

Zee Entertainment Enterprises | BUY

Digital holds, core weak

ZEEL reported a weak quarter overall. A still anaemic ad-spend environment, on-going DPO negotiations for price hikes and weak release calendar weighed. Revenues declined 14.3% YoY, missing estimates. Ad-revenues declined 17% YoY, impacted by muted FMCG spending, further exacerbated by viewership (hence ad-spend) shift towards sports and geopolitical content. Subscription revenues were broadly flat (-0.6% YoY), as pay-TV churn persisted. Other sales and services declined sharply (-64% YoY), with no material syndication/theatrical income in the quarter. There were a few bright spots though. Zee5's revenues grew 30% YoY, aided by good response to Zee5's language pack and digital syndication. That helped lower Zee5's losses to INR 0.66bn (-12% QoQ). ZEEL's viewership share improved to 17.8% in June, highest in past two years. This, along with a strong content slate for 2H, possible conclusion of DPO negotiation and possibly better spend environment led management to reiterate their FY26 targets – 8% ad revenue growth and 18-20% EBITDA margin. Though encouraging, we see risk to these numbers. We expect a gradual recovery to both ad-revenues and margins. We build -1%/16 revenue growth/EBITDA margin for FY26E. No equity dilution however limits impact on earnings. With no promoter stake raise now, value unlocking through music remains a key trigger. **BUY**.

- **1QFY26 – Miss on all fronts:** ZEEL reported revenues of INR 18.3bn (-14.3% YoY), missing JMF: INR 19.0bn. Ad-revenues declined 17% YoY to INR 7.6bn (JMF: INR 7.9bn), impacted by muted FMCG ad spends and viewership diversion towards sports and geopolitical events. Subscription revenues declined 0.6% YoY to INR 9.8bn, broadly in-line. Other sales and services revenues declined 64% YoY to INR 0.9bn (JMF: INR 1.16bn). Zee5 revenues increased 30% YoY, aided by digital syndication. Zee5 EBITDA losses narrowed to INR 658mn (-12% QoQ). Consol. EBITDA margin came in at 12.5%, missing JMF: 13.5%. Operating deleverage and ad-spend for Zee's new brand identity weighed. PAT came in at INR 1,436mn, missing JMF: INR 1,650mn.
- **Cautiously optimistic:** ZEEL reiterated its target of c.8% YoY growth in ad revenues. It however expects a back-ended recovery in ad-spend. Management's cautious optimism is underpinned by a low base, healthy monsoons, and the festive season. Besides, its improved viewership share should help it get its fair share of wallet share once spend returns. ZEEL's viewership share improved to 16.8% (40bps YoY) in 1Q. Its viewership share in June reached 17.8% and has touched 18% in July, per the management. Zeel is also hopeful of a recovery in subscription revenue, aided by upcoming MSO negotiations. On Zee5, progress toward breakeven continues, led by subscriber growth and cost rationalization. Management reaffirmed FY26 EBITDA margin target of 18-20%.
- **EPS revised (-3%) -3%; Retain BUY:** We have lowered our revenue and margin estimates given the miss in 1Q. We now build 16% EBITDA margin for ZEEL in FY26, and expect them to only exit FY26 at their desired EBITDA margin target of 18-20%. The impact of these on EPS is however negated by no dilution due to warrant issues, which we had built in. Consequently, our TP goes up to INR 200 from INR 190 earlier. Maintain **BUY**.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	86,372	82,941	81,826	87,524	95,332
Sales Growth (%)	6.6	-4.0	-1.3	7.0	8.9
EBITDA	9,071	11,973	13,163	16,981	19,497
EBITDA Margin (%)	10.5	14.4	16.1	19.4	20.5
Adjusted Net Profit	4,738	7,700	8,788	12,142	14,276
Diluted EPS (INR)	4.9	8.0	9.0	12.5	14.7
Diluted EPS Growth (%)	13.6	62.5	12.7	38.2	17.6
ROIC (%)	4.2	7.2	8.8	12.7	15.0
ROE (%)	4.4	6.9	7.4	9.6	10.5
P/E (x)	27.2	16.7	14.8	10.7	9.1
P/B (x)	1.2	1.1	1.1	1.0	0.9
EV/EBITDA (x)	13.4	8.9	6.9	4.8	3.6
Dividend Yield (%)	0.7	1.8	2.3	2.6	3.0

Source: Company data, JM Financial. Note: Valuations as of 22/Jul/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	200
Upside/(Downside)	49.5%
Previous Price Target	190
Change	5.3%

Key Data – Z IN

Current Market Price	INR134
Market cap (bn)	INR128.5/US\$1.5
Free Float	90%
Shares in issue (mn)	960.6
Diluted share (mn)	973.5
3-mon avg daily val (mn)	INR2,424.7/US\$28.1
52-week range	155/89
Sensex/Nifty	82,187/25,061
INR/US\$	86.4

Price Performance

%	1M	6M	12M
Absolute	0.5	13.4	-0.5
Relative*	0.2	5.6	-2.6

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Key conference call takeaways

- **Demand:** Management noted that Q1 was characterized by seasonally soft consumption trends and a muted recovery in linear advertising, particularly in the general entertainment space. Linear subscription revenues remained under pressure, driven by ongoing pay-TV churn and subscriber decline. They highlighted that while the broader environment remained subdued, digital revenue momentum continued, aided by a strong content slate and effective pricing strategies. Despite macro and genre-specific challenges (e.g., sports and kids shows-led audience shifts), management reaffirmed confidence in the strength of its content offerings across multiple languages and platforms.
- **Outlook:** Management reiterated a cautiously optimistic stance on demand recovery in the coming quarters, anchored by expectations of a healthy monsoon consumption, potential rate cuts, and festive season tailwinds. The company maintained its 8% ad revenue growth guidance for FY26, underpinned by an expanding viewership base, increased retail advertiser interest, and the impact of new content launches in H2. Initiatives such as the Free Dish re-entry and microdrama IP via Bullet are expected to enhance audience reach and monetization opportunities. Overall, management remains focused on driving profitable growth through content, technology, and fiscal discipline.
- **Strategic initiatives:** Management highlighted continued momentum in driving innovation-led growth through targeted partnerships and platform expansion. Key initiatives during the quarter included the launch of a microdrama app - Bullet, aimed at capturing younger audiences through short-form, high-quality storytelling. Another notable partnership with Ideabaaz focused on spotlighting innovation. These efforts are aligned with the company's omni-channel content strategy, intended to expand audience reach and build a robust IP pipeline across content formats. Leadership reiterated that such initiatives are central to Zee's long-term ambition of becoming a media-tech powerhouse, while enhancing monetization across digital and traditional platforms.
- **Margins:** Management noted that profitability remained stable in Q1 FY26 despite a seasonally soft revenue environment, aided by continued fiscal discipline and effective cost controls. Leadership mentioned that strategic investments in content and digital initiatives are being staggered to balance short-term operational efficiency with long-term growth ambitions. Management reiterated its commitment to achieving 18–20% EBITDA margins by FY26, supported by operating leverage and structural cost optimization.
- **Zee5:** Leadership highlighted that Zee5 continued to make progress toward its break-even goal, supported by steady growth in subscription revenue and a sharp focus on cost rationalization. The introduction of language-specific packs helped boost subscriber affordability and engagement, addressing prior stagnation in the user base. Management reiterated that the platform's performance was driven by breadth and depth of original programming across languages, complemented by an omni-channel content strategy enabled through initiatives like Bullet. They noted that while profitability remains a work in progress, Zee5's 30% YoY revenue growth underscores its central role in the company's digital roadmap and future monetization strategy.
- **Linear TV:** The company highlighted their strong position despite a soft ad environment and seasonal pressures. They noted that viewership share rose to 17.8% in June, marking a two-year high, driven by continued focus on quality content across languages such as Hindi, Kannada, Bangla, and Odia. Management noted that linear ad spending remained subdued due to macro softness and the impact of a sports-heavy calendar, though initiatives to grow retail advertiser participation and enhance in-content integrations are expected to drive traction in the coming quarters. Subscription revenue declined due to ongoing pay-TV churn, but the network remains optimistic about reversing the trend through upcoming deal renewals and pricing adjustments.
- **Music and Movie businesses:** Management highlighted that the music segment continued to demonstrate healthy profitability, supported by a growing presence across digital platforms and strong subscriber engagement on YouTube. Management emphasized ongoing efforts to diversify the catalogue across languages and expand the syndication portfolio. In the movie business, the quarter remained muted with only two releases and

five distributions, reflecting a lean slate relative to the previous year. However, they noted that the full-year pipeline remains intact with plans to release 22–25 movies, positioning the studio to scale its pan-India presence and capitalize on demand recovery in H2.

- **Cash balance:** Management attributed the dip in cash balances during Q1 FY26 to seasonal factors and planned investments. They noted that Q4 typically sees higher subscription collections, leading to a cyclical dip in Q1. Additionally, funds were strategically deployed toward content creation, rebranding efforts, and new initiatives such as the launch of multi-language packs and digital partnerships. The decline was characterized as a working capital movement, with no material deviation from the company's overall financial strategy or capital allocation priorities.

1QFY26: Result Summary

Exhibit 1. ZEEL 4QFY25: Actual vs Estimate

	1Q26A	1Q25A	Change (YoY)	4Q25A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)
Key Financials							
Revenue (INR mn)	18,248	21,305	-14.3%	21,841	-16.5%	19,039	-4.2%
Advertising revenues	7,585	9,113	-16.8%	8,375	-9.4%	7,924	-4.3%
Subscription revenues	9,817	9,872	-0.6%	9,865	-0.5%	9,955	-1.4%
Domestic subscription	8,931	8,848	0.9%	8,855	0.9%	8,855	0.9%
International subscription	886	1,024	-13.5%	1,010	-12.3%	1,010	-12.3%
Other sales & services	846	2,320	-63.5%	3,601	-76.5%	1,160	-27.1%
EBITDA (INR mn)	2,280	2,727	-16.4%	2,852	-20.1%	2,570	-11.3%
EBITDA margin	12.5%	12.8%	-30bp	13.1%	-56bp	13.5%	-101bp
EBIT (INR mn)	1,689	1,970	-14.3%	2,213	-23.7%	1,931	-12.5%
PAT (INR mn)	1,436	1,564	-8.2%	1,884	-23.8%	1,650	-13.0%

Source: Company, JM Financial

Exhibit 2. Key financials -1QFY26

INR mn	FY24	1QFY25	2QFY25	3QFY25	4QFY25	FY25	1QFY26	Comments
Revenues	86,372	21,305	20,007	19,788	21,841	82,941	18,248	
YoY growth (%)	6.8	7.4	(17.9)	(3.3)	0.7	(4.0)	(14.3)	• Consol. Revenue declined 14.3% YoY; missing JMFe, mainly led by a miss on advertising revenues
Programming & operating costs	50,393	11,770	10,615	9,968	12,819	45,172	9,710	
A&P Spends	10,677	2,896	2,896	2,896	2,896	2,896	2,896	
Other expenses	16,719	4,551	3,907	4,203	3,870	16,531	4,057	
Employee costs	10,188	2,258	2,275	2,433	2,300	9,266	2,201	
Total operating expense	77,301	18,579	16,797	16,604	18,989	70,969	15,968	• Advertising declined 17% YoY due to slowdown in ad spend, geopolitical events and sports events diverting eyeballs away from GEC linear TV. Subs. Revenue was stable, aided by Zee5 revenues
EBITDA	9,071	2,727	3,210	3,184	2,852	11,973	2,280	
Operating margin (%)	10.5	12.8	16.0	16.1	13.1	14.4	12.5	
Depreciation and amortization	3,091	756	732	658	639	2,785	591	
EBIT	5,980	1,970	2,478	2,526	2,213	9,187	1,689	• Zee5 revenues grew 30% YoY while its losses decline to INR 0.658bn.
EBIT margin (%)	6.9	9.2	12.4	12.8	10.1	11.1	9.3	
Interest & other income	572	135	254	237	281	907	173	• EBITDA margin of 12.5% was below our expectation of 13.5%.
PBT	6,553	2,105	2,732	2,763	2,494	9,108	1,862	
Income tax expense	-5,142	-915	-639	-1,128	-609	-2,318	-426	• PAT of INR 1.43 bn was below JMFe of INR 1.65bn.
Share of minority interest	3.5	0.9	1.0	0.0	1.0	3.5	1.0	
PAT	1,414	1,191	2,094	1,635	1,884	6,794	1,435	

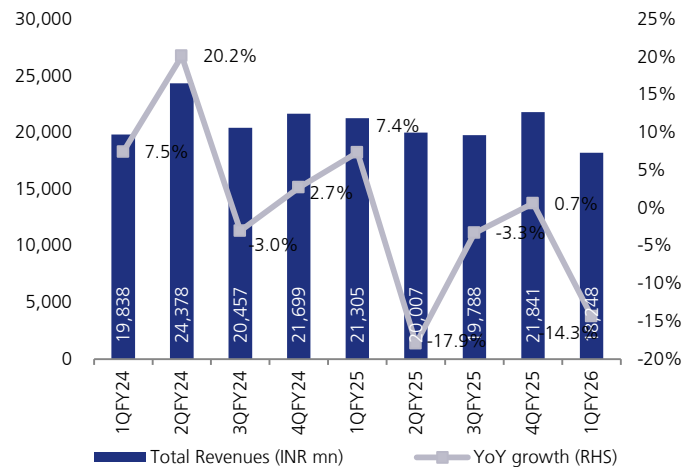
Source: Company, JM Financial

Exhibit 3. Key Segmental Metrics – 1QFY26

INR mn	FY24	1QFY25	2QFY25	3QFY25	4QFY25	FY25	1QFY26	Comments
OTT	9,195.0	2,237.0	2,363.0	2,413.0	2,747.0	9,760.0	2,900.0	
YoY growth	24.1	15.4	(10.9)	8.1	15.8	6.1	29.6	• OTT (Zee5) revenues grew by 5.5% QoQ
Core business revenue	77,176.8	19,068.3	17,644.0	17,375.0	19,094.0	73,180.9	15,348.0	• OTT losses narrowed to INR 0.658 bn (vs. 0.753 bn losses in 4QFY25)
YoY growth	5.0	6.5	(18.8)	(4.7)	(1.2)	(5.2)	(19.5)	

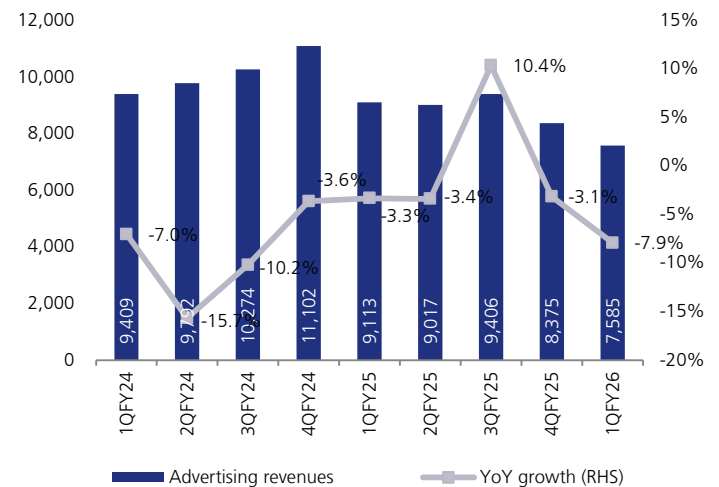
Source: Company, JM Financial

Exhibit 4. Consolidated revenues



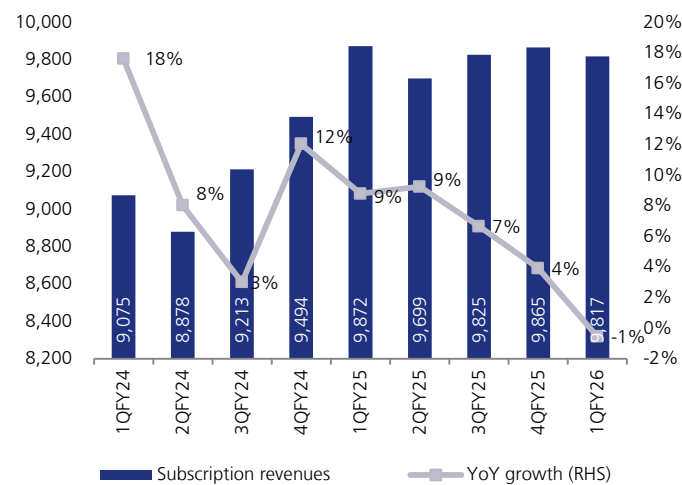
Source: Company, JM Financial

Exhibit 5. Advertising revenues



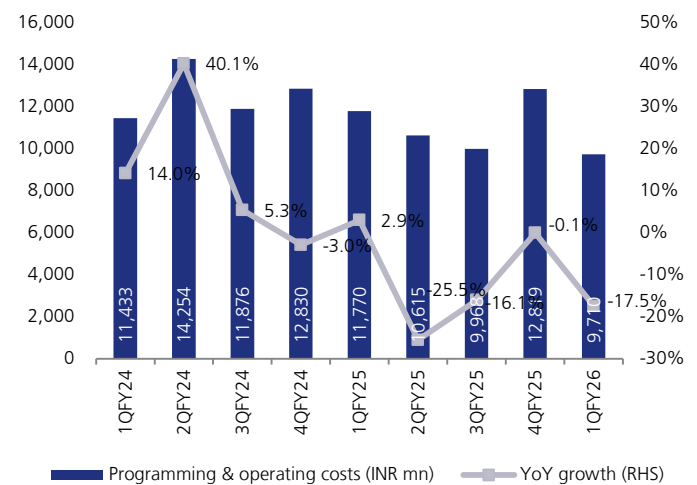
Source: Company, JM Financial

Exhibit 6. Subscription revenues



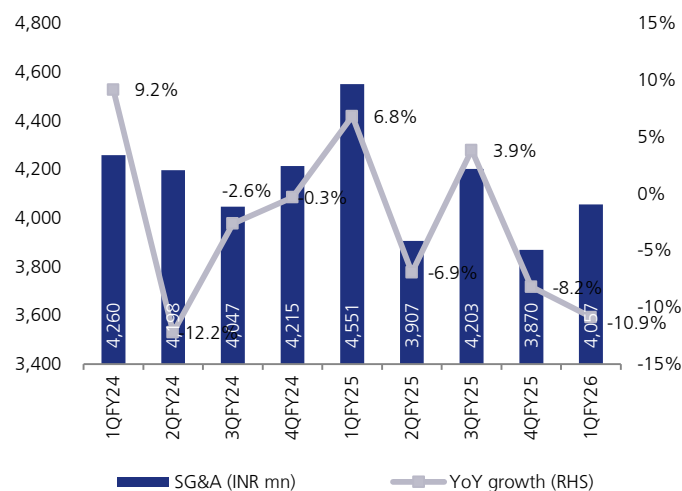
Source: JM Financial, Company

Exhibit 7. Programming costs, moderated on lower releases



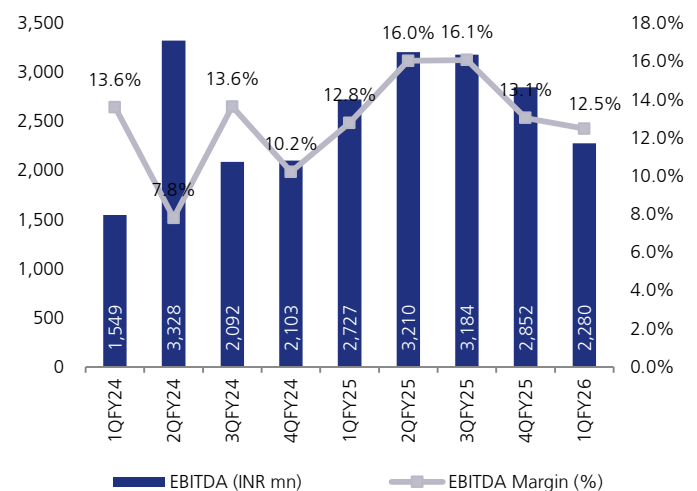
Source: JM Financial, Company

Exhibit 8. SG&A trend

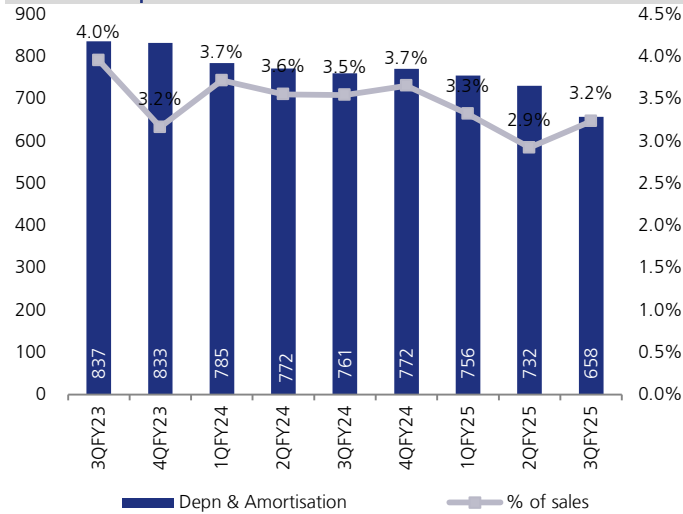


Source: JM Financial, Company

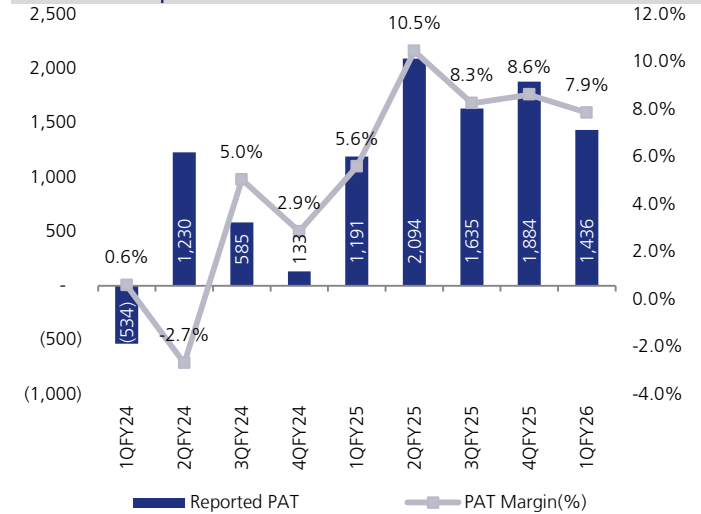
Exhibit 9. EBITDA margin trend



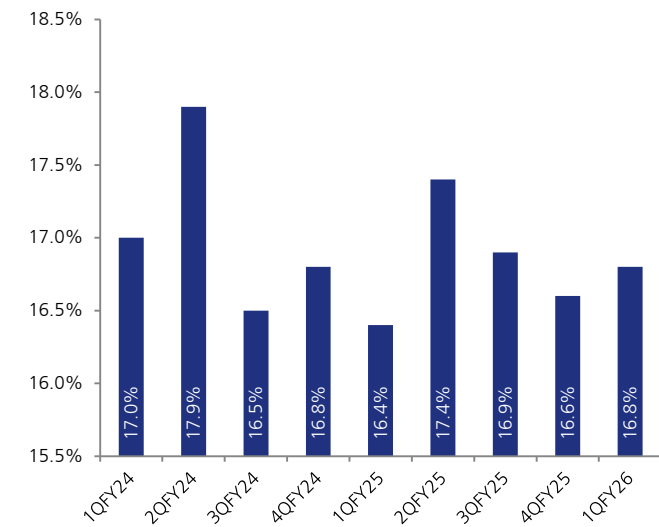
Source: JM Financial, Company

Exhibit 1. Depreciation and Amortisation trend

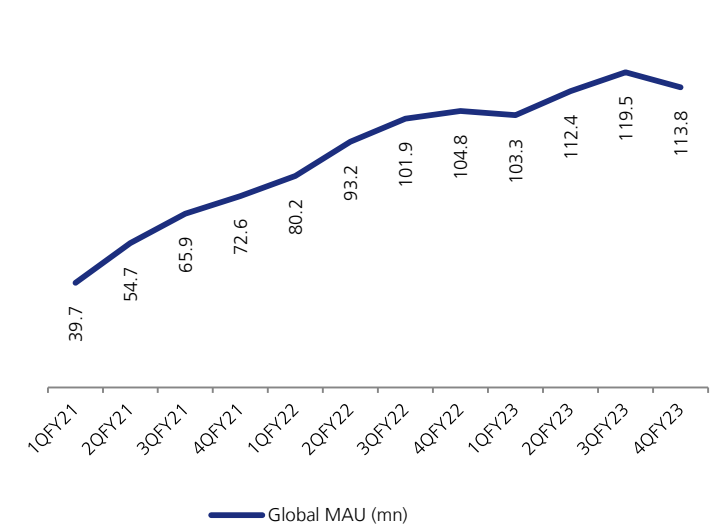
Source: JM Financial, Company

Exhibit 2. Net profit trends

Source: JM Financial, Company

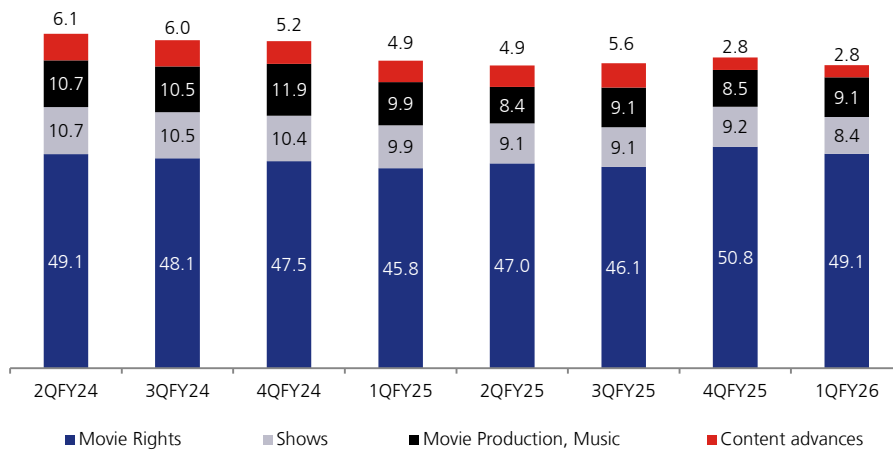
Exhibit 3. ZEEI's TV viewership share trends

Source: JM Financial, Company

Exhibit 4. Zee5 global MAUs

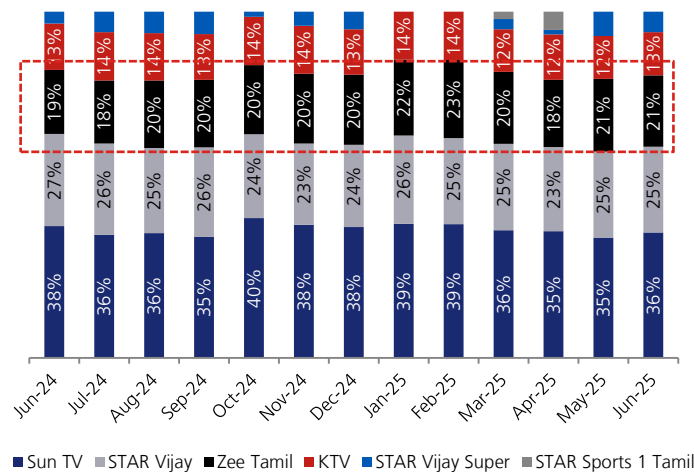
Source: JM Financial, Company

Exhibit 5. Content inventory appears to have peaked and should reflect in better cash flows
Movement in Inventory



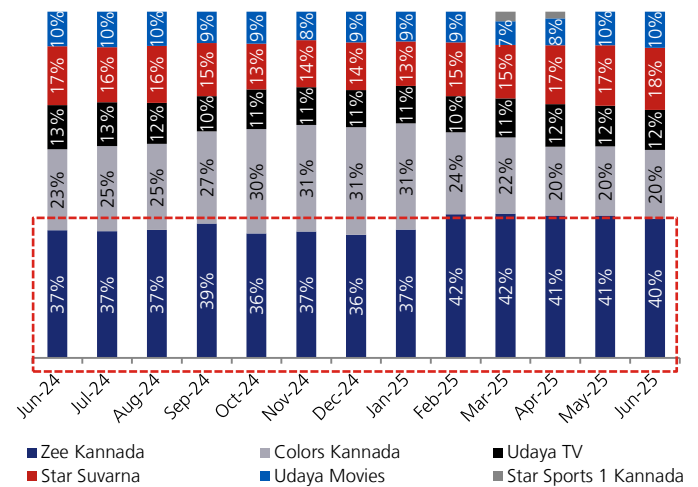
Source: Company, JM Financial

Exhibit 6. Viewership share in TN/Pondicherry (Tamil)



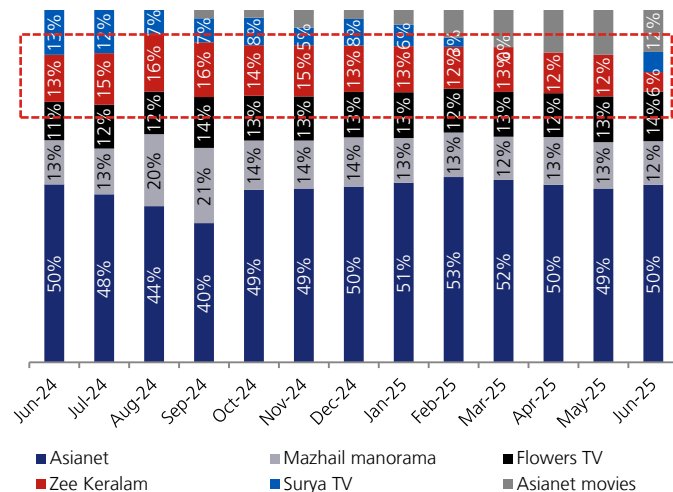
Source: BARC, JM Financial

Exhibit 7. Viewership share in Karnataka (Kannada)



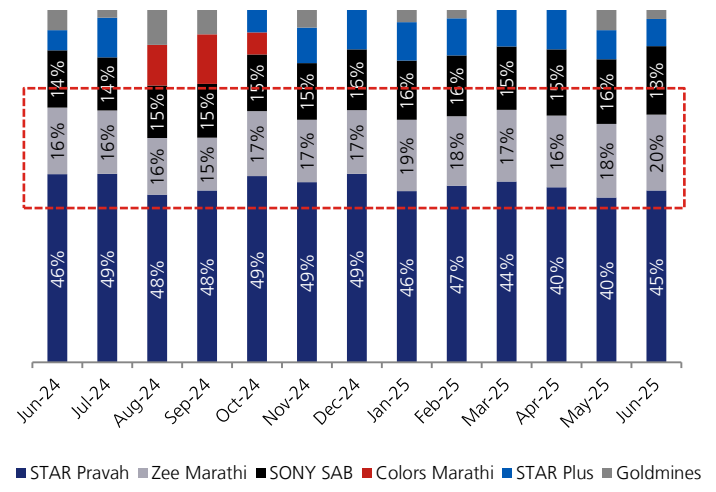
Source: BARC, JM Financial

Exhibit 8. Viewership share in Kerala (Keralam)



Source: BARC, JM Financial

Exhibit 9. Viewership share in Maharashtra/ Goa



Source: BARC, JM Financial

Retain BUY; TP revised to INR 200

ZEEL missed expectations in 1Q. Consequently, our revenue and margin estimates have seen cuts. Consol revenues have been cut by 2.7%-5.2% over FY26-28E, led by 1.1%-2.7% cut in advertising revenue and 0.5%-4.5% cut in subscription revenue. Other sales and services estimates have been cut sharply, with cuts of 23% over FY25-28E. EBITDA margin estimates are revised lower by 57-119bps over FY25-28E. Total operating costs are increased by 1.3%-4.5%, driven by higher employee costs and SG&A. EBIT margin sees smaller cuts, aided by lower D&A from reduced content inventory. Overall, cuts to revenue and margins drive EPS cut for FY26E. However, reversal of the dilutive impact from the warrant issue leads to EPS upgrades for FY27-28E. EPS estimates for FY27-28E are raised by 2.7%-3%. We continue to value ZEEL at 15x 12m fwd PER. We maintain BUY with a revised TP of INR 200.

Exhibit 10. What has changed to our estimates – Zee (Consol.)

INR mn	OLD			NEW			Change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Consolidated revenue (INR mn)	84,092	91,624	100,556	81,826	87,524	95,332	-2.7%	-4.5%	-5.2%
Revenue growth rate (YoY)	1.4%	9.0%	9.7%	-1.3%	7.0%	8.9%	-27bp	-20bp	-8bp
EBITDA (INR mn)	14,531	18,299	21,139	13,163	16,981	19,497	-9.4%	-7.2%	-7.8%
EBITDA margin	17.3%	20.0%	21.0%	16.1%	19.4%	20.5%	-119bp	-57bp	-6bp
EBIT (INR mn)	11,764	15,553	18,416	10,396	14,235	16,774	-11.6%	-8.5%	-8.9%
EBIT margin	14.0%	17.0%	18.3%	12.7%	16.3%	17.6%	-128bp	-71bp	-7bp
PAT (INR mn)	9,814	13,727	16,088	8,788	12,142	14,276	-10.5%	-11.5%	-11.3%
Adj. EPS (INR mn)	9.38	12.14	14.23	9.09	12.47	14.66	-3.2%	2.7%	3.0%

Source: Company, JM Financial estimates

Exhibit 11. Key assumptions

	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Revenues Growth, YoY (%)								
Advertising revenues	(19.9)	17.3	(7.7)	(0.0)	(11.5)	(2.0)	6.4	9.0
Subscription revenues	12.3	0.1	2.7	9.9	7.1	4.4	7.7	9.4
Other sales & services	31.5	(26.0)	29.9	28.8	(15.0)	(27.0)	5.0	5.0
Total Revenues	(4.9)	5.9	(1.0)	6.6	(4.0)	(1.3)	7.0	8.9
Cost – as % of revenues (%)								
Programming/Content	44.8	44.9	49.9	52.8	49.0	46.5	46.1	45.4
SG&A	17.7	19.0	20.9	19.4	19.9	20.2	18.1	18.1
Employee costs	10.6	10.6	10.2	11.8	11.2	11.5	11.0	11.0
Total operating cost	76.8	79.0	86.4	89.5	85.6	83.9	80.6	79.5
Effective tax rate	28.9	27.6	25.8	25.0	23.0	25.0	25.0	25.0
Balance Sheet								
Inventory days of programming cost (%)	567	585	618	569	569	569	544	519
Capex (INR mn)	2,163	2,966	5,191	1,448	1,398	1,348	1,298	1,348

Source: Company, JM Financial estimates

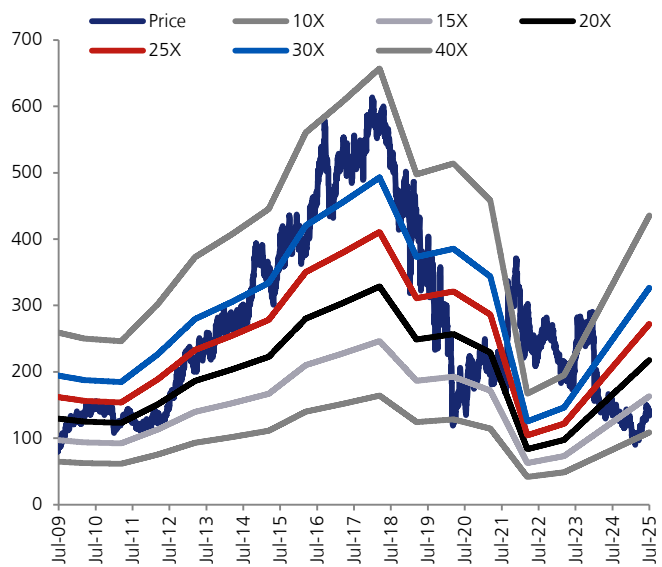
Valuation

Exhibit 12. Zee: 1yr forward PER valuation



Source: Bloomberg, JM Financial

Exhibit 13. 1yr forward EV/EBITDA valuation



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	86,372	82,941	81,826	87,524	95,332
Sales Growth	6.6%	-4.0%	-1.3%	7.0%	8.9%
Other Operating Income	0	0	0	0	0
Total Revenue	86,372	82,941	81,826	87,524	95,332
Cost of Goods Sold/Op. Exp	50,393	45,172	42,706	45,075	48,142
Personnel Cost	10,188	9,266	9,397	9,628	10,439
Other Expenses	16,719	16,531	16,559	15,841	17,254
EBITDA	9,071	11,973	13,163	16,981	19,497
EBITDA Margin	10.5%	14.4%	16.1%	19.4%	20.5%
EBITDA Growth	-17.8%	32.0%	9.9%	29.0%	14.8%
Depn. & Amort.	3,091	2,785	2,767	2,746	2,723
EBIT	5,980	9,187	10,396	14,235	16,774
Other Income	1,293	1,234	1,745	2,371	2,671
Finance Cost	721	327	327	327	327
PBT before Excep. & Forex	6,553	10,094	11,814	16,279	19,118
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	6,553	10,094	11,814	16,279	19,118
Taxes	1,818	2,398	3,035	4,152	4,861
Extraordinary Inc./Loss(-)	-3,324	80	0	0	0
Assoc. Profit/Min. Int.(-)	4	4	9	14	19
Reported Net Profit	1,414	7,780	8,788	12,142	14,276
Adjusted Net Profit	4,738	7,700	8,788	12,142	14,276
Net Margin	5.5%	9.3%	10.7%	13.9%	15.0%
Diluted Share Cap. (mn)	961.0	961.0	973.5	973.5	973.5
Diluted EPS (INR)	4.9	8.0	9.0	12.5	14.7
Diluted EPS Growth	13.6%	62.5%	12.7%	38.2%	17.6%
Total Dividend + Tax	961	2,335	2,920	3,407	3,894
Dividend Per Share (INR)	1.0	2.4	3.0	3.5	4.0

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,08,729	1,15,334	1,21,799	1,31,021	1,41,889
Share Capital	961	961	973	973	973
Reserves & Surplus	1,07,768	1,14,373	1,20,826	1,30,047	1,40,916
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	5,119	1,601	1,601	1,601	1,601
Def. Tax Liab. / Assets (-)	-4,530	-3,987	-3,987	-3,987	-3,987
Total - Equity & Liab.	1,09,318	1,12,948	1,19,413	1,28,635	1,39,503
Net Fixed Assets	8,344	6,756	5,540	4,092	2,717
Gross Fixed Assets	16,871	17,844	17,004	16,957	16,948
Intangible Assets	8,491	8,822	8,375	8,618	8,871
Less: Depn. & Amort.	17,111	19,896	19,852	21,497	23,115
Capital WIP	93	14	14	14	14
Investments	1,681	11,947	11,956	11,970	11,989
Current Assets	1,19,930	1,14,537	1,21,733	1,33,158	1,46,893
Inventories	69,129	67,748	59,350	60,136	61,600
Sundry Debtors	17,016	15,325	14,671	15,213	16,047
Cash & Bank Balances	11,131	12,500	28,063	37,403	47,799
Loans & Advances	0	0	0	0	0
Other Current Assets	22,654	18,964	19,649	20,407	21,446
Current Liab. & Prov.	20,636	20,292	19,816	20,586	22,097
Current Liabilities	14,355	11,907	11,520	11,836	12,723
Provisions & Others	6,282	8,385	8,296	8,751	9,373
Net Current Assets	99,294	94,245	1,01,917	1,12,572	1,24,796
Total - Assets	1,09,318	1,12,948	1,19,413	1,28,634	1,39,503

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	6,556	10,098	11,823	16,293	19,137
Depn. & Amort.	3,167	2,785	2,767	2,746	2,723
Net Interest Exp. / Inc. (-)	251	-381	-756	-1,357	-1,632
Inc (-) / Dec in WCap.	3,418	739	8,725	-1,316	-1,828
Others	-3,847	-647	0	0	0
Taxes Paid	-2,401	-734	-3,035	-4,152	-4,861
Operating Cash Flow	7,143	11,860	19,524	12,214	13,539
Capex	-1,014	-16,618	-1,552	-1,298	-1,348
Free Cash Flow	6,130	-4,758	17,972	10,917	12,191
Inc (-) / Dec in Investments	75	0	-842	-14	-19
Others	465	583	1,083	1,684	1,959
Investing Cash Flow	-474	-16,035	-1,311	372	592
Inc / Dec (-) in Capital	0	0	12	0	0
Dividend + Tax thereon	0	-961	-2,335	-2,920	-3,407
Inc / Dec (-) in Loans	-1,204	1,089	0	0	0
Others	-1,531	100	-327	-327	-327
Financing Cash Flow	-2,735	228	-2,650	-3,247	-3,734
Inc / Dec (-) in Cash	3,934	-3,947	15,564	9,339	10,397
Opening Cash Balance	7,198	11,150	12,500	28,063	37,403
Closing Cash Balance	11,131	7,203	28,063	37,403	47,799

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	5.5%	9.3%	10.7%	13.9%	15.0%
Asset Turnover (x)	0.8	0.7	0.7	0.7	0.7
Leverage Factor (x)	1.1	1.0	1.0	1.0	1.0
RoE	4.4%	6.9%	7.4%	9.6%	10.5%

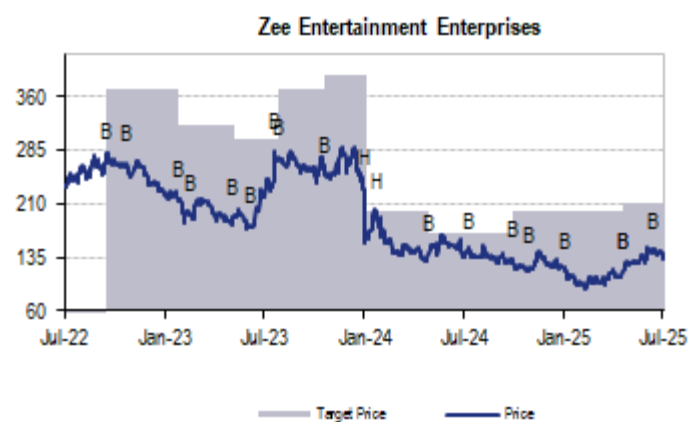
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	113.1	120.0	125.9	134.6	145.8
ROIC	4.2%	7.2%	8.8%	12.7%	15.0%
ROE	4.4%	6.9%	7.4%	9.6%	10.5%
Net Debt/Equity (x)	-0.1	-0.2	-0.3	-0.4	-0.4
P/E (x)	27.2	16.7	14.8	10.7	9.1
P/B (x)	1.2	1.1	1.1	1.0	0.9
EV/EBITDA (x)	13.4	8.9	6.9	4.8	3.6
EV/Sales (x)	1.4	1.3	1.1	0.9	0.7
Debtor days	72	67	65	63	61
Inventory days	292	298	265	251	236
Creditor days	68	61	61	61	61

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
5-Oct-22	Buy	370	
12-Nov-22	Buy	370	0.0
14-Feb-23	Buy	320	-13.5
8-Mar-23	Buy	320	0.0
26-May-23	Buy	300	-6.3
27-Jun-23	Buy	300	0.0
10-Aug-23	Buy	300	0.0
17-Aug-23	Buy	370	23.3
10-Nov-23	Buy	390	5.4
22-Jan-24	Hold	200	-48.7
14-Feb-24	Hold	200	0.0
18-May-24	Buy	170	-15.0
1-Aug-24	Buy	170	0.0
20-Oct-24	Buy	200	17.6
20-Nov-24	Buy	200	0.0
24-Jan-25	Buy	200	0.0
9-May-25	Buy	210	5.0
11-May-25	Buy	210	0.0
3-Jul-25	Buy	210	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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