

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	74,006	0.1	2.4
Nifty-50	22,502	0.2	3.5
Nifty-M 100	51,869	0.5	12.3
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	5,308	0.1	11.3
Nasdaq	16,795	0.7	11.9
FTSE 100	8,424	0.0	8.9
DAX	18,769	0.3	12.0
Hang Seng	6,965	0.4	20.7
Nikkei 225	39,070	0.7	16.8
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	82	0.3	6.2
Gold (\$/OZ)	2,425	0.4	17.6
Cu (US\$/MT)	10,801	1.9	27.6
Almn (US\$/MT)	2,574	0.6	9.8
Currency	Close	Chg .%	CYTD.%
USD/INR	83.3	0.0	0.1
USD/EUR	1.1	-0.1	-1.6
USD/JPY	156.3	0.4	10.8
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	7.1	0.00	-0.1
10 Yrs AAA Corp	7.6	0.00	-0.1
Flows (USD b)	18-May	MTD	CYTD
FII	0.0	-3.62	-3.3
DII	-0.02	4.03	22.4
Volumes (INRb)	18-May	MTD*	YTD*
Cash	170	1065	1166
F&O	21,412	3,26,625	3,80,303

Note: Flows, MTD includes provisional numbers.

*Average



Today's top research idea

Bharat Electronics: Robust all-round performance

Upgrade to Buy

- ❖ BHE's 4QFY24 results beat our estimates, driven by better-than-expected EBITDA margin and PAT and strong revenue growth. Up-fronting of order inflows led to a beat in overall order inflows for the company.
- ❖ The share of indigenization in the Indian defense sector has been continuously moving up and we expect BHE's revenue market share to remain high at around 12-13%. The company is continuously taking initiatives to increase the share of exports and non-defense revenues. We incorporate higher margins and increase our estimates. We also increase the valuation multiple to account for a larger market share of BHE, benefits of technology tie-ups, MoUs, and an improving share of exports and non-defense in total revenues.
- ❖ We value BHE at 35x P/E on two-year forward earnings and revise the target price to INR310. We upgrade the stock to BUY from Neutral earlier.

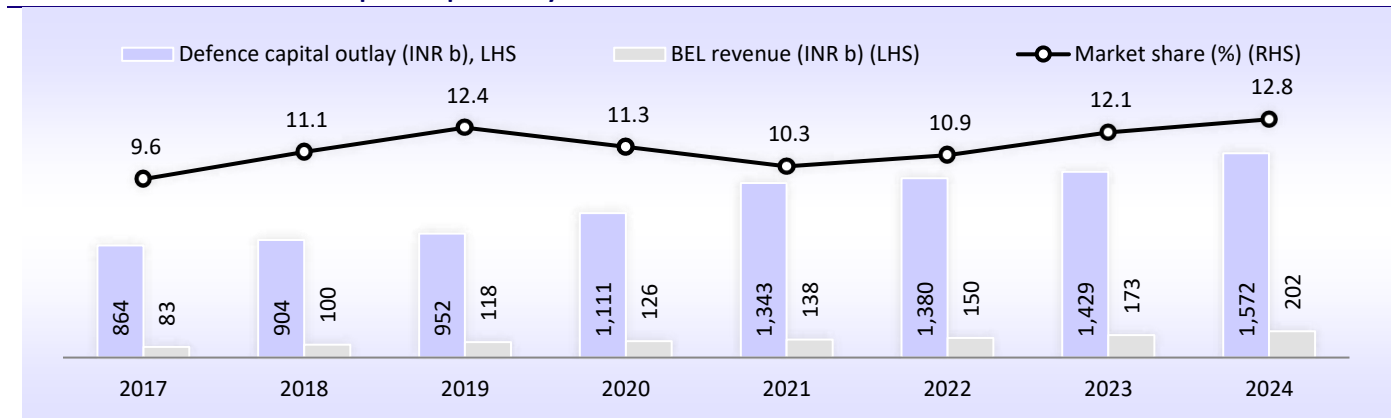


Research covered

Cos/Sector	Key Highlights
Bharat Electronics	Robust all-round performance
Global Health	Mature hospitals drive YoY earnings growth
India Cements	EBITDA in line; debt reduction through the sale of non-core assets
Other Updates	ONGC Oil India S A I L Deepak Nitrite VRL Logistics

Chart of the Day: Bharat Electronics (Robust all-round performance)

BHE's market share has inched up in the past few years



Source: Company, MOFSL

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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.



Kindly click on textbox for the detailed news link

1

RBI cracks whip on co-lending deals, writes to at least 4 banks advising caution

The regulator's concern is understood to be about the poor underwriting standards of loans in some cases and potential asset quality issues in loans originating through such channels

2

Global glut takes shine off Indian lab-grown diamonds

Indian lab-grown diamonds (LGDs) prices crashed by 45% in FY24 due to overproduction in global markets. Indian LGD exports dropped by 18.2% in April to \$83.77 million as demand rises with increasing gold prices, prompting consumers to opt for LGDs to reduce jewelry costs.

3

India is one of the key markets for business growth in industrial space: Siemens executive

Siemens Digital Industries Software is a part of German conglomerate Siemens and is headquartered in Plano, Texas. The company focuses on product lifecycle management (PLM) software and works with industries like aerospace and defense, pharmaceuticals, and automobiles

4

India's DC sector above major APAC countries: Data center capacity set to cross 1800 MW by 2026, says CBRE

The DC industry in India has witnessed the capacity doubling since the start of the pandemic. In 2023, per the report, there was an addition of 255 MW of new supply compared to 200 MW in 2022, resulting in a total stock of approximately 1,030 MW by the end of the year.

5

Same-Day Delivery: Thriving in the era of Quick Commerce

Quick commerce platforms typically only list curated brands from categories that are considered to be 'fast-moving'. Category leaders may enjoy some listing incentives from such platforms as is the case with all marketplaces, but up-and-coming D2C brands tend to be at a disadvantage—owing to a lack of visibility or high margins.

6

JSW Steel plans Rs 20,000 crore capex for FY25, says CEO

The company had a capex spend of Rs 17,000 crore last year

7

Oil prices rise after Iran president's death, brent crude at \$84.24/bbl

Brent crude had climbed 26 cents, or 0.3 per cent, to \$84.24 per barrel, while U.S. West Texas Intermediate (WTI) crude had risen 15 cents, or 0.2 per cent, to \$80.21 per barrel.



Bharat Electronics

Estimate changes



TP change



Rating change



Bloomberg	BHE IN
Equity Shares (m)	7310
M.Cap.(INRb)/(USDb)	1891.8 / 22.7
52-Week Range (INR)	261 / 106
1, 6, 12 Rel. Per (%)	10/63/116
12M Avg Val (INR M)	3674

Financials Snapshot (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Net Sales	201.7	236.5	285.1
EBITDA	50.0	59.4	71.6
PAT	40.2	48.6	59.7
EPS (INR)	5.5	6.7	8.2
GR. (%)	33.7	21.0	22.7
BV/Sh (INR)	22.1	27.8	34.7

Ratios

ROE (%)	24.9	24.0	23.5
RoCE (%)	27.0	26.7	26.1

Valuations

P/E (X)	47.1	38.9	31.7
P/BV (X)	11.7	9.3	7.5
EV/EBITDA (X)	35.7	29.6	23.9
Div Yield (%)	0.3	0.4	0.5

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	51.1	51.1	51.1
DII	22.7	23.4	25.5
FII	17.6	17.8	16.4
Others	8.7	7.7	6.9

FII Includes depository receipts

CMP: INR259

TP: INR310 (+20%)

Upgrade to Buy

Robust all-round performance

BHE's 4QFY24 results beat our estimates, driven by better-than-expected EBITDA margin and PAT and strong revenue growth. Up-fronting of order inflows led to a beat in overall order inflows for the company. We expect BHE to be a key beneficiary of increasing defense indigenization. The share of indigenization in the Indian defense sector has been continuously moving up and we expect BHE's revenue market share to remain high at around 12-13%. The company is continuously taking initiatives to increase the share of exports and non-defense revenues. We incorporate higher margins and increase our estimates by 21%/32% for FY25/FY26. We increase the valuation multiple to account for a larger market share of BHE, benefits of technology tie-ups, MoUs, and an improving share of exports and non-defense in total revenues. We value BHE at 35x P/E on two-year forward earnings and revise the target price to INR310. We upgrade the stock to BUY from Neutral earlier.

Margin outperformance drives PAT beat

BHE's 4Q revenue at INR85.3b (+32% YoY/+106% QoQ) came in line with our estimates owing to robust execution. EBITDA grew by 25% YoY to INR22.8b, aided by better-than-expected gross margin at 48.4% (flat YoY). On a high base, EBITDA margin contracted ~160bp YoY to 26.7%. PAT at INR17.8b (+31% YoY) beat our estimates on the back of better margins, lower-than-expected depreciation, and higher other income (+225% YoY). Order inflows stood at INR82.4b in 4QFY24, a decline of 52% YoY on a high base. The order book increased by 25% YoY to INR760b (3.8x TTM revenue). For FY24, the company reported revenue/EBITDA/PAT growth of 14%/23%/34% and it exceeded margin guidance of 22-23% (actual: 24.8%). Order inflow grew by 74% to INR354b. FCF grew by 575% to INR40b on improved OCF.

Strong FY24 inflows of INR350b took order book to record high of INR760b

In FY24, BHE successfully secured orders worth around INR350b. Key defense orders were electronic fuses, EW systems, communication systems for naval warships, fire control systems, Akash prime weapon/system, radars, sonars, software defined radios, night vision devices, tactical communication systems, and other projects in the non-defense sector. As a result, the order book surged to INR760b, which included export order book of USD407m (vs. USD211m in FY23). The company achieved exports of USD93m (up 92% YoY), including exports of key products such as transmit & receive (TR) modules, compact multi-purpose advanced stabilization system (compass), radar & EW systems, medical electronics, communication equipment, etc.

BHE to remain a key beneficiary of defense indigenization and rising defense exports

BHE has a market share of 12% in the overall defense market and a market share of nearly 60% in the highly specialized defense electronics segment. We expect BHE to remain a key beneficiary of defense indigenization potential worth INR5t over the next five years with its presence across defense platforms and products ranging from radars, simulators, EW systems, electronic fuses, thermal imaging, integrated air command and control system, border surveillance system and counter drone systems etc. The share of indigenization in the Indian defense sector has been continuously moving up and we expect BHE's revenue market share to remain high at around 12-13%. The company is continuously taking initiatives to increase the share of exports and non-defense revenue, which will reduce its dependence on only domestic defense.

Financial outlook

We increase our earnings estimates by 21%/32% to factor in the government's continued measures for the defense sector and the company's improving market share, better-than-expected gross margin, and working capital. We expect a CAGR of 19%/20%/22% in sales/EBITDA/PAT over FY24-26. We expect OCF/FCF to remain strong over FY24-26 on control over working capital. Further, the company had a cash surplus of INR110b (as of FY24), providing scope for further capacity expansion.

Key risks and concerns

A slowdown in order inflows from the defense and non-defense segments, increased competition, further delays in finalization of large tenders, a sharp rise in commodity prices and delays in payments from MoD can adversely impact our estimates on revenues, margins and cash flows.

Valuation and view

BHE is currently trading at 39x/32x on FY25E/FY26E EPS. Our revised valuation multiple takes into account a larger market share of BHE, benefit of technology tie-ups, MoUs, and an improving share of exports and non-defense in total revenues. We value BHE at 35x P/E on two-year forward earnings and revise the target price to INR310, which bakes in a 19% CAGR in revenue over the next decade vs. 11% CAGR over the last decade. We upgrade the stock to BUY from Neutral earlier.

Quarterly Earning Model

Y/E March (INR m)	FY23				FY24				FY23	FY24	FY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	31,128	39,458	41,310	64,566	35,108	39,933	41,367	85,285	1,76,462	2,01,694	85,306	(0)
Change (%)	90.4	7.8	11.8	2.1	12.8	1.2	0.1	32.1	15.2	14.3	32.1	
EBITDA	5,134	8,558	8,535	18,248	6,644	10,044	10,494	22,800	40,475	49,982	20,440	12
Change (%)	716.8	(0.1)	3.8	16.4	29.4	17.4	23.0	24.9	22.3	23.5	12.0	
As of % Sales	16.5	21.7	20.7	28.3	18.9	25.2	25.4	26.7	22.9	24.8	24.0	
Depreciation	941	1,042	1,008	1,088	1,013	1,004	998	1,109	4,079	4,124	1,555	(29)
Interest	10	17	97	23	11	15	5	39	148	70	117	(66)
Other Income	1,597	750	575	678	1,417	1,705	2,232	2,205	3,600	7,558	1,647	34
PBT	5,781	8,249	8,004	17,815	7,038	10,729	11,723	23,856	39,849	53,346	20,414	17
Tax	1,466	2,138	2,017	4,161	1,729	2,606	2,790	6,021	9,782	13,146	5,436	
Effective Tax Rate (%)	25.4	25.9	25.2	23.4	24.6	24.3	23.8	25.2	24.5	24.6	26.6	
Reported PAT	4,315	6,111	5,987	13,654	5,308	8,123	8,933	17,835	30,067	40,200	14,978	19
Change (%)	3,769.5	(0.2)	2.6	19.6	23.0	32.9	49.2	30.6	28.0	33.7	9.7	
Adj PAT	4,315	6,111	5,987	13,654	5,308	8,123	8,933	17,835	30,067	40,200	14,978	19
Change (%)	3,769.5	(0.2)	2.6	19.6	23.0	32.9	49.2	30.6	28.0	33.7	9.7	



Global Health

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR1460 **TP: INR1,620 (+15%)** **Buy**

Mature hospitals drive YoY earnings growth

Indore back on track/Noida to commence operations in 4QFY25/1QFY26

Bloomberg	MEDANTA IN
Equity Shares (m)	269
M.Cap.(INRb)/(USDb)	377 / 4.5
52-Week Range (INR)	1514 / 548
1, 6, 12 Rel. Per (%)	0/42/126
12M Avg Val (INR M)	466

- Global Health (MEDANTA) missed our earnings estimate for 4QFY24, largely due to subdued performance at Lucknow hospital. This was partly offset by improved occupancy/superior margins in mature hospitals segment.
- We cut our earnings estimates by 7%/6% for FY25/FY26 to factor in a gradual pickup in utilization of beds in developing hospitals, higher opex for bed additions, and reduced operating leverage. We value MEDANTA at 35x 12M forward EV/EBITDA to arrive at a TP of INR1,620.
- MEDANTA has delivered a four-year CAGR of 17%/33%/59% in revenue/EBITDA/PAT over FY20-24. It ended FY24 with 25% YoY earnings growth. MEDANTA continues to add beds at existing sites (Lucknow/Patna/Gurgaon) as well as new sites (Noida/Indore/South Delhi). Earnings growth is largely driven by an increasing number of patients seeking treatment and a moderate increase in realization per patient. This provides robust visibility for earnings growth (22% CAGR over FY24-26). Hence, we maintain BUY.

Financials & Valuations (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	32.8	35.8	40.3
EBITDA	8.3	9.8	11.3
Adj. PAT	4.8	6.0	7.1
EBIT Margin (%)	19.1	21.9	22.5
Cons. Adj. EPS (INR)	17.8	22.2	26.3
EPS Gr. (%)	46.7	24.9	18.4
BV/Sh. (INR)	108.2	126.5	148.2

Ratios

Net D:E	0.1	0.1	0.0
RoE (%)	17.9	19.0	19.2
RoCE (%)	14.7	16.5	17.5
Payout (%)	17.6	17.6	17.6

Valuations

P/E (x)	78.9	63.2	53.3
EV/EBITDA (x)	46.0	38.6	33.4
EV/Sales (x)	11.6	10.6	9.4
Div. Yield (%)	0.2	0.2	0.3
FCF Yield (%)	0.9	0.6	0.7
EV/Sales (x)	11.6	10.6	9.4

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	33.0	33.1	33.1
DII	10.3	11.2	12.4
FII	12.1	11.4	9.9
Others	44.6	44.4	44.7

FII Includes depository receipts

Increased patients/slight uptick in ARPOB led YoY EBITDA growth

- In 4QFY24, sales grew 15% YoY to INR8.1b. (vs our est. INR8.6b). ARPOB grew by 3.6% YoY to INR63k. In-patient (IPD)/out-patient (OPD) volume grew 10%/11.4% YoY for the quarter.
- EBITDA margin declined by 40bp YoY to 23.6 %. EBITDA grew 13% YoY to INR1.9b (vs our est. INR2.3b).
- Mature hospitals revenue (68% of total revenue) grew 15% YoY to INR6.1b. EBITDA was INR1.5b with 60bp YoY margin expansion to 25.3%.
- Developing hospitals revenue (32% of total revenue) grew 11.9% YoY to INR2.3b. EBITDA was INR623m with 350bp YoY margins contraction to 27.5%.
- PAT grew 26% YoY to INR1.3b.
- During FY24, revenue/EBITDA/PAT grew by 21%/31%/47% YoY to INR32.7b/INR8.3b/INR4.8b.

Highlights from the management commentary

- MEDANTA would incur capex of INR10-12b over the next 2-3 years for the addition of 1,650 beds.
- About 95% of the construction at Noida is completed and the hospital is expected to start operations of 300 beds in 4QFY25/1QFY26.
- Two additional ICUs (56 beds), dialysis extension (23 beds) and chemo daycare (17 beds) would be added in the Patna hospital in 1HFY25.
- 47 ward beds are expected to be added in Lucknow in 1QFY25.
- A mother-and-child care unit started a couple of weeks ago and its effect of same would reflect in 1QFY25 for the Gurugram hospital.
- The green field hospital has got legal clearance in Indore (bed capacity: 300).

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24				FY23	FY24	FY24E	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Gross Sales	6,172	6,791	6,943	7,071	7,730	8,439	8,365	8,086	27,099	32,751	8,610	-6.1%
YoY Change (%)	27.1	17.6	19.1	14.6	25.2	24.3	20.5	14.4	25.1	21.6	22.4	
Total Expenditure	4,843	5,211	5,316	5,375	5,887	6,255	6,150	6,175	20,746	24,467	6,306	
EBITDA	1,329	1,580	1,627	1,696	1,843	2,185	2,215	1,911	6,352	8,284	2,304	-17.0%
YoY Change (%)	31.2	15.3	18.4	27.6	38.7	38.3	36.1	12.7	40.0	33.7	38.9	
Margins (%)	21.5	23.3	23.4	24.0	23.8	25.9	26.5	23.6	23.4	25.3	26.8	
Depreciation	366	385	414	408	468	485	495	572	1,575	2,020	487	
Interest	185	182	207	205	179	201	177	182	779	739	144	
Other Income	93	155	119	248	215	208	181	274	493	747	286	
PBT before EO expense	871	1,168	1,125	1,331	1,410	1,707	1,724	1,431	4,491	6,271	1,958	-26.9%
Extra-Ord expense/(Income)	0	0	0	0	0	0	0	0	0	0	0	
PBT	871	1,168	1,125	1,331	1,410	1,707	1,724	1,431	4,491	6,271	1,958	-26.9%
Tax	284	311	319	320	390	455	488	157	1,490	1,490	531	
Rate (%)	32.6	26.6	28.4	24.0	27.7	26.6	28.3	11.0	33.2	23.8	27.1	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	587	857	806	1,011	1,020	1,252	1,235	1,273	3,000	4,781	1,427	-10.8%
Adj PAT	587	857	806	1,011	1,020	1,252	1,235	1,273	3,000	4,781	1,427	-10.8%
YoY Change (%)	40.6	28.0	15.1	72.2	73.8	46.1	53.3	26.0	52.9	46.6	41.2	
Margins (%)	9.5	12.6	11.6	14.3	13.2	14.8	14.8	15.7	11.1	14.6	16.6	

E: MOSL Estimates, Note: Sum of 4 quarter does not match with full year as the company has restated its number



India Cements

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR214 TP: INR160 (-25%) Sell

EBITDA in line; debt reduction through the sale of non-core assets

Bloomberg	ICEM IN
Equity Shares (m)	310
M.Cap.(INRb)/(USDb)	66.3 / 0.8
52-Week Range (INR)	277 / 184
1, 6, 12 Rel. Per (%)	-6/-16/-11
12M Avg Val (INR M)	1007

Capacity utilization at ~63% vs. 70% in 4QFY23

- India Cements (ICEM) reported an EBITDA of INR469m (est. INR475m) in 4QFY24. Sales volume declined ~13% YoY to 2.4mt (12% miss). Its blended EBITDA/t stood at INR192 (vs. estimated INR171) fueled by lower-than-estimated opex/t. Net loss (adjusted for profit on sale of land) stood at INR435m (vs. estimated INR489m net loss).
- Management highlighted that cement prices corrected sharply in 4QFY24, which resulted in ~7% QoQ decline in NPR. However, sales volume improved QoQ with the infusion of working capital. The company has taken initiatives at a few of its plants for plant efficiency improvement, which has started yielding positive results. Now the company intends to implement these initiatives across its plants to rationalize costs. Further, it is continuing its efforts to dispose of non-core assets to fund plant efficiency improvements.
- We retain our FY25/FY26 estimates. **We reiterate our Sell rating on the stock with a TP of INR160 (premised on 11x FY26E EV/EBITDA).**

Financial Snapshot (INR b)

Y/E MARCH	FY24	FY25E	FY26E
Sales	49.4	52.0	54.9
EBITDA	1.1	5.5	6.8
Adj. PAT	-2.3	1.1	2.1
EBITDA Margin (%)	2.2	10.6	12.4
Adj. EPS (INR)	-7.6	3.5	6.7
EPS Gr. (%)	n/m	n/m	92.9
BV/Sh. (INR)	175.2	178.7	185.4
Ratios			
Net D:E	0.5	0.5	0.4
RoE (%)	-4.3	2.0	3.7
RoCE (%)	-0.5	3.5	4.6
Payout (%)	0.0	0.0	7.5
Valuations			
P/E (x)	n/m	61.5	31.9
P/BV (x)	1.2	1.2	1.2
EV/EBITDA(x)	n/m	16.5	13.1
EV/ton (USD)	70	69	68
Div. Yield (%)	0.0	0.0	0.2

Volumes decline 13% YoY, while opex/t was down 9%

- ICEM's revenue declined 15% YoY to INR12.5b in 4QFY24 (~13% below our estimate). Sales volume declined 13% YoY to 2.4mt (~12% below estimate). Blended realization/t was down ~3% YoY and 6% ~QoQ to INR5,112 (in line).
- Opex/t declined 9% YoY, due to a 13%/11%/5% drop in variable costs/freight costs/other expenses. However, employee costs grew 20% YoY to INR979m. OPM stood at 3.8% (vs. est. 3.3%). The company reported an EBITDA of INR469m (est. INR475m) vs. operating loss of INR445m in 4QFY23. Blended EBITDA/t stood at INR192 (est. INR171). ICEM reported a net loss (adjusted for profit on sale of land) of INR435m vs. a net loss of INR1.2b in 4QFY23.
- In FY24, revenue declined 8% YoY to INR49b, due to a 4% decline in volume/realization/t (each). EBITDA stood at INR1.1b vs. an operating loss of INR1.7b in FY23. Net loss stood at INR2.3b vs. INR4.7b in FY23. The company's OCF (before exceptional item) stood at INR2.7b vs. cash outflow of INR1.9b in FY23. Capex was INR1.3b vs. INR1.4b in FY23. Net debt declined INR3.2b to INR26b as of Mar'24.

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	28.4	28.4	28.4
DII	8.5	8.9	9.4
FII	13.3	13.6	13.2
Others	49.8	49.1	49.1

FII Includes depository receipts

Highlights from the management commentary

- Cement price remained volatile as it jumped in Apr'24, while declining in May'24. ICEM expects price to improve in Jun'24. Further, it expects demand to improve post-elections due to continued infrastructure spending by the government, private sector housing, and commercial segments.
- Fuel costs stood at INR1.95/Kcal vs. INR2.0/kcal in 3QFY24. The company is taking various initiatives (installation of WHRS, upgradation of coolers/mills etc.) across its plants to rationalize costs (expects cost reduction of INR100-150/t in the next two years). Capex is pegged at INR7.0-7.5b in the next two years (including maintenance capex and working capital infusion).
- For Shipping/Windmill/RMC, revenue stood at INR74m/INR5m/INR270m. It reported EBITDA of INR17m/INR22m in shipping/RMC and operating loss of INR10m in Windmill.

Valuation and view

- We expect ICEM’s market share loss in the southern market to continue as new capacities will be commissioned by peers. We would monitor the progress on divestment of non-core assets (land) and efficiency plans. ICEM’s current valuation at 13x FY26E EV/EBITDA appears expensive. **We reiterate our Sell rating with a TP of INR160, premised on 11x FY26E EV/EBITDA.**

Standalone quarterly performance

(INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales Volumes (mt)	2.7	2.3	2.2	2.8	2.7	2.4	2.0	2.4	9.9	9.5	2.8	(12)
Change (YoY %)	37.4	(4.5)	3.5	4.8	(0.2)	5.1	(9.0)	(12.5)	9.1	(4.4)	(0.4)	
Realization (INR/ton)	5,413	5,566	5,589	5,244	5,225	5,157	5,450	5,112	5,439	5,226	5,137	(0)
Change (YoY %)	3.0	10.4	6.3	0.1	(3.5)	(7.4)	(2.5)	(2.5)	4.7	(3.9)	(2.0)	
Change (QoQ %)	3.3	2.8	0.4	(6.2)	(0.4)	(1.3)	5.7	(6.2)			(5.8)	
Net Sales	14.5	12.5	12.2	14.6	13.9	12.2	10.8	12.5	53.8	49.4	14.2	14.5
Change (YoY %)	41.4	5.4	10.0	4.9	(3.7)	(2.6)	(11.3)	(14.7)	14.2	(8.1)	(2.5)	41.4
EBITDA	0.3	(0.9)	(0.7)	(0.4)	0.1	0.1	0.5	0.5	(1.7)	1.1	0.5	0.3
Margin (%)	2.1	(7.3)	(5.7)	(3.0)	0.4	0.7	4.5	3.8	(3.2)	2.2	3.3	2.1
Depreciation	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	2.1	2.2	0.6	0.5
Interest	0.6	0.7	0.6	0.5	0.6	0.6	0.6	0.6	2.3	2.4	0.6	0.6
Other Income	0.1	0.0	0.0	0.2	0.1	0.1	0.2	0.2	0.3	0.5	0.1	0.1
PBT before EO expense	(0.7)	(2.1)	(1.8)	(1.3)	(1.0)	(1.0)	(0.5)	(0.5)	(5.9)	(3.0)	(0.6)	(0.7)
Extra-Ord. expense	-	-	(2.9)	1.1	-	-	(0.3)	(0.2)	(1.8)	(0.4)	-	-
PBT	(0.7)	(2.1)	1.1	(2.4)	(1.0)	(1.0)	(0.2)	(0.3)	(4.1)	(2.5)	(0.6)	(0.7)
Tax	(1.5)	(0.7)	0.2	(0.2)	(0.2)	(0.2)	(0.1)	(0.0)	(2.2)	(0.5)	(0.1)	(1.5)
Rate (%)	205.7	33.5	20.5	10.1	23.9	17.6	31.3	10.9	53.7	20.5	12.4	205.7
Reported PAT	0.8	(1.4)	0.9	(2.2)	(0.8)	(0.8)	(0.2)	(0.3)	(1.9)	(2.0)	(0.5)	0.8
Tax	(1.5)	-	-	(0.2)	-	-	-	-	(1.7)	-	-	(1.5)
Adj. PAT	(0.7)	(1.4)	(1.4)	(1.2)	(0.8)	(0.8)	(0.3)	(0.4)	(4.7)	(2.3)	(0.5)	(0.7)
Change (YoY %)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Margin (%)	(5.0)	(11.0)	(11.7)	(7.9)	(5.4)	(6.7)	(3.2)	(3.5)	(8.7)	(4.7)	(3.4)	(5.0)

Per tonne analysis

(INR/t)

RM Cost	769	1,042	945	1,043	1,068	918	989	930	947	978	919	1
Employee Expenses	340	394	443	294	345	416	434	402	362	396	391	3
Power, Oil, and Fuel	2,370	2,709	2,602	2,211	2,046	1,942	1,863	1,891	2,454	1,942	1,886	0
Freight cost	1,199	1,145	1,158	1,160	1,104	1,054	1,085	1,034	1,167	1,070	1,093	(5)
Other Expenses	619	681	759	696	643	793	832	663	686	725	676	(2)
Total Expense	5,297	5,971	5,907	5,404	5,206	5,122	5,203	4,920	5,615	5,111	4,965	(1)
EBITDA	115	(405)	(319)	(160)	19	34	247	192	-176	115	171	12
YoY (%)	(86.2)	NM	NM	NM	(83.6)	NM	NM	NM	NM	NM	NM	

BSE SENSEX 74,006 S&P CNX 22,502

CMP: INR279

Buy

Conference Call Details



Date: 21 May 2024
Time: 15.30pm IST
Dial-in details: [\[Link\]](#)

EBITDA in line; PAT above amid lower than expected dry-well write offs

- Crude oil sales stood at 4.7mmt in 4QFY24, while gas sales came in at 3.8bcm (both marginally below). VAP sales stood at 622tmt (our est. of 590tmt).
- ONGC's reported oil realization was in line with our est. at USD80.8/bbl (+5% YoY).
- EBITDA came in 3% below our est. at INR174b (+7% YoY), while PAT was INR99b (our est. of INR87b). The outperformance at the PAT level was a function of depreciation and dry-well write offs coming in below our expectations. Operating performance was also boosted by inventory gain of Rs 9bn.
- ONGC has declared a final dividend of INR2.5 per share, in addition to the INR9.75 per share declared earlier in FY24.
- OVL's oil production declined 2% QoQ to 1.78mmt, while gas production was 0.843bcm in 4QFY24 (-2% QoQ).
- Crude oil sales stood at 1.184mmt (-3% YoY), while gas sales came in at 0.444bcm (-15% YoY).
- OVL's revenue was INR20.8b (-15% YoY), PBDT stood at INR18.8b (+106% YoY).

Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY23				FY24					Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	4QAct			
Net Sales	423.2	383.2	385.8	362.9	338.1	351.6	347.9	348.8	346.4	-1%	-5%	0%
YoY Change (%)	83.8	57.4	35.5	5.2	-20.1	-8.2	-9.8	-3.9	-4.6			
EBITDA	259.3	188.1	204.1	163.4	194.5	183.6	171.6	180.1	174.1	-3%	7%	1%
Margin (%)	61.3	49.1	52.9	45.0	57.5	52.2	49.3	51.6	50.3			
Depreciation	57.1	53.1	64.6	93.0	67.0	59.6	74.1	87.5	71.9			
Interest	6.4	6.7	6.9	7.1	10.1	10.2	10.2	10.5	10.3			
Other Income	7.6	35.3	14.1	19.3	16.1	20.9	34.0	34.3	36.8			
PBT	203.4	163.6	146.7	-9.8	133.6	134.7	121.3	116.3	128.6	11%	LP	6%
Tax	51.4	35.3	36.3	-7.3	33.5	32.6	26.0	29.3	29.9			
Rate (%)	25.3	21.6	24.7	74.7	25.0	24.2	21.4	25.2	23.3			
Reported PAT	152.1	128.3	110.4	-2.5	100.2	102.2	95.4	87.0	98.7	13%	LP	3%
Adj. PAT	152.1	128.3	110.4	61.8	100.2	102.2	95.4	87.0	98.7	13%	60%	3%
YoY Change (%)	250.8	50.9	26.0	-30.3	-34.1	-20.3	-13.7	40.8	59.8			
Margin (%)	35.9	33.5	28.6	17.0	29.6	29.1	27.4	24.9	28.5			
Key Assumptions (USD/bbl)												
Oil Realization (pre windfall tax)	108.5	95.5	87.1	77.1	76.5	84.8	81.6	80.8	80.8	0%	5%	-1%
Crude oil sold (mmt)	5.0	4.8	4.7	4.7	4.7	4.7	4.7	4.9	4.7	-4%	0%	-1%
Gas sold (bcm)	4.1	4.2	4.2	4.1	4.1	4.0	4.0	4.0	3.8	-5%	-7%	-4%
VAP sold (tmt)	671.0	640.0	599.0	613.0	589.0	651.0	573.0	589.8	622.0	5%	1%	9%

BSE SENSEX	S&P CNX
74,006	22,502

CMP: INR647

Buy

Analyst meet on 28 May'24
[Analyst meet details](#)

Miss on Ebitda but PAT in line

- Revenue was in line with our estimates at INR57.6b (+2% YoY).
- Oil sales stood at 0.84mmt (our estimate of 0.83mmt, +10% YoY). Gas sales stood at 0.65bcm (our estimate of 0.68bcm, +10% YoY).
- Oil realization, net of windfall tax, was USD78.8/bbl (our estimate of USD77.6/bbl, +4% YoY).
- EBITDA was 21% below our estimate at INR23.4b (-1% YoY) mainly due to higher-than-expected operating expenses.
- However, reported PAT of INR20.3b beat our estimate of INR19.7b (+13% YoY) due to higher-than-expected other income and lower-than-expected tax rate, depreciation and interest costs.
- Numaligarh refinery performance: PBT from refining products declined to INR8.9b QoQ (vs. INR11.3b in 3QFY24), driven by lower crude throughput and flat distillate yield QoQ.
- GRM stood at ~USD13.3/bbl in 4QFY24 (vs. USD12.7/bbl in 3QFY24).
- **For FY24**, revenue stood at INR221.3b (-5% YoY), EBITDA at INR92.6b (-4% YoY), and Adj. PAT at INR71.4b (+5% YoY).
- Crude oil sales stood at 3.3mmt (+7% YoY), while gas sales were flat YoY at 2.5bcm.
- Net realization stood at USD75.7/bbl (-11% YoY).
- The board has recommended the issuance of a bonus share in the ratio 1:2. It has also recommended a dividend of INR3.75/share (pre-bonus), i.e., 37.5% of FV.

Standalone Quarterly Performance (INR m)

Y/E March	FY23				FY24					Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QAct			
Net Sales	59,641	57,760	58,794	56,462	46,447	59,133	58,150	57,086	57,567	1%	2%	-1%
Change (%)	98.6	74.4	57.3	26.1	-22.1	2.4	-1.1	1.1	2.0			
EBITDA	26,329	18,482	28,553	23,476	23,289	24,885	21,058	29,468	23,357	-21%	-1%	11%
% of Net Sales	44.1	32.0	48.6	41.6	50.1	42.1	36.2	51.6	40.6			
Change (%)	114.1	102.3	125.3	19.9	-11.5	34.6	-26.2	25.5	-0.5			
D,D&A	3,868	4,236	4,536	3,309	3,974	4,234	4,992	5,527	4,551			
Interest	2,042	2,113	2,010	1,077	1,659	2,235	1,814	2,663	1,893			
OI (incl. Oper. other inc.)	658	8,949	1,022	4,294	3,341	7,092	5,080	4,512	8,332			
PBT before exceptional	21,077	21,081	23,029	23,383	20,997	25,509	19,331	25,789	25,244	-2%	8%	31%
Exceptional item	0	0	0	0	0	23,627	0	0	0			
PBT after exceptional	21,077	21,081	23,029	23,383	20,997	1,882	19,331	25,789	25,244	-2%	8%	31%
Tax	5,522	3,876	5,568	5,501	4,863	-1,372	3,489	6,123	4,956			
Rate (%)	26.2	18.4	24.2	23.5	23.2	-5.4	18.0	23.7	19.6			
PAT	15,555	17,205	17,461	17,883	16,134	3,253	15,843	19,666	20,288	3%	13%	28%
Change (%)	206.2	241.1	40.3	9.7	3.7	-81.1	-9.3	10.0	13.5			
Adj. PAT	15,555	17,205	17,461	17,883	16,134	19,088	15,843	19,666	20,288	3%	13%	28%
Change (%)	206.2	241.1	40.3	9.7	3.7	10.9	-9.3	10.0	13.5			
Key Assumptions (USD/bbl)												
Oil sales (mmt)	0.76	0.78	0.77	0.77	0.75	0.85	0.85	0.83	0.84	1%	10%	-1%
Gas sales (bcm)	0.59	0.66	0.61	0.59	0.54	0.65	0.68	0.68	0.65	-4%	10%	-4%
Net Oil Realization	112.7	74.7	77.1	76.1	74.3	75.5	74.3	77.6	78.8	2%	4%	6%

Deepak Nitrite

BSE SENSEX
74,006S&P CNX
22,502

CMP: INR2,488

Neutral

Conference Call Details

**Date:** 22nd May 2024**Time:** 1430hours IST**Dial-in details:**

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EBITDA miss due to higher RM costs and other expenses

- Revenue stood at INR21.3b (our est. INR20.3b, up 8% YoY), including incentive income of INR230.9m.
- EBITDA was INR3b (our est. of INR3.2b, down 13% YoY); adj. for incentive income, EBITDA stood at INR2.8b (down 20% YoY).
- Gross margin came in at 30.7% (down 420bp YoY), while EBITDAM stood at 14.2% (vs. 17.7% in 4QFY23).
- Reported PAT stood at INR2.5b (our est. of INR2.1b, up 9% YoY).
- However, adj. PAT stood at INR2b (7% below our estimate)- INR798m has been recorded as an exceptional item related to the settlement of a fire claim in Mar'24 and also the company received approval from the insurance company for the loss of profit due to "business interruption."

Segmental EBIT details

- Phenolics EBIT margin stood at 14.1%, with EBIT at INR2.1b. Advanced Intermediates (AI) EBIT margin came in at 20%, with EBIT at INR1.3b.
- Revenue mix of Phenolics stood at 69% in 4QFY24, with AI share at 31%. EBIT mix for AI was at 39% (vs. 44% in 4QFY23), with the contribution of Phenolics at 61% (vs. 56% in 4QFY23).

Other highlights

- On 20th Mar'24, DN raised its equity stake in Deepak Oman Industries (SFZ) LLC (DOIL) from 31.7% to 51% for a consideration of INR107m. DOIL has been treated as an associate of the company till 19th Mar'24 and subsequently a subsidiary.
- Deepak Chem Tech (DCTL) has commenced manufacturing operations of fluorination plant in Mar'24 at Dahej.
- It has also commenced production of speciality salts for niche application in chemicals and petchem industry at Sankarda, Vadodara.
- The above businesses are part of the AI segment.
- The board has approved the acquisition of OXOC Chemicals for INR100k. OXOC will become a wholly owned subsidiary of DN.
- OXOC manufactures polycarbonate (PC) compounds and has started mfg. activities in Mar'24 (turnover of INR606k in FY24). This would expedite the foray of DN into the PC compounds business.
- The acquisition would be completed by Jul'24 end.
- The directors and their relatives hold 100% shareholding in OXOC, but the transaction is being done at arm's length.
- **For FY24**, revenue stood at INR76.8b (down 4% YoY), EBITDA at INR11.2b (down 13% YoY) and reported PAT at INR8.1b (down 5% YoY). However, adj. PAT was INR7.5b (-12% YoY). EBITDAM stood at 14.6% (down 160bp YoY).
- Phenolics EBIT stood at INR6.4b (up 8% YoY) with margin at 12.9% (up 90bp YoY). EBIT in the AI segment stood at INR4.5b (down 20% YoY) with margin at 16.4% (down 190bp YoY).
- The board has declared a final dividend of INR7.5/share for FY24.

Consolidated - Quarterly Snapshot

(INR m)

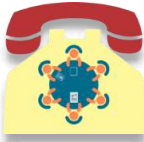
Y/E March	FY23				FY24					Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	4QAct			
Gross Sales	20,580	19,617	19,911	19,614	17,683	17,781	20,092	20,326	21,262	5%	8%	6%
<i>YoY Change (%)</i>	34.8	16.7	15.6	4.8	-14.1	-9.4	0.9	3.6	8.4			
<i>Gross Margin (%)</i>	33.9%	30.2%	32.8%	34.8%	30.8%	34.4%	31.7%	32.4%	30.7%	-1.8%	-4.2%	-1.0%
EBITDA	3,560	2,709	3,146	3,480	2,098	3,023	3,047	3,186	3,011	-5%	-13%	-1%
<i>Margin (%)</i>	17.3	13.8	15.8	17.7	11.9	17.0	15.2	15.7	14.2	-1.5	-3.6	-1.0
Depreciation	419	424	411	409	381	394	417	421	465			
Interest	86	59	58	45	18	27	29	48	44			
Other Income	96	120	134	126	319	170	136	134	191			
PBT before EO expense	3,151	2,346	2,810	3,152	2,017	2,772	2,736	2,850	2,694	-5%	-15%	-2%
Extra-Ord expense	0	0	0	0	0	0	0	0	-798			
PBT	3,151	2,346	2,810	3,152	2,017	2,772	2,736	2,850	3,492	23%	11%	28%
Tax	805	601	720	813	518	721	715	743	953			
<i>Rate (%)</i>	25.5	25.6	25.6	25.8	25.7	26.0	26.1	26.1	27.3			
Reported PAT	2,346	1,745	2,091	2,339	1,499	2,051	2,020	2,107	2,538	20%	9%	26%
Adj PAT	2,346	1,745	2,091	2,339	1,499	2,051	2,020	2,107	1,958	-7%	-16%	-3%
<i>YoY Change (%)</i>	-22.5	-31.4	-13.8	-12.5	-36.1	17.5	-3.4	-9.9	-16.3			
<i>Margin (%)</i>	11.4	8.9	10.5	11.9	8.5	11.5	10.1	10.4	9.2	-1.2	-2.7	-0.8
Segmental Revenue (INR m)												
Advanced Intermediates	7,300	6,853	8,178	8,005	7,083	6,702	6,743	5,257	6,711	28%	-16%	0%
Phenolic	13,349	12,841	11,816	11,699	10,679	11,201	13,493	15,219	14,661	-4%	25%	9%
Segmental EBIT (INR m)												
Advanced Intermediates	1,327	1,384	1,475	1,365	1,149	1,034	937	619	1,339	116%	-2%	43%
Phenolic	1,877	1,027	1,270	1,770	876	1,704	1,798	1,622	2,061	27%	16%	15%
Segmental EBIT Margin (%)												
Advanced Intermediates	18.2%	20.2%	18.0%	17.1%	16.2%	15.4%	13.9%	11.8%	20.0%	8.2%	2.9%	6.1%
Phenolics	14.1%	8.0%	10.7%	15.1%	8.2%	15.2%	13.3%	10.7%	14.1%	3.4%	-1.1%	0.7%

BSE SENSEX
74,006S&P CNX
22,502

CMP: INR169

Neutral

Conference Call Details

**Date:** 21 May 2024**Time:** 12:00 pm IST**Registration:**
[Diamond Pass](#)**Dial in:**

+91 22 6280 1123

+91 22 7115 8024

Revenue in line; EBITDA and APAT below estimates

- In 4QFY24, SAIL received a one-time revenue and EBITDA gain of INR19b related to a rail price revision for FY22 (INR17b on account of upward revision of provisional rail prices with effect from 1st Apr'22 and INR1.9b provided as per the recommendation of the Joint Pricing Committee toward rail prices for FY22, which is pending for approval of the Railway Board). **For a like-to-like comparison, we have adjusted 4QFY24 financials by excluding this one-time gain.**
- SAIL reported 4Q revenue of INR261b, in line with our estimate. ASP stood at INR55,682/t (+11% YoY/-9% QoQ) vs. our estimate of INR59,021/t.
- EBITDA declined 46% YoY and 21% QoQ to INR16b, below our estimate of INR19b. Lower realization and higher costs impacted EBITDA.
- APAT came in at INR1.2b, down 90% YoY and 65% QoQ, vs. our estimate of INR1.7b.
- The company's five major plants reported a net profit, while its alloy steel plants, VISP and Salem, reported operating losses during 4QFY24 and FY24.
- Crude steel production stood at 4.95mt (flat YoY/+3% QoQ) vs. our estimate of 4.2mt. Sales volume stood at 4.7mt (flat YoY/+23% QoQ), 6% above our estimate of 4.4mt.
- In FY24, SAIL received a one-time revenue and EBITDA gain of INR17.5b in 2QFY24 and INR19b in 4QFY24 related to rail price revision. For a like-to-like comparison, we have adjusted the same during 2QFY24, 4QFY24 and FY24 financials by excluding this one-time gain.
- In FY24, revenue stood at INR1,017b (-3% YoY), EBITDA stood at INR75b (-7% YoY) and APAT stood at INR10b (-47% YoY).
- SAIL achieved crude steel production of 18.8mt and sales of 17.2mt in FY24.

SAIL Consolidated Quarterly Performance (INR b)

Y/E March	FY23				FY24				FY23	FY24	FY24	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Production (m tons)	4.1	4.1	4.4	4.7	4.4	4.8	4.6	5.0	17.2	18.8	4.2	18
Change (YoY %)	8.2	-5.1	0.8	5.9	8.0	17.5	5.0	5.3	2.3	8.7		
Sales (m tons)	3.2	4.2	4.2	4.7	3.9	4.8	3.8	4.7	16.2	17.2	4.4	6
Change (YoY %)	-5.2	-1.6	8.1	-0.6	23.1	14.0	-8.5	-0.0	0.2	6.0		
Realization (INR per ton)	76,185	62,328	60,328	62,232	62,717	58,256	61,444	55,682	64,486	59,269	59,021	-6
Change (YoY %)	22.8	-0.5	-8.2	-4.7	-17.7	-6.5	1.8	-10.5	0.7	-8.1		
Net Sales	240	262	250	291	244	280	233	261	1,044	1,017	261	0
Change (YoY %)	16.4	-2.2	-0.8	-5.3	1.4	6.5	-6.8	-10.5	0.9	-2.6		
Change (QoQ %)	-21.9	9.2	-4.6	16.3	-16.4	14.8	-16.5	11.6				
Total Expenditure	217	255	230	262	227	258	212	245	964	942		
EBITDA	23	7	21	29	16	21	21	16	80	75	19	-15
Change (YoY %)	-64.9	-89.6	-39.1	-33.0	-28.4	189.2	3.1	-45.8	-62.4	-6.7		
Change (QoQ %)	-47.1	-68.1	182.7	40.7	-43.6	28.9	0.8	-26.1				
EBITDA per ton (INR)	7,297	1,746	5,007	6,247	4,245	4,429	5,638	3,384	4,964	4,370	4,211	-20
Interest	4	5	6	5	6	6	6	6	20	25		
Depreciation	12	12	12	14	13	13	13	14	50	53		
Other Income	2	4	1	3	5	1	1	3	10	11		
PBT (before EO Inc.)	9	-6	3	13	2	3	4	-1	20	8		
EO Income(exp)	0	0	3	-0	0	13	1	14	3	28		
PBT (after EO Inc.)	9	-6	6	13	2	17	4	13	22	36		
Total Tax	2	-1	2	4	1	5	1	3	7	10		
% Tax	26.9	20.3	29.9	31.3	33.7	27.7	32.7	24.4	31.9	27.5		
PAT before MI/sh. of Asso./pr. on invest	7	-4	4	9	1	12	3	10	15	26		
Share of Asso/JV/profit on investments	1	1	1	3	1	1	1	1	6	4		
Reported PAT (after MI/sh. of Asso./pr. on invest)	8	-3	5	12	2	13	4	11	22	31		
Adjusted PAT	8	-3	2	12	2	3	3	1	19	10	2	-28
Change (YoY %)	-79.8	PL	LP	-53.5	-73.6	LP	42.1	-90.0	-84.8	-46.6		
Change (QoQ %)	-65.6	PL	LP	392.1	-82.3	62.3	0.5	-65.4				
Off Book Adj (if any)	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.0	0.00	0.0		

Note: 2QFY24 and 4Q FY24 financials have been adjusted by excluding one-time revenue and EBITDA benefit recognized due to rail price revision (INR17.5b in 2Q FY24 and INR19b in 4Q FY24), Estimates are under review since we will revise them after the earnings call

VRL Logistics

BSE SENSEX 74,006
S&P CNX 22,502

CMP: INR591

Buy

Conference Call Details



Date: 21st May 2024

Time: 12:30 PM IST

Dial-in details:

[Link](#)

Financials & Valuations (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	28.9	32.8	38.0
EBITDA	3.9	4.5	5.4
Adj. PAT	0.9	1.5	2.1
EBITDA Margin (%)	13.6	13.7	14.3
Adj. EPS (INR)	10.0	17.1	24.0
EPS Gr. (%)	-46.7	70.2	40.6
BV/Sh. (INR)	115.6	122.8	136.9

Ratios

Net D:E	0.2	0.2	0.2
RoE (%)	9.4	14.3	18.5
RoCE (%)	11.3	14.2	17.9
Payout (%)	49.4	58.0	41.3

Valuations

P/E (x)	58.9	34.6	24.6
P/BV (x)	5.1	4.8	4.3
EV/EBITDA(x)	13.8	11.9	9.9
Div. Yield (%)	0.8	1.7	1.7
FCF Yield (%)	0.3	2.7	5.1

Performance in line with our estimates

Earnings snapshot – 4QFY24

- Revenue grew 10% YoY to ~INR7.7b (+4% QoQ), in line with our estimate.
- During 4QFY24, tonnage handled stood at 1.13m tonnes (+9.6% YoY).
- EBITDA margin was 13.7% against our estimate of 13.3%. EBITDA stood at INR1.05b (in line with our estimate of INR 1.03b).
- APAT declined 64% YoY to INR215m (vs. our estimate of INR218m).
- The company added 83 branches (net addition) during the quarter.
- During FY24**, revenue grew 9% YoY to INR28.9b. EBITDA margin stood at 13.6%. APAT declined 47% YoY to INR886m.

Quarterly performance

Y/E March (INR m)	FY23				FY24				FY23	FY24	FY24	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	6,143	6,545	6,815	6,982	6,742	7,093	7,367	7,684	26,485	28,886	7,733	(1)
YoY Change (%)	48.5	2.8	13.3	17.6	9.7	8.4	8.1	10.1	17.9	9.1	10.8	
EBITDA	913	930	1,033	1,141	1,019	918	944	1,053	4,017	3,935	1,028	2
Margins (%)	14.9	14.2	15.2	16.3	15.1	12.9	12.8	13.7	15.2	13.6	13.3	
YoY Change (%)	153.0	-17.9	-12.1	-0.7	11.7	-1.3	-8.6	-7.7	5.2	-2.0	-9.9	
Depreciation	334	384	421	453	489	522	568	583	1,591	2,162	569	
Interest	120	139	151	133	163	185	213	218	543	779	210	
Other Income	30	22	45	47	89	60	24	38	143	211	42	
PBT before EO expense	488	429	506	602	456	271	187	291	2,025	1,205	291	
Extra-Ord expense	-134	0	-114	-1,322	0	-3	0	0	-1,571	-3	0	
PBT	622	429	620	1,924	456	274	187	291	3,596	1,208	291	
Tax	123	122	128	-7	117	77	50	76	364	319	73	
Rate (%)	19.8	28.4	20.7	-0.4	25.6	28.0	26.9	26.0	10.1	26.4	25.1	
Reported PAT	499	307	492	1,932	339	197	137	215	3,232	889	218	
Adj PAT	365	307	378	610	339	194	137	215	1,661	886	218	(1)
YoY Change (%)	NA	-37.9	-33.1	16.6	-6.9	-36.7	-63.7	-64.7	9.2	-46.7	-64.3	
Margins (%)	5.9	4.7	5.5	8.7	5.0	2.7	1.9	2.8	6.3	3.1	2.8	

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Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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