

Asian Paints

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USDb)	3013.4 / 36.4
52-Week Range (INR)	3590 / 2560
1, 6, 12 Rel. Per (%)	-7/-2/3
12M Avg Val (INR M)	4310

Financials & Valuations (INR b)

Y/E March	2022	2023E	2024E
Sales	291.0	347.1	406.3
Sales Gr. (%)	34.0	19.3	17.1
EBITDA	48.0	64.2	82.8
EBIT Margin (%)	16.5	18.5	20.4
Adj. PAT	32.0	42.3	56.2
Adj. EPS (INR)	33.4	44.1	58.6
EPS Gr. (%)	-0.2	32.2	32.8
BV/Sh.(INR)	144.0	155.4	170.3

Ratios

RoE (%)	24.0	29.5	36.0
RoCE (%)	21.0	25.7	31.2
Payout (%)	54.4	81.6	75.1

Valuation

P/E (x)	94.2	71.2	53.6
P/BV (x)	21.8	20.2	18.4
EV/EBITDA (x)	62.0	46.0	35.7
Div. Yield (%)	0.6	1.1	1.4

Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	52.6	52.6	52.8
DII	8.5	7.6	7.3
FII	18.6	19.5	20.7
Others	20.4	20.3	19.2

FII Includes depository receipts

CMP: INR3,142 TP: INR3,150 Neutral

Weak mix impact realization and margin

- Results were well below estimates as realizations and gross margins were severely impacted, primarily led by product mix deterioration caused by (a) slower growth in high margin urban sales unlike the preceding couple of quarters and (b) the adverse impact of downtrading. The management guided that recovery in margins is expected to be gradual with majority of raw material (crude price) cost decline likely to come in only from 4QFY23 onwards.
- APNT also announced its capex plans for the next three to four years with a total outlay of INR67.5b. It will be expanding its existing capacity by 30% to 2.27m KL p.a. It plans to set up a new facility to manufacture VAM/VAE with a capacity of 0.1/0.15m tonnes p.a. and acquire a nanotechnology player 'Harind', which is into surface coating.
- The current valuations (~53.6x FY24E P/E) fully capture the upside over the next one year. We reiterate our **Neutral** rating on the stock.

Miss on all fronts

- Net sales grew 19.2% YoY to INR84.6b (est. INR92.2b).** Volume growth stood at 10% (est. 12%) in the domestic Decorative Paints business.
- Gross margin expanded 100bp YoY and contracted 200bp QoQ to 35.7%. As a percentage of sales, flat employee costs (-10bp YoY), and lower 'other expenses' (-60bp YoY) meant that EBITDA margin expanded by 180bp YoY (contracted 360bp QoQ) to 14.5% (est. 19.5%).
- EBITDA grew 35.7% YoY to INR12.3b (est. INR18.0b).
- PBT grew 31.4% YoY to INR10.7b (est. INR16.7b).
- Adj. PAT grew 32.8% YoY to INR8b (est. INR12.5b).
- Three-year revenue/EBITDA/PAT CAGR stood at 18.7%/8.7%/-1.7%.

Key highlights from the management commentary

- Tier 3/Tier 4 cities are witnessing double-digit growth and it is higher than Tier 1/Tier 2 cities.
- Product mix was dominated by economy emulsions and undercoats. Downtrading was evident in the luxury and premium category, due to steep price increases over the last six months.
- Sustainable gross margin going ahead to be in the range of 39-40%.
- Total capex outlay is expected to be ~INR67.5b over the next three to four years, including capex related to acquisitions, and brownfield and greenfield expansions.

Valuation and view

- Changes to our model have resulted in an 18%/10% decline in our EPS forecast for FY23/FY24, respectively. Product mix deterioration led by downtrading and lower than expected urban salience were key factors for sales miss. As a result of which, over 20% price increase YoY and ~10% volume growth YoY has only resulted in ~19% sales growth in reported numbers. The Management also mentioned that the extended and higher

intensity monsoons in September adversely impacted demand. With product mix deterioration and rupee depreciation playing spoilsport, margin gains in 2HFY23 (led by fall in crude) would not be as sharp as expected earlier.

- With the entry of new players with deep pockets and massive commitments on investments, the overall industry may see a shift in demand and margin structure due to the heightened competition. We remain cautious as the sector may not enjoy the higher multiples of the past. APNT has delivered 11.6% earnings CAGR over the past five years (FY17-22), while the stock price has delivered 24.1% CAGR, implying a significant re-rating. We have assumed a FY24 gross/EBITDA margin at the top end of the management's guidance. While improving margins would lead to better ROCEs, the new capex plan might dilute the same. The stock remains expensive at ~53.6x FY24E P/E. We reiterate our Neutral rating with a TP of INR3,150 (50x Sep'24E EPS).

Quarterly Performance (Consol.)

(INR b)

Y/E March	FY22				FY23E				FY22	FY23E	FY23	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Est. Dom. Deco. Vol. growth (%)	106.0	34.0	18.0	8.0	37.0	10.0	3.0	2.0	31.0	4.8	12.0	
Net Sales	55.9	71.0	85.3	78.9	86.1	84.6	92.9	83.5	291.0	347.1	92.2	-8.3%
Change (%)	91.1	32.6	25.6	18.7	54.1	19.2	9.0	5.8	34.0	19.3	30.0	
Gross Profit	21.5	24.7	31.3	30.5	32.5	30.2	36.2	34.3	108.0	133.2	35.1	
Gross Margin (%)	38.4	34.7	36.8	38.7	37.7	35.7	39.0	41.1	37.1	38.4	38.0	
EBITDA	9.1	9.0	15.4	14.4	15.6	12.3	18.5	17.8	48.0	64.2	18.0	-31.6%
Margin (%)	16.4	12.7	18.1	18.3	18.1	14.5	20.0	21.4	16.5	18.5	19.5	
Change (%)	88.7	-28.5	-13.7	9.5	70.3	35.7	20.3	23.5	-1.1	33.7	98.5	
Interest	0.2	0.2	0.3	0.2	0.3	0.4	0.4	0.4	1.0	1.4	0.3	
Depreciation	2.0	2.0	2.1	2.1	2.1	2.2	2.3	2.4	8.2	8.9	2.1	
Other Income	0.9	1.4	0.7	0.8	1.0	1.0	0.7	0.5	3.8	3.1	1.2	
PBT	7.8	8.2	13.8	13.0	14.2	10.7	16.6	15.5	42.7	57.0	16.7	-35.9%
Tax	2.0	2.2	3.6	3.2	3.7	2.9	4.2	4.3	11.0	15.1	4.2	
Effective Tax Rate (%)	26.2	27.1	26.3	24.3	26.1	27.1	25.2	27.8	25.8	26.5	25.2	
Adjusted PAT	5.7	6.1	10.3	9.9	10.6	8.0	12.4	11.3	32.0	42.3	12.5	-35.7%
Change (%)	161.5	-29.0	-18.5	13.8	84.6	32.8	20.4	13.8	-0.2	32.2	106.6	

E: MOFSL Estimates

Key Performance Indicators (Consol.)

Y/E March	FY22				FY23			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE
Realization growth (%)	-14.9	-1.4	7.6	10.7	17.1	9.2	6.0	3.8
Average growth in the last two years (%)								
Volume	34.0	22.5	25.5	28.0	71.5	22.0	10.5	5.0
Sales	24.2	19.3	25.4	31.1	72.6	25.9	17.3	12.2
EBITDA	15.2	2.0	18.3	31.4	79.5	3.6	3.3	16.5
PAT	47.0	-14.1	21.9	47.5	123.1	1.9	0.9	13.8
Average growth in the last three years (%)								
Volume	28.0	19.7	20.7	19.5	35.0	18.3	18.0	19.3
As a percentage of Sales								
COGS	61.6	65.3	63.2	61.3	62.3	64.3	61.0	58.9
Operating Expenses	22.1	22.0	18.7	20.4	19.6	21.2	19.0	19.7
Depreciation	3.6	2.9	2.4	2.6	2.4	2.6	2.5	2.9
YoY change (%)								
COGS	112.9	55.7	44.7	28.0	55.9	17.4	5.1	1.7
Operating Expenses	49.7	40.6	25.1	3.7	37.0	14.9	11.2	2.1
Other Income	90.3	67.3	-26.7	6.6	10.4	-30.9	-2.5	-38.3
EBIT	143.3	-34.5	-16.3	12.1	89.0	44.2	21.8	24.6

E: MOFSL Estimates

Standalone performance

- Standalone net sales grew 19.4% YoY to INR73.4b.
- Gross margin remained flat YoY at 35.9% and EBITDA margin expanded 100bp YoY to 15.2%.
- EBITDA grew 27.5% YoY to INR11.2b.
- PBT grew 23% YoY to INR10.2b.
- Adj. PAT grew 23.4% YoY to INR7.6b.

Quarterly Performance (Standalone)

(INR b)

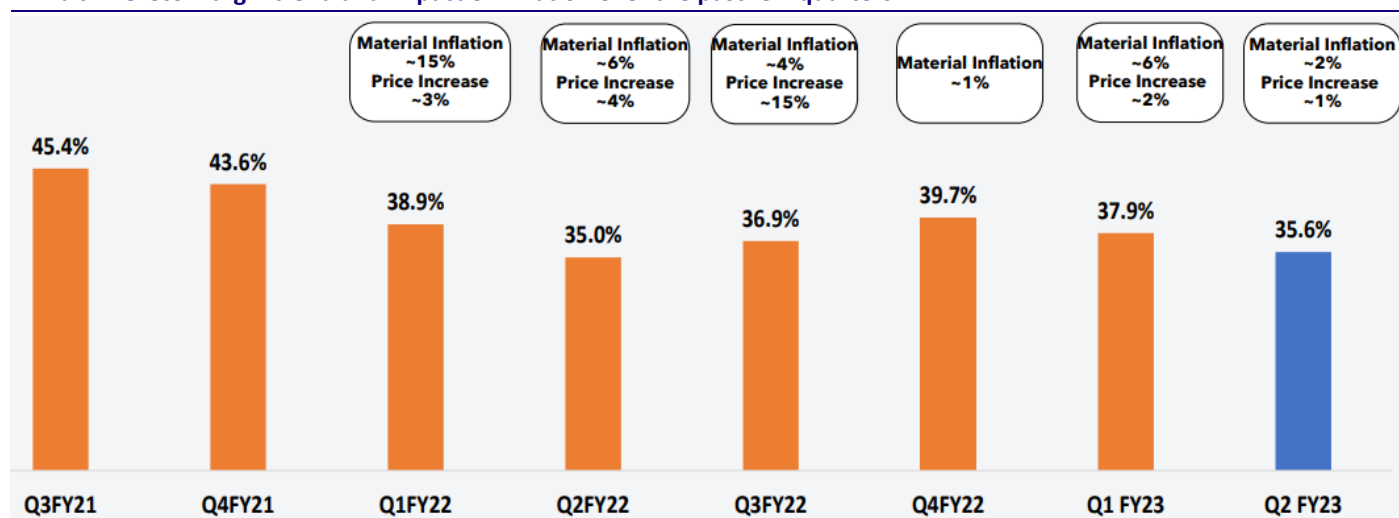
Y/E March	FY22				FY23	
	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	47.9	61.5	74.9	67.6	75.9	73.4
Change (%)	95.6	35.9	27.6	19.2	58.5	19.4
Gross Profit	18.9	21.9	28.1	26.8	28.9	26.4
Gross Margin (%)	39.6	35.7	37.5	39.7	38.1	35.9
EBITDA	8.8	8.7	14.7	13.6	14.6	11.2
Margin (%)	18.4	14.2	19.6	20.2	19.3	15.2
Change (%)	88.9	-23.9	-11.2	11.5	65.8	27.5
Interest	0.2	0.2	0.2	0.1	0.2	0.2
Depreciation	1.8	1.8	1.8	1.8	1.8	1.9
Other Income	1.1	1.5	1.0	0.9	1.1	1.2
PBT	7.9	8.3	13.7	12.6	13.7	10.2
Tax	2.0	2.1	3.5	3.0	3.6	2.6
Effective Tax Rate (%)	25.0	25.4	25.4	24.1	25.9	25.2
Adjusted PAT	6.0	6.2	10.2	9.5	10.2	7.6
Change (%)	136.6	-22.0	-14.1	16.4	70.7	23.4

Exhibit 1: Imputed subsidiary quarterly performance

INR m	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
Sales	8235.00	9157.00	9807.00	7995.00	9442.00	10361.00	11331.00	10207.10	11132.30
Sales growth (%)	6.60	19.90	29.60	67.90	14.60	13.20	15.50	-9.92	17.90
EBITDA	1156.00	1337.00	958.00	315.00	295.00	741.00	806.00	933.70	1121.50
EBITDA margin (%)	14.00	14.60	9.80	3.90	3.10	7.20	7.10	9.15	10.07
PAT	588.00	774.00	503.00	-218.00	-135.00	110.00	2055.00	671.70	405.40

Sources: Company reports, MOFSL

Exhibit 2: Gross margin trend and impact of inflation over the past few quarters



Sources: Company reports



Highlights from the management commentary

Performance and outlook

- APNT reported 10%/22% YoY volume growth in 2QFY23/1HFY23. It registered a three-year volume CAGR at 17.7%/18.9% in 2QFY23/1HFY23.
- Tier 3/Tier 4 cities are witnessing double-digit growth and it is higher than Tier 1/Tier 2 cities.
- Western and Southern India were adversely impacted due to the extended monsoons.
- Product mix was dominated by economy emulsions and undercoats. Downtrading was evident in the luxury and premium category due to steep price increases in the last six months.
- Project business grew well in government, factories, and flooring segment. It is expected to do well as the construction business recovers post monsoon.
- The management is expecting to witness a good demand on the back of the festive and wedding season.

New products and distribution

- APNT added ~8000 new retail points in 1HFY23.
- Home décor – Beautifulhomes.com has 36 functional stores as of now and beautiful home services are offered in 11 cities.
- There are 45 clear differentiated products with no comparable product offerings from competition, and of this, four were launched in 2QFY23.

Cost and margin

- It consumed inventory purchased at higher cost during the quarter.
- In 1HFY23, APNT saw ~8% inflation in raw materials; however, only took ~3% price hikes.
- Management highlighted gross margin to improve 3-4% with its impact visible by 4QFY23, on the back of moderating raw material prices and positive impact of price hikes taken.
- Sustainable gross margin is expected to be in the range of 39-40%.

Capex

- **Acquisition** – APNT is looking to acquire a nanotechnology player “Harind”. It is a specialty chemical company, primarily in the area of surface coating and care. Initially, it will be acquiring 51% stake, and then, subsequently, will acquire 39% over a period of five years.
- APNT will invest ~INR21b over a period of three to four years for setting up a capacity of 0.15m tonnes p.a. for (Vinyl acetate Ethylene) VAE and 0.1m tonnes of VAM. It will be a backward integrated capacity and first of its kind in India.
- APNT is entering into a JV with Riddhi Siddhi group to set up a white cement and white cement clinker capacity of 0.265m MT p.a. in Fujairah, UAE. White Cement is a key ingredient in the making of putty (19-20% raw material of putty). It will be a backward integrated facility with an overall investment of ~INR5.5b. Riddhi Siddhi group has rights for the limestone capacity for 50+ years. The company will also put a few grinding units in India. It will add ~5-7% to gross margin over the next few years to the putty segment.

- **Brownfield capex** – APNT will increase in-house paint manufacturing capacity by 30% to 2.27m KL p.a. It will require an investment of ~INR34b mainly w.r.t. decorative paints.
- **Total capex outlay will be ~INR67.5b over the next three to four years including capex related to acquisitions, brownfield and greenfield expansions.**

Key exhibits

Exhibit 3: APNT raises prices by ~1% in 2QFY23

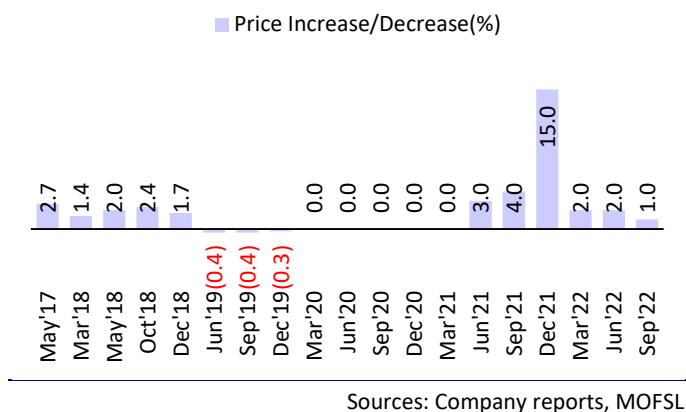
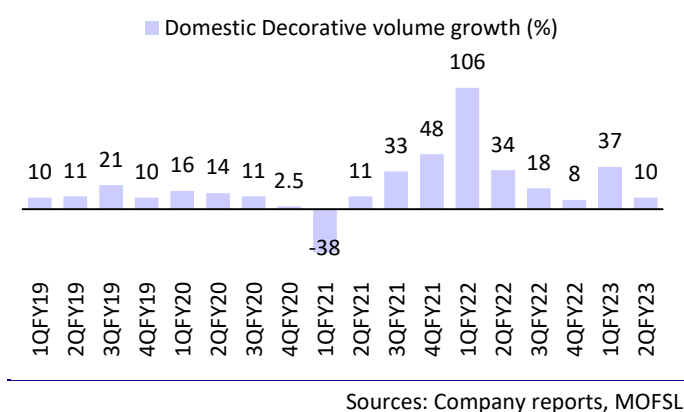


Exhibit 4: Volume growth in the domestic Decorative business stood at 10% YoY in 2QFY23



- **Gross margins expanded 100bp YoY and contracted 200bp QoQ to 35.7%.** As a percentage of sales, flat employee costs (-10bp YoY) and lower other expenses (-60bp YoY) meant that EBITDA margin expanded 180bp YoY (contracted 360bp QoQ) to 14.5% (est. 19.5%).

Exhibit 5: Consolidated sales up 19.2% YoY to INR84.6b in 2QFY23

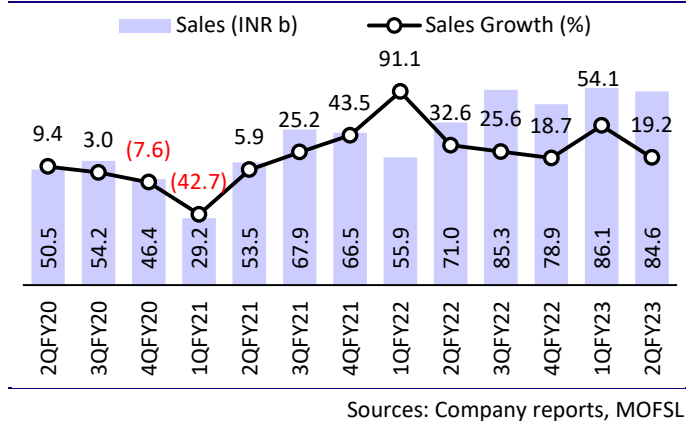


Exhibit 6: Gross margin expanded 100bp YoY in 2QFY23

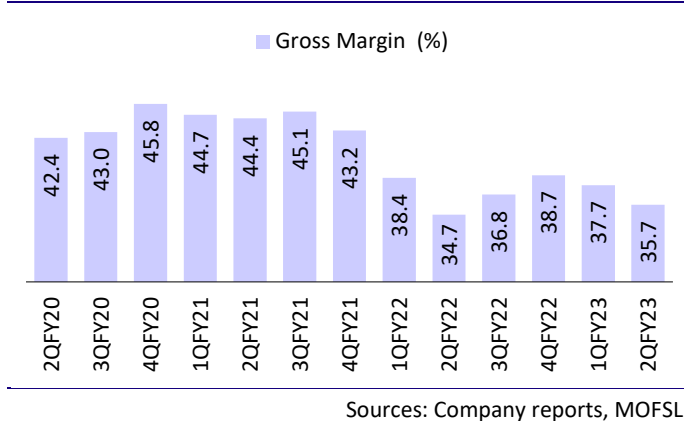
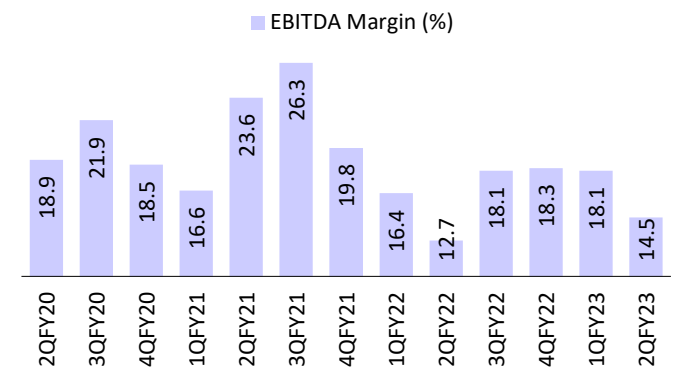
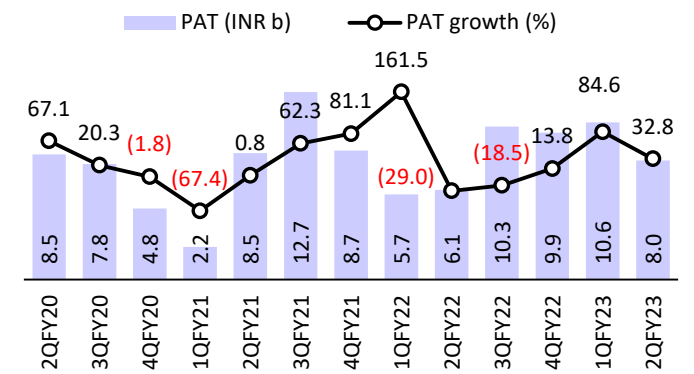


Exhibit 7: EBITDA margin expands 180bp YoY to 14.5% in 2QFY23

Sources: Company reports, MOFSL

Exhibit 8: PAT grew 32.8% YoY to INR8b in 2QFY23

Sources: Company reports, MOFSL

Valuation and view

APNT has been a wealth creator in the past decade

- Despite having an already sizeable sales base of ~INR67b in FY10, APNT reported a healthy (12-13%) sales/EBITDA/PAT CAGR for the decade ended FY20.
- A widening dealer network and an increased thrust on non-metro cities led to a faster shift from the unorganized Paints business, which still constitutes ~30% of the market.
- Categories such as 'Putty' and 'Waterproofing' have been the new growth engines for the company.

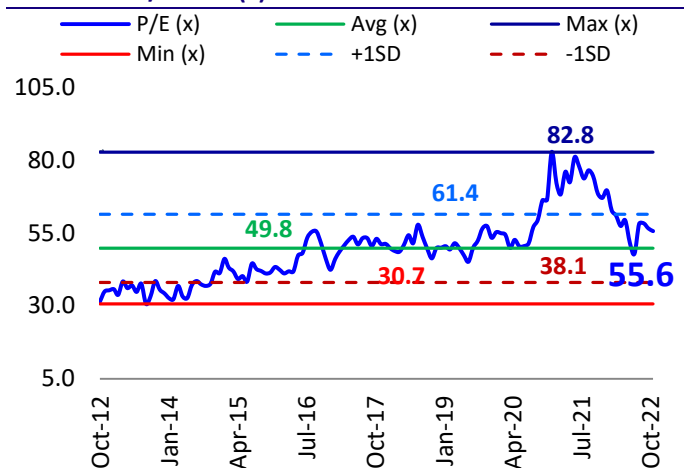
Increased capex investments to impact RoCE in the medium term

- Changes to our model have resulted in an 18%/10% decline in our EPS forecast for FY23/FY24, respectively. Product mix deterioration led by downtrading and lower than expected urban salience were key factors for sales miss. As a result of which, over 20% price increase YoY and ~10% volume growth YoY has only resulted in ~19% sales growth in reported numbers. The Management also mentioned that the extended and higher intensity monsoon in September adversely impacted demand. With product mix deterioration and rupee depreciation playing spoilsport, margin gains in 2HFY23 (led by fall in crude) would not be as sharp as expected earlier.
- With the entry of new players with deep pockets and massive commitments on investments, the overall industry may see a shift in demand and margin structure due to the heightened competition. We remain cautious as the sector may not enjoy the higher multiples of the past. APNT has delivered 11.6% earnings CAGR over the past five years (FY17-22), while the stock price has delivered 24.1% CAGR, implying a significant re-rating. We have assumed a FY24 gross/EBITDA margin at the top end of the management's guidance. While improving margins would lead to better ROCEs, the new capex plan might dilute the same. The stock remains expensive at ~53.6x FY24E P/E. We reiterate our Neutral rating with a TP of INR3,150 (50x Sep'24E EPS).

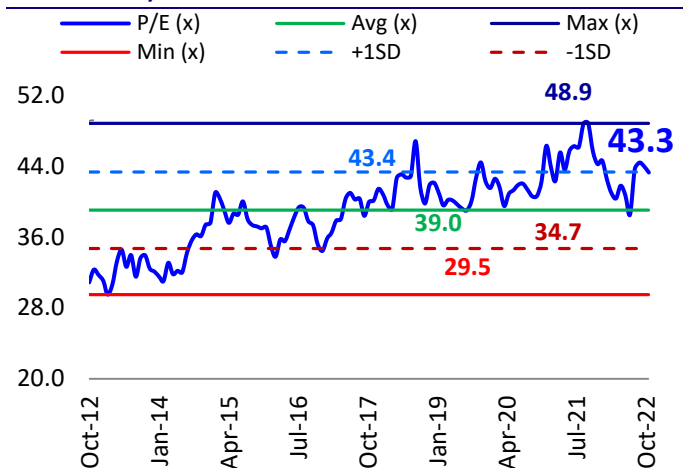
Exhibit 9: Decline our FY23/FY24 EPS forecast by 17.8/9.1%

INR b	New estimate		Old estimate		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Sales	347.1	406.3	371.2	409.3	-6.5	-0.7
EBITDA	64.2	82.8	74.9	87.9	-14.3	-5.8
PAT	42.3	56.2	51.5	61.9	-17.8	-9.1

Sources: Company reports, MOFSL

Exhibit 10: P/E ratio (x) for APNT

Sources: Bloomberg, company reports, MOFSL

Exhibit 11: P/E ratio for the Consumer sector

Sources: Bloomberg, company reports, MOFSL

Financials and valuations

Consolidated Income Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net Sales	150.6	168.2	192.4	202.1	217.1	291.0	347.1	406.3
Change (%)	5.5	11.7	14.4	5.0	7.4	34.0	19.3	17.1
Raw Materials	83.3	96.9	112.6	113.8	121.0	183.0	213.9	239.5
Gross Profit	67.3	71.3	79.8	88.3	96.2	108.0	133.2	166.8
Margin (%)	44.7	42.4	41.5	43.7	44.3	37.1	38.4	41.0
Operating Expenses	37.5	39.4	42.1	46.7	47.6	60.0	69.0	83.9
EBITDA	29.9	32.0	37.7	41.6	48.6	48.0	64.2	82.8
Change (%)	7.8	7.1	17.8	10.5	16.7	-1.1	33.7	29.0
Margin (%)	19.8	19.0	19.6	20.6	22.4	16.5	18.5	20.4
Depreciation	3.3	3.6	6.2	7.8	7.9	8.2	8.9	10.3
Int. and Fin. Charges	0.3	0.4	1.1	1.0	0.9	1.0	1.4	1.4
Other Income	2.6	2.2	2.3	3.0	3.0	3.8	3.1	3.2
Profit before Taxes	28.8	30.2	32.7	35.8	42.8	42.7	57.0	74.4
Change (%)	8.2	4.8	8.2	9.5	19.3	-0.1	33.5	30.5
Margin (%)	19.1	18.0	17.0	17.7	19.7	14.7	16.4	18.3
Tax	8.9	10.4	9.4	9.5	11.2	11.6	15.1	19.0
Deferred Tax	0.5	0.0	1.6	-1.0	-0.2	-0.6	0.0	0.0
Tax Rate (%)	32.7	34.4	33.6	23.9	25.7	25.8	26.5	25.5
PAT Before Minority	19.4	19.8	21.7	27.3	31.8	31.7	41.9	55.4
Minority Interest	-0.5	-0.5	-0.4	-0.5	-0.3	-0.3	-0.4	-0.8
Adjusted PAT	19.9	20.3	22.1	27.8	32.1	32.0	42.3	56.2
Change (%)	7.3	1.9	9.2	25.5	15.4	-0.2	32.2	32.8
Margin (%)	13.2	12.1	11.5	13.8	14.8	11.0	12.2	13.8
Reported PAT	19.9	20.3	22.1	27.7	32.1	30.8	42.3	56.2

Balance Sheet

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Share Capital	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	75.1	83.1	93.7	100.3	127.1	137.2	148.1	162.4
Net Worth	76.0	84.1	94.7	101.3	128.1	138.1	149.1	163.3
Loans	5.6	5.3	6.2	3.4	3.4	7.8	7.8	7.8
Other Liability	3.5	4.0	12.1	12.0	11.5	11.4	11.7	13.0
Minority Interest	3.8	3.3	3.6	4.0	4.2	3.9	4.3	5.1
Capital Employed	88.9	96.7	116.6	120.7	147.2	161.1	172.8	189.1
Gross Block	37.2	43.8	67.0	69.9	71.9	73.9	82.9	97.9
Less: Accum. Depn.	6.1	9.7	13.9	19.6	24.8	30.2	39.1	49.4
Net Fixed Assets	31.1	34.0	53.0	50.3	47.1	43.7	43.8	48.5
Capital WIP	2.6	14.1	2.1	1.4	1.8	4.3	4.3	4.3
Right to Use Assets	0.0	0.0	8.7	9.2	8.5	9.1	9.1	9.1
Investments	26.5	21.4	25.7	20.2	47.4	32.5	39.0	40.9
Current	13.0	10.6	11.7	5.1	32.7	21.8	23.0	16.9
Non-current	13.5	10.8	13.9	15.1	14.7	10.7	16.0	24.0
Curr. Assets, L&A	61.9	64.9	69.7	77.1	95.8	137.7	158.4	175.4
Inventory	26.3	26.6	31.5	33.9	38.0	61.5	58.0	66.8
Account Receivables	14.5	17.4	19.1	18.0	26.1	38.7	41.8	49.0
Cash and Bank Balance	8.0	4.0	4.4	7.8	6.1	8.6	26.7	22.8
Others	13.2	16.9	14.7	17.3	25.6	28.7	31.8	36.8
Curr. Liab. and Prov.	35.2	40.9	45.9	40.7	56.3	68.5	75.0	82.3
Account Payables	19.2	21.6	23.9	21.4	33.8	41.6	46.9	52.5
Other Liabilities	14.0	17.3	19.6	16.9	19.5	24.0	24.7	25.9
Provisions	2.0	2.0	2.3	2.4	3.0	2.9	3.5	3.9
Net Current Assets	26.7	23.9	23.9	36.4	39.4	69.2	83.4	93.1
Goodwill on Cons.	1.9	3.3	3.2	3.2	3.0	2.4	2.4	2.4
Application of Funds	88.9	96.7	116.6	120.7	147.2	161.1	172.8	189.1

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)								
EPS	20.8	21.1	23.1	29.0	33.4	33.4	44.1	58.6
Cash EPS	24.2	24.9	29.6	37.1	41.7	41.9	53.4	69.3
BV/Share	79.3	87.7	98.7	105.6	133.5	144.0	155.4	170.3
DPS	9.6	12.4	10.7	21.8	4.9	18.2	36.0	44.0
Payout %	46.1	58.6	46.4	75.3	14.5	54.4	81.6	75.1

Valuation (x)

P/E	151.4	148.6	136.1	108.4	94.0	94.2	71.2	53.6
Cash P/E	129.6	126.2	106.3	84.7	75.4	75.0	58.8	45.3
EV/Sales	19.8	17.8	15.5	14.8	13.6	10.2	8.5	7.3
EV/EBITDA	99.9	93.6	79.4	71.8	61.0	62.0	46.0	35.7
P/BV	39.6	35.8	31.8	29.7	23.5	21.8	20.2	18.4
Dividend Yield (%)	0.3	0.4	0.3	0.7	0.2	0.6	1.1	1.4

Return Ratios (%)

RoE	28.2	25.3	24.8	28.4	28.0	24.0	29.5	36.0
RoCE	23.9	21.6	21.0	23.6	24.2	21.0	25.7	31.2
RoIC	24.1	23.7	22.1	23.2	24.1	20.6	28.0	35.6

Working Capital Ratios

Debtor (Days)	35	38	36	32	44	49	44	44
Asset Turnover (x)	1.7	1.7	1.6	1.7	1.5	1.8	2.0	2.1

Leverage Ratio

Debt/Equity (x)	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.0
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Cash Flow Statement

(INR b)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(loss) before Tax	29.6	31.4	33.1	36.3	43.0	41.9	57.0	74.4
Depreciation	3.4	3.6	4.3	7.8	7.9	8.2	8.9	10.3
Net interest	-0.8	-0.4	-0.3	0.1	0.2	-0.1	-1.7	-1.8
Others	-1.7	-1.8	-0.9	-0.4	-1.4	-0.3	0.0	0.0
Direct Taxes Paid	-9.3	-10.8	-9.8	-10.1	-10.8	-11.8	-15.1	-19.0
(Incr)/Decr in WC	-6.0	-0.8	-4.3	-7.4	-2.1	-28.0	3.9	-13.6
CF from Operations	15.3	21.1	22.1	26.3	36.8	9.9	53.0	50.3
Incr in FA	-6.7	-14.1	-11.3	-3.7	-2.5	-5.0	-9.0	-15.0
Free Cash Flow	8.6	7.0	10.8	22.6	34.3	4.9	44.0	35.3
Pur of Investments	2.0	0.4	1.6	-2.5	-3.7	1.0	-6.5	-1.9
Others	0.7	2.4	-3.2	7.9	-25.8	14.8	16.1	5.9
CF from Invest.	-3.9	-11.3	-12.9	1.7	-32.1	10.7	0.6	-11.1
Incr in Debt	2.1	-0.4	0.6	-2.6	0.3	3.2	0.0	0.0
Dividend Paid	-9.5	-12.2	-10.5	-21.2	-5.0	-17.6	-34.5	-42.2
Net interest Paid	-0.4	-0.4	-0.5	-1.0	-0.9	-0.9	1.7	1.8
Others	0.1	-0.8	1.5	0.2	-0.9	-2.8	-2.8	-2.8
CF from Fin. Activity	-7.6	-13.8	-8.8	-24.7	-6.5	-18.1	-35.5	-43.1
Incr/Decr of Cash	3.8	-4.0	0.4	3.4	-1.7	2.5	18.1	-3.9
Add: Opening Balance	4.2	8.0	4.0	4.4	7.8	6.1	8.6	26.7
Closing Balance	8.0	4.0	4.4	7.8	6.1	8.6	26.7	22.8

E: MOFSL Estimates

NOTES

Explanation of Investment Rating	
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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