

Softer rural demand, all hopes on good winter in Q3

Emami's Q2FY24 print was ahead of our estimates; consolidated revenue/EBITDA/PAT grew 6.3%/19.6%/1.1% YoY. Domestic value/volume grew at 4.0%/2.0%, yet international business saw 16.0% growth (CC). Management alluded slower growth to, (1) softer demand in rural cut Jul/Aug sales, but picked up in Sept'23, (2) Navratna/Dermicool range grew +12%, Healthcare 4%, Boroplus/Kesh king/Male grooming declined 4%/5%/7%, (3) D2C brands TMC and Brillare grew 63% - 5% of sales, and (4) strong growth in MT/e-com channel at 17%/50% (24% sales). Gross margin at 70.0% (+370bp) aided by lower RM/PM. With higher ad-spends (+9.1%), and employee/other expenses (+8.8%/+4.0%), EBIDTA grew 19.6% to Rs2.3bn settling EBIDTA margins at 27.0% (+301bp). Focus on distribution strategy (Project Khoj) expanded village/chemist coverage to 58k/140k helped top lift sales. HMN aspires to deliver +28.0% EBITDA margin in FY24E. Management said with closure of AMRI Hospital deal the pledge on books now settled ~15%. With weaker 1HFY24 we cut earnings and retain BUY with a revised DCF-based TP Rs621 (implying 28.2x avg. FY25E/FY26E EPS).

Unseasonal rains spoiled sales for summer portfolio; non summer portfolio grew ~16%

Emami's Q2FY24 revenue grew at Rs8.6bn (+6.3%) driven by domestic business value/volume growing at 4.0%/2.0%, yet international business grew healthy by 16.0% (CC) despite currency depreciations (Bangladesh/Russia) and disrupted geopolitical conditions in Russia. Management said it saw softer rural demand in Jul/Aug but it picked up in Sept'23. With 24.0% revenue contribution MT/e-com channels grew 17%/50%. Category results: *Navratna* & *Dermicool* range (+12%, Health-care range (+4%), Pain management (+1%), *Boroplus* range (-4%), *Kesh-King* (-5%), and Male grooming (-7%). Management alluded with (1) macro recovery, (2) better winter and (3) strong festive season, it expects good offtake for discretionary portfolio in Q3. Though with normalised base for healthcare/pain management segments, and HMN's focus on medico marketing/ doctor coverage could yield better results. NPD made up ~4% of sales, while D2C brands Helios Lifestyle (The man Co.) and Brillare contributed ~50% to Q2 revenues together grew 63% YoY.

Contraction in input prices saw uptick in margins; HMN expects +27.0% EBITDA margin

In Q2, despite adverse impact of product mix (weak discretionary portfolio), correction in input prices resulted in gross margin at 70.0% (+370bp). Even though ad-spends grew by 9.1%, higher employee/other expenses (+8.8%/+4.0%) saw 19.6% growth in EBIDTA at Rs2.3bn; EBIDTA margins settled at 27.0% (+301bp). Management said investments in core brands and higher NPD contribution would help revenues in medium term. Management aspires to invest in ad-spends ~18.0% of net sales and maintain +27% EBITDA margins in FY24.

Valuation comfort, enhanced sequential performance warrant re-rating

We expect Emami's performance to be driven by: (1) high A & P investments, (2) focus on distribution excellence through Project Khoj, driving direct coverage – now 1mn, and (3) new product interventions (D2C portfolio and healthcare). Management remains confident to deliver +15% growth in international business led by recovery in SAARC markets, however expect gradual recovery in rural markets led by better MSP and govt. impetus on rural programs. Further with closure AMRI hospital divestment the pledge on books now cut to ~15%. HMN announced interim dividend of Rs4/ share. Though improved rural commentary we remain positive on Emami's growth story however raise concern on high seasonality impact on the business. With weak 1HFY24 we cut FY24E/FY25E earnings by 2.7%/3.2% and introduce FY26E and retain Buy with a revised DCF-based TP Rs621 (implying 28.2x avg. FY25E/FY26E EPS). Key risks include prolonged rural slowdown and competition.

Financial and valuation summary

YE Mar (Rs mn)	2QFY24A	2QFY23A	YoY (%)	1QFY24A	QoQ (%)	FY24E	FY25E	FY26E
Revenues	8,649	8,138	6.3	8,257	1.7	37,294	41,559	46,605
EBITDA	2,337	1,954	19.6	1,900	19.3	10,182	12,176	14,192
EBITDA margin (%)	27.0	24.0	301bp	23.0	403bp	27.3	29.3	30.5
Adj. Net profit	2,015	2,006	0.5	1,579	14.7	7,731	9,093	9,738
Adj. EPS (Rs)	4.6	4.5	0.5	3.6	14.7	17.5	20.6	22.1
EPS growth (%)						20.9	17.6	7.1
PE (x)						29.7	25.3	23.6
EV/EBITDA (x)						23.0	19.3	16.3
PBV (x)						8.8	7.8	6.9
RoE (%)						31.5	32.8	30.9
RoCE (%)						31.1	32.3	30.2

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.

Result Update

India I Consumer

06 November, 2023

BUY

Price: Rs521

Target Price: Rs621

Forecast return: 19%

Institutional Research

Market Data

Bloomberg:	HMN IN
52 week H/L:	583/341
Market cap:	Rs228.5bn
Shares Outstanding:	440.4mn
Free float:	44.2%
Avg. daily vol. 3mth:	6,72,143

Source: Bloomberg

Changes in the report

Rating:	Unchanged
Target price:	Rs621 from Rs590
EPS:	FY24E: Rs17.5; down 2.7%
	FY25E: Rs20.6; down 3.2%

Source: Centrum Broking

Shareholding pattern

	Sep-23	Jun-23	Mar-23	Dec-22
Promoter	54.8	54.5	54.3	54.3
FIs	11.9	11.5	11.0	11.1
DIs	25.1	26.2	26.9	27.0
Public/other	8.2	7.8	7.8	7.6

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q2FY24	Actual Q2FY24	Variance (%)
Revenue	8,398	8,649	3.0
EBITDA	2,267	2,337	3.1
EBITDA margin (%)	27.0	27.0	2bps
Other Income	168	111	(34)
Interest	19	23	20.3
Depreciation	460	461	0.2
PBT	1,957	1,964	0.4
Tax	313	158	(49.4)
Rep. PAT	1,644	1,800	9.5
Adj. PAT	1,812	2,015	11.2

Source: Bloomberg, Centrum Broking



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Consumer

Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY24E New	FY24E Old	% chg	FY25E New	FY25E Old	% chg
Revenue	37,294	37,859	(1.5)	41,559	41,874	(0.8)
EBITDA	10,182	10,418	(2.3)	12,176	12,535	(2.9)
EBITDA margin %	27.3	27.5	-22 bps	29.3	29.9	-64 bps
Adj. PAT	7,731	7,941	(2.6)	9,093	9,402	(3.3)
Diluted EPS (Rs)	17.5	18.0	(2.7)	20.6	21.3	(3.2)

Source: Centrum Broking

Emami versus NIFTY Midcap 100

	1m	6m	1 year
HMN IN	(1.5)	37.2	7.4
NIFTY Midcap 100	(0.9)	24.2	26.0

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY24E	FY25E
Volume growth	5.5	7.0
Price/ Mix Growth	4.0	4.6

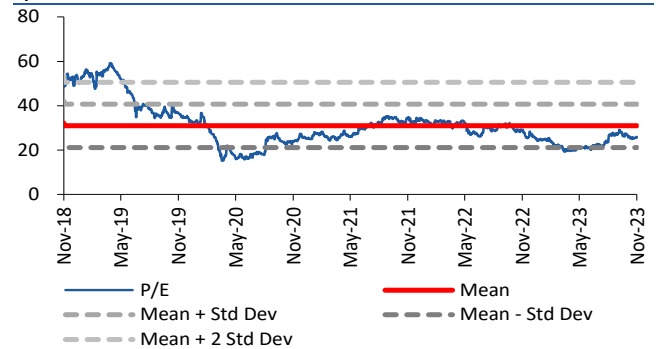
Source: Centrum Broking

Valuations

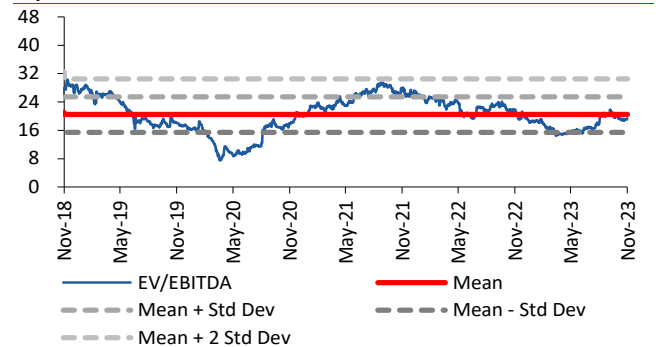
We expect Emami's performance to be driven by: (1) high A & P investments, (2) focus on distribution excellence through Project Khoj, driving direct coverage – now 1mn, and (3) new product interventions (D2C portfolio and healthcare). Management remains confident to deliver +15% growth in international business led by recovery in SAARC markets, however expect gradual recovery in rural markets led by better MSP and govt. impetus on rural programs. Further with closure AMRI hospital divestment the pledge on books now cut to ~15%. HMN announced interim dividend of Rs4/ share. Though improved rural commentary we remain positive on Emami's growth story however raise concern on high seasonality impact on the business. With weak 1HFY24 we cut FY24E/FY25E earnings by 2.7%/3.2% and introduce FY26E and retain Buy with a revised DCF-based TP Rs621 (implying 28.2x avg. FY25E/FY26E EPS). Key risks include prolonged rural slowdown and competition.

Valuations	Rs/share
DCF-based target price (Rs)	621
WACC (%)	11.5
Terminal growth (%)	5.5

P/E mean and standard deviation



EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer comparison

Company	Mkt Cap (Rs bn)	CAGR (FY23-25E)			P/E (x)			EV/EBITDA (x)			RoE		
		Sales	EBITDA	EPS	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
HUL	5,850.1	9.8	11.2	8.0	64.9	61.1	55.3	43.1	39.0	34.6	20.3	20.9	22.7
Britannia	1,090.0	14.9	20.5	24.1	53.6	51.1	43.8	44.2	37.7	31.9	68.1	65.8	58.3
Dabur	939.8	13.4	18.6	19.6	57.5	48.7	40.2	42.6	35.7	29.5	19.7	21.5	23.7
Colgate	577.3	7.4	9.1	11.7	48.8	43.9	38.7	33.3	30.8	27.6	61.3	68.0	77.7
Emami	228.1	10.5	18.8	19.2	35.9	29.7	25.3	27.2	23.0	19.3	29.2	31.5	32.8
Bajaj Consumer	32.7	13.0	26.3	24.8	22.3	16.8	14.3	19.4	14.1	11.4	17.4	22.2	23.7

Source: Company, Centrum Broking

Exhibit 1: Key concall takeaways and metrics

Centrum Quarterly Monitor	Q1FY24	Q2FY24	Our Comments
Demand Environment	Inflation has started cooling off, while cautiously optimistic on rural portfolio	Inflation has started cooling off, while optimistic on rural portfolio	Management expects 8-10% top line growth in core portfolio, yet NPD would contribute ~4% of sales
Outlook and Guidance	Management believe Q2FY24 would be better and expect gradual recovery in rural market	Management believe H2FY24 would be better and expect gradual recovery in rural market	We believe growth would come back and remains optimistic from second quarter; healthcare will do well in rural markets
Key Interventions	Modern trade/E-com channels contributed 19.4%	Modern trade/E-com channels contributed 24.0%	We believe focussed approach to gain market share in MT and e-commerce channel and agile product launches along with increasing traction of NPD could aid revenues in FY24
On Margins and Exceptional Items	Gross margin at 65.4% for Q124, EBITDA margin at 23.0%, management expect exit FY24 EBITDA margins ~+27.5%	Gross margin at 70.0% for Q224, EBITDA margin at 27.0%, management expect exit FY24 EBITDA margins ~+27.5%	We believe , further easing of input cost and slight moderation in ad-spends could lift margins, also visible change in product mix indicate margin trajectory

Source: Centrum Broking

Conference Call Highlights

Overall market outlook

- Consol. revenue grew by 6.3% to Rs.8.6bn driven by 4% growth in domestic business and 12.0% in the international business
- Domestic business saw 2.0% volume growth and rest was from price and mix
- Navratna & Dermicool range – Sales grew 12%
- Pain Management range – Sales up by 1% where 4-year CAGR stood at 5%
- Healthcare range – revenues grew 4% where 4-year CAGR stood at 9%
- Boroplus range – Sales cut by 4% while 4-year CAGR stood at 3%
- Kesh King range – revenues dropped by 5% while 4-year CAGR stood at 9%
- Male Grooming range – Sales dropped by 7%
- D2c brands - The Man Company & BRILLARE saw robust sales growth(+63%) has been observed during Q2FY24;
- Emami acquired 26% stake on Axiom Ayurveda
- International Business grew by 16.0% in CC led by SAARC/MENAP region, strong growth despite currency depreciation in Russia, Bangladesh etc. & continued geopolitical disturbances
- After closure of AMRI hospital divestment, the promoter pledge has come down to 15% which was as per guided range
- Despite the several headwinds, management has performed 7% top-line growth in H1FY24 and management expects growth momentum would continue on the back of strong festive season along with Govt. spending on rural infra
- MT/E-commerce grew 17/50% respectively; together contributed 24% on total sales
- MT & E-commerce have been the key focus area for last 10 quarters and management expects going forward it would grow 15-20%
- Management believe margin expansion on MT& E-Commerce would be possible in H2FY24
- Management stated that project Khoj (60k villages) has completed and benefit has been visible on quarter result and actual results is yet to come
- Chemist outlets has reached 125k which grew by 25% on YoY
- Management is hopeful that Kesh King portfolio would provide positive growth on H2
- Management is hopeful winter portfolio would provide the strong growth while loading hasn't started yet
- On strategic investment, TMC has now EBITDA broken even while BRILLARE has small margin erosion and both contributed 5% on top line sales
- Male grooming range hasn't performed well and management has plan to re-launch the product portfolio
- Management is focussing to narrow the gap in sales growth in GT and other channels
- Management expects top line would grow by 10% led by international business (+15%), Healthcare (+10%) and *Boroplus & Navratna* (6-8% each)

Brand/category-wise commentary

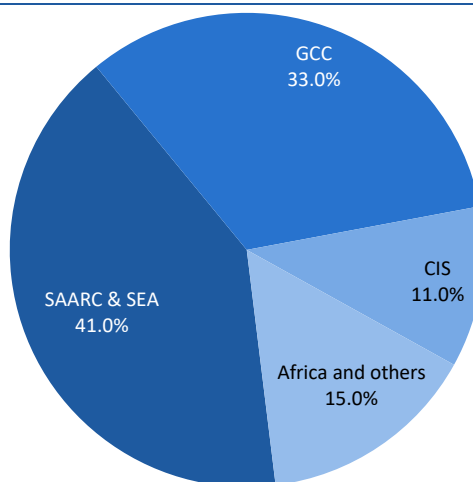
- Navratna & Dermicool range – Sales grew 12%; New variant of Navratna Cool Talc got strong response and healthy traction at newly launched Dermicool Rs10 SKUs
- Pain Management range – Sales up by 1% where 4-year CAGR stood at 5%

- Healthcare range – revenues grew 4% where 4-year CAGR stood at 9%; high single digit growth in OTC portfolio and Zanducare listed on ONDC platform
- Boroplus range – Sales cut by 4% while 4-year CAGR stood at 3%; Glycerin variants of BoroPlus Soaps launched in eCom channel
- Kesh King range – revenues dropped by 5% while 4-year CAGR stood at 9%; Launched Kesh King Onion Organic Hair Mask in e-commerce channel
- Male Grooming range – Sales dropped by 7% whereas management has launched new campaign - 'Ab Duniya Tumhe Pehchanegi', featuring Salman Khan
- D2c brands - The Man Company & BRILLARE saw robust sales growth(+63%) has been observed during Q2FY24; further management has acquired 26% stake on Axiom Ayurveda

Margins

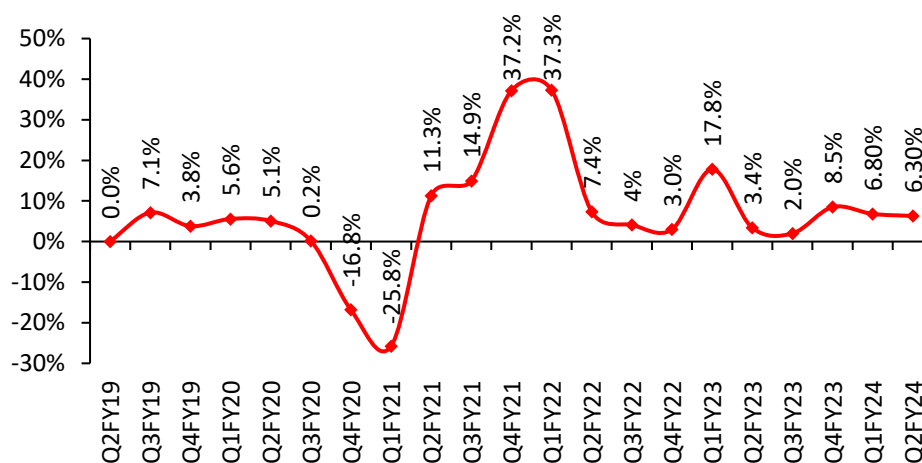
- Gross margin at 70.0% (+370bp) on the back of lower input RM/PM
- EBIDTA grew 19.6% to Rs2.3bn despite higher advt. exp. 9.1%, employee cost +8.8% and other expenses (+4.0%)
- EBIDTA Margins came at 27.0% (+301bp) YoY
- APAT was flat (+0.5%) to Rs2.0bn due to higher interest expenses (+27.8%) and lower other income (-74% down)
- Input cost has eased down which would reflect on margin expansion
- Management expects 200-250bp margin expansion for FY24

Exhibit 2: FY23 cluster-wise contribution



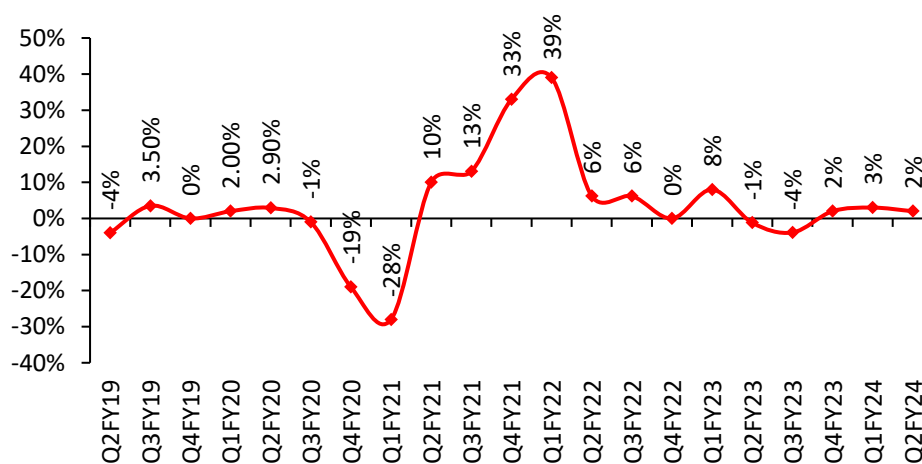
Source: Company Data, Centrum Broking

Exhibit 3: Consolidated value Growth



Source: Company Data, Centrum Broking

Exhibit 4: Domestic volume growth



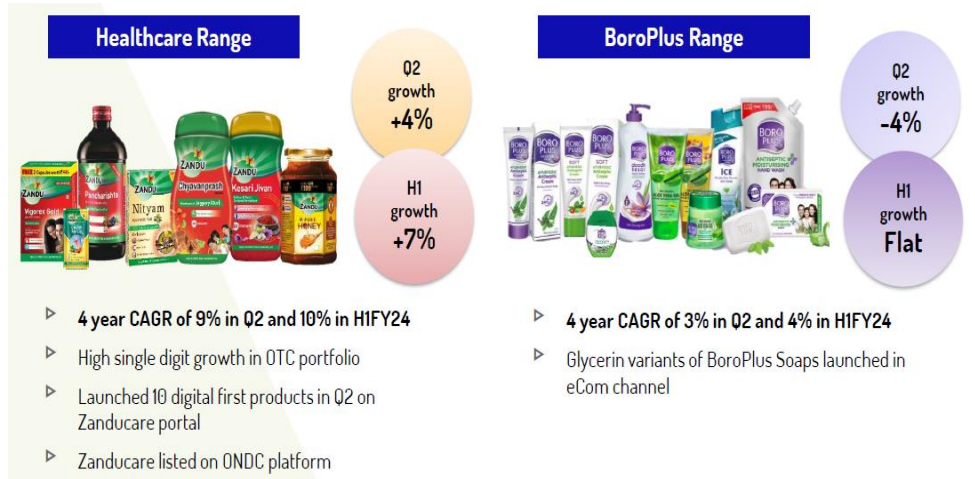
Source: Company Data, Centrum Broking

Exhibit 5: Brand wise performance



Source: Company, Centrum Broking

Exhibit 6: Brand wise performance



Source: Company, Centrum Broking

Exhibit 7: Brand wise performance



Source: Company, Centrum Broking

Exhibit 8: Strategic investment in Axiom Ayurveda

<p>Acquired 26% stake in Axiom Ayurveda Pvt. Ltd</p>	<p>Plays in the fruit based nectars category under the brand 'AloFruT' -a proprietary fusion of Aloe vera pulp with fruit blends.</p>	
<p>Other brands include Axiom Jeevan Ras (Herbal Ayurvedic Juices) & Mukti Gold (Ayurvedic Personal Care products)</p>	<p>Promoted by Mr. Rishabh Gupta, a techie by education with Diploma in International marketing from Europe.</p>	
<p>Products are manufactured in-house unit in Ambala and has an upcoming facility in Kathua, Jammu</p>	<p>Net Sales of -Rs. 129 cr with EBITDA margin of 10%+ in FY23</p>	

Source: Company, Centrum Broking

Exhibit 9: Digital first new launches : Domestic business

<p>BoroPlus Glycerine Bathing Bar</p>	<p>New launches on Zanducare D2C Portal</p>				
<p>Kesh King Organic Onion Hair Mask</p>	<p>Zandu Raughan-e-Badam Shireen</p>	<p>Zandu Ashwagandha Gold Plus</p>	<p>Zandu Shilajit Gold Plus</p>	<p>Zandu Chandraprash</p>	<p>Zandu Vigorex with Shilajit & Ashwagandha</p>
	<p>Zandu Tamra Copper Jug & Tumbler</p>	<p>Zandu Ayurvedic Pain Relief Potli</p>	<p>Zandu Pure Honey Sunderban Forest</p>	<p>Zandu Pancharishtha Good Gut Detox Shot</p>	

Source: Company, Centrum Broking

Exhibit 10: International Business

<p>Q2 Constant Currency Growth +16%</p> <p>Q2 Reported Growth +12%</p>	<p>Strong growth despite currency depreciation in Russia, Bangladesh etc. & continued geopolitical disturbances</p>	<p>H1 Constant Currency Growth +14%</p> <p>H1 Reported Growth +10%</p>
<p>SAARC</p>	<p>MENAP</p>	<p>CIS</p>
<ul style="list-style-type: none"> • Double digit Constant currency growth led by Nepal & Sri Lanka. • Bangladesh grew in high single digits on a constant currency basis 	<ul style="list-style-type: none"> • Robust growth led by GCC region • Creme 21 performed strongly 	<ul style="list-style-type: none"> • Sales impacted due to currency depreciation in Russia and geopolitical disturbances • Single digit decline on a constant currency basis

Source: Company, Centrum Broking

Exhibit 11: New launches in International business



Source: Company, Centrum Broking

Exhibit 12: Quarterly financials - consolidated

Particulars (Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24
Net Sales	7,888	9,719	7,704	7,733	8,138	9,827	8,360	8,257	8,649
Accretion to Stocks in trade & work in progress	-291	254	-396	618	-514	393	(127)	231	(465)
Raw Material Consumed	2,479	2,436	2,249	1,584	2,477	2,342	1,845	1,640	2,147
Purchase of Stock-in-Trade	275	480	1046	659	754	621	1,364	985	905
Employee Expenses	821	724	789	888	935	934	921	1,014	1,017
Advt & Sales	1053.2	1582.5	1494.7	1,363	1,415	1,353	1,297	1,519	1,544
Other Exp	779	827	882	888	1,119	1,063	1,062	968	1,163
Operating Profit (Core EBITDA)	2,772	3,415	1,639	1,733	1,954	2,943	1,998	1,900	2,337
Depreciation	839	844	835	881	479	472	640	460	461
EBIT	1,933	2,571	805	852	1,474	2,470	1,358	1,440	1,876
Interest	8	18	18	25	18	18	14	21	23
Other Income	376	166	303	63	420	69	138	83	111
Profit Before Tax	2,301	2,719	1,090	891	1,877	2,521	1,482	1,502	1,964
Tax	410	491	-2563	120	75	185	63	129	158
Tax rate (%)	17.8	18.1	-235.2	13.5	4.0	7.0	5.5	8.6	8.1
Profit After Tax	1,924	1,929	3,772	771	1,802	2,335	1,420	1,373	1,806
Adjusted PAT	2,348	2,689	5,619	727	1,781	2,330	1,416	1,368	1,800
Growth (%)									
Net Sales	7.4	4.1	5.4	17.0	3.4	1.1	8.5	6.8	6.3
EBITDA	7.8	0.4	0.7	2.1	(29.5)	(13.8)	21.9	9.6	19.6
Adj. PAT	21.2	3.9	329.2	1.1	(14.6)	(5.3)	(68.1)	23.4	0.5
Margin (%)									
Gross Margin	68.8	67.4	62.4	62.6	66.6	65.9	63.1	65.4	70.1
EBITDA	35.1	35.1	21.3	22.3	24.0	29.9	23.9	23.0	27.0
EBIT	24.5	26.5	10.4	10.9	18.1	25.1	16.2	17.4	21.7
PAT	24	22.9	47.4	16.5	24.7	25.9	21.4	19.1	23.3

Source: Company, Centrum Broking

P&L					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenues	31,920	34,057	37,294	41,559	46,605
Operating Expense	16,008	17,621	19,020	20,779	23,159
Employee cost	3,178	3,678	3,916	4,364	4,368
Others	3,211	4,132	4,177	4,240	4,885
EBITDA	9,524	8,628	10,182	12,176	14,192
Depreciation & Amortisation	3,348	2,473	2,363	2,136	2,122
EBIT	6,176	6,155	7,818	10,040	12,070
Interest expenses	51	74	81	85	95
Other income	953	689	746	748	839
PBT	7,078	6,771	8,483	10,703	12,814
Taxes	(1,487)	421	693	1,556	3,075
Effective tax rate (%)	21.0	6.2	8.2	14.5	24.0
PAT	8,564	6,349	7,791	9,148	9,738
Minority/Associates	(123)	47	(60)	(55)	0
Recurring PAT	8,442	6,396	7,731	9,093	9,738
Extraordinary items	(52)	0	0	0	0
Reported PAT	8,390	6,396	7,731	9,093	9,738

Ratios					
YE Mar	FY22A	FY23A	FY24E	FY25E	FY26E
Growth (%)					
Revenue	10.8	6.7	9.5	11.4	12.1
EBITDA	7.9	(9.4)	18.0	19.6	16.6
Adj. EPS	85.7	(23.7)	20.9	17.6	7.1
Margins (%)					
Gross	66.2	64.7	66.0	67.0	67.3
EBITDA	29.8	25.3	27.3	29.3	30.5
EBIT	19.3	18.1	21.0	24.2	25.9
Adjusted PAT	26.3	18.8	20.7	21.9	20.9
Returns (%)					
ROE	44.0	29.2	31.5	32.8	30.9
ROCE	26.9	27.2	31.1	32.3	30.2
ROIC	26.3	26.1	30.6	31.7	31.5
Turnover (days)					
Gross block turnover ratio (x)	1.0	1.0	1.1	1.2	1.3
Debtors	32	39	41	39	38
Inventory	111	104	91	86	87
Creditors	129	125	126	126	124
Net working capital	48	69	55	51	79
Solvency (x)					
Net debt-equity	0.1	(0.1)	(0.1)	(0.1)	(0.2)
Interest coverage ratio	187.8	116.7	125.9	143.5	149.6
Net debt/EBITDA	0.1	(0.2)	(0.2)	(0.1)	(0.4)
Per share (Rs)					
Adjusted EPS	19.0	14.5	17.5	20.6	22.1
BVPS	46.7	52.2	59.0	66.7	76.0
CEPS	26.5	20.1	22.9	25.5	26.9
DPS	12.9	9.0	10.7	12.9	12.7
Dividend payout (%)	68.5	61.9	61.1	62.8	57.6
Valuation (x)					
P/E	27.4	35.9	29.7	25.3	23.6
P/BV	11.1	10.0	8.8	7.8	6.9
EV/EBITDA	24.9	27.2	23.0	19.3	16.3
Dividend yield (%)	2.5	1.7	2.1	2.5	2.4

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Equity share capital	441	441	441	441	441
Reserves & surplus	20,325	22,587	25,590	28,971	33,105
Shareholders fund	20,766	23,028	26,032	29,413	33,546
Minority Interest	(23)	(100)	(100)	(100)	(100)
Total debt	2,637	905	892	994	1,115
Non Current Liabilities	599	705	1,054	1,209	1,394
Def tax liab. (net)	75	134	147	164	184
Total liabilities	24,055	24,673	28,025	31,680	36,139
Gross block	32,394	32,657	34,085	35,611	37,187
Less: acc. Depreciation	(18,941)	(21,414)	(23,777)	(25,913)	(28,035)
Net block	13,453	11,243	10,308	9,698	9,152
Capital WIP	17	58	56	55	54
Net fixed assets	13,470	11,301	10,365	9,754	9,206
Non Current Assets	3,746	4,595	5,030	5,603	6,282
Investments	2,632	2,334	7,001	10,502	10,502
Inventories	3,576	3,280	3,065	3,416	3,831
Sundry debtors	3,209	4,146	4,313	4,566	5,120
Cash & Cash Equivalents	1,555	2,981	2,768	2,753	6,865
Loans & advances	38	60	63	67	71
Other current assets	2,349	2,400	2,497	2,643	2,816
Trade payables	4,087	4,163	4,601	4,864	5,460
Other current liab.	1,089	1,240	1,358	1,513	1,697
Provisions	1,344	1,021	1,118	1,246	1,398
Net current assets	4,207	6,443	5,629	5,821	10,149
Total assets	24,055	24,673	28,025	31,680	36,139

Cashflow					
YE Mar (Rs mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Profit Before Tax	6,880	6,696	8,483	10,703	12,814
Depreciation & Amortisation	3,348	2,473	2,363	2,136	2,122
Net Interest	(227)	(603)	(746)	(748)	(839)
Net Change – WC	(1,691)	(112)	528	(609)	(688)
Direct taxes	(1,426)	(1,170)	(693)	(1,556)	(3,075)
Net cash from operations	6,447	7,366	10,017	10,012	10,428
Capital expenditure	(4,802)	(301)	(1,427)	(1,525)	(1,575)
Acquisitions, net	(624)	0	0	0	0
Investments	2,850	(1,568)	(4,668)	(3,501)	0
Others	227	740	(694)	(2,066)	839
Net cash from investing	(2,349)	(1,128)	(6,789)	(7,091)	(736)
FCF	4,098	6,238	3,228	2,920	9,692
Issue of share capital	(2,001)	(465)	0	0	0
Increase/(decrease) in debt	1,580	(1,912)	(13)	102	121
Dividend paid	(3,556)	(3,529)	(4,727)	(5,712)	(5,605)
Interest paid	(45)	(60)	(81)	(85)	(95)
Others	0	(109)	0	0	0
Net cash from financing	(4,021)	(6,076)	(4,821)	(5,695)	(5,579)
Net change in Cash	77	162	(1,593)	(2,775)	4,113

Source: Company, Centrum Broking

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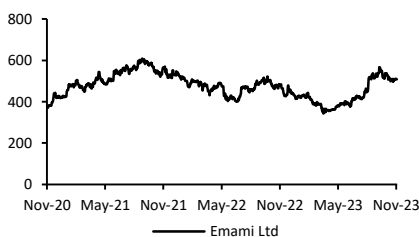
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Source: Bloomberg

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