ABB India

Estimate changes	↓
TP change	↓
Rating change	⟷

Bloomberg	ABB IN
Equity Shares (m)	212
M.Cap.(INRb)/(USDb)	1183.9 / 13.9
52-Week Range (INR)	9200 / 4590
1, 6, 12 Rel. Per (%)	-1/-24/-35
12M Avg Val (INR M)	2957

Financials Snapshot (INR b)

Y/E DEC	CY25E	CY26E	CY27E
Net Sales	134.0	151.7	173.5
EBITDA	24.5	26.7	29.6
PAT	20.0	21.9	24.2
EPS (INR)	94.4	103.6	114.3
GR. (%)	6.7	9.7	10.4
BV/Sh (INR)	381.3	428.4	475.0
Ratios			
ROE (%)	26.4	25.6	25.3
RoCE (%)	26.5	25.7	25.4
Valuations			
P/E (X)	59.0	53.8	48.7
P/BV (X)	14.6	13.0	11.7
EV/EBITDA (X)	47.3	43.0	38.6
Div Yield (%)	0.7	0.9	1.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	75.0	75.0	75.0
DII	7.0	5.7	6.0
FII	10.3	11.9	11.9
Others	7.7	7.5	7.2

FII Includes depository receipts

CMP: INR5,587 TP: INR6,400 (+15%) Buy

Revenue growth weak; good start for inflows

ABB India's 1QCY25 results were lower than our estimates. Revenue/EBITDA/PAT growth of 3% each YoY for the quarter was impacted by softer execution, particularly in the process automation segment. Order inflows were strong and were up by 4% YoY and 39% QoQ on healthy base orders from railways, data centers, electronics, energy, tyres and water treatment, as well as large orders. With improvement seen in inflows, we expect revenue growth to scale up in the coming quarters. We trim our estimates by 3%/5%/5% for CY25/26/27 to bake in continued weakness in process automation segment. ABB is currently trading at 59.0x/53.8x on CY25E/CY26E earnings. We believe that beyond the transient weakness in execution as a result of weak inflows during last year, ABB has the right levers to benefit from improvement in government and private capex. We maintain BUY with a revised TP of INR6,400, which implies 60x Mar'27E earnings.

Results were weaker than our estimates

For 1QCY25, revenue/EBITDA/PAT grew by 3%/3%/3% YoY. Revenue and PAT both came in 7% below our estimates. EBITDA margin stood at 18.4% vs. our estimate of 18.6%. Gross margin during the quarter declined 200bp QoQ and 170bp YoY. The revenue miss was primarily led by a 19% YoY decline in revenue from the process automation segment. Order inflows were strong during the quarter at INR37.5b, up 4% YoY and 39% QoQ, driven by orders from railways, data centers, electronics, energy, tyres and water treatment. Base orders formed INR35.5b and large orders contributed INR2b to total order inflows. This resulted in the order book moving up to INR99.5b. ABB has mentioned that the long-term levers and outlook remain more positive. The government's focus on emerging segments of renewable energy, green hydrogen, electronics, nuclear energy, battery storage and AI infrastructure augurs well for ABB India's multi-segment portfolio. The company's cash position remains robust at INR57.5b as of 1QCY25 end.

Order inflow momentum remained strong during the quarter

Order inflows at INR37.5b were healthy despite a high base of last year. Going ahead, high-growth areas like data centers, electronics, smart buildings, traction/railways, and green cement are all benefiting from technological advancements and rapid execution cycles. Moderate-growth segments include core infrastructure and industrial markets with steady 8-12% growth. Low-growth but high-volume segments still contribute about 45% of ABB's portfolio. These segments are seen as future opportunities as capex cycles revive. We expect electrification and motion to benefit from high and moderate growth segments, while process automation will remain weak in the near term.

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Sequential moderation in margin was driven by lower margin in process automation

EBITDA margin declined 90bp QoQ, mainly due to lower margin in process automation. PBIT margin remained strong in Electrification segment at 24.7% (vs. 23.7% in 1QCY24) and Motion segment at 21.9% (vs. 21.4% in 1QCY24). Process automation PBIT margin declined sequentially to 16.4% in 1QCY25 from 19.2% in 4QCY24 and remained flat YoY vs. 16.3% in 1QCY24. This decline was due to lower volumes in the segment and continued weakness in order inflows. PBIT margin also declined in robotics and discrete automation to 13.2% in 1QCY25 vs. 15.4% in 1QCY24. Motion and Robotics together had PBIT margin of 20.8% in 1QCY25. We revise our estimates to factor in slightly lower margin and expect EBITDA margin of 18.3%/17.6%/17.1% for CY25/26/27.

Electrification segment performance was strong on margins

Electrification segment witnessed 5% YoY revenue growth in 1QCY25 and PBIT margin also remained strong at 24.7%. However, order inflow for the segment declined by 2% YoY owing to a high base of large orders last year. Demand remains strong across key industries such as renewables, data centers, smart building, transportation, and food & beverage. We expect the segment's revenue/orders to clock a CAGR of 20%/18% over CY24-27, with EBIT margins to be in the range of 20%-22%.

Motion and Robotics performance was led by uptick in demand for robotics and drives

Robotics segment benefited from strong inflows in electronics and witnessed 114% YoY growth in order inflows. Execution growth of 37% YoY for robotics too was driven by emerging segments. Motion segment revenue growth was driven by higher revenues from drives products and system drives as well as execution of high-value projects. Ordering in Motion segment was up 6% YoY due to a high-value order from railways and an uptick in demand for drives products and services. We expect both these segments together to clock a revenue CAGR of 12% over CY24-27 on stronger execution, with EBIT margin ranging around 19.5%-20.5%.

Process automation was impacted by demand slowdown

Process automation has continued to see a decline in inflows and revenues in nearly four out of five quarters and is impacted by delays in decision-making from clients. Process automation is largely the project-based business and projects form around 10% of the sales. It is dependent on customers and government projects such as oil and gas, power infra, etc. Many projects are in the pipeline, but the order finalization is taking time. We expect this segment's growth to remain impacted by slower ordering; hence, we expect a negative revenue CAGR of 7% over CY24-27.

Valuation and recommendation

ABB India is currently trading at 59.0x/53.8x P/E on CY25/CY26 estimates. We trim our estimates by 3%/5%/5% for CY25/26/27 to factor in slightly lower ordering and margin assumptions across segments. We thus expect revenue growth of 10%/13%/14% in CY25/CY26/CY27 and margins of 18.3%/17.6%/17.1%, translating into PAT growth of 7%/10%/10% for CY25/CY26/CY27. We maintain our BUY rating with a revised DCF-based TP of INR6,400, implying a multiple of 60x P/E on Mar'27E EPS.

Key risks and concerns

Slowdown in order inflows, pricing pressure across segments, increased competition, supply chain issues, and geopolitical risks could affect our estimates and valuations.

Standalone - Quarterly Earning Model (INR m)

Y/E December	CY24				CY25E				CY24	CY25E	CY25E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	**30,804**	**28,309**	**29,122**	**33,649**	**31,596**	**31,292**	**32,399**	**38,758**	**1,21,883**	**1,34,045**	**33,733**	**-6**
YoY Change (%)	27.8	12.8	5.2	22.0	2.6	10.5	11.3	15.2	16.7	10.0	9.5	
Total Expenditure	25,152	22,884	23,719	27,076	25,773	25,506	26,522	31,743	98,831	1,09,543	27,457	
EBITDA	**5,652**	**5,425**	**5,402**	**6,573**	**5,823**	**5,786**	**5,877**	**7,015**	**23,052**	**24,502**	**6,276**	**-7**
Margins (%)	18.3	19.2	18.6	19.5	18.4	18.5	18.1	18.1	18.9	18.3	18.6	
Depreciation	314	310	328	337	338	341	341	345	1,289	1,365	341	
Interest	38	45	30	51	47	36	36	25	165	145	36	
Other Income	871	868	929	866	923	938	938	953	3,534	3,752	937	
PBT before EO expense	**6,171**	**5,938**	**5,973**	**7,051**	**6,361**	**6,347**	**6,438**	**7,598**	**25,133**	**26,744**	**6,835**	**-7**
Extra-Ord expense												
PBT	**6,171**	**5,938**	**5,973**	**7,051**	**6,361**	**6,347**	**6,438**	**7,598**	**25,133**	**26,744**	**6,835**	**-7**
Tax	1,575	1,511	1,568	1,732	1,620	1,599	1,622	1,898	6,387	6,739	1,722	
Rate (%)	25.5	25.5	26.3	24.6	25.5	25.2	25.2	25.0	25.4	25.2	25.2	
Reported PAT	**4,596**	**4,426**	**4,405**	**5,319**	**4,741**	**4,747**	**4,816**	**5,701**	**18,746**	**20,005**	**5,112**	**-7**
Adj PAT	**4,596**	**4,426**	**4,405**	**5,319**	**4,741**	**4,747**	**4,816**	**5,701**	**18,746**	**20,005**	**5,112**	**-7**
YoY Change (%)	87.4	49.6	21.7	54.1	3.2	7.3	9.3	7.2	50.2	6.7	11.2	
Margins (%)	14.9	15.6	15.1	15.8	15.0	15.2	14.9	14.7	15.4	14.9	15.2	

	CY24				CY25E				CY24	CY25E
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Segmental revenue										
Robotics & Motion	11,219	11,601	11,908	12,590	12,454	12,761	13,337	14,013	47,318	52,565
YoY Change (%)	7.9	11.6	8.3	23.2	11.0	10.0	12.0	11.3	12.6	11.1
Electrification Products	12,963	11,214	11,540	15,028	13,577	13,456	14,309	19,822	50,744	61,164
YoY Change (%)	29.7	11.5	10.7	33.0	4.7	20.0	24.0	31.9	21.5	20.5
Process Automation	7,263	6,327	5,963	6,277	5,865	5,378	5,068	5,311	25,830	21,622
YoY Change (%)	72.9	24.2	-11.7	-0.5	-19.3	-15.0	-15.0	-15.4	15.5	-16.3
Unallocated and others (incl. excise duty)	26	44	47	60	51	12	12	-26	176	49
Less: inter-segmental	-667	-877	-335	-306	-351	-316	-327	-361	-2,185	-1,356
Total revenues	**30,804**	**28,309**	**29,122**	**33,649**	**31,596**	**31,292**	**32,399**	**38,758**	**1,21,883**	**1,34,045**
Segmental EBIT										
Robotics & Motion	2,332	2,613	2,659	2,485	2,596	2,616	2,734	2,888	10,089	10,834
Margin (%)	20.8	22.5	22.3	19.7	20.8	20.5	20.5	20.6	21.3	20.6
Electrification Products	3,078	2,594	2,397	3,548	3,356	3,122	3,148	3,831	11,618	13,456
Margin (%)	23.7	23.1	20.8	23.6	24.7	23.2	22.0	19.3	22.9	22.0
Process Automation	1,181	1,023	1,145	1,221	962	914	862	938	4,570	3,676
Margin (%)	16.3	16.2	19.2	19.4	16.4	17.0	17.0	17.7	17.7	17.0
Total	**6,590**	**6,230**	**6,202**	**7,254**	**6,914**	**6,652**	**6,744**	**7,657**	**26,276**	**27,966**

Conference call highlights

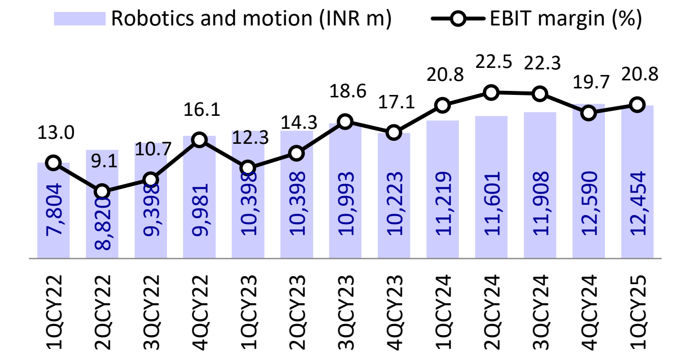
- **Order book and inflows**: During 1QCY25, the company witnessed a healthy 4% YoY growth in overall orders, with base orders rising 10% and export orders expanding significantly by 40%. A notable large order of INR2b in the railways contributed to the order inflow growth. The total order backlog as of Mar'25 stood at INR100b, up 11% YoY. This robust backlog provides strong visibility for revenue realization in the coming quarters, with management expecting two-thirds of the order book to be executed in CY25 and the remainder extending into CY26. However, the process automation segment (10-15% of ABB's business) faced sluggish order inflows due to macro uncertainties and customers delaying large project decisions.
- **Diversifying business in high/moderate/low-growth segments**: ABB continues to diversify across three distinct market segments: high-growth, moderate-growth, and low-growth areas. High-growth sectors include data centers, electronics, smart buildings, traction/railways, and green cement, all benefiting from technological advancements and rapid execution cycles. Moderate-growth segments include core infrastructure and industrial markets with steady 8-12% growth. Low-growth but high-volume segments still contribute about 45% of ABB's portfolio. These segments are seen as future opportunities as capex cycles revive. The company maintains an active presence across all segments to balance cyclical risks and capture opportunities when sectors rebound.
- **Margins driven by macro factors**: ABB maintained strong margins in 1QCY25, with operational EBITDA at 16.4%, consistent with previous quarters. Margins were supported by favorable foreign exchange (INR200m positive swing YoY), operational efficiencies, supply chain management, and localized production benefits. Segmental profitability remained strong, with electrification margins at 24.7% and motion at 22%. Management expects to maintain PAT margins in the 12-15% range going forward, even amid macro uncertainty, driven by stable price realization and operating leverage.
- **Expanding capacities**: Management stressed that ABB is actively expanding capacities across process automation, electrification, and motion segments to meet growing demand and support localization efforts. The expansion focus is on businesses where volumes have increased significantly and product portfolios have expanded to include localized offerings. Capacity addition is carefully calibrated and demand-driven, ensuring optimal utilization without overbuilding. Management confirmed that formal announcements of new capacity expansions will be made as projects reach execution readiness.
- **Capex Plans**: Management mentioned that the company will be looking for both, organic as well as inorganic expansion opportunities. Current organic capex of ABB is focused on expanding capacity in business units where volumes and product demand justify it. Simultaneously, the company is evaluating several M&A opportunities but is taking a measured, value-driven approach. No acquisitions have been finalized yet. ABB has also increased dividends to reward shareholders, demonstrating balanced capital deployment.
- **Factors to watch out for in CY25:** Management stated that in CY25, ABB will be closely monitoring both domestic and global developments. Domestically, key factors include trends in consumption, private and government investments,

premiumization, and strain in some parts of the economy. Globally, trade uncertainties such as, geopolitical tensions, and general macro volatility could influence customer decision-making. Despite these challenges, management mentioned that the company's strategy focuses on bottom-up opportunity capture - seeking growth in resilient sectors rather than being overly reactive to macro headlines.

- **Details on 'Others' segment (sharp growth)**: The "Others" category, which has shown the fastest revenue growth over the past two years (from INR14b to INR24.b) is powered by multiple product expansions. These include energy management solutions for buildings and industries, the LIORA modular switch range for commercial/residential buildings, expanded high-efficiency motors (IE3/IE4), drive products, and traction components for electric buses and locomotives. The segment's growth is largely driven by strong localization efforts and increased penetration into Tier 2, Tier 3, and Tier 4 cities across India.
- **Foreign exchange utilization:** Management stated that ABB's foreign exchange usage for imports stood at around INR60b, or about 50% of total sales. Robotics & discrete automation has the highest import intensity due to the lack of a domestic ecosystem for many robotics components. Motion, particularly drive products and system drives, has moderate-to-high import reliance. Electrification also has a moderate import requirement for electronics and specialized products. Process automation, being more project-oriented, has the lowest direct import share but sources products from other divisions where needed.

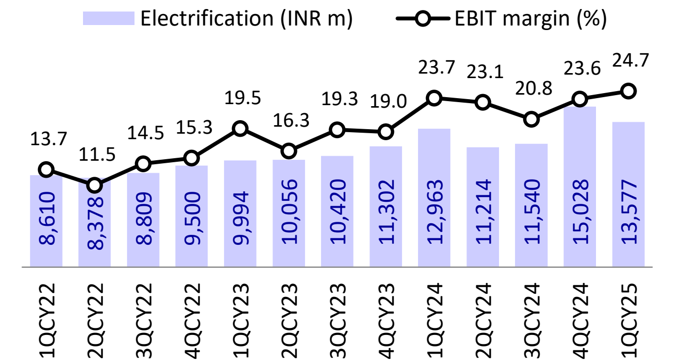
Key Exhibits

Exhibit 1: Robotics and motion segment margin improved on better margins from service orders and forex gains



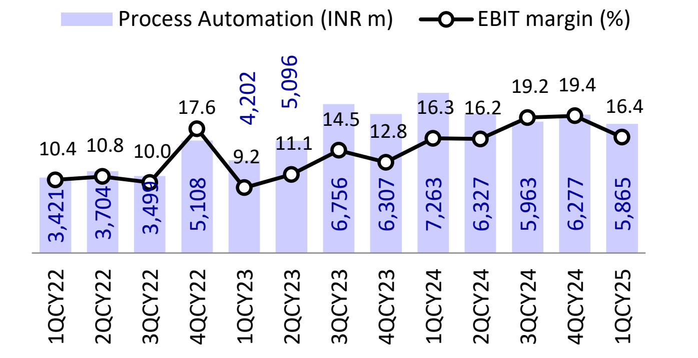
Source: Company, MOFSL

Exhibit 2: Electrification segment margin expanded on improved revenue mix and better price realization



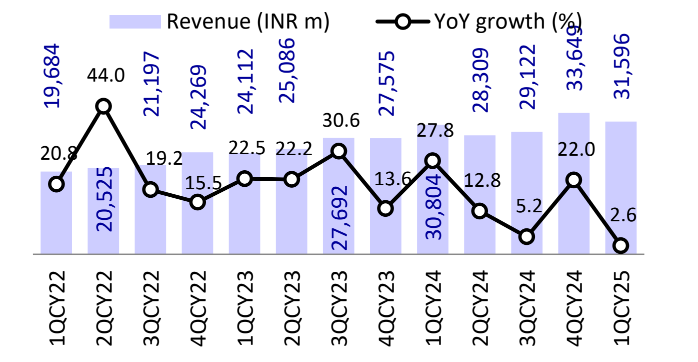
Source: Company, MOFSL

Exhibit 3: Process Automation revenue was down 20% YoY on changes in delivery schedule of customers



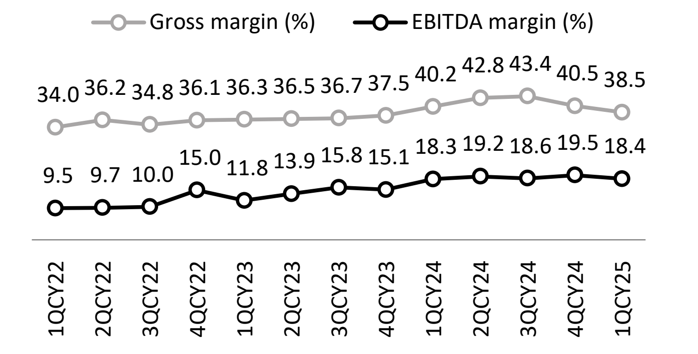
Source: Company, MOFSL

Exhibit 4: Overall revenue up 3% YoY, on higher volumes across segments, offset by shortfall in Process Automation



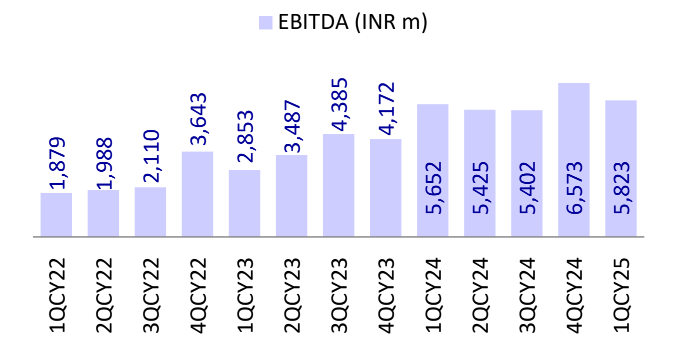
Source: Company, MOFSL

Exhibit 5: EBITDA margin normalized after hitting all-time high in previous quarter



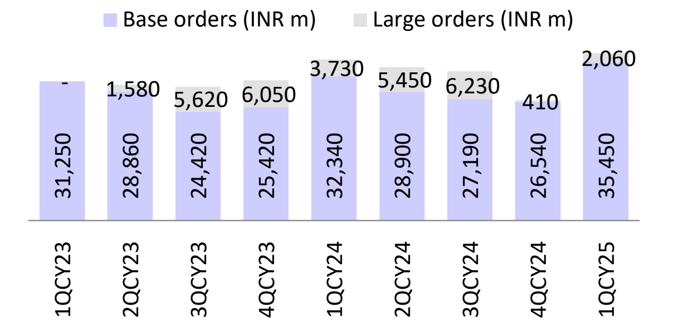
Source: Company, MOFSL

Exhibit 6: Journey of profitable growth continues with EBITDA growing marginally by 3% YoY to INR5.8b



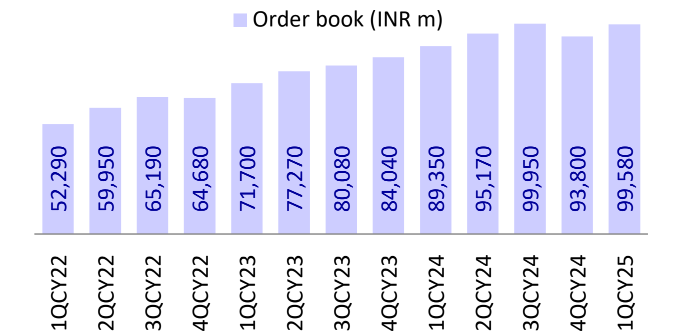
Source: Company, MOFSL

Exhibit 7: Order inflow up 4% YoY, with base orders maintaining pace of execution



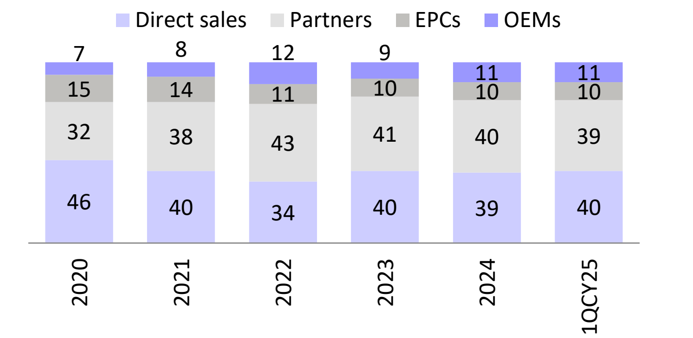
Source: Company, MOFSL

Exhibit 8: Order book up 11% YoY with higher share of base orders



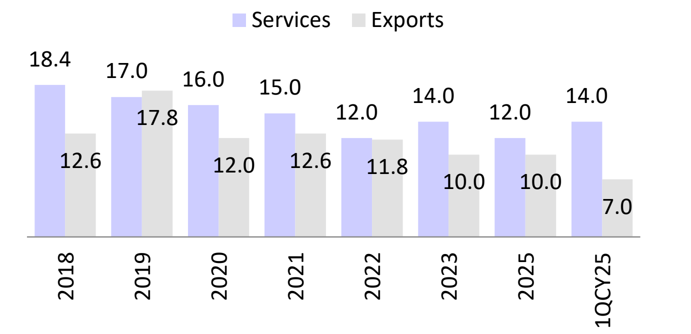
Source: Company, MOFSL

Exhibit 9: Breakup of revenues by channels (%) led by direct sales in 1QCY25



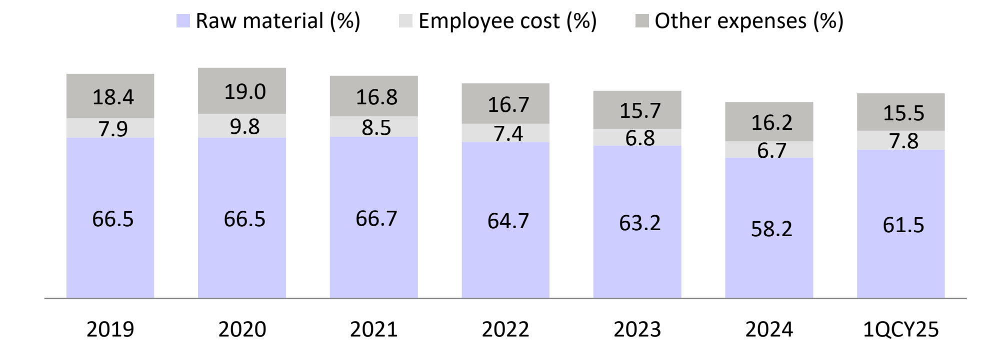
Source: Company, MOFSL

Exhibit 10: Improving share of services in revenues has led to better operating margin (%)



Source: Company, MOFSL

Exhibit 11: Margin improvement over the years is driven by lower RM and better operating leverage (as % of sales), led by cost optimisation and pricing power



Source: Company, MOFSL

Exhibit 1: Segregation of market segments based on high (>11%), moderate (7% to 11%) and low (<7%) growth rates

High	Moderate	Low
Data Center	Water & wastewater	Power distribution
Electronics	Railways & Metro	Cement
Renewables	Buildings & infrastructure	Metals & Mining
	Oil, gas & chemicals	Pulp & Paper
	Food & beverage	Marine & Ports
	Pharma & healthcare	Textiles
	Automotive	
	Rubber & plastics	

Source: Company, MOFSL

Exhibit 2: ABB India's order inflow was up 4% YoY while for ABB Group it was up 1% YoY for 1QCY25

Demand vs Supply Q1'25

Growth for ABB in India is 4% while for ABB Group it is 1% in Q1'25

Fig in MUSD @1 $ = 83.91 INR

ABB Group
India Orders

Indian 3rd party customers served by	Q1/25	Q1/24	*Change %*
ABB India Ltd	388	388	-
Other ABB companies in India	8	5	*+60%*
ABB companies outside India	12	10	*+20%*
Group India Orders	408	403	*+1%*

ABB India Ltd
Reported Orders

Domestic and Export	Q1/25	Q1 24	*Change %*
3rd party customers in India (Domestic)	388	388	-
ABB companies outside India and 3rd party customers outside India	59	42	*+41%*
Orders from India	447	430	*+4%*

Source: Company

Exhibit 12: ABB has once again outpaced parent entity in terms of segmental margin, which is achieved via higher localization (Segment wise margins % - Parent vs ABB India)

Electrification	2019	2020	2021	2022	2023	2024	1QCY25
Parent (A)	13.3%	14.1%	16.1%	16.5%	20.1%	22.7%	23.2%
ABB India (B)	9.8%	4.1%	11.1%	13.8%	18.5%	22.9%	24.7%
Net margin difference (A-B)	**3.5%**	**10.0%**	**5.0%**	**2.7%**	**1.6%**	**-0.2%**	**-1.5%**
Motion							
Parent (A)	16.6%	16.8%	17.1%	17.3%	18.9%	19.4%	19.6%
ABB India (B)	9.2%	5.3%	12.5%	12.3%	15.9%	22.1%	21.9%
Net margin difference (A-B)	**7.4%**	**11.5%**	**4.6%**	**5.0%**	**3.0%**	**-2.7%**	**-2.3%**
Process Automation							
Parent (A)	11.7%	7.8%	12.8%	14.0%	14.5%	15.1%	15.8%
ABB India (B)	6.1%	-5.4%	9.1%	12.8%	12.3%	17.7%	16.4%
Net margin difference (A-B)	**5.6%**	**13.2%**	**3.7%**	**1.2%**	**2.2%**	**-2.6%**	**-0.6%**
Robotics and Discrete Automation							
Parent (A)	11.9%	8.2%	10.8%	10.7%	14.7%	10.2%	9.9%
ABB India (B)	8.8%	3.2%	7.9%	12.5%	12.7%	13.5%	13.2%
Net margin difference (A-B)	**3.1%**	**5.0%**	**2.9%**	**-1.8%**	**2.0%**	**-3.3%**	**-3.3%**

Source: Company, MOFSL

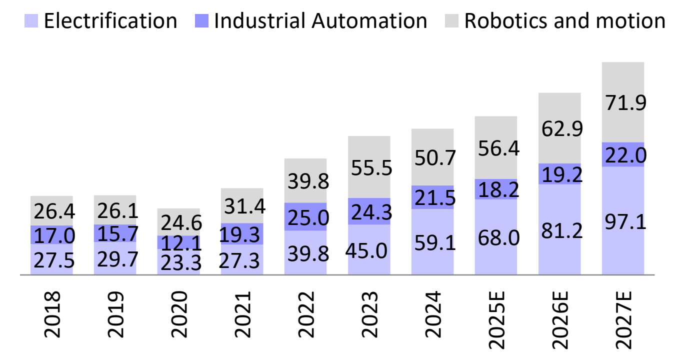
Exhibit 13: We trim our estimates by 3%/5%/5% for CY25/26/27 to bake in continued weakness in process automation segment

(INR M)	CY25E			CY26E			CY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,34,045	1,37,901	(2.8)	1,51,704	1,59,705	(5.0)	1,73,548	1,84,440	(5.9)
EBITDA	24,502	25,216	(2.8)	26,749	28,203	(5.2)	29,642	31,507	(5.9)
EBITDA (%)	18.3	18.3	-1 bps	17.6	17.7	-3 bps	17.1	17.1	0 bps
Adj. PAT	20,005	20,535	(2.6)	21,947	22,992	(4.5)	24,219	25,548	(5.2)
EPS (INR)	94.4	96.9	(2.6)	103.6	108.5	(4.5)	114.3	120.6	(5.2)

Source: MOFSL

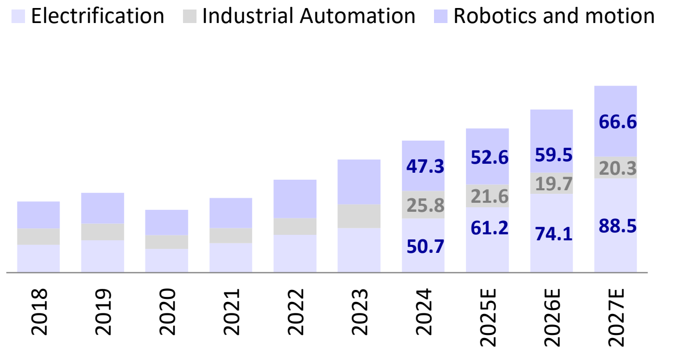
Financial outlook

Exhibit 14: We expect 13% order inflow CAGR over CY24-CY27E (INR b)



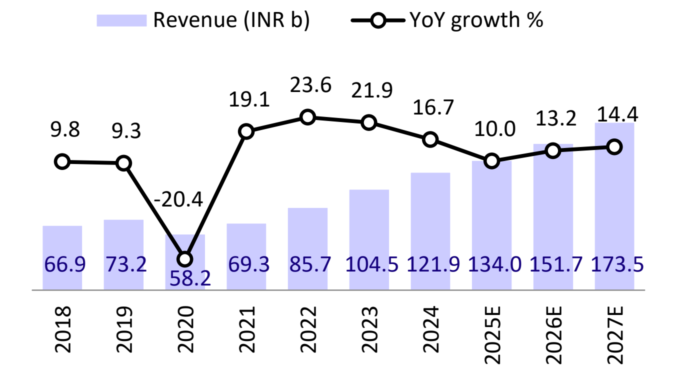
Source: Company, MOFSL

Exhibit 15: Revenue is expected to clock 12% CAGR over CY24-27E (INR b)



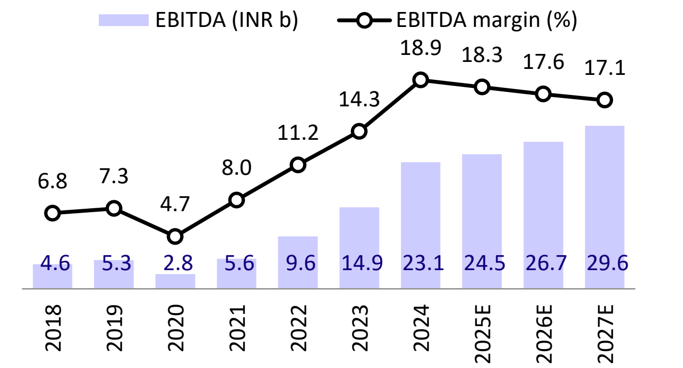
Source: Company, MOFSL

Exhibit 16: Revenue growth has been strong over last few years on healthy inflows (INR b)



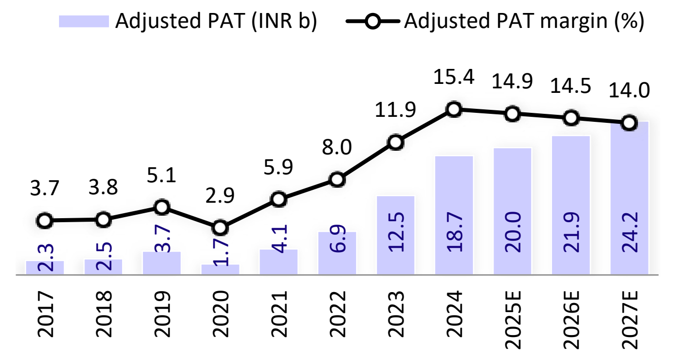
Source: Company, MOFSL

Exhibit 17: We expect ABB to clock 9% EBITDA CAGR over CY24-27E (INR b)



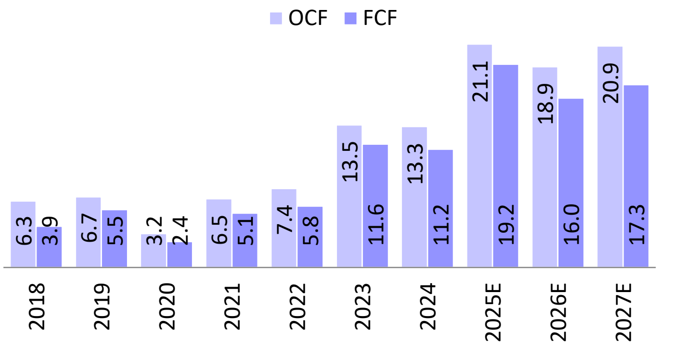
Source: Company, MOFSL

Exhibit 18: PAT is expected to post 9% CAGR over CY24-27E (INR b)



Source: Company, MOFSL

Exhibit 19: FCF and OCF to remain strong on stable working capital (INR b)



Source: Company, MOFSL

Financials and Valuation

Standalone - Income Statement							(INR m)
Y/E Dec	**CY21**	**CY22**	**CY23**	**CY24**	**CY25E**	**CY26E**	**CY27E**
Total Income from Operations	**69,340**	**85,675**	**1,04,465**	**1,21,883**	**1,34,045**	**1,51,704**	**1,73,548**
Change (%)	19.1	23.6	21.9	16.7	10.0	13.2	14.4
Raw Materials	46,263	55,426	66,025	70,903	80,427	92,539	1,05,691
Gross Profit	**23,077**	**30,249**	**38,440**	**50,980**	**53,618**	**59,164**	**67,857**
Employee Cost	5,882	6,353	7,152	8,219	9,339	10,248	11,668
Other Expenses	11,627	14,277	16,391	19,709	19,777	22,167	26,547
Total Expenditure	**63,773**	**76,057**	**89,567**	**98,831**	**1,09,543**	**1,24,955**	**1,43,906**
% of Sales	92.0	88.8	85.7	81.1	81.7	82.4	82.9
EBITDA	**5,567**	**9,619**	**14,898**	**23,052**	**24,502**	**26,749**	**29,642**
Margin (%)	8.0	11.2	14.3	18.9	18.3	17.6	17.1
Depreciation	1,027	1,047	1,199	1,289	1,365	1,515	1,750
EBIT	**4,540**	**8,572**	**13,699**	**21,763**	**23,137**	**25,234**	**27,892**
Int. and Finance Charges	107	131	127	165	145	146	148
Other Income	1,596	1,795	3,017	3,534	3,752	4,254	4,634
PBT bef. EO Exp.	**6,029**	**10,235**	**16,589**	**25,133**	**26,744**	**29,341**	**32,378**
EO Items							
PBT after EO Exp.	**6,029**	**10,235**	**16,589**	**25,133**	**26,744**	**29,341**	**32,378**
Total Tax	1,918	3,372	4,107	6,387	6,739	7,394	8,159
Tax Rate (%)	31.8	32.9	24.8	25.4	25.2	25.2	25.2
Reported PAT	**4,112**	**6,863**	**12,482**	**18,746**	**20,005**	**21,947**	**24,219**
Adjusted PAT	**4,112**	**6,863**	**12,482**	**18,746**	**20,005**	**21,947**	**24,219**
Change (%)	139.5	66.9	81.9	50.2	6.7	9.7	10.4
Margin (%)	5.9	8.0	11.9	15.4	14.9	14.5	14.0

Standalone – Balance Sheet							(INR m)
Y/E Dec	**CY21**	**CY22**	**CY23**	**CY24**	**CY25E**	**CY26E**	**CY27E**
Equity Share Capital	424	424	424	424	424	424	424
Total Reserves	40,028	48,970	59,022	70,330	80,368	90,356	1,00,223
Net Worth	**40,452**	**49,394**	**59,446**	**70,754**	**80,792**	**90,780**	**1,00,647**
Total Loans	0	0	0	0	0	0	0
Deferred Tax Liabilities	-939	-898	-1,027	-985	-985	-985	-985
Capital Employed	**39,513**	**48,496**	**58,419**	**69,769**	**79,807**	**89,795**	**99,662**
Gross Block	11,764	13,432	15,624	17,061	18,941	21,877	25,510
Less: Accum. Deprn.	3,741	4,586	5,831	6,589	7,953	9,469	11,219
Net Fixed Assets	**8,024**	**8,846**	**9,793**	**10,472**	**10,988**	**12,408**	**14,291**
Goodwill on Consolidation	146	146	146	146	146	146	146
Capital WIP	769	693	599	948	948	948	948
Total Investments	**0**	**4,932**	**39,408**	**45,738**	**45,738**	**45,738**	**45,738**
Curr. Assets, Loans & Adv.	**70,248**	**77,668**	**59,038**	**65,625**	**80,611**	**96,688**	**1,13,872**
Inventory	10,091	14,207	15,608	17,780	15,980	18,228	20,993
Account Receivables	25,604	24,451	25,443	29,837	32,814	37,137	42,484
Cash and Bank Balance	26,877	31,491	8,769	9,356	22,191	30,340	37,742
Loans and Advances	796	921	1,859	1,101	1,321	1,585	1,902
Other Current Asset	6,880	6,599	7,359	7,551	8,305	9,399	10,752
Curr. Liability & Prov.	**39,781**	**43,788**	**50,566**	**53,159**	**58,623**	**66,133**	**75,333**
Other Current Liabilities	36,436	39,956	46,058	47,960	52,747	59,483	67,725
Provisions	3,345	3,832	4,508	5,200	5,876	6,650	7,608
Net Current Assets	**30,467**	**33,880**	**8,472**	**12,465**	**21,988**	**30,555**	**38,540**
Misc Expenditure	107	0	0	0	0	0	0
Appl. of Funds	**39,513**	**48,496**	**58,419**	**69,769**	**79,807**	**89,795**	**99,662**

Financials and Valuation

Ratios

Y/E Dec	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
Basic (INR)							
EPS	**19.4**	**32.4**	**58.9**	**88.5**	**94.4**	**103.6**	**114.3**
Cash EPS	24.2	37.3	64.6	94.6	100.8	110.7	122.6
BV/Share	190.9	233.1	280.5	333.9	381.3	428.4	475.0
DPS	5.2	4.5	29.3	33.5	40.2	48.2	57.9
Payout (%)	31.4	16.3	58.2	44.3	49.8	54.5	59.3
Valuation (x)							
P/E	287.1	172.0	94.6	63.0	59.0	53.8	48.7
Cash P/E	229.7	149.2	86.3	58.9	55.2	50.3	45.5
P/BV	29.2	23.9	19.9	16.7	14.6	13.0	11.7
EV/Sales	16.6	13.4	11.2	9.6	8.6	7.6	6.6
EV/EBITDA	207.2	119.5	78.7	50.8	47.3	43.0	38.6
Dividend Yield (%)	0.1	0.1	0.5	0.6	0.7	0.9	1.0
FCF per share	24.2	26.7	54.9	52.6	90.6	75.5	81.5
Return Ratios (%)							
RoE	10.7	15.3	22.9	28.8	26.4	25.6	25.3
RoCE	10.9	15.5	23.1	29.0	26.5	25.7	25.4
RoIC	25.9	49.4	98.1	138.9	140.4	159.3	149.0
Working Capital Ratios							
Fixed Asset Turnover (x)	5.9	6.4	6.7	7.1	7.1	6.9	6.8
Asset Turnover (x)	1.8	1.8	1.8	1.7	1.7	1.7	1.7
Inventory (Days)	53.1	60.5	54.5	53.2	43.5	43.9	44.2
Debtor (Days)	134.8	104.2	88.9	89.4	89.4	89.4	89.4
Leverage Ratio (x)							
Current Ratio	1.8	1.8	1.2	1.2	1.4	1.5	1.5
Interest Cover Ratio	42.4	65.4	108.2	132.3	159.5	172.5	189.0
Net Debt/Equity	-0.7	-0.7	-0.8	-0.8	-0.8	-0.8	-0.8

Cash Flow Statement (INR M)

Y/E Dec	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
OP/(Loss) before Tax	7,072	13,503	16,589	25,133	26,744	29,341	32,378
Depreciation	1,027	1,047	1,199	1,289	1,365	1,515	1,750
Interest & Finance Charges	-579	-1,137	-2,644	-3,268	-3,607	-4,108	-4,487
Direct Taxes Paid	-1,131	-2,467	-3,667	-6,626	-6,739	-7,394	-8,159
(Inc)/Dec in WC	1,015	-194	1,696	-3,690	3,312	-418	-583
CF from Operations	**7,405**	**10,752**	**13,173**	**12,838**	**21,075**	**18,937**	**20,900**
Others	-912	-3,427	285	451	0	0	0
CF from Operating incl EO	**6,492**	**7,326**	**13,458**	**13,288**	**21,075**	**18,937**	**20,900**
(Inc)/Dec in FA	-1,358	-1,660	-1,831	-2,137	-1,880	-2,936	-3,633
Free Cash Flow	**5,134**	**5,666**	**11,627**	**11,151**	**19,194**	**16,001**	**17,267**
(Pur)/Sale of Investments	0	19,741	-16	0	0	0	0
Others	950	180	2,827	3,463	0	0	0
CF from Investments	**-409**	**18,262**	**981**	**1,326**	**-1,880**	**-2,936**	**-3,633**
Issue of Shares	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-124	0	0	0	0	0	0
Interest Paid	-85	-300	-364	-439	3,607	4,108	4,487
Dividend Paid	-1,060	-1,102	-2,331	-7,265	-9,967	-11,960	-14,352
CF from Fin. Activity	**-1,268**	**-1,402**	**-2,695**	**-7,704**	**-6,359**	**-7,852**	**-9,865**
Inc/Dec of Cash	**4,815**	**24,186**	**11,744**	**6,910**	**12,835**	**8,149**	**7,402**
Opening Balance	22,066	26,877	31,491	8,769	9,356	22,191	30,340
Other Bank Balances	-4	-19,573	-34,466	-6,323			
Closing Balance	**26,877**	**31,491**	**8,769**	**9,356**	**22,191**	**30,340**	**37,742**

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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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