

Metro Brands

Estimate change



TP change



Rating change



Bloomberg	METROBRA IN
Equity Shares (m)	272
M.Cap. (INRb)/(USD\$)	252.4 / 3.1
52-Week Range (INR)	980 / 516
1, 6, 12 Rel. Per (%)	7/15/59
12M Avg Val (INR M)	232

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	21.3	26.5	32.8
EBITDA	6.8	7.8	10.3
Adj. PAT	3.6	4.0	5.4
EBITDA Margin (%)	31.9	29.4	31.3
Adj. EPS (INR)	13.3	14.9	20.0
EPS Gr. (%)	70.7	12.0	34.6
BV/Sh. (INR)	58.3	67.9	80.8

Ratios

Net D:E	0.2	0.1	0.0
RoE (%)	25.7	24.2	27.6
RoCE (%)	18.4	16.9	18.7
Payout (%)	37.6	37.2	37.2

Valuations

P/E (x)	69.9	62.4	46.3
EV/EBITDA (x)	38.3	33.3	25.2
EV/Sales (X)	12.2	9.8	7.9
Div. Yield (%)	0.5	0.6	0.8
FCF Yield (%)	1.1	2.6	2.9

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	74.2	74.2	74.3
DII	5.3	4.9	4.6
FII	2.8	3.2	3.4
Others	17.7	17.6	17.8

FII Includes depository receipts

CMP: INR929
TP: INR1,070 (+15%)
Buy

Strong growth; CBL loss drags profitability

- Metro reported significant revenue growth of 35% YoY in 4QFY23, supported by store additions, a strong SSSG, and the impact of the Omicron base effect. However, the high opex resulting from aggressive store expansions and marketing costs, along with a net loss of INR 140m in Fila, contributed to a 2% YoY decline in PAT. Adjusted for Fila loss, PAT grew 19% YoY.
- In the near term, we see risk of growth moderation, potential losses in Fila, which could lead to a moderation in margins. This, along with rebase of discounting and third party sales has pulled down our FY24E PAT estimates by 8%, with an estimated growth of 12%. Despite the revisions in our FY24 estimates, our FY25 estimates remain unchanged. Store addition guidance was increased to 100 from ~80 earlier. The growth opportunity in Fila and the healthy store economics are expected to drive revenue/PAT CAGR by 24/23% over FY23-25. We reiterate our BUY rating on the stock.

Revenue up 35% YoY, but CBL loss and high opex led to PAT declining by 2%

- Metro Brands revenue/PAT grew 35%/ declined 2% YoY to INR5.4b/680m, but adjusted for Fila losses, the revenue/PAT grew 30%/19%.
- Revenue growth (6% above est.) was led by 24% store area additions, mid-to-high single-digit LTL growth, and the impact of Omicron effect last year.
- Gross profit rose 32% YoY to INR3.04b (6% above est.). Gross margin at 55.9% contracted 140bp YoY. This could be attributed to CBL's low GM.
- **Reported EBITDA grew 11% YoY to INR1.4b (7% below est.)** with 580bp margin contraction to 26.4%. This was due to higher expenses, led by advertisement & marketing costs and a CBL loss of INR100m.
- Metro's PAT declined 2% YoY to INR680m (in line) with a 460bp decline in margin to 12.5% (100bp below est.), due to lower finance cost.
- Metro added 19/116 net stores in 4QFY23/FY23 across all formats against 38 net store additions in FY22. A total of 739 stores were identified in 174 cities as of FY23 (excluding 25 EBOs of Fila) v/s 2,053 POS of Bata in 698 cities.
- For FY23, revenue grew 58% YoY, while EBITDA/PAT grew 66%/71% YoY.
- Net WC days have increased to 171 (from 138/130 in FY22/pre-Covid) with INR4.9b WC, led by higher CBL WC at INR1.4b (29%).

Key takeaways from management commentary

- The strong 58% revenue growth in FY23 was led by an 8% price increase and ~47% volume growth on a low base of FY22. The management expects an annual price increase of 5-7%.
- The company targets to open 200 new stores over the next two fiscal years, excluding FitFlops's and Fila stores.
- The management has also retained GM guidance of 55-57%, EBITDA margin of ~30% and PAT margin of +15%. Delta between pre and post IndAS EBITDA is between 8% and 9%.

- For FILA, the management expects to clean up old inventory and a reset of product offerings and earnings by 2HFY24. In the three to five year period, the top global sportswear company plans to open 300-400 stores. It also expects to maintain a healthy GM similar to Metro and is targeting a 20% share of non-apparels to drive growth.

Valuation and view

- Metro trades at rich valuations, backed by 1) internally funded growth because of a strong OCF-to-EBITDA ratio of over 50%, and 2) a balance sheet that is par excellence, with a healthy RoIC of 20% for FY22.
- The company has been consistently reporting healthy double-digit revenue/PAT growth for the last 10 years.
- In the near term we see risk of growth moderation, losses in Fila, moderation in margins with rebase of discounting and third party sales pulling down our FY24E PAT estimates by 8% building 12% growth.
- Despite the revisions in our FY24 estimates, our FY25 estimates remain unchanged. Store addition guidance was increased to 100 from ~80 earlier. The growth opportunity in Fila and the healthy store economics are expected to drive revenue/PAT CAGR by 24/23% over FY23-25.
- A combination of superior store economics and a strong runway of growth should allow Metro to garner rich valuations going ahead. We value the stock at 53x P/E on FY25E EPS to arrive at a TP of INR1,070. We reiterate our BUY rating on the stock.

Consolidated - Quarterly Earnings

Y/E March									(INR m)			
	FY22				FY23				FY22	FY23	FY23E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Revenue	1,314	3,246	4,838	4,032	5,080	4,763	5,987	5,441	13,429	21,271	5,125	6.2
YoY Change (%)	N.A	N.A	59.0	26.3	286.6	46.7	23.8	35.0	67.9	58.4	27.1	
Total Expenditure	1,168	2,278	3,159	2,733	3,251	3,292	3,935	4,006	9,338	14,483	3,583	11.8
EBITDA	146	968	1,679	1,298	1,829	1,472	2,052	1,436	4,092	6,788	1,542	-6.9
EBITDA Margin (%)	11.1	29.8	34.7	32.2	36.0	30.9	34.3	26.4	30.5	31.9	30.1	3.7
Depreciation	315	336	344	347	390	414	504	502	1,342	1,810	464	8.1
Interest	113	123	123	145	134	148	173	175	504	631	322	-45.7
Other Income	159	174	120	134	93	118	146	187	586	544	230	-18.4
PBT	-123	683	1,332	940	1,397	1,027	1,521	946	2,831	4,891	985	-4.0
Tax	-3	132	323	250	345	253	394	267	702	1,257	291	-8.5
Rate (%)	2.7	19.4	24.3	26.6	24.7	24.6	25.9	28.2	24.8	25.7	29.5	
PAT before MI	-120	551	1,009	690	1,052	774	1,128	680	2,130	3,634	694	-2.1
PAT post MI	-121	552	1,016	698	1,058	779	1,130	688	2,144	3,654	694	-1.0
YoY Change (%)	N.A	N.A	56	68	-973	41	11	-1	232	70.4	1	

E: MOFSL Estimates

Exhibit 1: Valuation based on FY25E

Particulars	INR/Share
EPS	20
Target PE (x)	53
Equity value/share (INR)	1,070
Upside/(Downside) (%)	15%
CMP (INR)	929

Source: MOFSL, Company

Cravatex brands (CBL) update

- CBL posted INR220m of revenue with GM at 32% (v/s 57% GM of Metro). Excluding CBL revenue, Metro's revenue grew 30% YoY to INR5.2b.
- Excluding CBL, GP grew 29% YoY to INR3.0b, generating 56.9% margin (down 40bp YoY). The GM is still at the higher end of management guidance at 55-57%.
- CBL reported an EBITDA loss of INR100m. However, after adjusting for CBL's numbers, the overall EBITDA grew 18% YoY to INR1.5b with a margin of 29.4% (down 280bp YoY). This margin decline was expected due to the increase in third-party products and the rebasing of abnormally low EOSS discounts from the previous quarter.
- However, adjusting for CBL, Metro's PAT jumped 19% YoY to INR820m with a PAT margin of 15.7% (down 140bp YoY).

Exhibit 2: Metro and CBL performance bifurcation

INRm	FY22	FY23	FY24E	FY25E
Consol revenue	13,429	21,271	26,451	32,763
Standalone revenue	13,429	20,961	25,451	30,763
CBL revenue	1,565	310*	1,000	2,000
Mix of CBL	12%	4%	4%	7%
Consol GP	7,770	12,351	14,945	18,675
Standalone GP	7,770	12,340	14,545	17,675
CBL GP	702	110*	400	1,000
Mix of CBL	9%	2%	3%	6%
Consol margin	57.9%	58.1%	56.5%	57.0%
Standalone margin	57.9%	58.9%	57.1%	57.5%
CBL margin	44.8%	35.5%	40.0%	50.0%
Consol EBITDA	4,092	6,788	7,776	10,255
Standalone EBITDA	4,092	6,908	7,976	10,055
CBL EBITDA	NA	-120*	-200	200
Mix of CBL	NA	-7%	-3%	2%
Consol margin	30.5%	31.9%	29.4%	31.3%
Standalone margin	30.5%	33.0%	31.3%	32.7%
CBL margin	NA	-38.7%	-20.0%	10.0%

*Numbers for 4 reported months i.e. Dec'22- Mar'23

Source: MOFSL, Company

Exhibit 3: Metro and CBL mix share in performance for 4QFY23

INRm	Consol	Standalone	CBL	Mix
Total Revenue	5,441	5,221	220	4%
YoY	35	30		
Gross Profit	3,040	2,970	70	2%
margin	55.9%	56.9%	31.8%	
YoY	32	29		
EBITDA	1,436	1,536	-100	-7%
margin	26.4%	29.4%	-45.5%	
YoY	11	18		
PAT	680	820	-140	-17%
margin	12.5%	15.7%	-63.6%	
YoY	-2	19		

Source: MOFSL, Company

Balance sheet and cash flow analysis

- Net WC days have increased to 171 (from 138/130 in FY22/pre-Covid) with INR4.9b WC, led by higher CBL WC at INR1.4b (29%)
 - Inventory days remained higher at 264 (v/s 274/241 in FY22/pre-Covid)
 - **Excluding CBL's WC, net WC days stood at 147 (v/s 132 in FY20); inventory days were at 249.**
- OCF (post-LL) jumped 80% YoY to INR2.1b, led by 66% YoY rise in EBITDA. Capex almost doubled this year to INR915m, leading to FCF growth of 73% YoY to INR1.2b. Capex has been utilized to acquire CBL for INR959m in FY23.
- The Board has declared a dividend of INR5 in FY23.

Key takeaways from the management commentary**Key highlights**

- The strong 58% revenue growth in FY23 was led by 8% price increase and ~47% volume growth on a low base of FY22. The management expects an annual price increase of 5-7%.
- The company targets to open 200 new stores over the next two fiscal years, excluding FitFlops's and FILA stores.
- The management has also retained GM guidance of 55-57%, EBITDA margin of ~30% and PAT margin of +15%. Delta between pre and post IndAS EBITDA is between 8% and 9%.
- For FILA, the management expects to clean up old inventory and a reset of product offerings and earnings by 2HFY24. In the three to five year period, the top global sportswear company plans to open 300-400 stores. It also expects to maintain a healthy GM similar to Metro and is targeting a 20% share of non-apparels to drive growth.

Detailed notes**Strategy**

- The company is on track to attain the Strategic objective of premiumization. Additionally, it is focused on maintaining its gross margin (GM) in line with its targets.
- Contribution from INR3,000+ ASP grew to 44% in FY23 v/s 40% in FY22 and 34% in FY20
- Indian economy growth is in line with the management expectation



- The company has ample opportunity for expansion, with the potential to reach 300-400 cities v/s 174 cities in FY23
- The growth will be supported by the increasing middle class income and growth in T1 and T2 cities. Customer preference toward branded products is increasing.
- The management expects 200 new store additions in the next two years. (100 store p.a. in FY24/25)
- The company is currently focused on the Southern and Western regions

Environment:

- The management observing moderation in the near-term sales growth, which can be attributed to the pent-up demand observed between Oct'21 and Jun'22.
- The management did not see any disproportionate demand trend between T1/T2/T3 cities.

Fila

- After clearing the old inventory, the company aims to reset the Fila brand. The company has 400 distribution points, which can be leveraged.
- Currently, there are 300-500 mono brand store (global sportswear brands similar to Fila) in operation. Fila, on the other hand, has 25 EBOs, which could contribute to the growth of Fila's sales.
- It has already placed a team headed by Mrs. Alisha Malik to grow the brand.
- The management expects INR320-350m expense for the cash flow mismatches. The company is turning around slowly and modernizing the loss from 2HFY24 onwards. FY25 can be the year, where Fila can fund its own growth plans.
- An average store size could be in the range of 1,500-2,000 sqft.
- The average selling price of Fila is expected to be between INR 5,000 and INR8,000.
- The rationale behind the demerger of Fila brands in CBL is to leverage cost efficiencies and improve operational synergies.

Key priorities for FY24:

- The management expects moderation in CBL loss from 2HFY23 onwards.
- Integrate Fila with the MBL eco-system to leverage cost efficiencies and improve operational synergies.
- Focus on liquidation of current excess inventory and improve cash conversion cycle.
- Evaluate means to improve sales throughput at all existing sale channels (i.e., EBO's/LFS).

Performance:

- Increase in volume (40-45% YoY) led to sales growth of 58% YoY in FY23. Around 14-14.5m pairs were sold in FY23. While the overall ASP growth (including accessories) stood at 3%, ASP growth (excluding accessories) stood at about 7-8%. Long-term ASP growth is around the same range as that of inflation.
- For FY23, standalone revenue grew 29% YoY, while the store growth stood at 18% YoY. This could be attributed to higher teen SSSG for Metro Standalone.
- The company does not feel any need to lower the ASP even for the Walkaway business.
- The guidance remains the same for GM at 55-57%, EBITDA margin at 30%, and PAT margin at +15% annually.
- Ecommerce grew by 48% YoY.

- The increase in other expenses is led by marketing expenses (3% of revenue) and increased travel expenses, while the 4QFY22 was low due to low travel.
- 12-13% of sales could be the rental expense for FY23.

Footwear industry has come under the purview of BIS implementation:

- The Department for Promotion of Industry and Internal Trade (DPIIT) issued BIS Quality Control Order (QCO) for footwears, which will be mandatory from July 2023.
- MBL has front-loaded inventory buying to circumvent any potential supply chain disruption leading to higher inventory in 1HFY24.

Exhibit 4: Quarterly performance

	4QFY22	3QFY23	4QFY23	YoY%	QoQ%	4QFY23E	v/s Est (%)	4QFY23*	YoY%
Total Revenue	4,032	5,987	5,441	35	-9	5,125	6	5,221	30
Raw Material cost	1,721	2,441	2,401	39	-2	2,251	7		
Gross Profit	2,310	3,546	3,040	32	-14	2,874	6	2,970	29
Gross margin (%)	57.3	59.2	55.9	-143	-335	56.1	-21	56.9	-41
Employee Costs	352	496	523	48	5	513	2		
SGA Expenses	659	998	1,082	64	8	819	32		
EBITDA	1,298	2,052	1,436	11	-30	1,542	-7	1,536	18
EBITDA margin (%)	32.2	34.3	26.4	-582	-788	30.1	-370.6	29.4	-279
Depreciation and amortization	347	504	502	45	0	464	8		
EBIT	951	1,548	934	-2	-40	1,078	-13		
EBIT margin (%)	23.6	25.8	17.2	-644	-869	21.0	-387		
Finance Costs	145	173	175	21	1	322	-46		
Other income	134	146	187	40	28	230	-18		
Exceptional item	0	0	0	NM	NM	0	NM		
Profit before Tax	940	1,521	946	1	-38	985	-4		
Tax	250	394	267	7	-32	291	-8		
Tax rate (%)	26.6	25.9	28.2	162	230	29.5	NM		
Profit after Tax	690	1,128	680	-2	-40	694	-2	820	19
PAT margin (%)	17.1	18.8	12.5	-463	-635	13.5	-106	15.7	-142

* Refer to the core Metro financials (excluding Fila)

Source: MOFSL, Company

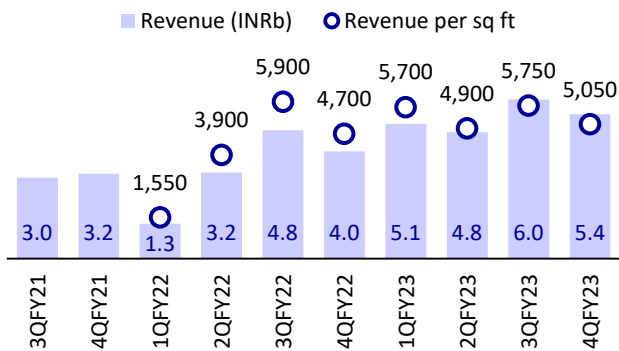
Exhibit 5: Summary of changes to our estimates

	FY24E	FY25E
Revenue (INR m)		
Old	27,080	32,772
Actual/New	26,451	32,763
Change (%)	-2.3	0.0
GP (INR m)		
Old	15,436	18,680
Actual/New	14,945	18,675
Change (%)	-3.2	0.0
EBITDA (INR m)		
Old	8,395	10,323
Actual/New	7,776	10,255
Change (%)	-7.4	-0.7
EBITDA margin (%)		
Old	31.0	31.5
Actual/New	29.4	31.3
Change (bp)	-160	-20
Net Profit (INR m)		
Old	4,416	5,501
Actual/New	4,047	5,448
Change (%)	-8.4	-1.0
EPS (INR)		
Old	16.3	20.3
Actual/New	14.9	20.0
Change (%)	-8.4	-1.0

Source: MOFSL, Company

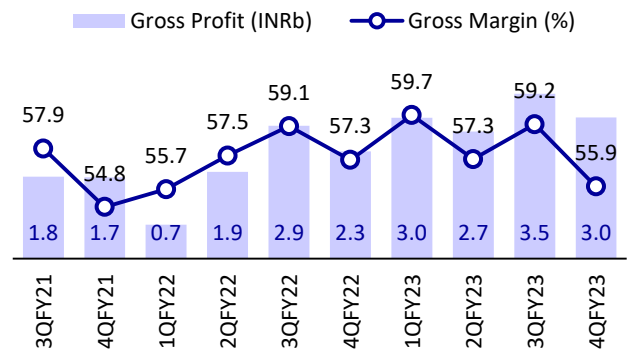
Story in charts

Exhibit 6: Revenue up 35% YoY; area adds up 24% YoY



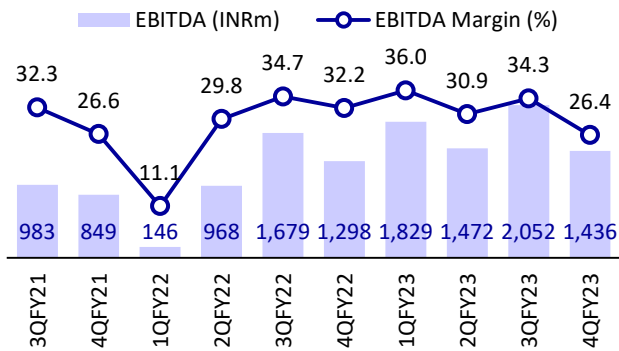
Source: MOFSL, Company

Exhibit 7: GP up 32% YoY; in line with revenue



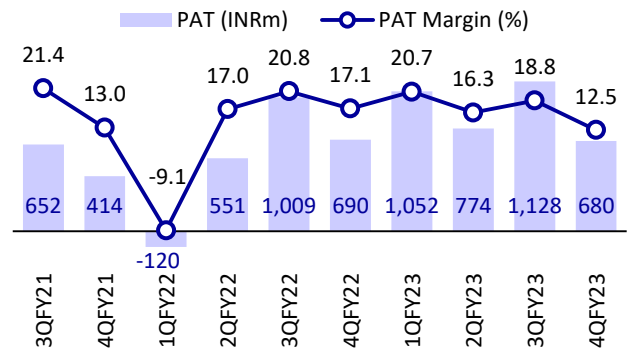
Source: MOFSL, Company

Exhibit 8: EBITDA up 11% YoY; margin down due to CBL loss



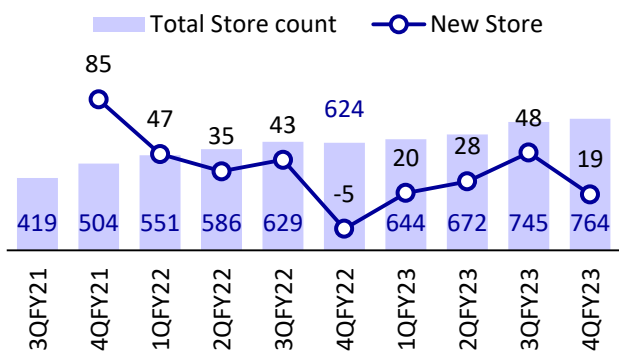
Source: MOFSL, Company

Exhibit 9: PAT declined 2% YoY due to CBL loss



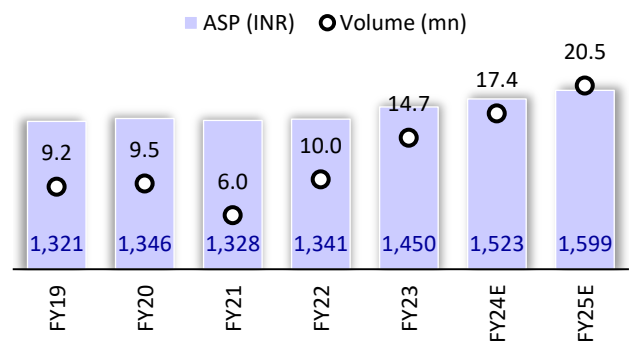
Source: MOFSL, Company

Exhibit 10: 19/115 new net store adds in 4QFY23/FY23

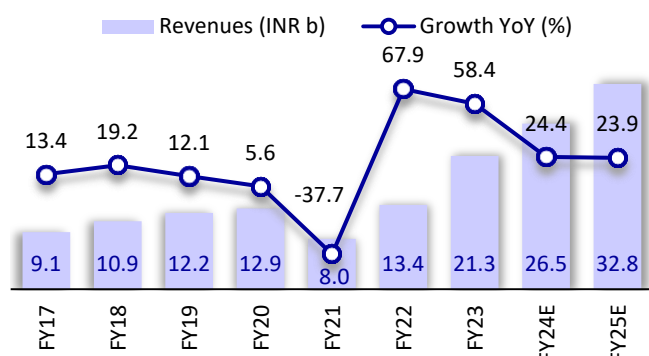


Source: MOFSL, Company

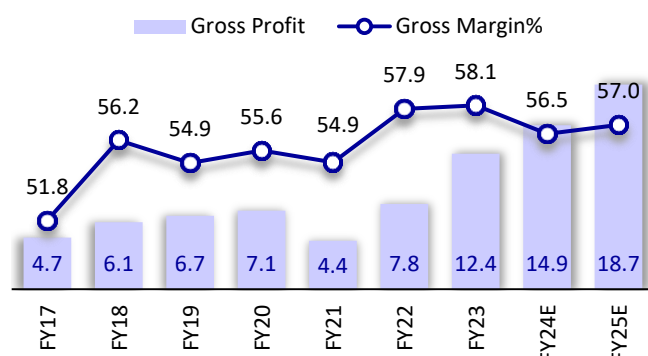
Exhibit 11: Expect volume growth to drive revenue growth



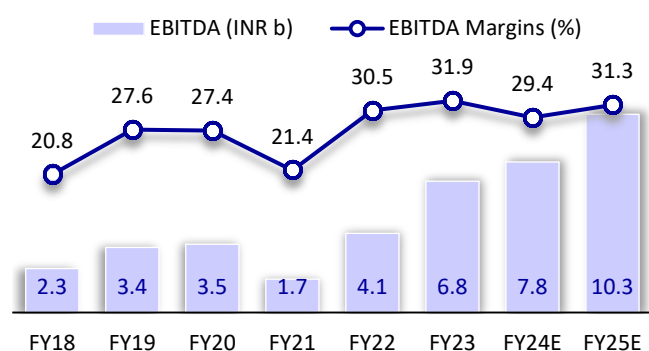
Source: MOFSL, Company

Exhibit 12: Expect revenue to grow 24% over FY23-25

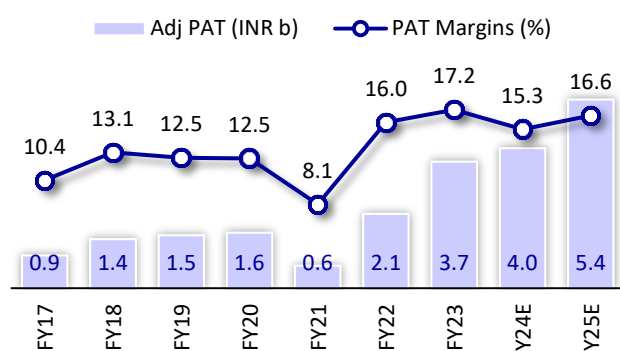
Source: MOFSL, Company

Exhibit 13: Expect GP to grow in line with revenue of 23%

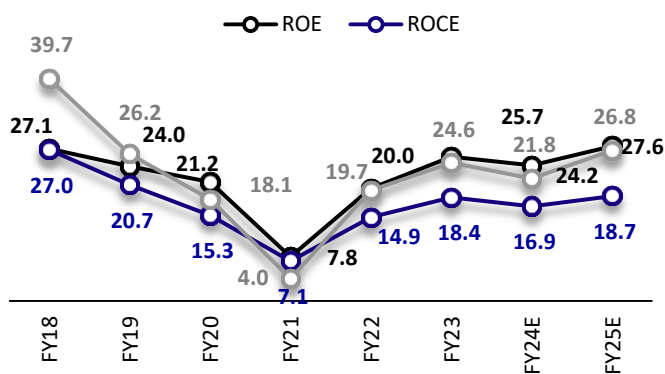
Source: MOFSL, Company

Exhibit 14: Expect EBITDA to grow 23% over FY23-25

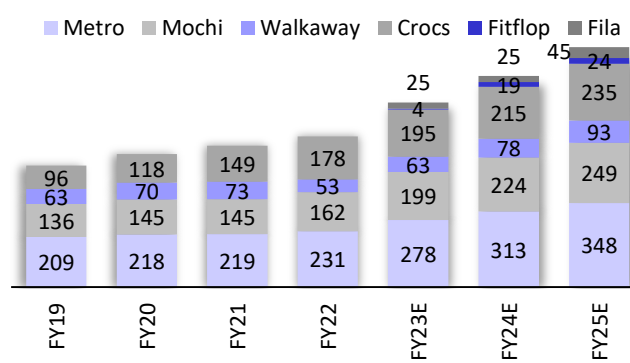
Source: MOFSL, Company

Exhibit 15: Expect 23% PAT CAGR over FY23-25

Source: MOFSL, Company

Exhibit 16: Expect return ratios to improve

Source: MOFSL, Company

Exhibit 17: Format-wise store counts

Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total Income from Operations	8,031	9,103	10,853	12,171	12,852	8,001	13,429	21,271	26,451	32,763
Change (%)	NA	13.4	19.2	12.1	5.6	-37.7	67.9	58.4	24.4	23.9
Raw Materials	3,902	4,391	4,759	5,487	5,707	3,605	5,659	8,920	11,506	14,088
Gross Profit	4,129	4,712	6,094	6,683	7,145	4,396	7,770	12,351	14,945	18,675
Margin (%)	51.4	51.8	56.2	54.9	55.6	54.9	57.9	58.1	56.5	57.0
Employees Cost	695	830	975	1,121	1,268	1,026	1,212	1,843	2,275	2,752
Other Expenses	2,011	2,337	2,860	2,204	2,351	1,655	2,466	3,720	4,893	5,668
Total Expenditure	6,608	7,558	8,594	8,813	9,325	6,285	9,338	14,483	18,674	22,508
% of Sales	82.3	83.0	79.2	72.4	72.6	78.6	69.5	68.1	70.6	68.7
EBITDA	1,423	1,545	2,259	3,358	3,527	1,715	4,092	6,788	7,776	10,255
Margin (%)	17.7	17.0	20.8	27.6	27.4	21.4	30.5	31.9	29.4	31.3
Depreciation	130	161	195	936	1,206	1,218	1,342	1,810	2,102	2,537
EBIT	1,293	1,384	2,064	2,422	2,321	497	2,749	4,978	5,675	7,718
Int. and Finance Charges	7	4	4	339	395	437	504	631	804	954
Other Income	46	65	89	198	259	785	586	544	599	599
PBT bef. EO Exp.	1,332	1,444	2,149	2,281	2,184	845	2,831	4,891	5,469	7,362
EO Items	0	0	0	0	0	0	0	0	0	0
PBT after EO Exp.	1,332	1,444	2,149	2,281	2,184	845	2,831	4,891	5,469	7,362
Total Tax	458	499	730	769	587	193	702	1,257	1,422	1,914
Tax Rate (%)	34.4	34.5	34.0	33.7	26.9	22.8	24.8	25.7	26.0	26.0
Minority Interest	0	0	0	15	8	-6	15	20	0	0
Reported PAT	874	946	1,418	1,512	1,597	652	2,130	3,634	4,047	5,448
Adjusted PAT	874	946	1,418	1,497	1,589	658	2,144	3,654	4,047	5,448
Change (%)	-261.3	8.2	50.0	5.5	6.2	-58.6	225.8	70.4	10.8	34.6
Margin (%)	10.9	10.4	13.1	12.3	12.4	8.2	16.0	17.2	15.3	16.6

Consolidated - Balance Sheet

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	147	147	147	1,328	1,328	1,328	1,358	1,359	1,359	1,359
Total Reserves	3,817	4,532	5,624	5,366	6,980	7,147	11,289	14,118	16,662	20,086
Net Worth	3,964	4,679	5,771	6,694	8,308	8,474	12,647	15,477	18,021	21,445
Minority Interest	83	114	146	0	0	0	224	264	264	264
Total Loans	30	29	60	4,244	5,491	5,669	6,922	9,430	12,165	14,159
Lease Liabilities				4,146	5,376	5,655	6,922	9,430	12,165	14,159
Deferred Tax Liabilities	2	17	23	0	0	0	0	0	0	0
Other Liabilities	40	51	61	6	6	6	6	45	45	45
Capital Employed	4,119	4,889	6,061	10,944	13,804	14,150	19,800	25,216	30,495	35,913
Gross Block	0	0	0	7,566	9,798	10,394	12,765	19,118	23,733	27,828
Less: Accum. Deprn.	0	0	0	1,636	2,718	3,158	4,287	6,097	8,199	10,736
Net Fixed Assets	1,345	1,713	1,846	5,930	7,080	7,236	8,478	13,021	15,534	17,092
Other Non-Current	0	0	0	381	444	493	614	683	683	683
Capital WIP	6	43	60	41	130	45	62	178	178	178
Total Investments	1,066	1,297	2,274	2,099	3,484	3,997	3,625	4,763	4,763	4,763
Curr. Assets, Loans&Adv.	2,781	3,382	3,539	4,624	4,912	4,655	10,140	10,579	14,053	19,004
Inventory	2,326	2,646	2,794	3,646	3,761	2,898	4,242	6,458	6,620	8,106
Account Receivables	236	303	394	519	701	506	577	1,261	1,087	1,346
Cash and Bank Balance	65	250	154	121	109	879	4,350	1,985	5,374	8,580
Loans and Advances	153	183	197	338	341	373	971	875	972	972
Curr. Liability & Prov.	1,078	1,547	1,658	2,271	2,370	2,444	3,342	4,056	4,765	5,855
Account Payables	873	1,077	1,413	1,939	2,015	2,047	2,343	2,813	3,310	4,053
Other Current Liabilities	187	455	187	307	331	389	958	1,114	1,323	1,638
Provisions	18	15	58	25	25	8	40	129	132	164
Net Current Assets	1,702	1,835	1,881	2,353	2,542	2,212	6,798	6,522	9,289	13,149
Appl. of Funds	4,119	4,889	6,061	10,944	13,804	14,150	19,800	25,216	30,495	35,914

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)										
EPS	29.7	32.1	48.2	5.6	6.0	2.5	7.8	13.3	14.9	20.0
Cash EPS	34.1	37.6	54.8	9.2	10.5	7.1	13.0	20.4	23.2	30.1
BV/Share	134.6	158.8	195.9	25.2	31.3	31.9	47.6	58.3	67.9	80.8
DPS	0.0	0.0	0.0	3.5	3.0	1.1	0.8	5.0	5.5	7.4
Payout (%)	0.0	0.0	0.0	30.7	24.9	45.8	9.6	37.4	37.2	37.2
Valuation (x)										
P/E		28.9	19.3	164.8	155.3	374.8	119.3	69.9	62.4	46.3
Cash P/E		24.7	17.0	101.4	88.3	131.5	71.4	45.5	40.1	30.9
P/BV		5.8	4.7	36.9	29.7	29.1	19.5	15.9	13.7	11.5
EV/Sales		3.0	2.5	10.5	10.0	31.4	19.0	12.2	9.8	7.9
EV/EBITDA		17.6	12.1	38.0	36.5	146.6	62.3	38.3	33.3	25.2
Dividend Yield (%)	0.0	0.0	0.0	0.4	0.3	0.1	0.1	0.5	0.6	0.8
FCF per share	21.7	8.8	41.2	10.3	17.3	9.0	8.6	10.3	24.2	26.8
Return Ratios (%)										
RoE	44.1	21.9	27.1	24.0	21.2	7.8	20.0	25.7	24.2	27.6
RoCE	44.0	21.8	27.0	20.7	15.3	7.1	14.9	18.4	16.9	18.7
RoIC	56.9	28.9	39.7	26.2	18.1	4.0	19.7	24.6	21.8	26.8
Working Capital Ratios										
Fixed Asset Turnover (x)	NA	NA	NA	1.6	1.3	0.8	1.1	1.1	1.1	1.2
Asset Turnover (x)	1.9	1.9	1.8	1.1	0.9	0.6	0.7	0.8	0.9	0.9
Inventory (Days)	218	220	214	243	241	293	274	264	210	210
Debtor (Days)	11	12	13	16	20	23	16	22	15	15
Creditor (Days)	82	90	108	129	129	207	151	115	105	105
Leverage Ratio (x)										
Current Ratio	2.6	2.2	2.1	2.0	2.1	1.9	3.0	2.6	2.9	3.2
Interest Cover Ratio	189.8	309.9	504.0	7.2	5.9	1.1	5.5	7.9	7.1	8.1
Net Debt/Equity	-0.3	-0.3	-0.4	0.3	0.2	0.1	-0.1	0.2	0.1	0.0

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	1,332	1,484	2,149	2,281	2,184	845	2,831	4,891	5,469	7,362
Depreciation	130	160	195	936	1,206	1,218	1,342	1,810	2,102	2,537
Interest & Finance Charges	7	4	5	339	395	437	491	629	804	954
Direct Taxes Paid	-445	-497	-682	-803	-608	-204	-715	-1,412	-1,422	-1,914
(Inc)/Dec in WC	-100	-138	47	-570	-156	1,135	-638	-1,726	623	-655
CF from Operations	924	1,013	1,713	2,183	3,021	3,432	3,312	4,192	7,576	8,284
Others	-25	-170	-167	-227	-291	-779	-491	-385	-599	-599
CF from Operating incl EO	898	843	1,546	1,957	2,731	2,653	2,821	3,807	6,978	7,686
(Inc)/Dec in FA	-258	-583	-331	-584	-440	-251	-479	-996	-413	-413
Free Cash Flow	640	260	1,215	1,373	2,291	2,402	2,342	2,811	6,565	7,273
(Pur)/Sale of Investments	-376	-92	-853	-140	-1,243	-329	538	-620	0	0
Others	10	-178	247	51	57	-644	68	-748	599	599
CF from Investments	-625	-853	-937	-673	-1,626	-1,224	127	-2,365	186	186
Issue of Shares	2	0	0	7	0	0	2,924	28	0	0
Inc/(Dec) in Debt	-53	-1	31	39	17	-101	-14	-1,023	0	0
Interest Paid	-7	-4	-5	-6	-8	-6	-1	-1	-804	-954
Repayment of loan	-222	0	-532	-446	0	-498	0	-883	-1,504	-2,024
Others	0	0	0	-913	-1,124	-665	-1,038	-1,710	-1,466	-1,688
CF from Fin. Activity	-279	-5	-505	-1,320	-1,115	-1,271	1,870	-3,588	-3,774	-4,666
Inc/Dec of Cash	-6	-15	104	-37	-10	158	4,818	-2,146	3,389	3,206
Opening Balance	69	63	48	152	115	105	263	5,081	2,935	6,325
Closing Balance	63	48	152	115	105	263	5,081	2,935	6,325	9,530
Other Bank Balance/(OD)	2	202	3	6	4	616	-732	-950	-950	-950
Net Closing Balance	65	250	155	121	109	879	4,350	1,985	5,374	8,580

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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