

June 05, 2024

**INITIATING & RESULT REPORT Q4 FY24** | Sector: Building Materials

# APL Apollo Tubes Ltd

## An ideal proxy to strong construction demand

We initiate coverage on APL Apollo Tubes Ltd (APL) with a BUY rating on the following conviction (i) company's substantial ~55% market share in the buoyant structural steel tubes industry (HRC Coil based), (ii) growth boost from new capacities, (iii) higher share of value-added products, (iv) remarkable product innovation & growing industry applications (v) healthy FCF generation & superior return ratios.

**Indian structural steel tubes (SST) industry set to clock 12% CAGR:** Given robust real-estate development in both residential & commercial space, and massive works in infrastructure across India, the SST industry is expected to grow by 12% CAGR over 2023-2030E. Housing/Commercial buildings/Infra constitute 63%/19%/13% of overall SST application. Incrementally, with newer applications in commercial spaces likes hospitals & schools, railways, airports, and industrial uses, SST usage is likely to expand materially. Consequently, SST as % of total steel production is expected to increase from 6% to 8% over 2023-2030E.

**APL commands ~55% market share in SST (HRC based):** The company has maintained its dominant position in SST industry over the years. APL's market share (HRC based structural steel tubes) has expanded from 18% in FY19 to 55% in FY24 on account of constant product innovation and being the market creator for new products & new applications. The number-2 manufacturer has a market share of ~10-12%, reflecting APL's dominance in SST industry. Going forward, strong tailwinds for SST industry are likely to make APL the biggest sector beneficiary.

**New capacities to fast-track growth:** APL tubes have added 1.2Mn Te capacity from FY21 to FY24 to reach a total capacity of 3.8Mn Te, and the same is expected to stand at 5Mn Te by FY25E. Owing to strong growth across housing & infra segment, we reckon volumes to grow by stellar 20% CAGR over FY24-FY26E. Incrementally, with ramp-up of Raipur (1Mn Te capacity operated at 55% utilization) & Dubai plant, we expect the growth trajectory to accelerate. Though H1FY25E is likely to be sluggish, we expect demand to revive sharply from H2FY25E following resumption of infra spends & higher construction activities. Moreover, with higher steel prices & better product mix, we reckon ASP to increase by 3% CAGR over FY24-FY26E which should ensure a robust revenue growth of 23% over the same span. Company's aim is to grow volumes by 25% CAGR over next 2-3 years.

**HRC price rise and better product mix to boost EBITDA/Te:** Steel prices are recovering on the back of strong Indian demand projected from the construction and infrastructure sector. Additionally, raw materials prices are expected to remain elevated as both the iron ore and coking coal are in short supply, which should lead to higher HRC prices. Moreover, share of Value-added products has grown from 42% in FY19 to 58% in FY24 and APL is focused on expanding this share in the future as well, which is showcased in their capex plan (a mere 10% of incremental capacity is earmarked for General products & rest for Value-added products). Consequently, we expect EBITDA/Te to improve from Rs4,554 in FY24 to Rs5,204 in FY26E. Overall EBITDA is expected to grow by 28% CAGR over FY24-FY26E. Management is confident of achieving an EBITDA/Te of Rs5,500 in coming 2 years.

**Healthy FCF generation & superior return ratios imminent:** Owing to cash & carry model adopted by APL and given the company's bargaining power in supplier negotiation, minimal capital is blocked in working capital. Hence, despite the Rs6Bn capex lined up for next 2 years, we reckon strong FCF generation of Rs18Bn over FY24-FY26E. Further, ROE/ROCE is likely to expand from 22.2%/26.1% in FY24 to 26.4%/31.6% by FY26E, respectively.

**Premium multiples to sustain going forward:** We expect Revenue/EBITDA/PAT growth of 23%/28%/34%, respectively over FY24-FY26E. Historically APL tubes has traded at a premium multiple of P/E(x) of 40x (avg 1-year forward multiple), since FY21. At CMP, the stock trades at P/E(x) of 44x/31x on FY25E/FY26E EPS of Rs33.2/Rs47.4, respectively. We initiate coverage on APL Apollo Tubes Ltd with a BUY rating, having valued the company at P/E(x) of 40x on FY26E EPS, for a target price of Rs 1,895, which marks an upside of 29% from CMP.

|                  |            |
|------------------|------------|
| Recommendation   | : BUY      |
| CMP              | : Rs 1,473 |
| Target Price     | : Rs 1,895 |
| Potential Return | : +28.7%   |

### Stock data (as on Jun 05, 2024)

|                         |                 |
|-------------------------|-----------------|
| Nifty                   | 22,620          |
| 52 Week h/l (Rs)        | 1,800 / 1,141   |
| Market cap (Rs/USD mn)  | 398,109 / 4,773 |
| Outstanding Shares (mn) | 278             |
| 6m Avg t/o (Rs mn):     | 1,404           |
| Div yield (%):          | 0.3             |
| Bloomberg code:         | APAT IN         |
| NSE code:               | APLAPOLLO       |

### Stock performance



### Shareholding pattern (As of Mar'24 end)

|          |       |
|----------|-------|
| Promoter | 29.4% |
| FII+DII  | 44.8% |
| Others   | 25.8% |

### Financial Summary

| (Rs Mn)    | FY24    | FY25E   | FY26E   |
|------------|---------|---------|---------|
| Revenues   | 181,188 | 214,388 | 275,511 |
| YoY growth | 12.1%   | 18.3%   | 28.5%   |
| EBITDA     | 11,922  | 14,613  | 19,584  |
| YoY growth | 6.6%    | 6.8%    | 7.1%    |
| PAT        | 7,324   | 9,216   | 13,151  |
| YoY growth | 14.1%   | 25.8%   | 42.7%   |
| ROE        | 22.2%   | 23.1%   | 26.4%   |
| EPS        | 26.4    | 33.2    | 47.4    |
| P/E        | 60.2    | 44.4    | 31.1    |
| BV/Share   | 129.9   | 158.1   | 200.5   |
| P/BV       | 12.2    | 9.3     | 7.3     |

**UDIT GAJIWALA**

Lead Analyst

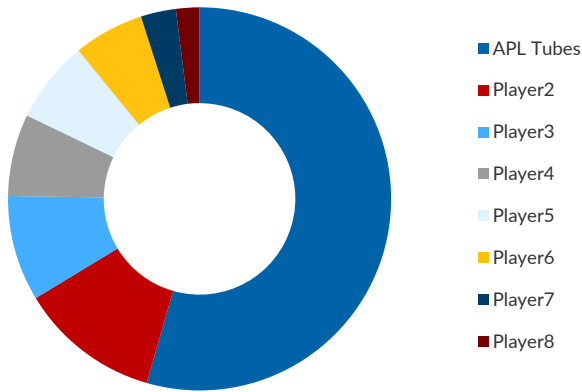
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**SHALIN DAMANI**, Associate

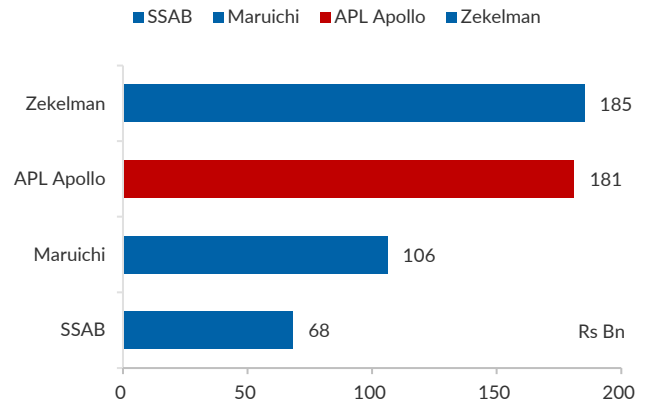
## STORY IN CHARTS

**Exhibit 1: Dominant share of 55% in SST...**



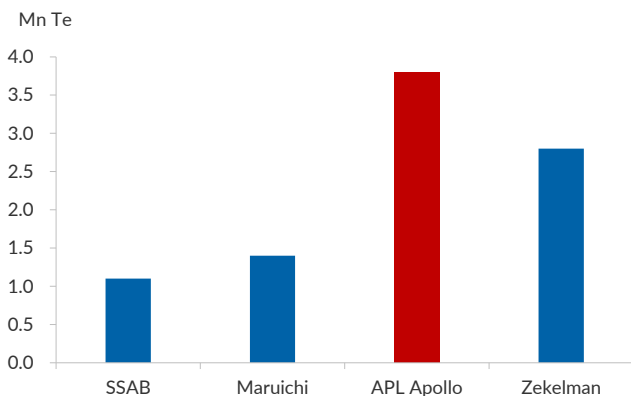
Source: Company, YES Sec

**Exhibit 2: Revenue comparison Vs global peers...**



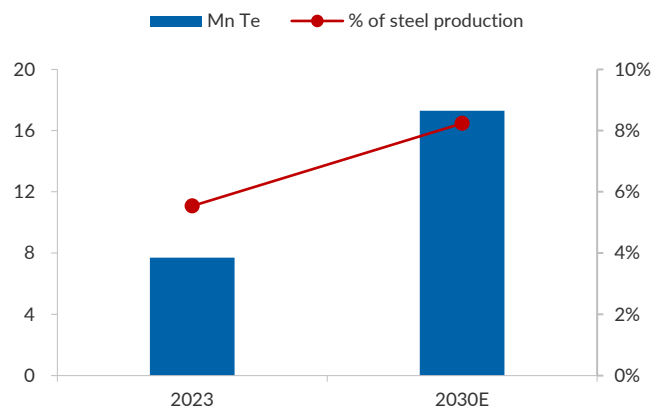
Source: Company, YES Sec

**Exhibit 3: Largest capacity globally...**



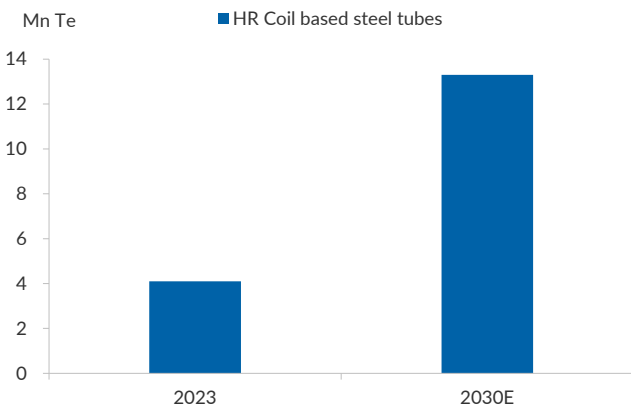
Source: Company, YES Sec

**Exhibit 4: SST % of steel production to expand to 8%...**



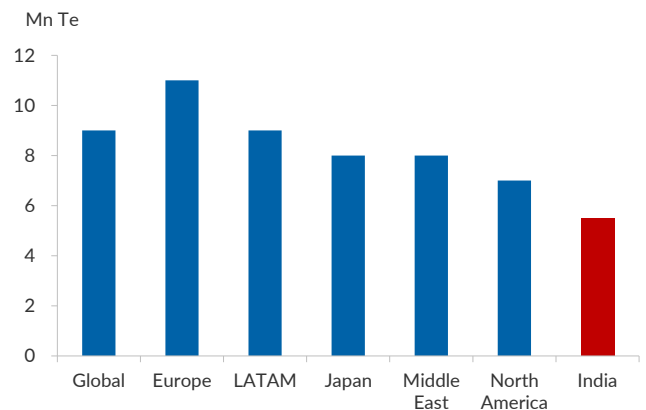
Source: Company, YES Sec

**Exhibit 5: Expect 18% CAGR growth...**



Source: Company, YES Sec

**Exhibit 6: India has lowest SST usage Vs global average...**



Source: Company, YES Sec

## Exhibit 7: Market creator

| Conventional Construction Products | Applications                              | Why Structural Steel Tube replaces these products?    | How to replace the conventional products??  |
|------------------------------------|---|---|---|
| Steel Angle/Channels               | Structural support, Towers infrastructure | Uniform Strength, Lower steel consumption             | Low Diameter Steel Tubes/Low Load Bearing   |
| Wood                               | Furniture, Door Frames, Planks            | Cost Effective, Termite Proof, Environmental Friendly |   |
| Aluminum Profiles                  | Facades & Glazing                         | Cost Effective, Higher Strength                       |   |
| Reinforced Cement Concrete         | Construction of Buildings                 | Faster Construction Environmental Friendly            | High Diameter Steel Tubes/High Load Bearing |
| Fabricated Metal Sheet             | Pre-Engineered Steel Buildings            | Lower steel consumption Reduces overall project cost  |   |

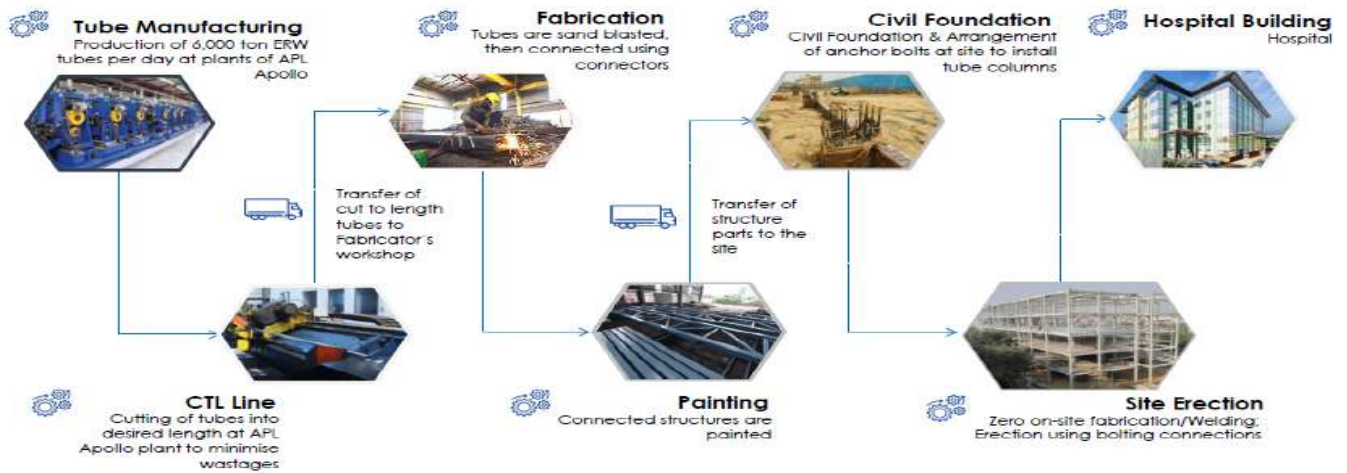
Source: YES Sec

## Exhibit 8: Company's product basket & their applications

| Product Category  | Application     | Product – visual overview   | Key USPs  | Applications  | Applications – visual overview  |
|-------------------|-----------------|---|---|---|---|
| Apollo Structural | Super Heavy     |  | First company to introduce DFT technology in India  | High-rise, Warehousing, Infrastructure  |  |
|                   | Light           |  | <ul style="list-style-type: none"> <li>Offers columns of 300mm x 300mm, 500mm x 500mm and 1000mm x 1000mm*</li> <li>First company in India to introduce Door frame and Plank</li> <li>Light weight tubes for furniture</li> </ul> | Column, Beams, Heavy structural erections   |   |
|                   | General         |  | <ul style="list-style-type: none"> <li>First company in India to introduce square, rectangular structural steel tubes</li> </ul>  | Door Frame, Staircase Steps, Furniture & fencing<br>Electrical Conduits<br>Sheds & Gates, Handrails & Fencing, Balcony Grills<br>Staircase etc. |   |
| Apollo Z          | Rust-proof      |  | <ul style="list-style-type: none"> <li>First company in India to introduce e-galvanized sections, replacing galvanized tubes</li> <li>Effective in use in coastal markets</li> </ul>  | Roofing Structures, Fabrication Work, Purlins<br>Rafters  |  |
|                   | Coated          |  | High tensile light structural application; bendable; superior rust proof properties   | Warehousing<br>Factory Sheds  |   |
| Apollo Galv       | Agri/Industrial |  | Effective for use in water applications, being highly non-corrosive in nature   | Greenhouse structures<br>Plumbing<br>Firefighting   |  |

Source: YES Sec

## Exhibit 9: Manufacturing process



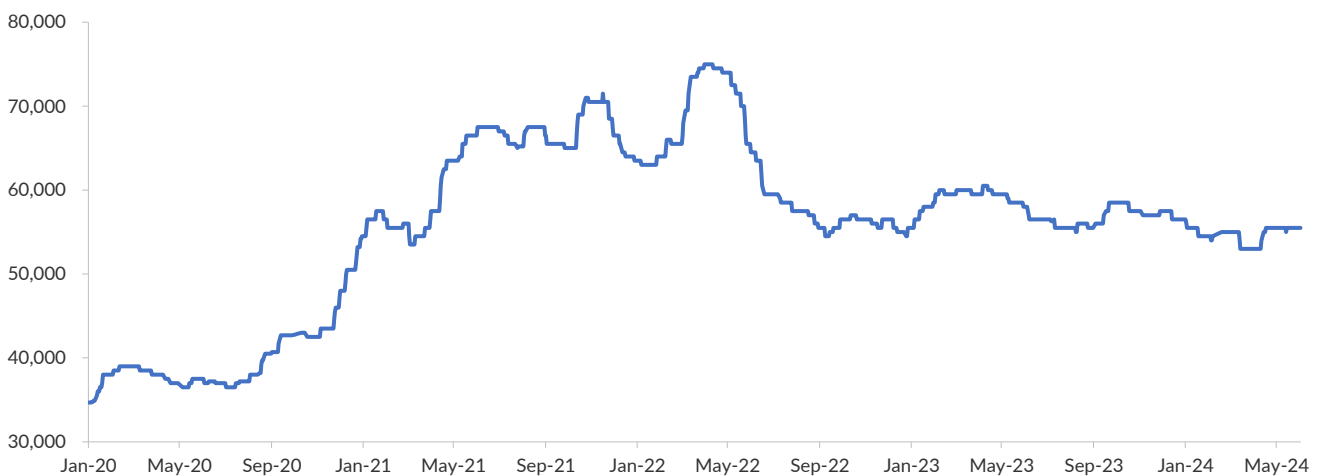
Source: YES Sec

## Exhibit 10: De-commoditizing product portfolio

| Sales (%)                                 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|------|------|------|------|------|------|------|------|
| Apollo Structural (Heavy Sections)        | 5%   | 5%   | 6%   | 6%   | 6%   | 7%   | 7%   | 9%   |
| Apollo Structural (Super Heavy Sections)  |      |      |      |      |      |      |      | 1%   |
| Apollo Structural (Light Section)         | 5%   | 6%   | 8%   | 8%   | 21%  | 19%  | 20%  | 16%  |
| Apollo Structural (General Products)      | 57%  | 58%  | 58%  | 55%  | 43%  | 37%  | 43%  | 42%  |
| Apollo Z (Rust proof structures)          | 20%  | 21%  | 21%  | 25%  | 25%  | 33%  | 24%  | 23%  |
| Apollo Z (Coated Products)                |      |      |      |      |      |      | 2%   | 5%   |
| Apollo Galv (Agri/Industrial GI sections) | 13%  | 10%  | 7%   | 6%   | 4%   | 4%   | 4%   | 5%   |

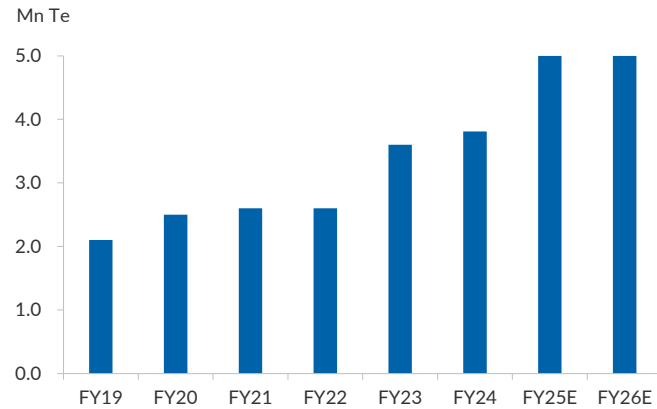
Source: YES Sec

## Exhibit 11: HRC price trend



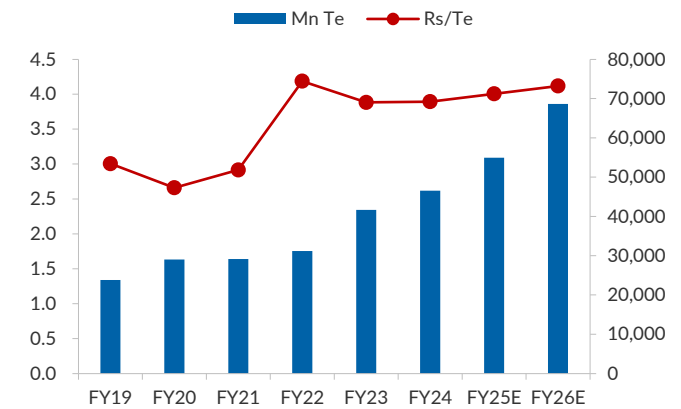
Source: YES Sec

**Exhibit 12: Capacities to grow to 5Mn Te...**



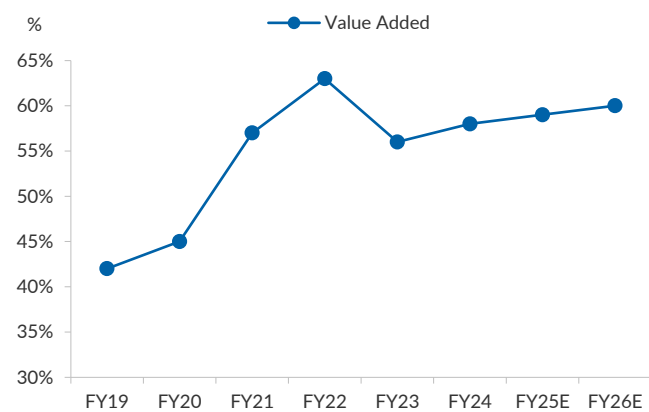
Source: Company, YES Sec

**Exhibit 13: Volumes to increase by 20%CAGR...**



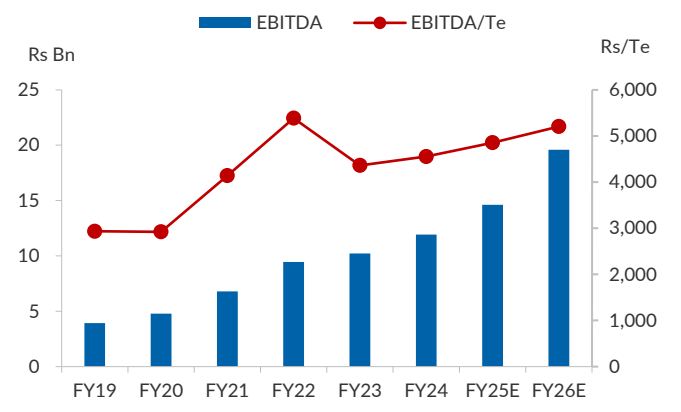
Source: Company, YES Sec

**Exhibit 14: Share of VAP to further improve...**



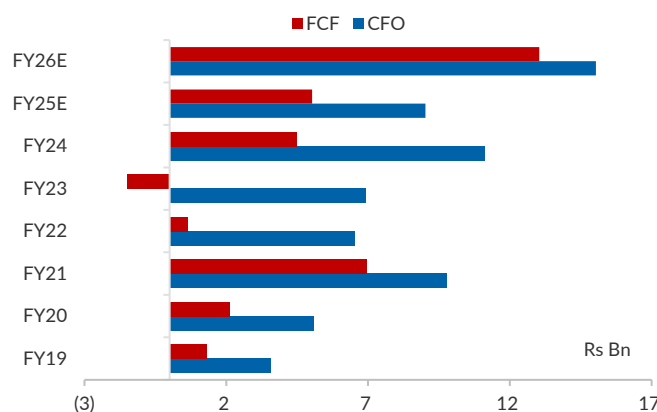
Source: Company, YES Sec

**Exhibit 15: EBITDA/Te to expand to Rs5,204...**



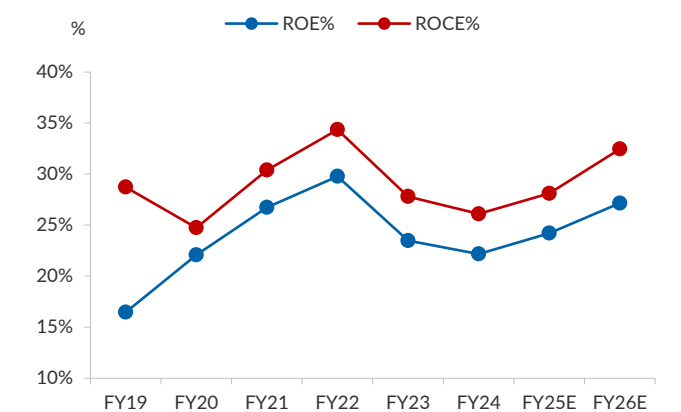
Source: Company, YES Sec

**Exhibit 16: Healthy FCF generation...**



Source: Company, YES Sec

**Exhibit 17: Return ratios to improve...**



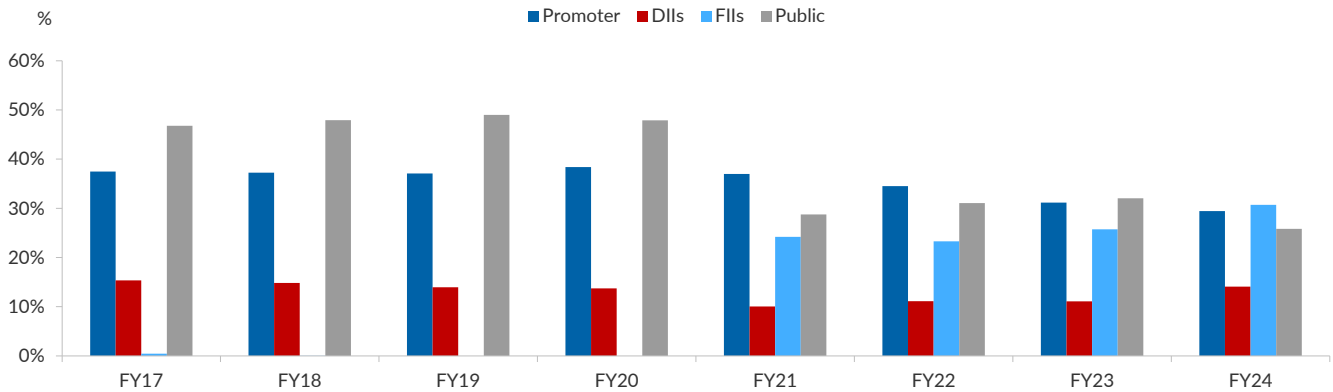
Source: Company, YES Sec

## Exhibit 18: Management Team

| Name                | Designation                  | Brief  |
|---------------------|------------------------------|--|
| Sanjay Gupta        | Chairman & Managing Director | Steel Industry veteran with 3 decades of experience  |
| Vinay Gupta         | Director                     | More than 20 years of industry experience in the manufacturing and trading pipes, tubes, and sheets.                 |
| Rahul Gupta         | Director                     | A promising entrepreneur with an experience of around 5 years in Steel Tubes Manufacturing                           |
| Neeru Abrol         | Independent Director         | A Chartered Accountant, having 4 decades of professional experience in various sectors. Worked for 26 years in SAIL  |
| Ashok Kumar Gupta   | Vice Chairman                | Steel industry veteran with 4 decades of experience  |
| Abhilash Lal        | Independent Director         | 3 decades of professional experience in senior roles across financial services including banking, PE & others        |
| Anil Kumar Bansal   | Independent Director         | Former Director of NABARD, CARE Ratings, & others with 4 decades of experience in banking industry                   |
| Deepak Goyal        | Director -Operations         | 2 decades of professional experience in steel tube industry  |
| Virendra Singh Jain | Independent Director         | Board member of Dalmia Bharat Ltd, Ex - Chairman of SAIL, Ex - Executive Director at IOC                             |
| H.S. Upendra Kamath | Independent Director         | Former CMD of Vijaya Bank. Having 4 decades experience in the Indian Banking Industry                                |
| Asha Anil Agarwal   | Independent Director         | Former Principal Chief Commissioner of Income Tax. Having 4 decades of rich experience in the Indian Revenue Service |

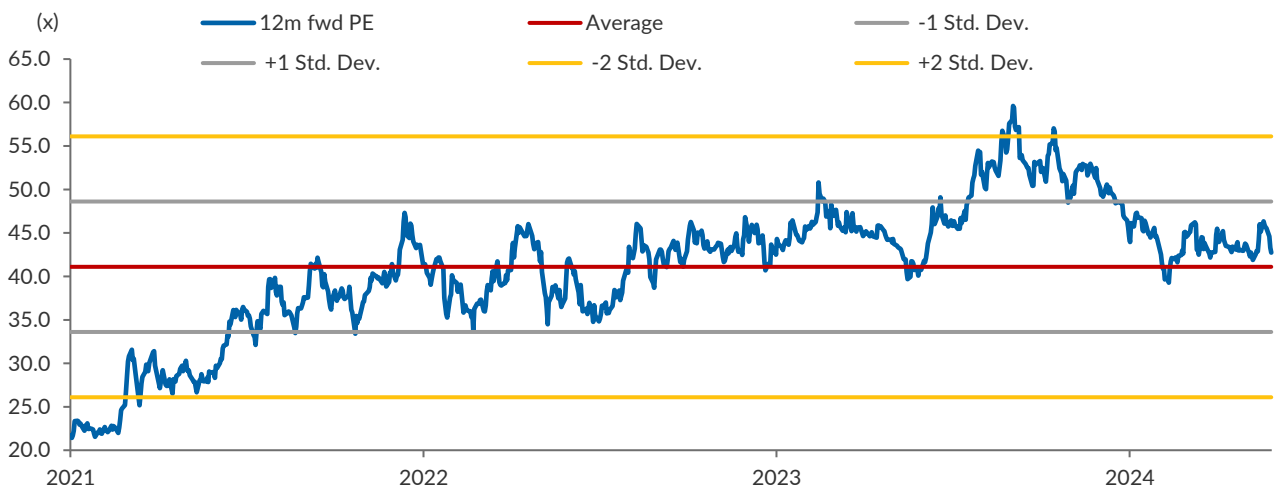
Source: Company, YES Sec

## Exhibit 19: Share Holding pattern



Source: YES Sec

## Exhibit 20: 1-year forward P/E



Source: YES Sec



## RESULT HIGHLIGHTS

Exhibit 21: Quarterly snapshot

| Particulars (Rs Mn) | Q3<br>FY23 | Q4<br>FY23 | Q1<br>FY24 | Q2<br>FY24 | Q3<br>FY24 | Q4<br>FY24 | % yoy      | % qoq      | FY23    | FY24    | % yoy     |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|---------|---------|-----------|
| Sales               | 43,271     | 44,311     | 45,449     | 46,304     | 41,778     | 47,657     | 7.6        | 14.1       | 161,660 | 181,188 | 12.1      |
| EBITDA              | 2,729      | 3,229      | 3,072      | 3,250      | 2,796      | 2,804      | (13.2)     | 0.3        | 10,216  | 11,922  | 16.7      |
| EBITDA %            | 6.3%       | 7.3%       | 6.8%       | 7.0%       | 6.7%       | 5.9%       | -140.4 bps | -80.8 bps  | 6.3%    | 6.6%    | 26.1 bps  |
| Depreciation        | 345        | 468        | 409        | 413        | 471        | 466        | (0.5)      | (1.0)      | 1,383   | 1,759   | 27.2      |
| Other income        | 93         | 180        | 217        | 196        | 150        | 186        | 3.4        | 23.6       | 472     | 749     | 58.7      |
| EBIT                | 2,476      | 2,941      | 2,880      | 3,033      | 2,475      | 2,524      | (14.2)     | 2.0        | 9,304   | 10,911  | 17.3      |
| EBIT%               | 5.7%       | 6.6%       | 6.3%       | 6.5%       | 5.9%       | 5.3%       | -134.1 bps | -62.9 bps  | 5.8%    | 6.0%    | 26.7 bps  |
| Interest            | 186        | 249        | 271        | 266        | 285        | 311        | 25.1       | 9.2        | 671     | 1,134   | 69.0      |
| PBT                 | 2,290      | 2,692      | 2,609      | 2,767      | 2,190      | 2,212      | (17.8)     | 1.0        | 8,633   | 9,777   | 13.3      |
| Tax                 | 598        | 673        | 672        | 738        | 535        | 508        | (24.6)     | (5.0)      | 2,215   | 2,453   | 10.8      |
| Tax Rate (%)        | 26%        | 25%        | 26%        | 27%        | 24%        | 23%        | -206.4 bps | -146.7 bps | 26%     | 25%     | -56.4 bps |
| PAT                 | 1,692      | 2,018      | 1,936      | 2,029      | 1,655      | 1,704      | (15.5)     | 3.0        | 6,419   | 7,324   | 14.1      |
| PAT %               | 3.9%       | 4.6%       | 4.3%       | 4.4%       | 4.0%       | 3.6%       | -97.8 bps  | -38.5 bps  | 4.0%    | 4.0%    | 7.2 bps   |
| EPS (Rs)            | 6.8        | 7.3        | 7.0        | 7.3        | 6.0        | 6.1        | (15.7)     | 2.8        | 23.1    | 26.4    | 14.1      |

Source: Company, YES Sec

Exhibit 22: Operational Highlights

|                  | Q3<br>FY23 | Q4<br>FY23 | Q1<br>FY24 | Q2<br>FY24 | Q3<br>FY24 | Q4<br>FY24 | % yoy  | % qoq  | FY23   | FY24   | % yoy |
|------------------|------------|------------|------------|------------|------------|------------|--------|--------|--------|--------|-------|
| Volume ('000 Te) | 605        | 650        | 662        | 675        | 604        | 679        | 4.4    | 12.3   | 2,342  | 2,618  | 11.8  |
| ASP (Rs/Te)      | 71,522     | 68,171     | 68,654     | 68,599     | 69,168     | 70,234     | 3.0    | 1.5    | 69,026 | 69,209 | 0.3   |
| EBITDA (Rs/Te)   | 4,510      | 4,968      | 4,641      | 4,815      | 4,628      | 4,132      | (16.8) | (10.7) | 43,619 | 45,537 | 4.4   |

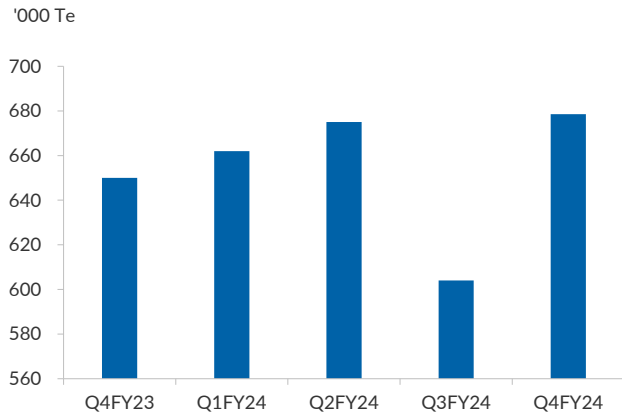
Source: Company, YES Sec

## KEY CON-CALL HIGHLIGHTS

- Management aims to reach 5Mn Te capacity by FY25E wherein EBITDA/Kg should be more than Rs5,500Te.
- For next 2-3years company is confident of growing volumes by 25%CAGR. Q1FY25E is sluggish due to ongoing elections but demand should improve from H2FY25E.
- Raipur plant operated at 55% utilization in FY24 & the same is likely to operate at 70-75% in FY25E.
- EBITDA/Te declined despite higher ASP due to volume-push & higher discounts offered during the quarter.
- Export volumes stood at 110K Te and management expects this volume to grow to 200-250K Te by FY25E of which 150KTe will be contributed by Dubai Plant.
- Gap between primary and secondary steel has narrowed from Rs15,000/Te to Rs6,000-7,000/Te in FY24 and is further expected to contract to Rs3,000-4,000/Te.
- The company continues to find new application for their products; currently APL is in discussion with SOLAR POWER producers to manufacture structure of solar panels vis SST.
- Management aims to generate net cash of Rs10Bn in FY25E.

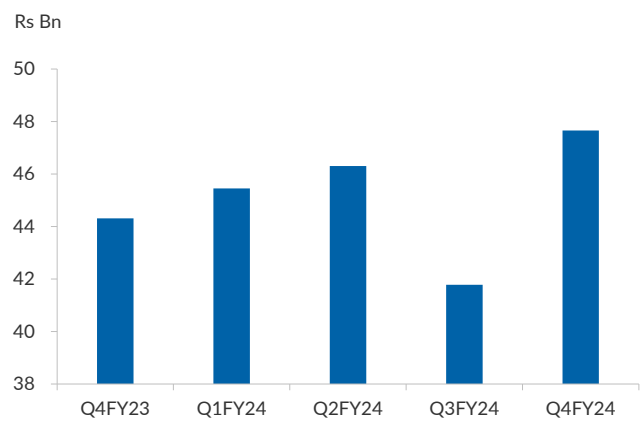
## QUARTERLY TRENDS

**Exhibit 23: 2-year volume growth stood at 11%CAGR...**



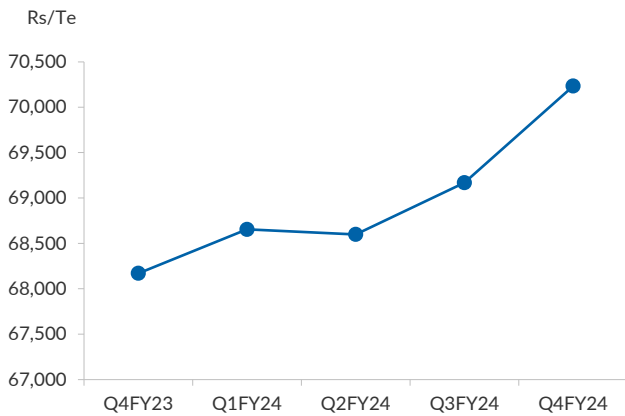
Source: Company, YES Sec

**Exhibit 24: Revenue increased by 8%YoY...**



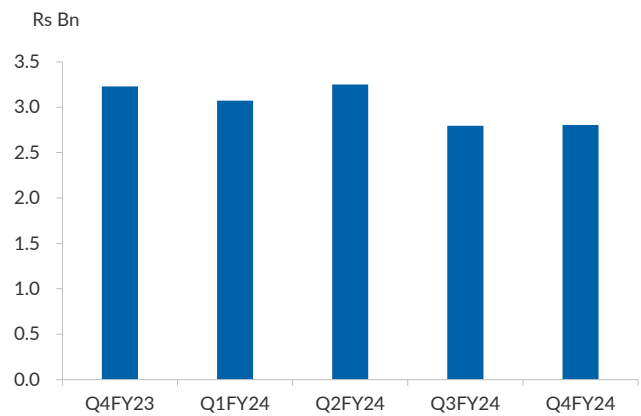
Source: Company, YES Sec

**Exhibit 25: ASP improved to Rs70,234/Te...**



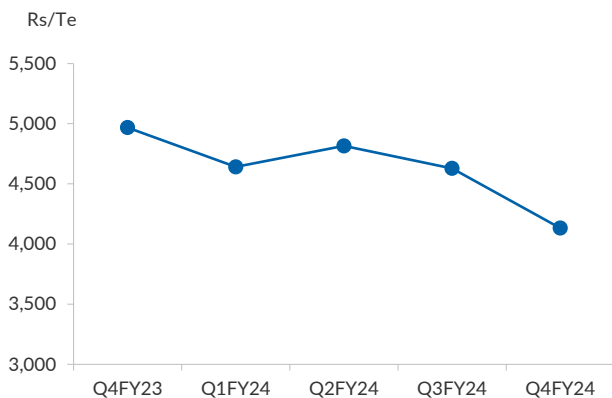
Source: Company, YES Sec

**Exhibit 26: EBITDA stood at Rs2.8Bn...**



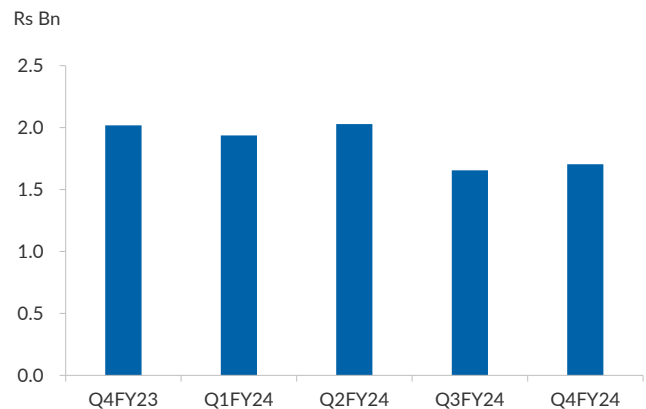
Source: Company, YES Sec

**Exhibit 27: EBITDA/Te declined to Rs4,132...**



Source: Company, YES Sec

**Exhibit 28: Net Profit degrew by 16%YoY...**



Source: Company, YES Sec



## FINANCIALS

### Exhibit 29: Income Statement

| Y/e 31 Mar (Rs Mn)    | FY22    | FY23    | FY24    | FY25E   | FY26E   |
|-----------------------|---------|---------|---------|---------|---------|
| Revenues              | 130,633 | 161,660 | 181,188 | 214,388 | 275,511 |
| Growth (%)            | 53.7%   | 23.8%   | 12.1%   | 18.3%   | 28.5%   |
| EBITDA                | 9,453   | 10,216  | 11,922  | 14,613  | 19,584  |
| EBITDA margin (%)     | 7.2%    | 6.3%    | 6.6%    | 6.8%    | 7.1%    |
| Growth (%)            | 39.3%   | 8.1%    | 16.7%   | 22.6%   | 34.0%   |
| Depreciation          | 1,090   | 1,383   | 1,759   | 1,946   | 2,040   |
| Other income          | 405     | 472     | 749     | 799     | 947     |
| EBIT                  | 8,768   | 9,304   | 10,911  | 13,465  | 18,491  |
| EBIT margin (%)       | 6.7%    | 5.8%    | 6.0%    | 6.3%    | 6.7%    |
| Interest              | 445     | 671     | 1,134   | 1,163   | 936     |
| PBT                   | 8,323   | 8,633   | 9,777   | 12,302  | 17,555  |
| Tax                   | 2,133   | 2,215   | 2,453   | 3,086   | 4,404   |
| Net profit            | 6,190   | 6,419   | 7,324   | 9,216   | 13,151  |
| Net profit margin (%) | 4.7%    | 4.0%    | 4.0%    | 4.3%    | 4.8%    |
| EPS                   | 22.3    | 23.1    | 26.4    | 33.2    | 47.4    |
| Growth (%)            | 51.8%   | 3.7%    | 14.1%   | 25.8%   | 42.7%   |

Source: Company, YES Sec

### Exhibit 30: Operational Highlights

| Per Te Analysis (Rs/Te) | FY22   | FY23   | FY24   | FY25E  | FY26E  |
|-------------------------|--------|--------|--------|--------|--------|
| Volumes (Mn Te)         | 1.8    | 2.3    | 2.6    | 3.0    | 3.8    |
| ASP                     | 74,435 | 69,026 | 69,209 | 71,209 | 73,209 |
| COGS                    | 63,949 | 59,893 | 59,653 | 61,379 | 63,450 |
| GP                      | 10,485 | 9,133  | 9,555  | 9,830  | 9,759  |
| Employee cost           | 872    | 880    | 984    | 958    | 859    |
| Other cost              | 4,227  | 3,891  | 4,018  | 4,018  | 3,696  |
| EBITDA/Te               | 5,386  | 4,362  | 4,554  | 4,854  | 5,204  |

Source: Company, YES Sec

## Exhibit 31: Balance Sheet

| Y/e 31 Mar (Rs Mn)                    | FY22          | FY23          | FY24          | FY25E         | FY26E         |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Equity Share Capital                  | 501           | 555           | 555           | 555           | 555           |
| Reserves                              | 24,140        | 29,501        | 35,491        | 43,319        | 55,082        |
| Book Value                            | 24,640        | 30,056        | 36,046        | 43,874        | 55,637        |
| Borrowings                            | 5,806         | 8,729         | 11,246        | 9,246         | 7,246         |
| Trade Payables                        | 10,595        | 15,970        | 19,816        | 20,251        | 26,168        |
| Others                                | 3,484         | 3,761         | 4,760         | 4,890         | 5,136         |
| <b>Total Equity &amp; Liabilities</b> | <b>44,524</b> | <b>58,516</b> | <b>71,868</b> | <b>78,262</b> | <b>94,188</b> |
| PPE                                   | 16,041        | 23,493        | 30,306        | 32,360        | 32,320        |
| CWIP                                  | 5,037         | 3,740         | 2,030         | 2,030         | 2,030         |
| Inventories                           | 8,472         | 14,799        | 16,379        | 19,381        | 25,044        |
| Investments                           | 913           | 960           | 1,027         | 1,027         | 1,027         |
| Trade Receivables                     | 3,417         | 1,374         | 1,391         | 1,646         | 2,115         |
| Cash & Bank                           | 3,764         | 3,525         | 3,476         | 3,951         | 12,665        |
| Other Financial Assets                | 427           | 3,336         | 9,173         | 9,173         | 9,173         |
| Others                                | 6,453         | 7,290         | 8,086         | 8,694         | 9,814         |
| <b>Total Assets</b>                   | <b>44,524</b> | <b>58,516</b> | <b>71,868</b> | <b>78,262</b> | <b>94,188</b> |

Source: Company, YES Sec

## Exhibit 32: Cash Flow

| Y/e 31 Mar (Rs Mn)             | FY22    | FY23    | FY24    | FY25E   | FY26E   |
|--------------------------------|---------|---------|---------|---------|---------|
| PBT                            | 8,323   | 8,633   | 9,777   | 12,302  | 17,555  |
| Depreciation & Amortization    | 1,090   | 1,383   | 1,759   | 1,946   | 2,040   |
| Finance cost                   | 445     | 671     | 1,134   | 1,163   | 936     |
| (Incr)/Decr in Working Capital | (1,154) | (1,475) | 1,202   | (3,300) | (1,089) |
| Taxes                          | (1,993) | (2,161) | (2,180) | (3,086) | (4,404) |
| Cash from ops.                 | 6,517   | 6,916   | 11,116  | 9,026   | 15,038  |
| (Incr)/ Decr in PP&E           | (5,967) | (8,621) | (6,948) | (4,000) | (2,000) |
| Cash Flow from Investing       | (5,301) | (8,757) | (9,156) | (3,976) | (2,000) |
| (Decr)/Incr in Borrowings      | 603     | 2,902   | 2,586   | (2,000) | (2,000) |
| Finance cost                   | (407)   | (602)   | (941)   | (1,163) | (936)   |
| Dividend                       | 0       | (875)   | (1,387) | (1,388) | (1,388) |
| Cash Flow from Financing       | 260     | 1,446   | 266     | (4,551) | (4,324) |
| Incr/(Decr) in cash            | 1,476   | (395)   | 2,225   | 499     | 8,714   |
| Cash at beginning of year      | 161     | 1,637   | 1,227   | 3,452   | 3,951   |
| Cash at end of year            | 1,637   | 1,242   | 3,452   | 3,951   | 12,665  |

Source: Company, YES Sec

## Exhibit 33: Ratios

| Key Ratios                      | FY22  | FY23  | FY24  | FY25E | FY26E |
|---------------------------------|-------|-------|-------|-------|-------|
| <b>Growth Matrix (%)</b>        |       |       |       |       |       |
| Revenue growth                  | 53.7% | 23.8% | 12.1% | 18.3% | 28.5% |
| EBITDA growth                   | 39.3% | 8.1%  | 16.7% | 22.6% | 34.0% |
| EBIT growth                     | 43.3% | 6.1%  | 17.3% | 23.4% | 37.3% |
| PAT growth                      | 51.8% | 3.7%  | 14.1% | 25.8% | 42.7% |
| <b>Profitability ratios (%)</b> |       |       |       |       |       |
| EBITDA margin                   | 7.2%  | 6.3%  | 6.6%  | 6.8%  | 7.1%  |
| EBIT margin                     | 6.7%  | 5.8%  | 6.0%  | 6.3%  | 6.7%  |
| PAT margin                      | 4.7%  | 4.0%  | 4.0%  | 4.3%  | 4.8%  |
| ROCE                            | 34.3% | 27.8% | 26.1% | 26.9% | 31.6% |
| ROE                             | 29.8% | 23.5% | 22.2% | 23.1% | 26.4% |
| <b>Per share values</b>         |       |       |       |       |       |
| EPS                             | 22.3  | 23.1  | 26.4  | 33.2  | 47.4  |
| CEPS                            | 29.1  | 28.1  | 32.7  | 40.2  | 54.7  |
| BVPS                            | 98.4  | 108.4 | 129.9 | 158.1 | 200.5 |
| <b>Valuation ratios (x)</b>     |       |       |       |       |       |
| P/E                             | 40.4  | 51.8  | 60.2  | 44.4  | 31.1  |
| P/CEPS                          | 30.9  | 42.6  | 48.6  | 36.6  | 26.9  |
| P/BV                            | 9.1   | 11.1  | 12.2  | 9.3   | 7.3   |
| EV/EBITDA                       | 24.4  | 33.2  | 37.6  | 28.3  | 20.6  |
| <b>Leverage ratios (x)</b>      |       |       |       |       |       |
| Debt/ Equity                    | 0.2   | 0.3   | 0.3   | 0.2   | 0.1   |
| Net debt/Equity                 | 0.1   | 0.2   | 0.2   | 0.1   | (0.1) |
| Net debt/EBITDA                 | 0.2   | 0.5   | 0.7   | 0.4   | (0.3) |
| Int coverage                    | 19.7  | 13.9  | 9.6   | 11.6  | 19.8  |
| <b>NWC days</b>                 |       |       |       |       |       |
| Receivables                     | 9.5   | 3.1   | 2.8   | 2.8   | 2.8   |
| Inventory                       | 27.6  | 38.5  | 38.3  | 38.3  | 38.3  |
| Payables                        | 34.5  | 41.6  | 46.3  | 40.0  | 40.0  |

Source: Company, YES Sec

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