

October 15, 2024

RESULT REPORT Q2 FY25 | Sector: Energy

Reliance Industries Ltd

O2C stands tough against headwinds while Consumer and upstream business continue strong performance

Reliance Industries (RIL) delivered a steady Q2FY25, with consolidated revenue at Rs 2,315bn, flat YoY and QoQ. EBITDA stood at Rs 390.6bn (-4.7% YoY, +0.8% QoQ), while PAT rose sequentially to Rs 193.2bn (-2.8% YoY, +10.8% QoQ) on lower-than-expected depreciation and taxes. The O2C segment showed resilience despite declining fuel cracks and weak petchem margins (GRM of ~USD9.6/bbl). Upstream remained strong, with KGD6 contributing over 30% of India's gas production. Retail sales were stable at Rs 763.3bn, was supported by digital commerce. Digital services saw a 14.7% YoY EBITDA growth, driven by a tariff hike, which pushed Jio's ARPU to Rs 195.1 while resulting into loss of subscribers of 10.9mn to 478.8mn. Net debt increased sequentially to Rs 1,164.4bn due to elevated capex of Rs 340.2bn. RIL's capex over FY24-25e is expected to remain elevated given the ongoing investment in Telecom (5G), expansion of retail infrastructure and new energy business. Maintain BUY with a TP of Rs 3,500/shr.

Result Highlights

- Performance:** The consolidated revenue at Rs 2,315bn was flat YoY & QoQ. While EBITDA/PAT at Rs 390.6/193.2bn was down 4.7/2.8% YoY and up 0.8%/10.8% QoQ. The O2C performance was resilient despite declining product cracks coupled with deteriorating petchem margins, assumed GRM of ~USD 9.6/bbl.
- The **O2C performance** persisted to face headwinds in Q2FY25. Global oil demand increased in the quarter by 0.8 mb/d YoY. However, there was weakness in transportation fuel cracks which were down ~50% YoY. The reported EBITDA at Rs 124.1bn was down 23.8% YoY and 5.2% QoQ. The YoY decline is a result of ~50% dip in fuel cracks and 9-24% fall in downstream chemical deltas across the industry. While the QoQ drag was witnessed due to a correction across transportation fuel cracks on higher refinery runs in the US which led to increase global supply and subpar demand and weak PE (-8%) and PVC (-6%) deltas despite favorable ethane cracks.
- The **domestic upstream segment** remained firm witnessing flattish production growth for KGD6 and marginal improvement in CBM partially offsetting lower gas prices. While KGD6 continues to contribute >30% of India's gas production, it marginally declined to 28.5mmscmd and 20,832bbbls/day of oil.
- Consumer segment:** Retail sales were flat at Rs 763.3bn, focus remained on Digital commerce and Consumer business, improving operating efficiencies on stronger footfalls and strengthened digital channels. EBITDA for Retail/Digital was at Rs 58.6/161.4bn up 0.5/14.7% YoY and 3.3/8% QoQ. The strong jump in Telecom EBITDA is attributed to the tariff hikes which increased the ARPU to Rs 195.1 meanwhile cannibalizing subscribers down by 10.9mn (to 478.8mn subs), traction in FTTH supported the overall growth as well.
- The reported **net debt** stood at Rs 1,164.4bn, reduced by Rs 13bn YoY and was up by Rs 41bn QoQ on account of accelerated capex towards 5G roll-out, expansion of retail infrastructure and new energy business. The capex at Rs 340.2bn is higher than last qtr's Rs 287.9bn.

Valuation

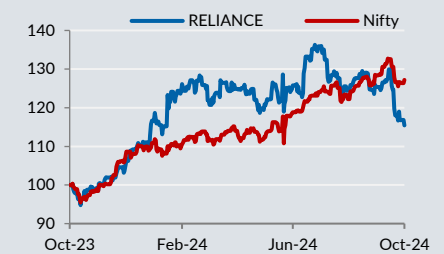
We value the stock on SOTP basis at a TP of Rs 3,500/share. The O2C contributes Rs684, upstream Rs173, and Jio platforms and Retail at Rs 884/1698. New Energy piece adds Rs200 and a reduction of Rs138 of Net debt.

Reco	: BUY
CMP	: Rs 2,745
Target Price	: Rs 3,500
Potential Return	: +27.5%

Stock data (as on Oct 14, 2024)

Nifty	25,128
52 Week h/l (Rs)	3218 / 2220
Market cap (Rs/USD mn)	18568160 / 220897
Outstanding Shares (mn)	6,767
6m Avg t/o (Rs mn):	18,846
Div yield (%):	0.3
Bloomberg code:	RELINCE IN
NSE code:	RELINCE

Stock performance



	1M	3M	1Y
Absolute return	-7.9%	-15.1%	15.5%

Shareholding pattern (As of Sept'24 end)

Promoter	49.1%
FII+DII	38.3%
Others	10.2%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	3500	3500

Δ in estimates

(1-Yr)	FY25e	FY26e	FY27e
EPS (New)	131.7	141.9	157.2
EPS (Old)	131.7	141.9	157.2
% Change	-	-	-

Financial Summary

(Rs bn)	FY25E	FY26E	FY27E
Revenue	11,510.9	12,208.1	13,178.1
YoY Growth	25.9	6.1	7.9
EBIDTA	1,756.7	1,911.4	2,117.3
OPM %	15.3	15.7	16.1
PAT	890.9	960.4	1,063.8
YoY Growth	12.7	7.8	10.8
ROE	9.2	9.1	9.3
EPS	131.7	141.9	157.2
P/E	20.8	19.3	17.5
BV	1,490.0	1,622.4	1,770.1
EV/EBITDA	7.1	6.9	6.6

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Lead Analyst

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Exhibit 1: Actual vs estimate

	Actual	Estimate		% Variation		Remarks
		YES Sec	Consensus	YES Sec	Consensus	
Sales	2,315,350	2,499,059	2,342,562	-7.4	-1.2	O2C stands tough against headwinds while Consumer and upstream business continue their support; Digital services benefit from Jio's tariff hike.
EBITDA	390,580	374,075	403,784	4.4	-3.3	
EBITDA Margin (%)	16.9	15.0	17.2	190 bps	-37 bps	
Adjusted PAT	193,230	171,155	188,140	12.9	2.7	

Exhibit 2: Earnings snapshot

Particulars (Rs mn)	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	YoY (%)	QoQ (%)	H1FY24	H2FY25	YoY (%)
Revenue	2,318,860	2,250,860	2,365,330	2,317,840	2,315,350	(0.2)	(0.1)	4,394,450	4,633,190	5.4
Expenditure	1,909,180	1,844,300	1,940,170	1,930,190	1,924,770	0.8	(0.3)	3,603,840	3,854,960	7.0
-Raw Material	1,527,090	1,475,020	1,534,640	1,534,580	1,529,020	0.1	(0.4)	2,843,770	3,063,600	7.7
-Staff Cost	59,470	63,130	68,180	70,710	66,490	11.8	(6.0)	125,480	137,200	9.3
- Other Expenses	322,620	306,150	337,350	324,900	329,260	2.1	1.3	634,590	654,160	3.1
Operating Profit	409,680	406,560	425,160	387,650	390,580	(4.7)	0.8	790,610	778,230	(1.6)
OPM(%)	17.7	18.1	18.0	16.7	16.9	-148 bps	-111 bps	18.0	16.8	119 bps
Other Income	38,410	38,690	45,340	39,830	48,760	26.9	22.4	76,540	88,590	15.7
Depreciation	125,850	129,030	135,690	135,960	128,800	2.3	(5.3)	243,600	264,760	8.7
Interest	57,310	57,890	57,610	59,180	60,170	5.0	1.7	115,680	119,350	3.2
Sh of Profits from JV/Associates/Sub	580.0	1,530.0	1,000.0	(30.0)	2,220.0	282.8	(7,500.0)	1,340.0	2,190.0	63.4
Excpnl Loss/(Profit)	-	-	-	-	-	n.a.	n.a.	-	-	n.a.
PBT	265,510	259,860	278,200	232,310	252,590	(4.9)	8.7	509,210	484,900	(4.8)
Tax	66,730	63,450	65,770	57,860	59,360	(11.0)	2.6	127,850	117,220	(8.3)
PAT	198,780	196,410	212,430	174,450	193,230	(2.8)	10.8	381,360	367,680	(3.6)
Adj PAT	198,780	196,410	212,430	174,450	193,230	(2.8)	10.8	381,360	367,680	(3.6)

Exhibit 3: Operating highlights

Particulars	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	YoY (%)	QoQ (%)	H1FY24	H2FY25	YoY (%)
Segmental Revenue (Rs mn)	2,835,420	2,767,940	2,916,250	2,864,920	2,878,050	1.5	0.5	5,410,710	5,742,970	6.1
Oil to Chemicals (O2C)	1,479,880	1,410,960	1,426,340	1,571,330	1,555,800	5.1	(1.0)	2,810,190	3,127,130	11.3
Oil & Gas	66,200	67,190	64,680	61,790	62,220	(6.0)	0.7	112,520	124,010	10.2
Organised Retail	771,630	830,400	766,830	756,300	763,250	(1.1)	0.9	1,471,250	1,519,550	3.3
Digital Services	326,570	334,630	347,410	354,700	380,550	16.5	7.3	647,340	735,250	13.6
Others	191,140	124,760	310,990	120,800	116,230	(39.2)	(3.8)	369,410	237,030	(35.8)
Segmental EBITDA (Rs mn)	409,680	406,560	425,160	387,650	390,580	(4.7)	0.8	790,610	778,230	(1.6)
Oil to Chemicals (O2C)	162,810	140,640	167,770	130,930	124,130	(23.8)	(5.2)	315,520	255,060	(19.2)
Oil & Gas	47,660	58,040	56,060	52,100	52,900	11.0	1.5	87,810	105,000	19.6
Organised Retail	58,310	62,710	58,290	56,720	58,610	0.5	3.3	109,820	115,330	5.0
Digital Services	140,710	142,610	146,440	149,440	161,390	14.7	8.0	277,920	310,830	11.8
Others	190	2,560	(3,400)	(1,540)	(6,450)	(3,494.7)	318.8	(460)	(7,990)	1,637.0

Particulars	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	YoY (%)	QoQ (%)	H1FY24	H2FY25	YoY (%)
Calculated GRMs (USD/bbl)	14.1	12.9	14.0	10.5	9.6	(31.9)	(8.6)	12.2	10.0	(17.8)
SAED costs (export duty impact for O2C)	6,060	-	-	-	-	(100.0)	-	6,060	-	(100.0)
SAED (\$/bbl)	0.6	-	-	-	-	(100.0)	-	0.3	-	(100.0)
Volumes										
Feedstock Throughput (mmt)	20.0	18.7	19.8	19.8	20.2	1.0	2.0	39.7	40.0	0.8
Production Volumes meant for Sale (mmt)	17.1	16.4	17.1	17.7	17.7	3.5	-	34.3	35.4	3.2
Transportation Fuels	11.1	10.2	11.3	11.6	11.2	0.9	(3.4)	22.2	22.8	2.7
Polymers	1.5	1.2	1.5	1.4	1.5	-	7.1	2.9	2.9	-
Fiber Intermediates	0.9	0.8	0.8	0.7	0.8	(11.1)	14.3	1.8	1.5	(16.7)
Polyesters	0.6	0.6	0.6	0.7	0.7	16.7	-	1.2	1.4	16.7
Chemicals and Others	3.0	3.6	2.9	3.3	3.5	16.7	6.1	3.1	3.4	9.9
RJIO Operational metrics										
Subscribers (mn nos)	459.7	470.9	481.8	489.7	478.8	4.2	(2.2)	448.5	478.8	6.8
ARPU (Rs/month)	181.7	181.7	181.7	181.7	195.1	7.4	7.4	181.1	188.4	4.0
EBITDA margins (%)										
Organised Retail	7.6	7.6	7.6	7.5	7.7	1.6	2.4	7.5	7.6	1.7
Digital Services	52.8	52.3	52.4	52.6	53.1	0.6	0.9	52.7	52.8	0.2
RIL debt break up (Rs bn)										
Total gross debt	2,957	3,117	3,246	3,049	3,363	13.7	10.3	2,957	3,363	13.7
Less: cash and cash equivalents	1,780	1,924	2,083	1,926	2,199	23.6	14.2	1,780	2,199	23.6
Net debt	1,177	1,194	1,163	1,123	1,164	(1.1)	3.6	1,177	1,164	(1.1)
Total Capex (Rs bn)	388	301	232	288	340	(12.3)	18.2	785	628	(20.0)

KEY RESULT HIGHLIGHTS

Exhibit 4: EBITDA split – Consolidated

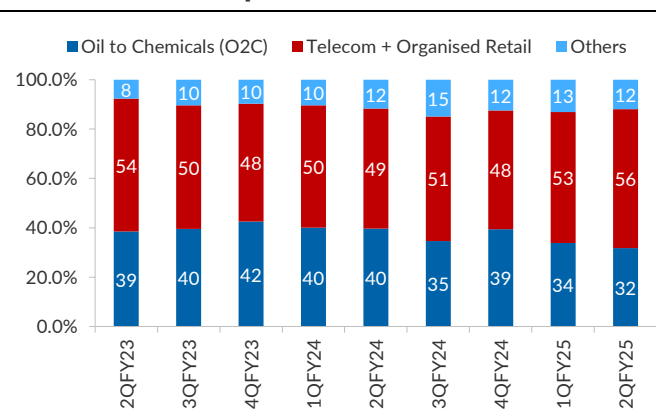
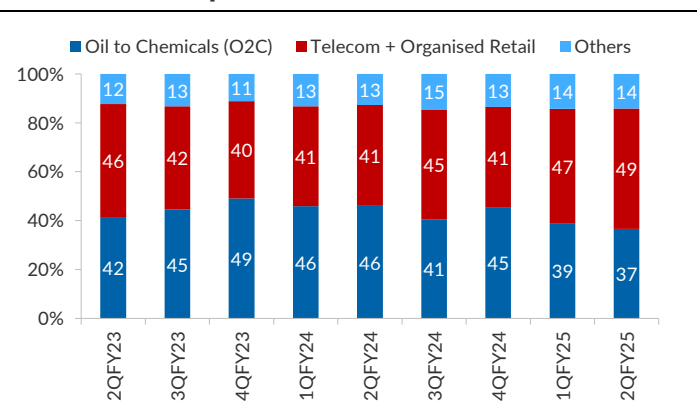


Exhibit 5: EBIT split – Consolidated



Source: Company, YES Sec

SEGMENTAL HIGHLIGHTS

Oil to Chemical (O2C)

Oil to Chemical (O2C)	2QFY24	2QFY25	YoY(%)	1QFY25	QoQ(%)
Revenue (Rs mn)	1,479,880	1,555,800	5.1	1,571,330	(1.0)
EBITDA (Rs mn)	162,810	124,130	(23.8)	130,930	(5.2)
EBIT (Rs mn)	140,880	106,130	(24.7)	106,860	(0.7)
Total Throughput (mmt)	20.0	20.2	1.0	19.8	2.0
Production meant for sale (mmt)	17.1	17.7	3.5	17.7	-
Transportation Fuels	11.1	11.2	0.9	11.6	(3.4)
Polymers	1.5	1.5	-	1.4	7.1
Fiber Intermediates	0.9	0.8	(11.1)	0.7	14.3
Polyesters	0.6	0.7	16.7	0.7	-
Chemicals and Others	3.0	3.5	16.7	3.3	6.1
USD/bbl					
RILs GRMs (our assumptions)	14.1	9.6	(31.9)	10.5	(8.6)
Singapore GRMs	9.6	3.6	(62.1)	3.5	4.4

Exhibit 6: Crude Thruput (MMT) & Cap. Utilization (%)

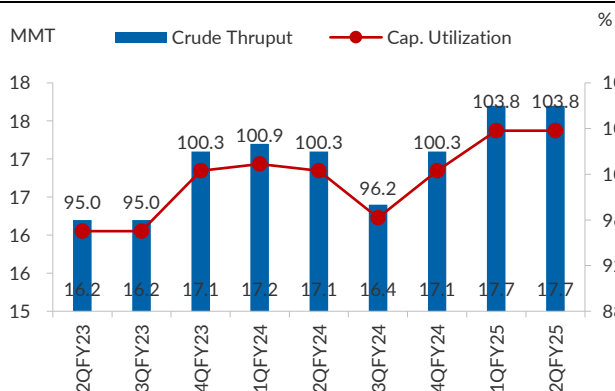
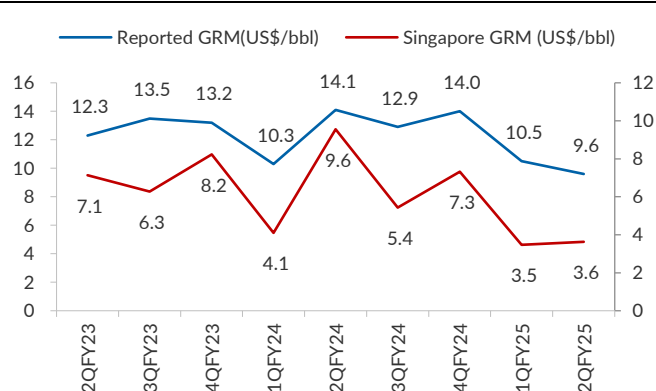


Exhibit 7: Margins and Operating Expense

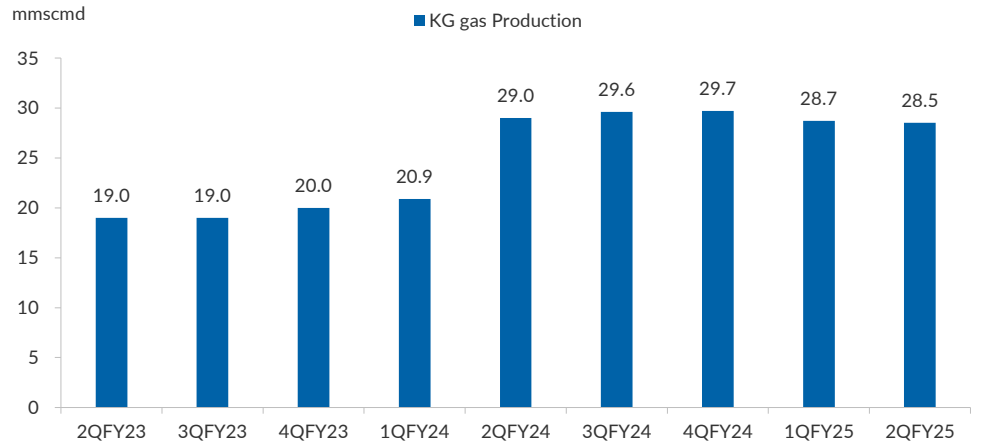


Source: Company, YES Sec; Note: Reported GRMs as per our calculations

Upstream

Oil & Gas Performance	2QFY24	2QFY25	YoY(%)	1QFY25	QoQ (%)
Domestic E&P					
Revenue (Rs mn)	66,060	61,980	(6.2)	61,620	0.6
EBIT (Rs mn)	34,640	39,430	13.8	38,700	1.9
KG-D6 gas production (mmscmd)	29.0	28.5	(1.7)	28.7	(0.7)

Exhibit 8: KG gas Production



Source: Company, YES Sec

Retail

Retail Performance	2QFY24	2QFY25	YoY(%)	1QFY25	QoQ (%)
Revenue (Rs mn)	771,630	763,250	(1.1)	756,300	0.9
EBITDA (Rs mn)	58,310	58,610	0.5	56,720	3.3
EBITDA Margins (%)	7.6	7.7	12 Bps	7.5	18 bps
EBIT (Rs mn)	44,280	44,320	0.1	40,020	10.7
EBIT Margins (%)	5.7	5.8	7 Bps	5.3	52 bps
Net profit (Rs mn)	27,900	28,360	1.6	25,490	11.3
Other details					
Footfalls (mn)	260	297	14.2	296	0.3
Registered Customers (mn)	281	327	16.4	316	3.5
mn Sq ft	71.5	79.4	11.0	81.3	(2.3)
Total Retail Stores (nos)	18,650	18,946	1.6	18,918	0.1

Exhibit 9: Retail Revenue & EBITDA Margin

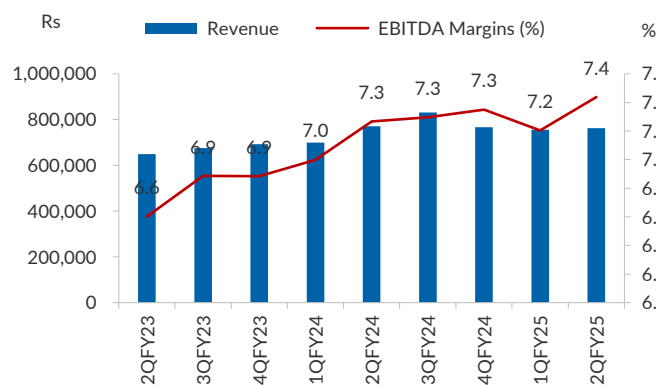
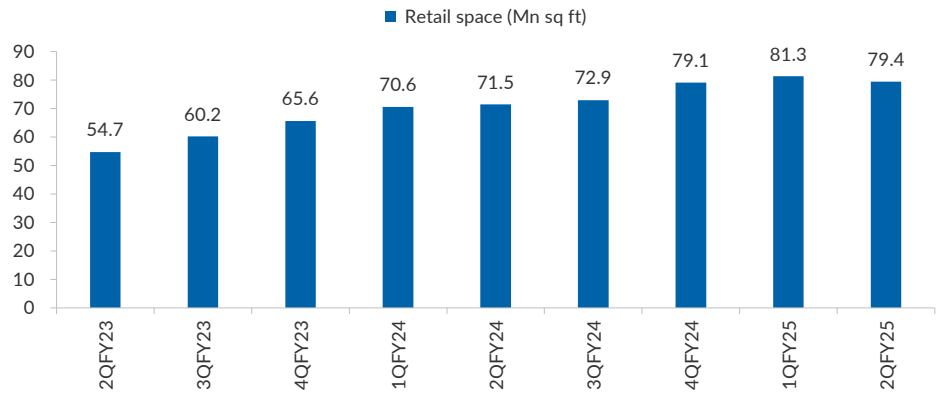


Exhibit 10: Retail Store count (nos)



Source: Company, YES Sec

Exhibit 11: Retail Space

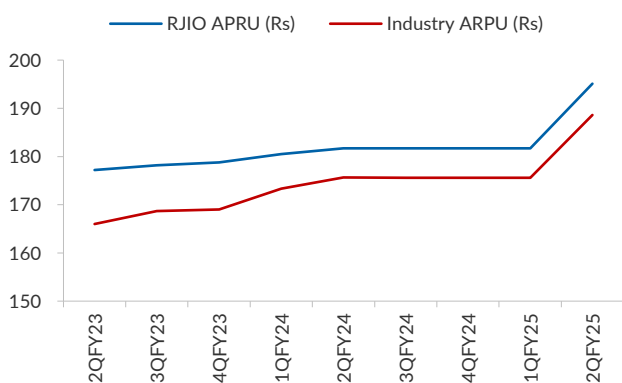


Source: Company, YES Sec

Telecom – Jio Platforms

RJIO Performance	2QFY24	2QFY25	YoY(%)	1QFY25	QoQ (%)
Operating revenue (Rs mn)	247,500	283,380	14.5	264,780	7.0
EBITDA (Rs mn)	130,590	150,360	15.1	139,200	8.0
EBITDA Margins (Rs mn)	52.8	53.1	30 Bps	52.6	49 bps
EBIT (Rs mn)	130,590	93,020	(28.8)	83,130	11.9
Net profit (Rs mn)	50,580	62,310	23.2	54,450	14.4
Operational Highlights					
Subscribers (mn nos)	459.7	478.8	4.2	489.7	(2.2)
Net adds (mn nos)	11.2	(10.9)	(197.3)	7.9	(238.0)
ARPU (Rs/month)	181.7	195.1	7.4	181.7	7.4

Exhibit 12: RJIO APRU



Source: Company, YES Sec

Exhibit 13: RJIO Subs (nos) Net addition

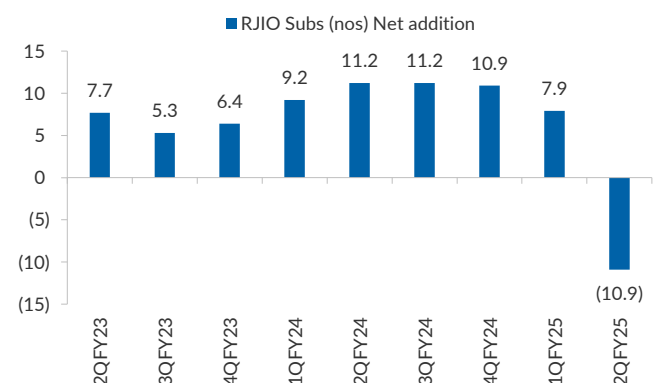
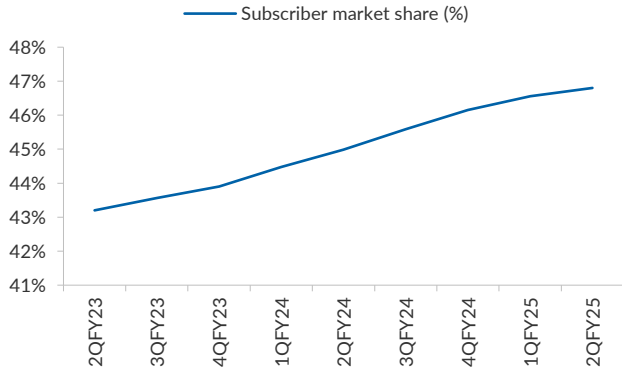


Exhibit 14: Subscriber market share



Source: Company, YES Sec

Exhibit 15: Data Usage

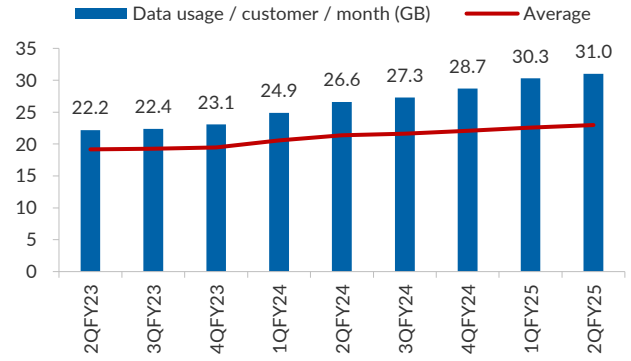
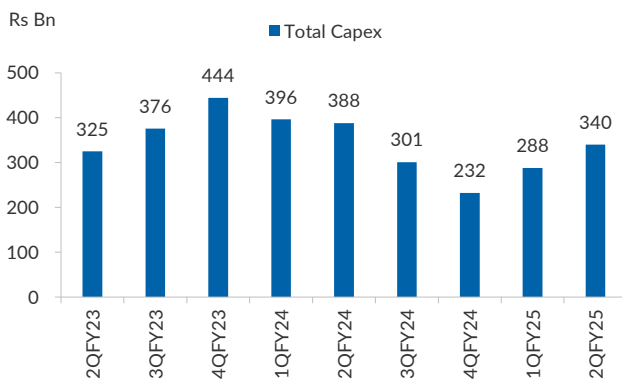


Exhibit 16: Total Capex



Source: Company, YES Sec

Exhibit 17: Net debt

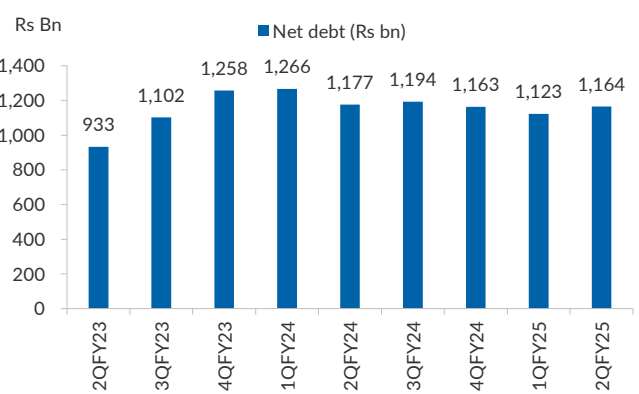
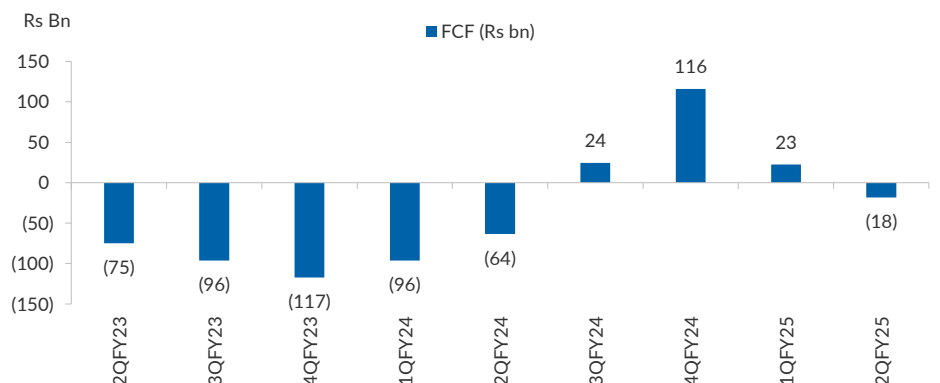


Exhibit 18: FCF



Source: Company, YES Sec

VIEW & VALUATION

BUY with a TP of Rs 3500/sh.

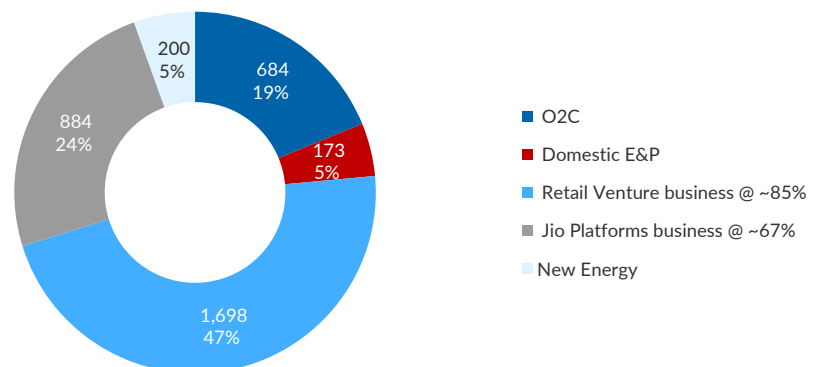
We recommend a BUY rating on RIL with a TP of Rs 3,500/sh. Expectation of elevated capex levels due to the ongoing 5G rollout, planned petrochemical capacity expansion, and planned foray into renewable energy and acquisitions in retail. However, in the longer run, investments in petrochemical and renewable capacities, along with the 5G rollout, Retail growth, New energy contribution have the potential to drive revenue growth.

Our target price is premised upon an operating earnings CAGR of ~10% over FY24-27e where O2C and upstream contribution to EBITDA is ~37%, rest would come from consumer biz, Digital/Retail in FY27. We place a BUY rating on the stock on SOTP basis at a TP of Rs 3,500/share. The O2C contributes Rs684, upstream Rs173, and Jio platforms and Retail at Rs 884/1698. New Energy piece adds Rs200 and a reduction of Rs138 of Net debt.

Exhibit 19: Valuation Table

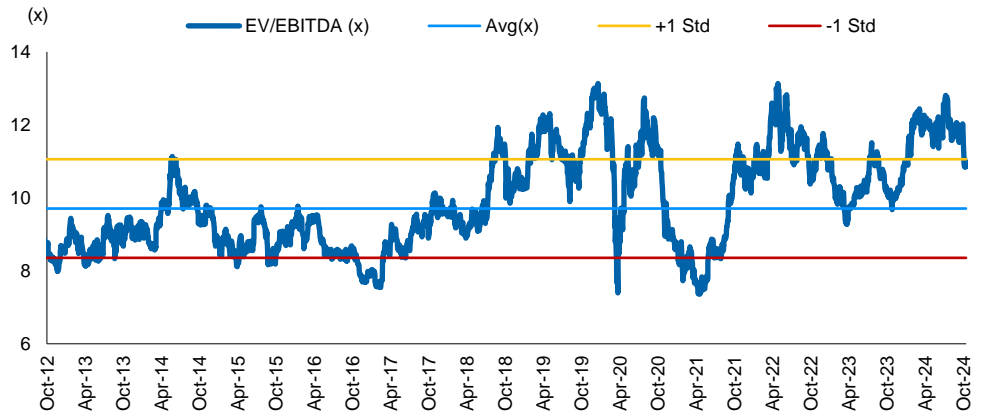
SOTP	EBITDA (Rs bn)	Multiple	EV (Rs bn)	EV (USD bn)	Rs/Share	Comments
OIL AND GAS BUSINESS (EV)						
O2C	578	8.0	4,628	55.8	684	Global Multiple at 7.8x
Domestic E&P	195	6.0	1,168	14.1	173	At 6x EBITDA
EV OF OIL TO CHEMICALS (O2C)			4,628	55.8	684	
EV OF STANDALONE BUSINESS			5,795	69.8	857	
CONSUMER BUSINESS (EV)						
Retail Venture business @ ~85%	375	36.0	11,487	138.4	1,698	At 36x EBITDA
Jio Platforms business @ ~67%	893	10.0	5,983	72.1	884	At 10x EBITDA
EV OF CONSUMER BUSINESS			17,470	210	2,582	
New Energy			1,350	16.3	200	
TOTAL EV OF BUSINESS			24,615	297	3,638	
Total Debt			3,496	42.1	517	
Cash and Current Investments			2,563	30.9	379	
NET DEBT			933	11.2	138	
FAIR VALUE			23,682	285	3,500	

Exhibit 20: SoTP Mix



Source: Company, YES Sec

Exhibit 21: EV/EBITDA (x) band, one-year-forward



Source: Company, YES Sec

FINANCIALS

Exhibit 22: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenue	7,887,430	8,913,110	9,144,720	11,510,880	12,208,107	13,178,114
Total Expense	6,091,890	7,491,490	7,522,390	9,754,205	10,296,666	11,060,841
Operating Profit	1,795,540	1,421,620	1,622,330	1,756,675	1,911,441	2,117,273
Other Income	149,430	117,340	160,570	163,781	167,057	170,398
Depreciation	297,820	403,030	508,320	494,317	559,679	631,005
EBIT	1,647,150	1,135,930	1,274,580	1,426,139	1,518,818	1,656,666
Interest	145,840	195,710	231,180	241,616	241,616	241,616
Extraordinary Item	28,360	4,180	-	-	-	-
share of profit/loss of Associates and JVs	2,950	240	3,870	2,500	2,500	2,500
PBT	1,532,620	944,640	1,047,270	1,187,023	1,279,702	1,417,550
Tax	159,700	203,760	257,070	296,131	319,301	353,762
PAT	1,372,920	740,880	790,200	890,892	960,402	1,063,787
Adj. PAT	1,372,920	740,880	790,200	890,892	960,402	1,063,787
Eps	202.9	109.5	116.8	131.7	141.9	157.2

Exhibit 23: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity capital	67,650	67,660	67,660	67,660	67,660	67,660
Reserves	8,822,190	8,221,150	9,190,220	10,013,541	10,909,194	11,909,124
Net worth	8,889,840	8,288,810	9,257,880	10,081,201	10,976,854	11,976,784
Debt	2,819,740	3,343,920	3,461,420	3,461,420	3,461,420	3,461,420
Deferred tax liab (net)	857,850	1,731,710	1,805,130	1,805,130	1,805,130	1,805,130
Capital Employed	12,567,430	13,364,440	14,524,430	15,347,751	16,243,404	17,243,334
Fixed assets	7,872,950	10,032,870	11,038,510	11,851,814	12,605,792	13,294,781
Investments	3,942,640	2,355,600	2,256,720	2,256,720	2,256,720	2,256,720
Net working capital	751,840	975,970	1,229,200	1,239,217	1,380,892	1,691,833
Inventories	1,077,780	1,400,080	1,527,700	1,892,200	2,006,812	2,166,265
Sundry debtors	236,400	284,480	316,280	398,116	434,809	469,358
Cash & Bank Balance	361,780	686,640	972,250	1,084,889	1,202,587	1,501,396
Other current assets	1,494,670	1,314,640	1,448,400	1,199,370	1,199,370	1,199,370
Sundry creditors	1,593,300	1,471,720	1,783,770	2,083,698	2,211,027	2,392,896
Other liabilities	825,490	1,238,150	1,251,660	1,251,660	1,251,660	1,251,660
Application of Funds	12,567,430	13,364,440	14,524,430	15,347,751	16,243,404	17,243,334

Exhibit 24: Cash flow statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
PBT	841,420	948,010	1,047,270	1,187,023	1,279,702	1,417,550
Add: Depreciation & amortization	297,970	403,190	508,320	494,317	559,679	631,005
Add: Interest expense	145,840	195,710	231,180	241,616	241,616	241,616
Less: Interest/Dividend Income Received	(125,700)	(112,780)	(108,340)	-	-	-
(Inc)/Dec in working capital	7,250	(196,340)	63,660	102,622	(23,977)	(12,132)
Tax paid	(37,970)	(62,970)	(119,610)	(296,131)	(319,301)	(353,762)
Other operating Cash Flow	(22,270)	(24,500)	(34,600)	-	-	-
Cash flow from operating activities	1,106,540	1,150,320	1,587,880	1,729,448	1,737,720	1,924,276
Capital expenditure	(1,001,450)	(1,409,880)	(1,528,830)	(1,307,621)	(1,313,657)	(1,319,995)
Add: Interest/Dividend Income Received	59,520	111,230	107,230	-	-	-
Inc/(Dec) in investments	(159,100)	386,300	278,590	-	-	-
Cash flow from investing activities	(1,101,030)	(912,350)	(1,143,010)	(1,307,621)	(1,313,657)	(1,319,995)
Inc/(Dec) in share capital	402,170	5,190	209,220	-	-	-
Inc/(Dec) in debt	77,180	366,690	56,940	-	-	-
Interest Paid	(263,490)	(216,500)	(371,730)	(241,616)	(241,616)	(241,616)
Dividend Paid	(42,970)	(50,830)	(60,890)	(67,572)	(64,748)	(63,857)
Others	-	-	-	-	-	-
Cash flow from financing activities	172,890	104,550	(166,460)	(309,188)	(306,364)	(305,473)
Net cash flow	178,400	342,520	278,410	112,639	117,698	298,809

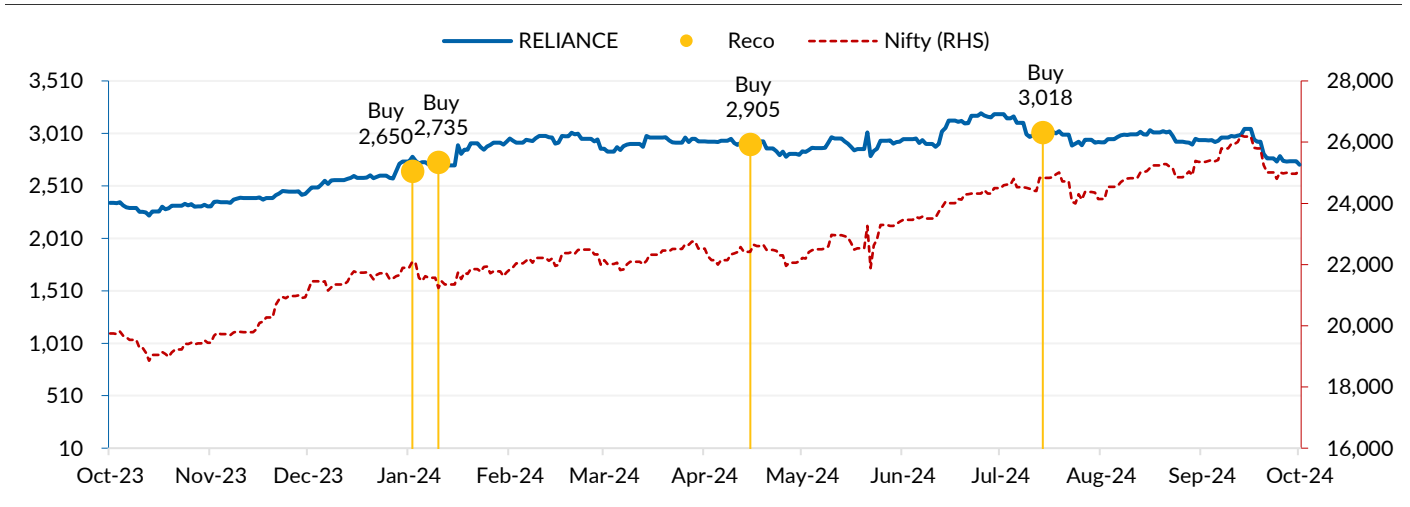
Exhibit 25: Du-pont analysis

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Tax burden (x)	0.9	0.8	0.8	0.8	0.8	0.8
Interest burden (x)	0.9	0.8	0.8	0.8	0.8	0.9
EBIT margin (x)	0.2	0.1	0.1	0.1	0.1	0.1
Asset turnover (x)	0.6	0.6	0.5	0.6	0.6	0.6
Financial leverage (x)	1.7	1.8	1.9	1.9	1.8	1.8
RoE (%)	16.3	8.6	9.0	9.2	9.1	9.3

Exhibit 26: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25E	FY26E	FY27E
Growth matrix (%)						
Revenue growth	62.2	13.0	2.6	25.9	6.1	7.9
Op profit growth	122.4	(20.8)	14.1	8.3	8.8	10.8
EBIT growth	133.7	(31.0)	12.2	11.9	6.5	9.1
Net profit growth	155.5	(46.0)	6.7	12.7	7.8	10.8
Profitability ratios (%)						
OPM	22.8	15.9	17.7	15.3	15.7	16.1
EBIT margin	20.9	12.7	13.9	12.4	12.4	12.6
Net profit margin	17.4	8.3	8.6	7.7	7.9	8.1
RoCE	14.1	8.8	9.1	9.5	9.6	9.9
RoE	16.3	8.6	9.0	9.2	9.1	9.3
RoA	9.7	4.8	4.7	4.9	5.0	5.2
Per share ratios						
EPS	202.9	109.5	116.8	131.7	141.9	157.2
Dividend per share	8.0	9.0	9.0	10.0	9.6	9.4
Cash EPS	246.9	169.1	191.9	204.7	224.7	250.5
Book value per share	1,313.9	1,225.1	1,368.3	1,490.0	1,622.4	1,770.1
Valuation ratios						
P/E	12.9	20.3	23.5	20.8	19.3	17.5
P/CEPS	10.6	13.2	14.3	13.4	12.2	11.0
P/B	2.0	1.8	2.0	1.8	1.7	1.6
EV/EBIDTA	6.3	7.7	7.2	7.1	6.9	6.6
Payout (%)						
Dividend payout	13.2	12.3	13.1	13.8	13.8	13.6
Tax payout	10.4	21.6	24.5	24.9	25.0	25.0
Liquidity ratios						
Debtor days	10.9	11.6	12.6	12.6	13.0	13.0
Inventory days	56.8	60.4	71.0	64.0	69.1	68.9
Creditor days	80.4	74.7	79.0	72.4	76.1	76.0

Recommendation Tracker



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