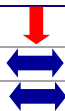


Bharat Forge

Estimate changes

TP change

Rating change



CMP: INR1,131

TP: INR1,315 (+16%)

Buy

In-line operating performance led by non-autos

Demand moderation across sectors/geographies likely in FY25

- Bharat Forge's (BHFC) 3QFY24 standalone performance was in line with our estimates. While the near-term outlook is cautious, BHFC has several long-term growth drivers to sustain its outperformance over the industry. The turnaround of its overseas subsidiaries seems on track and on expected lines.
- We cut our FY24E/25E EPS by 7%/ 6% to factor in weak demand, especially in auto exports. **Reiterate BUY with a TP of INR1,315 (based on 28x Mar'26E consolidated EPS + INR133 for two gun platforms).**

Losses in foreign subsidiaries decline sequentially

- BHFC's 3QFY24 standalone revenue/EBITDA/adj. PAT grew 16%/31%/32% YoY to INR22.6b/INR6.45b/INR3.8b (vs. est. INR23.4b/INR6.4b/INR3.7b). 9MFY24 revenue/EBITDA/adj. PAT grew 19%/29%/29.5% YoY.
- Tonnage grew 7% YoY to 67.2k tons (est. 72.2k tons). Net realizations grew 8% YoY (+5% QoQ) to ~INR336.7k (est. INR324.6k), led by improved mix.
- Net revenue grew 16% YoY to INR22.6b (est. INR23.4b). Domestic/export revenue grew 34.5%/4% YoY. Auto segment grew 8% YoY, whereas non-autos grew 27% YoY.
- Revenue growth was limited on account of: 1) inventory corrections at customers' end in the oil and gas segment, 2) closure of a couple of programs in PV exports, and 3) flat performance QoQ in domestic CV.
- Gross margins improved 2.2pp YoY to 58.1%.
- EBITDA grew 31% YoY to INR6.45b (est. INR6.4b). EBITDA margins improved 320bp YoY to 28.5% (est. 27.1%), aided by benign RM costs and better cost control measures.
- Lower other income was offset by Fx gains, leading to in line adj. PAT at INR3.8b (+32% YoY).
- The company declared an interim dividend of INR2.5/share for FY24.
- Overseas subsidiary EBIDTA margin improved 100bp QoQ to 2.7%.

Highlights from the management interaction

- As per the management, the **near-term outlook is mixed**. While demand for PV exports, industrial and defense is healthy, CV Europe demand is tapering off. Oil and gas demand is also weak. While domestic CV demand remains weak, the management is confident of a revival in the medium to long term.
- The management indicated that emission norms will be effective in the US Class8 segment in CY27. Hence, it **expects pre-buying to get triggered in 2025 and 2026**. Hence, over the next three years, the US Class8 industry is expected to clock 1mn sales, as per the management
- Overseas subsidiaries are likely to post mid to high single digit EBIDTA margin in FY25E.

	BHFC IN
Bloomberg	
Equity Shares (m)	466
M.Cap.(INRb)/(USD\$b)	526.6 / 6.3
52-Week Range (INR)	1330 / 744
1, 6, 12 Rel. Per (%)	-8/5/7
12M Avg Val (INR M)	1129

Consol. Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	129.1	148.3	163.2
EBITDA (%)	13.8	18.8	20.6
Adj. PAT	5.4	12.0	17.6
EPS (INR)	11.6	25.8	37.9
EPS Gr. (%)	-46.4	121.8	46.9
BV/Sh. (INR)	144	164	195
Ratios			
RoE (%)	8.2	16.8	21.1
RoCE (%)	5.9	10.7	13.7
Payout (%)	47.3	24.3	16.5
Valuations			
P/E (x)	106.5	48.0	32.7
P/BV (x)	8.6	7.6	6.3
EV/EBITDA (x)	35.7	22.8	18.6
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	0.6	1.2	3.5

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	45.3	45.3	45.3
DII	27.9	28.1	26.3
FII	16.6	16.3	17.9
Others	10.2	10.2	10.6

FII Includes depository receipts

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Aniket Desai - Research analyst (Aniket.Desai@MotilalOswal.com)

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.

Valuation and view

- While BHFC's core India business is on the growth path, it is worth noting that the underlying macro environment in the US and EU is showing signs of weakness. However, the newly established businesses incubated over the last 5-10 years have reached pivotal moments and they have the potential to offset the anticipated challenges in core operations. The Defense segment is poised for significant growth, with execution already underway. The e-mobility sector presents a substantial opportunity and possesses foundational elements, but the competitive landscape is yet to evolve.
- We cut our FY24E/25E EPS by 7%/ 6% to factor in a weak demand environment, especially in auto exports. We estimate a consolidated revenue/ EBITDA/PAT CAGR of 10%/26.5%/54% over FY23-26E. The stock trades at 48x/ 32.7x FY24E/FY25E consolidated EPS. **Reiterate BUY with a TP of INR1,315 (based on 27x Mar-26E consolidated EPS + INR133 for two gun platforms).**

S/A Quarterly

(INR Million)

	FY23				FY24E				FY23	FY24E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Tonnage	57,915	61,149	62,755	64,648	67,780	70,316	67,232	69,483	2,46,467	2,74,811	72,168
Change (%)	8.2	7.1	17.6	12.3	17.0	15.0	7.1	7.5	11.3	11.5	15.0
Realization (INR '000/ton)	303.8	304.8	311.1	308.9	313.9	319.9	336.7	342.2	307.3	328.1	324.6
Change (%)	18.5	9.1	3.6	6.2	3.3	4.9	8.2	10.7	9.0	6.8	4.4
Net operating income	17,594	18,639	19,521	19,973	21,273	22,494	22,634	23,774	75,727	90,174	23,429
Change (%)	28.2	16.8	21.8	19.3	20.9	20.7	15.9	19.0	21.3	19.1	20.0
EBITDA	4,600	4,522	4,936	5,226	5,530	6,163	6,455	6,829	19,284	24,977	6,392
EBITDA Margins (%)	26.1	24.3	25.3	26.2	26.0	27.4	28.5	28.7	25.5	27.7	27.3
Non-Operating Income	259	477	377	391	472	424	346	360	1,505	1,602	450
Interest	263	357	849	658	705	726	809	857	2,127	3,097	720
Depreciation	1064	1066	1079	1051	1089	1128	1124	1132	4,260	4,473	1140
Fx loss/(gain)	250	-8	-415	347	43	95	-177	0	173	-39	0
PBT after EO items	3,252	3,579	3,844	3,154	4,165	4,616	5,044	5,201	13,827	19,026	4,982
Eff. Tax Rate (%)	25.1	25.1	24.8	22.5	25.2	25.0	25.1	24.1	24.4	24.8	25.0
Rep. PAT	2,436	2,681	2,892	2,445	3,115	3,460	3,778	3,947	10,454	14,300	3,737
Change (%)	46.2	-14.0	-14.3	-6.7	27.9	29.0	30.6	61.4	-3.0	36.8	29.2
Adj. PAT	2,460	2,686	2,859	2,754	3,115	3,476	3,778	3,947	10,776	14,317	3,737
Change (%)	14.8	-11.5	8.6	4.4	26.7	29.4	32.1	43.3	3.1	32.9	30.7

E: MOFSL Estimates

Key Performance Indicators

Segment Mix	FY23				FY24E				FY23	FY24E	3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Auto	9,630	10,621	10,988	11,233	11,291	12,258	11,880	11,908	42,472	47,337	12,517
Growth (%)	20.4	27.8	41.4	23.9	17.2	15.4	8.1	6.0	28.1	11.5	13.9
Contribution (%)	58.3	60.8	59.4	59.9	56.0	57.4	55.6	52.4	59.6	55.3	56.2
Non-Auto	6,882	6,860	7,503	7,519	8,889	9,113	9,503	10,800	28,764	38,305	9,761
Growth (%)	41.8	2.8	2.6	11.7	29.2	32.8	26.7	43.6	12.5	33.2	30.1
Contribution (%)	41.7	39.2	40.6	40.1	44.0	42.6	44.4	47.6	40.4	44.7	43.8
Total Product sales	16,512	17,481	18,491	18,752	20,180	21,371	21,383	22,708	71,236	85,642	22,279
Tonnage	57,915	61,149	62,755	64,648	67,780	70,316	67,232	69,483	2,46,467	2,74,811	72,168
Change (%)	8.2	7.1	17.6	12.3	17.0	15.0	7.1	7.5	11.3	11.5	15.0
Realization (INR '000/ton)	304	305	311	309	314	320	337	342	307	328	325
Change (%)	18.5	9.1	3.6	6.2	3.3	4.9	8.2	10.7	9.0	6.8	4.4
Net operating revenues	17594	18639	19521	19973	21273	22494	22634	23774	75727	90174	23429
Change (%)	28.2	16.8	21.8	19.3	20.9	20.7	15.9	19.0	21.3	19.1	20.0
RM/Sales %	41.3	44.4	44.1	43.5	44.3	43.3	41.9	41.8	43.4	42.8	43.6
Staff Cost (% of sales)	7.7	7.2	7.0	6.8	7.0	6.7	6.7	6.8	7.2	6.8	6.6
Other Cost (% of sales)	24.8	24.1	23.7	23.6	22.7	22.6	22.5	22.6	24.0	22.7	22.5
Gross Margin (%)	58.7	55.6	55.9	56.5	55.7	56.7	58.1	58.2	56.6	57.2	56.4
EBITDA Margins (%)	26.1	24.3	25.3	26.2	26.0	27.4	28.5	28.7	25.5	27.7	27.3
EBIT Margins (%)	20.1	18.5	19.8	20.9	20.9	22.4	23.6	24.0	19.8	22.7	22.4



Highlights from the management interaction

Outlook – near-term outlook mixed

- As per the management, the near term outlook is mixed. While demand for PV exports, Industrial and defense is healthy, CV Europe demand is tapering off. Also, oil and gas demand is weak. While domestic CV demand remains weak, the management is confident of a revival in the medium to long term.
- However, the management expects its growth momentum to sustain in the medium to long term on the back of strong growth drivers for Industrial segment, castings, and new export opportunities in both domestic and export markets, including in aerospace segment.
- The management has indicated that given the macro-economic challenges globally, it expects revenue growth to moderate in FY25 and they would continue to outperform industry growth.

Defense and aerospace update

- Defense revenue in 3Q stood at INR3.5b.
- The management indicated that they are working on multiple new programs in defense, which include artillery guns, vehicle, naval, aerospace, components, and MRO.
- BHCF is now participating in few large development programs which have huge business potential if these fructify.
- The company expects to receive the domestic ATAG order anytime now as the bidding process is in its final stages.
- It sees a significant growth opportunity in the aerospace segment and expects this business to double every 2 years (80% exports mix)
- The company expects the defense segment to garner INR10b in revenues in FY24, which is expected to ramp up to INR25b in the next 2-2.5 years.
- Defense business on an aggregate basis has strong double-digit margins.

CV exports outlook

- The management indicated that emission norms will be effective in the US Class8 segment in CY27. Hence, BHFC expects pre-buying to get triggered in 2025 and 2026. Hence, over the next three years, the US Class8 industry is expected to clock 1mn sales, as per the management.
- Hence, while the economic outlook remains uncertain, the US Class8 industry is likely to see steady demand in coming years, led by pre-buying.
- However, demand for Europe EV segment remains weak.

Update on overseas subsidiary

- The management has indicated that it is passing on the impact of cost increases to customers. Accordingly, it expects Europe margins to significantly improve in FY25. While US margins are also expected to improve, it will happen with a lag.
- Overseas subsidiaries are likely to post mid to high single digit EBIDTA margin in FY25E.
- While the US subsidiary is operating at 50% utilization, the Europe subsidiary is operating at 70% utilization.

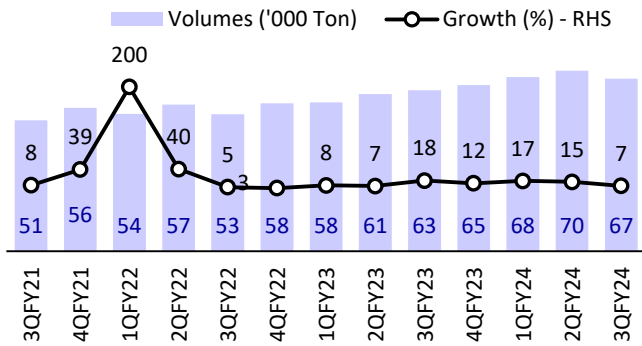
Update on JS Auto Cast

- Although offtake from its key customer Vestas has declined, BHFC continues to get new business wins and has secured INR2b worth of new business already across segments.
- Also, after the acquisition of Indo-Shell, BHFC has a lot of capacity to ramp up in coming years.
- The management expects JS Auto Cast margins to improve from hereon.

Update on EV business

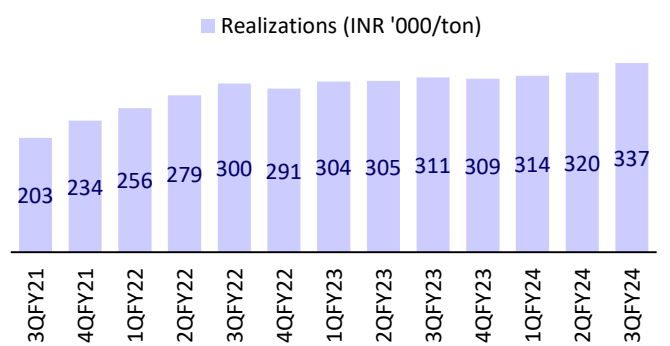
- The management targets to supply a slew of products in the EV CV segment in India, including motor, inverter, convertor and casting, chassis components, etc.
- It expects content per vehicle to significantly increase in EVs in coming years.
- While initial margins may not be good, BHFC expects a significant increase in content supplied to EVs going forward.

Exhibit 1: Volume trend



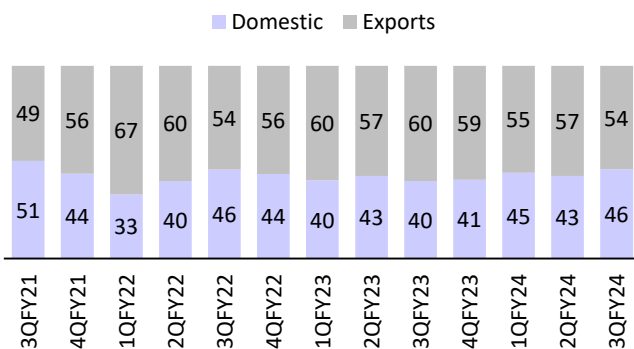
Source: Company, MOFSL

Exhibit 2: Trend in realizations



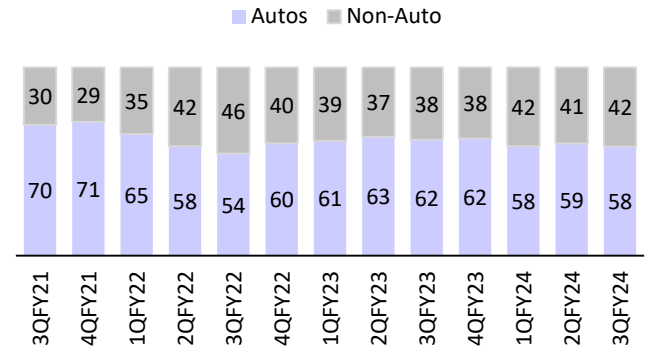
Source: Company, MOFSL

Exhibit 3: Market mix trend



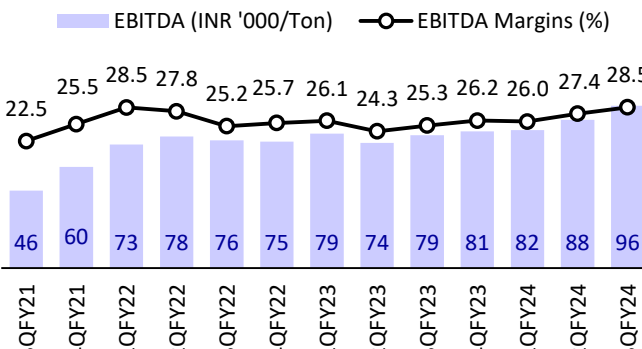
Source: Company, MOFSL

Exhibit 4: Trend in product mix



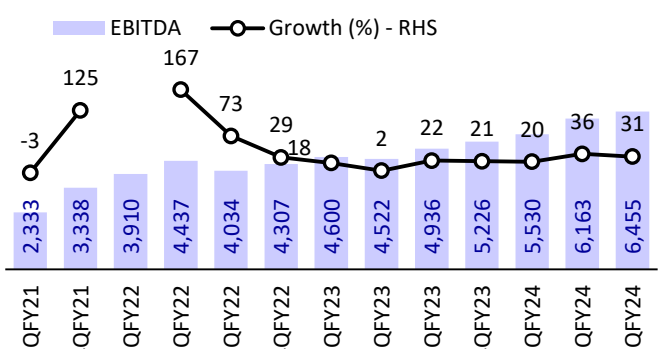
Source: Company, MOFSL

Exhibit 5: Trend in EBITDA margin



Source: Company, MOFSL

Exhibit 6: EBITDA growth trend



Source: Company, MOFSL

Exhibit 7: Geography-wise revenue breakup

INR m	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
India	7,403	7,350	7,118	7,975	7,858	8,170	9,484	9,623	10,499
Growth (%)	44	30	56	24	6	11	33	21	34
Contribution (%)	46	44	40	43	40	41	45	43	46
US	5,775	6,290	7,029	7,186	8,135	8,108	7,645	8,151	8,076
Growth (%)	65	44	13	6	41	29	9	13	-1
Contribution (%)	36	38	40	39	42	41	36	36	36
EU	2,656	2,778	3,108	2,860	2,832	3,072	3,404	3,327	2,821
Growth (%)	98	4	18	12	7	11	10	16	0
Contribution (%)	17	17	18	15	15	15	16	15	12
Others	187	323	339	618	696	623	740	1,393	1,238
Growth (%)	-28	25	28	211	272	93	118	125	78
Contribution (%)	1	2	2	3	4	3	3	6	5
Total	16,021	16,741	17,594	18,639	19,521	19,973	21,273	22,494	22,634
Growth (%)	56	29	28	17	22	19	21	21	16

Source: Company, MOFSL

Exhibit 8: Segment-wise revenue breakup

INR M	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Autos	34,148	25,194	21,359	33,143	42,472	47,337	48,760	50,274
% of total revenues	56	60	62	56	60	55	53	53
CV	26,900	17,884	14,702	24,597	29,407	32,165	31,409	31,188
% of total revenues	44	43	43	42	41	38	34	33
PV	7,248	7,310	6,657	8,546	13,065	15,172	17,351	19,086
% of total revenues	12	17	19	15	18	18	19	20
Non-Autos	26,565	16,811	13,001	25,573	28,764	38,305	43,544	45,435
% of total revenues	44	40	38	44	40	45	47	47
Market mix (net sales incl Op Income)								
India	27,942	19,137	16,873	25,737	31,122	40,535	45,381	46,846
% of total revenues	43	42	46	41	41	45	47	46
Growth (%)	19	-32	-12	53	21	30	12	3
Exports	37,258	26,502	19,642	36,699	44,605	49,639	51,793	54,100
% of total revenues	57	58	54	59	59	55	53	54
Growth (%)	25	-29	-26	87	22	0	0	0
Total Net Op Revenues	65,200	45,639	36,515	62,436	75,727	90,174	97,173	1,00,947
Growth (%)	23	-30	-20	71	21	0	0	0
Subsidiary Revenues	36,257	34,919	26,848	42,175	53,375	58,093	65,986	71,428
Growth (%)	19	-4	-23	57	27	9	14	8
Net Consolidated Revenues	1,01,457	80,558	63,363	1,04,611	1,29,103	1,48,267	1,63,159	1,72,375
Growth (%)	21	-21	-21	65	23	15	10	6
S/A EBITDA margins (%)	28.8	22.8	20.1	26.7	25.5	27.7	27.4	27.7
Consol EBITDA margins (%)	20.3	14.1	13.6	18.9	13.8	18.8	20.6	20.9
Consol EPS (INR)	22.2	8.8	1.9	21.7	11.6	25.8	37.9	0.0
Growth (%)	25.5	-60.3	-78.5	1,047.8	-46.4	121.8	46.9	0.0

Source: Company, MOFSL

Valuation and view**Continued focus on de-risking the business and increasing value additions**

Over the last decade, BHFC has broadened its revenue stream by entering new segments (non-Auto) and markets across the globe, resulting in a decline in the share of the Auto business to ~59% in FY23 from ~80% in FY07. It has increased value additions by focusing on machined components, whose contribution grew ~50%, boosting realizations and margin. It is currently focused on adding new line of businesses beyond steel forgings in the form of: a) aluminum forgings; b) non-metal materials; and c) electronic components for EVs. The benefits of these initiatives will start reflecting in FY26E, driving not just revenue growth, but also improving the profitability and capital efficiencies.

Auto business: Demand outlook positive for India business

Given the government's push for infrastructure investments in the country, the long-term outlook for India CVs remains optimistic. Over the last two years, BHFC has developed capabilities in truck transmission parts, which should improve its content per truck considerably and drive growth in the CV segment over the next three-to-five years. The PV space is a focus area as it offers an opportunity size 4x that of CVs. To tap this opportunity, the management is increasing customer penetration and moving up the value chain. It is also tapping opportunities in PV light-weighting through aluminum forging subsidiaries, with a focus on hybrids and EVs.

Ramp-up in Industrial and Aerospace to drive growth

BHFC sees a tremendous opportunity in the industrial space (renewable, off-highway, and others), and it has invested in expanding its capacities (Sanghvi Forgings) and capabilities (JS Autocast) through acquisitions in the last 1.0-1.5 years. BHFC has a relatively smaller contribution from renewable energy and the industrial segment in India. Aerospace is on track to see a revenue ramp-up to INR5-6b over the next few years, driven by new customer wins.

Strong growth opportunity in Defense and EVs

Over the last decade, Bharat Forge (BHFC) has developed new frontiers for growing beyond its core business, with investments in capabilities and capacities in place. Some of these new businesses offer a huge potential in the long term and scope to drive the next phase of evolution for the company. Of these new initiatives, we expect opportunities in Defense and EV are at inflection points, though substantial realization of value might be back-ended.

Valuation and view

We cut our EPS by 7%/ 6% for FY24E/25E to factor in weak demand environment especially in the auto exports side. We estimate a consolidated revenue/ EBITDA/PAT CAGR of 10%/26.5%/54% over FY23-26E. The stock trades at 48x/ 32.7x FY24E/FY25E consolidated EPS. **Reiterate BUY with a TP of INR1,315 (based on 27x Mar-26E consolidated EPS + INR133 for two gun platforms).**

Exhibit 9: Revised estimates (Consolidated)

(INR M)	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,48,267	1,50,564	-1.5	1,63,159	1,65,503	-1.4
EBITDA (%)	18.8	18.6	20bp	20.6	20.8	-20bp
Net Profit	11,961	12,850	-6.9	17,596	18,659	-5.7
EPS (INR)	25.8	27.7	-6.9	37.9	40.2	-5.7

Financials and valuations

Consolidated - Income Statement

(INR Million)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net Sales	1,01,457	80,558	63,363	1,04,611	1,29,103	1,48,267	1,63,159	1,72,375
Change (%)	21.4	-20.6	-21.3	65.1	23.4	14.8	10.0	5.6
EBITDA	20,556	11,389	8,634	19,810	17,774	27,940	33,564	35,961
Margin (%)	20.3	14.1	13.6	18.9	13.8	18.8	20.6	20.9
Depreciation	5,208	5,477	6,122	7,303	7,356	8,620	8,837	9,174
EBIT	15,348	5,912	2,512	12,507	10,418	19,320	24,728	26,787
Int. and Finance Charges	1,272	1,713	1,077	1,604	2,986	4,216	3,693	3,522
Other Income - Rec.	2,028	1,637	1,673	2,308	1,630	1,788	2,582	3,248
PBT bef. EO Exp.	16,104	5,835	3,107	13,211	9,062	16,891	23,617	26,513
EO Expense/(Income)	0	789	3,062	-924	458	0	0	0
PBT after EO Exp.	16,104	5,046	45	14,135	8,604	16,891	23,617	26,513
Tax Rate (%)	35.2	22.3	2245.8	21.5	37.0	29.2	25.5	25.9
Reported PAT	10,440	3,921	-970	11,101	5,418	11,961	17,596	19,639
PAT Adj for EO items	10,440	4,518	1,174	10,375	5,707	11,961	17,596	19,639
Change (%)	28.2	-56.7	-74.0	784.0	-45.0	109.6	47.1	11.6
Less: Minority Interest	118	423	294	281	286	-47	-47	-47
Adj PAT	10,322	4,095	880	10,098	5,414	12,008	17,643	19,686

Consolidated - Balance Sheet

(INR Million)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	931	931	931	931	931	931	931	931
Total Reserves	52,829	51,266	53,220	64,775	66,124	75,222	89,955	1,06,731
Net Worth	53,761	52,197	54,151	65,707	67,055	76,153	90,886	1,07,662
Minority Interest	298	320	317	561	361	361	361	361
Deferred Liabilities	2,062	507	1,445	1,718	658	658	658	658
Total Loans	37,728	38,784	45,798	56,545	68,523	66,523	64,523	62,523
Capital Employed	93,850	91,807	1,01,711	1,24,531	1,36,597	1,43,695	1,56,428	1,71,204
Gross Block	54,985	63,299	76,756	81,926	1,02,188	1,13,200	1,18,700	1,24,700
Less: Accum. Deprn.	18,739	23,279	29,256	33,226	40,582	49,202	58,039	67,213
Net Fixed Assets	36,246	40,020	47,500	48,700	61,606	63,997	60,661	57,487
Capital WIP	8,307	11,427	9,001	11,248	7,012	3,500	3,500	2,500
Total Investments	15,237	16,180	26,068	26,038	25,691	27,691	29,691	31,691
Curr. Assets, Loans&Adv.	55,993	47,197	48,309	68,933	88,038	96,651	1,15,556	1,35,499
Inventory	18,447	17,347	17,939	27,105	31,263	40,621	44,701	47,226
Account Receivables	21,478	14,938	14,096	21,623	30,875	30,466	33,526	35,420
Cash and Bank Balance	4,755	5,751	4,729	6,030	10,395	6,472	16,319	30,657
Loans and Advances	11,314	9,161	11,546	14,176	15,505	19,092	21,010	22,196
Curr. Liability & Prov.	21,933	23,017	29,167	30,387	45,749	48,144	52,980	55,972
Creditors	13,664	10,309	12,068	16,314	21,513	20,311	22,351	23,613
Other Current Liabilities	6,200	10,000	14,093	11,396	21,923	25,177	27,706	29,271
Provisions	2,069	2,707	3,006	2,677	2,313	2,656	2,923	3,088
Net Current Assets	34,060	24,181	19,142	38,546	42,288	48,507	62,576	79,526
Appl. of Funds	93,850	91,807	1,01,711	1,24,531	1,36,597	1,43,695	1,56,428	1,71,204

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)								
EPS	22.2	8.8	1.9	21.7	11.6	25.8	37.9	42.3
Cash EPS	33.4	20.6	15.0	37.4	27.4	44.3	56.9	62.0
BV/Share	115.5	112.1	116.3	141.1	144.0	163.5	195.2	231.2
DPS	5.5	2.0	2.0	5.5	5.5	6.3	6.3	6.3
Payout (%)	24.5	28.5	-96.0	23.2	47.3	24.3	16.5	14.8
Valuation (x)								
P/E	55.9	140.9	655.6	57.1	106.5	48.0	32.7	29.3
Cash P/E	37.1	60.3	82.4	33.1	45.2	28.0	21.8	20.0
P/BV	10.7	11.1	10.7	8.8	8.6	7.6	6.3	5.4
EV/Sales	6.0	7.6	9.8	6.0	4.9	4.3	3.8	3.5
EV/EBITDA	29.7	53.5	71.6	31.7	35.7	22.8	18.6	16.9
Dividend Yield (%)	0.4	0.2	0.2	0.4	0.4	0.5	0.5	0.5
FCF per share	-4.7	12.0	2.3	-12.1	7.0	15.5	43.9	53.2
Return Ratios (%)								
RoE	20.6	7.7	1.7	16.9	8.2	16.8	21.1	19.8
RoCE (Post-tax)	13.2	6.4	3.2	10.5	5.9	10.7	13.7	13.7
RoIC	15.8	7.4	3.0	13.7	7.5	13.7	17.3	18.6
Working Capital Ratios								
Fixed Asset Turnover (x)	1.8	1.3	0.8	1.3	1.3	1.3	1.4	1.4
Inventory (Days)	66	79	103	95	88	100	100	100
Debtor (Days)	77	68	81	75	87	75	75	75
Creditor (Days)	49	47	70	57	61	50	50	50
Working Capital (Days)	105	84	83	113	90	103	103	103
Leverage Ratio (x)								
Net Debt/Equity	0.3	0.3	0.3	0.4	0.5	0.4	0.2	0.0

Consolidated - Cash Flow Statement

(INR Million)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Operating PBT	16,104	5,046	45	14,135	8,604	19,320	24,728	26,787
Depreciation	5,208	5,477	6,122	7,303	7,356	8,620	8,837	9,174
Other income	52	3,208	4,101	-1,510	1,979	1,835	2,629	3,295
Direct Taxes Paid	-5,502	-2,331	-934	-3,525	-4,172	-4,930	-6,020	-6,873
(Inc)/Dec in WC	-6,747	4,607	3,837	-12,269	-363	-10,142	-4,222	-2,613
CF from Operations	9,115	16,008	13,171	4,134	13,403	14,703	25,950	29,770
(inc)/dec in FA	-11,318	-9,618	-9,143	-10,683	-9,699	-7,500	-5,500	-5,000
Free Cash Flow	-2,203	5,601	1,058	-5,625	3,246	7,203	20,450	24,770
(Pur)/Sale of Investments	-433	-1,705	-5,494	3,634	-6,957	-2,000	-2,000	-2,000
CF from Investments	-11,751	-11,322	-14,636	-7,049	-16,656	-9,500	-7,500	-7,000
Inc/(Dec) in Debt	7,313	1,082	6,591	6,517	8,443	-2,000	-2,000	-2,000
Interest Paid	-1,038	-1,380	-808	-1,444	-2,387	-4,216	-3,693	-3,522
Dividend Paid	-2,806	-3,335	0	-1,642	-3,253	-2,910	-2,910	-2,910
CF from Fin. Activity	3,468	-3,633	5,783	3,102	2,803	-9,127	-8,603	-8,433
Inc/Dec of Cash	832	263	1,347	1,111	-908	-3,923	9,848	14,337
Add: Beginning Balance	2,030	2,862	3,126	4,473	5,584	4,675	752	10,599
Closing Balance	2,862	3,126	4,473	5,584	4,675	752	10,599	24,937

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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