

UCP margins surprise; risk reward attractive

Consumer Durables ▶ Result Update ▶ May 09, 2025

CMP (Rs): 1,223 | TP (Rs): 1,450

Voltas clocked a healthy Q4 performance (revenue up 13% YoY at Rs47.7bn; largely inline) backed by stellar execution in the UCP business (up 17% YoY) with a standout EBIT margin of ~10% (much ahead of our estimate of 7.1%) owing to better product mix and improving scale benefits. However, it missed our PAT estimate by ~8% due to the projects business turning negative. While April was muted given unseasonal rains and the delay in onset of Summer-25 impacting both, primary/secondary sales, the mgmt. remains hopeful of a recovery in May-Jun (expects a longer and stronger tail to the summer season). We cut FY26E/FY27E PAT by ~9-10%, given the near-term uncertainty in Summer-2025. At current valuations and with UCP P/sales at 3.1x (below 10Y average of 3.6x), the stock trades at attractive valuations (refer to our IC: [Cooling curve turning vertical](#)); hence, we retain BUY while revising down our TP by ~9% to Rs1,450, implied at ~41x FY27 PER and Voltbek at Rs33/sh.

Q4: UCP division surprises on the margin front

Consolidated revenue stood at Rs47.7bn (up 13% YoY, at a ~2 miss on consensus/Emkay estimates) for Voltas in Q4FY25. The UCP division's revenue growth was robust at ~17% YoY, with a phenomenal EBIT margin of ~10% in Q4 (much ahead of Emkay estimate of ~7.1%) owing to better product mix. EMPS (projects) growth was flattish at ~4%, with margins turning negative in Q4 owing to Rs400mn contingent provision created during Q4 on account of payment delays for international projects. Consol EBITDA for FY25 stood at Rs11.1bn (up 135%YoY), with margin at 7.2% (miss on Emkay of ~7.4%)

Earnings Call KTAs

i) During FY25, Voltas sold ~2.5mn RAC units in FY25, retaining market leadership with ~19% market share; industry volume estimated at ~13-14mn units. ii) UCP margins saw improvement on a better product mix (premium 5-star RACs, industrial air coolers), scale benefits, and labor/productivity gains. iii) While April was muted, with unseasonal rains and a delayed start to the summer impacting both, primary and secondary sales, the management remains hopeful of a recovery in May-Jun (expects a longer and stronger tail to the summer season) partially offsetting the April weakness. iv) No significant price hikes were taken in Q4. Also, no major discounting was undertaken by peers, although elevated channel inventory is a concern due to early stocking in anticipation of a strong summer and supply constraints. v) CAC demand is expected to remain strong in FY26, driven by higher capex, better AMC conversion, and strong retrofit demand, while Com Ref saw a weak FY25 due to QCO-related issues, though recovery is expected in FY26 as factory ramp-up normalizes and order pipeline improves. vi) A Rs400mn provision was created during Q4 on account of payment delays beyond contractual timelines, made for international receivables (mainly UAE and Saudi projects). vii) Voltas Beko YTD market share is ~15.3% in semi-automatic washing machines, making it the #2 in India, while refrigerator share is up, at 5.3%; plans to fully localize refrigerator manufacturing.

Target Price – 12M	Mar-26
Change in TP (%)	(9.4)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	18.6

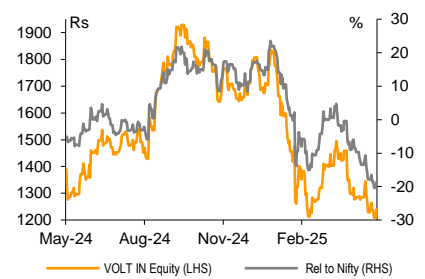
Stock Data	VOLT IN
52-week High (Rs)	1,946
52-week Low (Rs)	1,135
Shares outstanding (mn)	330.9
Market-cap (Rs bn)	405
Market-cap (USD mn)	4,721
Net-debt, FY25E (Rs mn)	0.0
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	2,802.9
ADTV-3M (USD mn)	32.7
Free float (%)	69.7
Nifty-50	24,273.8
INR/USD	85.7

Shareholding, Mar-25

Promoters (%)	30.3
FPIs/MFs (%)	22.0/33.2

Price Performance

(%)	1M	3M	12M
Absolute	(7.4)	(11.6)	(7.3)
Rel. to Nifty	(14.0)	(14.2)	(14.8)

1-Year share price trend (Rs)**Voltas: Financial Snapshot (Consolidated)**

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	94,988	124,812	154,128	164,731	184,475
EBITDA	5,724	4,746	11,162	11,814	13,701
Adj. PAT	3,789	2,520	8,414	9,406	11,200
Adj. EPS (Rs)	11.5	7.6	25.4	28.4	33.9
EBITDA margin (%)	6.0	3.8	7.2	7.2	7.4
EBITDA growth (%)	(16.0)	(17.1)	135.2	5.8	16.0
Adj. EPS growth (%)	(24.8)	(33.5)	233.9	11.8	19.1
RoE (%)	6.9	4.5	13.6	13.7	14.6
RoIC (%)	21.1	13.2	29.2	22.4	22.4
P/E (x)	106.8	160.6	48.1	43.0	36.1
EV/EBITDA (x)	67.1	80.6	33.7	31.7	27.1
P/B (x)	7.4	7.0	6.2	5.6	5.0
FCFF yield (%)	-	1.2	(1.1)	0.3	0.7

Source: Company, Emkay Research

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Story in Charts

Exhibit 1: Quarterly Summary – Voltas posted healthy ~13/54% YoY/QoQ revenue growth in Q4, with EBITDA margin at 7% (vs 4.5% in Q4FY24)

(Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Revenue	42,029	49,210	26,191	31,051	47,676	13	54	1,24,812	1,54,128	23
Raw Material cost	33,727	38,922	19,421	23,807	37,454	11	57	98,140	1,19,604	22
as % of sales	80.2	79.1	74.2	76.7	78.6			78.6	77.6	
Employee Cost	1,992	2,023	2,382	2,311	2,185	10	(5)	7,788	8,901	14
as % of sales	4.7	4.1	9.1	7.4	4.6			6.2	5.8	
Other operating expenses	4,404	4,027	2,766	2,959	4,709	7	59	14,138	14,462	2
as % of sales	10.5	8.2	10.6	9.5	9.9			11.3	9.4	
Total Expenditure	40,123	44,972	24,569	29,077	44,348	11	53	1,20,066	1,42,966	19
EBITDA	1,906	4,238	1,622	1,974	3,328	75	69	4,746	11,162	135
Depreciation	118	134	164	179	141	19	(21)	476	618	30
EBIT	1,788	4,104	1,458	1,795	3,187	78	78	4,270	10,544	147
Other Income	544	803	1,055	591	797	46	35	2,533	3,245	28
Interest	208	98	136	155	233	12	50	559	621	11
Exceptional	-	-	-	-	-			-	-	
PBT	2,124	4,809	2,377	2,231	3,751	77	68	6,244	13,168	111
Tax	634	1,165	726	599	1,075	69	80	2,371	3,565	50
PAT before MI	1,490	3,644	1,651	1,632	2,677	80	64	3,873	9,603	148
Minority interest	(325)	(301)	(311)	(311)	(266)	(18)	(14)	(1,347)	(1,189)	(12)
PAT	1,164	3,342	1,340	1,321	2,410	107	82	5,220	10,792	107

(%)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (bps)	QoQ (bps)	FY24	FY25	YoY (bps)
Gross margin	19.8	20.9	25.8	23.3	21.4	169	(189)	21.4	22.4	103
EBITDAM	4.5	8.6	6.2	6.4	7.0	245	62	3.8	7.2	344
EBITM	4.3	8.3	5.6	5.8	6.7	243	90	3.4	6.8	342
EBTM	5.1	9.8	9.1	7.2	7.9	281	69	5.0	8.5	354
PATM	2.8	6.8	5.1	4.3	5.1	228	80	4.2	7.0	282
Effective Tax rate	29.9	24.2	30.5	26.8	28.7	(122)	181	38.0	27.1	(1,090)

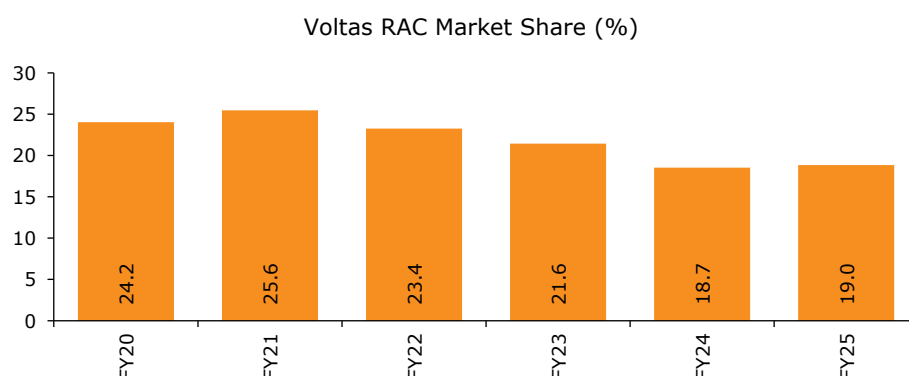
Source: Company, Emkay Research

Exhibit 2: Segmental Mix – Unitary Products (UCP) saw higher growth (17% YoY), with a positive surprise on margins at 10%; EMP division was softer (~4% YoY) while margins saw a decline after 3 consecutive quarters of profitability

Particulars (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
EMPS	10,979	9,491	8,799	11,902	11,375	4	(4)	36,830	41,568	13
YoY (%)	47	40	-5	21	4					
Professional electronics and industrial systems	1,564	1,608	1,467	1,297	1,321	(16)	2	5,879	5,692	(3)
YoY (%)	10	13	9	-16	-16					
Unitary Products	29,551	38,022	15,822	17,711	34,584	17	95	81,605	1,06,139	30
YoY (%)	44	51	31	19	17					
Total Sales	42,094	49,121	26,088	30,910	47,280	12	53	124,314	153,400	23
PBIT										
EMPS	-1077	675	462	567	-17	(98)	(103)	-3,285	1,686	(151)
Professional electronics and industrial systems	478	448	396	368	341	(29)	(7)	2,057	1,553	(24)
Unitary Products	2704	3270	1162	1043	3448	27	231	6,935	8,923	29
Total PBIT	2,105	4,394	2,020	1,978	3,771	79	91	5,707	12,163	113
Finance Costs	208	98	136	155	233	12	50	559	621	11
Unallocable expense	(227)	(513)	(492)	(408)	(213)	(6)	(48)	(1,096)	(1,626)	48
as a % of sales	(0.5)	(1.0)	(1.9)	(1.3)	(0.5)					
Loss from JVs	(383)	(294)	(323)	(324)	(320)			(1,386)	(1,260)	(9)
Exceptional Items	-	-	-	-	-					
PBT	1,741	4,515	2,054	1,906	3,432	97	80	4,858	11,908	
PBIT margin (%)										
EMPS	(9.8)	7.1	5.2	4.8	(0.2)	966	(492)	(8.9)	4.1	1,298
Professional electronics and industrial systems	30.6	27.9	27.0	28.4	25.8	(478)	(260)	35.0	27.3	(770)
Unitary Products	9.2	8.6	7.3	5.9	10.0	82	408	8.5	8.4	(9)
Total PBIT	5.0	8.9	7.7	6.4	8.0	297	158	4.6	7.9	334

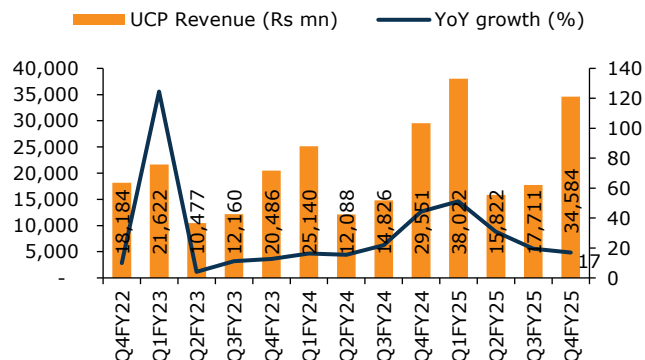
Source: Company, Emkay Research

Exhibit 3: Voltas has largely sustained its RAC market in FY25 after a continuous decline since FY21



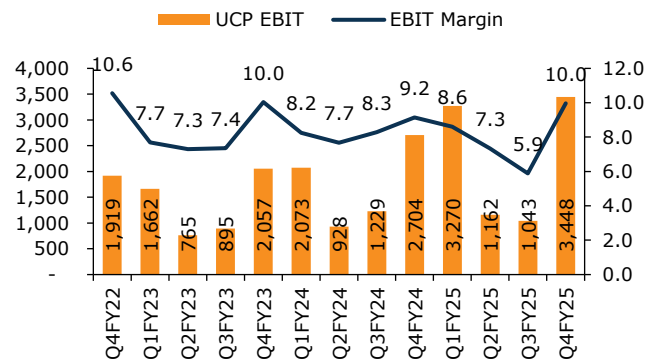
Source: Company, Emkay Research

Exhibit 4: UCP revenues saw a strong growth at 17% YoY...



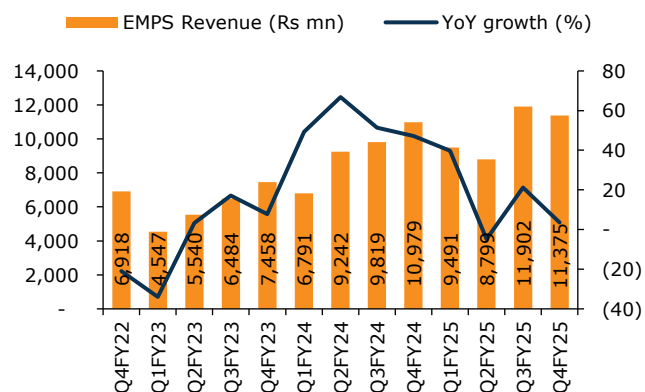
Source: Company, Emkay Research

Exhibit 5: ...which, coupled with better product mix and scale benefits, has led to a spike in UCP EBIT margins to ~10%



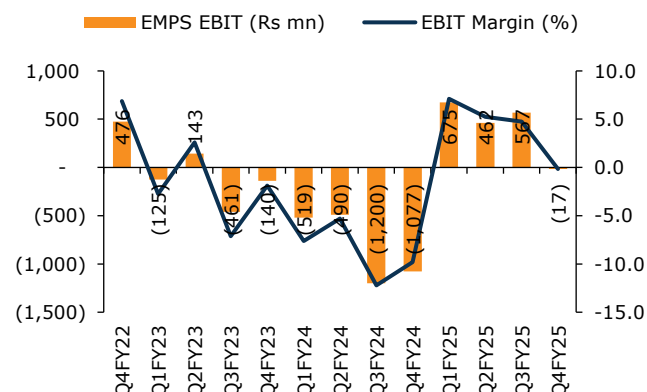
Source: Company, Emkay Research

Exhibit 6: EMPS revenue growth was softer in Q4 at 3.6% YoY growth...



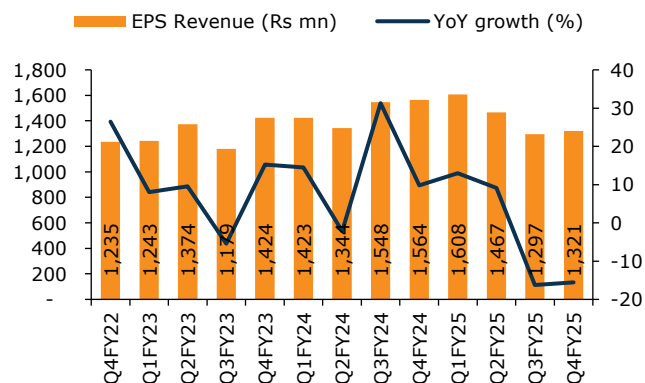
Source: Company, Emkay Research

Exhibit 7: ...while Rs400mn provisioning (international project delays) during the quarter ate into steady-state EMPS EBIT margins



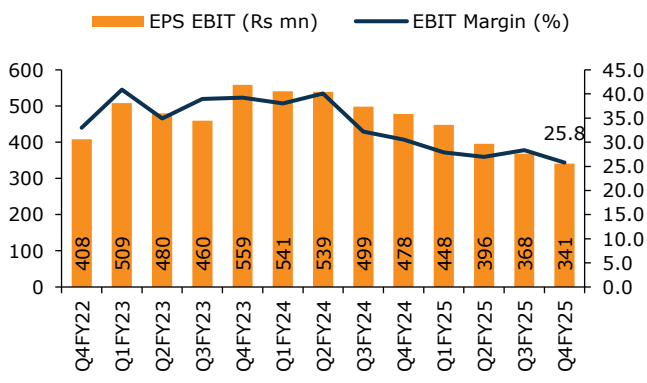
Source: Company, Emkay Research

Exhibit 8: EPS revenue growth was weak at (16%) YoY...



Source: Company, Emkay Research

Exhibit 9: ...while EBIT margins were also soft, at 25.8%



Source: Company, Emkay Research

Exhibit 10: Voltas – Revenue Model

(Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue	75,558	79,345	94,988	124,812	154,128	164,731	184,475
Growth YoY (%)	-1.3	5.0	19.7	31.4	23.5	6.9	12.0
UCP (RAC, Com Ref/AC & Air Cooler)	42,185	48,819	64,745	81,605	106,139	116,393	132,428
Growth YoY (%)	3.6	15.7	32.6	26.0	30.1	9.7	13.8
EMPS (Projects)	28,786	24,705	24,029	36,830	41,568	41,590	44,794
Growth YoY (%)	-11.3	-14.2	-2.7	53.3	12.9	0.1	7.7
EPS (Products - Mining & Textile)	3,595	4,887	5,220	5,879	5,692	6,091	6,517
Growth YoY (%)	8.4	35.9	6.8	12.6	-3.2	7.0	7.0
Gross profit	19,773	20,378	21,206	26,672	34,524	36,899	41,322
Gross margin (%)	26.2	25.7	22.3	21.4	22.4	22.4	22.4
EBITDA	6,414	6,815	5,724	4,746	11,162	11,814	13,701
EBITDA margin (%)	8.5	8.6	6.0	3.8	7.2	7.2	7.4
Depreciation	338.9	372.6	396.2	475.9	617.8	845.9	1,074.8
EBIT	6,075	6,443	5,328	4,270	10,544	10,969	12,627
Growth YoY (%)	-7.2	6.1	-17.3	-19.8	146.9	4.0	15.1
EBIT margin (%)	8.0	8.1	5.6	3.4	6.8	6.7	6.8
UCP (RAC, Com Ref/AC & Air Cooler)	5,837	5,134	5,378	6,935	8,923	9,079	10,462
EBIT margin (%)	13.8	10.5	8.3	8.5	8.4	7.8	7.9
Growth YoY (%)	14.0	-12.0	4.8	28.9	28.7	1.7	15.2
EMPS (Projects)	270.1	1,257.7	-582.3	-3,284.9	1,686.4	1,954.7	2,239.7
EBIT margin (%)	0.9	5.1	-2.4	-8.9	4.1	4.7	5.0
Growth YoY (%)	-84.1	365.6	-146.3	464.1	-151.3	15.9	14.6
EPS (Products - Mining & Textile)	1,143	1,579	2,007	2,057	1,553	1,645	1,760
EBIT margin (%)	31.8	32.3	38.5	35.0	27.3	27.0	27.0
Growth YoY (%)	15.2	38.1	27.1	2.5	-24.5	5.9	7.0
Other Income	1,889	1,892	1,685	2,533	3,245	3,447	3,781
Interest	262	259	296	559	621	805	857
PBT before Exceptional Item	7,702	8,076	6,716	6,244	13,168	13,611	15,550
Exceptional Item	-	-	(2,438)	-	-	-	-
PBT	7,702	8,076	4,278	6,244	13,168	13,611	15,550
Tax rate (%)	23.4	23.7	40.0	38.1	27.1	25.0	25.0
PAT before MI	5,898	6,163	2,569	3,867	9,603	10,208	11,663
Minority Interest	-36.5	-19.1	-12.1	38.9	70.9	70.9	70.9
Share of profit/(loss) of joint ventures (net of tax)	-610	-1,103	-1,207	-1,386	-1,260	-873	-533
Adj. PAT	5,251	5,041	3,789	2,520	8,414	9,406	11,200
PAT margin (%)	7.0	6.4	4.0	2.0	5.5	5.7	6.1
Growth YoY (%)	-7.6	-4.0	-24.8	-33.5	233.9	11.8	19.1
No of shares (mn)	330.8	330.8	330.8	330.8	330.8	330.8	330.8
EPS (Rs)	15.9	15.2	11.5	7.6	25.4	28.4	33.9

Source: Company, Emkay Research

Exhibit 11: Actuals vs Estimates

Rs mn	Q4FY25					FY25				
	Actual	Emkay Est	Var %	Consensus	Var %	Actual	Emkay Est	Var %	Consensus	Var %
Revenue	47,676	48,998	(2.7)	48,731	(2.2)	154,128	155,451	(0.9)	155,139	(0.7)
EBIT	3,187	3,501	(9.0)	3,697	(13.8)	10,544	10,858	(2.9)	11,006	(4.2)
PAT	2,410	2,626	(8.2)	2,641	(8.7)	8,414	8,629	(2.5)	8,605	(2.2)

Source: Company, Emkay Research

Exhibit 12: Revision in Estimates

(Rs mn)	FY25		FY26E				FY27E			
	Actual	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Revenue	154,128	23.5	174,640	164,731	(5.7)	6.9	200,711	184,475	(8.1)	12.0
EBIT	10,544	146.9	12,348	10,969	(11.2)	4.0	14,310	12,627	(11.8)	15.1
EBIT margin (%)	6.8	342 bps	7.1	6.7	(41) bps	(18) bps	7.1	6.8	(28) bps	19 bps
Adj PAT	8,413.7	233.9	10,312.2	9,405.6	(8.8)	11.8	12,371.9	11,200.0	(9.5)	19.1

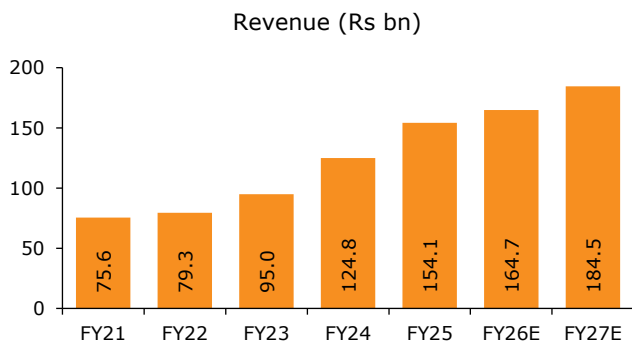
Source: Company, Emkay Research

Exhibit 13: SOTP-based Valuation

(Rs mn)	Mar-27E PAT	PER (x)	Market Capitalization	Contribution to SOTP (%)
UCP	8,437	50	4,21,850	87.7
EMPS	1,806	15	27,090	5.6
EPS (Rs)	1,419	15	21,285	4.4
Total MCAP	11,662		4,70,225	
Number of Shares			331	
Target Price (Rs)			1,421	
Value of VoltBek at P/sales of 0.75x (Rs)			33	2.2
Total Value (Rs)		41	1,450	100

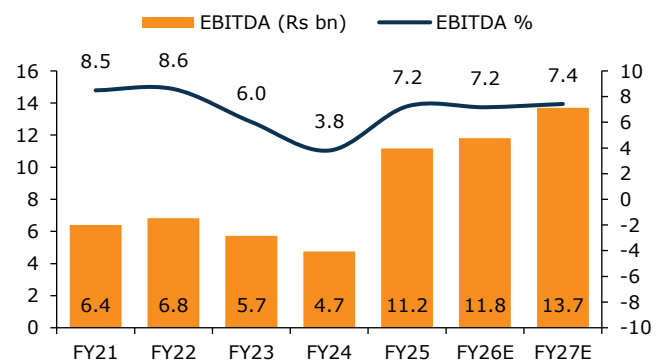
Source: Company, Emkay Research

Exhibit 14: We build in revenue CAGR of 9% over FY25-27E...



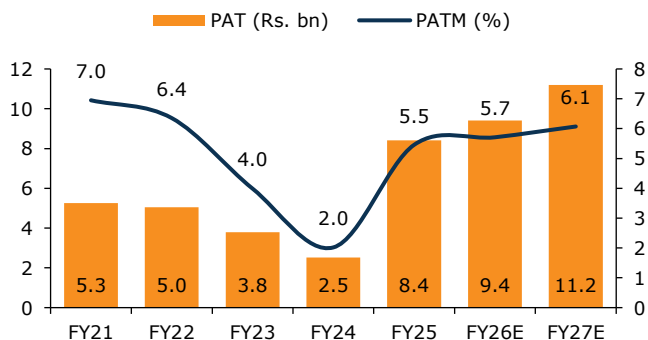
Source: Company, Emkay Research

Exhibit 15: ...while EBITDA margin is likely to remain largely flattish at 7.2-7.4% over FY25-27E



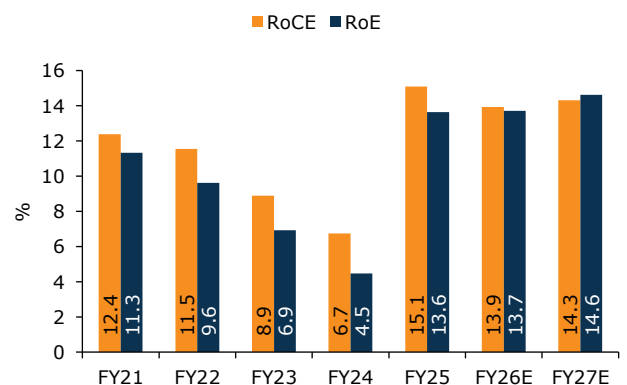
Source: Company, Emkay Research

Exhibit 16: PAT to see steady-state improvement given operating leverage from robust UCP growth and normalization of project margins, coupled with improving product mix...



Source: Company, Emkay Research

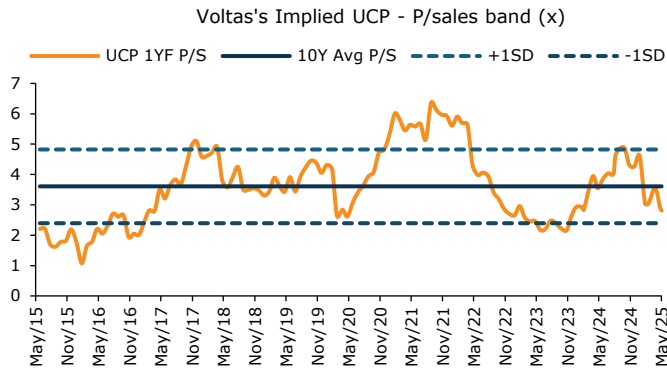
Exhibit 17: ...leading to mid-teen RoE/RoCE for Volta



Source: Company, Emkay Research

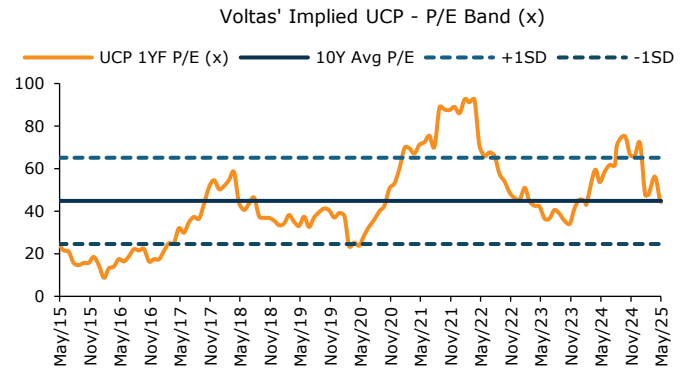
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Exhibit 18: Voltas's implied UCP P/sales trade at 2.8x below its 10Y average P/sales



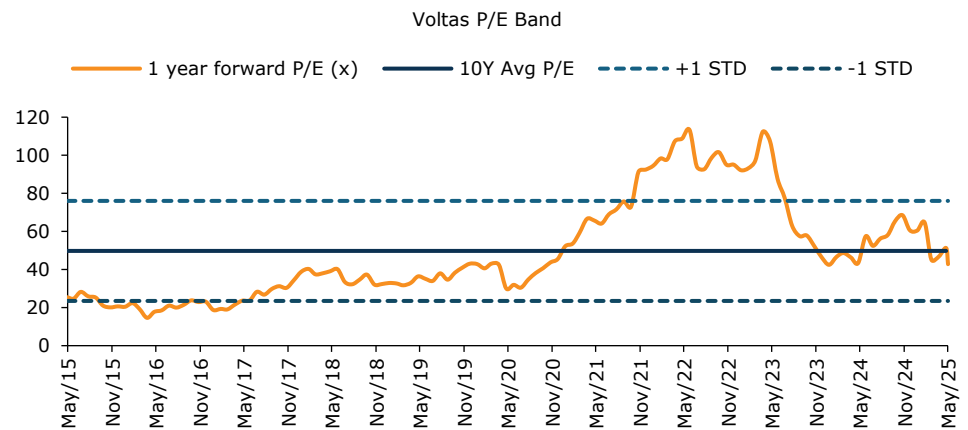
Source: Company, Emkay Research

Exhibit 19: Voltas's implied UCP P/E is trading at its 10Y average UCP P/E of 44x



Source: Company, Emkay Research

Exhibit 20: The stock currently trades at ~42x 1Y Fwd PER below its 10Y Average



Source: Company, Emkay Research

Voltas: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	94,988	124,812	154,128	164,731	184,475
Revenue growth (%)	19.7	31.4	23.5	6.9	12.0
EBITDA	5,724	4,746	11,162	11,814	13,701
EBITDA growth (%)	(16.0)	(17.1)	135.2	5.8	16.0
Depreciation & Amortization	396	476	618	846	1,075
EBIT	5,328	4,270	10,544	10,969	12,627
EBIT growth (%)	(17.3)	(19.8)	146.9	4.0	15.1
Other operating income	-	-	-	-	-
Other income	1,685	2,533	3,245	3,447	3,781
Financial expense	296	559	621	805	857
PBT	6,716	6,244	13,168	13,611	15,550
Extraordinary items	(2,438)	0	0	0	0
Taxes	1,709	2,377	3,565	3,403	3,888
Minority interest	(12)	39	71	71	71
Income from JV/Associates	(1,207)	(1,386)	(1,260)	(873)	(533)
Reported PAT	1,350	2,520	8,414	9,406	11,200
PAT growth (%)	(73.2)	86.6	233.9	11.8	19.1
Adjusted PAT	3,789	2,520	8,414	9,406	11,200
Diluted EPS (Rs)	11.5	7.6	25.4	28.4	33.9
Diluted EPS growth (%)	(24.8)	(33.5)	233.9	11.8	19.1
DPS (Rs)	5.5	4.3	5.5	7.0	7.0
Dividend payout (%)	135.4	56.8	21.6	24.6	20.7
EBITDA margin (%)	6.0	3.8	7.2	7.2	7.4
EBIT margin (%)	5.6	3.4	6.8	6.7	6.8
Effective tax rate (%)	25.4	38.1	27.1	25.0	25.0
NOPLAT (pre-IndAS)	3,972	2,645	7,690	8,226	9,470
Shares outstanding (mn)	331	331	331	331	331

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
PBT (ex-other income)	3,071	4,858	11,908	12,737	15,017
Others (non-cash items)	3,323	3,036	(1,349)	(3,447)	(3,781)
Taxes paid	(1,656)	(2,115)	(3,107)	(3,403)	(3,888)
Change in NWC	(3,836)	801	(10,932)	(2,530)	(2,567)
Operating cash flow	1,594	7,615	(2,241)	5,008	6,713
Capital expenditure	(1,774)	(2,883)	(1,907)	(3,902)	(4,249)
Acquisition of business	-	-	-	-	-
Interest & dividend income	706	835	1,309	3,447	3,781
Investing cash flow	(816)	(5,224)	1,579	(455)	(469)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	2,728	974	1,500	2,482	569
Payment of lease liabilities	-	-	-	-	-
Interest paid	(284)	(555)	(610)	(805)	(857)
Dividend paid (incl tax)	(1,829)	(1,432)	(1,820)	(2,316)	(2,316)
Others	(65)	(149)	(67)	0	0
Financing cash flow	550	(1,163)	(997)	(639)	(2,605)
Net chg in Cash	1,328	1,228	(1,659)	3,915	3,640
OCF	1,594	7,615	(2,241)	5,008	6,713
Adj. OCF (w/o NWC chg.)	5,430	6,814	8,690	7,539	9,280
FCFF	(181)	4,732	(4,149)	1,106	2,464
FCFE	229	5,008	(3,460)	3,748	5,387
OCF/EBITDA (%)	27.8	160.4	(20.1)	42.4	49.0
FCFE/PAT (%)	17.0	198.7	(41.1)	39.9	48.1
FCFF/NOPLAT (%)	(4.5)	178.9	(53.9)	13.4	26.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	331	331	331	331	331
Reserves & Surplus	54,190	57,874	64,802	71,821	80,634
Net worth	54,521	58,205	65,133	72,152	80,965
Minority interests	417	337	271	271	271
Non-current liab. & prov.	(303)	176	140	140	140
Total debt	6,160	7,133	8,633	11,115	11,684
Total liabilities & equity	61,140	66,154	74,462	83,963	93,345
Net tangible fixed assets	4,105	4,351	8,638	11,489	14,442
Net intangible assets	62	56	34	19	4
Net ROU assets	357	348	340	330	317
Capital WIP	983	3,675	824	1,053	1,303
Goodwill	723	723	723	723	723
Investments [JV/Associates]	11,610	14,385	2,070	2,070	2,070
Cash & equivalents	26,560	29,221	37,145	41,059	44,700
Current assets (ex-cash)	58,035	67,186	81,304	87,038	95,894
Current Liab. & Prov.	41,294	53,790	56,614	59,818	66,107
NWC (ex-cash)	16,741	13,396	24,689	27,220	29,787
Total assets	61,140	66,154	74,462	83,963	93,345
Net debt	(20,401)	(22,088)	(28,512)	(29,944)	(33,016)
Capital employed	61,140	66,154	74,462	83,963	93,345
Invested capital	21,631	18,526	34,084	39,451	44,956
BVPS (Rs)	164.8	176.0	196.9	218.1	244.8
Net Debt/Equity (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Net Debt/EBITDA (x)	(3.6)	(4.7)	(2.6)	(2.5)	(2.4)
Interest coverage (x)	23.7	12.2	22.2	17.9	19.1
RoCE (%)	8.9	6.7	15.1	13.9	14.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25	FY26E	FY27E
P/E (x)	106.8	160.6	48.1	43.0	36.1
EV/CE(x)	6.3	5.8	5.1	4.5	4.0
P/B (x)	7.4	7.0	6.2	5.6	5.0
EV/Sales (x)	4.0	3.1	2.4	2.3	2.0
EV/EBITDA (x)	67.1	80.6	33.7	31.7	27.1
EV/EBIT(x)	72.1	89.6	35.7	34.2	29.4
EV/IC (x)	17.8	20.6	11.0	9.5	8.3
FCFF yield (%)	-	1.2	(1.1)	0.3	0.7
FCFE yield (%)	0.1	1.2	(0.9)	0.9	1.3
Dividend yield (%)	0.5	0.4	0.4	0.6	0.6
DuPont-RoE split					
Net profit margin (%)	4.0	2.0	5.5	5.7	6.1
Total asset turnover (x)	1.6	2.0	2.2	2.1	2.1
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.2
RoE (%)	6.9	4.5	13.6	13.7	14.6
DuPont-RoIC					
NOPLAT margin (%)	4.2	2.1	5.0	5.0	5.1
IC turnover (x)	5.0	6.2	5.9	4.5	4.4
RoIC (%)	21.1	13.2	29.2	22.4	22.4
Operating metrics					
Core NWC days	64.3	39.2	58.5	60.3	58.9
Total NWC days	64.3	39.2	58.5	60.3	58.9
Fixed asset turnover	12.5	14.6	13.5	10.4	9.4
Opex-to-revenue (%)	16.3	17.6	15.2	15.2	15.0

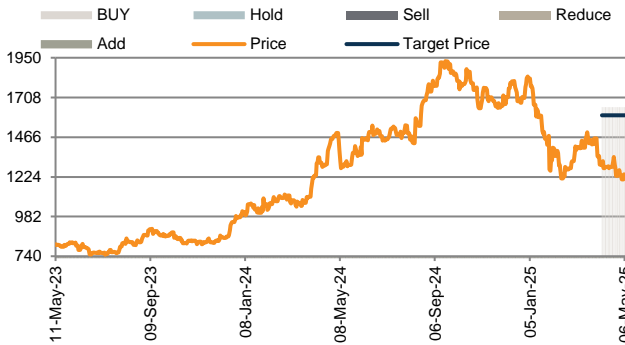
Source: Company, Emkay Research

RECOMMENDATION HISTORY – DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
07-Apr-25	1,295	1,600	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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