

Estimate change 

TP change 

Rating change 

**CMP: INR6,437**

**TP: INR7,400 (+15%)**

**Buy**

## Better realization drives healthcare performance

### Healthco achieves break-even in 3Q

Bloomberg	APHS IN
Equity Shares (m)	139
M.Cap.(INRb)/(USDb)	925.6 / 11.1
52-Week Range (INR)	6474 / 4078
1, 6, 12 Rel. Per (%)	10/18/25
12M Avg Val (INR M)	2289

### Financials & Valuations (INR b)

Y/E March	FY24E	FY25E	FY26E
Sales	188.9	214.6	250.9
EBITDA	23.8	27.9	36.1
Adj. PAT	9.3	13.8	19.4
EBIT Margin (%)	12.6	13.0	14.4
Cons. Adj. EPS (INR)	64.5	95.7	135.2
EPS Gr. (%)	33.9	48.4	41.3
BV/Sh. (INR)	506.1	599.0	732.7

### Ratios

Net D:E	0.1	-0.1	-0.3
RoE (%)	14.0	17.9	21.0
RoCE (%)	13.9	17.1	20.3
Payout (%)	9.1	6.1	4.3

### Valuations

P/E (x)	99.8	67.2	47.6
EV/EBITDA (x)	39.5	33.1	25.0
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	1.0	2.1	2.6
EV/Sales (x)	5.0	4.3	3.6

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	29.3	29.3	29.3
DII	19.1	18.8	16.8
FII	46.3	46.2	47.9
Others	5.3	5.5	5.9

FII Includes depository receipts

- Apollo Hospitals (APHS) delivered marginally better-than-expected performance for 3QFY24. Healthy growth in ARPOB/in-patient volume and EBITDA break-even in Healthco (digital health and pharmacy distribution) has led to superior profitability despite 3Q traditionally considered to be a seasonally weaker quarter.
- We raise our earnings estimate by 3%/2% for FY25/FY26, factoring a) the faster turnaround of the Apollo 24/7 business, b) initiatives aimed at enhancing occupancy rates, and c) tariff hikes in the institutional patient category. We value APHS on SOTP basis (27x 12M forward EV/EBITDA for healthcare services, 12x 12M forward EV/EBITDA for backend pharmacy, 20x 12M forward EV/EBITDA for front-end pharmacy, 2x EV/sales for Apollo 24/7 and 25x EV/EBITDA for AHLL) to arrive at a price target of INR7,400.
- APHS is implementing efforts across segments – adding 2K beds over the next three years, improving payor mix to drive better ARPOB, and building tailwinds for GMV growth as well as improve operational efficiency. This would drive 15%/23% revenue/EBITDA CAGR over FY24-26. We reiterate our BUY rating on the stock.

### ARPOB growth/improved traction in Healthco drives overall margins

- APHS 3QFY24 revenues grew 14% YoY to INR48.5b (est. INR47b).
- EBITDA margin expanded 80bp YoY to 12.7% (our est: 12.6%) due to lower employee/other expenses (down 60bp/40 YoY as a percentage of sales) offset by higher RM cost (+20 bp YoY as a percentage of sales).
- EBITDA grew 21% YoY to INR6.1b (our est: INR5.9b).
- Adj. PAT grew 60% YoY to INR2.5b (our est: INR2.4b).
- In 9MFY24, Revenue/EBITDA/PAT grew 15%/12%/24% YoY to INR141b/INR17.5b/INR6.4b.
- Hospital segment revenue grew 12% YoY to INR24.6b, driven by volume growth of 7.7% YoY and price/case mix growth of 4.3% YoY.
- Hospital segment EBITDA margin contracted 90bp YoY to 23.8%.
- HealthCo revenue grew 17% YoY to INR20.5b during the period.
- AHLL's revenue grew 8% YoY to INR3.4b.

### Highlights from the management commentary

- APHS guided for GMV to grow 75% YoY to INR28b for FY24. It expects 60-70% YoY growth in GMV in FY25. 3Q has been an exceptional period in terms of GMV and we anticipate improvements going forward.
- APHS remains confident of achieving 14% YoY growth in revenue in healthcare services in FY24. It expects to achieve 15% YoY growth in healthcare services revenue in FY25.
- With health-co EBITDA break-even in 3QFY24, it expects Apollo 24/7 to achieve EBITDA break even in six to eight quarters.

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

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**Consolidated - Quarterly Earning Model****(INRm)**

Y/E March	FY23				FY24E				FY23	FY24E	FY24E vs Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Gross Sales</b>	<b>37,956</b>	<b>42,511</b>	<b>42,636</b>	<b>43,022</b>	<b>44,178</b>	<b>48,469</b>	<b>48,506</b>	<b>47,769</b>	<b>166,124</b>	<b>188,922</b>	<b>47,092</b>	<b>3.0%</b>
YoY Change (%)	0.9	14.4	17.2	21.3	16.4	14.0	13.8	11.0	13.3	13.7	10.5	
Total Expenditure	33,049	36,857	37,582	38,141	39,088	42,194	42,369	41,467	145,628	165,118	41,158	
<b>EBITDA</b>	<b>4,908</b>	<b>5,654</b>	<b>5,054</b>	<b>4,881</b>	<b>5,090</b>	<b>6,275</b>	<b>6,137</b>	<b>6,302</b>	<b>20,496</b>	<b>23,804</b>	<b>5,934</b>	<b>3.4%</b>
YoY Change (%)	-5.6	-8.1	-13.9	5.4	3.7	11.0	21.4	29.1	-6.2	16.1	17.4	
Margins (%)	12.9	13.3	11.9	11.3	11.5	12.9	12.7	13.2	12.3	12.6	12.6	
Depreciation	1,478	1,550	1,534	1,591	1,669	1,634	1,670	1,657	6,152	6,630	1,590	
Interest	927	927	1,000	954	1,062	1,113	1,126	1,013	3,808	4,314	1,120	
Other Income	161	226	354	164	282	222	278	314	903	1,096	250	
<b>PBT before EO expense</b>	<b>2,663</b>	<b>3,402</b>	<b>2,874</b>	<b>2,500</b>	<b>2,641</b>	<b>3,750</b>	<b>3,619</b>	<b>3,946</b>	<b>11,439</b>	<b>13,956</b>	<b>3,474</b>	<b>4.2%</b>
Extra-Ord expense/(Income)	0	0	0	0	0	-19	0	0	0	-19	0	
<b>PBT</b>	<b>2,663</b>	<b>3,402</b>	<b>2,874</b>	<b>2,500</b>	<b>2,641</b>	<b>3,769</b>	<b>3,619</b>	<b>3,946</b>	<b>11,439</b>	<b>13,975</b>	<b>3,474</b>	<b>4.2%</b>
Tax	-695	1,142	1,035	1,080	966	1,300	1,089	838	2,562	4,193	973	
Rate (%)	-26.1	33.6	36.0	43.2	36.6	34.5	30.1	21.2	22.4	30.0	28.0	
Minority Interest & Profit/Loss of Asso. Cos.	187	220	303	-25	9	140	77	274	687	500	140	
<b>Reported PAT</b>	<b>3,171</b>	<b>2,040</b>	<b>1,535</b>	<b>1,445</b>	<b>1,666</b>	<b>2,329</b>	<b>2,453</b>	<b>2,835</b>	<b>8,190</b>	<b>9,283</b>	<b>2,361</b>	<b>3.9%</b>
<b>Adj PAT</b>	<b>1,623</b>	<b>2,040</b>	<b>1,535</b>	<b>1,725</b>	<b>1,666</b>	<b>2,317</b>	<b>2,453</b>	<b>2,835</b>	<b>6,923</b>	<b>9,269</b>	<b>2,361</b>	<b>3.9%</b>
YoY Change (%)	-43.2	-23.7	-36.9	-5.3	2.6	13.6	59.8	64.3	-29.3	33.9	53.8	
Margins (%)	4.3	4.8	3.6	4.0	3.8	4.8	5.1	5.9	4.2	4.9	5.0	

E: MOFSL Estimates

**Key performance Indicators (Consolidated)**

Y/E March	FY23				FY24E				FY23	FY24E	FY24E vs Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Hospital Revenue (Mature) (INRm)</b>	<b>14,466</b>	<b>15,920</b>	<b>15,422</b>	<b>15,185</b>	<b>15,845</b>	<b>17,500</b>	<b>17,245</b>	<b>17,385</b>	<b>60,993</b>	<b>67,975</b>	<b>16,656</b>	<b>3.5%</b>
YoY Growth (%)	14.1	9.3	9.2	18.4	9.5	9.9	11.8	14.5	12.5	11.4	8.0	
<b>Hospital Revenue (New) (INRm)</b>	<b>5,768</b>	<b>6,725</b>	<b>6,522</b>	<b>6,761</b>	<b>7,092</b>	<b>7,972</b>	<b>7,391</b>	<b>6,936</b>	<b>25,775</b>	<b>29,391</b>	<b>7,488</b>	<b>-1.3%</b>
YoY Growth (%)	-8.0	1.3	16.8	27.1	23.0	18.5	13.3	2.6	8.2	14.0	14.8	
<b>Back end distribution (INRm)</b>	<b>14,792</b>	<b>16,683</b>	<b>17,578</b>	<b>17,992</b>	<b>18,054</b>	<b>19,454</b>	<b>20,493</b>	<b>19,984</b>	<b>67,045</b>	<b>77,985</b>	<b>19,512</b>	<b>5.0%</b>
YoY Growth (%)	-2.2	42.9	34.5	30.9	22.1	16.6	16.6	11.1	25.1	16.3	11.0	
<b>AHLL Revenue (INRm)</b>	<b>2,930</b>	<b>3,183</b>	<b>3,114</b>	<b>3,084</b>	<b>3,187</b>	<b>3,542</b>	<b>3,377</b>	<b>3,465</b>	<b>12,311</b>	<b>13,571</b>	<b>3,436</b>	<b>-1.7%</b>
YoY Growth (%)	-5.2	-16.5	-0.6	-0.2	8.8	11.3	8.4	12.4	-6.2	10.2	10.3	
<b>Cost Break-up</b>												
Gross Margin (%)	48.6	48.9	48.0	48.1	48.7	49.3	47.8	50.7	48.4	49.1	49.1	
EBITDA Margin (%)	12.9	13.3	11.9	11.3	11.5	12.9	12.7	13.2	12.3	12.6	12.6	
PAT Margin (%)	4.3	4.8	3.6	4.0	3.8	4.8	5.1	5.9	4.2	4.9	5.0	



### Highlights from the management commentary

- It remains on track to add 2K beds over the next two to three years
- It added 119 pharmacy stores in 3QFY24, taking the total number of stores to 5,790.
- Transacting user base grew 18% YoY to 1.2m for Apollo 24/7.
- The overall ARPOB grew 9.5% YoY for the quarter. The in-patient volume grew moderately by 5.7% YoY, while out-patient volume reduced 2% YoY.
- Net debt stood at INR15.5b at the end of 3QFY24.

### Other operational highlights

#### Hospitals segment (51% of sales)

- In 3QFY24, ARPOB grew 10% YoY to INR56k, and occupancy increased 100bp YoY to 66%. Total operating beds increased 1% YoY to 7,911.
- In metro cities, APHS had 4,543 operating beds with an ARPOB/occupancy of INR69k/67%. In non-metro cities, APHS had 3,368 operating beds with an ARPOB/occupancy of INR39k/62%.

#### Healthco (offline/online pharmacy and Apollo 24/7; 42% of sales)

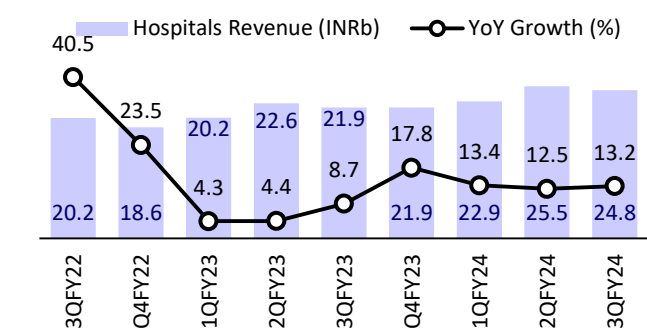
- In 3QFY24, Healthco turned EBITDA positive vs a loss of INR629m in 3QFY23. It was due to cost optimization and growth in operational revenue coming from Pharmacy distribution.
- In 3QFY24, 119 net new stores were opened, taking the total count to 5,790.
- GMV of Apollo 24/7 stood at INR6.6b (up 21% YoY, down 9% QoQ).

#### AHLL (7% of sales)

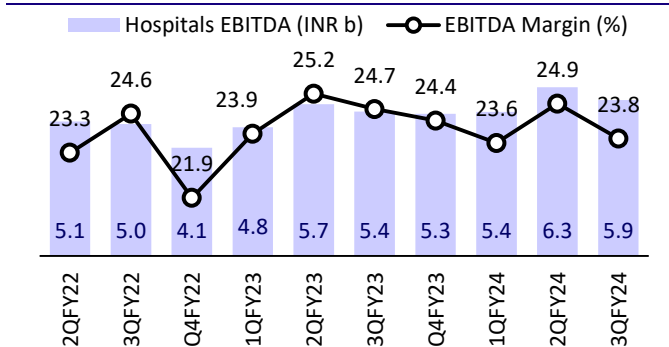
- In 3QFY24, Diagnostics/Primary care/Specialty care revenue grew 19%/5%/3% YoY to INR1b/INR0.9b/INR1.5b.
- Footfalls per day in Diagnostics increased 28% YoY. In Specialty care, footfalls per day increased 32%/10% YoY in Fertility/Cradle segments. Within primary care, the Dialysis segment witnessed 16% YoY growth in footfalls per day.

## Key exhibits

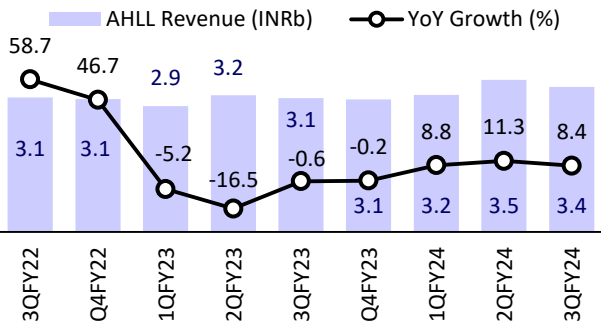
**Exhibit 1: Revenue for Hospitals grew 13% YoY in 3QFY24**



**Exhibit 2: Hospitals' EBITDA margin contracted 90bp in 2Q**

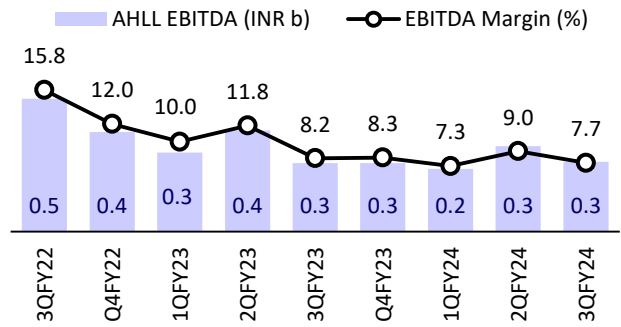


**Exhibit 3: AHLL – revenue grew 8% YoY in 3QFY24**



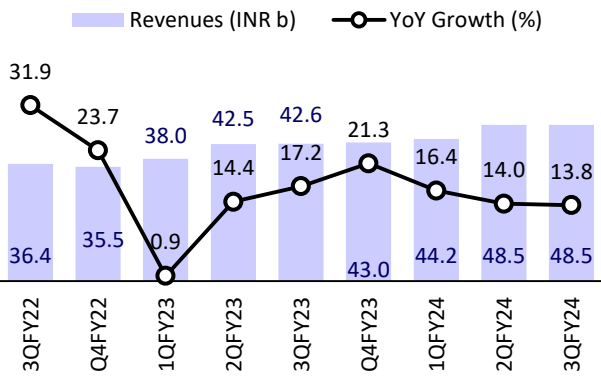
Source: MOFSL, Company

**Exhibit 4: AHLL – EBITDA margin contracted 50bp YoY**



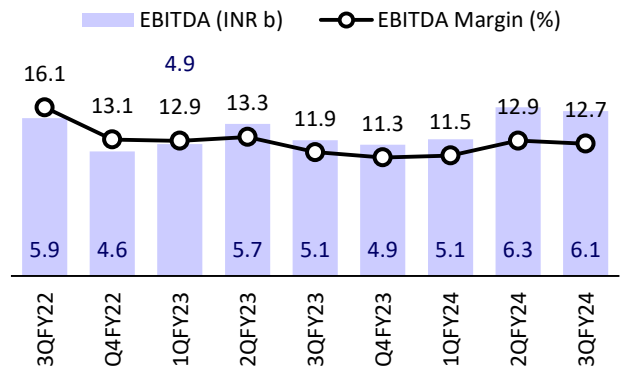
Source: MOFSL, Company

**Exhibit 5: APHS – overall revenue grew 14% YoY in 3QFY24**



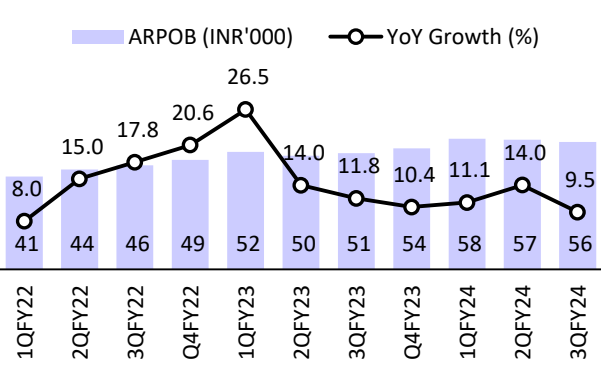
Source: MOFSL, Company

**Exhibit 6: APHS – overall EBITDA margin up 80bp YoY**



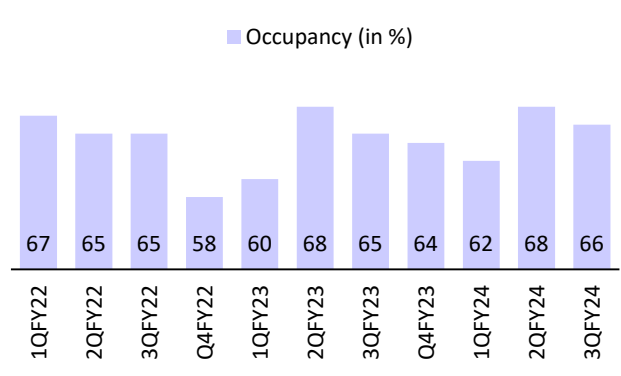
Source: MOFSL, Company

**Exhibit 7: ARPOB grew 10% YoY in 3QFY24**



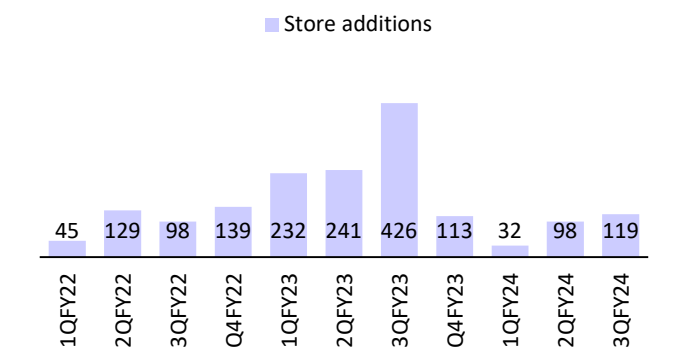
Source: MOFSL, Company

**Exhibit 8: Occupancy increased 100bp YoY in 3QFY24**



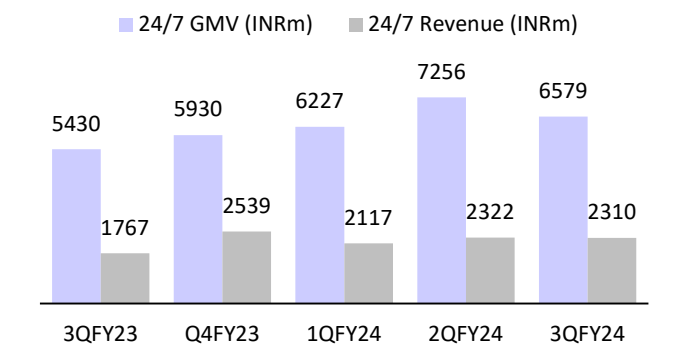
Source: MOFSL, Company

**Exhibit 9: Growth in store additions in 3QFY24**



Source: MOFSL, Company

**Exhibit 10: Revenue to GMV ratio increased in 3QFY24**



Source: MOFSL, Company

### Focused strategy across hospitals as well as Healthco

#### Hospitals: Efforts underway to improve occupancy/ARPOB

- In 9MFY24, Hospitals segment’s revenue grew 13% YoY to INR73b. This growth was led by 13% YoY growth in ARPOB to ~INR57k. The occupancy rate grew modestly by 100bp to 65%.
- Expansion in ARPOB led to 16% YoY growth in self-pay and insurance and robust growth in international revenue.
- Going forward, APHS plans to further improve occupancy through its own network and international patients.
- Additionally, over FY24-27, APHS has planned a total capital outlay of ~INR34b to add 2,860 beds remains on track.
- We expect 14% sales CAGR in the hospitals segment to INR127b over FY24-26.

#### Profitability led growth in Offline/online pharmacy

- In 9MFY24, offline pharmacy revenue grew 16% YoY to INR51b. Moreover, online pharmacy revenue jumped 18% YoY to INR6.6b.
- In 9MFY24, APHS aggressively expanded its store presence, adding 249 stores and bringing the total count to 5,790.
- Interestingly, the GMV of 24/7 increased 91% YoY to INR20b in 9MFY24.
- We expect 15% sales CAGR in the back-end pharmacy segment to INR89b over FY24-26.

#### AHLL: Network expansion in Diagnostics/Specialty Care to drive growth

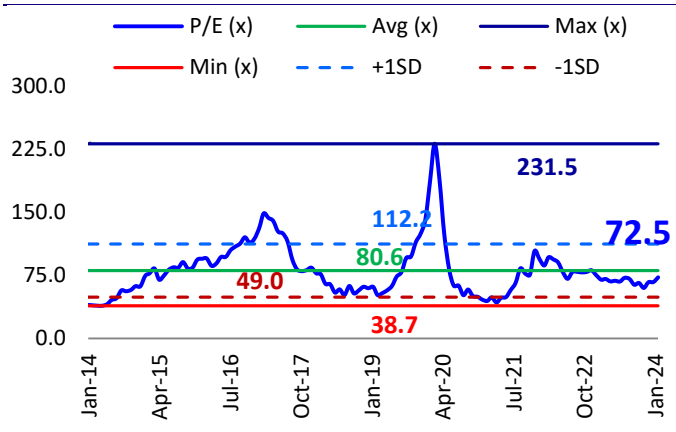
- In 9MFY24, AHLL sales grew 10% YoY to INR10b. The diagnostics segment outperformed, registering a 23% YoY growth compared to the industry’s 8-10% YoY growth. Both the Primary and Specialty care segments witnessed a 4% growth.
- Within diagnostics, the Preventive Health Screening/Wellness segment grew 34% YoY. It will continue to be an area of focus and is likely to drive growth in the diagnostics segment.
- The diagnostics margin profile would reach mid-teens level by year-end, driven by cost-optimization initiatives such as franchisee payout restructuring and logistics optimization. Moreover, it will enhance the number of tests offered to more than 1,500 by CY24.

- In Specialty care, footfalls per day grew 31% YoY in fertility and 15% in Cradle. Additionally, the dialysis segment witnessed 20% YoY growth in footfalls per day.
- Interestingly, it is focused on increasing footfalls across the spectrum. A cradle centre with comprehensive women & childcare services is planned to be commissioned in Bangalore (Electronic City) by the end of 4QFY24. In fertility, the focus is on ramping up volumes to improve margin profile as fixed costs are expected to remain stable going forward.
- Accordingly, we project a 12%/27% CAGR in sales/EBITDA in this segment over FY24-26.

**Reiterate BUY**

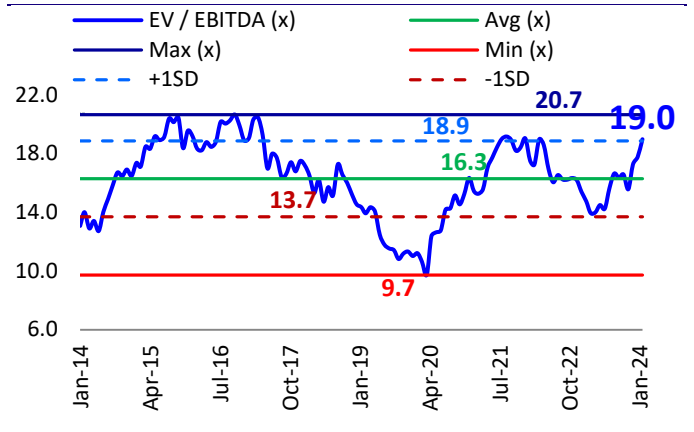
- We raise our earnings estimate by 3%/2% for FY25/FY26, factoring a) a faster turnaround of the Apollo 24/7 business, b) initiatives aimed at enhancing occupancy rates and c) tariff hikes in the institutional patient category. We value APHS on an SOTP basis (27x 12M forward EV/EBITDA for healthcare services, 12x 12M forward EV/EBITDA for backend pharmacy, 20x 12M forward EV/EBITDA for front-end pharmacy, 2x EV/sales for Apollo 24/7, and 25x EV/EBITDA for AHLL) to arrive at a price target of INR7,400.
- APHS is implementing efforts across segments – adding 2K beds over the next three years, improving payor mix to drive better ARPOB, and building tailwinds for GMV growth as well as improve operational efficiency. This would drive 15%/23% revenue/EBITDA CAGR over FY24-26. We reiterate our **BUY** rating on the stock.

**Exhibit 11: P/E chart**



Source: MOFSL, Company, Bloomberg

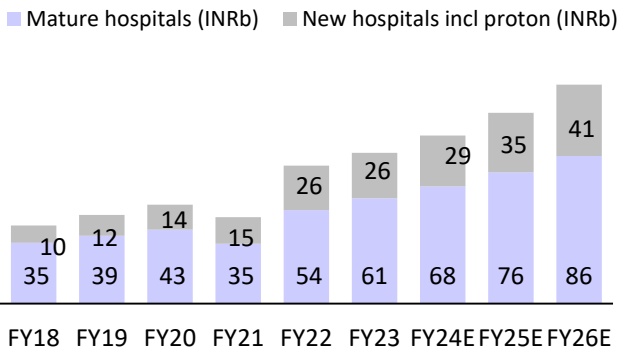
**Exhibit 12: EV/EBITDA chart**



Source: MOFSL, Company, Bloomberg

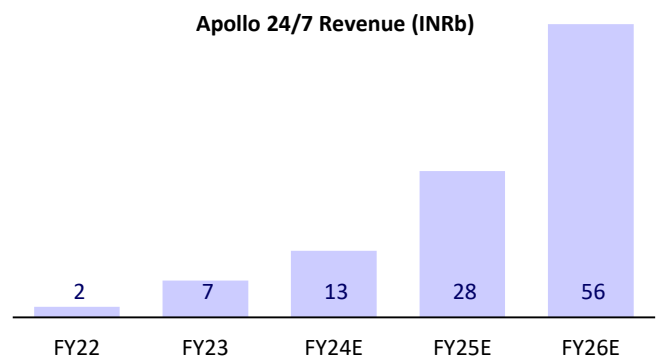
Story in charts

**Exhibit 13: We expect 12% sales CAGR over FY24-26 in the hospitals segment**



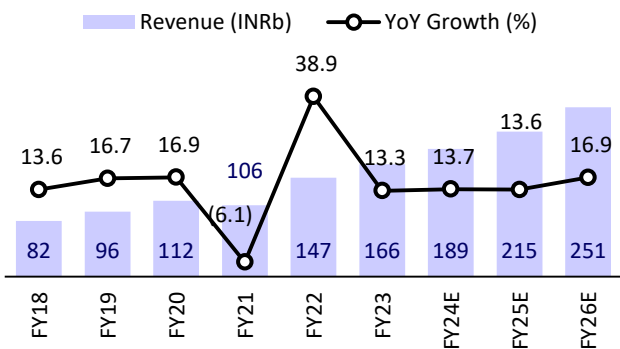
Source: Company, MOFSL

**Exhibit 14: Expect exponential growth in Apollo 24/7 revenues**



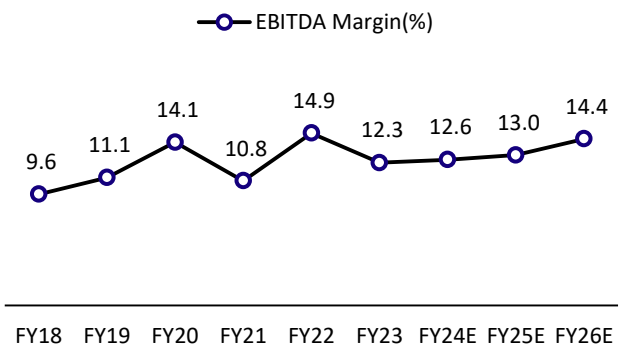
Source: Company, MOFSL

**Exhibit 15: Expect 15% overall revenue CAGR over FY24-26**



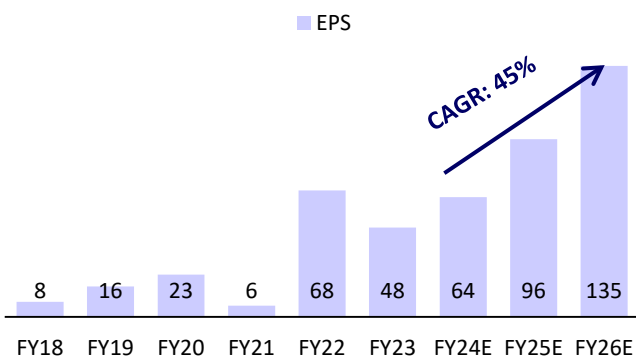
Source: Company, MOFSL

**Exhibit 16: Expect overall EBITDA margin to expand 180bp over FY24-26**



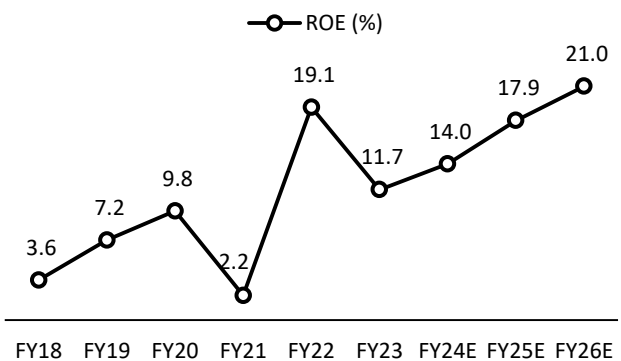
Source: Company, MOFSL

**Exhibit 17: Expect 45% EPS CAGR over FY23-25**



Source: Company, MOFSL

**Exhibit 18: Expect ROE to increase over FY24-26**



Source: Company, MOFSL

## Financials and valuation

### Consolidated - Income Statement

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Total Income from Operations</b>	<b>82,435</b>	<b>96,174</b>	<b>112,468</b>	<b>105,600</b>	<b>146,626</b>	<b>166,124</b>	<b>188,922</b>	<b>214,629</b>	<b>250,920</b>
Change (%)	13.6	16.7	16.9	-6.1	38.9	13.3	13.7	13.6	16.9
<b>Total Expenditure</b>	<b>74,503</b>	<b>85,538</b>	<b>96,596</b>	<b>94,226</b>	<b>124,775</b>	<b>145,628</b>	<b>165,118</b>	<b>186,727</b>	<b>214,788</b>
% of Sales	90.4	88.9	85.9	89.2	85.1	87.7	87.4	87.0	85.6
<b>EBITDA</b>	<b>7,932</b>	<b>10,637</b>	<b>15,872</b>	<b>11,374</b>	<b>21,851</b>	<b>20,496</b>	<b>23,804</b>	<b>27,902</b>	<b>36,133</b>
Margin (%)	9.6	11.1	14.1	10.8	14.9	12.3	12.6	13.0	14.4
Depreciation	3,590	3,955	6,197	5,731	6,007	6,152	6,630	6,413	6,656
<b>EBIT</b>	<b>4,341</b>	<b>6,681</b>	<b>9,675</b>	<b>5,643</b>	<b>15,844</b>	<b>14,343</b>	<b>17,174</b>	<b>21,488</b>	<b>29,477</b>
Int. and Finance Charges	2,951	3,270	5,328	4,492	3,786	3,808	4,314	3,688	3,274
Other Income	322	324	270	450	781	903	1,096	1,245	1,255
<b>PBT bef. EO Exp.</b>	<b>1,712</b>	<b>3,736</b>	<b>4,617</b>	<b>1,601</b>	<b>12,839</b>	<b>11,439</b>	<b>13,956</b>	<b>19,045</b>	<b>27,458</b>
EO Items	0	0	1,952	614	2,941	0	19	0	0
<b>PBT after EO Exp.</b>	<b>1,712</b>	<b>3,736</b>	<b>6,569</b>	<b>2,215</b>	<b>15,781</b>	<b>11,439</b>	<b>13,975</b>	<b>19,045</b>	<b>27,458</b>
Total Tax	1,119	1,734	2,252	847	4,770	2,562	4,193	4,761	7,469
Tax Rate (%)	65.4	46.4	34.3	38.2	30.2	22.4	30.0	25.0	27.2
Minority Interest	-579	-359	-231	-8	454	687	500	525	551
<b>Reported PAT</b>	<b>1,172</b>	<b>2,361</b>	<b>4,548</b>	<b>1,368</b>	<b>10,557</b>	<b>8,190</b>	<b>9,283</b>	<b>13,759</b>	<b>19,438</b>
<b>Adjusted PAT</b>	<b>1,172</b>	<b>2,361</b>	<b>3,265</b>	<b>870</b>	<b>9,787</b>	<b>6,923</b>	<b>9,269</b>	<b>13,759</b>	<b>19,438</b>
Change (%)	-47.0	101.5	38.3	-73.4	1,024.9	-29.3	33.9	48.4	41.3
Margin (%)	1.4	2.5	2.9	0.8	6.7	4.2	4.9	6.4	7.7

### Consolidated - Balance Sheet

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	696	696	696	719	719	719	719	719	719
Total Reserves	31,819	32,639	32,695	45,306	55,733	61,253	69,694	82,611	101,208
<b>Net Worth</b>	<b>32,515</b>	<b>33,335</b>	<b>33,390</b>	<b>46,025</b>	<b>56,452</b>	<b>61,971</b>	<b>70,413</b>	<b>83,330</b>	<b>101,927</b>
Minority Interest	1,324	1,355	1,307	1,999	2,543	3,341	3,341	3,341	3,341
Total Loans	39,017	41,534	38,567	30,846	26,357	27,103	25,103	20,203	15,303
Non-Current Lease Liabilities	0	0	18,676	12,301	13,333	14,983	14,983	14,983	14,983
Deferred Tax Liabilities	2,393	2,975	2,447	2,354	5,215	4,303	4,303	4,303	4,303
<b>Capital Employed</b>	<b>75,250</b>	<b>79,198</b>	<b>94,387</b>	<b>93,525</b>	<b>103,900</b>	<b>111,702</b>	<b>118,144</b>	<b>126,161</b>	<b>139,858</b>
Gross Block	56,846	62,594	98,760	92,371	107,815	115,853	125,231	131,307	134,922
Less: Accum. Deprn.	12,580	16,240	27,960	28,395	34,402	40,554	47,184	53,598	60,253
<b>Net Fixed Assets</b>	<b>44,266</b>	<b>46,354</b>	<b>70,800</b>	<b>63,976</b>	<b>73,413</b>	<b>75,298</b>	<b>78,047</b>	<b>77,709</b>	<b>74,668</b>
Goodwill on Consolidation	3,463	3,462	3,462	3,753	9,235	9,858	9,858	9,858	9,858
Capital WIP	7,122	8,218	2,356	2,339	455	6,098	5,720	2,644	2,029
<b>Total Investments</b>	<b>3,520</b>	<b>4,617</b>	<b>4,631</b>	<b>13,659</b>	<b>8,063</b>	<b>5,777</b>	<b>5,777</b>	<b>5,777</b>	<b>5,777</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>27,586</b>	<b>29,007</b>	<b>31,639</b>	<b>30,188</b>	<b>40,893</b>	<b>47,125</b>	<b>55,566</b>	<b>71,897</b>	<b>95,846</b>
Inventory	5,658	5,848	7,378	2,495	4,318	3,902	4,424	5,003	5,755
Account Receivables	8,252	10,232	10,272	13,311	17,676	22,342	25,408	28,866	33,747
Cash and Bank Balance	4,172	3,470	4,668	7,244	10,359	7,758	10,809	21,074	36,523
Loans and Advances	9,503	9,457	9,321	7,138	8,541	13,123	14,924	16,954	19,821
<b>Curr. Liability &amp; Prov.</b>	<b>10,706</b>	<b>12,459</b>	<b>18,501</b>	<b>20,390</b>	<b>28,159</b>	<b>32,454</b>	<b>36,842</b>	<b>41,743</b>	<b>48,339</b>
Account Payables	7,186	8,351	9,898	12,328	16,318	19,157	21,720	24,563	28,254
Other Current Liabilities	2,655	2,961	7,271	6,746	10,420	11,597	13,188	14,983	17,516
Provisions	866	1,147	1,331	1,316	1,421	1,701	1,934	2,197	2,569
<b>Net Current Assets</b>	<b>16,880</b>	<b>16,548</b>	<b>13,138</b>	<b>9,798</b>	<b>12,734</b>	<b>14,671</b>	<b>18,723</b>	<b>30,154</b>	<b>47,507</b>
<b>Appl. of Funds</b>	<b>75,250</b>	<b>79,198</b>	<b>94,387</b>	<b>93,525</b>	<b>103,900</b>	<b>111,702</b>	<b>118,144</b>	<b>126,161</b>	<b>139,858</b>

E: MOFSL Estimates



## Financials and valuation

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>8.1</b>	<b>16.4</b>	<b>22.7</b>	<b>6.1</b>	<b>68.1</b>	<b>48.2</b>	<b>64.5</b>	<b>95.7</b>	<b>135.2</b>
Cash EPS	34.2	45.4	68.0	47.4	113.5	94.0	114.3	145.0	187.6
BV/Share	233.7	239.6	240.0	330.8	405.8	445.5	506.1	599.0	732.7
DPS	5.0	6.0	6.7	3.0	5.0	5.0	5.0	5.0	5.0
Payout (%)	69.5	42.6	22.4	31.5	8.0	10.3	9.1	6.1	4.3
<b>Valuation (x)</b>									
P/E	789.4	391.8	283.2	1,063.1	94.5	133.6	99.8	67.2	47.6
Cash P/E	187.9	141.7	94.6	135.6	56.7	68.4	56.3	44.4	34.3
P/BV	27.5	26.8	26.8	19.4	15.9	14.4	12.7	10.7	8.8
EV/Sales	11.3	9.7	8.3	9.0	6.4	5.7	5.0	4.3	3.6
EV/EBITDA	117.2	87.7	58.5	83.4	43.1	46.1	39.5	33.1	25.0
Dividend Yield (%)	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1
FCF per share	-6.0	16.7	56.2	69.1	67.0	17.3	66.8	132.0	165.3
<b>Return Ratios (%)</b>									
RoE	3.6	7.2	9.8	2.2	19.1	11.7	14.0	17.9	21.0
RoCE	2.3	5.1	8.9	5.1	14.5	13.8	13.9	17.1	20.3
RoIC	2.5	5.8	8.7	4.6	14.2	12.6	12.8	16.7	22.3
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	1.5	1.5	1.1	1.1	1.4	1.4	1.5	1.6	1.9
Inventory (Days)	25	22	24	9	11	9	9	9	8
Debtor (Days)	37	39	33	46	44	49	49	49	49
Creditor (Days)	32	32	32	43	41	42	42	42	41
<b>Leverage Ratio (x)</b>									
Current Ratio	2.6	2.3	1.7	1.5	1.5	1.5	1.5	1.7	2.0
Interest Cover Ratio	1.5	2.0	1.8	1.3	4.2	3.8	4.0	5.8	9.0
Net Debt/Equity	1.0	1.0	0.9	0.2	0.1	0.2	0.1	-0.1	-0.3

### Consol Cash Flow Statement

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	596	2,002	4,317	1,368	11,084	8,446	13,956	19,045	27,458
Depreciation	3,590	3,955	6,197	5,731	6,007	6,152	6,630	6,413	6,656
Interest & Finance Charges	2,766	3,125	5,155	4,274	3,786	3,808	3,218	2,443	2,019
Direct Taxes Paid	-1,251	-1,924	-3,061	353	-2,043	-3,820	-4,193	-4,761	-7,469
(Inc)/Dec in WC	-2,054	-458	-703	-721	-4,630	-4,500	-1,001	-1,167	-1,903
<b>CF from Operations</b>	<b>3,648</b>	<b>6,700</b>	<b>11,905</b>	<b>11,005</b>	<b>14,204</b>	<b>10,087</b>	<b>18,611</b>	<b>21,974</b>	<b>26,761</b>
Others	1,722	2,350	1,024	1,729	1,953	3,684	0	0	0
<b>CF from Operating incl EO</b>	<b>5,370</b>	<b>9,050</b>	<b>12,929</b>	<b>12,734</b>	<b>16,156</b>	<b>13,771</b>	<b>18,611</b>	<b>21,974</b>	<b>26,761</b>
(Inc)/Dec in FA	-6,205	-6,720	-5,106	-2,804	-6,518	-11,285	-9,000	-3,000	-3,000
<b>Free Cash Flow</b>	<b>-835</b>	<b>2,329</b>	<b>7,823</b>	<b>9,930</b>	<b>9,639</b>	<b>2,485</b>	<b>9,611</b>	<b>18,974</b>	<b>23,761</b>
(Pur)/Sale of Investments	1,947	376	2,043	-6,207	-1,859	2,065	0	0	0
Others	209	-761	175	288	469	515	1,096	1,245	1,255
<b>CF from Investments</b>	<b>-4,049</b>	<b>-7,106</b>	<b>-2,888</b>	<b>-8,723</b>	<b>-7,907</b>	<b>-8,706</b>	<b>-7,904</b>	<b>-1,755</b>	<b>-1,745</b>
Issue of Shares	83	0	0	11,520	0	45	0	0	0
Inc/(Dec) in Debt	0	0	-571	-8,985	-2,866	688	-2,000	-4,900	-4,900
Interest Paid	-3,178	-3,620	-5,645	-4,676	-3,764	-2,514	-4,314	-3,688	-3,274
Dividend Paid	-1,008	-837	-1,551	-383	-433	-2,579	-841	-841	-841
<b>CF from Fin. Activity</b>	<b>-1,085</b>	<b>-2,145</b>	<b>-9,095</b>	<b>-3,567</b>	<b>-7,677</b>	<b>-5,582</b>	<b>-7,655</b>	<b>-9,954</b>	<b>-9,566</b>
<b>Inc/Dec of Cash</b>	<b>236</b>	<b>-201</b>	<b>946</b>	<b>444</b>	<b>572</b>	<b>-518</b>	<b>3,052</b>	<b>10,264</b>	<b>15,449</b>
Opening Balance	2,829	3,064	2,862	3,808	4,252	4,824	4,306	7,358	17,622
Closing Balance	3,065	2,863	3,808	4,252	4,824	4,306	7,358	17,622	33,071
Bank Balance	1,108	606	860	2,992	5,535	3,452	3,452	3,452	3,452
<b>Total Cash and Cash Equivalent</b>	<b>4,172</b>	<b>3,470</b>	<b>4,668</b>	<b>7,244</b>	<b>10,359</b>	<b>7,758</b>	<b>10,809</b>	<b>21,074</b>	<b>36,523</b>

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