAA Corp	7.7	0.14	0.0
Flows (USD b)	**17-Jan**	**MTD**	**CY23YTD**
FIIs	-1.3	5.75	21.4
DIIs	0.48	2.04	22.3
Volumes (INRb)	**17-Jan**	**MTD***	**YTD***
Cash	1,406	1135	1135
F&O	6,17,737	3,97,191	3,97,191

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Asian Paints: Margins drive 3Q beat; raise estimates marginally

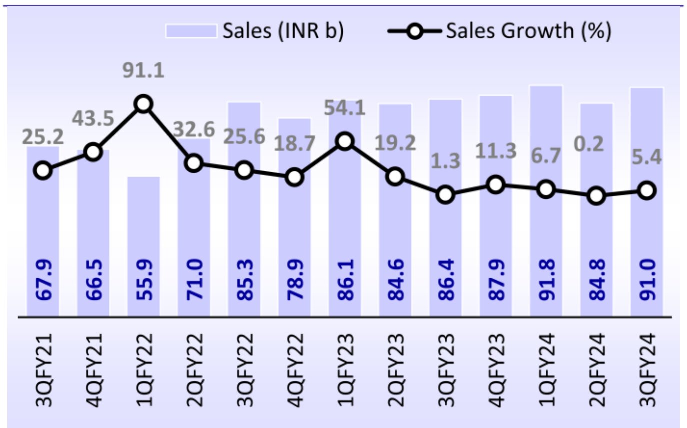
- Asian Paints (APNT) reported a volume growth of 12% YoY in 3QFY24 (est. 13%), characterized by double-digit expansion in both rural and urban markets. The revenue growth is supported by an extended festive season. However, it has been sluggish due to price reductions and unfavorable mix (low mix of luxury segment).
- Benign raw material prices continue to drive gross margin. APNT clocked a gross margin of 43.6%, the best in the last 11 quarters. The gross margin in FY25/FY26 will be the key monitorable, considering the changing competitive landscape and dwindling raw material price benefits.
- EBITDA reported a beat led by a higher-than-expected gross margin improvement. EBITDA surged 28% YoY during the quarter. APNT achieved a 22% EBITDA margin in 9MFY24. However, management reiterated its EBITDA margin guidance of 18-20% in the medium term. We model a 21.5% margin for FY25/FY26.
- We believe valuations are expensive at ~53xFY25E EPS and 48xFY26E EPS, especially considering the uncertain competitive pressure. We reiterate our Neutral rating with a TP of INR3,340 (based on 50x Dec'25E EPS).

Research covered

Cos/Sector	Key Highlights
Asian Paints	Margins drive 3Q beat; raise estimates marginally
LTIMindtree	Disappointing 3Q, weak near-term outlook a drag on FY25 growth
Tata Consumer	Growing footprint in the F&B industry
ICICI Prudential	VNB misses estimates, declines 29% YoY
IIFL Finance	Healthy profitability aided by NIM expansion

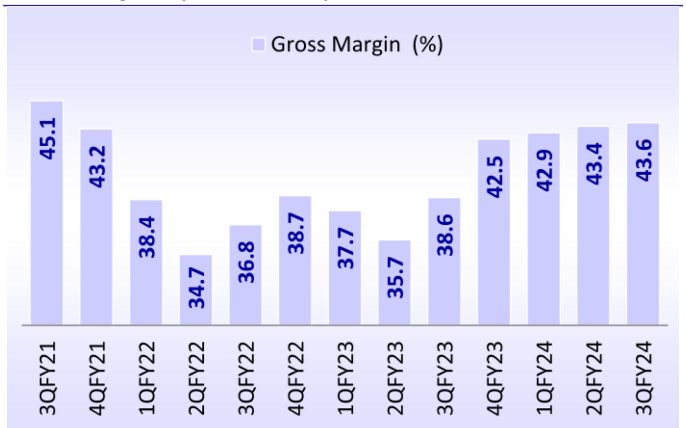
Chart of the Day: Asian Paints (Margins drive 3Q beat; raise estimates marginally)

Consolidated sales increased 5.4% YoY to INR91.0b in 3QFY24



Sources: Company reports, MOFSL

Gross margin expanded 500bp YoY in 3QFY24



Sources: Company reports, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Tata Motors sees its EV sales doubling in 2024-25

The company's aspiration to reach the target in this financial year is unlikely to be met, said Shailesh Chandra, managing director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility (TPEM).

2

Indian economy to grow at 7% in FY25, inflation to ease further: RBI Governor at Davos

Shaktikanta Das, while speaking at the ongoing WEF, added that amid a challenging global macroeconomic environment, India presents a picture of growth and stability

3

Adani Enterprises to invest Rs 50,000 crore in Maharashtra for hyperscale data center

The Memorandum of Understanding between the state government and the company was signed in the presence of Maharashtra's Chief Minister Eknath Shinde and Adani group's chairman Gautam Adani at the World Economic Forum 2024.

4

Govt disburses Rs 4,415 crore under different PLI schemes so far

The schemes aim to attract investments in key sectors and cutting-edge technology; ensure efficiency, bring economies of size and scale in the manufacturing sector and make Indian companies and manufacturers globally competitive.

5

India eyes $100 bn annual FDI in coming years: IT minister Vaishnaw

Foreign investors have bet big on India since Modi came to power in 2014, with the likes of Apple, Samsung, Kia, and Airbus expanding operations

6

Karnataka signs investment deals worth Rs 22,000 cr at Davos summit

Microsoft, Hitachi, Lulu Group among companies that commit projects in state

7

India to tap 12% of global iPhone production in FY24, up from 9% earlier

Apple crosses PLI target of $8.9 bn this financial year

Asian Paints

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USDb)	3110 / 37.4
52-Week Range (INR)	3568 / 2686
1, 6, 12 Rel. Per (%)	-3/-16/-9
12M Avg Val (INR M)	2934

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	361.3	401.3	443.3
Sales Gr. (%)	4.7	11.1	10.5
EBITDA	79.1	86.3	94.9
EBIT Margin (%)	21.9	21.5	21.4
Adj. PAT	56.3	58.8	64.5
Adj. EPS (INR)	58.7	61.3	67.2
EPS Gr. (%)	32.8	4.4	9.6
BV/Sh.(INR)	180.3	199.4	224.4
Ratios			
RoE (%)	33.9	32.3	31.7
RoCE (%)	29.2	27.9	27.4
Payout (%)	74.9	66.9	61.0
Valuation			
P/E (x)	55.2	52.9	48.2
P/BV (x)	18.0	16.3	14.4
EV/EBITDA (x)	38.6	35.2	31.9
Div. Yield (%)	1.4	1.3	1.3

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	52.6	52.6	52.6
DII	10.1	10.1	8.8
FII	17.7	17.5	18.6
Others	19.8	19.8	20.0

FII Includes depository receipts

CMP: INR3,242 TP: INR3,340 (+3%) Neutral

Margins drive 3Q beat; raise estimates marginally

- Asian Paints (APNT) reported a volume growth of 12% YoY in 3QFY24 (est. 13%), characterized by double-digit expansion in both rural and urban markets. The revenue growth is supported by an extended festive season. However, it has been sluggish due to price reductions and unfavorable mix (low mix of luxury segment).
- Benign raw material prices continue to drive gross margin. APNT clocked a gross margin of 43.6%, the best in the last 11 quarters. The gross margin in FY25/FY26 will be the key monitorable, considering the changing competitive landscape and dwindling raw material price benefits.
- EBITDA reported a beat led by a higher-than-expected gross margin improvement. EBITDA surged 28% YoY during the quarter. APNT achieved a 22% EBITDA margin in 9MFY24. However, management reiterated its EBITDA margin guidance of 18-20% in the medium term. We model a 21.5% margin for FY25/FY26.
- We believe valuations are expensive at ~53xFY25E EPS and 48xFY26E EPS, especially considering the uncertain competitive pressure. **We reiterate our Neutral rating with a TP of INR3,340 (based on 50x Dec'25E EPS).**

Beat on gross margin; EBITDA surges 28% YoY

- APNT reported consol net sales of INR91.0b, a growth of 5.4% YoY (est. INR94.8b). The revenue growth for 2Q and 3Q combined stood at 3% YoY (est. 5% YoY).
- Volumes grew in double digits at 12% YoY (est. +13%) in the Domestic Decorative paints business.
- Gross margins expanded 500bp/~20bp YoY/QoQ to 43.6%.
- Employee and other expenses were up 13%/11% YoY and were up 40/70bp YoY as % of sales.
- EBITDA margin expanded ~390bp YoY/230bp QoQ to 22.6% (est. 19.4%).
- EBITDA grew 27.6% YoY to INR20.6b (est. INR18.4b).
- PBT also grew 33.1% YoY to INR19.2b (est. INR16.8b).
- Adj. PAT grew 34.5% YoY to INR14.8b (est. INR12.3b).
- **In 9MFY24,** Net sales/EBITDA/adj. PAT growth stood at 4%/34%/46% YoY.

Key highlights from the management commentary

- The Decorative business witnessed a 12% volume growth, driven by double-digit increases in both urban and rural markets, supported by festive demand. Sustaining a 4year CAGR double-digit volume growth trajectory.
- The volume and value growth gap persists due price cuts and unfavorable mix. Luxury segment mix was low, economy and premium segments contribute 80%. The management anticipates a continuation of a 3-4% gap in volume and value growth.

- The Kitchen business delivered flat revenue, while the bath business exhibited a 5% decline in growth due to weak demand trend at the industry level. The company has retained this business as its integration helps in strengthening the Beautiful home network. It complements the decorative and paints business of the company.
- The capex is expected to reach ~INR20b by the end of FY24.
- The international business reported a flat sales growth in INR terms, but demonstrated a growth of 5.2% in constant currency (CC) terms.

Valuation and view

- Owing to the beat on EBITDA margin, we raise our FY24 estimates by 5% while largely maintaining our FY25 EPS. The double-digit volume growth was also supported by the shift in festive demand to 3QFY24.
- With the entry of new players with deep pockets and massive commitments to investments, the overall industry may see a shift in market share and cost structures. These will be the key monitorables in FY25.
- We remain cautious as the paints segment may not enjoy higher multiples of the past. It is important to note that the re-rating of the stock was a significant factor driving the appreciation of APNT's stock price over the past five to six years, as the earnings CAGR has been in the 12-14% range.
- We project a higher EBITDA margin (21.5% for FY25/FY26) as we anticipate that gross margin would not have a significant impact on the EBITDA margin due to increasing competition. APNT has a superior execution history and should be able to manage the challenges without compromising its large-margin structure.
- We believe valuations are expensive at ~53xFY25E EPS and 48xFY26E EPS, especially considering the uncertain competitive pressure. **We reiterate our Neutral rating with a TP of INR3,340 (based on 50x Dec'25E EPS).**

Quarterly Performance (Consol.) **(INR b)**

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Est. Dom. Deco. Vol. growth (%)	**37.0**	**10.0**	**0.0**	**16.0**	**10.0**	**6.0**	**12.0**	**15.0**	**14.0**	**10.8**	**13.0**	
Net Sales	**86.1**	**84.6**	**86.4**	**87.9**	**91.8**	**84.8**	**91.0**	**93.6**	**344.9**	**361.3**	**94.8**	**-4.0%**
Change (%)	54.1	19.2	1.3	11.3	6.7	0.2	5.4	6.5	18.5	4.7	9.8	
Gross Profit	**32.5**	**30.2**	**33.3**	**37.3**	**39.4**	**36.8**	**39.7**	**41.7**	**133.3**	**157.6**	**40.1**	
Gross Margin (%)	37.7	35.7	38.6	42.5	42.9	43.4	43.6	44.5	38.7	43.6	42.3	
EBITDA	**15.6**	**12.3**	**16.1**	**18.6**	**21.2**	**17.2**	**20.6**	**20.1**	**62.6**	**79.1**	**18.4**	**12.0%**
Margin (%)	18.1	14.5	18.7	21.2	23.1	20.2	22.6	21.5	18.2	21.9	19.4	
Change (%)	70.3	35.7	4.5	29.2	36.3	39.8	27.6	7.9	30.3	26.3	13.9	
Interest	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.6	1.4	2.1	0.4	
Depreciation	2.1	2.2	2.1	2.2	2.0	2.1	2.2	2.2	8.6	8.4	2.3	
Other Income	1.0	1.0	0.9	1.1	2.0	1.7	1.4	0.9	3.9	5.9	1.1	
PBT	**14.2**	**10.7**	**14.4**	**17.1**	**20.7**	**16.2**	**19.2**	**18.2**	**56.4**	**74.4**	**16.8**	**14.5%**
Tax	3.7	2.9	3.8	4.5	5.3	4.2	4.9	4.8	14.9	19.2	4.4	
Effective Tax Rate (%)	26.1	27.1	26.4	26.4	25.6	25.8	25.7	26.2	26.5	25.8	26.4	
Adjusted PAT	**10.6**	**8.0**	**11.0**	**12.8**	**15.7**	**12.3**	**14.8**	**13.5**	**42.4**	**56.3**	**12.3**	**19.5%**
Change (%)	84.6	32.8	6.4	29.6	48.5	53.3	34.5	5.4	32.6	32.8	12.5	

E: MOFSL Estimates

18 January 2024

3QFY24 Results Update | Sector: Technology

LTIMindtree

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	LTIM IN
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	1858.6 / 22.4
52-Week Range (INR)	6443 / 4120
1, 6, 12 Rel. Per (%)	2/13/27
12M Avg Val (INR M)	2352

Financials & Valuations (INR b)

Y/E Mar	FY24E	FY25E	FY26E
Sales	357.7	392.8	449.4
EBIT Margin (%)	16.0	16.5	17.7
PAT	46.7	53.1	65.1
EPS (INR)	157.9	179.2	220.0
EPS Gr. (%)	4.0	13.5	22.7
BV/Sh. (INR)	655.2	762.8	894.8
Ratios			
RoE (%)	26.0	25.3	26.5
RoCE (%)	22.3	21.8	23.1
Payout (%)	40.0	40.0	40.0
Valuations			
P/E (x)	39.8	35.0	28.5
P/BV (x)	9.6	8.2	7.0
EV/EBITDA (x)	27.0	23.9	19.4
Div Yield (%)	1.0	1.1	1.4

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	68.7	68.7	74.0
DII	13.0	12.4	8.1
FII	8.1	8.2	8.1
Others	10.7	10.7	9.7

FII Includes depository receipts

CMP: INR6,276 TP: INR6,600 (+5%) Neutral

Disappointing 3Q, weak near-term outlook a drag on FY25 growth

Longer margin recovery cycle leaves little room for upside

- LTIM reported weak revenue growth of 0.7% QoQ/3.1% YoY CC in 3QFY24 vs. our estimate of 1.2% QoQ CC, despite having a meaningful pass-through component in the Manufacturing vertical. The growth was affected by higher-than-expected furloughs and a continued slowdown in discretionary spending. However, deal wins were strong at USD1.5b (up 15% QoQ/20% YoY) and management commentary on the deal pipeline was robust. The management has indicated that 4Q growth will mirror 3Q due to persistent pressure on clients' spending.
- 3Q EBIT margin declined 60bp QoQ to 15.4%, missing our estimate by 40bp. Profitability was impacted by higher furloughs and pass-through revenues, despite lower workforce (-1.1k). Attrition continued to moderate (14.2% in 3Q), while utilization improved to 87.4%. Notably, the management has stated that its guidance of achieving 17%+ EBIT margin by 4QFY24 would be delayed by a few quarters.
- While the impact of furloughs in 3Q was higher and more widespread, strong deal wins (highest ever) indicate divergence between near-term growth and medium-term growth. While this commentary is in line with its large-cap peers, LTIM still has to demonstrate growth benefits from the expansion of teams across its strong verticals. We expect the company to grow at a sub-10% rate YoY in FY25, resulting in a 9.7% CAGR over FY23-26E.
- Moreover, the decision to delay the 17-18% aspirational band by three to four quarters indicates limited room for further cost optimization and the front-ended impact of a large deal scaling up in the near term. We now expect LTIM to deliver 16.5% EBIT margin in FY25 before crossing the 17% mark in FY26. This should result in a PAT CAGR of 13% over FY23-26E.
- We have lowered our FY24-26 estimates by ~1-9% after cuts in revenue and profitability. LTIM is currently trading at 29x FY26E EPS, which adequately captures growth opportunities ahead. Our TP of INR6,600 implies 30x FY26E EPS. We reiterate our **Neutral** rating on the stock.

Weak performance, deal flows remain strong

- Revenue stood at USD1.08b, up 0.7% QoQ CC and below our estimate of 1.2% QoQ CC. Reported USD revenue growth was 0.8% QoQ/3.5% YoY.
- The growth was majorly led by Mfg & Resources (+14.3% QoQ), while BFSI (-1.7% QoQ), Hi-Tech, Media & Ent. (-3.0% QoQ), and Retail (-3.2% QoQ) were weak. Healthcare reported 0.8% QoQ growth.
- EBIT margin at 15.4% contracted 60bp QoQ, below our estimated decline of 20bp QoQ. Employee costs (% of rev) rose 150bp QoQ despite a reduction in headcount, which was partly offset by SG&A absorption.
- **Employee metrics:** Software headcount down ~1,100 (-1.2% QoQ), utilization up 80bp QoQ at 87.4%, attrition down by 100bp QoQ at 14.2%

- Order inflows were strong at USD1.5b (+15% QoQ/+20% YoY), with BTB of 1.4x.
- PAT came in at INR11.7b, up 0.6% QoQ/8.2% YoY and above our estimate of INR11.5b, aided by higher forex gains and lower ETR.
- For 9MFY24, revenues came in at USD3,218m (+5.6% YoY), while operating margin stood at 16.0% (down 50 YoY). Net Profit reported at INR34.8b (+3.2% YoY)

Key highlights from the management commentary

- The 3Q performance was affected by higher furlough than anticipated. The demand environment is further intensifying due to challenging macros.
- The challenging macro environment is making clients caution, slowing decision-making and delaying deal-closure activities. Additionally, discretionary spending has ramped down across its client base and will take time to recover. Hence, the company expects the growth recovery to happen gradually in 4Q.
- However, the management has indicated that it has a good pipeline of deals and the majority of them are cost-optimization and efficiency-related deal, which usually take more time to achieve full potential, unlike transformation deals.
- The margin was affected by higher furloughs (200bp impact) and seasonal pass-through revenue, which was offset by 80bp SG&A absorption and another 60bp through operating efficiency.

Valuation and view

- The near-term slowdown in discretionary spending and its meaningful exposure to BFS would have an adverse impact on its growth performance. We expect a 9.7% CAGR in USD revenue over FY23-26.
- Additionally, due to the company's strategic decision to defer the aspirational margin band, we cut our earnings estimate. We estimate a PAT CAGR of 13% over FY23-26.
- We value the stock at 30x FY26E EPS. The current valuation of 29x FY26E EPS limits any meaningful upside from the CMP. We reiterate our **Neutral** rating with a TP of INR6,600.

Quarterly Performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24	Est.	Var. (% /
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY24	bp)
Revenue (USD m)	**980**	**1,022**	**1,047**	**1,058**	**1,059**	**1,076**	**1,084**	**1,102**	**4,106**	**4,320**	**1,086**	**(0.2)**
QoQ (%)	3.7	4.3	2.4	1.0	0.1	1.6	0.8	1.7	17.2	5.2	1.0	(22)
Revenue (INR m)	**76,442**	**82,278**	**86,200**	**86,910**	**87,021**	**89,054**	**90,166**	**91,448**	**3,31,830**	**3,57,689**	**90,467**	**(0.3)**
YoY (%)	32.9	29.6	25.3	21.9	13.8	8.2	4.6	5.2	27.1	7.8	5.0	(35)
GPM (%)	**31.1**	**30.8**	**28.6**	**29.9**	**31.6**	**31.4**	**29.9**	**30.4**	**30.1**	**30.8**	**31.2**	**(132)**
SGA (%)	11.6	11.0	11.7	11.4	12.8	13.1	12.3	12.5	11.4	12.7	13.3	(100)
EBITDA	**14,937**	**16,356**	**14,548**	**16,037**	**16,355**	**16,313**	**15,849**	**16,411**	**61,878**	**64,928**	**16,194**	**(2.1)**
EBITDA Margin (%)	**19.5**	**19.9**	**16.9**	**18.5**	**18.8**	**18.3**	**17.6**	**17.9**	**18.6**	**18.2**	**17.9**	**(32)**
EBIT	**13,273**	**14,397**	**12,767**	**14,214**	**14,508**	**14,231**	**13,859**	**14,491**	**54,651**	**57,089**	**14,294**	**(3.0)**
EBIT Margin (%)	**17.4**	**17.5**	**14.8**	**16.4**	**16.7**	**16.0**	**15.4**	**15.8**	**16.5**	**16.0**	**15.8**	**(43)**
Other income	1,465	1,233	1,139	228	856	962	1,588	1,280	4,065	4,686	1,086	46
ETR (%)	24.9	23.9	22.3	22.9	25.0	23.5	24.3	24.5	23.5	24.3	25.0	
Adj PAT	**11,066**	**11,890**	**10,807**	**11,141**	**11,523**	**11,623**	**11,693**	**11,907**	**44,904**	**46,746**	**11,535**	**1.4**
QoQ (%)	-0.2	7.4	-9.1	3.1	3.4	0.9	0.6	1.8			-0.8	
YoY (%)	31.7	25.1	2.9	0.5	4.1	-2.2	8.2	6.9	13.7	4.1	6.7	
EPS (INR)	**36.1**	**40.1**	**35.4**	**37.6**	**38.9**	**39.2**	**39.4**	**40.2**	**151.8**	**157.9**	**39.0**	**1.1**

Tata Consumer

BSE SENSEX	S&P CNX
71,501	21,572

TATA CONSUMER PRODUCTS

Bloomberg	TATACONS IN
Equity Shares (m)	922
M.Cap.(INRb)/(USDb)	1057.8 / 12.7
52-Week Range (INR)	1216 / 685
1, 6, 12 Rel. Per (%)	19/24/32
12M Avg Val (INR M)	1258
Free float (%)	65.6

Financials Snapshot (INR b)

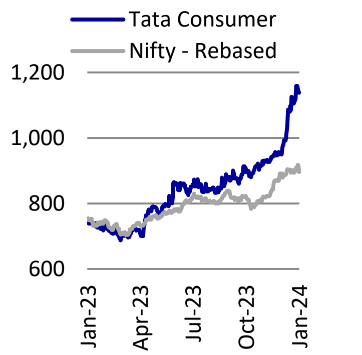
Y/E MARCH	2024E	2025E	2026E
Sales	152.6	179.2	196.4
Adj EBITDA	21.7	27.9	30.4
Adj. PAT	13.7	18.0	20.3
EBITDA Margin (%)	14.2	15.5	15.5
Cons. Adj. EPS (INR)	14.4	18.2	20.5
EPS Gr. (%)	26.1	26.6	12.6
BV/Sh. (INR)	185.7	242.7	258.0
Ratios			
Net D:E	-0.1	0.0	-0.1
RoE (%)	8.1	9.0	8.8
RoCE (%)	11.0	11.9	11.3
Payout (%)	45.8	35.5	32.2
Valuations			
P/E (x)	79.3	62.6	55.6
P/BV (x)	47.4	37.3	33.9
EV/EBITDA(x)	0.6	0.6	0.6
Div. Yield (%)	0.3	2.3	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	23.8	23.8	24.8

FII Includes depository receipts

Stock performance (one-year)



CMP: INR1,138 TP: INR1,350 (+19%) Buy

Growing footprint in the F&B industry

Tata Consumer (TATACONS)'s acquisitions of Capital Foods Pvt. Ltd (CF) and Organic India Pvt Ltd (OI) are in line with their strategic priority to expand the total addressable market (TAM) into adjacent, high-margin, and high-growth categories. The key highlights are as follows:

- **These acquisitions will enable TATACONS to advance in its journey to become the leading FMCG player, offering a wide range of products across pantry, liquid, mini meals, and sustainable categories. The incremental TAM in India and internationally will increase to ~INR1t with these new additions.**
- **Through these acquisitions, TATACONS can benefit from multiple synergies, including access to new markets, wider distribution reach, optimized trade margins via increased shelf space, better operating leverage through economies of scale, and higher margins.**
- **We have factored in the financials of both the companies, assuming a fundraise via a rights issue amounting to INR35b, which is 50% of the total deal value (or 61% of the immediate funding requirement of INR57.25b). This is leading to an EPS dilution of 3%/2% in FY25E/26E and it will be EPS accretive from the third year of operations.**

On track to become a premium F&B platform

- The acquisitions of **CF** and **OI** align with the company's strategy to establish a formidable F&B platform with a wide gamut of packaged foods spanning various cuisines and "better-for-you" products.
- **CF** is renowned for condiments, food products, and ingredients marketed under the Ching's Secret (77% of the business) and Smith & Jones (17%) brands. Ching's Secret leads the Desi Chinese genre, dominating across various product categories, viz., Chutneys, Blended Masalas, Sauces, and Soups. Meanwhile, Smith & Jones caters to the fast-growing trend of in-home cooking and specializes in Italian and other Western cuisines.
- **OI** specializes in organic teas & infusions (40% of the business), organic packaged products (40%) and health supplements (20%). It is backed by Fabindia.
- Both CF and OI's products complement the existing product categories of TATACONS, such as:
  - The core portfolio of tea, coffee and salt (addition of organic Teas/infusions);
  - Pantry platform consisting of pulses, spices, besan, poha, ready-to-cook items, etc. (addition of sauces, chutneys, noodles, organic packaged foods, Chinese masalas, and ginger-garlic paste);
  - Mini-meals such as breakfast cereals, ready-to-eat items, snacks (addition of soups and instant noodles);
  - And lastly, the latest category of Horizon 3 consisting of protein platform (addition of Herbal supplements).
- These acquisitions offer TATACONS a massive potential to drive synergies by leveraging the company's current distribution network (3.8m total reach), increasing scale, and delivering significant operating efficiencies through the high-margin products of CF and OI.

Expanding TAM into existing and newer markets

- CF secures top positions (#1 or #2) in five key categories: Chutneys (Schezwan), Blended Masalas (Desi Chinese), Sauces, Ginger Garlic Paste, and Soups.
- The **TAM** for the CF's products as of CY22 stood at INR214b, and it is expected to register a CAGR of 13% by CY27 to INR416b. This will take care of the strong growth trajectory of the brands in the Indian in-home consumption segment.
- OI is a 25+ year-old brand with a global presence in 48+ countries, mainly in India (50% of revenue) and the USA (40%), and long-standing relationships with 12,000+ farmers.
- Organic India operates in categories with a **TAM** of INR70b in India and INR750b in international markets, where TATACONS holds a strong presence. This TAM is expected to register a CAGR of 11%/8% in India/International to INR120b/INR1,110b by FY28.
- Together, the TAM for TATACONS will increase by INR1,034b.
- Both CF and OI have strong brand presence in the international markets, with exports contributing ~17%/48% in FY23. TATACONS can leverage this to scale up its in-house brands, such as Tata Raasa, Joyfull Millets, and Tata Sampann, in these markets.

Leveraging distribution reach and generating efficiencies

- CF has a strong distribution network of over 0.35m stores, bolstered by a high level of brand awareness. With TATACONS' distribution network of over 3.8m stores, the company has the potential to exponentially scale up the reach of CF brands through its own established distribution network.
- While OI has a presence in ~24,000 outlets, which can be scaled up rapidly post-integration. Further, the acquisition of OI will aid TATACONS in developing the pharma channel with OI's robust product portfolio, cross-selling other brands, and maximizing export potential through cross-synergies. Besides, OI's products are listed in premium outlet chains in the US (Whole Foods, Sprouts and Natural Grocer, etc.).
- TATACONS is planning to add another route (3^{rd}) to its existing 1m cities, where they recently split their sales force into two routes i.e. food and beverages.
- In terms of scale, CF is estimated to touch INR9.5b of net sales with over 50%/20% gross/EBITDA margins in FY24, and OI is estimated to end FY24 with a revenue of over INR3.5b and gross margins of over 55%. This will lead to high growth and a higher margin mix in the overall financials of TATACONS.
- With an increase in scale, TATACONS can optimize its trade margins by increasing the shelf space, and thereby, optimizing its selling expenses. Moreover, higher sales will result in better operating leverages, which will in turn lead to margin expansion.
- The management is expecting the company to be cash-EPS accretive in its first full year of operations. Further, it anticipates that this deal will achieve EPS breakeven in the second year of operations and become EPS accretive thereafter.

Deal overview

- TATACONS has acquired a 100% stake in **CF** for an enterprise value (no cash/no debt) of INR51b in an all-cash deal. The company was valued at 6.8x of its FY24E sales. Of this, 75% of the equity shareholding will be acquired upfront, and the remaining 25% will be acquired within the next three years.

- In another deal, TATACONS has acquired a 100% stake in **OI** at an enterprise value (no cash/no debt) of INR19b. The company was valued at 5.2x of its FY24E sales. Further, there is an additional earnout for the shareholders linked to FY25-26 audited financials of the target company. This acquisition aligns with TATACONS' strategy to expand the Horizon 3 segment, providing substantial growth opportunities.
- The combined deal value of both acquisitions stands at INR70b. It will be financed through a combination of available cash reserves, debt, and equity issuance through rights issues or any other mode (subject to Board approval).
- The deal is expected to be completed in 4QFY24, with operational integration set to commence shortly after the closing (to be completed within three to four months). The integration of both companies with TATACONS is scheduled to take place in FY25.

Valuation and View

- TATACONS's holistic strategy aims at transforming by: i) strengthening and accelerating its core business, ii) exploring new opportunities, iii) unlocking synergies, iv) digitizing the supply chain, v) expanding its product portfolio and innovation, vi) enhancing its focus on premiumization and health & wellness products, vii) embedding sustainability, and viii) expanding its sales and distribution infrastructure, supply chain, and capability building towards being a multi-category FMCG player.
- In line with its strategy of new opportunity exploration, TATACONS acquired the **CF and OI** businesses that will contribute ~8%/9% of the incremental PAT for FY25/26 and is expected to support margin expansion backed by the synergies discussed above.
- TATACONS has further strengthened its three strong legs – Tata Tea (where it is adding organic tea and infusions from OI), Tata Salt, and Tata Sampann (pantry category where the CF portfolio will be housed).
- The acquisition is EPS accretive for the company from the third year of operations and is undertaken at industry standard valuations (~6.8x/5.2x EV/sales of FY24E vs. EV/Sales of ~6.4x for TATACONS). Further, this acquisition will improve the brand offerings and product portfolio of the company in both the domestic and the international markets.
- In terms of financing, rights issues will be more EPS-accretive than debt funding (refer to exhibit 7).
- We have factored in the financials of both the companies, assuming a fundraise via a rights issue amounting to INR35b, which is 50% of the total deal value (or 61% of the immediate funding requirement of INR57.25b). This is leading to an EPS dilution of 3%/2% in FY25E/26E and it will be EPS accretive from the third year of operations (refer to Exhibits: 4 and 7).
- We expect a CAGR of 13%/18%/25% in revenue/EBITDA/PAT over FY23-26. **We arrive at our SoTP-based TP of INR1,350 and reiterate our BUY rating on the stock.**

ICICI Prudential Life Insurance

BSE SENSEX	S&P CNX
71,501	21,572

Conference Call Details

Date: 18th Jan'24
Time: 8:30am IST
Dial-in details:
+91-22-7115 8305

Financials & Valuations (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Net Premium	407.6	465.4	528.9
Sh. Holder's PAT	25.5	29.9	34.0
NBP gr - unwtd (%)	10.7	13.7	16.4
APE growth (%)	0.0	15.0	15.0
Premium gr (%)	1.8	17.6	15.0
VNB margin (%)	4.6	14.2	13.7
RoEV (%)	29.7	30.3	31.1
Total AUMs (INRt)	17.1	17.1	17.2
VNB	3.0	3.4	3.9
EV per Share	26.1	31.3	36.9
Valuations	290	340	398
P/EV (x)			
P/EVOP (x)	1.8	1.5	1.3

CMP: INR515

VNB misses estimates, declines 29% YoY | Margin moderates 510bp QoQ to 22.9%

- Gross premium grew 4% YoY in 3QFY24 to INR103b (in line), with renewal /first-year premium up 6%/11% YoY and single premium flat YoY. PAT grew 3% YoY to INR2.3b in 3QFY24. For 9MFY24, PAT rose 18% to INR6.8b.
- APE grew 5% YoY to INR19.1b (9.5% above estimates) as ULIP business saw a growth of 9% YoY in 3QFY24. Compared to 9MFY23, ULIP/protection grew 6%/4% YoY, but non-Par declined 3.5% YoY.
- VNB declined 29% YoY to INR4.4b in 3QFY24 (15% miss), as margins moderated. VNB margins stood at 22.9% (down 510bp QoQ) vs. our estimate of 29.5%. For 9MFY24, APE stood at INR54.3b, VNB came in at INR14.51b, and VNB margin stood at 26.7% (32% for 9MFY23).
- On the distribution side, the share of banca/corp. agents/group channels declined sequentially to 26.8%/11%/16.4% in 3QFY24.
- On premium basis, 61st month persistency improved 120bp QoQ to 63.1%, whereas 49th month persistency declined 220bp QoQ to 65.7%.
- AUM grew 13.8% YoY to INR2.87t, while solvency ratio moderated to 196.5%.

Valuation and view

- IPRU's VNB margin is lower than estimated due to an adverse product mix. The growth in the non-ICICI Bank channel and agency channel is likely to pick up as the base effect kicks in. The increase in agent recruitment and the strong pace of new partnership additions is likely to aid premium growth. Further, the strategy of approaching customers with a wider product bouquet through all channels will also boost premium growth. Persistency has also improved in most cohorts. We will review our estimates and the TP after the earning call scheduled for 18th Jan'24.

Quarterly performance

Policyholder A/c (INRb)	FY22		FY23				FY24			Change (%)	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Net premium	**90.7**	**113.6**	**68.8**	**95.8**	**94.6**	**126.3**	**70.2**	**100.2**	**99.3**	**5**	**-1**
First year premium	15.5	19.8	10.4	14.4	13.8	26.3	10.2	15.3	15.3	11	0
Renewal premium	54.4	68.0	38.9	56.4	57.5	72.3	41.6	58.9	60.8	6	3
Single premium	23.5	29.3	23.3	28.1	26.5	31.3	21.9	30.1	26.7	1	-11
Investment income	7.4	14.8	-86.7	128.2	77.2	-19.1	160.3	69.4	163.2	111	135
Total income	**98.7**	**138.5**	**-14.6**	**229.0**	**175.4**	**115.0**	**235.4**	**175.3**	**266.5**	**52**	**52**
Total commission & opex	**12.6**	**18.6**	**12.2**	**14.7**	**14.4**	**23.2**	**14.9**	**19.2**	**18.8**	**31**	**-2**
Benefits paid	**76.6**	**80.0**	**55.1**	**80.2**	**87.1**	**87.6**	**79.5**	**94.6**	**100.8**	**16**	**7**
Total expenses	**94.1**	**126.1**	**-19.0**	**223.4**	**169.6**	**105.9**	**233.3**	**172.0**	**262.3**	**55**	**53**
PBT	**4.6**	**12.4**	**4.4**	**5.7**	**5.8**	**9.1**	**2.1**	**3.3**	**4.2**	**-28**	**26**
Surplus/(Deficit)	**4.1**	**11.4**	**3.9**	**5.2**	**5.2**	**8.6**	**2.0**	**3.0**	**3.8**	**-27**	**27**
Shareholder A/c											
Trf from policyholder a/c	**3.6**	**10.7**	**3.0**	**4.9**	**4.1**	**8.2**	**3.8**	**3.6**	**4.1**	**0**	**12**
Investment Income	1.2	1.7	1.7	2.0	2.4	2.6	3.3	4.3	1.8	-23	-57
Total income	**4.8**	**12.3**	**4.7**	**6.9**	**6.5**	**10.8**	**7.1**	**7.9**	**6.1**	**-7**	**-23**
PAT	**3.1**	**1.8**	**1.6**	**2.0**	**2.2**	**2.3**	**2.1**	**2.4**	**2.3**	**3**	**-7**
APE data											
Savings APE	**16.2**	**21.5**	**11.9**	**16.2**	**14.8**	**28.5**	**11.2**	**16.7**	**15.5**	**5**	**-7**
ULIP	**10.2**	**11.7**	**6.2**	**8.2**	**7.8**	**8.9**	**5.7**	**9.3**	**8.5**	**9**	**-9**
Other Savings	**6.0**	**9.8**	**5.8**	**8.0**	**7.0**	**19.6**	**5.5**	**7.5**	**7.0**	**0**	**-6**
- Non-Participating	*5.6*	*9.1*	*5.2*	*7.1*	*6.3*	*18.7*	*5.0*	*6.6*	*6.4*	*2*	*-2*
- Group	*0.4*	*0.7*	*0.6*	*0.9*	*0.7*	*0.9*	*0.6*	*0.9*	*0.6*	*-15*	*-32*
Protection	**3.1**	**4.6**	**3.3**	**3.8**	**3.4**	**4.5**	**3.4**	**3.9**	**3.6**	**5**	**-8**
Total APE	**19.3**	**26.1**	**15.2**	**20.0**	**18.2**	**33.0**	**14.6**	**20.6**	**19.1**	**5**	**-8**
APE (% of total)										**Change (bp)**	
Savings APE (%)	**84.1**	**82.5**	**78.4**	**80.9**	**81.3**	**86.2**	**76.5**	**81.1**	**81.3**	**-1**	**25**
ULIP	**53.0**	**45.0**	**40.5**	**41.0**	**42.7**	**26.9**	**38.7**	**45.0**	**44.4**	**171**	**-54**
Other Savings	**31.1**	**37.5**	**37.8**	**39.9**	**38.6**	**59.3**	**37.6**	**36.2**	**36.9**	**-172**	**74**
- Non-Participating	*28.9*	*35.0*	*34.1*	*35.6*	*34.7*	*56.5*	*33.9*	*31.9*	*33.8*	-97	186
- Group	*2.1*	*2.5*	*3.7*	*4.4*	*3.9*	*2.8*	*3.8*	*4.3*	*3.1*	-75	-112
Protection	**15.9**	**17.5**	**21.7**	**19.0**	**18.7**	**13.8**	**23.5**	**18.9**	**18.8**	**11**	**-14**
Distribution mix (%)											
Banca	39.5	38.0	34.7	29.8	27.5	27.6	28.9	28.1	26.8	-68	-122
Agency	25.8	22.0	22.4	26.0	28.4	27.4	24.4	26.3	30.3	190	403
Direct	13.2	12.5	10.8	12.5	14.4	11.8	14.5	14.4	15.5	107	104
Corporate Agents	8.5	10.7	11.1	11.8	11.7	19.9	12.4	14.3	11.0	-69	-327
Group	13.0	16.8	20.9	19.9	18.0	13.4	19.8	17.0	16.4	-161	-59
Key Ratios (%)											
Operating ratios											
Commission (unwtd)	5.8	6.1	5.9	5.6	5.3	7.4	7.1	10.0	12.7	742	273
Opex (unwtd)	11.6	14.3	17.9	14.3	14.1	15.4	20.6	14.9	11.1	-297	-377
Total Cost (unwtd)	17.4	20.4	23.8	19.9	19.4	22.8	27.7	24.9	23.9	445	-104
Solvency Ratio	202.2	204.5	203.6	200.7	212.2	208.9	203.4	199.4	196.5	-1,570	-290
Profitability ratios											
VNB margins	26.7	29.7	31.0	31.1	33.9	32.0	30.0	28.0	22.9	-1,106	-512
Persistency ratios											
13th Month	84.8	85.7	82.7	85.9	82.3	81.7	84.4	85.6	85.5	320	-10
25th Month	75.7	77.2	73.9	77.2	74.0	75.5	77.7	78.6	77.6	360	-100
37th Month	66.6	67.1	70.1	68.7	69.5	69.4	71.2	68.9	69.0	-50	10
49th Month	63.0	63.7	62.0	65.4	61.6	63.1	65.8	67.9	65.7	410	-220
61st Month	52.7	54.4	61.5	61.2	63.9	62.9	63.0	61.9	63.1	-80	120
Key Metrics (INRb)											
VNB	5.2	7.8	4.7	6.2	6.2	10.6	4.4	5.8	4.4	-29	-24
EV	NA	316	NA	326	NA	356	NA	385	NA	NA	NA
AUM	2376	2405	2301	2443	2519	2512	2664	2719	2867	14	5

Note: (a) Persistency ratios are excluding single premium and on cumulative basis for 1H, 9M and 12M

Source: MOFSL, Company

IIFL Finance

Conference Call Details

Date: 18th Jan 2024
Time: 12:30 HRS IST
Dial-in details:
+91 22 7195 0000
Link

Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
NII	55.4	70.6	86.8
PPP	38.5	49.0	60.0
PAT (Post-NCI)	19.9	25.0	31.2
EPS (INR)	52.1	65.6	81.9
EPS Gr. (%)	32	26	25
BV/Sh. (INR)	280	341	418
Ratios			
NIM (%)	7.5	7.6	7.5
C/I ratio (%)	42.3	41.0	40.2
Credit cost (%)	2.1	2.3	2.2
RoAA (%)	3.8	4.0	4.1
RoE (%)	20.2	21.1	21.6
Valuation			
P/E (x)	12.5	9.9	7.9
P/BV (x)	2.3	1.9	1.6

CMP: INR651 **Buy**

Healthy profitability aided by NIM expansion

AUM rises 34% YoY; PAT up 30% YoY despite lower non-interest income

- IIFL's NII grew 45% YoY to ~INR15.7b. Non-interest income stood at INR1.1b (down ~40% QoQ/~55% YoY) due to lower assignment and fee income.
- Opex grew 28% YoY to INR7.3b, with the cost-income ratio at 43%. PPoP stood at INR9.6b and it grew ~25% YoY.
- IIFL's 3QFY24 PAT (post-NCI) grew 30% YoY/3% QoQ to ~INR4.9b, while its 9MFY24 PAT grew ~28% YoY to INR13.8b. RoA/RoE stood at 3.8%/19.7%.
- IIFL (Standalone) CRAR stood at ~20% (Tier 1: ~12.5%) and the company has declared an interim dividend of INR4/share.

Business momentum continues to remain strong

- Consol. AUM jumped 34% YoY and ~6% QoQ to INR774b. On-book loans grew ~30% YoY. Off-book formed ~39% of the AUM mix including co-lending, which contributed ~15% of the AUM mix.
- Sequential AUM growth was driven by Home Loans (+6%), Gold Loans (+4%), Microfinance (+7%), LAP (+9%) and Digital Loans (+10%). Wholesale CRE book also grew 2% QoQ.
- Total disbursements (core products) rose ~27% YoY/5% QoQ. However, MFI disbursements grew only ~8% YoY.

Expansion in spreads aided by healthy improvement in gold loan yields

- Consolidated yields rose ~20bp QoQ to 17.2% (aided by ~50bp QoQ rise in gold loan yields). Consol. borrowing costs rose ~5bp QoQ. This resulted in average interest spreads of 8.2% (1HFY24: 8.1%).

Asset quality continues to strengthen; NNPA now below 1%

- GS3 declined ~10bp QoQ to 1.7% while NS3 declined ~15bp QoQ to 0.9%.
- Annualized credit costs declined to ~2.1% (PQ and PY: 2.4%). The company has also taken a charge of ~INR1.6b on the capital of the HFC subsidiary (as an impact of the RBI AIF circular).
- The full impact of the RBI RWA circular and the RBI AIF circular has been accounted for in 3QFY24. The company had earlier shared that these are performing exposures in the AIF and it expects a full recovery as and when the recoveries accrue in the AIF.

Valuation & View

- IIFL has morphed into a franchise, which enjoys distribution strength, strong presence in co-lending, and superior digital loan origination and underwriting capabilities, and can effectively leverage fin-tech partnerships to deliver ~25% AUM CAGR over FY23-FY26E. We believe the company can sustainably deliver an RoE of 20%+ in the medium term.
- The stock trades at 1.9x FY25E P/BV and ~10x P/E. IIFL can see further re-rating as investors get more confidence in its core retail business. We might revise our estimates after the earnings call on 18th Jan'24.

IIFL Finance: Quarterly Performance (INR m)

Y/E March	FY23				FY24			FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
Interest Income	16,567	17,613	18,980	20,454	21,989	23,576	25,630	73,693	94,170
Interest Expenses	7,760	7,758	8,095	8,606	8,878	9,321	9,885	32,218	38,788
Net Interest Income	**8,807**	**9,855**	**10,885**	**11,849**	**13,111**	**14,255**	**15,745**	**41,474**	**55,382**
YoY Growth (%)	*19.9*	*27.7*	*39.3*	*38.5*	*48.9*	*44.7*	*44.7*	*31.9*	*33.5*
Other Income	3,186	2,901	2,464	2,306	1,306	1,878	1,120	10,778	11,351
Total Income	**11,992**	**12,756**	**13,349**	**14,155**	**14,417**	**16,134**	**16,865**	**52,253**	**66,733**
YoY Growth (%)	*44.3*	*31.6*	*24.7*	*22.0*	*20.2*	*26.5*	*26.3*	*29.6*	*27.7*
Operating Expenses	5,166	5,502	5,667	6,132	6,332	6,772	7,272	22,466	28,196
Operating Profit	**6,827**	**7,255**	**7,682**	**8,023**	**8,085**	**9,361**	**9,593**	**29,787**	**38,537**
YoY Growth (%)	*32.4*	*24.7*	*18.1*	*16.0*	*18.4*	*29.0*	*24.9*	*22.0*	*29.4*
Provisions & Loan Losses	2,487	1,960	2,132	2,083	1,901	2,526	2,430	8,661	9,661
Profit before Tax	**4,340**	**5,294**	**5,550**	**5,941**	**6,184**	**6,835**	**7,163**	**21,125**	**28,876**
Tax Provisions	1,042	1,324	1,319	1,365	1,455	1,580	1,711	5,050	6,862
PAT (Pre NCI)	**3,298**	**3,971**	**4,231**	**4,576**	**4,729**	**5,255**	**5,452**	**16,076**	**22,015**
NCI	0	175	449	448	475	513	548	1,072	2,140
PAT (Post NCI)	**3,298**	**3,796**	**3,782**	**4,128**	**4,254**	**4,743**	**4,904**	**15,003**	**19,875**
YoY Growth (%)	*24*	*30*	*22*	*29*	*29*	*25*	*30*	*26*	*32*
Key Parameters (%)									
Yield on AUM	12.7	13.0	13.4	13.3	13.2	13.4	13.6		
Cost of funds	8.8	8.9	9.2	9.1	9.1	9.5	9.5		
Spread	3.9	4.1	4.3	4.2	4.1	3.9	4.1		
NIM (on AUM)	6.8	7.3	7.7	7.7	7.9	8.1	8.4		
Credit cost	2.9	2.3	2.4	2.2	1.9	2.4	2.1		
Cost to Income Ratio (%)	43.1	43.1	42.5	43.3	43.9	42.0	43.1		
Tax Rate (%)	24.0	25.0	23.8	23.0	23.5	23.1	23.9		
Balance Sheet Parameters									
Consol. AUM (INR B)	**528**	**553**	**579**	**646**	**682**	**731**	**774**		
Change YoY (%)	22	25	24	26	29	32	34		
Disbursements - Core (INR B)	**116**	**120**	**131**	**193**	**150**	**159**	**166**		
Change YoY (%)	118	45	23	37	30	32	27		
Borrowings (INR B)	**348**	**348**	**360**	**396**	**385**	**404**	**430**		
Change YoY (%)	25	19	7	11	11	16	19		
Borrowings/AUM (%)	65.9	62.9	62.1	61.3	56.4	**55.3**	55.5		
Debt/Equity (x)		4.3	4.1	4.4	4.1	4.1	4.1		
Asset Quality (%)									
GS 3 (INR M)	**8,850**	**8,500**	**7,540**	**7,380**	**7,639**	**7,931**	**8,026**		
G3 %	2.6	2.4	2.1	1.8	1.8	1.8	1.7		
NS 3 (INR M)	**5,098**	**4,284**	**3,853**	**3,771**	**4,400**	**4,402**	**4,045**		
NS3 %	1.5	1.2	1.1	0.9	1.1	1.0	0.9		
PCR (%)	**42.4**	**49.6**	**48.9**	**48.9**	**42.4**	**44.5**	**49.6**		
ECL (%)	3.6	3.6	3.4	3.2	2.9	2.9	2.6		
Return Ratios - YTD (%)									
ROA (Rep)	2.9	3.5	3.4	3.3	3.6	3.9	3.8		
ROE (Rep)	20.5	19.6	17.9	19.9	19.1	20.1	19.7		

E: MOFSL Estimates

LTTS: Q4 will be a good qtr, maintain FY24 guidance; Amit Chadha, MD & CEO

- Confident about guidance given deal wins, feel fairly comfortable
- Q4 is likely to see a positive headcount net addition
- Continue to hold the aspiration of $1.5b revenue by FY26
- CY24 will be better than CY23

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ICICI Lombard: Should continue to exhibit 100 bps growth vs the industry average in FY24; Gopal Balachandran, CFO

- Should continue to exhibit 100 bps growth vs the industry average in FY24
- Expect growth to be 15-16% for FY25 as well, stick to the guidance of 102% on combined ratio by FY25
- Will look for profitable growth in motor segment
- Will try and get to a combined ratio of 102% by FY25

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We are in a phase of acquiring new customers at a much higher rate
Hold on operating margin guidance of 40-45% in long term
Impact of pricing change is Rs. 10-11 cr per quarter
Target 35% market share across categories

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MAPMYINDIA: Strong execution of orderbook led to outperformance in Q3l; Rohan Verma, CEO & MD

- Targeting Rs. 1,000 cr revenue by FY28
- Next 4-5 years there is growth expectation of 35-40% CAGR
- Last 6-9 months B2C app has done well against Google
- Strong execution of orderbook led to outperformance in Q3

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SELL	< - 10%
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