

Devyani International

Estimate changes

TP change

Rating change



Bloomberg	DEVYANI IN
Equity Shares (m)	1232
M.Cap.(INRb)/(USD\$)	191.9 / 2.2
52-Week Range (INR)	210 / 130
1, 6, 12 Rel. Per (%)	-8/-17/-14
12M Avg Val (INR M)	488

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	56.3	63.7	70.8
Sales Gr. (%)	13.7	13.1	11.2
EBITDA	8.2	10.8	13.3
Margins (%)	14.5	17.0	18.8
Adj. PAT	-0.2	1.4	2.7
Adj. EPS (INR)	-0.1	1.2	2.2
EPS Gr. (%)	NA	NA	88.9
BV/Sh.(INR)	5.0	3.8	3.5

Ratios

RoE (%)	-1.9	26.4	60.4
RoCE (%)	3.8	7.7	10.7

Valuation

P/E (x)	NA	133.8	70.9
P/BV (x)	31.2	40.8	45.0
EV/Sales (x)	3.5	3.1	3.2
EV/EBITDA (x)*	44.0	28.9	21.4

* Pre-Ind AS

Shareholding Pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	61.4	62.6	62.7
DII	19.8	18.1	15.4
FII	6.6	9.4	11.2
Others	12.3	9.9	10.7

FII includes depository receipts

CMP: INR156

TP: INR180 (+16%)

Buy

Recovery awaited; pressure on margins

- Devyani International's (DEVYANI) consolidated revenue grew 13% YoY in 2QFY26. The India revenue was up 12% YoY, led by the Skygate acquisition and 16% YoY store expansion. Organic India's revenue growth was ~5%. Demand was impacted due to both Shraavana and Navaratri occurring in the same quarter, coupled with unseasonal rains, particularly in the eastern region during the latter half of September. The company has not seen a material demand uptick in Oct'25 as well.
- KFC's revenue grew 5% YoY, aided by 14% store expansion, though offset by a 4.2% decline in same-store sales (-3% for Sapphire). Pizza Hut (PH)'s revenue rose 1% YoY, with 5% new store additions, while SSSG declined 4.1% YoY (-8% for Sapphire). Costa Coffee's revenue grew 5% YoY, with 8% YoY store additions.
- India ROM dipped 15% YoY to INR0.9b, and the margin contracted 320bp YoY to 10%, an all-time low, owing to operating deleverage. KFC's ROM contracted 250bp YoY to 14.1% (13.8% for Sapphire), and PH's ROM contracted 340bp YoY and turned negative at -0.2% (-1.8% for Sapphire).
- International revenue grew 14% YoY to INR4.5b with RoM at INR749m (vs. INR632m in 2QFY25), and margin expanded 70bp YoY to 16.7%.
- Consolidated GP margin contracted 160bp YoY and 40bp QoQ to 67.8% (est. 69%). The Sky Gate portfolio impacted the GM by 50bp. EBITDA (Pre-Ind-AS) margin was down 260bp YoY/130bp QoQ to 6.8%. Consol. RoM margin contracted 190bp YoY and 140bp QoQ to 11.7%. Skygate impacted the consolidated RoM by 70bp.
- The growth weakness with continuous contraction in store profitability is a big concern for QSR players. KFC ADS has dipped ~25% over the last three years, and ROM contracted by ~750bp. DEVYANI is focusing on innovation, customer engagement, and value offerings to drive recovery. Although management commentary for recovery was muted, we will track whether overall consumption drivers help in recovering dine-in demand.
- We reiterate our BUY rating and value the India business at 35x EV/EBITDA (pre-IND-AS) and the international business at 20x EV/EBITDA (pre-IND-AS) on Sep'27E to arrive at our TP of INR180.

Weak performance; margin pressure sustains

- Muted underlying growth metrics:** Consolidated sales grew 13% YoY to INR13.8b (est. INR 13.1b). The India revenue was up by 12% YoY to INR9.4b (est. INR8.8b), supported by the acquisition of Sky Gate. KFC's sales grew 5% YoY to INR5.7b. Its SSSG declined 4.2% (est. -2.5%). PH sales grew 1% YoY to INR1.9b. SSSG declined 4.1% (est. -3%). ADS of KFC was down 7% YoY at INR89k, and PH ADS dipped 6% YoY to INR33k. Costa Coffee's revenue rose 5% YoY, while ADS was down 11% YoY at INR24k.

- **Store expansion:** It added a total of 39 stores in 2QFY26 to reach 2,184 stores. The store additions in **KFC/PH/CC/own brands/International** are 30/3/2/0/4, taking the total store count for KFC/PH/CC/own brands/International to 734/621/224/223/382.
- **Pressure on margins continues:** Gross profit grew by 10% YoY to INR9.3b (est. INR9.1b) while margins contracted by 160bp YoY and 40bp QoQ to 67.8 (est. 69%). Consol. EBITDA margins contracted 210bp YoY and 100bp QoQ to 14.1% (est. 15%). Consol. ROM decreased 3% YoY to INR1.6b, and the margin contracted 190bp YoY and 140bp QoQ to 11.7%. The Pre-Ind-AS EBITDA declined 18% YoY to INR0.9b, while the margin dipped 260bp YoY/130bp QoQ to 6.8%.
- International revenue grew 14% YoY to INR4.5b with RoM at INR749m (vs. INR632m in 2QFY25), and margin expanded 70bp YoY to 16.7%.
- Reported EBITDA declined 2% YoY to INR1.9b (est. INR2.0b). Loss before tax stood at INR297m vs. a loss of INR9m in 2QFY25.

Highlights from the management commentary

- The out-of-home consumption was impacted due to both Shraavana and Navaratri falling in the same quarter, as well as unseasonal rains – especially in eastern parts of the country during the second half of September. The demand environment continues to remain weak. Oct'25 has seen no material uptick in demand.
- Lower gross margin and increased aggregator and delivery expenses due to higher saliency of off-premise sales in KFC led to overall lower brand contribution in India.
- KFC in India added 30 net new stores in 2QFY26, taking the total store count for KFC in India to 734 stores, and the company is on track to open ~100-110 new KFC stores in FY26.
- Biryani By Kilo and Goila Butter Chicken from the Skygate portfolio continue to do well, and Devyani has seen strong momentum in the business after Dussehra. BBK stores have been tested in Mumbai and Pune airport locations, and the brand has seen good traction.

Valuation and view

- Given DEVYANI's weak performance, we cut our EBITDA by 4-6% for FY26E and FY27E.
- Management remains committed to improving ADS and profitability across the existing network across brands and will adopt a more cautious approach to future store openings for PH.
- DEVYANI is focusing on innovation, customer engagement, and value offerings to drive recovery. ADS and SSSG recoveries remain the key monitorables, as they are vital for improving unit economics. DEVYANI is in talks with Yum for PH turnaround and is expected to execute the initiatives in the coming months. This will be a positive trigger for the company. The stock price has been flat for the last three years due to growth challenges, and we believe most of the risks are largely priced in now.
- We reiterate our BUY rating and value India business at 35x EV/EBITDA (Pre-IND-AS) and international business at 20x EV/EBITDA (pre-IND-AS) on Sep'27E to arrive at our TP of INR180.

Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
KFC - No. of stores	617	645	689	696	704	734	764	791	696	791	729	
PH - No. of stores	570	593	644	630	618	621	625	628	630	628	620	
KFC - SSSG (%)	-7.0	-7.0	-4.4	-6.1	-0.7	-4.2	-1.0	1.9	-6.4	-1.0	-2.5	
PH - SSSG (%)	-8.6	-5.7	-0.8	1.0	-4.2	-4.1	-2.5	0.8	-3.8	-2.5	-3.0	
Net Sales	12,219	12,222	12,944	12,126	13,570	13,768	14,950	14,004	49,511	56,291	13,139	5%
YoY change (%)	44.3	49.1	53.5	15.8	11.1	12.6	15.5	15.5	39.2	13.7	7.5	
Gross Profit	8,450	8,474	8,892	8,306	9,252	9,329	10,241	9,635	34,122	38,457	9,066	3%
Margin (%)	69.2	69.3	68.7	68.5	68.2	67.8	68.5	68.8	68.9	68.3	69.0	
EBITDA	2,234	1,987	2,192	2,008	2,049	1,943	2,241	1,955	8,422	8,188	1,973	-2%
EBITDA growth %	28.8	25.2	49.9	15.5	-8.3	-2.2	2.2	-2.6	29.1	-2.8	-0.7	
Margin (%)	18.3	16.3	16.9	16.6	15.1	14.1	15.0	14.0	17.0	14.5	15.0	
Depreciation	1,322	1,391	1,557	1,653	1,497	1,603	1,620	1,717	6,332	6,437	1,582	
Interest	630	653	670	695	668	688	683	627	2,648	2,667	686	
Other Income	99	48	91	132	135	51	105	140	370	431	100	
PBT	381	-9	56	-208	19	-297	43	-249	-188	-484	-195	
Tax	81	10	162	-56	5	-52	9	-58	197	-97	-39	
Rate (%)	21.2	-113.1	286.8	26.8	27.0	17.5	20.0	23.5	-104.7	20.0	20.0	
Adjusted PAT	281	-27	-9	-20	17	-186	89	-72	226	-162	-101	
Margin (%)	2.3	-0.2	-0.1	-0.2	0.1	-1.4	0.6	-0.5	0.5	-0.3	-0.8	
YoY change (%)	-17.2	NM	NM	-161.2	-94.0	NM	NM	NM	-75.7	-172.0	NM	

E: MOFSL Estimates

DEVYANI's performance

India Performance

- The India revenue was up by 12% YoY to INR9.4b. (est. of INR8.8b), largely driven by the Sky Gate acquisition, as KFC and PH growth were muted.
- Net 35 stores were added during the quarter, taking the total count to 1,802.
- GM was down 190bp YoY at 69.7%.
- Brand contribution was down 15% YoY to INR0.9b, margin contracted 320bp to 10%.
- EBITDA (Pre-IND-AS) was down 35%; margin contracted by 360bp to 4.9%.
- EBITDA (reported) dipped 8% to INR1.3b; margin dipped 310bp to 14.4%.

DEVYANI (INR m)

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Total Stores	1,298	1,387	1,429	1,473	1,557	1,658	1,664	1,767	1,802
Net Additions	68	89	42	44	84	101	6	103	35
Revenue	7,787	7,964	7,516	8,399	8,356	8,726	8,012	9,319	9,371
YoY Gr (%)	12%	9%	7%	6%	7%	10%	7%	11%	12%
Gross Profit	5,545	5,677	5,428	6,037	5,983	6,216	5,691	6,487	6,530
Gross Margin (%)	71.2%	71.3%	72.2%	71.9%	71.6%	71.2%	71.0%	69.6%	69.7%
Brand Contribution	1,186	1,219	1,121	1,362	1,105	1,214	1,070	1,131	941
YoY Gr (%)	-12%	-6%	3%	-2%	-7%	0%	-5%	-17%	-15%
Brand Contribution margin (%)	15.2%	15.3%	14.9%	16.2%	13.2%	13.9%	13.4%	12.1%	10.0%
EBITDA Pre-IndAS	822	851	794	1,001	712	773	689	654	462
YoY Gr (%)	-19%	-16%	0%	1%	-13%	-9%	-13%	-35%	-35%
Margin (%)	10.6%	10.7%	10.6%	11.9%	8.5%	8.9%	8.6%	7.0%	4.9%
EBITDA (reported)	1,434	1,494	1,485	1,724	1,462	1,554	1,504	1,492	1,347
YoY Gr (%)	42%	47%	10%	9%	2%	4%	1%	-13%	-8%
Margin (%)	18.4%	18.8%	19.8%	20.5%	17.5%	17.8%	18.8%	16.0%	14.4%

Core brand performances

KFC India

- Sales grew 5% YoY to INR5.7b (est. INR5.9b). SSSG declined -4.2% (est. -2.5%).
- GP grew 4% YoY to INR3.9b, and margin contracted 90bp YoY to 68.1%
- **ROM declined 11% YoY to INR0.8b, and margin dipped 250bp YoY and 140bp QoQ to 14.1%.**
- ADS declined 7% YoY to INR89k
- On-premises channel contribution was 54%.

Pizza Hut India

- Sales grew 1% YoY to INR1.9b (est. INR1.9b). SSSG declined 4.1% (est. -3%).
- GP declined 2% YoY at INR1.4b. GM contracted 200bp YoY to 74.7%.
- **ROM came at -4m (est. at -19m)**
- ADS declined 6% YoY to INR33k.
- On-premises channel contribution was 45%.

Franchisee brands – Costa Coffee, NYF, Tealive, and Sanook Kitchen

- Sales grew 5% YoY to INR514m (est. INR564m).
- GP grew 3% YoY to INR378m and margin contracted 160bp YoY to 73.5%.
- ROM declined 400bp YoY to 10.5%.
- Costa Coffee's ADS declined 11% YoY to INR24k.

Quarterly brand performance	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
KFC									
No. of stores	540	590	596	617	645	689	696	704	734
Net store addition	30	50	6	21	28	44	7	8	30
SSSG (%)	-3.9	-4.7	-7.1	-7.0	-7.0	-4.4	-6.1	-0.7	-4.2
Net sales (INR m)	5,090	5,243	4,941	5,546	5,434	5,698	5,109	6,126	5,723
YoY growth (%)	14.9	14.1	11.3	7.4	6.8	8.7	3.4	10.5	5.3
ADS (INR '000)	109.0	104.0	93.0	104.0	96.0	96.0	83.0	98.0	89.0
Gross Margins (%)	69.0	69.4	69.9	69.5	69.0	68.6	68.3	67.1	68.1
Brand Contribution Margin (%)	19.4	19.0	19.0	19.5	16.6	17.2	16.2	15.5	14.1
Channel mix (%)									
Off-Premise	39	40	41	41	42	42	45	46	46
On-Premise	61	60	59	59	58	58	55	54	54
Pizza Hut									
No. of stores	535	565	567	570	593	644	630	618	621
Net store addition	14	30	2	3	23	51	-14	-12	3
SSSG (%)	-10.4	-12.6	-14.0	-8.6	-5.7	-0.8	1.0	-4.2	-4.1
Net sales (INR m)	1,840	1,796	1,621	1,819	1,848	1,902	1,754	1,873	1,860
YoY growth (%)	1.5	-2.2	-4.5	-0.9	0.4	5.9	8.2	3.0	0.6
ADS (INR '000)	39.0	37.0	32.0	36.0	35.0	35.0	31.0	33.0	33.0
Gross Margins (%)	75.7	75.8	77.3	76.8	76.7	76.2	75.6	74.7	74.7
Brand Contribution Margin (%)	7.7	6.1	4.4	4.9	3.1	2.1	0.7	-1.1	-0.2
Channel mix (%)									
Off-Premise	55	56	55	55	56	54	56	55	55
On-Premise	45	44	45	45	44	46	44	45	45
Costa									
No. of stores	146	154	179	192	207	209	220	222	224
Net store addition	23	8	25	13	15	2	11	2	2
SSSG (%)	8.5	5.9	7.3	0.6	8.7	5.1	3.5	3.5	3.5
Net sales (INR m)	346	397	451	455	490	517	523	519	514
YoY growth (%)	57.3	36.4	36.3	40.4	41.6	30.2	16.0	14.1	4.9
ADS (INR '000)	31.0	35.0	33.0	28.0	27.0	26.0	27.0	26.0	24.0
Gross Margins (%)	76.3	77.1	76.7	74.9	75.1	75.4	76.1	75.1	73.5
Brand Contribution Margin (%)	14.7	14.9	18.0	14.9	14.5	16.8	17.6	12.9	10.5



Highlights from the management commentary

Key Highlights

Business and Environment

- GST 2.0 had minimal impact on the QSR category. The company has passed on the prices and the benefits of reduced input costs to consumers.
- Out-of-home consumption was impacted due to both Shraavana and Navaratri falling in the same quarter, as well as unseasonal rains – especially in eastern parts of the country during the second half of September.
- The demand environment continues to remain weak. October has seen no material uptick in demand; December month performance will be a key monitorable for Devyani.
- The consumers are becoming value conscious, and lower price product offerings are a healthy offtake.
- Consol. Brand contribution margin was at 11.7% versus 13.6% last year. Excluding Skygate brand contribution would have been higher at 12.4%. The organic dip is on account of a decline in margins in the Indian operations, slightly offset by steady performance in international business.
- Lower gross margin, increased aggregator and delivery expenses due to higher saliency of off-premise sales in KFC, led to overall lower brand contribution in India.
- Devyani test launched Tealive by way of opening 6 new outlets during the quarter. The initial Customer feedback is positive, and they plan to expand the brand after the test launch phase.

KFC

- Lower gross margin, increased aggregator and delivery expenses due to higher saliency of off-premise sales in KFC, led to overall lower brand contribution in India.
- KFC in India added 30 net new stores in 2QFY26, taking the total store count for KFC in India to 734 stores, and the company is on track to open ~100-110 new KFC stores in FY26.
- Thailand to see ~20 new KFC store additions in FY26. The market is seeing negative SSSG currently.

PH

- With regard to a media article on Yum Brands planning to rationalize PH, Devyani stated India PH business will not be impacted, and DEVYANI is fully protected on the development agreements at the store level.
- New store additions will continue to be muted for PH.

Cost and Margins

- High saliency of off-premises sales across the two key brands, which is KFC and Pizza Hut, led to higher aggregator and delivery expenses.
- The company is working on optimizing its costs.

Product innovation & new launches

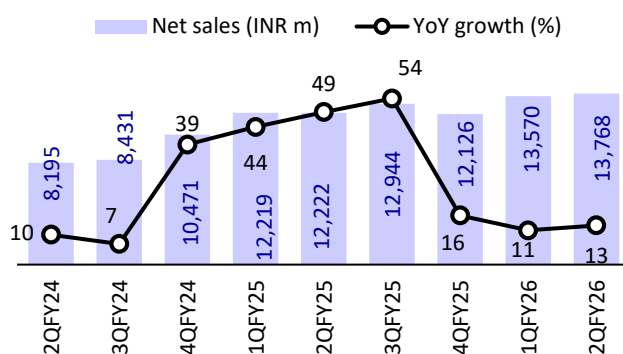
- KFC saw the pan-India launch of the “Chana Chatpata Burger” –priced at INR69 and comprising a protein-rich vegetarian patty.
- Started rolling out a new grilled chicken offering and new limited-time offerings (LTOs) in the beverages and desserts category.
- Launched Ultimate Cheese crust and Flip the Cheese in Pizza Hut across all channels.

Sky Gate acquisition

- Biryani By Kilo and Goila Butter Chicken from the Skygate portfolio continue to do well, and Devyani has seen a strong momentum in the business post Dussehra.
- Biryani By Kilo stores have been tested in Mumbai and Pune airport locations, and the brand has seen good traction.
- Devyani is planning to expand the brand into its existing food court locations to test the model in the food court.
- The integration of Skygate with DEVYANI remains on track.
- As shared earlier, their goal is to achieve brand contribution break-even by March 2026, and the company remains confident of meeting this target.

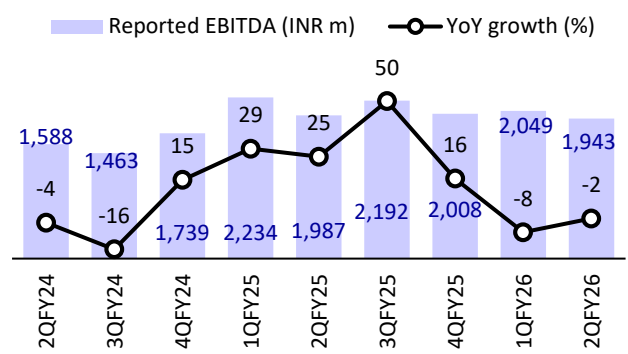
Key exhibits

Exhibit 1: Sales grew 13% YoY to INR13.8b



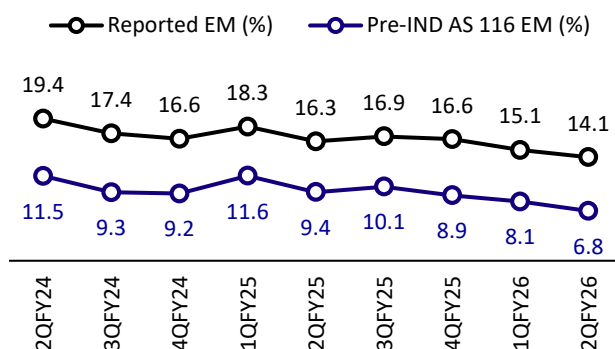
Source: Company, MOFSL

Exhibit 2: EBITDA declined 2% YoY to INR1.9b



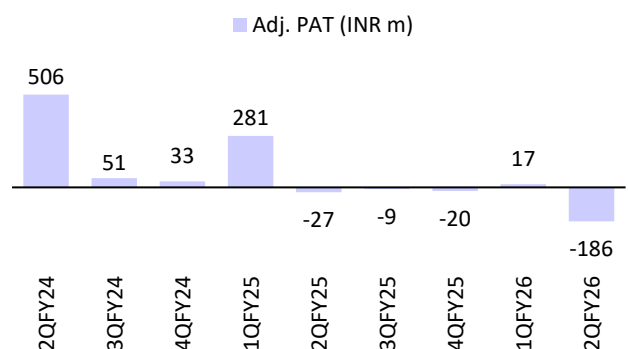
Source: Company, MOFSL

Exhibit 3: EBITDA margin dipped 210bp YoY to 14.1%, while EM (Pre-Ind AS) was down 260bp YoY to 6.8%



Source: MOFSL, Company

Exhibit 4: Reported loss stood at INR186m in 2QFY26



Source: MOFSL, Company

Valuation and view

- Given DEVYANI's weak performance, we cut our EBITDA by 4-6% for FY26E and FY27E.
- Management remains committed to improving ADS and profitability across the existing network across brands and will adopt a more cautious approach to future store openings for PH.
- DEVYANI is focusing on innovation, customer engagement, and value offerings to drive recovery. ADS and SSSG recoveries remain the key monitorables, as they are vital for improving unit economics. DEVYANI is in talks with Yum for PH

turnaround and is expected to execute the initiatives in the coming months. This will be a positive trigger for the company. The stock price has been flat for the last three years due to growth challenges, and we believe most of the risks are largely priced in now.

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Exhibit 5: We cut our EBITDA by 4-6% for FY26E and FY27E

INR m	New			Old			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	56,291	63,652	70,763	53,722	60,301	67,147	4.8%	5.6%	5.4%
EBITDA	8,188	10,799	13,314	8,706	11,257	13,618	-5.9%	-4.1%	-2.2%
Adjusted PAT	-162	1,406	2,655	367	1,720	2,819	NA	-18.3%	-5.8%

Source: MOFSL

Financials and valuations

Income Statement consol.

(INRM)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	15,164	11,348	20,840	29,977	35,563	49,511	56,291	63,652	70,763
Change (%)	15.7	-25.2	83.6	43.8	18.6	39.2	13.7	13.1	11.2
Raw Materials	4,604	3,447	5,998	8,986	10,566	15,388	17,834	19,874	22,080
Gross Profit	10,560	7,902	14,842	20,991	24,997	34,122	38,457	43,779	48,683
Margin (%)	69.6	69.6	71.2	70.0	70.3	68.9	68.3	68.8	68.8
Operating Expenses	8,005	5,556	10,082	14,440	18,474	25,700	30,269	32,980	35,369
EBITDA	2,555	2,346	4,760	6,551	6,524	8,422	8,188	10,799	13,314
Change (%)	-8.4	-8.2	102.9	37.6	-0.4	29.1	-2.8	31.9	23.3
Margin (%)	16.8	20.7	22.8	21.9	18.3	17.0	14.5	17.0	18.8
Depreciation	2,272	2,775	2,249	2,782	3,907	6,332	6,437	6,897	7,300
Int. and Fin. Charges	1,584	1,495	1,270	1,475	1,869	2,648	2,667	2,900	3,086.7
Other Income	187	641	161	326	326	370	431	474	546
Profit before Taxes	-1,115	-1,283	1,402	2,620	1,074	-188	-484	1,477	3,473
Change (%)	56.6	15.0	-209.3	86.8	-59.0	-117.5	157.4	-405.2	135.2
Margin (%)	-7.4	-11.3	6.7	8.7	3.0	-0.4	-0.9	2.3	4.9
Total tax	18	-11	-320	-206	133	197	-97	295	818
Tax Rate (%)	-1.7	0.8	-22.8	-7.9	12.4	-104.7	20.0	20.0	23.5
Adjusted PAT	-1,008	-677	1,715	2,770	929	226	-162	1,406	2,655
Change (%)	N/M	N/M	L/P	61.5	-66.5	-75.7	-172.0	-965.2	88.9
Margin (%)	-6.6	-6.0	8.2	9.2	2.6	0.5	-0.3	2.2	3.8
Reported PAT	-790	-735	1,563	2,650	473	-314	-387	1,181	2,431

Balance Sheet

(INRM)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	1,062	1,154	1,205	1,205	1,206	1,206	1,206	1,206	1,206
Reserves	-2,953	-16	5,658	8,499	9,352	9,738	4,823	3,405	2,973
Net Worth	-1,891	1,138	6,863	9,703	10,558	10,944	6,030	4,611	4,180
Loans	4,307	4,633	1,325	774	9,102	9,318	9,318	9,318	9,318
Lease Liability	12,882	8,724	11,217	14,875	19,955	22,558	26,512	28,774	31,012
Minority Interest	-391	-419	-47	-62	2,928	3,079	3,233	3,394	3,564
Capital Employed	14,906	14,076	19,358	25,290	42,543	45,899	45,092	46,097	48,073
Gross Block	7,707	7,276	9,660	13,838	23,004	30,446	31,610	34,650	37,718
Less: Accum. Depn.	9,542	7,914	11,709	14,278	21,839	23,314	20,189	20,705	22,399
Net Fixed Assets	5,364	6,162	7,649	11,012	20,704	22,584	24,903	25,392	25,674
Capital WIP	135	143	68	153	110	35	35	35	35
Goodwill	224	644	644	644	4,287	4,581	4,581	4,581	4,581
Right to Use Assets	10,351	6,660	8,911	12,258	16,906	18,799	18,225	17,887	17,263
Investments	414	456	351	353	268	271	271	271	271
Non-current	414	456	351	353	268	271	271	271	271
Deferred tax asset (net)	75	96	482	963	512	574	563	552	541
Curr. Assets, L&A	2,272	2,523	4,519	4,502	6,538	6,541	5,272	7,115	10,563
Inventory	721	622	855	1,290	1,310	1,482	1,564	1,742	1,936
Account Receivables	173	169	211	289	527	413	470	531	590
Cash and Bank Balance	160	405	659	851	1,808	1,814	509	1,991	5,070
Others	1,218	1,327	2,795	2,071	2,892	2,832	2,729	2,850	2,967
Curr. Liab. and Prov.	3,929	2,608	3,267	4,595	6,782	7,487	8,757	9,735	10,854
Account Payables	1,632	1,619	1,964	2,419	3,756	4,411	5,113	5,697	6,330
Other Liabilities	2,074	678	991	1,830	1,988	2,193	2,542	2,833	3,147
Provisions	223	311	313	346	1,038	882	1,103	1,205	1,378
Net Current Assets	-1,657	-85	1,252	-93	-244	-946	-3,486	-2,621	-291
Application of Funds	14,906	14,076	19,358	25,290	42,542	45,898	45,092	46,097	48,073

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	-0.9	-0.6	1.4	2.3	0.8	0.2	-0.1	1.2	2.2
Cash EPS	1.2	1.8	3.3	4.6	4.0	5.4	5.2	6.9	8.3
BV/Share	-1.8	1.0	5.7	8.1	8.8	9.1	5.0	3.8	3.5
Valuation (x)									
P/E	N/M	N/M	109.6	67.9	202.5	833.9	-1,158.1	133.8	70.9
Cash P/E	131.0	85.8	47.4	33.9	38.9	28.7	30.0	22.7	18.9
EV/Sales	11.2	16.2	9.0	6.3	5.5	3.9	3.5	3.1	3.2
EV/EBITDA	66.3	78.3	39.6	28.6	29.9	23.2	24.0	18.1	16.8
EV/EBITDA Pre Ind AS	294.5	218.1	62.9	43.1	51.3	39.5	44.0	28.9	21.4
P/BV	N/M	158.2	27.4	19.4	17.8	17.2	31.2	40.8	45.0
Return Ratios (%)									
RoE	N/M	N/M	42.9	33.4	9.2	2.1	-1.9	26.4	60.4
RoCE	3.2	1.5	19.6	19.8	7.6	11.4	3.8	7.7	10.7
RoIC	2.0	-3.1	19.7	19.3	7.1	10.2	3.2	7.1	10.6
Working Capital Ratios									
Debtor (Days)	4	5	4	4	5	3	3	3	3
Asset Turnover (x)	1.0	0.8	1.1	1.2	0.8	1.1	1.2	1.4	1.5
Leverage Ratio									
Debt/Equity (x)	N/M	11.7	1.8	1.6	2.8	2.9	5.9	8.3	9.6

Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before Tax	-1,196	-641	1,231	2,419	37	131	-484	1,477	3,248
Depreciation	2,506	2,887	2,249	2,788	3,848	5,699	6,437	6,897	7,525
Net interest	1,688	1,622	1,270	1,475	1,869	2,648	2,667	2,900	3,087
Others	-206	-1,874	-303	-79	63	-144	-431	-474	-546
Direct Taxes Paid	-8	5	-103	-478	-267	20	97	-295	-818
(Incr)/Decr in WC	223	397	162	246	375	648	1,124	488	602
CF from Operations	3,007	2,396	4,506	6,370	5,925	9,002	9,409	10,991	13,098
Incr in FA	-999	-3,673	-3,063	-4,240	-4,619	-4,818	-1,164	-3,040	-3,068
Free Cash Flow	2,008	-1,278	1,443	2,130	1,306	4,184	8,244	7,951	10,030
Others	108	103	-606	890	-9,242	75	-3,953	-332	-285
CF from Invest.	-892	-3,570	-3,669	-3,350	-13,861	-4,743	-5,118	-3,372	-3,353
Incr in Debt	-1,791	-1,564	-4,776	-2,822	5,625	-3,722	277	302	329
Net interest Paid	-435	-492	-147	-27	3,247	-545	-5,873	-6,439	-6,995
CF from Fin. Activity	-2,226	1,420	-584	-2,827	8,893	-4,254	-5,595	-6,138	-6,666
Incr/Decr of Cash	-111	245	253	193	957	5	-1,304	1,482	3,079
Add: Opening Balance	271	160	405	659	851	1,808	1,814	509	1,991
Closing Balance	160	405	659	851	1,808	1,814	509	1,991	5,070

E: MOSL Estimates

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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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