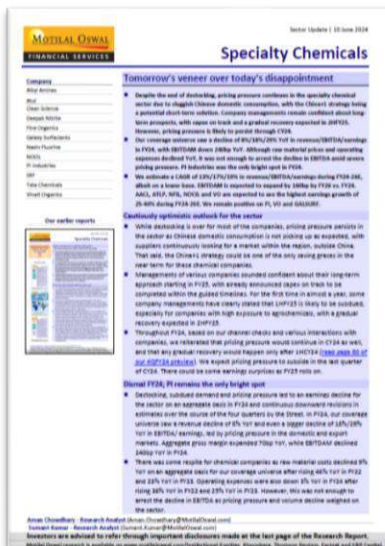
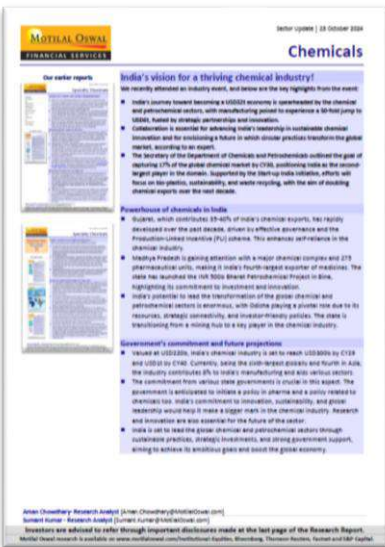
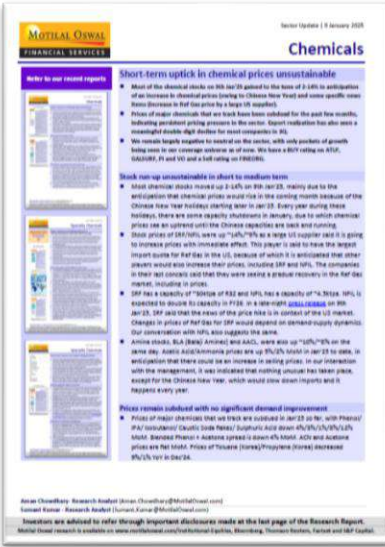


## Our earlier reports



## Not all as rosy as it appears to be!

- Despite expectations of a stronger 2H, performance has remained weak, with aggregate revenue, EBITDA, and PAT declining sequentially in FY24 and continuing the trend in FY25. The coverage universe of 12 companies performed worse than the broader sector, with significant YoY and QoQ declines across key financial metrics.
- Despite volume growth, pricing pressure kept margins subdued, with EBITDAM declining 150bp QoQ and 70bp YoY for 63 companies, and 130bp YoY for our coverage universe. Normalized other income led to a PAT margin contraction, with 43% of the companies analyzed experiencing a QoQ decline, and a 200bp drop for the coverage universe.
- EBITDA and PAT for the coverage universe missed estimates in 3QFY25, leading to downward revisions for seven companies in our universe, while three companies saw upward revisions. Management anticipates a demand recovery going forward, with capacity expansions on track. However, competitive pressures and feedstock costs pose risks, and FY26 earnings estimates remain at risk of further downgrades.

## Sequential decline a worry

- For the past two years, companies have been projecting that 2H would be better than 1H, but this has not proven to be the case. For instance, in FY24, aggregate revenue was INR897b in 2H vs. INR899b in 1H, with EBITDA at INR108b in 2H vs. INR127b in 1H for the 63 companies we analyzed. EBITDAM was 12.1% vs. 14.1% in 1HFY24. Aggregate revenue/ EBITDA/ PAT for our coverage universe declined 2%/ 14%/22% in 2H vs. 1HFY24.
- A similar story seems to be unfolding in FY25, with all parameters in a declining trend on a sequential basis in 3QFY25. While the performance may seem encouraging on a YoY basis, it is important to recognize that the corresponding period had its own share of challenges, due to which the base effect could make the numbers appear to be on an uptrend. Aggregate revenue/ EBITDA/ PAT was down 2%/12%/7% QoQ for the 63 companies we analyzed.
- Our coverage universe of 12 companies is facing a more challenging situation than the overall sector, with aggregate revenue/EBITDA/PAT declining 5%/12%/24% QoQ. EBITDA/PAT also declined 1%/12% YoY for our coverage universe. In 3QFY25, revenue/EBITDA/PAT for our coverage universe declined 3%/24%/38%, compared to 3QFY23. Revenue/EBITDA/PAT declined for 50%/75%/83% of the companies in our coverage universe w.r.t. 3QFY23.

## Margin pressure persists

- While companies have reported sequential volume growth, pricing pressure continues to persist, keeping margins subdued. Among the 63 companies we analyzed in 3QFY25, 48% reported a QoQ decline in EBITDAM, while 52% of companies reported a YoY decline. The aggregate EBITDAM decline was 70bp YoY and 150bp QoQ. For our coverage universe, the decline was 130bp each for YoY and QoQ.
- Other income was also higher than expected in 1HFY25, which led to earnings being slightly on the higher side. However, this has now returned to normalized levels, resulting in a contraction in PAT margin in 3QFY25. Among the 63

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companies analyzed, 43% saw a QoQ contraction in their PAT margin, while 44% experienced a YoY decline. The aggregate PAT margin contraction was 40bp QoQ. For our coverage universe, PAT margins contracted 200bp QoQ and 170bp YoY.

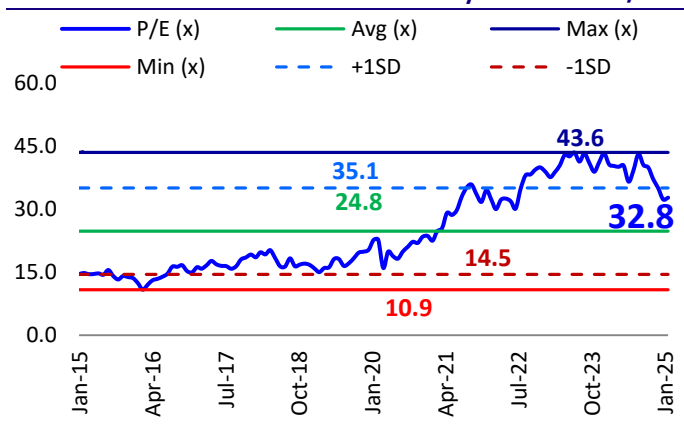
### Managements optimistic; we remain cautious

- For our coverage universe, revenue was in line with our estimates, while EBITDA and Adj. PAT were below our expectations in 3QFY25. We have revised down our estimates for FINEORG, GALSURF, PI, TTCH, NFIL, NOCIL, and VO after the 3QFY25 earnings. AACL, ATLP, and SRF saw an upward revision in estimates following the 3QFY25 earnings season.
- Managements expect demand recovery going forward, driven by the normalization of both international and domestic markets. Key capacity expansions and greenfield projects are on track, supporting long-term growth across the sector. However, competitive pressures, feedstock costs, and regulatory developments could impact margins and pricing. Capex remains a priority, with investments in new products, technology, and operational efficiency driving future performance.
- The 9MFY25 earnings for our coverage universe declined 12% YoY, while the earnings cut for our coverage universe over 9MFY25 has been to the tune of 18%. At the start of 3Q, our FY26E/27E earnings growth estimates were 34%/22%. However, following the 3Q earnings, the estimates stand at 36%/24%, primarily due to FY25E downgrades after the latest earnings. We believe that our FY26 earnings estimate is currently at risk and could face further downgrades in the coming quarters.

### Valuation and view

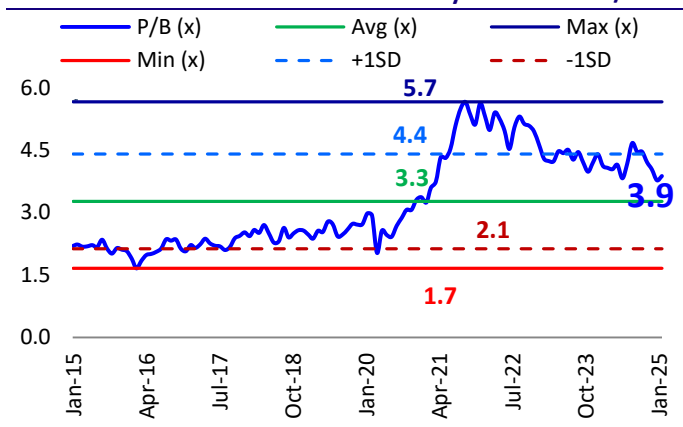
- **SRF:** The Chemicals business is recovering, with Specialty Chemicals experiencing a demand revival and Fluorochemicals benefiting from export growth, driving an estimated CAGR of ~29% over FY25-27E. Margins are expected to improve due to operating leverage and a higher VAP mix, while the Packaging and Technical Textiles businesses are expected to post ~14% and ~8% CAGR, respectively.
- **ATLP:** End-user demand improved in 9MFY25, and the company is expanding capacities, debottlenecking operations, and increasing its global presence. Key projects, such as the 50ktpa liquid epoxy resins plant and the caustic soda facility, are ramping up, with risks tied to execution delays and margin pressures. We value the stock at 35x Dec'26E EPS to arrive at our TP of INR8,455.
- **VO:** VOPL's new products (MEHQ, Guaiacol, Anisole, 4- MAP, Iso Amylene) are likely to start in 4QFY25, driving growth. Meanwhile, VO, now India's only double-integrated AO maker following the VAPL merger, is expected to grow on the back of robust ATBS demand. We value VO at 45x Dec'26E EPS to arrive at our TP of INR2,600. We reiterate our BUY rating on the stock.

**Exhibit 1: The sector trades at 32.8x one-year forward P/E**



Source: MOFSL

**Exhibit 2: The sector trades at 3.9x one-year forward P/B**



Source: MOFSL

**Exhibit 3: % of companies (out of 63 analyzed) showing a decline in the below parameters**

Parameter	YoY	QoQ	w.r.t. 3QFY23
Revenue	25%	44%	40%
EBITDA	35%	48%	46%
EBITDAM	52%	48%	52%
PAT	37%	48%	46%
PAT margin	44%	43%	56%

\*Earnings declared till 13<sup>th</sup> Feb; Mkt cap of cos. above INR10b  
Source: Company, MOFSL

**Exhibit 4: % of companies (out of our coverage universe of 12) showing a decline in the below parameters**

Parameter	YoY	QoQ	w.r.t. 3QFY23
Revenue	25%	67%	50%
EBITDA	42%	67%	75%
EBITDAM	67%	58%	75%
PAT	42%	75%	83%
PAT margin	58%	67%	83%

Source: Company, MOFSL

**Exhibit 5: Aggregate performance for the 63 companies we analyzed in the chemicals sector**

Quarter	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY (%)	QoQ (%)	Change w.r.t. 3QFY23 (%)
Aggregate revenue (INR b)	467	491	454	445	429	468	481	493	485	13%	-2%	4%
Aggregate EBITDA (INR b)	77	82	66	61	57	52	68	70	61	7%	-12%	-20%
Aggregate EBITDAM (%)	16.4%	16.7%	14.5%	13.7%	13.3%	11.0%	14.2%	14.1%	12.6%	-0.7%	-1.5%	-3.8%
Aggregate PAT (INR b)	46	49	38	33	29	20	36	35	33	15%	-7%	-28%
Aggregate PAT margin (%)	9.8%	10.0%	8.3%	7.3%	6.7%	4.3%	7.5%	7.2%	6.8%	0.1%	-0.4%	-3.0%

\*Earnings declared till 13<sup>th</sup> Feb; Mkt cap of cos. above INR10b

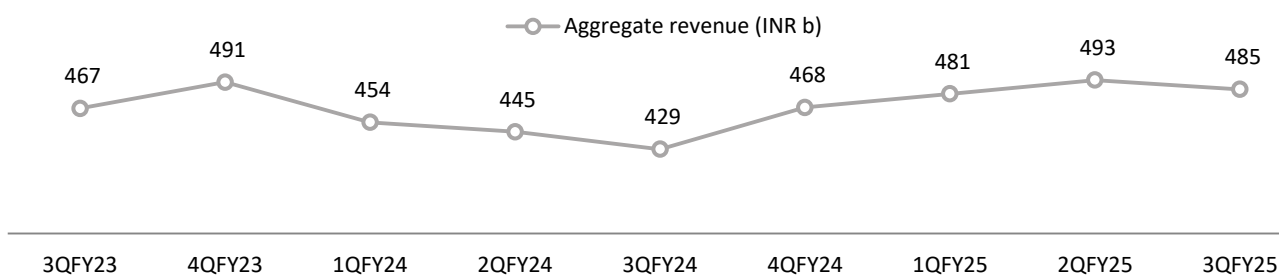
Source: Company, MOFSL

**Exhibit 6: Aggregate performance for the 12 companies under our coverage**

Quarter	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY (%)	QoQ (%)	Change w.r.t. 3QFY23 (%)
Aggregate revenue (INR b)	164	168	158	155	150	157	163	168	159	6%	-5%	-3%
Aggregate EBITDA (INR b)	35	37	33	31	27	27	30	31	27	-1%	-12%	-24%
Aggregate EBITDAM (%)	21.5%	21.8%	21.0%	19.8%	18.2%	17.5%	18.3%	18.2%	16.9%	-1.3%	-1.3%	-4.7%
Aggregate PAT (INR b)	22	25	20	18	15	15	16	18	13	-12%	-24%	-38%
Aggregate PAT margin (%)	13.4%	15.0%	12.6%	11.8%	10.2%	9.3%	9.9%	10.5%	8.5%	-1.7%	-2.0%	-4.9%

Source: Company, MOFSL

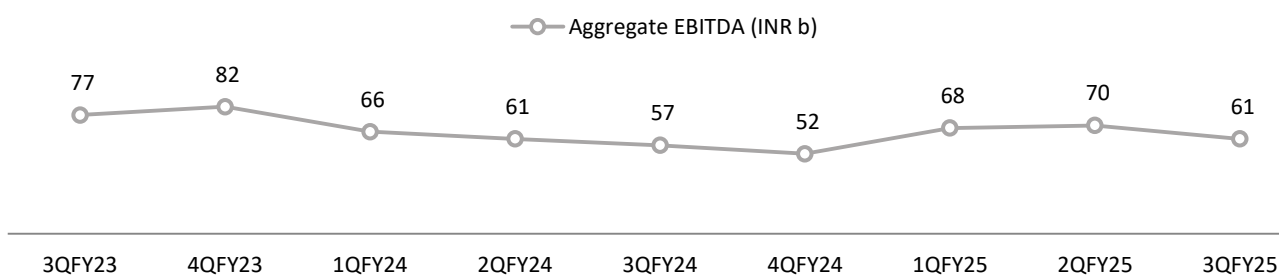
**Exhibit 7: Aggregate revenue for the 63 companies analyzed in 3QFY25**



\*Earnings declared till 13<sup>th</sup> Feb; Mkt cap of cos. above INR10b

Source: Company, MOFSL

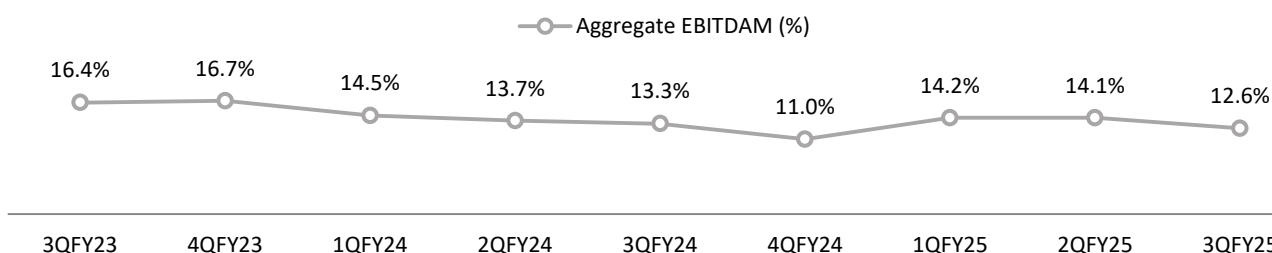
**Exhibit 8: Aggregate EBITDA for the 63 companies analyzed in 3QFY25**



\*Earnings declared till 13<sup>th</sup> Feb; Mkt cap of cos. above INR10b

Source: Company, MOFSL

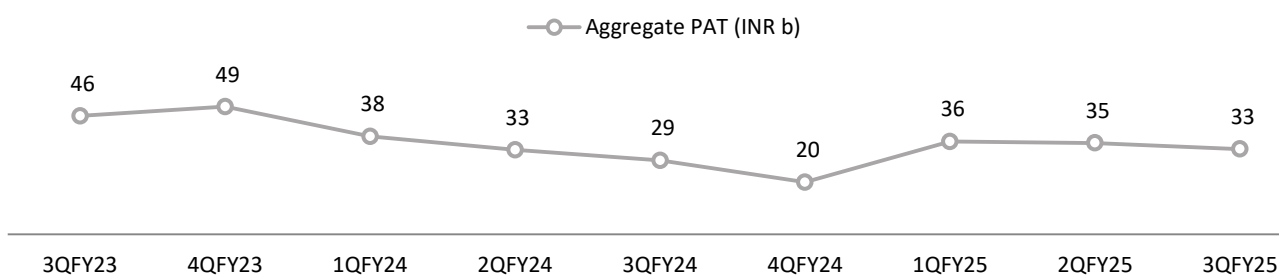
**Exhibit 9: Aggregate EBITDAM for the 63 companies analyzed in 3QFY25**



\*Earnings declared till 13<sup>th</sup> Feb; Mkt cap of cos. above INR10b

Source: Company, MOFSL

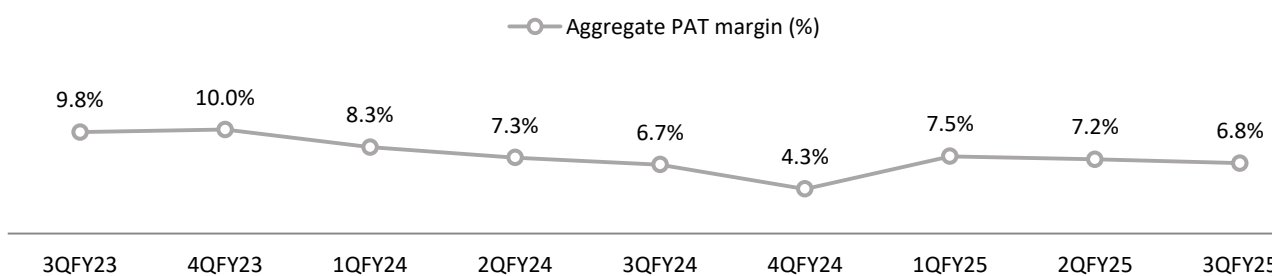
**Exhibit 10: Aggregate PAT for the 63 companies analyzed in 3QFY25**



\*Earnings declared till 13<sup>th</sup> Feb; Mkt cap of cos. above INR10b

Source: Company, MOFSL

**Exhibit 11: Aggregate PAT margin for the 63 companies analyzed in 3QFY25**



\*Earnings declared till 13<sup>th</sup> Feb; Mkt cap of cos. above INR10b

Source: Company, MOFSL

Exhibit 12: Outperformers in 3QFY25 in terms of EBITDA (INR m) w.r.t 3QFY23

Co Name	MCap (INR b)	EBITDA (INR m)									Change		
		3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	YoY (%)	QoQ (%)	w.r.t. 3QFY23 (%)
Premier Explosives	21	47	82	167	219	49	151	155	166	155	217	-7	229
BASF India	179	547	1,336	1,978	2,339	2,125	2,456	3,124	2,009	1,704	-20	-15	212
Kiri Industries	30	-171	-48	17	-99	-106	51	167	171	-444	320	-360	160
Tanfac Industries	34	225	258	242	156	146	164	156	272	503	245	85	124
Privi Speciality Chemicals	61	520	321	547	893	900	910	944	1,102	1,128	25	2	117
Fairchem Organics	13	37	192	116	168	198	188	218	88	78	-60	-11	113
Himadri Speciality Chemical	204	1,049	1,256	1,340	1,577	1,739	1,795	1,919	2,081	2,209	27	6	111
Jayant Agro Organics	13	134	244	209	273	181	310	309	283	269	49	-5	101
Heubach Colorants India	13	128	168	259	219	143	100	111	279	250	75	-11	95
Amines & Plasticizers	14	92	139	141	159	170	220	148	163	170	0	4	84
Shree Pushkar Chemicals & Fertilizers	10	131	204	140	140	140	187	177	191	225	61	18	71
DDev Plastiks Industries	25	417	665	539	603	601	838	584	637	704	17	10	69
Oriental Aromatics	10	140	92	9	110	141	209	221	286	226	60	-21	61
Godrej Industries	270	3,732	5,999	2,417	2,655	2,793	559	3,340	5,747	5,968	114	4	60
Vidhi Specialty Food Ingredients	22	126	122	130	137	144	160	141	152	190	32	25	51
S H Kelkar & Company	24	434	455	680	716	768	880	-427	801	637	-17	-21	47
Jyoti Resins and Adhesives	15	163	201	207	214	206	212	234	194	225	9	16	38
Laxmi Organic Industries	55	548	580	773	389	523	900	712	747	748	43	0	36
Gulf Oil Lubricants India	54	900	875	925	1,005	1,104	1,173	1,135	1,074	1,225	11	14	36
Aether Industries	102	473	596	447	460	250	28	402	503	620	149	23	31
Atul	159	1,720	1,494	1,823	1,552	1,517	1,476	2,232	2,427	2,241	48	-8	30
Ultramarine & Pigments	15	292	199	269	242	230	198	265	272	361	57	33	24
Vishnu Chemicals	30	519	612	511	460	409	635	556	452	635	55	41	22
Fineotex Chemical	30	286	327	315	382	404	383	353	364	343	-15	-6	20
Rossari Biotech	35	542	546	577	636	637	636	649	659	648	2	-2	20
Yasho Industries	22	232	264	255	206	223	312	218	280	269	21	-4	16
Neogen Chemicals	48	301	326	281	259	203	358	308	345	346	71	0	15
Linde India	475	1,678	1,864	1,640	1,736	1,862	1,785	1,842	1,788	1,922	3	7	14
Anupam Rasayan India	74	1,113	1,173	1,014	1,075	791	927	532	804	1,243	57	55	12
Grauer & Weil (India)	39	468	293	478	488	546	393	639	427	523	-4	23	12
Epigral	76	1,665	1,546	950	1,077	1,225	1,554	1,763	1,784	1,825	49	2	10
Deepak Fertilizers & Petrochemicals Corp	126	4,612	4,691	2,806	2,861	2,822	4,379	4,644	4,942	4,861	72	-2	5
Alkyl Amines Chemicals	85	695	777	740	483	596	689	791	735	712	19	-3	2

\*Earnings declared till 13<sup>th</sup> Feb; Mkt cap of cos. above INR10b

Source: Company, MOFSL

Exhibit 13: Outperformers in 3QFY25 in terms of EBITDAM (%) w.r.t 3QFY23

Co Name	MCap (INR b)	EBITDAM (%)									YoY (%)	QoQ (%)	Change w.r.t. 3QFY23 (%)
		3Q FY23	4Q FY23	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25			
Privi Speciality Chemicals	61	12	8	13	20	22	19	20	21	23	1	2	11
Himadri Speciality Chemical	204	10	12	14	16	17	15	16	18	19	3	1	9
Linde India	475	24	30	23	24	26	28	28	28	32	5	4	8
Jyoti Resins and Adhesives	15	25	31	34	34	33	30	34	30	32	-2	2	7
Tanfac Industries	34	23	22	23	19	17	16	16	24	28	12	4	5
Vidhi Specialty Food Ingredients	22	15	14	16	17	23	20	17	17	19	-4	3	5
Heubach Colorants India	13	7	9	12	11	8	5	6	13	12	4	-1	5
DDev Plastiks Industries	25	6	10	8	9	11	14	9	11	11	0	0	4
Anupam Rasayan India	74	28	24	26	27	27	23	21	27	32	5	5	3
Fairchem Organics	13	4	13	7	11	13	12	13	6	7	-6	1	3
Amines & Plasticizers	14	6	8	10	10	10	12	11	10	9	-1	-1	3
Oriental Aromatics	10	7	5	0	5	7	10	10	12	10	3	-2	3
Godrej Industries	270	10	12	5	7	8	1	8	12	12	5	0	3
BASF India	179	2	4	6	6	6	7	8	5	5	-2	0	3
Yasho Industries	22	16	17	17	15	17	18	13	17	18	1	1	2
Atul	159	14	12	15	13	13	12	17	17	16	2	-2	2
Deepak Fertilizers & Petrochemicals Corp	126	17	17	12	12	15	21	20	18	19	4	1	2
Jayant Agro Organics	13	3	4	4	5	4	5	4	5	5	0	0	2
Shree Pushkar Chemicals & Fertilizers	10	9	11	8	8	8	10	9	11	10	2	-1	2
Gulf Oil Lubricants India	54	12	11	11	13	14	13	13	12	13	0	1	2
Alkyl Amines Chemicals	85	18	19	18	14	19	19	20	18	19	1	1	1
Vishnu Chemicals	30	16	18	17	15	13	21	16	13	17	4	4	1
Laxmi Organic Industries	55	8	8	11	6	8	11	10	10	10	2	0	1
Fineotex Chemical	30	26	24	24	26	29	25	25	25	27	-2	2	1
Neogen Chemicals	48	16	16	17	16	12	18	17	18	17	5	-1	1
Ultramarine & Pigments	15	20	16	21	17	16	15	16	17	20	5	3	1
S H Kelkar & Company	24	11	10	16	16	16	17	-9	15	12	-4	-3	0
Grauer & Weil (India)	39	19	9	24	19	19	12	24	17	19	0	2	0
Jubilant Ingrevia	100	13	9	11	12	10	9	11	12	13	3	1	0

\*Earnings declared till 13<sup>th</sup> Feb; Mkt cap of cos. above INR10b

Source: Company, MOFSL

Exhibit 14: Peer comparison for our coverage universe

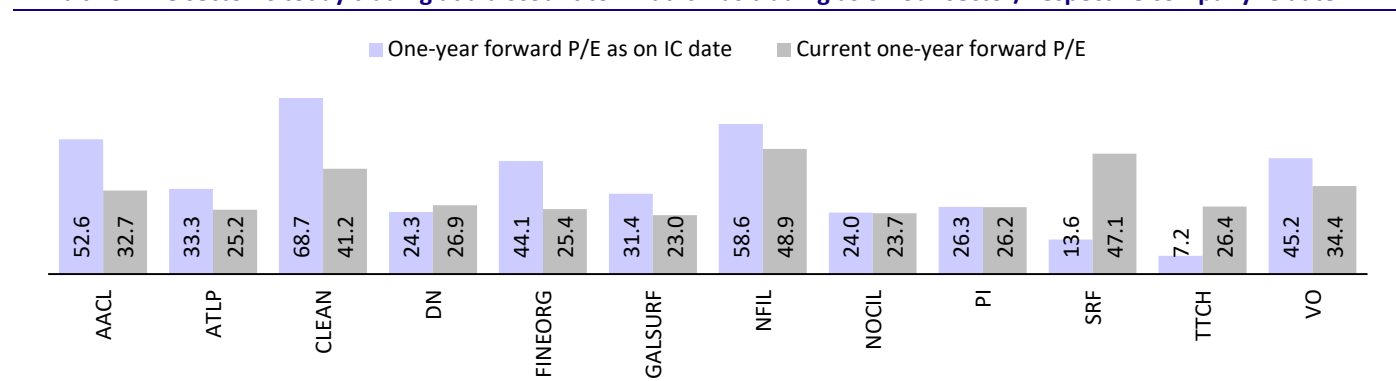
Company	Reco	TP (INR)	EPS (INR)			P/E (x)			P/BV (x)			EV/EBITDA (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Alkyl Amines	Neutral	1,900	36.2	51.4	67.3	48.2	33.9	25.9	6.4	5.7	5.0	29.7	21.8	16.7	13.9	17.8	20.6
Atul	Buy	8,455	164.2	210.6	251.8	40.0	31.1	26.1	3.5	3.2	2.9	21.5	18.0	15.3	9.1	10.8	11.7
Clean Science	Neutral	1,450	24.0	35.1	43.6	57.8	39.5	31.8	10.3	8.4	6.8	38.4	29.0	23.5	19.4	23.5	23.8
Deepak Nitrite	Neutral	1,835	44.8	66.2	73.4	42.3	28.6	25.8	4.8	4.2	3.7	27.0	18.5	16.7	12.1	15.8	15.3
Fine Organic Industries	Sell	3,570	132.6	118.1	119.3	32.8	36.8	36.4	6.0	5.2	4.6	24.6	27.0	25.9	19.9	15.1	13.4
Galaxy Surfactants	Buy	2,825	83.7	95.5	113.0	29.0	25.4	21.5	3.6	3.2	2.9	18.0	15.6	13.4	13.0	13.4	14.3
Navin Fluorine Int.	Neutral	3,715	59.4	81.0	92.9	65.8	48.3	42.1	7.5	6.7	6.0	39.2	30.2	26.5	11.8	14.6	15.1
NOCIL	Neutral	210	6.8	7.6	11.5	32.9	29.3	19.5	2.1	2.0	1.9	26.7	20.2	13.4	6.6	7.1	10.1
PI Industries	Buy	4,100	109.9	117.9	135.4	32.3	30.1	26.2	5.3	4.5	3.9	23.2	20.5	17.5	17.6	16.2	16.1
SRF	Buy	3,540	42.7	72.0	100.4	66.3	39.3	28.2	6.9	6.1	5.2	32.5	23.0	17.6	10.7	16.4	19.8
Tata Chemicals	Neutral	1,030	17.7	41.3	56.6	53.3	22.9	16.7	1.1	1.1	1.0	13.9	9.8	8.0	2.0	4.7	6.2
Vinati Organics	Buy	2,600	38.9	50.3	60.3	45.0	34.8	29.0	6.5	5.7	4.9	32.2	24.9	20.7	15.4	17.5	18.3

Source: Company, MOFSL

**Exhibit 15: The sector is trading at a premium to historical averages, except for the 5-year average**

Companies	Current P/E (x)	Average P/E (x)			Prem / Disc P/E (%)		
		15 YR	10 YR	5 YR	15 YR	10 YR	5 YR
<b>Chemicals</b>	<b>32.8</b>	<b>19.2</b>	<b>24.8</b>	<b>33.3</b>	<b>70.5</b>	<b>32.2</b>	<b>-1.4</b>
Alkyl Amines	34.8	25.6	35.3	58.5	36.2	-1.2	-40.4
Atul	31.0	22.6	30.8	43.6	36.9	0.7	-28.9
Clean Science	43.1	NA	62.0	62.0	NA	-30.5	-30.5
Deepak Nitrite	30.9	18.3	22.3	29.0	69.2	38.3	6.7
Fine Organic	35.4	33.1	33.1	34.8	7.1	7.1	2.0
Galaxy Surfactants	20.9	25.6	25.6	27.6	-18.4	-18.4	-24.4
Navin Fluorine	53.6	25.8	36.3	57.7	107.6	47.8	-7.1
NOCIL	27.3	16.0	19.3	25.7	70.7	41.6	6.3
P I Inds.	28.0	26.1	32.4	35.0	7.0	-13.8	-20.1
SRF	41.9	19.6	26.5	35.5	113.2	58.2	17.9
Tata Chemicals	21.4	11.0	14.3	20.7	95.2	49.9	3.3
Vinati Organics	33.2	27.2	34.9	46.5	22.1	-4.8	-28.5

Source: Company, MOFSL

**Exhibit 16: The sector is today trading at a discount to what it was trading as on our sector/ respective company IC date**

Source: Bloomberg, MOFSL

## SRF – Financial summary and assumptions (TP: INR3,540) – BUY

Exhibit 17: Consolidated EBITDA trend

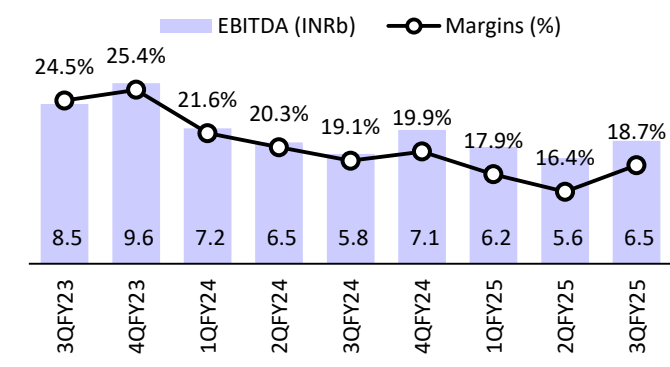


Exhibit 18: Consolidated adjusted PAT trend

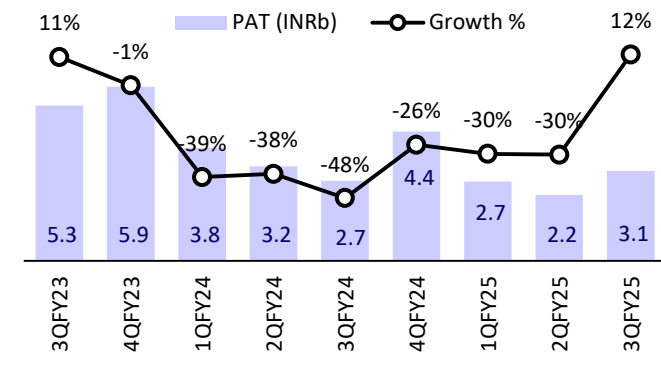
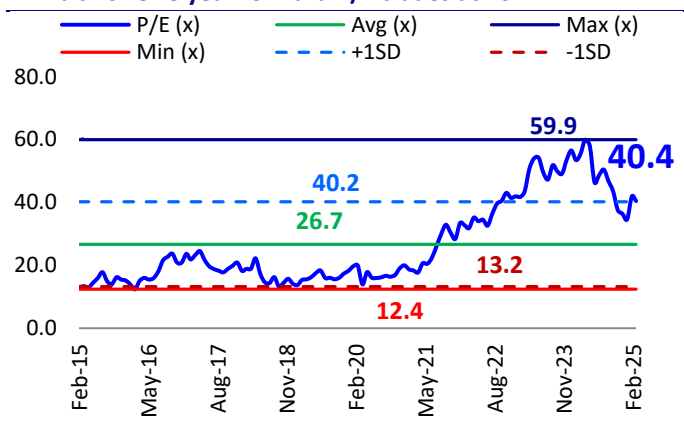


Exhibit 19: Financial summary

Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales	72.1	84.0	124.3	148.7	131.4	145.5	176.6	209.0
EBITDA	14.6	21.3	31.0	36.3	26.6	27.3	38.7	50.7
Adj. PAT	9.2	11.9	18.2	22.7	14.1	12.7	21.4	29.9
Cons. Adj. EPS (INR)	30.9	39.9	61.1	76.2	47.5	42.7	72.0	100.4
EPS Gr. (%)	49.4	29.0	53.1	24.8	(37.7)	(10.1)	68.5	39.5
BV/Sh. (INR)	166	231	288	347	386	411	466	549
<b>Ratios</b>								
Net D:E	0.8	0.4	0.3	0.3	0.4	0.4	0.4	0.3
RoE (%)	20.3	20.1	23.6	24.0	13.0	10.7	16.4	19.8
RoCE (%)	13.3	13.4	17.2	17.9	10.5	9.0	12.8	15.4
Payout (%)	9.6	12.1	26.4	9.9	16.0	37.3	23.6	16.9
<b>Valuations</b>								
P/E (x)	88.8	68.8	45.0	36.0	57.8	64.3	38.1	27.4
EV/EBITDA (x)	58.5	39.5	27.2	23.4	32.2	31.5	22.4	17.1
Div. Yield (%)	0.1	0.2	0.6	0.3	0.3	0.5	0.6	0.6
FCF Yield (%)	(0.1)	0.7	0.4	(0.0)	(0.2)	0.7	0.3	1.1

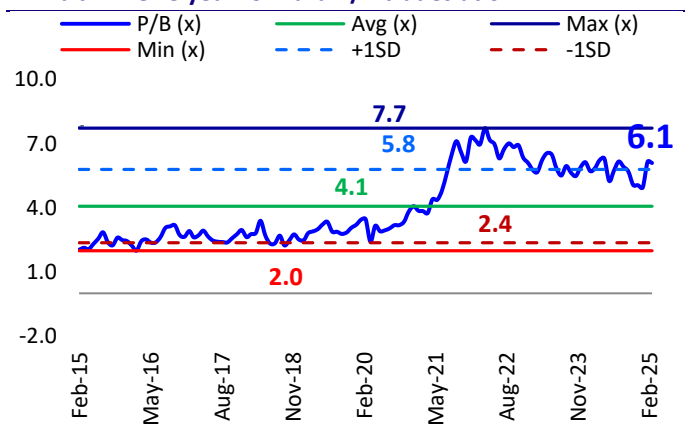
Source: Company, MOFSL

Exhibit 20: One year forward P/E trades at 40.4x



Source: Company, MOFSL

Exhibit 21: One year forward P/B trades at 6.1x

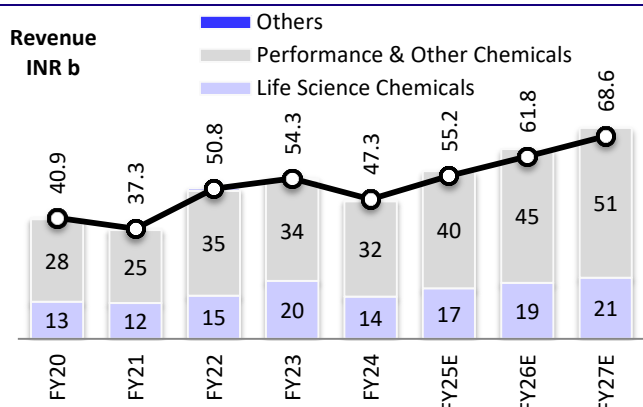


Source: Company, MOFSL



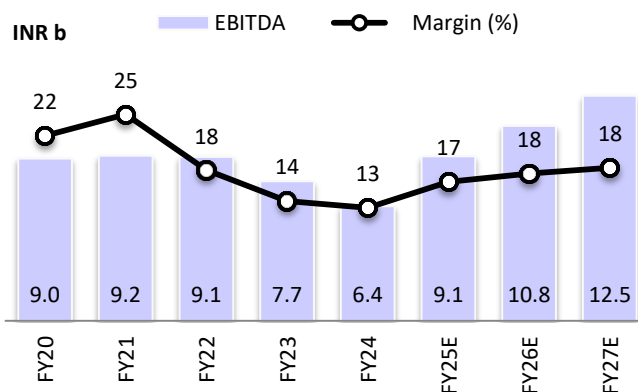
## ATLP – Financial summary and assumptions (TP: INR8,455) – BUY

Exhibit 22: : Expect 13% revenue CAGR over FY24-27



Source: Company, MOFSL

Exhibit 23: EBITDAM to improve



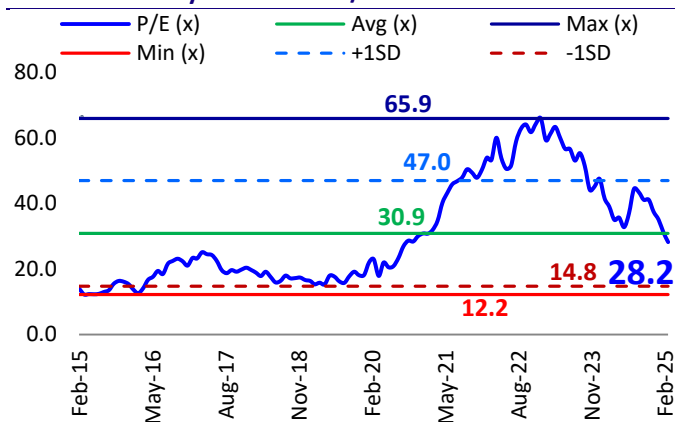
Source: Company, MOFSL

Exhibit 24: Financial summary

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales	40.9	37.3	50.8	54.3	47.3	55.2	61.8	68.6
EBITDA	9.0	9.2	9.1	7.7	6.4	9.1	10.8	12.5
PAT	6.7	6.6	6.0	5.1	3.2	4.8	6.2	7.4
EPS (INR)	226.6	222.9	204.2	171.6	110.0	164.2	210.6	251.8
EPS Gr. (%)	53.9	-1.6	-8.4	-16.0	-35.9	49.2	28.3	19.6
BV/Sh.(INR)	1,065.5	1,292.3	1,495.8	1,581.9	1,736.0	1,870	2,043	2,249
<b>Ratios</b>								
Net D:E	0.0	(0.1)	0.0	-0.0	0.0	0.1	0.0	-0.0
RoE (%)	22.8	18.9	14.7	11.1	6.6	9.1	10.8	11.7
RoCE (%)	21.2	17.7	13.7	10.5	6.2	8.3	9.8	11.0
Payout (%)	16.7	8.9	12.2	14.5	18.2	18.2	18.2	18.2
<b>Valuations</b>								
P/E (x)	23.7	24.1	26.3	31.3	48.9	32.8	25.5	21.4
P/BV (x)	5.0	4.2	3.6	3.4	3.1	2.9	2.6	2.4
EV/EBITDA (x)	17.7	17.1	17.5	20.5	25.1	17.7	14.8	12.6
Div. Yield (%)	0.7	0.4	0.5	0.5	0.4	0.6	0.7	0.9
FCF Yield (%)	3.2	2.5	(2.3)	-1.1	1.0	-0.4	2.0	2.7

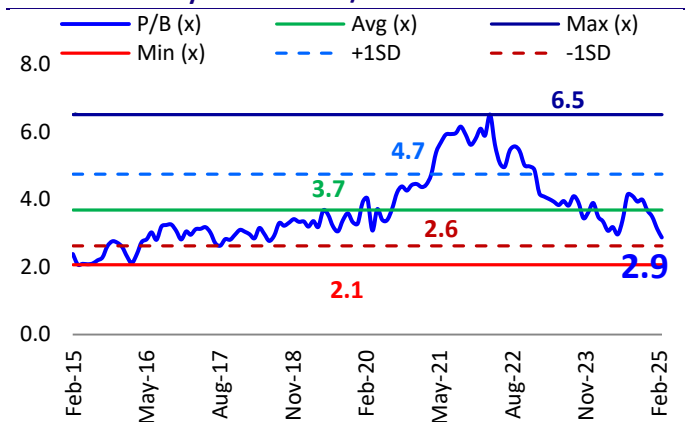
Source: Company, MOFSL

Exhibit 25: One year forward P/E trades at 28.2x



Source: Company, MOFSL

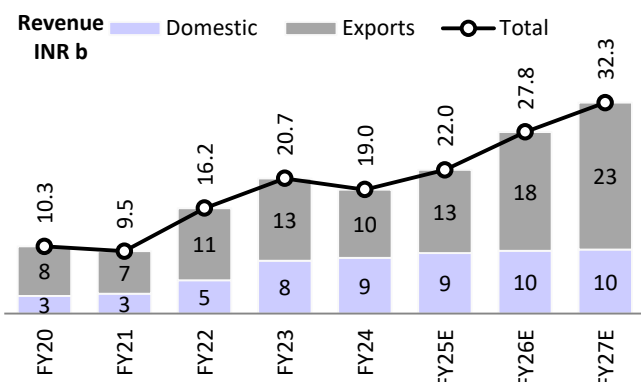
Exhibit 26: One year forward P/B trades at 2.9x



Source: Company, MOFSL

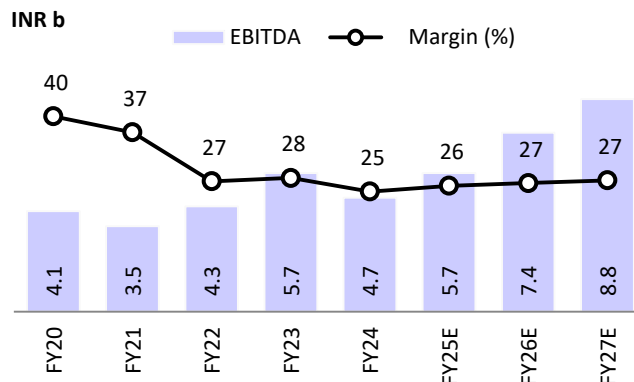
## VO – Financial summary and assumptions (TP: INR2,600) – BUY

Exhibit 27: : Expect 19% revenue CAGR over FY24-27



Source: Company, MOFSL

Exhibit 28: EBITDAM to gradually improve during FY25-27



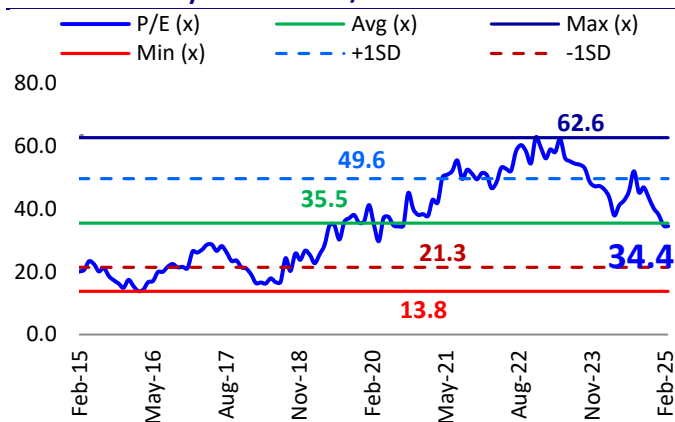
Source: Company, MOFSL

Exhibit 29: Financial summary

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales	10.3	9.5	16.2	20.7	19.0	22.0	27.8	32.3
EBITDA	4.1	3.5	4.3	5.7	4.7	5.7	7.4	8.8
PAT	3.3	2.7	3.5	4.2	3.2	4.0	5.2	6.3
EPS (INR)	32.2	26.0	33.4	40.4	31.2	38.9	50.3	60.3
EPS Gr. (%)	18.2	-19.3	28.7	20.9	-22.8	24.6	29.3	20.0
BV/Sh.(INR)	123.4	148.9	176.3	213.5	237.7	267.9	306.9	353.6
<b>Ratios</b>								
Net D:E	-0.0	-0.0	0.0	0.0	-0.0	0.1	0.1	0.0
RoE (%)	28.6	19.1	20.6	20.7	13.8	15.4	17.5	18.3
RoCE (%)	26.9	18.1	19.5	19.6	13.1	13.7	15.1	16.6
Payout (%)	31.6	23.1	19.4	17.3	22.4	22.4	22.4	22.4
<b>Valuations</b>								
P/E (x)	48.7	60.3	46.9	38.8	50.2	40.3	31.2	26.0
P/BV (x)	12.7	10.5	8.9	7.3	6.6	5.8	5.1	4.4
EV/EBITDA (x)	39.1	46.1	37.5	28.5	34.5	28.9	22.3	18.6
Div. Yield (%)	0.4	0.4	0.4	0.4	0.4	0.6	0.7	0.9
FCF Yield (%)	0.7	1.0	-0.2	1.3	0.7	-0.9	1.6	2.5

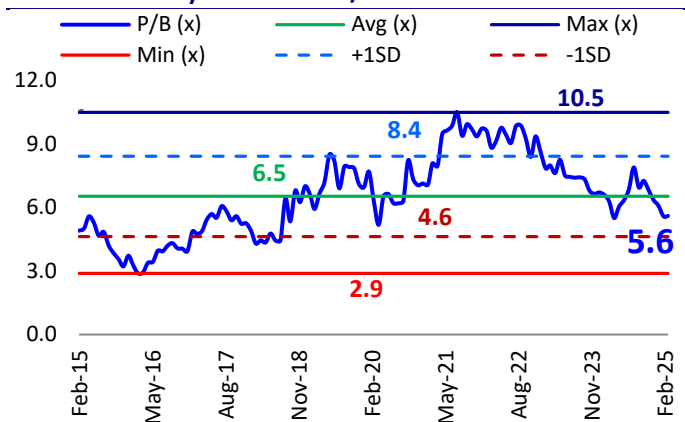
Source: Company, MOFSL

Exhibit 30: One year forward P/E trades at 34.4x



Source: Company, MOFSL

Exhibit 31: One year forward P/B trades at 5.6x



Source: Company, MOFSL

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