MOTILAL OSWAL
FINANCIAL SERVICES

8 February 2025
3QFY25 Results Update | Sector: Automobile

Apollo Tyres

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	APTY IN
Equity Shares (m)	635
M.Cap.(INRb)/(USDb)	270.6 / 3.1
52-Week Range (INR)	585 / 407
1, 6, 12 Rel. Per (%)	-14/-15/-30
12M Avg Val (INR M)	1217

Financials & valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	262.2	278.7	295.9
EBITDA	36.6	41.3	44.4
Adj. PAT	13.2	17.6	20.0
EPS (INR)	20.7	27.7	31.5
EPS Growth (%)	-29.3	33.8	13.5
BV/Share (INR)	292.1	317.9	346.6
Ratios			
RoE (%)	9.1	11.3	11.8
RoCE (%)	12.0	14.2	15.0
Payout (%)	24.8	25.3	27.0
P/E (x)	20.6	15.4	13.6
P/BV (x)	1.5	1.3	1.2
Div. Yield (%)	1.2	1.6	2.0
FCF Yield (%)	8.8	7.3	8.0

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	37.4	37.4	37.3
DII	27.7	27.1	23.6
FII	14.2	14.5	18.0
Others	20.7	21.0	21.1

FII includes depository receipts

CMP: INR426 TP: INR520 (+22%) Buy

Input costs likely to stabilize from Q4

Healthy replacement demand outlook, both in India and Europe

- Apollo Tyres (APTY) posted a weak 3QFY25, with EBITDA margin down 460bp YoY to 13.7% (vs. est. 14.6%), driven by pressure in the standalone business, although Europe margins improved QoQ. While OEM demand continues to be weak, demand is likely to be driven by healthy replacement demand, both in India and Europe.
- Given the under-recovery in commodity prices and higher other expenses, we cut our FY25E/FY26E consol. EPS by 4%/9%. APTY offers the best blend of earnings growth, balance sheet deleveraging, improving capital efficiencies, and cheap valuations. **We reiterate our BUY rating on APTY with a TP of INR520 (valued at 17x Dec'26E consol. EPS).**

European performance continues to improve

- Consol. revenue grew ~5% YoY to INR69.3b (est. INR67.7b), while EBITDA/adj. PAT declined ~22%/33% YoY to INR9.5b/INR3.4b (est. INR10b/ INR4.1b). 9MFY25 revenue grew 3%, while EBITDA/adj. PAT declined 20%/30%.
- Overall volume growth was marginal, with healthy replacement demand being offset by OEM weakness. In India, replacement volumes grew 5% YoY, while OE volumes declined 10% YoY. Exports remained flattish.
- Gross margins contracted 510bp YoY/330bp QoQ to 41.5% (est. 44.9%), driven by higher RM prices and the impact of carrying forward higher-cost inventory from the previous quarter.
- This resulted in ~22% YoY decline in EBITDA at INR9.5b (est. INR9.9b). EBITDA margin contracted 460bp YoY (+10bp QoQ) to 13.7% (est. 14.6%).
- Weak operating performance, coupled with lower other income, resulted in a PAT miss to INR3.4b (-33% YoY, est. INR4.1b).
- Standalone business (India): Revenue grew 5% YoY, while EBITDA/PAT declined ~36%/59% YoY. EBITDA margin contracted to 11.1% during the quarter (vs 18.1% in 3QFY24 and 12.1% in 2QFY25, est. 11.5%).
- EU revenue grew ~4% YoY to EUR183m, with an EBITDA margin of 17.7%, down 260bp YoY.
- **Reifen -** Revenue grew 76% YoY to EUR88m with EBITDA margin at 7% (vs 5.5% in 3QFY24).

Highlights from the management commentary

- **India outlook:** Replacement demand is expected to remain positive in 4Q, with the potential for further growth beyond current levels. OEM volumes remained weak, particularly in CVs, due to lower vehicle production and an unfavorable mix (higher bus sales). The CV segment is expected to recover in 4Q, with improving demand for TBR CV tires. Election-related volatility impacted demand this year, but OEMs are seeing early signs of recovery, according to the management.

Aniket Mhatre - Research analyst (Aniket.Mhatre@MotilalOswal.com)
Research analyst: Amber Shukla (Amber.Shukla@MotilalOswal.com)

- **Market share & product strategy:** APTY gained market share in the PCR and agri replacement segments in India in Q3. The company is exiting the 12-13 inch tire market with OEMs and continues to focus on the high-margin 16-inch+ segment.
- **EU outlook:** Demand recovery is expected to continue, driven by strong replacement demand for both PCR and truck tires. There are no signs of demand tapering off, and the UHP/UUHP segments are expected to grow faster. While volume growth in the PCR segment lagged in the industry, APTY outperformed in profitable segments like winter tires and UHP.
- **FY25E capex is expected to moderate to ~INR7.5b.** With PCR utilization reaching 85%+ in India and 90%+ in Europe, the company has planned growth capex for both regions. FY26E capex is estimated at INR15b, including INR7b for maintenance and INR8b for expansion, leading to a 7-8% PCR capacity increase in India and a slightly higher expansion in Europe.

Valuation and view

- We cut our FY25E/FY26E consol. EPS by 4%/9% to factor in the increase in RM costs and higher operating expenses.
- APTY's prudent capital allocation and the subsequent improvement in RoCE have been truly commendable. APTY offers the best blend of earnings growth, balance sheet deleveraging, improving capital efficiencies, and cheap valuations (~15.4x FY26E/13.6x FY27E consol EPS). **We reiterate our BUY rating on APTY** with a TP of INR520 (valued at 17x Dec'26E consol. EPS).

Cons - Qty Earning Model (INR M)

Y/E March	FY24				FY25E				FY24	FY25E	3QE	VAR
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Revenues	62,446	62,796	65,954	62,582	63,349	64,370	69,280	65,249	2,53,777	2,62,247	67,712	2
YoY Change (%)	5.1	5.4	2.7	0.2	1.4	2.5	5.0	4.3	3.3	3.3	2.7	
EBITDA	10,515	11,598	12,081	10,794	9,093	8,779	9,470	9,209	44,987	36,551	9,900	-4
Margins (%)	16.8	18.5	18.3	17.2	14.4	13.6	13.7	14.1	17.7	13.9	14.6	
Depreciation	3,620	3,603	3,676	3,880	3,695	3,759	3,759	3,787	14,778	15,000	3,785	
Interest	1,355	1,328	1,230	1,146	1,070	1,197	1,105	1,175	5,059	4,548	1,068	
Other Income	355	253	184	743	308	217	81	445	1,536	1,051	360	
PBT before EO expense	5,896	6,921	7,358	6,511	4,636	4,040	4,686	4,692	26,685	18,054	5,407	
Extra-Ord expense	132	122	151	1,381	404	52	42	0	1,786	498	0	
PBT	5,764	6,799	7,207	5,130	4,232	3,988	4,644	4,692	24,899	17,555	5,407	
Tax Rate (%)	31.1	30.3	31.1	31.0	28.6	25.4	27.4	27.2	30.9	27.2	25.0	
MI & Profit/Loss of Asso. Cos.	0	-2	-1	-1	0	-1	-2	0	-3	-4	0	
Reported PAT	3,969	4,743	4,966	3,541	3,020	2,975	3,372	3,417	17,219	12,784	4,055	
Adj PAT	4,060	4,827	5,071	4,649	3,314	3,012	3,403	3,417	18,607	13,147	4,055	-16
YoY Change (%)	112.9	169.1	81.9	18.1	-18.4	-37.6	-32.9	-26.5	80.8	-29.3	-20.0	
Margins (%)	6.5	7.7	7.7	7.4	5.2	4.7	4.9	5.2	7.3	5.0	6.0	
Standalone (India)												
Net Revenues	44,133	44,067	43,319	43,874	45,916	44,617	45,398	45,892	1,75,393	1,81,823	45,485	0
YoY Change (%)	-0.5	3.6	2.0	0.5	4.0	1.2	4.8	4.6	1.4	3.7	5.0	
EBITDA	7,867	8,414	7,840	7,358	6,331	5,389	5,035	5,367	31,480	22,123	5,231	-4
Margins (%)	17.8	19.1	18.1	16.8	13.8	12.1	11.1	11.7	17.9	12.2	11.5	
Adj PAT	3,111	3,511	3,064	2,681	2,267	1,675	1,251	1,584	12,367	6,808	1,597	-22
YoY Change (%)	198.1	434.1	146.6	12.2	-27.1	-52.3	-59.2	-40.9	113.7	-45.0	-47.9	
Europe (EUR m)												
Net Revenues	144	169	176	182	146	171	183	173	671	673	178	
YoY Change (%)	-4.6	-6.6	-2.2	2.8	1.4	1.2	4.0	-4.9	-2.5	0.3	1.1	
Margins (%)	13.4	14.1	20.3	19.1	13.7	14.8	17.7	16.8	16.9	15.9	19.5	

Source: MOFSL Estimates

CONFERENCE CALL

Highlights from the management commentary

Standalone update

- **Demand outlook:** Overall volume growth was marginal, with healthy replacement demand being offset by OEM weakness. Replacement demand is expected to remain positive in 4Q, with the potential for further growth beyond current levels.
  - **Volume Growth**: Replacement volumes grew 5% YoY, while OE volumes declined 10% YoY. Exports remained flattish. In the replacement segment, demand for TBR, PCR, and farm tires has picked up in Jan and is expected to be better than Q3, in Q4.
  - OEM volumes remained weak, particularly in CVs, due to lower vehicle production and an unfavorable mix (higher bus sales).
  - **4Q Outlook**: The CV segment is expected to recover in 4Q, with improving demand for TBR CV tires. Election-related volatility impacted demand this year, but OEMs are seeing early signs of recovery, according to the management.
- **Market share & product strategy**: APTY gained market share in the PCR and agri replacement segments in India in Q3. The company is exiting the 12-13 inch tire market with OEMs and continues to focus on the high-margin 16-inch+ segment.
- **Exports:** APTY sees the US as the next growth market, with a strong performance in PCR (with the Vredestein brand) and initial traction in APTY TBR. The Middle East, particularly Saudi Arabia, will be the next go-to region for APTY.
- **Margins & cost structure**: EBITDA margin contracted YoY and QoQ due to sharp raw material inflation (+15% YoY). RM costs included the impact of carrying forward higher-cost inventory from the previous quarter. Given the input cost inflation, the company reduced its other expenses during the quarter, which is expected to return to normal levels in the coming quarters.
  - In 3Q, RM costs stood at INR175/kg (+15% YoY, +2% QoQ), with key inputs priced at INR215/kg for NR, INR195/kg for SR, and INR125/kg for CB. RM costs are expected to remain stable QoQ in 4Q, with no price increases planned so far due to weak market conditions. Marginal cost benefits may be seen in 1QFY26.
- Net debt to EBITDA for India stood at 1.4x as of Dec'24, compared to 1.1x QoQ.

Europe business update

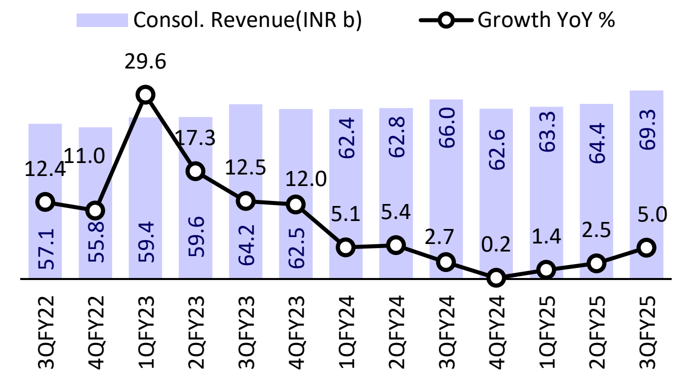
- **Financials**: In 3Q, it reported revenue of EUR183m with an EBITDA of EUR32m, achieving a 17.7% EBITDA margin. Reifen contributed EUR88m in revenue with an EBITDA margin of over 7%.
- **Demand**: Demand recovery is expected to continue, with strong replacement demand for both PCR and truck tires. There are no signs of demand tapering off, and the UHP/UUHP segments are expected to grow faster.
  - Volume growth in the PCR segment lagged the industry; however, APTY outperformed in profitable segments such as winter tires and UHP.
- The UHP mix for APTY stood at 48% for the quarter, up from 43% YoY, reflecting continued premiumization.
- Despite raw material cost inflation (+4% YoY), the company reported an 18% operating margin (+290bp QoQ, -260bp YoY).

Update on Capex and debt

- **Investments and debt**: India business capex stood at INR3.5b for 9M, with gross debt at INR32b, while consolidated capex was INR5b with gross debt at INR35b. FY25E capex is expected to moderate to ~INR7.5b. With the PCR segment in both India and Europe reaching optimal utilization levels at 85%+ and 90%+, respectively, management has planned growth capex for both regions in the PCR segment. Assuming the same level of maintenance capex of INR7b and another INR8b for growth, the estimated capex for FY26E is likely to increase to INR15b. With this, the PCR capacity expansion in India would be 7-8%, while in Europe, it will be slightly higher.
- **Financing: In India,** interest costs increased due to higher working capital borrowings, driven by profitability challenges for dealers and a weaker market. In **Europe,** interest costs declined, with working capital needs likely to reverse. Additionally, the interest burden is expected to reduce in the coming quarters, considering the reduction in debt.

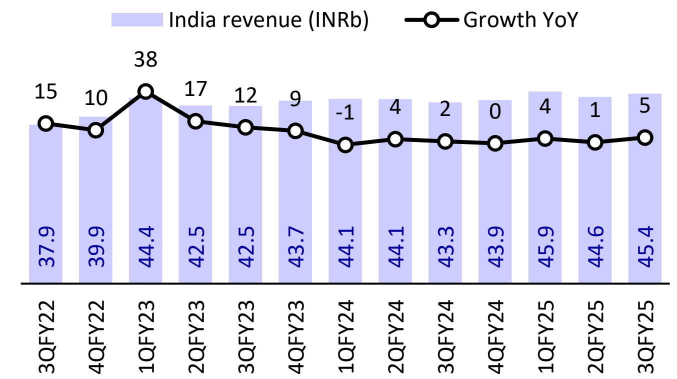
Key exhibits

Exhibit 1: Consolidated revenue trend



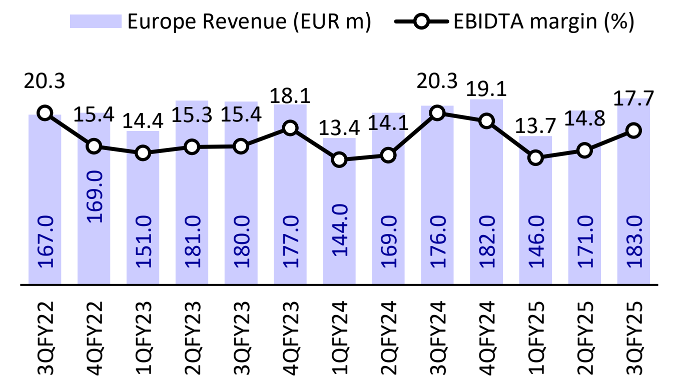
Source: MOFSL, Company

Exhibit 2: Trend in APTY's India revenue



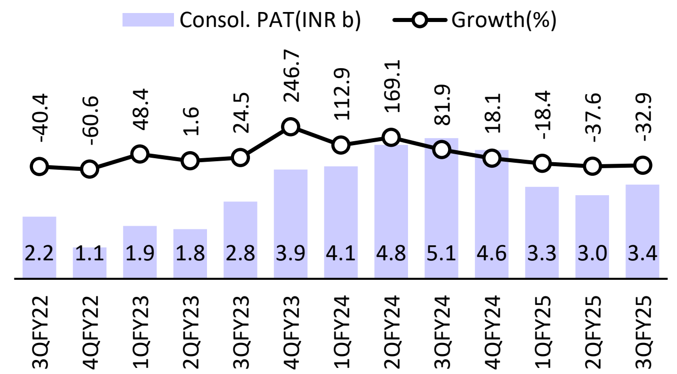
Source: MOFSL, Company

Exhibit 3: Performance trend in APTY's EU operations



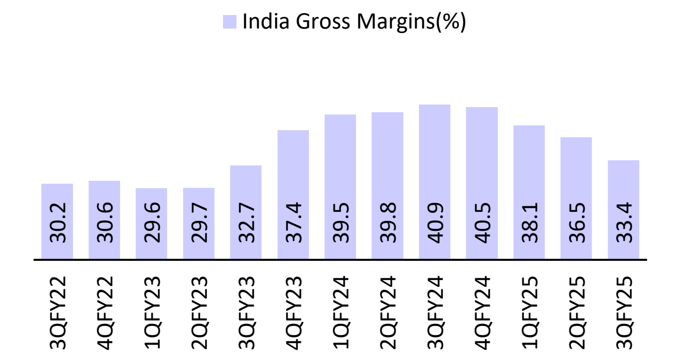
Source: MOFSL, Company

Exhibit 4: Consolidated PAT and PAT growth trends



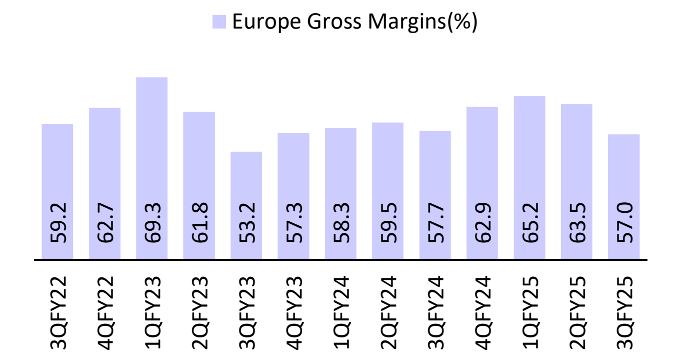
Source: MOFSL, Company

Exhibit 5: Trend in India's gross margin (%)



Source: MOFSL, Company

Exhibit 6: Trend in the EU's (derived) gross margin (%)



Source: MOFSL, Company

Valuation and view

- **India business well placed for growth over the long term:** APTY is well placed with a strong competitive positioning and ready capacities to benefit from strong growth in TBR/PCR in OEM, as well as a recovery in the replacement segment. While the near-term demand may remain subdued, we estimate a 5% volume CAGR over FY24-27, led by growth in the replacement demand as well as recovery in exports. The Indian business has several levers to support margin: 1) operating leverage, 2) increasing share of the most efficient AP plant, and 3) healthy pricing discipline in the industry. While we expect margins to contract over FY24-27E, led by increasing RM prices and EPR provisions, operating leverage and balance sheet deleveraging will drive a marginal ~2% PAT CAGR over this period on a high base of FY24.
- **Premiumization focus driving better brand positioning and a healthy margin profile**: The company has been focusing on enhancing its product offerings in both India and Europe. Benefiting from its robust R&D capabilities, the company saw notable enhancements in its sales mix, with the PV revenue contribution rising from 18% in FY18 to 24% in 9MFY25, aligning with its premiumization strategy. In Europe, given the premium status of the Vredestein brand, coupled with the establishment of a cutting-edge manufacturing facility in Hungary, the company is well-positioned to enhance its product portfolio by shifting toward the lucrative premium car tire segment. This is evident from the rising share of its UHP/UUHP mix in Europe to 48% in 3QFY25 from 43% in 3QFY24. With improved competitiveness, APTY has gained market share in the replacement segment and made inroads with OEMs. APTY's relentless focus on margin-lucrative segments would be the key margin tailwind in the coming years.
- **Leaner business model driving healthy returns:** APTY has achieved a PAT CAGR of ~17% over the last five years. Moreover, the company has opted for smaller-scale capex plans rather than consolidating them, with an anticipated average annual capex of INR37.2b for FY25-27E, compared to INR27.2b during the previous capex cycle of FY18-20. These measures have contributed to the consistent generation of free cash flow over the past four years and a reduction in net debt to INR26b as of Dec'25 from INR43.5b in FY21. Additionally, the company's RoE/RoCE improved to 13.8%/16.8% in FY24 from 8.4% each in FY19, demonstrating its effective strategy in yielding better returns.

- **Valuation and view:** We cut our FY25E/FY26E consol. EPS by 4%/9% to factor in the rising RM costs and higher operating expenses. APTY's prudent capital allocation and the subsequent improvement in RoCE have been truly commendable. APTY offers the best blend of earnings growth, balance sheet deleveraging, improving capital efficiencies, and cheap valuations. **We reiterate our BUY rating on APTY** with a TP of INR520 (valued at 17x Dec'26E consol. EPS).

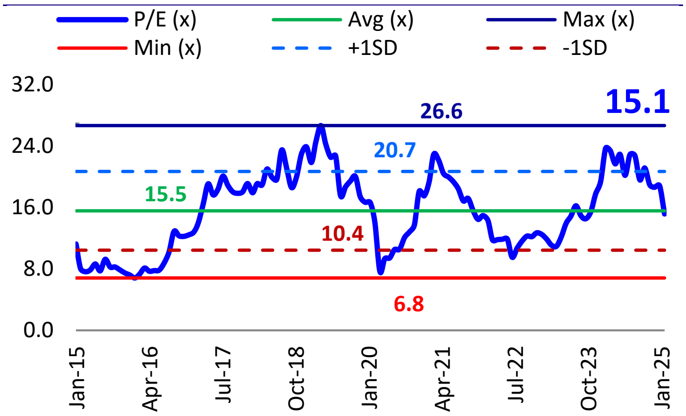
Exhibit 7: Changes to our estimates

Revised forecast (Consol)

(INR M)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	2,62,247	2,59,505	1.1	2,78,720	2,81,193	-0.9
EBITDA	36,551	36,404	0.4	41,301	42,974	-3.9
EBITDA (%)	13.9	14.0	-10bp	14.8	15.3	-50bp
EPS (INR)	20.7	21.5	-3.8	27.7	30.3	-8.7

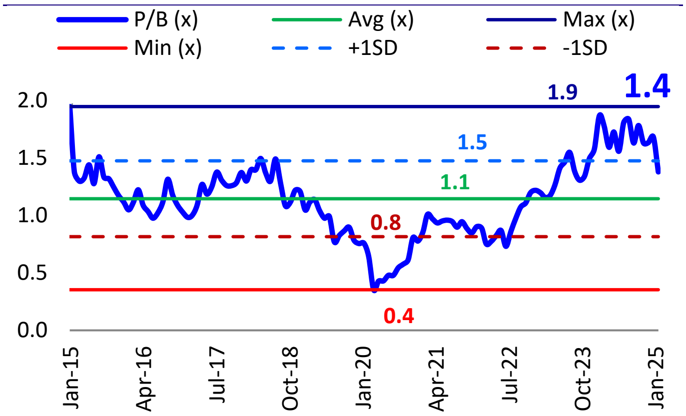
Source: Company, MOFSL

Exhibit 8: One-year forward P/E



Source: MOFSL, Company

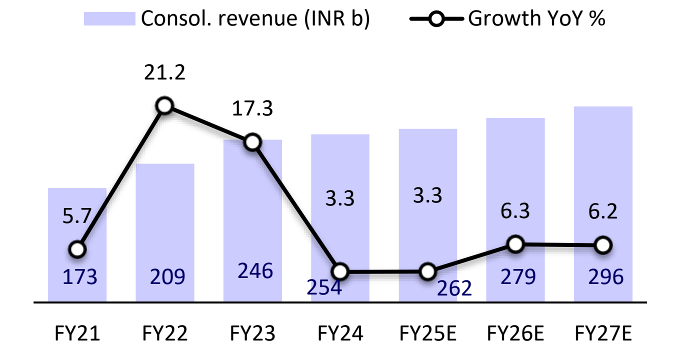
Exhibit 9: One-year forward P/B band



Source: MOFSL, Company

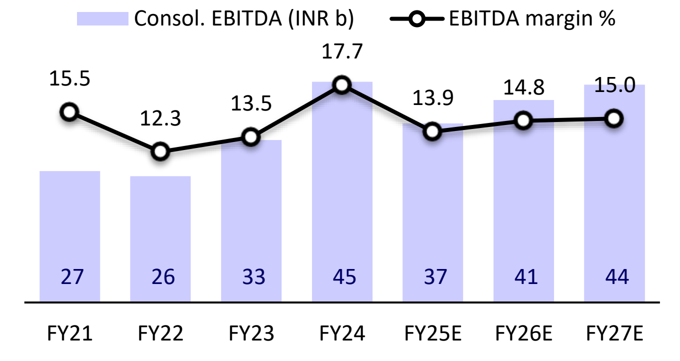
Story in charts

Exhibit 10: Revenue and growth trends



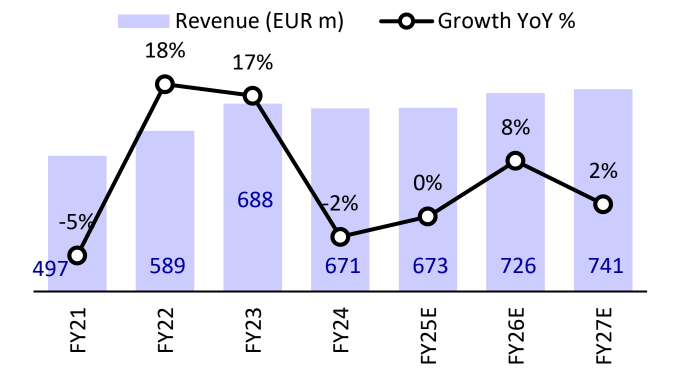
Source: Company, MOFSL

Exhibit 11: EBITDA and EBITDA margin trends



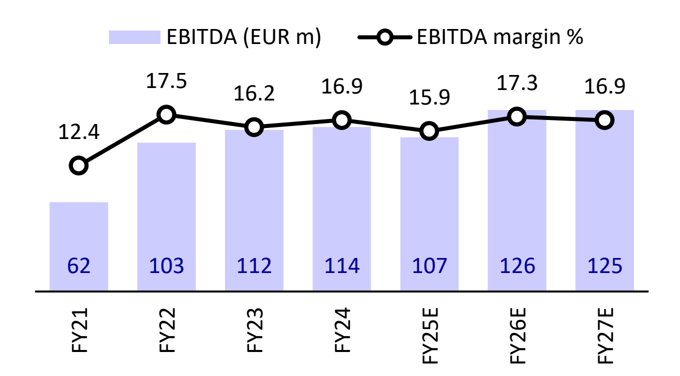
Source: Company, MOFSL

Exhibit 12: Revenue and growth trends for the EU business



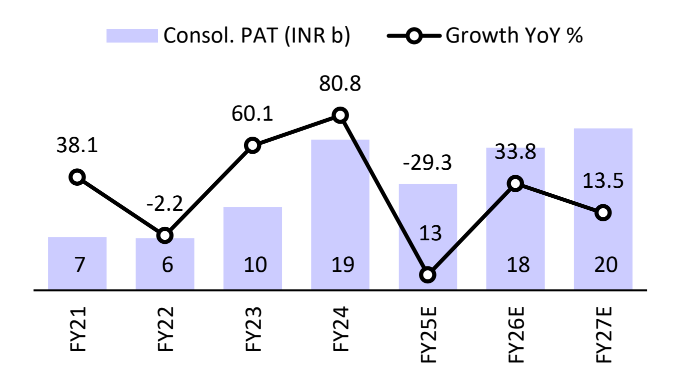
Source: Company, MOFSL

Exhibit 13: EBITDA margin trend for APTY's EU



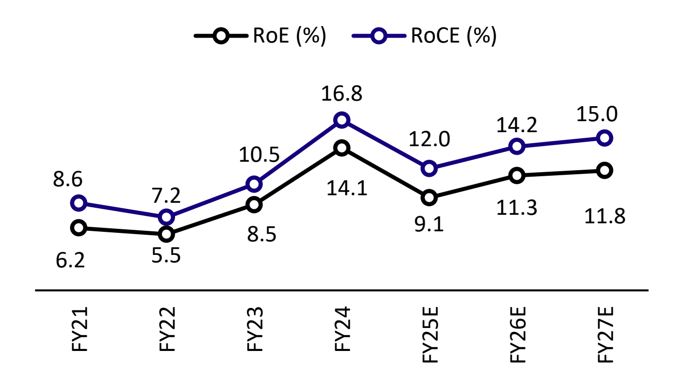
Source: Company, MOFSL

Exhibit 14: PAT and PAT growth trends



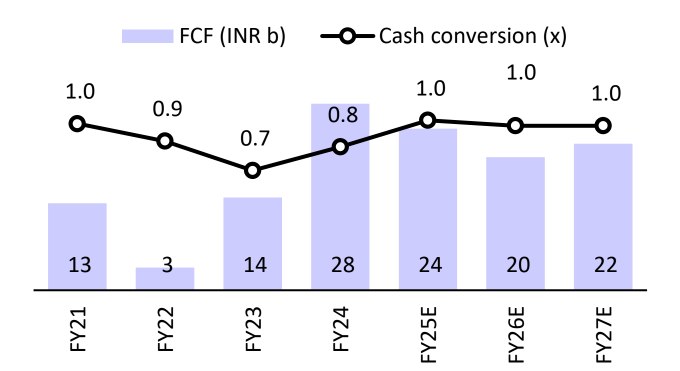
Source: MOFSL, Company

Exhibit 15: Trend in APTY's return profile



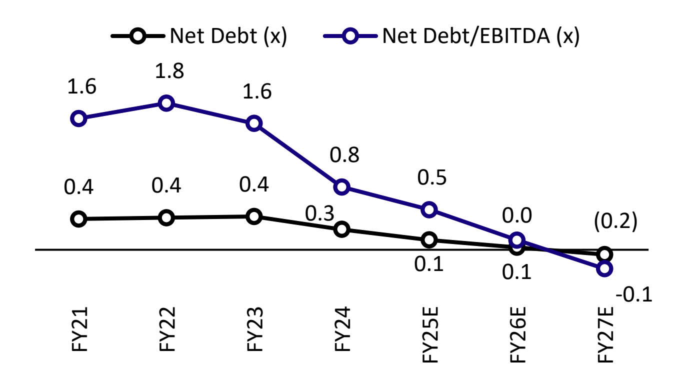
Source: MOFSL, Company

Exhibit 16: FCF to remain positive due to lower capex



Source: MOFSL, Company

Exhibit 17: Expect APTY to become net cash by FY26



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	**1,63,502**	**1,72,820**	**2,09,476**	**2,45,681**	**2,53,777**	**2,62,247**	**2,78,720**	**2,95,939**
Change (%)	-6.8	5.7	21.2	17.3	3.3	3.3	6.3	6.2
Raw Materials	90,756	93,945	1,23,855	1,46,371	1,36,631	1,46,620	1,53,080	1,62,772
Employees Cost	24,822	25,134	25,742	26,199	29,640	31,377	33,292	35,429
Other Expenses	28,537	26,917	34,137	39,975	42,519	47,699	51,047	53,331
Total Expenditure	**1,44,115**	**1,45,995**	**1,83,735**	**2,12,545**	**2,08,790**	**2,25,696**	**2,37,419**	**2,51,532**
% of Sales	88.1	84.5	87.7	86.5	82.3	86.1	85.2	85.0
EBITDA	**19,387**	**26,825**	**25,741**	**33,137**	**44,987**	**36,551**	**41,301**	**44,407**
EBITDA Margin (%)	11.9	15.5	12.3	13.5	17.7	13.9	14.8	15.0
growth	6.2	30.9	-20.8	9.8	31.4	-21.4	6.3	1.3
Depreciation	11,381	13,150	13,997	14,191	14,778	15,000	15,539	16,361
EBIT	**8,006**	**13,675**	**11,744**	**18,945**	**30,209**	**21,550**	**25,762**	**28,045**
EBIT Margin (%)	4.9	7.9	5.6	7.7	11.9	8.2	9.2	9.5
Int. and Finance Charges	2,808	4,430	4,444	5,312	5,059	4,548	3,290	2,278
Other Income	237	1,294	1,235	411	1,536	1,051	1,201	1,308
PBT bef. EO Exp.	**5,434**	**10,539**	**8,535**	**14,044**	**26,685**	**18,054**	**23,672**	**27,076**
EO Items	0	4,927	59	-226	1,786	456	0	0
PBT after EO Exp.	**5,434**	**5,612**	**8,476**	**14,269**	**24,899**	**17,598**	**23,672**	**27,076**
Total Tax	670	2,110	2,091	3,813	7,684	4,775	6,071	7,090
Tax Rate (%)	12.3	37.6	24.7	26.7	30.9	27.1	25.6	26.2
Reported PAT	**4,764**	**3,502**	**6,385**	**10,456**	**17,219**	**12,826**	**17,601**	**19,986**
Adjusted PAT	**4,764**	**6,576**	**6,429**	**10,290**	**18,607**	**13,159**	**17,601**	**19,986**
Change (%)	-42.8	38.1	-2.2	60.1	80.8	-29.3	33.8	13.5

Consolidated - Balance Sheet

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	572	635	635	635	635	635	635	635
Total Reserves	98,728	1,13,796	1,16,886	1,25,147	1,38,387	1,48,038	1,61,193	1,75,781
Net Worth	**99,300**	**1,14,431**	**1,17,521**	**1,25,782**	**1,39,022**	**1,48,673**	**1,61,828**	**1,76,416**
Total Loans	68,383	65,843	61,937	64,205	49,051	39,051	30,455	21,824
Deferred Tax Liabilities	7,032	7,020	9,014	12,590	16,530	16,530	16,530	16,530
Capital Employed	**1,74,715**	**1,87,294**	**1,88,471**	**2,02,577**	**2,04,603**	**2,04,253**	**2,08,814**	**2,14,770**
Gross Block	2,42,083	2,64,875	2,90,635	3,05,312	3,13,603	3,20,442	3,31,492	3,45,320
Less: Accum. Deprn.	89,734	1,02,883	1,16,880	1,31,071	1,45,850	1,60,850	1,76,389	1,92,751
Net Fixed Assets	**1,52,350**	**1,61,992**	**1,73,755**	**1,74,241**	**1,67,753**	**1,59,592**	**1,55,103**	**1,52,569**
Goodwill on Consolidation	2,134	2,204	2,158	2,288	2,311	2,311	2,311	2,311
Capital WIP	16,420	11,065	6,182	2,526	3,477	4,753	8,198	8,909
Total Investments	**194**	**1,096**	**4,813**	**4,358**	**5,317**	**15,317**	**15,317**	**17,317**
Curr. Assets, Loans&Adv.	**60,957**	**82,088**	**84,550**	**90,117**	**90,716**	**89,965**	**99,821**	**1,10,044**
Inventory	32,069	33,185	41,554	44,285	42,457	43,828	46,581	49,458
Account Receivables	9,399	13,808	20,513	24,885	26,648	27,302	29,017	30,810
Cash and Bank Balance	7,496	21,458	10,807	8,462	9,221	6,033	10,617	15,328
Loans and Advances	11,993	13,637	11,677	12,485	12,389	12,802	13,606	14,447
Curr. Liability & Prov.	**57,340**	**71,151**	**82,987**	**70,953**	**64,971**	**67,684**	**71,936**	**76,380**
Account Payables	23,090	28,067	35,309	33,956	29,786	32,332	34,363	36,486
Other Current Liabilities	29,115	38,644	44,193	33,505	31,427	31,470	33,446	35,513
Provisions	5,134	4,440	3,484	3,492	3,757	3,883	4,126	4,381
Net Current Assets	**3,617**	**10,937**	**1,563**	**19,164**	**25,745**	**22,281**	**27,886**	**33,664**
Appl. of Funds	**1,74,715**	**1,87,294**	**1,88,471**	**2,02,577**	**2,04,603**	**2,04,253**	**2,08,814**	**2,14,770**

Financials and valuations

Ratios								
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Basic (INR)								
EPS	**8.3**	**10.4**	**10.1**	**16.2**	**29.3**	**20.7**	**27.7**	**31.5**
growth	*-42.8*	*24.3*	*-2.2*	*60.1*	*80.8*	*-29.3*	*33.8*	*13.5*
Cash EPS	31.7	38.8	40.1	48.1	65.6	55.3	65.1	71.4
BV/Share	195.1	224.8	230.9	247.1	273.1	292.1	317.9	346.6
DPS	6.2	3.5	3.3	4.3	5.3	5.0	7.0	8.5
Payout (%)	90.5	63.5	32.3	25.8	19.4	24.8	25.3	27.0
Valuation (x)								
P/E	51.3	41.2	42.2	26.4	14.6	20.6	15.4	13.6
P/BV	2.2	1.9	1.8	1.7	1.6	1.5	1.3	1.2
EV/Sales	1.9	1.8	1.5	1.3	1.2	1.2	1.0	0.9
EV/EBITDA	15.7	11.8	12.5	9.9	6.9	8.3	7.0	6.3
Dividend Yield (%)	1.5	0.8	0.8	1.0	1.2	1.2	1.6	2.0
FCF per share	-5.0	20.3	5.3	21.6	43.5	37.7	31.0	34.2
Return Ratios (%)								
RoE	4.8	6.2	5.5	8.5	14.1	9.1	11.3	11.8
RoCE (pre-tax)	5.2	8.6	7.2	10.5	16.8	12.0	14.2	15.0
RoIC	4.8	5.6	5.5	7.8	11.2	8.6	10.9	11.9
Working Capital Ratios								
Fixed Asset Turnover (x)	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.9
Asset Turnover (x)	0.9	0.9	1.1	1.2	1.2	1.3	1.3	1.4
Inventory (Days)	72	70	72	66	61	61	61	61
Debtor (Days)	21	29	36	37	38	38	38	38
Creditor (Days)	52	59	62	50	43	45	45	45
Leverage Ratio (x)								
Net Debt/Equity	0.6	0.4	0.4	0.4	0.2	0.1	0.0	-0.1

Consolidated - Cash Flow Statement								(INR M)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
OP/(Loss) before Tax	5,434	5,612	8,477	14,272	26,685	18,054	23,672	27,076
Depreciation	11,381	13,150	13,997	14,191	14,778	15,000	15,539	16,361
Interest & Finance Charges	2,808	4,430	4,444	5,312	5,059	3,497	2,089	970
Direct Taxes Paid	-925	-2,035	-1,222	-2,168	-3,843	-4,775	-6,071	-7,090
(Inc)/Dec in WC	7,996	4,616	-1,829	-7,845	-5,031	275	-1,021	-1,067
CF from Operations	**26,695**	**25,772**	**23,867**	**23,762**	**37,649**	**32,051**	**34,209**	**36,250**
Others	-1,522	-1,303	-2,332	-2,396	-3,254	0	0	0
CF from Operating incl EO	**25,174**	**24,469**	**21,535**	**21,367**	**34,395**	**32,051**	**34,209**	**36,250**
(Inc)/Dec in FA	-28,055	-11,563	-18,164	-7,627	-6,739	-8,115	-14,495	-14,539
Free Cash Flow	**-2,881**	**12,906**	**3,371**	**13,739**	**27,656**	**23,936**	**19,715**	**21,711**
(Pur)/Sale of Investments	-134	-12,547	5,960	2,512	-716	-10,000	0	-2,000
Others	230	667	482	331	348	1,051	1,201	1,308
CF from Investments	**-27,959**	**-23,443**	**-11,722**	**-4,784**	**-7,107**	**-17,064**	**-13,294**	**-15,231**
Issue of Shares	0	10,800	0	0	0	0	0	0
Inc/(Dec) in Debt	13,863	-3,222	-1,875	-7,484	-16,114	-10,000	-8,596	-8,632
Interest Paid	-2,232	-3,407	-4,022	-4,793	-4,759	-4,548	-3,290	-2,278
Dividend Paid	-4,310	0	-2,223	-2,064	-2,858	-3,176	-4,446	-5,398
Others	-2,810	-2,626	-2,694	-2,577	-2,859	0	0	0
CF from Fin. Activity	**4,510**	**1,545**	**-10,814**	**-16,918**	**-26,591**	**-17,723**	**-16,331**	**-16,308**
Inc/Dec of Cash	**1,725**	**2,571**	**-1,000**	**-336**	**698**	**-2,736**	**4,584**	**4,711**
Opening Balance	4,622	6,347	9,725	8,724	8,389	9,086	6,350	10,934
Closing Balance	**6,347**	**8,918**	**8,724**	**8,389**	**9,086**	**6,350**	**10,934**	**15,646**

NOTES

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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