

Soft quarter; margins to see pressure

Auto & Auto Ancillaries ▶ Result Update ▶ November 13, 2024

TARGET PRICE (Rs): 190

SAMIL reported a soft Q2, with ~3%/14% EBITDA miss vs Consensus; margins declined by ~80bps QoQ to 8.6%. While the company continued to outperform global auto production on organic basis, outlook here is weakening/remains challenged across major markets. We believe premiumization-led growth in content per vehicle would continue for SAMIL, accompanied by a) better visibility in non-Autos (targets 25% sales contribution), particularly led by Consumer Electronics (SAMIL is undertaking Rs26bn capex), and b) optionality on M&A following the recent fund-raise. We lower FY25E/26E/27E EPS by ~10%/5%/3%, due to lower margins amid the miss in Q2 and cost pressures (build-in 14% consolidated revenue CAGR over FY24-27E). We maintain ADD and lower our SoTP-based TP to Rs190 (implied target Sep-26E PER of ~23x).

Samvardhana Motherson International: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	787,881	986,917	1,198,738	1,323,555	1,461,871
EBITDA	62,952	92,866	113,860	131,559	151,437
Adj. PAT	15,951	29,091	37,831	51,212	64,818
Adj. EPS (Rs)	2.4	4.3	5.3	7.2	9.1
EBITDA margin (%)	8.0	9.4	9.5	9.9	10.4
EBITDA growth (%)	34.0	47.5	22.6	15.5	15.1
Adj. EPS growth (%)	71.1	81.6	32.6	35.4	26.6
RoE (%)	7.5	12.1	12.3	13.7	15.3
RoIC (%)	8.9	14.3	15.5	17.8	20.7
P/E (x)	70.5	38.7	31.2	23.1	18.2
EV/EBITDA (x)	19.3	13.5	10.7	9.1	7.6
P/B (x)	5.0	4.3	3.3	3.0	2.6
FCFF yield (%)	2.0	2.8	3.7	3.5	5.7

Source: Company, Emkay Research

EBITDA miss vs Consensus; margin down by 80bps sequentially

Consolidated revenues grew 18% YoY to Rs278.1bn (~3% below estimates); EBITDA was 23% higher YoY, albeit ~14% below estimate – with EBITDA margin declining by ~80bps QoQ to ~8.8%, amid lower gross margins and higher other expenses. Revenue growth on YoY basis was driven by Modules and Polymers (up 27%), and Emerging Businesses (ie Non-Auto, up 43%); sequentially, margins were lower across Wiring Harnesses, Modules & Polymers, and Vision Systems. Adjusted PAT stood at Rs7.6bn, at an ~18% miss vs Consensus.

Earnings Call KTAs

1) Management highlighted continued outperformance vs the underlying industry, wherein organic revenue growth was 4-5% higher than the market (global light vehicle production down 5%), aided by new products and higher penetration in certain customers; expects H2 to be better than H1, amid typical seasonality (plant shutdowns in winter are shorter than in summer). 2) Global macros are a mixed bag; customer schedules have been erratic amid lower-than-expected EV offtake and elongated ICE visibility; while inflation and interest rates are stable, volatility in commodity (eg copper) and energy prices (in Europe) is rising. 3) Automotive booked business stands at USD88bn (vs USD84bn in Mar-24), executable over 5-6 years; EVs comprise ~24% of the orderbook. 4) As global pain increases, the company would be even better placed on the M&A front. 5) 5 of the 19 upcoming greenfields have come onstream, with 8 of the 14 to come onstream during H2. 4) Marginally lowered FY25 capex guidance to Rs50bn +/-5% vs Rs50bn +/-10% earlier. 6) Non-Auto revenues reached annualized run rate of Rs30bn, with Consumer Electronics (CE) yet to ramp up. Pilot plant for CE has cleared customer trials (for both, assembly and manufacturing operations); mass production to start in Nov-24; larger manufacturing plant in Chennai to come onstream in ~1.5 years. 7) Would be utilizing most of the Rs64bn fund raise done recently toward debt repayment; net debt stands at ~Rs105bn; current gearing at 1x vs 1.5x in Jun-24 and threshold of 2.5x. 8) Company has taken upfront cost increases; seasonal improvement in H2 schedules, along with ongoing discussions with customers for sharing of cost inflation, are also seen leading to better margins vs H1 levels.

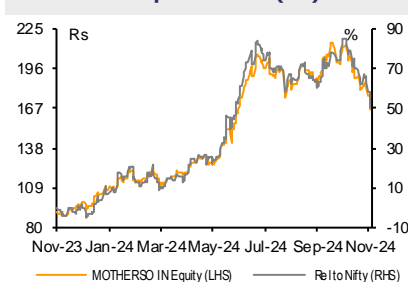
Target Price – 12M	Sep-25
Change in TP (%)	(5.0)
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	14.4
CMP (12-Nov-24) (Rs)	166.0

Stock Data	Ticker
52-week High (Rs)	217
52-week Low (Rs)	87
Shares outstanding (mn)	7,036.1
Market-cap (Rs bn)	1,168
Market-cap (USD mn)	13,843
Net-debt, FY25E (Rs mn)	41,831
ADTV-3M (mn shares)	19
ADTV-3M (Rs mn)	3,664.4
ADTV-3M (USD mn)	43.4
Free float (%)	35.2
Nifty-50	23,883
INR/USD	84.4
Shareholding, Sep-24	
Promoters (%)	58.1
FPIs/MFs (%)	13.0/20.3

Price Performance

(%)	1M	3M	12M
Absolute	(22.0)	(11.8)	82.5
Rel. to Nifty	(18.5)	(10.1)	49.2

1-Year share price trend (Rs)



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Exhibit 1: Q2FY25 Results – Revenue grew 18% YoY; EBITDA margin declined by 80bps due to gross margin contraction

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (%)	QoQ (%)
Revenue	224,622	235,275	256,439	270,582	288,680	278,119	18.2	(3.7)
Expenditure	205,376	215,397	233,280	241,237	260,927	253,639	17.8	(2.8)
as % of sales	91.4	91.6	91.0	89.2	90.4	91.2		
Consumption of RM	127,010	133,407	141,492	142,238	154,747	150,818	13.1	(2.5)
as % of sales	56.5	56.7	55.2	52.6	53.6	54.2		
Employee Cost	53,169	54,688	60,659	66,869	71,704	68,835	25.9	(4.0)
as % of sales	23.7	23.2	23.7	24.7	24.8	24.8		
Other expenditure	25,197	27,302	31,128	32,129	34,475	33,987	24.5	(1.4)
as % of sales	11.2	11.6	12.1	11.9	11.9	12.2		
EBITDA	19,246	19,878	23,159	29,346	27,753	24,479	23.1	(11.8)
EBITDA margin (%)	8.6	8.4	9.0	10.8	9.6	8.8		
Depreciation	8,389	8,674	10,164	10,878	10,646	11,028	27.1	3.6
EBIT	10,857	11,204	12,996	18,467	17,107	13,451	20.1	(21.4)
Other Income	529	664	1,084	836	709	2,592	290.4	265.7
Interest	2,526	4,879	6,203	4,504	4,445	5,462	11.9	22.9
PBT	8,860	6,989	7,877	14,800	13,371	10,582	51.4	(20.9)
Total Tax	2,610	2,292	2,176	1,129	3,480	2,936	28.1	(15.6)
Adjusted PAT	6,250	4,697	5,701	13,671	9,891	7,646	62.8	(22.7)
(Profit)/loss from JV's/Ass/MI	241	188	272	(43)	(51)	(1,152)	(713.9)	2,180.4
Adj. PAT after MI	6,009	4,509	5,428	13,714	9,942	8,797	95.1	(11.5)
Extra ordinary items	-	(2,494)	(9)	4	-	-		
Reported PAT	6,009	2,015	5,420	13,718	9,942	8,797	336.5	(11.5)
Adjusted EPS (Rs)	0.9	0.7	0.8	2.0	1.5	1.3	95.1	(11.5)
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (bps)	QoQ (bps)
EBITDAM	8.6	8.4	9.0	10.8	9.6	8.8	35	(81)
EBITM	4.8	4.8	5.1	6.8	5.9	4.8	7	(109)
EBTM	3.9	3.0	3.1	5.5	4.6	3.8	83	(83)
APATM	2.7	1.9	2.1	5.1	3.4	3.2	125	(28)
Effective Tax rate	29.5	32.8	27.6	7.6	26.0	27.7	(505)	172

Source: Company, Emkay Research

Exhibit 2: Actuals vs Estimates

(Rs mn)	Actual	Emkay	% Variation	Consensus	% Variation
Total Revenue	278,119	289,285	(3.9)	286,562	(2.9)
EBITDA	24,479	28,350	(13.7)	28,443	(13.9)
EBITDA Margin (%)	8.8	9.8	-100bps	9.9	-112bps
Reported Net profit	7,646	9,963	(23.3)	9,348.7	(18.2)

Source: Company, Emkay Research

Exhibit 3: Segmental performance – Modules and Polymer products, Emerging businesses (Non Auto) lead the growth; margins down sequentially across wiring harnesses, modules and polymers, and vision systems

Consolidated Segment revenue (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (%)	QoQ (%)
Wiring harness	76,327	77,906	79,161	81,680	83,265	81,112	4.1	-2.6
Modules and polymer products	119,778	114,909	127,541	136,889	151,928	146,404	27.4	-3.6
Vision systems	46,152	46,892	48,066	50,379	49,970	48,075	2.5	-3.8
Integrated Assemblies	0	16,508	25,919	25,811	25,227	25,277		0.2
Emerging businesses	18,116	20,259	19,593	22,834	25,913	29,051	43.4	12.1
Total	260,374	276,474	300,281	317,593	336,302	329,919		

Revenue mix (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25		
Wiring harness	29.3	28.2	26.4	25.7	24.8	24.6		
Modules and polymer products	46.0	41.6	42.5	43.1	45.2	44.4		
Vision systems	17.7	17.0	16.0	15.9	14.9	14.6		
Integrated Assemblies	0.0	6.0	8.6		7.5	7.7		
Emerging businesses	7.0	7.3	6.5	7.2	7.7	8.8		

Consolidated Segment EBITDA (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (%)	QoQ (%)
Wiring harness	7,784	8,256	8,509	9,071	9,745	9,078	10.0	-6.8
Modules and polymer products	8,978	8,149	11,168	14,760	13,169	10,905	33.8	-17.2
Vision systems	4,323	4,301	4,669	6,490	4,739	4,438	3.2	-6.3
Integrated Assemblies	0	1,652	3,225	3,056	2,562	3,014	82.5	17.6
Emerging businesses	2,040	2,507	2,511	3,904	3,165	3,867	54.3	22.2
Total	23,125	24,864	30,082	37,281	33,381	31,302		

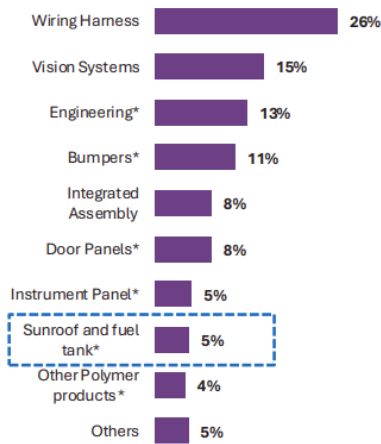
Segment Margin (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (bps)	QoQ (bps)
Wiring harness	10.2	10.6	10.7	11.1	11.7	11.2	59.5	-51.2
Modules and polymer products	7.5	7.1	8.8	10.8	8.7	7.4	35.7	-122.0
Vision systems	9.4	9.2	9.7	12.9	9.5	9.2	6.0	-25.2
Integrated Assemblies			12.4	11.8	10.2	11.9		176.6
Emerging businesses	11.3	12.4	12.8	17.1	12.2	13.3	93.7	109.5

EBIT mix (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25		
Wiring harness	33.7	33.2	28.3	24.3	29.2	29.0		
Modules and polymer products	38.8	32.8	37.1	39.6	39.5	34.8		
Vision systems	18.7	17.3	15.5	17.4	14.2	14.2		
Integrated Assemblies	0.0	6.6	10.7	8.2	7.7	9.6		
Emerging businesses	8.8	10.1	8.3	10.5	9.5	12.4		

Source: Company, Emkay Research

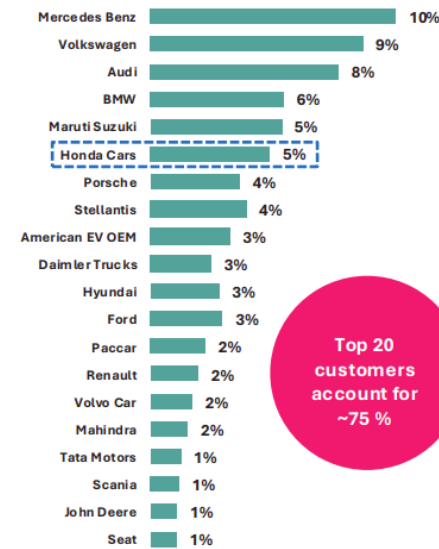
Exhibit 4: Diversification drive ongoing; the company aims for no product, country or customer to form over 10% of revenue

Component wise.



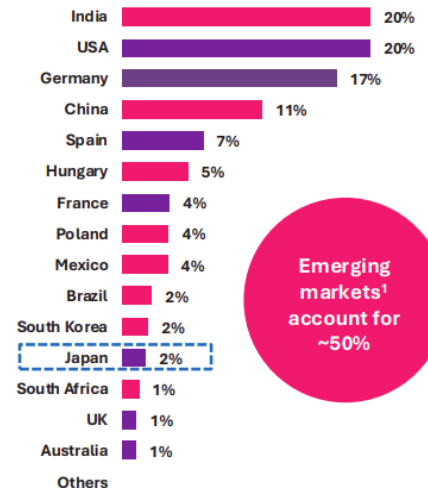
Customer wise.

(top 20 customers)



Top 20 customers account for ~75 %

Country wise.



Emerging markets¹ account for ~50%

¹Emerging markets defined as Brazil, China, India, Mexico Thailand, South Korea, South Africa, Czech Republic, Hungary, UAE, Turkey, Philippines, Indonesia, Poland as per MSCI Emerging Markets Index

Note: 1. Total revenue considered 2. Revenue from operations (gross) which includes revenue from operations, 100% of revenue from joint ventures and associates which are accounted as per the equity method. 2. Revenue by country is based on manufacturing locations except in certain cases of job works locations like Mexico and India. * Under Modules and Polymer Products business division

Source: Company, Emkay Research

Exhibit 5: Five of the 19 Greenfields announced are on-stream, with SOPs achieved; eight facilities of the balance 14 are expected to come on-stream in H2FY25

05 out of 19 Greenfields announced are onstream with SOPs achieved.
Rest at various stages of completion,



Operationalized (5)

Business Division	No	SOP
Wiring Harness	01	Q2FY25
Modules and Polymer Products	01	Q1FY25
Lighting and Electronics	01	Q3FY25
Health and Medical	01	Q2FY25

Modules and Polymer Products	01	Q1FY25
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8 facilities out of balance 14 are expected to come onstream in H2 FY 2025

At various stages of completion (14)

Business Division	No	Expected SOP
India 09		
Wiring Harness	02	Q1FY26 / Q3FY26
Lighting and Electronics	02	Q4FY25/Q1FY27
Precision Metal and Modules	02	Q3FY25/ Q3FY25
Technology and Industrial Solutions	01	Q4FY26
Aerospace	02	Q4FY25 / Q4FY25
China 03		
Wiring Harness	01	Q2FY26
Integrated Assemblies	02	Q4FY25 / Q4FY25
Poland 01		
Modules and Polymer Products	01	Q1FY27
Mexico 01		
Integrated Assemblies	01	Q4FY25

Source: Company, Emkay Research

Exhibit 6: Revenue Model – We build in 14% consolidated revenue CAGR over FY24-27E

(Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Entity-wise revenues						
Wiring harness	219,698	265,567	315,137	337,196	367,544	400,623
Modules and polymer products	354,200	422,624	499,118	638,870	702,757	773,033
Vision systems	134,976	165,688	191,489	202,978	221,246	241,158
Integrated Assemblies	-	-	68,238	102,358	117,711	135,368
Emerging businesses (non-auto)	25,668	68,444	80,900	121,350	139,552	160,485
Consol. revenues before intersegmental	734,543	922,322	1,154,881	1,402,752	1,548,810	1,710,667
Revenue mix (%)						
Wiring harness	30	29	27	24	24	23
Modules and polymer products	48	46	43	46	45	45
Vision systems	18	18	17	14	14	14
Integrated Assemblies	-	-	6	7	8	8
Emerging businesses (non-auto)	3	7	7	9	9	9
Entity-wise EBITDA						
Wiring harness	19,130	9,216	11,385	12,827	14,864	16,434
Modules and polymer products	24,482	35,601	59,020	88,538	106,176	120,054
Vision systems	12,889	5,898	9,304	10,145	10,753	11,398
Integrated Assemblies	-	1,751	2,247	2,450	2,670	2,911
Emerging businesses (non-auto)	2,306	10,486	6,384	12,427	5,960	6,174
Total	58,807	62,952	88,341	126,386	140,424	156,971
EBITDA margin (%)						
Wiring harness	8.7	3.5	3.6	3.8	4.0	4.1
Modules and polymer products	6.9	8.4	11.8	13.9	15.1	15.5
Vision systems	9.5	3.6	4.9	5.0	4.9	4.7
Integrated Assemblies	-	-	3.3	2.4	2.3	2.2
Emerging businesses (non-auto)	9.0	15.3	7.9	10.2	4.3	3.8
Consolidated Revenues	637,740	787,881	986,917	1,198,738	1,323,555	1,461,871
Growth YoY (%)	11.2	23.5	25.3	21.5	10.4	10.5
EBITDA	46,994	62,952	92,866	113,860	131,559	151,437
EBITDA margin (%)	7.4	8.0	9.4	9.5	9.9	10.4
EBIT	17,412	31,593	54,761	69,661	83,509	99,645
EBIT margin (%)	2.7	4.0	5.5	5.8	6.3	6.8
Interest	5,426	7,809	18,112	14,974	10,523	8,822
PBT	14,082	24,485	36,026	58,814	77,937	97,755.1
Reported PAT (MSSL share)	5,096	14,956	27,162	37,831	51,212	64,818
PAT margin (%)	0.8	1.9	2.8	3.2	3.9	4.4
Adjusted PAT (MSSL share)	4,292	15,951	29,091	37,831	51,212	64,818
PAT margin (%)	0.7	2.0	2.9	3.2	3.9	4.4
EPS (Rs)	0.6	2.4	4.3	5.3	7.2	9.1

Source: Company, Emkay Research

Exhibit 7: Revision in Estimates – We lower FY25E/26E/27E EPS by ~10%/5%/3% on lower margins

(Rs mn)	FY25E				FY26E				FY27E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	%YoY
Revenues	1,225,841	1,198,738	-2.2	21	1,321,531	1,323,555	0.2	10	1,429,709	1,461,871	2.2	10
EBITDA	126,606	113,860	-10.1	23	140,787	131,559	-6.6	16	157,377	151,437	-3.8	15
Margin (%)	10.3	9.5	-83bps	9bps	10.7	9.9	-71bps	44bps	11.0	10.4	-65bps	42bps
EPS (Rs)	5.9	5.3	-9.9	24	7.6	7.2	-5.3	35	9.4	9.1	-3.1	27

Source: Company, Emkay Research

Exhibit 8: Emkay vs Consensus estimates

Particulars (Rs mn)	Emkay Estimates			Bloomberg estimates			Difference		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net revenue	1,198,738	1,323,555	1,461,871	1,187,952	1,295,673	1,406,310	0.9%	2.2%	4.0%
EBITDA	113,860	131,559	151,437	118,798	134,686	149,826	-4.2%	-2.3%	1.1%
EBITDA margin (%)	9.5	9.9	10.4	10.0	10.4	10.7			

Source: Bloomberg, Emkay Research

Exhibit 9: Our revised SoTP-based TP stands at Rs190

SAMIL (C) SOTP valuation	Basis	Equity value (Rs mn)	Equity value/share (Rs)	Contribution (%)
Consolidated	19x P/E	1,261,095	177	95
MSUMI stake of 33.4% (Holdco discount at 20%)	24x P/E	66,167	9	5
Total		1,327,262	187	100
Rounded-off			190	

Source: Emkay Research

Samvardhana Motherson International: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	787,881	986,917	1,198,738	1,323,555	1,461,871
Revenue growth (%)	23.5	25.3	21.5	10.4	10.5
EBITDA	62,952	92,866	113,860	131,559	151,437
EBITDA growth (%)	34.0	47.5	22.6	15.5	15.1
Depreciation & Amortization	31,358	38,105	44,198	48,050	51,792
EBIT	31,593	54,761	69,661	83,509	99,645
EBIT growth (%)	81.5	73.3	27.2	19.9	19.3
Other operating income	0	0	0	0	0
Other income	1,696	1,876	4,126	4,952	6,932
Financial expense	7,809	18,112	14,974	10,523	8,822
PBT	25,480	38,525	58,814	77,937	97,755
Extraordinary items	995	2,499	0	0	0
Taxes	7,352	8,206	14,704	19,484	23,461
Minority interest	1,740	3,034	6,538	7,424	9,685
Income from JV/Associates	(438)	2,376	259	183	209
Reported PAT	14,956	27,162	37,831	51,212	64,818
PAT growth (%)	71.1	81.6	39.3	35.4	26.6
Adjusted PAT	15,951	29,091	37,831	51,212	64,818
Diluted EPS (Rs)	2.4	4.3	5.3	7.2	9.1
Diluted EPS growth (%)	71.1	81.6	32.6	35.4	26.6
DPS (Rs)	0.7	0.8	1.1	1.6	2.1
Dividend payout (%)	29.5	20.0	21.0	22.0	23.0
EBITDA margin (%)	8.0	9.4	9.5	9.9	10.4
EBIT margin (%)	4.0	5.5	5.8	6.3	6.8
Effective tax rate (%)	28.9	22.8	25.0	25.0	24.0
NOPLAT (pre-IndAS)	22,478	42,287	52,246	62,632	75,730
Shares outstanding (mn)	6,776.4	6,776.4	7,115.2	7,115.2	7,115.2

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	25,480	38,525	58,814	77,937	97,755
Others (non-cash items)	37,763	52,315	52,892	51,332	51,139
Taxes paid	(8,535)	(14,353)	(14,704)	(19,484)	(23,461)
Change in NWC	(6,846)	(674)	2,753	(12,883)	(4,532)
Operating cash flow	46,431	75,689	99,756	96,902	120,900
Capital expenditure	(21,829)	(40,101)	(55,000)	(55,000)	(55,000)
Acquisition of business	(3,264)	(30,048)	(5,000)	(5,000)	(5,000)
Interest & dividend income	2,672	1,706	0	0	0
Investing cash flow	(22,448)	(66,618)	(60,000)	(60,000)	(60,000)
Equity raised/(repaid)	0	0	64,037	0	0
Debt raised/(repaid)	(10,562)	40,377	(41,679)	(3,254)	15,015
Payment of lease liabilities	(3,936)	(5,959)	0	0	0
Interest paid	(8,083)	(15,096)	(14,974)	(10,523)	(8,822)
Dividend paid (incl tax)	(3,308)	(6,751)	(7,827)	(9,250)	(10,673)
Others	(1,101)	1,229	0	1	0
Financing cash flow	(26,990)	13,799	(442)	(23,026)	(4,480)
Net chg in Cash	(3,007)	22,871	39,313	13,876	56,420
OCF	46,431	75,689	99,756	96,902	120,900
Adj. OCF (w/o NWC chg.)	53,276	76,363	97,003	109,785	125,433
FCFF	24,602	35,589	44,756	41,902	65,900
FCFE	19,465	19,182	29,782	31,379	57,078
OCF/EBITDA (%)	73.8	81.5	87.6	73.7	79.8
FCFE/PAT (%)	130.1	70.6	78.7	61.3	88.1
FCFF/NOPLAT (%)	109.4	84.2	85.7	66.9	87.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	6,776	6,776	7,115	7,115	7,115
Reserves & Surplus	217,739	254,773	348,476	390,438	444,584
Net worth	224,515	261,549	355,591	397,553	451,699
Minority interests	19,254	20,606	27,144	34,569	44,254
Deferred tax liability (net)	(7,049)	(7,229)	(7,229)	(7,229)	(7,229)
Total debt	137,923	199,219	151,002	140,323	145,653
Total liabilities & equity	374,644	474,145	526,508	565,217	634,377
Net tangible fixed assets	159,707	228,608	239,410	246,360	249,568
Net intangible assets	47,588	47,588	47,588	47,588	47,588
Net ROU assets	19,181	19,181	19,181	19,181	19,181
Capital WIP	14,779	24,978	24,978	24,978	24,978
Goodwill	0	0	0	0	0
Investments [JV/Associates]	67,892	71,051	76,051	81,051	86,051
Cash & equivalents	46,987	69,858	109,171	123,047	179,467
Current assets (ex-cash)	250,119	373,286	453,403	515,118	573,764
Current Liab. & Prov.	231,608	360,405	443,275	492,107	546,220
NWC (ex-cash)	18,510	12,881	10,128	23,011	27,543
Total assets	374,644	474,145	526,508	565,217	634,377
Net debt	90,936	129,361	41,831	17,276	(33,814)
Capital employed	372,981	472,482	524,846	563,554	632,714
Invested capital	259,765	333,236	341,285	361,118	368,858
BVPS (Rs)	32.9	38.4	49.7	55.6	63.2
Net Debt/Equity (x)	0.4	0.5	0.1	0.0	(0.1)
Net Debt/EBITDA (x)	1.4	1.4	0.4	0.1	(0.2)
Interest coverage (x)	0.2	0.3	0.2	0.1	0.1
RoCE (%)	6.4	10.3	11.1	12.2	13.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	70.5	38.7	31.2	23.1	18.2
P/CE(x)	23.8	16.7	14.4	11.9	10.1
P/B (x)	5.0	4.3	3.3	3.0	2.6
EV/Sales (x)	1.5	1.3	1.0	0.9	0.8
EV/EBITDA (x)	19.3	13.5	10.7	9.1	7.6
EV/EBIT(x)	38.5	22.9	17.6	14.4	11.5
EV/IC (x)	4.7	3.8	3.6	3.3	3.1
FCFF yield (%)	2.0	2.8	3.7	3.5	5.7
FCFE yield (%)	1.7	1.7	2.5	2.7	4.8
Dividend yield (%)	0.4	0.5	0.7	1.0	1.3
DuPont-RoE split					
Net profit margin (%)	2.0	2.9	3.2	3.9	4.4
Total asset turnover (x)	2.1	2.3	2.4	2.4	2.4
Assets/Equity (x)	1.7	1.8	1.6	1.5	1.4
RoE (%)	7.5	12.1	12.3	13.7	15.3
DuPont-RoIC					
NOPLAT margin (%)	2.9	4.3	4.4	4.7	5.2
IC turnover (x)	3.1	3.3	3.6	3.8	4.0
RoIC (%)	8.9	14.3	15.5	17.8	20.7
Operating metrics					
Core NWC days	8.6	4.8	3.1	6.3	6.9
Total NWC days	8.6	4.8	3.1	6.3	6.9
Fixed asset turnover	2.0	2.1	2.2	2.2	2.2
Opex-to-revenue (%)	34.5	35.5	35.3	34.9	34.5

Source: Company, Emkay Research

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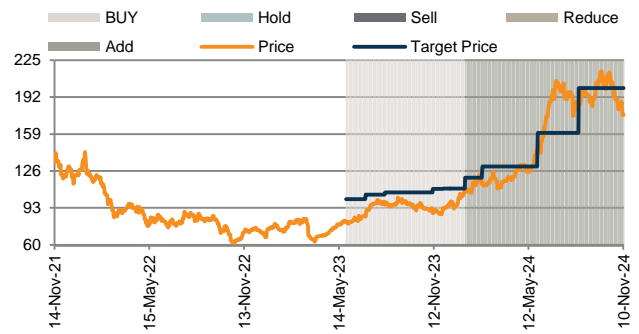
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Date	Closing Price (INR)	TP (INR)	Rating	Analyst
16-Aug-24	186	200	Add	Chirag Jain
29-May-24	148	160	Add	Chirag Jain
13-Feb-24	115	130	Add	Chirag Jain
11-Jan-24	110	120	Add	Chirag Jain
30-Nov-23	92	110	Buy	Chirag Jain
10-Nov-23	88	110	Buy	Chirag Jain
10-Aug-23	96	107	Buy	Chirag Jain
04-Jul-23	85	105	Buy	Chirag Jain
27-May-23	81	101	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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