

APL Apollo Tubes

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↔ |
| Rating change | ↔ |

| | |
|-----------------------|-------------|
| Bloomberg | APAT IN |
| Equity Shares (m) | 278 |
| M.Cap.(INRb)/(USD\$) | 501.1 / 5.7 |
| 52-Week Range (INR) | 1936 / 1273 |
| 1, 6, 12 Rel. Per (%) | 1/6/13 |
| 12M Avg Val (INR M) | 1011 |

Financials & Valuations (INR b)

| Y/E Mar | FY26E | FY27E | FY28E |
|--------------|-------|-------|-------|
| Sales | 229.4 | 271.1 | 306.9 |
| EBITDA | 17.5 | 22.1 | 26.0 |
| PAT | 11.7 | 15.2 | 17.9 |
| EBITDA (%) | 7.6 | 8.2 | 8.5 |
| EPS (INR) | 42.0 | 54.9 | 64.5 |
| EPS Gr. (%) | 54.0 | 30.6 | 17.3 |
| BV/Sh. (INR) | 187.8 | 236.7 | 295.2 |

Ratios

| | | | |
|------------|------|------|------|
| Net D/E | -0.0 | -0.1 | -0.3 |
| RoE (%) | 24.8 | 25.9 | 24.2 |
| RoCE (%) | 24.1 | 26.0 | 24.7 |
| Payout (%) | 14.3 | 10.9 | 9.3 |

Valuations

| | | | |
|---------------|------|------|------|
| P/E (x) | 43.0 | 32.9 | 28.0 |
| EV/EBITDA (x) | 28.7 | 22.3 | 18.3 |
| Div Yield (%) | 0.3 | 0.3 | 0.3 |
| FCF Yield (%) | 0.5 | 1.8 | 3.1 |

Shareholding Pattern (%)

| As on | Sep-25 | Jun-25 | Sep-24 |
|----------|--------|--------|--------|
| Promoter | 28.3 | 28.3 | 28.3 |
| DII | 18.9 | 16.8 | 15.9 |
| FII | 33.7 | 33.1 | 31.9 |
| Others | 19.1 | 21.8 | 23.8 |

Note: FII includes depository receipts

CMP: INR1,805 TP: INR2,100 (+16%) Buy

Margin expansion drives earnings growth

Operating performance above our estimates

- APL Apollo Tubes (APAT) reported a strong operating performance in 2QFY26. Its EBITDA surged 3.2x YoY (up 20% QoQ), fueled by a 13% YoY volume growth and a 2.8x YoY jump in EBITDA/MT (up INR545/MT QoQ) to INR5,228. The Raipur and Dubai plants achieved 75% and 85% utilization, respectively, fueling margin expansion.
- With improving utilization, we expect the growth momentum to be sustained in 2HFY26. For FY26, management has maintained its guidance for volume growth at 10-15% (~3.5m MT) and EBITDA/MT at INR4,600-5,000 (with EBITDA of over INR17b in FY26).
- We broadly retain our FY26E/FY27E/FY28E earnings and value the stock at 35x Sept'27E EPS to arrive at our TP of INR2,100. **Reiterate BUY.**

Healthy volume and better gross margin boost profitability

- APAT's consolidated revenue grew 9%/1% YoY/QoQ to INR52.1b (est. INR56.5b), led by sales volume growth of 13% YoY/8% QoQ to ~855KMT. VAP mix stood at 57% in 2QFY26 vs. 55%/61% in 2QFY25/1QFY26.
- Gross profit/MT was up 44% YoY/2% QoQ at INR10,116, driven by brand premiumization. EBITDA/MT rose 2.8x/12% YoY/QoQ to INR5,228 (est. INR4,823). Margin expansion was aided by improved gross margin, better VAP mix, and operating leverage. EBITDA jumped 3.2x/20% YoY/QoQ to INR4.5b (est. INR4.0b).
- Adj. PAT surged 5.6x/27% YoY/QoQ to INR3b (est. INR2.7b) for the quarter.
- During 1HFY26, APAT's revenue/EBITDA PAT grew 6%/86%/2.2x to INR103b/INR8.2b/INR5.4b. EBITDA per ton was INR4,965 (+67% YoY) with sales volume growth of ~11% to 1.6m MT. For 2HFY26, our implied revenue/EBITDA/Adj. PAT growth stands at 15%/22%/23%. Further, our implied 2H volume growth is likely to be 10% with an EBITDA/MT of INR5,445.
- Gross debt stood at INR6.9b as of Sep'25 vs. INR6.1b in Mar'25. Further, CFO stood at INR6.0b as of Sep'25 vs. INR1.3b as of Sep'24.

Key highlights from the management commentary

- **Outlook:** The company has also guided a quarterly volume run rate of ~0.9m MT for 3Q/4QFY26 with an EBITDA run rate of over INR4.5b, respectively. The company's strategy to expand capacity in international and eastern Indian markets remains intact, which will drive double-digit volume growth (10-15%) CAGR over the next three to four years.
- **Expansion plans:** APAT plans to expand via four key levers: expansions in key markets (East India, South India, and Dubai), new product segments, exports, and sustaining its brand premium. APAT expects capex of INR15b in the next three years to raise capacity from 4.5mMT to 6.8mMT by FY28.

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **Pricing scenario:** Currently, HRC prices are at ~INR46000/MT. With safeguard duty, HRC prices stand at around INR52,000–53,000/MT. This is expected to restrict imports. With this 12% safeguard duty, the downside to the HRC coil prices is limited; this may lead to inventory restocking. Further, with better brand premium, the company expects the General Structure EBITDA spread to be ~INR3100/MT on a sustainable basis.

Valuation and view

- We expect APAT to continue its volume growth momentum, led by a better demand scenario and supported by capacity expansion in key markets, new product additions, and higher exports. Margin is also expected to improve further, driven by cost optimization measures, increased automation, and a rising mix of value-added products (with a better geographical mix), driving steady growth in EBITDA/MT.
- We expect a CAGR of 14%/29%/33% in revenue/EBITDA/PAT over FY25-28E. We value the stock at 35x Sept'27 EPS to arrive at a TP of INR2,100. **Reiterate BUY.**

Consolidated - Quarterly Earnings Model

(INRm)

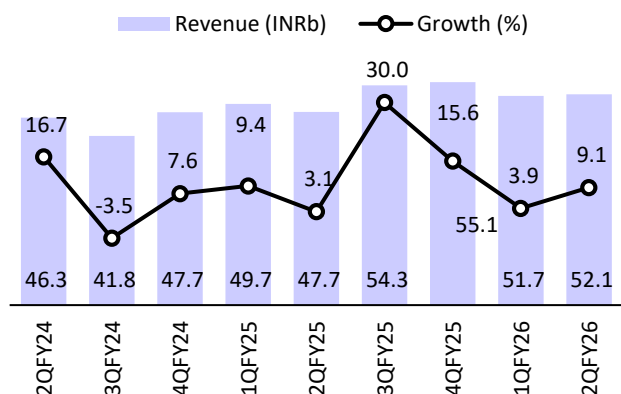
| Y/E March | FY25 | | | | FY26 | | | | FY25 | FY26E | FY26E | Var |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|--------|-----|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2E | |
| Gross Sales | 49,743 | 47,739 | 54,327 | 55,086 | 51,698 | 52,063 | 61,267 | 64,352 | 2,06,895 | 2,29,379 | 56,523 | -8 |
| YoY Change (%) | 9.4 | 3.1 | 30.0 | 15.6 | 3.9 | 9.1 | 12.8 | 16.8 | 14.2 | 10.9 | 18.4 | |
| Total Expenditure | 46,727 | 46,359 | 50,872 | 50,949 | 47,978 | 47,593 | 56,728 | 59,630 | 1,94,906 | 2,11,929 | 52,399 | |
| EBITDA | 3,016 | 1,381 | 3,456 | 4,137 | 3,720 | 4,470 | 4,538 | 4,722 | 11,990 | 17,451 | 4,124 | 8 |
| Margins (%) | 6.1 | 2.9 | 6.4 | 7.5 | 7.2 | 8.6 | 7.4 | 7.3 | 5.8 | 7.6 | 7.3 | |
| Depreciation | 465 | 469 | 503 | 576 | 544 | 581 | 585 | 595 | 2,013 | 2,305 | 580 | |
| Interest | 278 | 364 | 368 | 323 | 333 | 276 | 150 | 117 | 1,333 | 876 | 250 | |
| Other Income | 247 | 148 | 217 | 349 | 256 | 251 | 300 | 340 | 961 | 1,146 | 270 | |
| PBT before EO expense | 2,520 | 696 | 2,801 | 3,587 | 3,099 | 3,864 | 4,103 | 4,350 | 9,604 | 15,416 | 3,564 | |
| PBT | 2,520 | 696 | 2,801 | 3,587 | 3,099 | 3,864 | 4,103 | 4,350 | 9,604 | 15,416 | 3,564 | |
| Tax | 589 | 158 | 631 | 656 | 728 | 848 | 1,033 | 1,145 | 2,034 | 3,754 | 897 | |
| Rate (%) | 23.4 | 22.7 | 22.5 | 18.3 | 23.5 | 22.0 | 25.2 | 26.3 | 21.2 | 24.4 | 25.2 | |
| Reported PAT | 1,932 | 538 | 2,170 | 2,931 | 2,372 | 3,015 | 3,070 | 3,205 | 7,571 | 11,662 | 2,667 | |
| Adj PAT | 1,932 | 538 | 2,170 | 2,931 | 2,372 | 3,015 | 3,070 | 3,205 | 7,571 | 11,662 | 2,667 | 13 |
| YoY Change (%) | -0.2 | -73.5 | 31.1 | 72.0 | 22.8 | 460.4 | 41.5 | 9.3 | 3.4 | 54.0 | 49.5 | |
| Margins (%) | 3.9 | 1.1 | 4.0 | 5.3 | 4.6 | 5.8 | 5.0 | 5.0 | 3.7 | 5.1 | 4.7 | |

Key performance indicators

| Y/E March | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | YOY | QOQ |
|-----------------------------------|--------|--------|--------|--------|--------|---------|---------|
| Segment Volumes ('000 MT) | | | | | | | |
| Apollo Structural | | | | | | | |
| Big Section | 52 | 67 | 70 | 60 | 59 | 13% | -1% |
| Super Heavy Section | 11 | 13 | 12 | 12 | 19 | 75% | 54% |
| Light Structures | 127 | 143 | 143 | 129 | 129 | 1% | 0% |
| General Structures | 338 | 360 | 353 | 308 | 368 | 9% | 20% |
| Apollo Z - Rust-proof structures | 150 | 166 | 185 | 191 | 193 | 28% | 1% |
| Apollo Z- Coated Products | 51 | 46 | 55 | 63 | 62 | 21% | -2% |
| Apollo Galv - Agri/Industrial | 29 | 34 | 33 | 31 | 26 | -11% | -17% |
| TOTAL | 758 | 828 | 850 | 794 | 855 | 13% | 8% |
| Value-added Products | 420 | 468 | 497 | 486 | 487 | 16% | 0% |
| Segment EBITDA/MT (INR/MT) | | | | | | | |
| Apollo Structural | | | | | | | |
| Big Section | 5,541 | 8,179 | 8,482 | 8,131 | 8,121 | 47% | 0% |
| Super Heavy Section | 7,069 | 9,553 | 9,958 | 9,614 | 10,604 | 50% | 10% |
| Light Structures | 2,899 | 5,226 | 5,752 | 5,415 | 5,870 | 102% | 8% |
| General Structures | -24 | 1,970 | 2,897 | 2,741 | 3,434 | NA | 25% |
| Apollo Z - Rust-proof structures | 2,567 | 5,199 | 5,715 | 5,437 | 6,236 | 143% | 15% |
| Apollo Z- Coated Products | 3,395 | 5,921 | 6,312 | 5,971 | 6,980 | 106% | 17% |
| Apollo Galv - Agri/Industrial | 3,340 | 5,805 | 5,423 | 5,078 | 5,421 | 62% | 7% |
| Cost Break-up | | | | | | | |
| RM Cost (% of sales) | 89% | 86% | 85% | 85% | 86% | -292bps | 120bps |
| Employee Cost (% of sales) | 2% | 2% | 1% | 2% | 2% | -12bps | -10bps |
| Other Cost (% of sales) | 6% | 6% | 6% | 6% | 6% | -10bps | 5bps |
| Gross Margins (%) | 11% | 14% | 15% | 15% | 14% | 292bps | -120bps |
| EBITDA Margins (%) | 2.9% | 6.4% | 7.5% | 7.2% | 8.6% | 569bps | 139bps |

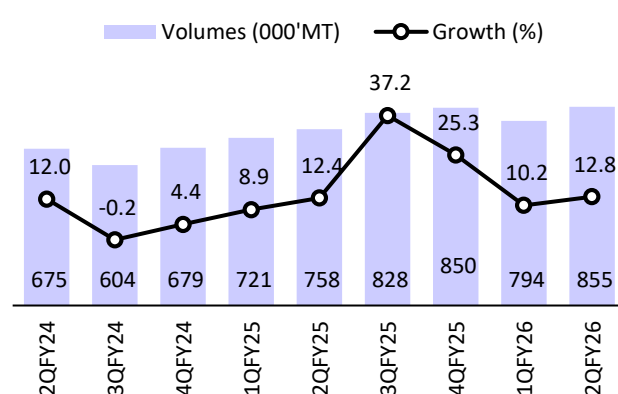
Key Exhibits

Exhibit 1: Consolidated revenue trend



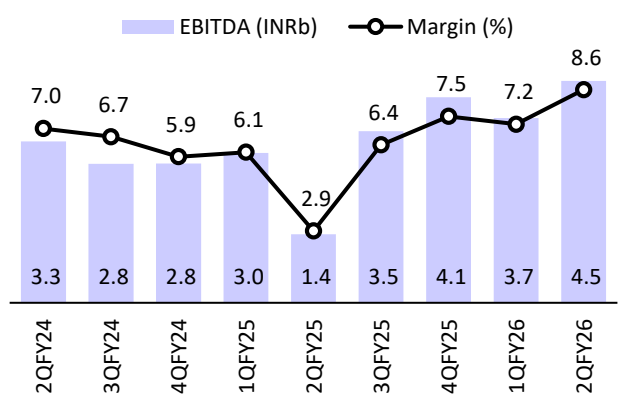
Source: Company, MOFSL

Exhibit 2: Volume trend



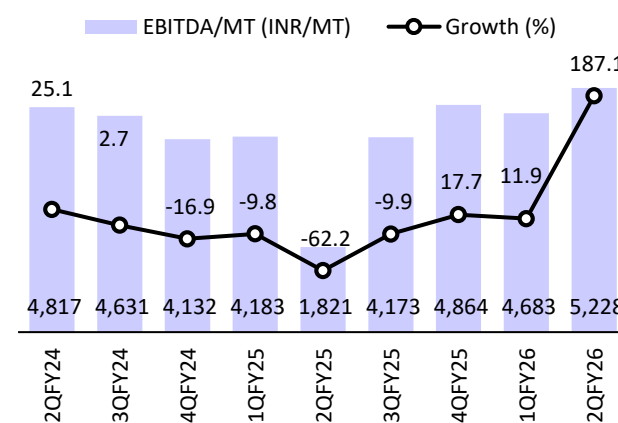
Source: Company, MOFSL

Exhibit 3: Consolidated EBITDA trend



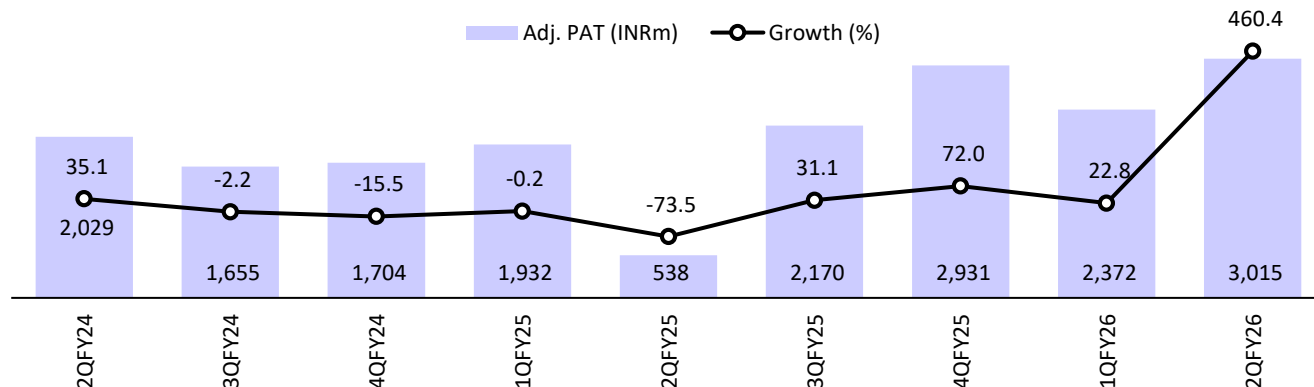
Source: Company, MOFSL

Exhibit 4: EBITDA/MT trend



Source: Company, MOFSL

Exhibit 5: Consolidated Adj. PAT trend



Source: Company, MOFSL

Exhibit 6: New proposed plants for higher market penetration

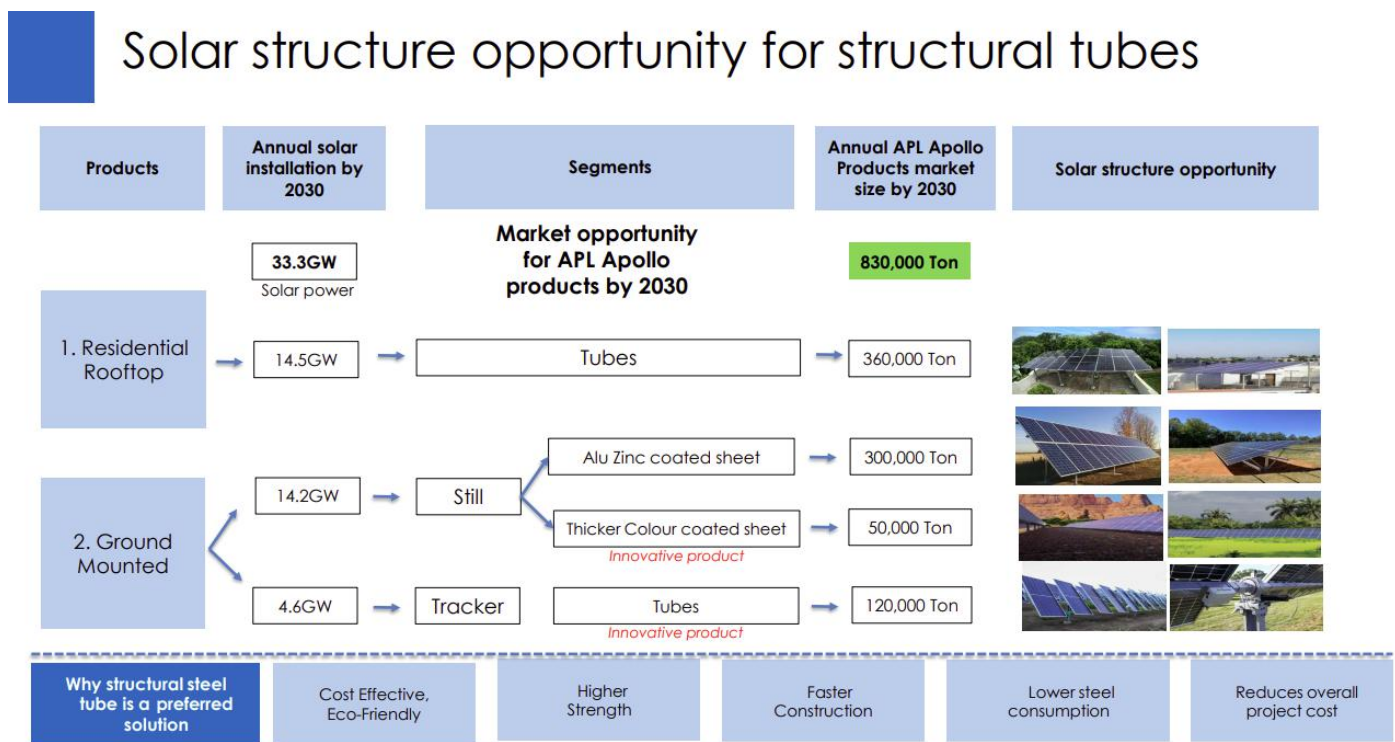
| | Existing capacity | + | Brownfield expansion | + | Greenfield expansion | + | Speciality tubes |
|----------|-------------------|---|---|---|---|---|---|
| Capacity | 4.5 Mn Ton | | 0.8 Mn Ton | | 1.0 Mn Ton | | 0.5 Mn Ton |
| Location | | | <ul style="list-style-type: none"> + International: Dubai 200,000 Ton + Raipur: Roofing sheets 500,000 Ton + Raipur: Heavy 100,000 Ton | | <ul style="list-style-type: none"> + East: Gorakhpur 200,000 Ton + East: Kolkata 300,000 Ton + West: Bhuj 300,000 Ton + South: New Malur 360,000 Ton - Shifting of existing lines: 160,000 Ton | | <ul style="list-style-type: none"> • New expansion for speciality tubes • Major application in Structural /Oil & gas /Water/ Mechanical sectors |
| Capex | | | | | Rs 15Bn in next 3 years | | |

↓

Total capacity by FY28: 6.8 Mn Ton

Source: Company, MOFSL

Exhibit 7: Solar structure opportunity for structural tubes



Source: Company, MOFSL



Highlights from the management commentary

Operating performance

- The company reported a strong growth due to **the** Brand power of APAT. Further, there has been an improvement in the value-added mix in both the Dubai and Raipur plants.
- Capacity utilization in both the Dubai and Raipur plants has improved sequentially.
- Freight cost has reduced to INR1900 per ton, trying to bring it down to INR1500 per ton. Salary cost is expected to be brought down to INR600 per ton. These things may bolster margins.
- There was an improvement in gross margin per ton of INR200. Further, there was an improvement of INR200 per ton due to operating leverage and INR100 per ton due to lower expenses. Overall, this has resulted in a gain of INR500 per ton in EBITDA.
- The company didn't see a major increase in demand. The company has been able to leverage its brand identity.

Guidance and outlook

- The company is confident of 10-15% volume growth guidance and EBITDA per ton of INR4,600-5,000 per ton.
- Strategy to expand capacity remains intact. Volume to grow double-digit over the next 3-4 years on a CAGR basis (10 – 15%)
- EBITDA to be around INR17b for the year – bare minimum. EBITDA growth should be higher than the volume growth. The company aims to beat the target of INR4.5b of EBITDA in 3Q and 4QFY26.
- The company expects a volume of ~0.9m tons in 3Q and 4Q.

Capacity and capex

- The Dubai plant contributes 8% of the total volume
- The company plans to expand its capacity from 4.5MT currently to 7MT in the next 2-3 years.
- The Dubai plant operated at 80%+ capacity, and the Raipur plant operates at 65%.
- Out of the 2.3m MT capacity expansion, 0.8m MT will be brownfield expansion (Dubai 200k MT, Raipur 500k MT in roofing sheets, and another 100k MT tons in heavy pipes).
- The company plans a greenfield expansion of 1MT – Gorakhpur (200k MT), Kolkata (300k MT), Bhuj (300k MT), and new Malur (360k MT) with a shift of the existing line of 160k tons
- The company plans to incur this capex completely through internal accruals.

Others

- Working capital days remain in single digits (Zero as of Sept'25), boosting the RoCE above 32-33%. The management believes this is sustainable.
- EBITDA per ton for general structures is expected to be INR3100 per ton on a sustainable basis.

- Currently, for the month of October, the HRC price is ~INR46000/MT. With safeguard duty, it will be ~INR52,000-53,000/MT, so it restricts big imports and can lead to restocking.
- When the company increased prices under the general category, it was done for the whole lot of products in the category.
- International sales to the US are done from the Dubai plant (so tariffs don't really impact the company)
- From Jan'25 – the company has focused on brand leverage, which has resulted in a margin increase for the company. The company has focused on its distribution network. The company feels this is sustainable going forward.
- Realization per ton for SG premium stands at INR49,000 per ton. EBITDA per ton for the same is either NIL or negative
- Post-Covid, the Apollo brand has become strong. Secondly, discounts have been reduced. The company does not see negative operating leverage coming again for the new capex at the Raipur and Dubai plants.

Valuation and view

- We expect APAT to continue its volume growth momentum, led by a better demand scenario and supported by capacity expansion in key markets, new product additions, and higher exports. Margin is also expected to improve further, driven by cost optimization measures, increased automation, and a rising mix of value-added products (with a better geographical mix), driving steady growth in EBITDA/MT.
- We expect a CAGR of 14%/29%/33% in revenue/EBITDA/PAT over FY25-28E. We value the stock at 35x Sept'27 EPS to arrive at a TP of INR2,100. **Reiterate BUY.**

Exhibit 8: Revisions to our estimates

| Earnings change (INRm) | Old | | | New | | | Change | | |
|---------------------------|----------|----------|----------|----------|----------|----------|--------|-------|-------|
| | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E |
| Revenue | 2,42,510 | 2,88,517 | 3,27,445 | 2,29,379 | 2,71,138 | 3,06,855 | -5% | -6% | -6% |
| EBITDA | 17,393 | 22,325 | 26,403 | 17,451 | 22,099 | 26,009 | 0% | -1% | -1% |
| Adj. PAT | 11,527 | 15,481 | 18,247 | 11,662 | 15,233 | 17,875 | 1% | -2% | -2% |

Financials and valuations

| Consolidated - Income Statement | | | | | | | | (INRm) |
|-------------------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
| Total Income from Operations | 84,998 | 1,30,633 | 1,61,660 | 1,81,188 | 2,06,895 | 2,29,379 | 2,71,138 | 3,06,855 |
| Change (%) | 10.1 | 53.7 | 23.8 | 12.1 | 14.2 | 10.9 | 18.2 | 13.2 |
| RM Cost | 71,648 | 1,12,231 | 1,40,178 | 1,56,172 | 1,78,702 | 1,94,536 | 2,31,010 | 2,61,440 |
| Employees Cost | 1,296 | 1,530 | 2,062 | 2,576 | 3,325 | 3,703 | 3,796 | 4,296 |
| Other Expenses | 5,266 | 7,419 | 9,204 | 10,518 | 12,878 | 13,689 | 14,233 | 15,109 |
| Total Expenditure | 78,210 | 1,21,181 | 1,51,444 | 1,69,266 | 1,94,906 | 2,11,929 | 2,49,039 | 2,80,845 |
| % of Sales | 92.0 | 92.8 | 93.7 | 93.4 | 94.2 | 92.4 | 91.8 | 91.5 |
| EBITDA | 6,787 | 9,453 | 10,216 | 11,922 | 11,990 | 17,451 | 22,099 | 26,009 |
| Margin (%) | 8.0 | 7.2 | 6.3 | 6.6 | 5.8 | 7.6 | 8.2 | 8.5 |
| Depreciation | 1,028 | 1,090 | 1,383 | 1,759 | 2,013 | 2,305 | 2,869 | 3,155 |
| EBIT | 5,759 | 8,363 | 8,832 | 10,162 | 9,977 | 15,146 | 19,230 | 22,854 |
| Int. and Finance Charges | 661 | 445 | 671 | 1,134 | 1,333 | 876 | 500 | 500 |
| Other Income | 359 | 405 | 472 | 749 | 961 | 1,146 | 1,627 | 1,534 |
| PBT bef. EO Exp. | 5,458 | 8,323 | 8,633 | 9,777 | 9,604 | 15,416 | 20,357 | 23,888 |
| EO Items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PBT after EO Exp. | 5,458 | 8,323 | 8,633 | 9,777 | 9,604 | 15,416 | 20,357 | 23,888 |
| Total Tax | 1,381 | 2,133 | 2,215 | 2,453 | 2,034 | 3,754 | 5,124 | 6,013 |
| Tax Rate (%) | 25.3 | 25.6 | 25.7 | 25.1 | 21.2 | 24.4 | 25.2 | 25.2 |
| Minority Interest | 475 | 617 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reported PAT | 3,602 | 5,573 | 6,419 | 7,324 | 7,571 | 11,662 | 15,233 | 17,875 |
| Adjusted PAT | 3,602 | 5,573 | 6,419 | 7,324 | 7,571 | 11,662 | 15,233 | 17,875 |
| Change (%) | 51.3 | 54.7 | 15.2 | 14.1 | 3.4 | 54.0 | 30.6 | 17.3 |
| Margin (%) | 4.2 | 4.3 | 4.0 | 4.0 | 3.7 | 5.1 | 5.6 | 5.8 |

| Consolidated - Balance Sheet | | | | | | | | (INR m) |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
| Equity Share Capital | 250 | 501 | 555 | 555 | 555 | 555 | 555 | 555 |
| Total Reserves | 16,697 | 22,139 | 29,501 | 35,491 | 41,532 | 51,530 | 65,099 | 81,311 |
| Net Worth | 16,947 | 22,640 | 30,056 | 36,046 | 42,087 | 52,085 | 65,655 | 81,866 |
| Minority Interest | 1,383 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Loans | 5,203 | 5,806 | 8,729 | 11,246 | 6,148 | 2,148 | 48 | 48 |
| Deferred Tax Liabilities | 1,112 | 1,187 | 1,171 | 1,258 | 1,530 | 1,530 | 1,530 | 1,530 |
| Capital Employed | 24,644 | 31,633 | 39,957 | 48,550 | 49,765 | 55,763 | 67,233 | 83,444 |
| Gross Block | 18,568 | 20,677 | 29,513 | 38,099 | 43,506 | 49,190 | 55,127 | 59,614 |
| Less: Accum. Deprn. | 3,535 | 4,625 | 6,008 | 7,767 | 9,781 | 12,085 | 14,954 | 18,110 |
| Net Fixed Assets | 15,033 | 16,053 | 23,505 | 30,331 | 33,725 | 37,104 | 40,172 | 41,504 |
| Goodwill on Consolidation | 1,375 | 1,375 | 1,375 | 1,375 | 1,375 | 1,375 | 1,375 | 1,375 |
| Capital WIP | 1,077 | 5,037 | 3,740 | 2,030 | 3,355 | 3,671 | 3,734 | 2,247 |
| Total Investments | 15 | 913 | 960 | 1,027 | 1,262 | 1,262 | 4,762 | 8,262 |
| Current Investments | 0 | 50 | 0 | 0 | 0 | 0 | 3,500 | 7,000 |
| Curr. Assets, Loans&Adv. | 16,491 | 21,147 | 28,936 | 37,105 | 36,246 | 37,561 | 46,843 | 63,518 |
| Inventory | 7,599 | 8,472 | 14,799 | 16,379 | 16,232 | 19,161 | 22,516 | 25,392 |
| Account Receivables | 1,306 | 3,417 | 1,374 | 1,391 | 2,673 | 1,885 | 2,229 | 2,522 |
| Cash and Bank Balance | 3,579 | 3,764 | 3,525 | 3,476 | 5,749 | 2,752 | 5,831 | 17,193 |
| Loans and Advances | 4,006 | 5,494 | 9,239 | 15,859 | 11,592 | 13,763 | 16,268 | 18,411 |
| Curr. Liability & Prov. | 9,345 | 12,891 | 18,560 | 23,318 | 26,197 | 25,210 | 29,654 | 33,462 |
| Account Payables | 7,859 | 10,595 | 15,970 | 19,816 | 22,312 | 20,903 | 24,563 | 27,700 |
| Other Current Liabilities | 1,310 | 2,113 | 2,357 | 3,229 | 3,564 | 3,951 | 4,671 | 5,286 |
| Provisions | 177 | 184 | 233 | 273 | 321 | 356 | 421 | 476 |
| Net Current Assets | 7,145 | 8,256 | 10,377 | 13,787 | 10,048 | 12,351 | 17,189 | 30,056 |
| Appl. of Funds | 24,644 | 31,633 | 39,957 | 48,550 | 49,765 | 55,763 | 67,233 | 83,444 |

Financials and valuations

Ratios

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | |
| EPS | 13.0 | 20.1 | 23.1 | 26.4 | 27.3 | 42.0 | 54.9 | 64.5 |
| Cash EPS | 16.7 | 24.0 | 28.1 | 32.8 | 34.6 | 50.4 | 65.3 | 75.8 |
| BV/Share | 61.1 | 81.6 | 108.4 | 130.0 | 151.7 | 187.8 | 236.7 | 295.2 |
| DPS | 0.0 | 3.5 | 3.5 | 5.0 | 5.8 | 6.0 | 6.0 | 6.0 |
| Payout (%) | 0.0 | 17.4 | 15.1 | 18.9 | 21.1 | 14.3 | 10.9 | 9.3 |
| Valuation (x) | | | | | | | | |
| P/E | 139.1 | 89.9 | 78.1 | 68.4 | 66.2 | 43.0 | 32.9 | 28.0 |
| Cash P/E | 108.2 | 75.2 | 64.2 | 55.2 | 52.3 | 35.9 | 27.7 | 23.8 |
| P/BV | 29.6 | 22.1 | 16.7 | 13.9 | 11.9 | 9.6 | 7.6 | 6.1 |
| EV/Sales | 5.9 | 3.9 | 3.1 | 2.8 | 2.4 | 2.2 | 1.8 | 1.6 |
| EV/EBITDA | 74.3 | 53.4 | 49.6 | 42.7 | 41.8 | 28.7 | 22.3 | 18.3 |
| Dividend Yield (%) | 0.0 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| FCF per share | 24.1 | 1.6 | -2.3 | 15.3 | 19.5 | 8.6 | 33.2 | 55.9 |
| Return Ratios (%) | | | | | | | | |
| RoE | 23.6 | 28.2 | 24.4 | 22.2 | 19.4 | 24.8 | 25.9 | 24.2 |
| RoCE | 20.8 | 25.8 | 20.6 | 19.0 | 18.0 | 24.1 | 26.0 | 24.7 |
| RoIC | 19.9 | 29.7 | 24.5 | 20.6 | 19.3 | 26.2 | 28.5 | 31.5 |
| Working Capital Ratios | | | | | | | | |
| Fixed Asset Turnover (x) | 4.6 | 6.3 | 5.5 | 4.8 | 4.8 | 4.7 | 4.9 | 5.1 |
| Asset Turnover (x) | 3.4 | 4.1 | 4.0 | 3.7 | 4.2 | 4.1 | 4.0 | 3.7 |
| Inventory (Days) | 33 | 24 | 33 | 33 | 29 | 30 | 30 | 30 |
| Debtor (Days) | 6 | 10 | 3 | 3 | 5 | 3 | 3 | 3 |
| Creditor (Days) | 34 | 30 | 36 | 40 | 39 | 33 | 33 | 33 |
| Leverage Ratio (x) | | | | | | | | |
| Current Ratio | 1.8 | 1.6 | 1.6 | 1.6 | 1.4 | 1.5 | 1.6 | 1.9 |
| Interest Cover Ratio | 8.7 | 18.8 | 13.2 | 9.0 | 7.5 | 17.3 | 38.5 | 45.7 |
| Net Debt/Equity | 0.1 | 0.1 | 0.2 | 2.0 | 0.0 | 0.0 | -0.1 | -0.3 |

Consolidated - Cash Flow Statement

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | | (INR m) | (INR m) | |
| OP/(Loss) before Tax | 5,458 | 8,323 | 8,633 | 9,777 | 9,604 | 15,416 | 20,357 | 23,888 |
| Depreciation | 1,028 | 1,090 | 1,383 | 1,759 | 2,013 | 2,305 | 2,869 | 3,155 |
| Interest & Finance Charges | 302 | 40 | 199 | 385 | 372 | -270 | -1,127 | -1,034 |
| Direct Taxes Paid | -1,381 | -1,993 | -2,161 | -2,453 | -2,034 | -3,754 | -5,124 | -6,013 |
| (Inc)/Dec in WC | 3,577 | -1,154 | -1,475 | 1,646 | 2,177 | -5,300 | -1,760 | -1,504 |
| CF from Operations | 8,983 | 6,306 | 6,580 | 11,115 | 12,133 | 8,397 | 15,216 | 18,492 |
| Others | 0 | 211 | 321 | 0 | 0 | 0 | 0 | 0 |
| CF from Operating incl EO | 8,983 | 6,517 | 6,901 | 11,115 | 12,133 | 8,397 | 15,216 | 18,492 |
| (Inc)/Dec in FA | -2,298 | -6,070 | -7,539 | -6,876 | -6,732 | -6,000 | -6,000 | -3,000 |
| Free Cash Flow | 6,685 | 447 | -638 | 4,239 | 5,400 | 2,397 | 9,216 | 15,492 |
| (Pur)/Sale of Investments | 0 | -898 | -48 | -67 | -235 | 0 | -3,500 | -3,500 |
| Others | -4,171 | 1,666 | -1,171 | -2,214 | 3,220 | 1,146 | 1,627 | 1,534 |
| CF from Investments | -6,468 | -5,301 | -8,757 | -9,157 | -3,747 | -4,854 | -7,873 | -4,966 |
| Issue of Shares | 1 | 251 | 1,284 | 0 | 0 | 0 | 0 | 0 |
| Inc/(Dec) in Debt | -3,135 | 603 | 2,924 | 2,516 | -5,097 | -4,000 | -2,100 | 0 |
| Interest Paid | -661 | -445 | -671 | -1,134 | -1,333 | -876 | -500 | -500 |
| Dividend Paid | 0 | -971 | -971 | -1,387 | -1,595 | -1,664 | -1,664 | -1,664 |
| Others | 4,403 | -469 | -949 | -2,004 | 1,912 | 0 | 0 | 0 |
| CF from Fin. Activity | 609 | -1,031 | 1,617 | -2,008 | -6,112 | -6,540 | -4,264 | -2,164 |
| Inc/Dec of Cash | 3,123 | 185 | -240 | -49 | 2,273 | -2,997 | 3,078 | 11,362 |
| Opening Balance | 456 | 3,579 | 3,765 | 3,525 | 3,476 | 5,749 | 2,752 | 5,831 |
| Closing Balance | 3,579 | 3,765 | 3,525 | 3,476 | 5,749 | 2,752 | 5,831 | 17,193 |

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|----------------------------------|--|
| 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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