

Container Corporation

Estimate change

TP change

Rating change



| | |
|-----------------------|-------------|
| Bloomberg | CCRI IN |
| Equity Shares (m) | 609 |
| M.Cap.(INRb)/(USDb) | 381.6 / 4.6 |
| 52-Week Range (INR) | 829 / 554 |
| 1, 6, 12 Rel. Per (%) | 1/-15/-12 |
| 12M Avg Val (INR M) | 1183 |

Financial Snapshot (INR b)

| Y/E MARCH | 2023 | 2024E | 2025E |
|-------------------|-------|-------|-------|
| Sales | 81.0 | 93.5 | 110.3 |
| EBITDA | 18.4 | 21.3 | 26.3 |
| Adj. PAT | 11.7 | 13.7 | 17.2 |
| EBITDA Margin (%) | 22.7 | 22.7 | 23.9 |
| Adj. EPS (INR) | 19.2 | 22.5 | 28.2 |
| EPS Gr. (%) | 10.2 | 16.9 | 25.6 |
| BV/Sh. (INR) | 184.6 | 196.5 | 211.4 |

Ratios

| | | | |
|------------|-------|-------|-------|
| Net D:E | (0.3) | (0.3) | (0.4) |
| RoE (%) | 10.6 | 11.8 | 13.8 |
| RoCE (%) | 11.0 | 12.2 | 14.2 |
| Payout (%) | 46.9 | 46.9 | 46.9 |

Valuations

| | | | |
|----------------|------|------|------|
| P/E (x) | 32.5 | 27.8 | 22.2 |
| P/BV (x) | 3.4 | 3.2 | 3.0 |
| EV/EBITDA(x) | 18.2 | 15.4 | 12.0 |
| Div. Yield (%) | 1.4 | 1.7 | 2.1 |
| FCF Yield (%) | 2.1 | 3.1 | 4.3 |

Shareholding pattern (%)

| As On | Mar-23 | Dec-22 | Mar-22 |
|----------|--------|--------|--------|
| Promoter | 54.8 | 54.8 | 54.8 |
| DII | 19.3 | 17.6 | 17.0 |
| FII | 22.2 | 24.1 | 23.5 |
| Others | 3.7 | 3.6 | 4.7 |

FII Includes depository receipts

CMP: INR625

TP: INR710 (+14%)

Buy

Revenues in line; high operating expenses drag earnings

- Container Corporation (CCRI) reported subdued operational performance with 5% volume growth in 4QFY23. Revenue grew 6% YoY (in line) to INR21.6b during the quarter.
- CCRI's EBITDA grew 8% YoY (13% below our estimate). PAT increased 8% YoY, 20% below our estimate. EBITDA margin stood at 20.5% (up 30bp YoY) in 4QFY23.
- Total volumes in FY23 grew 7.1% YoY to 4.4m TEUs with EXIM/Domestic volumes at 3.4m/0.95m TEUs (up 4.2%/18.7% YoY).
- For FY23, revenue increased 6.7% YoY to INR 81b, EBITDA margin stood at 22.7% (flat YoY), and Adj. PAT stood at INR 11.7b (up 10% YoY).
- Land License fee for 4QFY23 stood at INR1.04b (INR3.92b for FY23). This was below the management's guidance of INR 4.45b for FY23.
- CCRI has incurred a capex of INR5.6b in FY23 and expects to incur a capex of INR6b in FY24. The majority of the capex in FY24 would be toward rolling stock and handling equipment.
- We cut our EPS estimates for FY24/25 by 9%/3%, factoring in subdued outlook on EXIM volumes in the near to medium term. We reiterate our **BUY** rating with a revised DCF-based TP of INR710.

Highlights from the management commentary

- EXIM trade has been soft in the last few months. Loads of Merchandise and Handicrafts are lesser than usual.
- CCRI continues to expect 10% volume growth in EXIM in FY24. Additionally, CCRI is looking to regain lost market share in the EXIM sector. The domestic market is strong and commodities such as cement are seeing decent traction.
- With high growth expected in domestic volumes, the mix of EXIM and domestic volumes is likely to be at 60:40 (currently at 70:30).
- 'Other expenses' jumped QoQ, due to one-time expenses at certain terminals such as repairs and the disposal of hazardous materials. LLF for FY24 is pegged at INR4.3b.

Valuation and view

- While growth in domestic volumes is robust, the EXIM market is slow. The EXIM volumes are expected to improve and CCRI is aiming to regain some market share, which it had lost over the years. The focus continues to be on providing the first mile to last mile connectivity across terminals. Once DFC gets fully operational, CCRI is looking at strong volume pickup.
- We expect EBITDA margin to range between 22% and 24% in FY24, while the LLF is expected to be about INR4.3b and grow at ~7%. The stock trades at 11.9x FY25E EV/EBITDA. We reiterate our BUY rating on CCRI with a DCF-based TP of INR710.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Standalone quarterly snapshot

(INR m)

| Y/E March | FY22 | | | | FY23 | | | | FY22 | | FY23 | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Net Sales | 18,075 | 18,239 | 19,200 | 20,430 | 19,783 | 19,707 | 19,884 | 21,660 | 75,945 | 81,034 | 21,949 | (1) |
| YoY Change (%) | 52.0 | 21.4 | 9.5 | 5.3 | 9.4 | 8.0 | 3.6 | 6.0 | 18.9 | 6.7 | 7.4 | |
| EBITDA | 4,335 | 4,265 | 4,556 | 4,127 | 4,723 | 4,986 | 4,264 | 4,447 | 17,283 | 18,421 | 5,090 | (13) |
| Margin (%) | 24.0 | 23.4 | 23.7 | 20.2 | 23.9 | 25.3 | 21.4 | 20.5 | 22.8 | 22.7 | 23.2 | |
| YoY Change (%) | 172.6 | 36.3 | 22.5 | 118.4 | 9.0 | 16.9 | -6.4 | 7.7 | 67.3 | 6.6 | 23.3 | |
| Depreciation | 1,303 | 1,362 | 1,324 | 1,309 | 1,312 | 1,341 | 1,357 | 1,531 | 5,298 | 5,541 | 1,343 | |
| Interest | 139 | 135 | 132 | 140 | 139 | 143 | 142 | 146 | 546 | 570 | 146 | |
| Other Income | 555 | 750 | 632 | 694 | 629 | 520 | 1,136 | 955 | 2,631 | 3,240 | 1,046 | |
| PBT before EO expense | 3,448 | 3,518 | 3,733 | 3,372 | 3,901 | 4,022 | 3,901 | 3,725 | 14,071 | 15,550 | 4,647 | |
| Extra-Ord. expense | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 13 | 1 | 13 | 0 | |
| PBT | 3,448 | 3,517 | 3,733 | 3,372 | 3,901 | 4,022 | 3,901 | 3,713 | 14,070 | 15,537 | 4,647 | |
| Tax | 899 | 876 | 867 | 804 | 988 | 994 | 936 | 928 | 3,447 | 3,847 | 1,172 | |
| Rate (%) | 26.1 | 24.9 | 23.2 | 23.8 | 25.3 | 24.7 | 24.0 | 25.0 | 24.5 | 24.8 | 25.2 | |
| Reported PAT | 2,549 | 2,641 | 2,865 | 2,568 | 2,913 | 3,028 | 2,965 | 2,785 | 10,623 | 11,691 | 3,475 | (20) |
| Adj. PAT | 2,549 | 2,641 | 2,865 | 2,568 | 2,913 | 3,028 | 2,965 | 2,785 | 10,624 | 11,703 | 3,475 | (20) |
| YoY Change (%) | 313.4 | 40.8 | 20.5 | 158.1 | 14.3 | 14.7 | 3.5 | 8.4 | 81.1 | 10.2 | 35.3 | |
| Margin (%) | 14.1 | 14.5 | 14.9 | 12.6 | 14.7 | 15.4 | 14.9 | 12.9 | 14.0 | 14.4 | 15.8 | |



Highlights from the management commentary

Operational highlights

- Soft EXIM volumes and high 'other expenses' led to a contraction in margins during the quarter.
- 'Other expenses' were high due to certain one-off dispute-related expense, repair and maintenance at one depot, and the disposal of hazardous materials at another terminal.
- Overall EXIM trade has been weak in segments such as Merchandise and handicrafts.
- Rail freight margin stood at 26.0% in 4QFY23 v/s 25.3% in 3QFY23. Margins have been under pressure, due to elevated empty running costs, and the withdrawal of discounts by Indian Railways.
- Land license fee for FY23 stood at INR3.9b and the management expects a fee of INR4.3b.
- Empty running costs in 4QFY23 stood at ~INR0.94b (EXIM/Domestic: ~INR0.07m/INR0.87b).
- Overall double-stacking trains stood at 4,100 in FY23. Management expects double-stacking trains to surpass 5,000 in FY24. This would be supported by adding domestic volumes on the DFC network.
- Pick-up in the bulk cement has been quite good and is expected to grow rapidly.

Volumes

- Total volumes in FY23 grew 7.1% YoY to 4.4m TEUs with EXIM/Domestic volumes at 3.4m/0.95m TEUs (up 4.2%/18.7% YoY)
- Originating volumes in FY23 stood at 2.36m TEUs (EXIM/Domestic at 1.9/ 0.4m TEUs).

Capex

- CCRI incurred a capex of INR5.6b toward rolling stock, rakes, and containers.
- The management has guided for a capex of INR6b in FY24, which would be largely toward rolling stock and handling equipment.

Guidance

- Domestic volumes are likely to grow at a faster rate than EXIM volumes. However, the expansion of margins in the domestic sector may be limited due to the impact of empty running.
- In the domestic sector, CCRI handled 800 containers of cement in the month of March alone (3800 handled in FY23).
- With the timetable of trains and commissioning of DFC, CCRI is expecting a shift in volumes from road to rail. The management forecasts rail volumes to increase further, especially after being connected to JNPT.
- The management is working toward making CCRI a complete logistics solution provider.
- The focus is on gaining market share in commodities that are currently being transported by roads, with the aim of shifting them to Rail transportation. Also, within EXIM, CCRI is targeting to regain the lost market share.

Exhibit 1: Revised forecasts

| (INR m) | FY24E | | | FY25E | | |
|--------------------------|-------------|-------------|-----------------|-------------|-------------|----------------|
| | Rev | Old | Chg (%) | Rev | Old | Chg (%) |
| Net Sales | 93,499 | 93,573 | -0.1 | 1,10,270 | 1,09,538 | 0.7 |
| EBITDA | 21,254 | 22,892 | -7.2 | 26,321 | 27,021 | -2.6 |
| EBITDA Margin (%) | 22.7 | 24.5 | -170 bps | 23.9 | 24.7 | -80 bps |
| PAT | 13,680 | 14,975 | -8.6 | 17,176 | 17,733 | -3.1 |
| EPS (INR) | 22.5 | 24.6 | -8.6 | 28.2 | 29.1 | -3.1 |

Source: Company, MOFSL

Key exhibits

Exhibit 2: Financial summary (INR m)

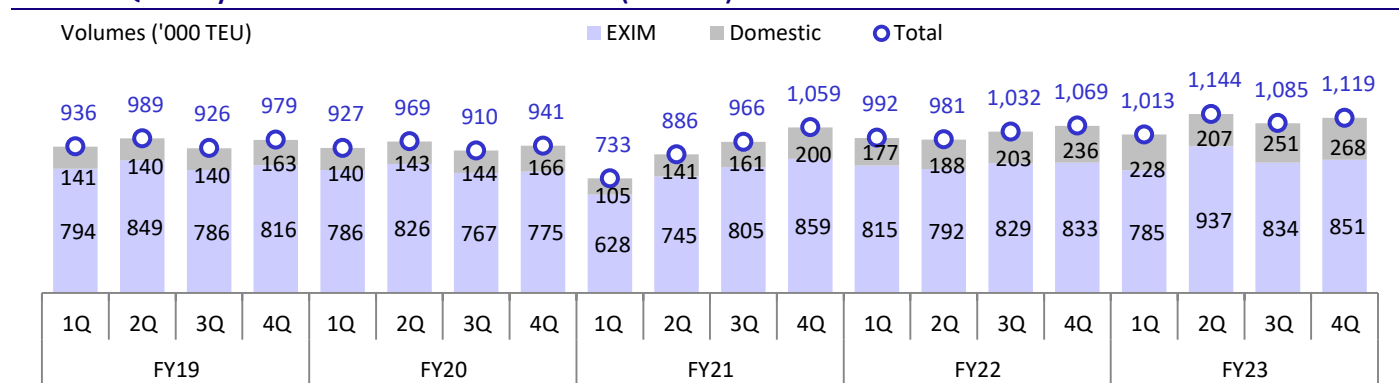
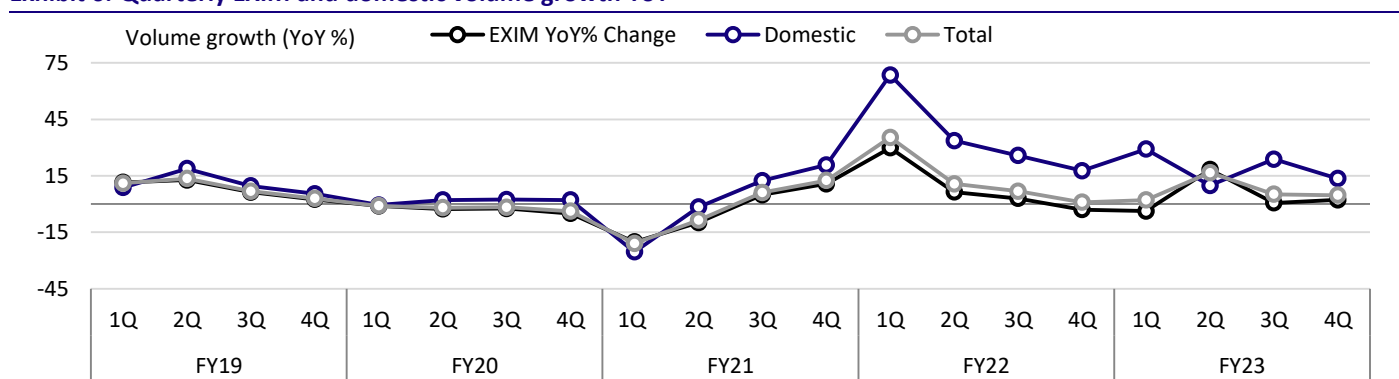
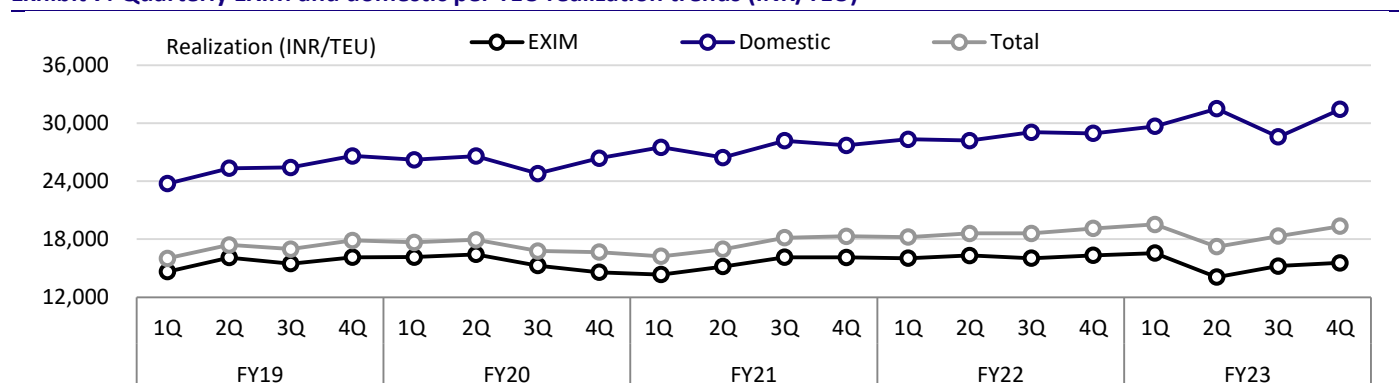
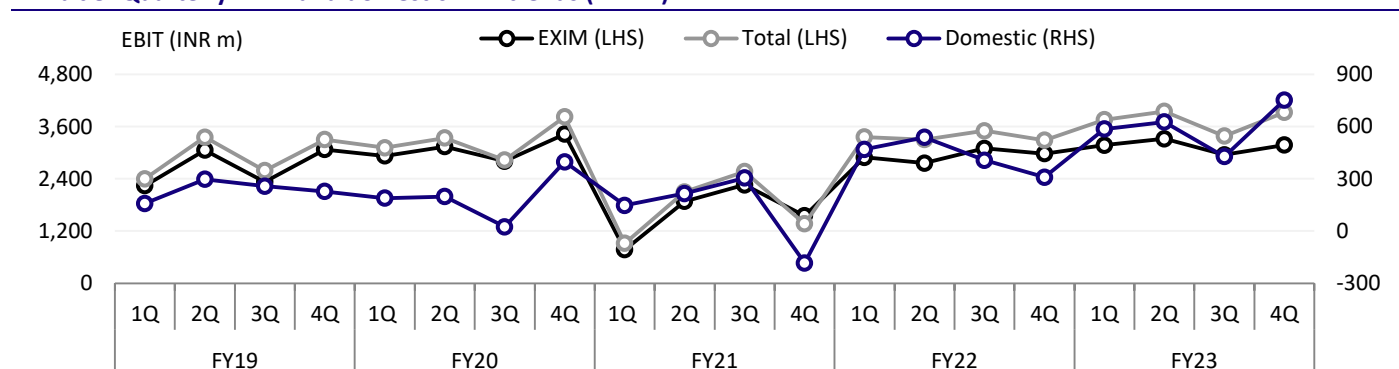
| | 2QFY22 | 3QFY22 | 4QFY22 | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 | YoY (%) | QoQ (%) |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------|-----------|
| Net Sales | 18,239 | 19,200 | 20,430 | 19,783 | 19,707 | 19,884 | 21,660 | 6 | 9 |
| Terminal and Service Charges | 9,838 | 10,431 | 11,138 | 10,875 | 10,679 | 11,356 | 12,133 | 9 | 7 |
| Employee Expenses | 997 | 962 | 1,212 | 1,034 | 923 | 1,077 | 1,241 | 2 | 15 |
| Other Expenses | 3,140 | 3,251 | 3,952 | 3,151 | 3,119 | 3,188 | 3,839 | -3 | 20 |
| EBITDA | 4,265 | 4,556 | 4,127 | 4,723 | 4,986 | 4,264 | 4,447 | 8 | 4 |
| EBITDA margin (%) | 23% | 24% | 20% | 24% | 25% | 21% | 21% | | |
| Depreciation | 1,362 | 1,324 | 1,309 | 1,312 | 1,341 | 1,357 | 1,531 | 17 | 13 |
| EBIT | 2,903 | 3,232 | 2,818 | 3,411 | 3,645 | 2,907 | 2,916 | 3 | 0 |
| Interest | 135 | 132 | 140 | 139 | 143 | 142 | 146 | 4 | 2 |
| Other Income | 750 | 632 | 694 | 629 | 520 | 1,136 | 955 | 38 | -16 |
| PBT | 3,518 | 3,733 | 3,372 | 3,901 | 4,022 | 3,901 | 3,725 | 10 | -5 |
| Total Tax | 876 | 867 | 804 | 988 | 994 | 936 | 928 | 16 | -1 |
| Tax rate (%) | 25% | 23% | 24% | 25% | 25% | 24% | 25% | | |
| PAT | 2,641 | 2,865 | 2,568 | 2,913 | 3,028 | 2,965 | 2,785 | 8 | -6 |
| EPS (INR) | 4.3 | 4.7 | 4.2 | 4.8 | 5.0 | 4.9 | 4.6 | 8 | -6 |

Exhibit 3: Segmental revenue and profitability

| | 2QFY22 | 3QFY22 | 4QFY22 | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 | YoY (%) | QoQ (%) |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------|-----------|
| Revenue (INR m) | | | | | | | | | |
| EXIM | 12,926 | 13,295 | 13,599 | 13,007 | 13,186 | 12,697 | 13,239 | -3 | 4 |
| Domestic | 5,314 | 5,905 | 6,832 | 6,777 | 6,521 | 7,187 | 8,421 | 23 | 17 |
| Total Segment Revenue | 18,239 | 19,200 | 20,430 | 19,783 | 19,707 | 19,884 | 21,660 | 6 | 9 |
| Segmental EBIT | | | | | | | | | |
| EXIM | 2,762 | 3,098 | 2,978 | 3,171 | 3,321 | 2,953 | 3,176 | 7 | 8 |
| Domestic | 539 | 407 | 309 | 586 | 627 | 428 | 752 | 143 | 76 |
| Total | 3,301 | 3,505 | 3,287 | 3,757 | 3,948 | 3,381 | 3,927 | 19 | 16 |
| EBIT Margin (%) | | | | | | | | | |
| EXIM | 21.4% | 23.3% | 21.9% | 24.4% | 25.2% | 23.3% | 24.0% | | |
| Domestic | 10.1% | 6.9% | 4.5% | 8.6% | 9.6% | 6.0% | 8.9% | | |
| Total | 18.1% | 18.3% | 16.1% | 19.0% | 20.0% | 17.0% | 18.1% | | |

Exhibit 4: Realization snapshot

| | 2QFY22 | 3QFY22 | 4QFY22 | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 | YoY (%) | QoQ (%) |
|------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------|-----------|
| Volumes (TEU) | | | | | | | | | |
| EXIM | 792,425 | 828,661 | 832,863 | 7,84,857 | 9,36,950 | 8,33,796 | 8,51,261 | 2 | 2 |
| Domestic | 188,332 | 203,040 | 235,858 | 2,28,191 | 2,06,945 | 2,51,358 | 2,67,773 | 14 | 7 |
| Total | 980,757 | 1,031,701 | 1,068,721 | 10,13,048 | 11,43,895 | 10,85,154 | 11,19,034 | 5 | 3 |
| Realization (INR/TEU) | | | | | | | | | |
| EXIM | 16,312 | 16,044 | 16,327 | 16,572 | 14,073 | 15,228 | 15,553 | -5 | 2 |
| Domestic | 28,213 | 29,082 | 28,965 | 29,697 | 31,511 | 28,593 | 31,446 | 9 | 10 |
| Total | 18,597 | 18,610 | 19,116 | 19,528 | 17,228 | 18,324 | 19,356 | 1 | 6 |
| EBIT (INR/TEU) | | | | | | | | | |
| EXIM | 3,486 | 3,739 | 3,576 | 4,041 | 3,544 | 3,542 | 3,730 | 4 | 5 |
| Domestic | 2,859 | 2,003 | 1,311 | 2,567 | 3,029 | 1,702 | 2,808 | 114 | 65 |
| Total | 3,366 | 3,397 | 3,076 | 3,709 | 3,451 | 3,115 | 3,510 | 14 | 13 |

Exhibit 5: Quarterly EXIM and domestic volume trends ('000 TEU)**Exhibit 6: Quarterly EXIM and domestic volume growth YoY****Exhibit 7: Quarterly EXIM and domestic per TEU realization trends (INR/TEU)****Exhibit 8: Quarterly EXIM and domestic EBIT trends (INR m)**

Source: MOFSL, Company

Financials and valuations

Standalone – Income Statement

| Y/E March (INR m) | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| Total Income from Operations | 53,946 | 58,893 | 65,427 | 64,738 | 63,850 | 75,945 | 81,034 | 93,499 | 1,10,270 |
| Change (%) | -8.9 | 9.2 | 11.1 | -1.1 | -1.4 | 18.9 | 6.7 | 15.4 | 17.9 |
| Total Expenditure | 43,593 | 46,814 | 51,019 | 47,989 | 53,521 | 58,661 | 62,613 | 72,245 | 83,949 |
| As a percentage of Sales | 80.8 | 79.5 | 78.0 | 74.1 | 83.8 | 77.2 | 77.3 | 77.3 | 76.1 |
| EBITDA | 10,354 | 12,079 | 14,408 | 16,749 | 10,329 | 17,284 | 18,421 | 21,254 | 26,321 |
| Margin (%) | 19.2 | 20.5 | 22.0 | 25.9 | 16.2 | 22.8 | 22.7 | 22.7 | 23.9 |
| Depreciation | 3,518 | 3,927 | 4,246 | 5,130 | 5,219 | 5,298 | 5,541 | 5,655 | 6,098 |
| EBIT | 6,835 | 8,152 | 10,162 | 11,619 | 5,109 | 11,986 | 12,880 | 15,599 | 20,223 |
| Int. and Finance Charges | 37 | 1 | 7 | 361 | 340 | 546 | 570 | 600 | 600 |
| Other Income | 2,892 | 5,705 | 6,735 | 2,797 | 2,855 | 2,631 | 3,240 | 3,290 | 3,340 |
| PBT bef. EO Exp. | 9,691 | 13,856 | 16,889 | 14,056 | 7,625 | 14,071 | 15,550 | 18,289 | 22,963 |
| EO Items | 1,250 | -129 | 0 | -8,816 | -834 | -1 | -13 | 0 | 0 |
| PBT | 10,941 | 13,727 | 16,889 | 5,240 | 6,791 | 14,070 | 15,537 | 18,289 | 22,963 |
| Current Tax | 3,206 | 3,862 | 4,841 | 3,208 | 2,129 | 3,805 | 3,840 | 4,609 | 5,787 |
| Deferred Tax | -845 | -579 | -107 | -1,726 | -371 | -358 | 6 | 0 | 0 |
| Tax | 2,361 | 3,283 | 4,735 | 1,482 | 1,758 | 3,447 | 3,847 | 4,609 | 5,787 |
| Tax Rate (%) | 21.6 | 23.9 | 28.0 | 28.3 | 25.9 | 24.5 | 24.8 | 25.2 | 25.2 |
| Reported PAT | 8,580 | 10,445 | 12,154 | 3,758 | 5,033 | 10,623 | 11,691 | 13,680 | 17,176 |
| Adjusted PAT | 7,331 | 10,574 | 12,154 | 10,120 | 5,867 | 10,624 | 11,703 | 13,680 | 17,176 |
| Change (%) | -22.9 | 44.2 | 14.9 | -16.7 | -42.0 | 81.1 | 10.2 | 16.9 | 25.6 |
| Margin (%) | 13.6 | 18.0 | 18.6 | 15.6 | 9.2 | 14.0 | 14.4 | 14.6 | 15.6 |

Standalone – Balance Sheet

| Y/E March (INR m) | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E |
|--------------------------------------|---------------|---------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|
| Equity Share Capital | 1,950 | 2,437 | 3,047 | 3,047 | 3,047 | 3,047 | 3,047 | 3,047 | 3,047 |
| Total Reserves | 86,512 | 91,574 | 1,00,632 | 97,601 | 98,991 | 104,727 | 1,09,403 | 1,16,667 | 1,25,786 |
| Net Worth | 88,462 | 94,011 | 1,03,679 | 1,00,647 | 1,02,037 | 107,773 | 1,12,450 | 1,19,713 | 1,28,833 |
| Deferred Liabilities | 2,769 | 2,533 | 1,616 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Loans | 0 | 0 | 7,007 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Employed | 91,231 | 96,544 | 1,12,301 | 1,00,647 | 1,02,037 | 107,773 | 1,12,450 | 1,19,713 | 1,28,833 |
| Gross Block | 40,676 | 47,332 | 57,038 | 70,379 | 81,028 | 87,217 | 92,104 | 99,604 | 1,07,104 |
| Less: Accum. Deprn. | 6,978 | 10,848 | 15,091 | 20,686 | 28,011 | 33,309 | 38,850 | 44,505 | 50,603 |
| Net Fixed Assets | 33,698 | 36,484 | 41,947 | 49,694 | 53,018 | 53,908 | 53,254 | 55,098 | 56,500 |
| Capital WIP | 5,071 | 6,710 | 6,247 | 9,375 | 9,198 | 7,482 | 8,265 | 8,265 | 8,265 |
| Total Investments | 13,737 | 13,890 | 14,029 | 14,441 | 14,452 | 14,356 | 14,425 | 14,425 | 14,425 |
| Curr. Assets, Loans, and Adv. | 46,904 | 49,395 | 63,845 | 42,013 | 44,735 | 51,365 | 56,063 | 64,392 | 75,950 |
| Inventory | 229 | 275 | 233 | 261 | 239 | 307 | 372 | 429 | 498 |
| Account Receivables | 425 | 604 | 884 | 1,591 | 1,555 | 1,761 | 2,131 | 2,459 | 2,900 |
| Cash and Bank Balance | 16,835 | 19,817 | 1,704 | 21,686 | 24,732 | 28,879 | 30,479 | 38,423 | 49,470 |
| Loans and Advances | 29,415 | 28,699 | 61,025 | 18,475 | 18,209 | 20,419 | 23,081 | 23,081 | 23,081 |
| Curr. Liability and Prov. | 8,546 | 10,592 | 13,767 | 15,020 | 19,908 | 20,244 | 20,356 | 23,266 | 27,107 |
| Account Payables | 2,415 | 2,542 | 3,504 | 1,553 | 2,709 | 4,236 | 3,770 | 4,350 | 5,055 |
| Other Current Liabilities | 5,441 | 7,344 | 9,544 | 12,776 | 15,500 | 14,428 | 15,150 | 17,480 | 20,616 |
| Provisions | 690 | 705 | 719 | 692 | 1,699 | 1,579 | 1,436 | 1,436 | 1,436 |
| Net Current Assets | 38,357 | 38,804 | 50,078 | 26,992 | 24,827 | 31,122 | 35,707 | 41,125 | 48,843 |
| Appl. of Funds | 91,231 | 96,544 | 1,12,301 | 1,00,647 | 1,02,037 | 107,773 | 1,12,450 | 1,19,713 | 1,28,833 |

Financial and valuations

Ratio analysis

| Y/E March | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Basic (INR) | | | | | | | | | |
| EPS | 12.0 | 17.4 | 19.9 | 16.6 | 9.6 | 17.4 | 19.2 | 22.5 | 28.2 |
| Cash EPS | 17.8 | 23.8 | 26.9 | 25.0 | 18.2 | 26.1 | 28.3 | 31.7 | 38.2 |
| BV/Share | 145.2 | 154.3 | 170.2 | 165.2 | 167.5 | 176.9 | 184.6 | 196.5 | 211.4 |
| DPS | 6.3 | 6.9 | 8.5 | 3.6 | 5.0 | 9.0 | 9.0 | 10.5 | 13.2 |
| Payout (%) | 51.9 | 48.0 | 51.4 | 60.7 | 60.5 | 51.6 | 46.9 | 46.9 | 46.9 |
| Valuation (x) | | | | | | | | | |
| P/E | 51.9 | 36.0 | 31.3 | 37.6 | 64.9 | 35.8 | 32.5 | 27.8 | 22.2 |
| Cash P/E | 35.1 | 26.3 | 23.2 | 25.0 | 34.4 | 23.9 | 22.1 | 19.7 | 16.4 |
| P/BV | 4.3 | 4.1 | 3.7 | 3.8 | 3.7 | 3.5 | 3.4 | 3.2 | 3.0 |
| EV/Sales | 6.5 | 5.9 | 5.7 | 5.3 | 5.4 | 4.4 | 4.1 | 3.5 | 2.9 |
| EV/EBITDA | 33.8 | 28.7 | 25.8 | 20.6 | 33.1 | 19.5 | 18.2 | 15.4 | 12.0 |
| Dividend Yield (%) | 1.0 | 1.1 | 1.4 | 0.6 | 0.8 | 1.4 | 1.4 | 1.7 | 2.1 |
| FCF per share | 24.2 | 9.6 | -44.2 | 53.8 | 9.4 | 12.2 | 13.3 | 19.2 | 26.9 |
| Return Ratios (%) | | | | | | | | | |
| RoE | 8.5 | 11.6 | 12.3 | 9.9 | 5.8 | 10.1 | 10.6 | 11.8 | 13.8 |
| RoCE | 8.6 | 11.2 | 11.6 | 9.7 | 5.8 | 10.5 | 11.0 | 12.2 | 14.2 |
| RoIC | 9.3 | 11.1 | 10.0 | 11.5 | 7.0 | 16.3 | 16.7 | 19.8 | 26.2 |
| Working Capital Ratios | | | | | | | | | |
| Asset Turnover (x) | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.9 |
| Inventory (Days) | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| Debtor (Days) | 3 | 4 | 5 | 9 | 9 | 8 | 10 | 10 | 10 |
| Creditor (Days) | 26 | 26 | 34 | 16 | 29 | 38 | 31 | 31 | 30 |
| Leverage Ratio (x) | | | | | | | | | |
| Current Ratio | 5.5 | 4.7 | 4.6 | 2.8 | 2.2 | 2.5 | 2.8 | 2.8 | 2.8 |
| Net Debt/Equity | -0.2 | -0.2 | 0.1 | -0.2 | -0.2 | -0.3 | -0.3 | -0.3 | -0.4 |

Standalone – Cash Flow Statement

| Y/E March (INR m) | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24E | FY25E |
|------------------------------------|---------------|---------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|
| OP/(Loss) before Tax | 11,806 | 13,857 | 16,889 | 5,240 | 6,791 | 14,070 | 15,537 | 18,289 | 22,963 |
| Depreciation | 3,650 | 3,927 | 4,246 | 5,130 | 5,219 | 5,298 | 5,541 | 5,655 | 6,098 |
| Interest and Finance Charges | -2,514 | -2,332 | -2,247 | -1,678 | -1,648 | -1,302 | -1,667 | -2,690 | -2,740 |
| Direct Taxes Paid | -3,868 | -3,360 | -5,404 | -1,382 | -2,444 | -3,568 | -4,251 | -4,609 | -5,787 |
| (Inc.)/Dec. in WC | 9,575 | 1,169 | -33,386 | 26,758 | 1,691 | -1,003 | -1,219 | 2,525 | 3,330 |
| CF from Operations | 18,650 | 13,260 | -19,902 | 34,067 | 9,610 | 13,496 | 13,942 | 19,171 | 23,864 |
| Others | -69 | 19 | 15 | 8,621 | 633 | -90 | -117 | 0 | 0 |
| CF from Operations incl. EO | 18,581 | 13,279 | -19,887 | 42,689 | 10,243 | 13,406 | 13,825 | 19,171 | 23,864 |
| (inc.)/dec. in FA | -9,143 | -8,595 | -7,040 | -9,888 | -4,501 | 9,597 | -5,723 | -7,500 | -7,500 |
| Free Cash Flow | 9,438 | 4,684 | -26,927 | 32,801 | 5,741 | 23,002 | 8,101 | 11,671 | 16,364 |
| (Pur.)/Sale of Investments | 0 | -153 | -139 | -618 | -570 | 595 | -82 | 0 | 0 |
| Others | 2,978 | 3,451 | 21,639 | -15,227 | 2,310 | -13,684 | -231 | 3,290 | 3,340 |
| CF from Investments | -6,165 | -5,297 | 14,461 | -25,733 | -2,761 | -3,492 | -6,036 | -4,210 | -4,160 |
| Issue of Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Inc.)/Dec. in Debt | 0 | 0 | 7,007 | -7,007 | 0 | 0 | 0 | 0 | 0 |
| Interest Paid | -37 | -1 | -7 | -81 | -1 | 0 | 1 | 0 | 0 |
| Dividend Paid | -2,944 | -4,168 | -1,828 | -5,666 | -3,564 | -4,874 | -7,311 | -6,417 | -8,057 |
| Others | -599 | -831 | -366 | -1,714 | -869 | -893 | -1,079 | -600 | -600 |
| CF from Fin. Activity | -3,580 | -4,999 | 4,805 | -14,467 | -4,434 | -5,767 | -8,389 | -7,017 | -8,657 |
| Inc./Dec. in Cash | 8,836 | 2,983 | -621 | 2,489 | 3,047 | 4,146 | -601 | 7,944 | 11,047 |
| Opening Balance | 7,999 | 16,835 | 19,817 | 19,196 | 21,685 | 24,732 | 31,080 | 30,479 | 38,423 |
| Closing Balance | 16,835 | 19,817 | 19,196 | 21,685 | 24,732 | 28,879 | 30,479 | 38,423 | 49,470 |

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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 |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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