motilal oswal
Financial Services

30 October 2025
2QFY26 Results Update | Sector: Consumer

United Breweries

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	UBBL IN
Equity Shares (m)	264
M.Cap.(INRb)/(USDb)	473.1 / 5.3
52-Week Range (INR)	2300 / 1738
1, 6, 12 Rel. Per (%)	-6/-24/-14
12M Avg Val (INR M)	408

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Sales	95.4	108.1	121.4
Sales Gr. (%)	7.1	13.3	12.3
EBITDA	8.2	11.5	14.1
Margin (%)	8.6	10.6	11.6
Adj. PAT	4.3	7.1	9.2
Adj. EPS (INR)	16.4	26.9	34.8
EPS Gr. (%)	-7.2	64.0	29.6
BV/Sh. (INR)	173.7	188.1	206.7
Ratios			
RoE (%)	9.7	14.9	17.6
RoCE (%)	10.4	15.1	17.8
Valuations			
P/E (x)	109.2	66.6	51.4
P/BV (x)	10.3	9.5	8.7
EV/EBITDA (x)	55.3	40.9	32.0

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	70.8	70.8	70.8
DII	17.8	17.5	17.8
FII	6.3	6.7	6.3
Others	5.1	4.9	5.1

FII includes depository receipts

CMP: INR1,789 TP: INR1,750 (-2%) Neutral

Disappointing performance; margin volatility persists

- United Breweries (UBBL) reported a 3% YoY revenue decline in 2QFY26 (vs. our est. of +3%), after clocking 16% growth in 1QFY26. We were already building up muted growth due to weak seasonal demand and the extended monsoon, but it was weaker than expected. Volumes dipped 3% YoY (est. of +3%; +11% in 1QFY26), while the premium portfolio clocked a 17% growth, led by strong traction in Heineken Silver, which grew 34% YoY. UBBL experienced a double-digit volume decline in Jul and Aug'25. However, demand revived in Sep'25 with 4-5% volume growth; the positive trend continued in Oct.
- Management highlighted that roughly one-third of the business delivered robust growth, another one-third was affected by adverse weather conditions, while the remaining one-third faced headwinds from affordability pressures and elevated excise duties in select states.
- Regionally, the West and South markets grew 16% and 4%, while the North and East dipped 18% and 6%, respectively. The overall volume dip was mainly led by softness in Odisha, Karnataka, Telangana, West Bengal, and Rajasthan, partially offset by recovery in Andhra Pradesh, Assam, and Maharashtra.
- Gross margin contracted 100bp YoY to 42.8% (vs. est. 44%) due to temporary pressures from interstate transfers and an adverse state mix. EBITDA margin fell sharply by 440bp YoY to 6.3% (vs. est. 9.8%), marking a 10-quarter low. The margin compression was largely driven by volume deleverage, higher brand investments, and short-term cost headwinds (flood-related), rather than structural weakness. Management reiterated its medium-term aspiration of achieving double-digit EBITDA margins. We forecast EBITDA margins of 10.5% for FY27 and 11.5% for FY28 (pre-pandemic margin at more than 15%).
- UBBL remains focused on volume-led growth and further market share gains in the premium segment. We expect a ~12% revenue CAGR over FY26-28, led by high single-digit volume growth and a steady recovery in margins, which have been under pressure for the past five years. Despite volatile margin history, we model EBITDA margin expansion given high growth for the premium portfolio and the scope of cost rationalization. Given rich valuations and lingering regulatory headwinds, we maintain our Neutral stance on the stock with a TP of INR1,750 (55x Sep'27E EPS).

Weak revenue delivery; multi-quarter low margin

- **Decline in revenue:** UBBL's standalone net sales declined by 3% YoY to INR20.5b (est. INR21.8b) after clocking 16% growth in 1QFY26. Volume declined by 3% (est. +3%), while the premium segment sustained robust growth and clocked 17% YoY growth.
- **Regional performance:** The West and South regions posted volume growth of 16% and 4%, while the North and East regions reported volume declines of 18% and 6%, respectively. The volume growth seen in Maharashtra, Andhra Pradesh, and Assam drove regional performance.

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- **Big miss on margins:** Gross margin contracted 100bp YoY to 42.8% (est. 44%, 42.5% in 1QFY26). Employee expenses grew 6% YoY, and other expenses rose 7% YoY. EBITDA margin contracted 440bp YoY to 6.3% (est. 9.8%, 10.8% in 1QFY26). After delivering an improved margin trajectory, there was a sharp contraction in margin in 2Q.
- **Decline in profitability:** EBITDA declined 43% YoY to INR1.3b (est. INR2.1b). Interest cost rose ~570% YoY to 147m (est. INR50m). APAT declined 65% YoY to INR0.5b (est. INR1.2b).
- In 1HFY26, net sales grew 7%, while EBITDA and APAT declined 14% and 25%, respectively.

Highlights from the management commentary

- During 2QFY26, there was an unusually heavy and prolonged monsoon, which hit beer consumption across multiple key markets. Despite the weather-related challenges, UBBL outperformed the broader beer industry, showcasing resilience and effective execution of its commercial strategy.
- The company plans to step up capital expenditure to high single digits as a percentage of sales (vs. mid-single digits historically).
- Maharashtra delivered strong double-digit growth led by improved execution, capacity upgrades, and distributor redesign, while Karnataka, Odisha, West Bengal, and Telangana faced sharp declines due to high taxation, adverse weather, and affordability issues. Meghalaya saw demand recovery post excise cuts, and Uttar Pradesh remained a key growth market despite can shortages, supported by premium brand traction and upcoming brewery expansion.
- Management remains confident that the Indian beer category can deliver a 5–6% annual growth rate in a normalized environment.

Valuation and view

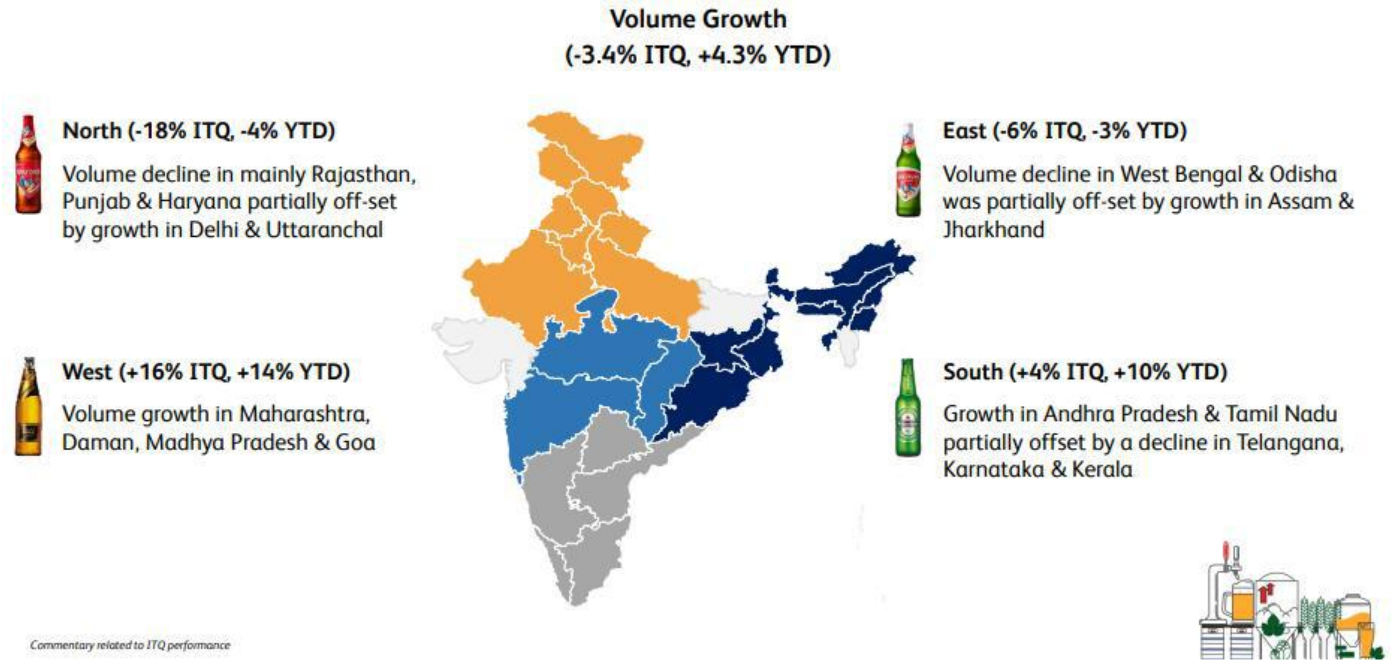
- We cut our PAT estimates by ~20% for FY26 and 10% for FY27, factoring in the miss on EBITDA in 2Q and adjusting the margin for FY27.
- UBBL continues to face multiple headwinds, including prolonged monsoon-led disruptions, high excise duties, and affordability pressures in key markets such as Karnataka, Telangana, and Odisha, which have weighed on category growth. Management is focusing on portfolio premiumization, cost discipline, and proactive engagement with state authorities to drive recovery.
- UBBL remains focused on volume-led growth and further market share gains in the premium segment. We expect a ~12% revenue CAGR over FY25-28, led by high single-digit volume growth and a steady recovery in margins, which have been under pressure for the past five years. However, given the rich valuations and lingering regulatory headwinds, **we reiterate our Neutral rating** on the stock with a TP of INR1,750 (premised on 55x Sep'27E EPS).

Standalone Quarterly Performance **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Volume growth (%)	**5**	**5**	**8**	**5**	**11**	**-3**	**2**	**8**	**6**	**7**	**3**	
Net Sales	**24,730**	**21,147**	**19,984**	**23,214**	**28,624**	**20,511**	**21,183**	**25,091**	**89,074**	**95,409**	**21,781**	-5.8%
YoY Change (%)	8.8	12.0	9.6	8.9	15.7	-3.0	6.0	8.1	9.7	7.1	3.0	
Gross Profit	**10,642**	**9,272**	**8,619**	**9,772**	**12,176**	**8,779**	**9,151**	**10,730**	**38,305**	**40,835**	9,584	-8.4%
Margin (%)	43.0	43.8	43.1	42.1	42.5	42.8	43.2	42.8	43.0	42.8	44.0	
EBITDA	**2,847**	**2,268**	**1,411**	**1,862**	**3,105**	**1,301**	**1,652**	**2,149**	**8,390**	**8,208**	2,135	-39.0%
YoY Change (%)	27.8	22.9	-3.0	31.2	9.1	-42.6	17.1	15.4	20.5	-2.2	-5.9	
Margins (%)	11.5	10.7	7.1	8.0	10.8	6.3	7.8	8.6	9.4	8.6	9.8	
Depreciation	577	571	613	567	628	640	625	624	2,327	2,517	610	
Interest	16	22	32	59	112	147	100	92	129	450	50	
Other Income	73	105	101	79	110	150	165	111	357	536	125	
PBT before EO expense	**2,327**	**1,781**	**867**	**1,316**	**2,475**	**665**	**1,092**	**1,544**	**6,291**	**5,776**	1,600	
Tax	595	458	227	342	638	196	251	360	1,622	1,444	400	
Rate (%)	25.5	25.7	26.2	26.0	25.8	29.4	23.0	23.3	26.9	25.0	25.0	
Reported PAT	**1,733**	**1,322**	**383**	**974**	**1,837**	**469**	**841**	**1,184**	**4,412**	**4,332**	**1,200**	-60.9%
Adj PAT	**1,733**	**1,322**	**640**	**974**	**1,837**	**469**	**841**	**1,184**	**4,669**	**4,332**	1,200	-60.9%
YoY Change (%)	27.3	22.9	-24.5	20.5	6.0	-64.5	31.4	21.6	13.6	-7.2	-9.3	
Margins (%)	7.0	6.3	3.2	4.2	6.4	2.3	4.0	4.7	5.2	4.5	5.5	

E: MOFSL Estimates

Exhibit 1: Regional volume performance



Source: Company presentation

Exhibit 2: Volume declined 3% YoY in 2QFY26

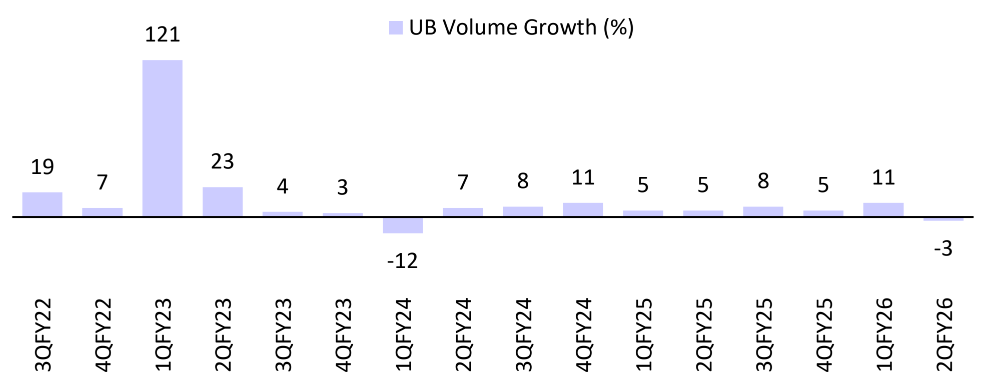
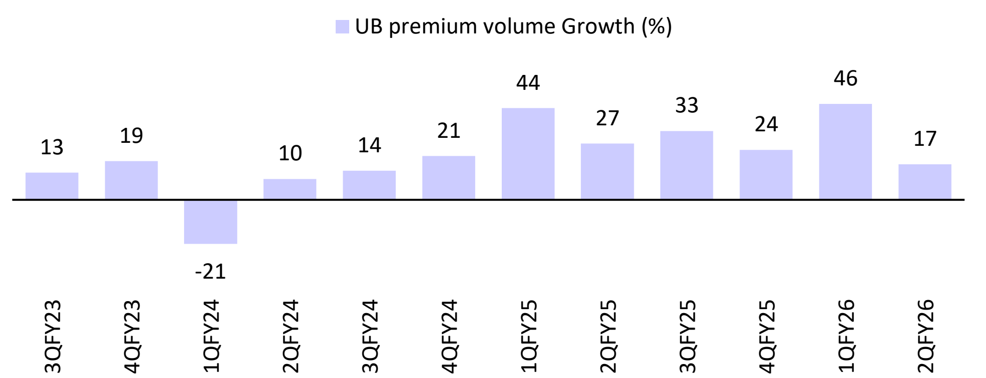


Exhibit 3: UBBL's premium portfolio delivered a 17% YoY volume growth in 2QFY26



CONFERENCE CALL

Key highlights from the management commentary

Demand and environment

- In 2QFY26, there was an unusually heavy and prolonged monsoon, which significantly impacted beer consumption across multiple key markets. Despite the weather-related challenges, United Breweries outperformed the broader beer industry, showcasing resilience and effective execution of its commercial strategy.
- Overall volumes declined by around 3% YoY, reflecting a mixed performance across geographies.
- Management highlighted that ~1/3rd of the company's business witnessed robust growth, another 1/3rd was impacted by severe weather conditions, and the remaining 1/3rd faced pressures arising from affordability issues and high excise duties in certain states.
- Within the portfolio, the premium segment remained a standout performer, with volumes rising 17% YoY, led by the strong momentum in Kingfisher Ultra, Ultra Max, and Heineken Silver. This demonstrates the success of UBL's premiumization strategy and a continued shift in consumer preference toward higher-quality offerings.
- The Heineken Silver brand continued to scale rapidly, posting ~34% YoY volume growth, reinforcing UBBL's leadership in the premium category.
- The company expects category demand to normalize as consumer sentiment improves post-monsoon. September witnessed a revival in demand with 4–5%

volume growth after the double-digit decline in July and Aug.. Growth has also been seen in October.
- Management remains confident that the Indian beer category can deliver a 5–6% annual growth rate in a normalized environment.

State-wise performance

- **Maharashtra:** The state recorded 15–16% volume growth during the quarter, driven by strategic interventions, distributor redesign, improved in-store execution, and expansion in cooler infrastructure. The company also upgraded brewing and canning capacity to support higher output. Management expects the strong growth trajectory to continue, provided there is no adverse change in taxation.
- **Karnataka:** The beer category in the state declined by double digits due to a combination of high taxation, price increases on economy brands, and heavy rainfall. The company noted that Karnataka, once the beer capital of India, has seen excise hikes erode category growth from +8% CAGR historically to an estimated –14 to –15% decline currently. UBBL is actively engaging with the state government through the Brewers Association of India to advocate for tax rationalization, highlighting that the state is losing excise revenue as a result of the steep tax structure.
- **Odisha:** Category performance was weak due to high taxation and adverse weather. The company launched its London Pilsner (LP) economy brand in the state toward the end of the quarter, which has received encouraging initial offtake and distribution traction. The company expects this launch to help revive affordability and stimulate category growth.
- **West Bengal:** The beer market continued to decline in double digits. To rejuvenate demand, UBBL reintroduced Kalyani Black Label, a heritage local brand that was discontinued during the COVID simplification phase. The brand has received positive consumer response, although structural challenges due to taxation persist.
- **Telangana:** The state saw a ~20% category decline in July–September, aggravated by excessive monsoons and disruption from retail license renewals. Although the company benefited from a long-awaited price hike (first in nearly five years), consumer affordability remains a concern as the retail price increase far exceeded the manufacturer’s realized gain. Despite these headwinds, UBBL continued to gain share in Telangana due to its strong brand equity and sustained marketing investments.
- **Meghalaya:** Following a reduction in excise duties, the company passed on the benefit to consumers through lower prices on Kingfisher, which is expected to drive demand recovery similar to what was seen in Assam.
- **Uttar Pradesh:** Growth was constrained by can supply shortage during the quarter, impacting availability. Nevertheless, the company’s premium brands continued to gain share, and the state remains a key growth driver with a Greenfield brewery under construction to support future expansion.

Competitive intensity

- Management acknowledged heightened competitive activity during the quarter, with certain players engaging in unsustainable pricing and promotional practices in response to the category slowdown. UBBL considers these actions uneconomic and not aligned with long-term profitability.

- Despite these market dynamics, the company reported ~100bp YoY market share gains nationally, driven by strong sell-out performance across regions. Sequentially, UBBL also gained share even during the seasonally weak monsoon quarter.
- The company further highlighted that craft beer players are under severe financial stress, creating opportunities for the company to capture incremental premium market share, particularly in Andhra Pradesh and Maharashtra.

Commodity prices

- **Barley/Malt:** Prices are expected to increase in high single digits in FY27, consistent with government notifications. The rise has been anticipated and factored into margin planning.
- **Cans:** The company is facing supply shortages and aluminum-linked cost inflation, posing near-term pressure on gross margins.
- **Glass:** Prices remain largely stable compared to the previous year.
- **Hops:** Witnessing mild inflation but within the expected range.

Costs and Margins

- To safeguard profitability, UBL has accelerated its productivity and cost optimization programs, including:
- ➢ Network optimization, with the closure of the Mangalore brewery to improve utilization levels.
- ➢ Enhanced bottle return efficiency, a key margin lever given the growing share of premium returnable SKUs.
- ➢ Variable cost restructuring, to improve flexibility during demand volatility.
- Gross margins were further impacted by cost inflation in key inputs, including higher aluminum-linked can prices and an anticipated rise in barley costs.
- EBITDA pressure during the quarter was mainly driven by a combination of temporary and structural factors. The company reported a 3 percent decline in volumes due to an unusually heavy monsoon, affordability pressures in key states, and disruptions caused by floods at three breweries, which reduced fixed cost absorption and led to temporary deleverage. In addition, the adverse state and product mix, with stronger growth in lower-margin regions and slower growth in high-margin markets such as Karnataka and Telangana, weighed on profitability.
- The higher marketing and capability spends, coupled with limited ability to take price hikes in regulated markets, added to the near-term margin pressure. Network optimization initiatives, including the closure of the Mangalore brewery and related restructuring expenses, also contributed to the decline.
- Management reiterated its goal of returning to double-digit EBITDA margins through a combination of improved scale, localized premium production, better returnable bottle mix, and tighter cost control.

Capex

The company plans to step up capital expenditure to high single digits as a percentage of sales (vs mid-single digits historically). Key areas of investment include:

- Construction of a Greenfield brewery in Uttar Pradesh, expected to strengthen supply-chain flexibility in North India.
- Expansion of commercial infrastructure, notably the deployment of coolers, which have increased to 37,000 outlets from 15,000 previously.

- Upgrade of brewing and canning lines in Maharashtra to enhance output and support higher demand.

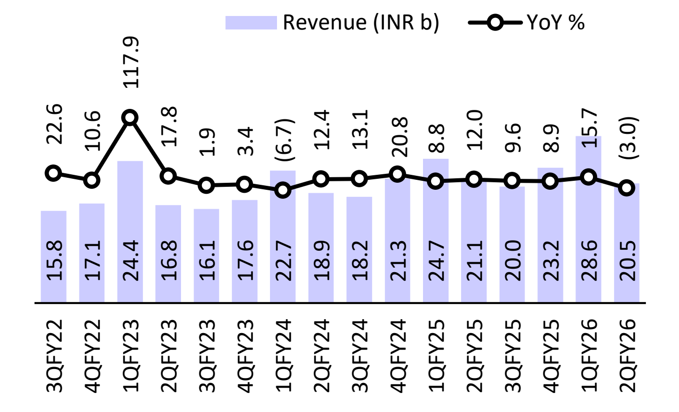
New Launches and Portfolio Initiatives

- London Pilsner (LP) was launched in Odisha to strengthen the company's presence in the value segment and address affordability challenges.
- Kalyani Black Label was reintroduced in West Bengal, tapping into local nostalgia and consumer loyalty for the heritage brand.
- The company continues to expand its economy offerings such as UB Export, Bullet, and London Pilsner across Karnataka, Maharashtra, and other relevant states to capture value-conscious consumers.
- On the premium side, Heineken Silver and Kingfisher Ultra remain key focus brands, supported by increased marketing investments and enhanced availability through localized production.

Management reiterated that innovation and affordability balancing will remain a central part of its strategy to drive category expansion across price tiers.

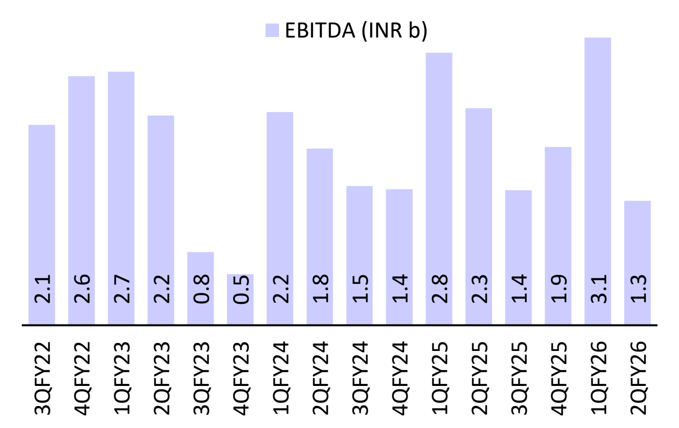
Key Exhibits

Exhibit 4: Net sales down 3% YoY to INR20.5b



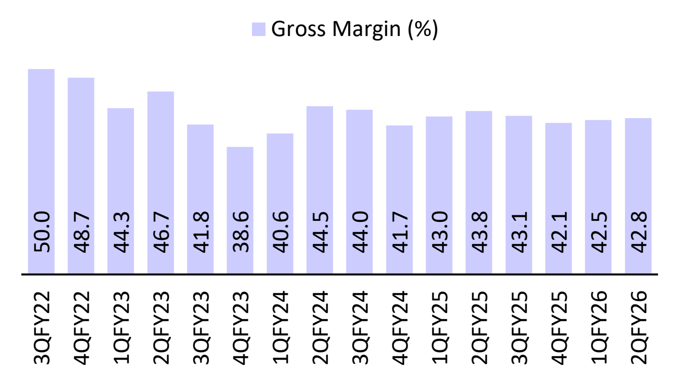
Sources: Company reports, MOFSL

Exhibit 5: EBITDA declined 42.6% YoY to INR1.3b



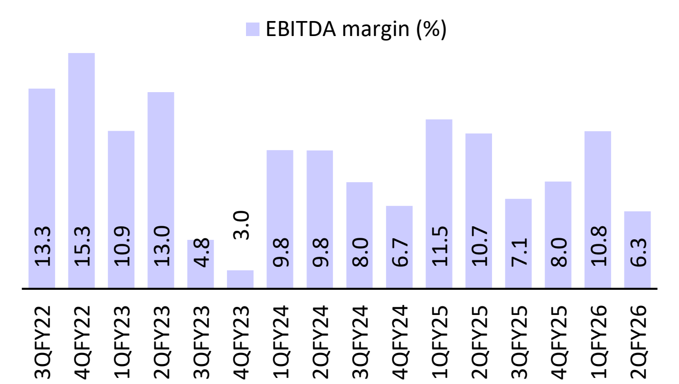
Source: Company reports, MOFSL

Exhibit 6: Gross margin expanded 100bp YoY to 42.8%



Sources: Company reports, MOFSL

Exhibit 7: EBITDA margin contracted 440bp YoY to 6.3%



Source: Company reports, MOFSL

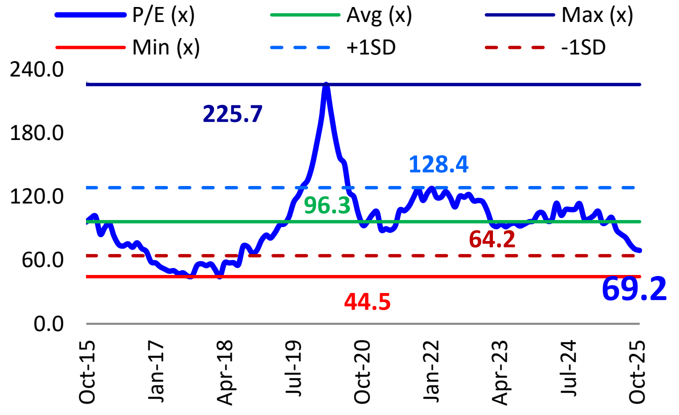
Valuation and view

- We cut our PAT estimates by ~20% for FY26 and 10% for FY27, factoring in the miss on EBITDA in 2Q and adjusting the margin for FY27.
- UBBL continues to face multiple headwinds, including prolonged monsoon-led disruptions, high excise duties, and affordability pressures in key markets such as Karnataka, Telangana, and Odisha, which have weighed on category growth. Management is focusing on portfolio premiumization, cost discipline, and proactive engagement with state authorities to drive recovery.
- UBBL remains focused on volume-led growth and further market share gains in the premium segment. We expect a ~12% revenue CAGR over FY25-28, led by high single-digit volume growth and a steady recovery in margins, which have been under pressure for the past five years. However, given the rich valuations and lingering regulatory headwinds, **we reiterate our Neutral rating** on the stock with a TP of INR1,750 (premised on 55x Sep'27E EPS).

Exhibit 8: We cut our estimates by ~21% for FY26, 12% for FY27, and 8% for FY28

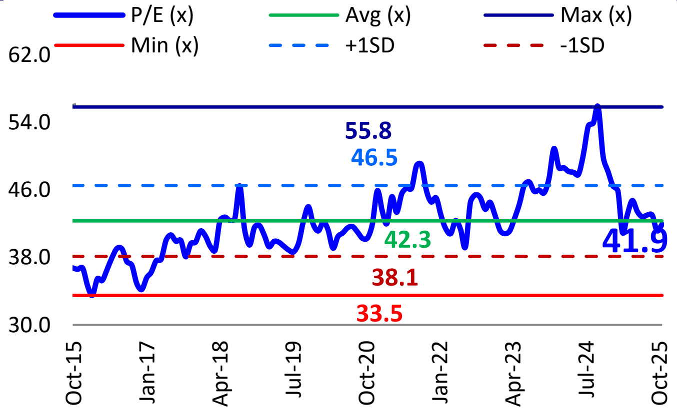
	New			Old			Change (%)		
INR m	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total Income	95,409	1,08,129	1,21,426	98,952	1,11,657	1,24,810	(3.6)	(3.2)	(2.7)
EBITDA	8,208	11,472	14,135	9,509	12,628	15,186	(13.7)	(9.1)	(6.9)
Adjusted PAT	4,332	7,103	9,206	5,478	8,031	10,002	(20.9)	(11.6)	(8.0)

Exhibit 9: UBBL's P/E (x)



Source: MOFSL

Exhibit 10: Consumer sector's P/E (x)



Source: MOFSL

Financials and valuations

Consolidated - Income Statement									(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Revenue	**65,092**	**42,431**	**58,384**	**74,999**	**81,227**	**89,074**	**95,409**	**1,08,129**	**1,21,426**
Less: Excise Duty									
Total Income from Operations	**65,092**	**42,431**	**58,384**	**74,999**	**81,227**	**89,074**	**95,409**	**1,08,129**	**1,21,426**
Change (%)	0.5	-34.8	37.6	28.5	8.3	9.7	7.1	13.3	12.3
Raw Materials	31,511	20,294	29,261	42,654	46,524	50,768	54,574	61,093	68,485
% of Sales	48.4	47.8	50.1	56.9	57.3	57.0	57.2	56.5	56.4
Gross Profit	**33,581**	**22,137**	**29,123**	**32,346**	**34,703**	**38,305**	**40,835**	**47,036**	**52,942**
Margin (%)	51.6	52.2	49.9	43.1	42.7	43.0	42.8	43.5	43.6
EBITDA	**8,758**	**3,811**	**6,966**	**6,162**	**6,962**	**8,390**	**8,208**	**11,472**	**14,135**
Margin (%)	13.5	9.0	11.9	8.2	8.6	9.4	8.6	10.6	11.6
Depreciation	2,851	2,320	2,172	2,106	2,119	2,327	2,517	2,600	2,700
EBIT	**5,907**	**1,491**	**4,794**	**4,056**	**4,843**	**6,063**	**5,690**	**8,872**	**11,435**
Int. and Finance Charges	311	227	148	46	69	129	450	125	100
Other Income	93	503	298	494	737	357	536	723	940
PBT bef. EO Exp.	**5,689**	**1,766**	**4,944**	**4,504**	**5,511**	**6,291**	**5,776**	**9,470**	**12,275**
EO Items	0	-72	-263	-248	0	-258	0	0	0
PBT after EO Exp.	**5,689**	**1,694**	**4,682**	**4,257**	**5,511**	**6,034**	**5,776**	**9,470**	**12,275**
Total Tax	1,406	556	1,284	1,210	1,403	1,622	1,444	2,368	3,069
Tax Rate (%)	24.7	32.8	27.4	28.4	25.5	26.9	25.0	25.0	25.0
Reported PAT	**4,277**	**1,132**	**3,398**	**3,047**	**4,109**	**4,412**	**4,332**	**7,103**	**9,206**
Adjusted PAT	**4,277**	**1,204**	**3,661**	**3,295**	**4,109**	**4,669**	**4,332**	**7,103**	**9,206**
Change (%)	-24.0	-71.8	204.0	-10.0	24.7	13.6	-7.2	64.0	29.6
Margin (%)	6.6	2.8	6.3	4.4	5.1	5.2	4.5	6.6	7.6

Consolidated - Balance Sheet									(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Equity Share Capital	264	264	264	264	264	264	264	264	264
Total Reserves	34,938	35,558	39,087	39,385	41,519	43,327	45,649	49,456	54,391
Net Worth	**35,203**	**35,823**	**39,351**	**39,649**	**41,783**	**43,592**	**45,913**	**49,720**	**54,655**
Minority Interest	33	38	41	46	52	0	0	0	0
Total Loans	1,691	1,154	0	0	0	0	0	0	0
Capital Employed	**36,927**	**37,014**	**39,393**	**39,695**	**41,836**	**43,592**	**45,913**	**49,720**	**54,655**
Gross Block	45,077	47,808	49,615	51,102	52,466	54,440	57,440	60,440	63,440
Less: Accum. Deprn.	26,058	28,378	30,550	32,656	34,775	37,102	39,619	42,219	44,919
Net Fixed Assets	**19,019**	**19,430**	**19,065**	**18,446**	**17,691**	**17,338**	**17,821**	**18,221**	**18,521**
Goodwill on Consolidation	242	65	65	65	65	65	65	65	65
Capital WIP	1,991	1,288	1,099	771	1,727	2,510	1,402	1,180	1,136
Total Investments	**3**	**61**	**84**	**81**	**80**	**155**	**155**	**155**	**155**
Curr. Assets, Loans&Adv.	**34,254**	**37,679**	**39,182**	**43,442**	**50,972**	**62,049**	**58,253**	**72,852**	**70,968**
Inventory	10,939	11,367	9,358	14,278	13,687	16,149	14,695	20,262	18,994
Account Receivables	13,504	13,950	12,549	14,073	23,138	28,601	11,131	34,491	16,741
Cash and Bank Balance	786	4,693	9,097	3,953	2,142	4,419	19,033	4,169	20,746
Loans and Advances	9,025	7,669	8,178	11,138	12,004	12,879	13,394	13,930	14,487
Curr. Liability & Prov.	**18,582**	**21,507**	**20,101**	**23,109**	**28,698**	**38,525**	**31,782**	**42,752**	**36,189**
Account Payables	5,450	6,181	6,380	7,170	9,485	11,492	3,669	13,514	5,782
Provisions	13,131	15,326	13,721	15,939	19,214	27,032	28,114	29,238	30,408
Net Current Assets	**15,672**	**16,171**	**19,081**	**20,333**	**22,274**	**23,524**	**26,471**	**30,100**	**34,779**
Appl. of Funds	**36,927**	**37,014**	**39,393**	**39,695**	**41,836**	**43,592**	**45,913**	**49,720**	**54,655**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	**16.2**	**4.6**	**13.8**	**12.5**	**15.5**	**17.7**	**16.4**	**26.9**	**34.8**
Cash EPS	27.0	13.3	22.1	20.4	23.6	26.5	25.9	36.7	45.0
BV/Share	133.1	135.5	148.8	150.0	158.0	164.9	173.7	188.1	206.7
DPS	2.5	0.5	10.5	7.5	10.0	6.7	6.6	10.7	13.9
Payout (%)	15.5	11.7	81.7	65.1	64.4	40.0	40.0	40.0	40.0
Valuation (x)									
P/E	111	393	129	144	115	101	109.2	66.6	51.4
Cash P/E	66.4	134.2	81.1	87.6	76.0	67.6	69.1	48.8	39.7
P/BV	13.4	13.2	12.0	11.9	11.3	10.9	10.3	9.5	8.7
EV/Sales	7.3	11.1	7.9	6.3	5.8	5.3	4.8	4.3	3.7
EV/EBITDA	54	123	67	76	68	56	55.3	40.9	32.0
Dividend Yield (%)	0.1	0.0	0.6	0.4	0.6	0.4	0.4	0.6	0.8
FCF per share	4.0	17.8	27.5	-10.4	-4.3	-0.8	116.9	-120.5	136.1
Return Ratios (%)									
RoE	12.8	3.4	9.7	8.3	10.1	10.9	9.7	14.9	17.6
RoCE	12.8	3.6	9.7	8.2	10.2	11.0	10.4	15.1	17.8
RoIC	13.5	3.1	11.6	9.1	9.9	11.9	13.8	19.1	22.3
Working Capital Ratios									
Fixed Asset Turnover (x)	1.4	0.9	1.2	1.5	1.5	1.6	1.7	1.8	1.9
Asset Turnover (x)	1.8	1.1	1.5	1.9	1.9	2.0	2.1	2.2	2.2
Inventory (Days)	60	96	65	58	63	61	59	59	59
Debtor (Days)	80	118	83	65	84	106	76	77	77
Creditor (Days)	32	50	39	33	37	43	29	29	29
Working Cap. (Days)	108	164	108	89	109	124	106	107	107
Leverage Ratio (x)									
Current Ratio	1.8	1.8	1.9	1.9	1.8	1.6	1.8	1.7	2.0
Interest Cover Ratio	19.0	6.6	32.4	87.4	70.3	47.2	12.6	71.0	114.4
Debt/Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	5,689	1,694	4,944	4,173	5,511	6,291	5,776	9,470	12,275
Depreciation	2,851	2,320	2,172	2,106	2,119	2,327	2,517	2,600	2,700
Interest & Finance Charges	305	224	146	44	67	121	450	125	100
Direct Taxes Paid	-1,903	-823	-1,301	-1,397	-1,388	-1,913	-1,083	-1,776	-2,302
(Inc)/Dec in WC	-2,196	2,976	2,994	-6,160	-5,166	-4,223	26,233	-39,307	26,192
CF from Operations	**4,746**	**6,392**	**8,956**	**-1,234**	**1,144**	**2,603**	**33,893**	**-28,888**	**38,966**
Others	332	-189	40	39	-370	-268	0	0	0
CF from Operating incl EO	**5,078**	**6,203**	**8,996**	**-1,196**	**773**	**2,335**	**33,893**	**-28,888**	**38,966**
(Inc)/Dec in FA	-4,033	-1,498	-1,728	-1,543	-1,907	-2,546	-2,980	-2,980	-2,980
Free Cash Flow	**1,045**	**4,705**	**7,268**	**-2,739**	**-1,134**	**-211**	**30,913**	**-31,868**	**35,986**
(Pur)/Sale of Investments	0	0	13	3	0	0	0	0	0
Others	231	86	-10	515	625	315	-14,429	20,221	-15,376
CF from Investments	**-3,802**	**-1,412**	**-1,726**	**-1,025**	**-1,282**	**-2,231**	**-17,409**	**17,241**	**-18,356**
Inc/(Dec) in Debt	115	61	-2,551	-100	0	0	0	0	0
Interest Paid	-268	-281	-181	-45	-19	-61	-450	-125	-100
Dividend Paid	-800	-663	-134	-2,779	-1,985	-2,644	-1,733	-2,841	-3,683
Others	0	0	0	0	701	4,879	312	-251	-251
CF from Fin. Activity	**-952**	**-884**	**-2,867**	**-2,923**	**-1,302**	**2,174**	**-1,870**	**-3,217**	**-4,034**
Inc/Dec of Cash	**324**	**3,907**	**4,404**	**-5,144**	**-1,811**	**2,277**	**14,614**	**-14,864**	**16,577**
Opening Balance	462	786	4,693	9,097	3,953	2,142	4,419	19,033	4,169
Closing Balance	**786**	**4,693**	**9,097**	**3,953**	**2,142**	**4,419**	**19,033**	**4,169**	**20,746**

E: MOFSL Estimates

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