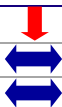


Ashok Leyland

Estimate change

TP change

Rating change



Bloomberg	AL IN
Equity Shares (m)	2936
M.Cap.(INRb)/(USD\$)	441.3 / 5.3
52-Week Range (INR)	169 / 128
1, 6, 12 Rel. Per (%)	7/4/-7
12M Avg Val (INR M)	1788

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	361.4	408.4	447.0
EBITDA	29.3	41.0	47.0
EBITDA (%)	8.1	10.0	10.5
Adj. PAT	13.2	22.2	26.6
Adj. EPS (INR)	4.5	7.6	9.1
EPS Gr. (%)	7,586.2	67.6	20.0
BV/Sh. (INR)	28.7	34.3	41.3

Ratios

Net D/E (x)	0.0	-0.1	-0.2
RoE (%)	16.8	24.0	24.0
ROCE (%)	13.1	19.0	20.1
Payout (%)	57.6	26.4	22.0

Valuations

P/E (x)	33.3	19.9	16.6
P/BV (x)	5.2	4.4	3.6
EV/EBITDA (x)	15.0	10.6	8.9
Div. Yield (%)	1.7	1.3	1.3
FCF Yield (%)	3.7	3.9	6.4

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	51.1	51.1	51.1
DII	22.1	21.1	21.8
FII	15.5	16.0	14.2
Others	11.3	11.8	12.9

FII Includes depository receipts

CMP: INR150
TP: INR180 (+20%)
Buy

EBITDA margin beat estimates, driven by better realizations

Aims double-digit EBITDA margin in FY24 and mid-teen in mid-term

- Ashok Leyland's (AL's) 4QFY23 results were encouraging, led by EBITDA margin of ~11% (v/s est. 10.2%), driven by moderating discounts, favorable product mix, and efficient cost-control measures. Underlying demand drivers continue to remain positive with management guiding 10-12% YoY growth for the MHCV industry in FY24E. This, coupled with focus on improving ASPs, stable RM and op leverage should drive EBITDA margin expansion by 190bp/50bp YoY in FY24/25E.
- While we raise our EBITDA estimates by 5.5%/3.3% for FY24/25, we cut FY25 EPS estimates by 3.8% (FY24 stable) to account for higher tax. We reiterate our **BUY** rating with a TP of INR180 (10x Mar-25 EV/EBITDA based + ~INR11/share of NBFC).

Net cash at INR2.43b in FY23 (from a net debt of INR7.24b in FY22)

- AL's 4QFY23 revenue/EBITDA/adj. PAT grew 33%/64%/71% YoY to INR116.3b/INR12.8b/INR7.1b (v/s est. of INR118.6b/INR12.1b/INR6.2b). FY23 revenue/EBITDA/Adj.PAT grew 67%/1.95x/75.9x.
- Volumes grew 22.5% YoY to 59.7k units. Realizations grew 8.5% YoY (up 3% QoQ) to INR1.95m (v/s est. INR1.99m), led by a price hike and moderate discounts.
- Gross margins improved 270bp YoY (down 70bp QoQ) to 24.4%.
- EBITDA margin expanded 210bp YoY/QoQ to 11% (v/s est.10.2%). EBITDA grew 64% YoY to INR12.8b (v/s est. INR12.1b).
- Better operating performance, coupled with lower interest cost, led to Adj. PAT of INR7.1b (up 71% YoY, est. INR6.2b).
- The company declared a final dividend of INR2.6 for FY23 (v/s INR1 in FY22).
- FY23 FCF stood at INR16.5b (v/s INR22.5b in FY22). CFO stood at INR21.4b (v/s INR26.5b in FY22), mainly due to increase in WC. The company has recorded a net cash of INR2.43b in FY23 from a net debt of INR7.24b in FY22.

Highlights from the management commentary

- MHCV demand Outlook** – The domestic industry is expected to grow 10-12% YoY in FY24, wherein AL is expected to outperform. The management expects industry sales in FY24 to surpass the FY19 peak. The industry will see longish growth cycle this time as compared to earlier cycles. CRISIL expects ~88k/67k MHCV/LCVs to get replaced in FY24.
- Targeting mid-teen EBITDA margin in the medium term**- The company has managed to rationalize the supply base due to modular platforms, resulting in better efficiencies. This, coupled with internal cost control measures and stable RM prices, should drive double-digit EBITDA margin in the near term. Steel prices are expected to decrease in 3Q/4Q, led by reduced demand from China and increasing exports from Australia.

Jinesh Gandhi - Research analyst (Jinesh@MotilalOswal.com)

Research analyst: Amber Shukla (Amber.Shukla@MotilalOswal.com) | Aniket Desai (Aniket.Desai@motilaloswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

- **AL's market share expanded 4.7% YoY to 31.8% in FY23** - The company has also gained 5% YoY market share in ICVs. In the bus range, the company is focussed on enhancing the portfolio to scale market share to 30% in the Northern and Eastern regions. This will help AL to reach mid-30s market share range.
- **FY24 capex guidance increased to INR6b-7.5b (v/s INR5b in FY23)** to be largely incurred toward product development, alternate fuels, and to some extent de-bottlenecking. However, AL has sufficient capacities for the next two years.

Valuation and view

- The demand environment is expected to remain stable, supported by improving pricing power and steady RM prices, which will drive strong earnings. AL is the best investment choice in the CV growth cycle, as it has positioned itself to expand revenue/profit pools. While valuations at 16.6x FY25E P/E and 8.9x EV/EBITDA are reflecting the mid-cycle recovery, they do not fully reflect AL's focus on diversifying new revenue streams and increasing profit pools.
- We raise our EBITDA estimates by 5.5%/3.3% for FY24/25 to factor in for better realizations and the positive impact of stable RM prices. However, we cut FY25 EPS estimates by 3.8% (FY24 stable) to account for higher tax. We reiterate our **BUY** rating with a TP of INR180 (10x Mar-25 EV/EBITDA-based + ~INR11/share of NBFC).

Quarterly Performance (\$/A)

(INR m)

	FY22				FY23				FY22	FY23	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q
Total Volumes (nos)	17,987	27,543	34,077	48,719	39,651	45,295	47,562	59,697	1,28,326	1,92,205	59,697
Growth %	371.6	41.7	2.0	10.6	120.4	64.5	39.6	22.5	27.4	49.8	22.5
Realizations (INR '000)	1,641	1,619	1,624	1,795	1,822	1,825	1,899	1,947	1,690	1,880	1,987
Change (%)	-3.9	10.9	12.7	13.0	11.0	12.8	16.9	8.5	11.2	11.3	10.7
Net operating revenues	29,510	44,579	55,352	87,443	72,229	82,660	90,297	1,16,257	2,16,883	3,61,441	1,18,638
Change (%)	353.4	57.2	15.0	24.9	144.8	85.4	63.1	33.0	41.7	66.7	35.7
RM/sales %	74.1	76.7	77.9	78.2	79.3	78.0	76.3	75.6	77.3	77.1	76.4
Staff/sales %	14.4	9.0	7.8	5.0	6.2	6.4	6.1	5.1	7.8	5.8	4.9
Other exp/sales %	16.2	11.3	10.2	7.9	10.1	9.1	8.8	8.3	10.3	9.0	8.5
EBITDA	-1,401	1,347	2,239	7,760	3,203	5,373	7,973	12,757	9,945	29,307	12,135
EBITDA Margins(%)	-4.7	3.0	4.0	8.9	4.4	6.5	8.8	11.0	4.6	8.1	10.2
Interest	707	871	668	765	689	771	804	628	3,011	2,891	831
Other Income	134	209	176	242	256	200	316	389	761	1,161	298
Depreciation	1,835	1,843	1,897	1,954	1,824	1,768	1,890	1,838	7,528	7,320	1,903
PBT before EO Item	-3,809	-1,157	-149	5,284	946	3,035	5,596	10,681	168	20,258	9,699
EO Exp/(Inc)	17	-2	-420	-4,703	-130	-82	-69	-564	-5,108	-846	0
PBT after EO	-3,826	-1,155	271	9,987	1,077	3,117	5,665	11,245	5,276	21,104	9,699
Effective Tax Rate (%)	26.2	28.1	78.7	9.7	36.8	36.1	36.2	33.2	-2.7	34.6	35.8
Adj PAT	-2,806	-832	-374	4,184	595	1,939	3,568	7,145	172	13,248	6,230
Change (%)	-27.6	-42.7	-338.6	96.7	-121.2	-333.0	-1,054.2	70.8	-105.7	7,587.8	48.9

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY22				FY23				FY22	FY23	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q
M&HCV	9,050	13,514	19,305	32,016	24,987	27,841	30,790	40,491	73,885	1,24,109	40,491
Dom. M&HCV Mkt sh (%)	27.0	22.4	26.1	30.4	30.1	32.0	32.9	32.0	27.1	31.8	30
LCV	8,937	14,029	14,772	16,703	14,664	17,454	16,772	19,206	54,441	68,096	19,206
Dom. LCV Mkt sh (%)	11.3	11.8	10.9	10.2	9.7	11.2	11.6	11.7	11.0	11.1	10
Total Volumes (nos)	17,987	27,543	34,077	48,719	39,651	45,295	47,562	59,697	1,28,326	1,92,205	59,697
AL's CV Market Sh (%)	14.4	14.6	15.9	18.2	16.3	17.8	19.3	20.1	16.1		22
Realizations (INR '000)	1,641	1,619	1,624	1,795	1,822	1,825	1,899	1,947	1,690	1,880	1,987
Growth %	-3.9	10.9	12.7	13.0	11.0	12.8	16.9	8.5	17.3	18.4	11
Cost Break-up											
RM Cost (% of sales)	74.1	76.7	77.9	78.2	79.3	78.0	76.3	75.6	77.3	77.1	76.4
Staff Cost (% of sales)	14.4	9.0	7.8	5.0	6.2	6.4	6.1	5.1	7.8	5.8	4.9
Other Cost (% of sales)	16.2	11.3	10.2	7.9	10.1	9.1	8.8	8.3	10.3	9.0	8.5
Gross Margin (%)	25.9	23.3	22.1	21.8	20.7	22.0	23.7	24.4	22.7	22.9	23.6
EBITDA Margins (%)	-4.7	3.0	4.0	8.9	4.4	6.5	8.8	11.0	4.6	8.1	10.2
EBIT Margins (%)	-11.0	-1.1	0.6	6.6	1.9	4.4	6.7	9.4	1.1	6.1	8.6

E: MOFSL Estimates

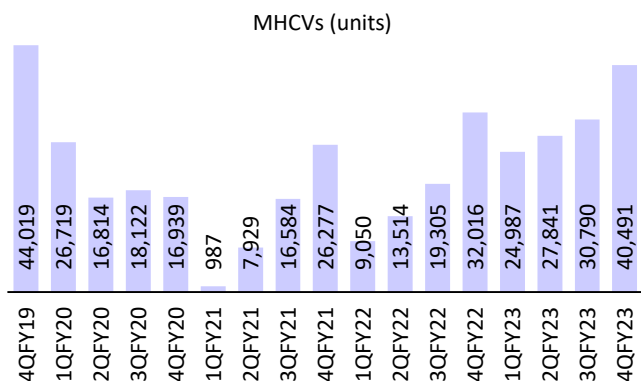
Key takeaways from the management commentary

- **MHCV Demand Outlook** – The domestic CV industry is expected to grow 10-12% YoY in FY24, wherein AL is expected to outperform. The management expects industry sales in FY24 to surpass the FY19 peak.
- TIV will be supported by healthy infra demand, driven by the government expenditure and strong demand from industries such as steel, cement, and mining.
- The industry is expected to witness longer growth cycle compared to earlier cycles. In FY23, a significant amount of primary demand was observed, which was absent in FY20-21. The demand was primarily driven by large buyers, while first-time buyers were waiting for a full recovery. CRISIL expects ~88k/67k MHCV/LCVs to get replaced in FY24.
- **Demand outlook for other segments** - LCV is expected to grow 5-6% YoY, while the bus segment should grow 30% YoY in FY24.
- **Exports** - Traditional markets of SAARC, which is a critical geography for AL witnessed subdued demand in FY23. This was offset by expansion into the Middle East regions, resulting in 2.5% YoY volume growth in FY23 v/s 30-40% YoY decline for peers. We expects exports to improve further in FY24.
- **Targeting mid-teen EBITDA margin in medium term** - The company has managed to rationalize its supply base, due to the implementation of modular platforms, resulting in better efficiencies. This was followed by internal cost-control measures. This, coupled with stable RM prices, will help drive double-digit EBITDA margin in the near term and further to mid-teens in the medium term.
- Steel prices are expected to decrease in 3Q/4Q. This is primarily due to decreasing demand from China. Also, supply of steel from Australia is expected to increase because of weakness in their domestic demand.
- **Price hikes - FY24 will have much better price realization than FY23.** AL took ~2% price hike in April, largely to cover rising cost, improve margins, and partially towards OBD-2 norms. RDE-related cost is fully passed through. Price retention has been better at 80-90%.

■ Segmental performance-

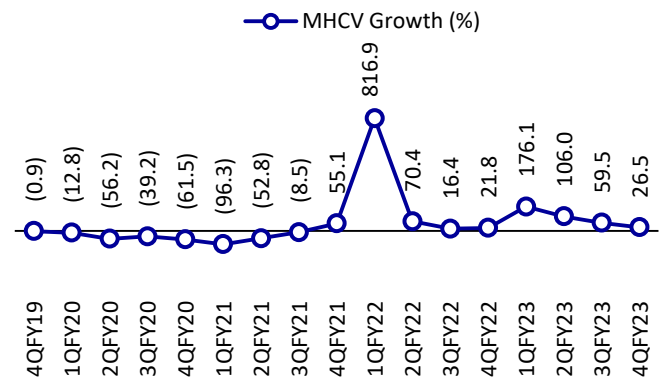
- **MHCV-** FY23 market share expanded 4.7% YoY to 31.8%. The company has gained market share across MAVs, Haulage, and Tipplers.
- **ICV-** Gained 5% YoY market share. The company is focussed on enhancing the portfolio to scale market share to 30% in the Northern and Eastern regions in the near term and then to mid-30 in the future.
- **Bus-** Plans to expand by filling in the product gap and network expansion.
- **LCV-** Market share was down by 0.7% YoY due to chip shortage in 1HFY23. The company is focussed on expanding its market share in the non-South region.
- **FY24 capex guidance at INR6b-7.5b (v/s INR5b in FY23)** largely toward product development, alternate fuels, and to some extent de-bottlenecking. However, AL has sufficient capacities for the next two years. 4QFY23 capex stood at INR1.8b.
- **Switch Mobility-** The company plans to invest INR12b next year and it will continue to look for investors in the electric space. A major portion of investments will be utilized toward the launch of two LCV variants and low-floor 9M and 12M bus in both India and Europe. It is gaining a lot of acceptance in India. Switch has already supplied to BMTC (Bangalore), CMC (Chandigarh), BEST (Mumbai), and also has got some private orders. The uptime of these vehicles is ~99%. The business is expected to be profitable in future just like ICE.

Exhibit 1: M&HCV sales trend



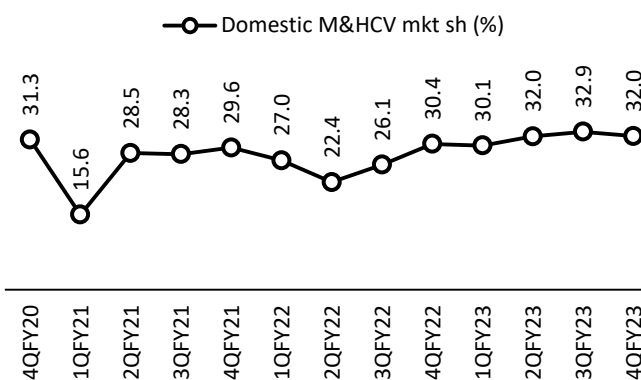
Source: Company, MOFSL

Exhibit 2: Growth trend in M&HCV



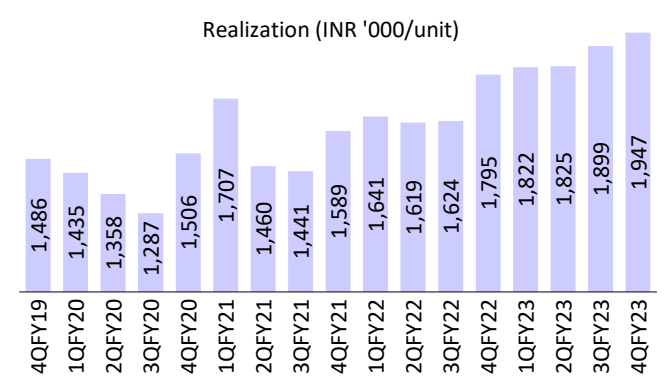
Source: Company, MOFSL

Exhibit 3: Domestic M&HCV market share trend



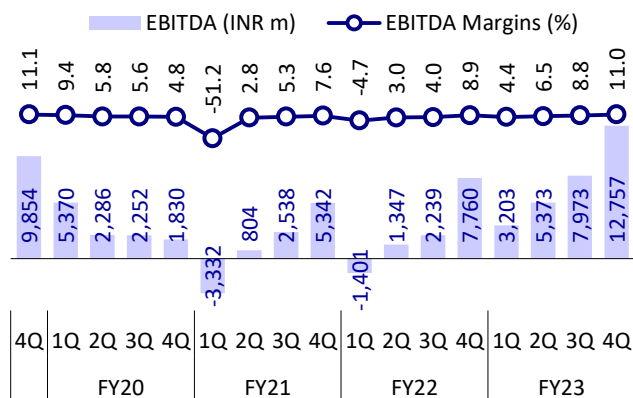
Source: Company, MOFSL

Exhibit 4: Realization trend



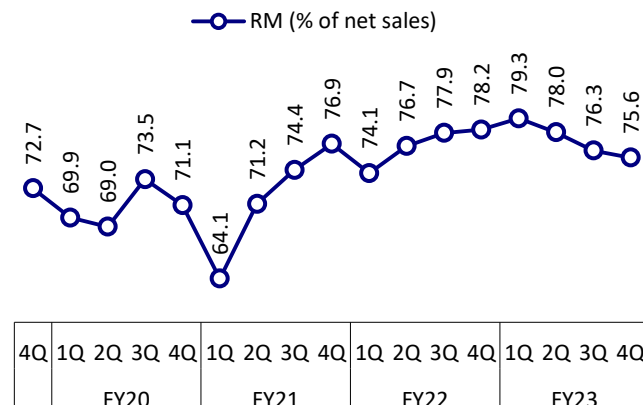
Source: Company, MOFSL

Exhibit 5: Trends in EBITDA and EBITDA margins



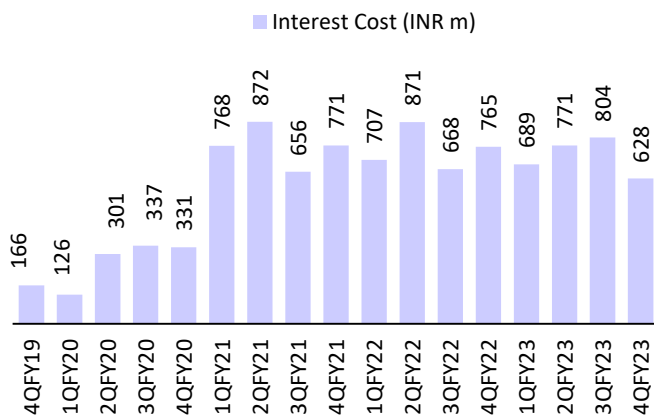
Source: Company, MOFSL

Exhibit 6: Trend in RM cost



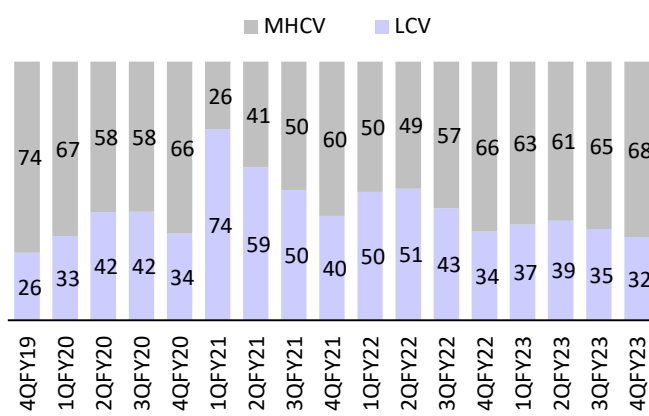
Source: Company, MOFSL

Exhibit 7: Trend in interest cost



Source: Company, MOFSL

Exhibit 8: M&HCV and LCV contribution in sales mix



Source: SIAM, MOFSL

Valuation and view

- **Focus on market share recovery in M&HCV and gains in LCVs:** Unlike in the PV segment, the implementation of a modular strategy is uncommon in M&HCV segment globally. This is mainly due to the significantly high number of SKUs and the more substantial changes required in the traditional way of conducting business. This could be an important driver of market share gains for AL as it improves its response time and is a better application fit for the customer. These, coupled with launches in the LCV segment, would expand AL's addressable market in India (in LCV by 2x) and globally (by offering a wide range of products – from LCV to M&HCV).
- **Domestic M&HCV on recovery path, but peak FY19 volumes only in FY24E:** We expect CV demand recovery to sustain in FY24E, led by strong underlying demand across major industries and higher infra spends by the government. The management has guided for 10-12% YoY growth in the domestic M&HCV industry for FY24E, which should possibly cross its earlier peak volumes of FY19. Although the voluntary scrapping of trucks may have some positive impact on CV demand, it is not expected to be significant. We estimate AL's M&HCV volumes to register a CAGR of ~10% over FY23-25.
- **Focus on creating and expanding profit/revenue pools:** AL is focused on expanding and creating new revenue and profit pools. De-risking of the M&HCV business, along with the expansion of nascent businesses – such as Spares (7% of FY23 sales) – Exports (5% of sales), LCV (12% sales), and Defense (1% of sales), is a key focus area. Further, AL has set up a new business vertical – Customer Solutions – targeting a higher share of the customer wallet across the life cycle in areas such as finance, spares, and fuel.
- **Expect recovery to continue with market share gains:** AL's revenue/EBITDA/PAT is estimated to register a CAGR of 11%/27%/42% over FY23–25. In the long term, AL's focus on expanding and creating new profit/revenue pools is likely to de-risk the business – the share of domestic trucks in revenue is likely to shrink from 66% in FY23 (~68% in FY19).
- **Switch Mobility (EV sub) offers option value:** AL's EV subsidiary, Switch Mobility, is focusing on LCVs (including pick-ups and vans) and buses for both India and globally. While Switch Mobility had sold 1% stake in the company to its supplier Dana for implied valuations of USD1.8b, the management has made it amply clear that it would be looking to raise funds in this subsidiary. If the company manages to raise funds at a valuation of at least USD 1.6-1.8b, it could lead to an additional value of INR 30-35 per share for AL. Similar to what happened in TTMT post the minority stake sale in EV business to TPG, it could potentially result in a re-rating of AL.
- **Valuation and view:** The demand environment is expected to remain stable, supported by improving pricing power and stable RM prices, which will result in strong earnings. AL is the best investment choice in the CV growth cycle, as it has positioned itself to expand revenue/profit pools. While valuations at 16.6x FY25E P/E and 8.9x EV/EBITDA are reflecting the mid-cycle recovery, they do not fully reflect AL's focus on diversifying new revenue streams and increasing profit pools. We raise our EBITDA estimates by 5.5%/3.3% for FY24/25 to factor in for better realizations and the positive impact of stable RM prices. However, we cut

FY25 EPS estimates by 3.8% (FY24 stable) to account for higher tax. We reiterate our **BUY** rating with a TP of INR180 (10x Mar-25 EV/EBITDA-based + ~INR11/share of NBFC).

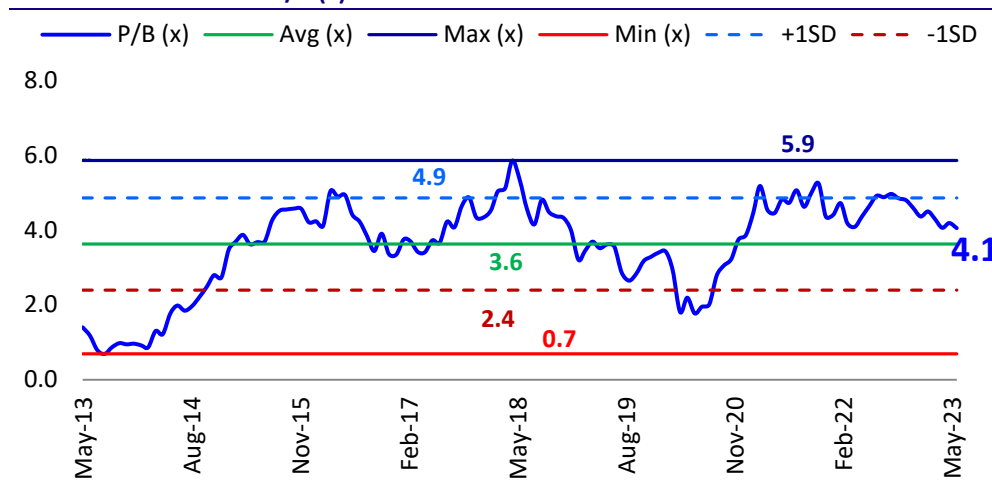
- **Key risks** to our target price include: a) loss of road share for freight movement from the upcoming DFCC and b) increasing competitive intensity, resulting in a loss of market share and shrinking margins.

Exhibit 9: Revised Estimates

	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Volumes ('000 units)	211	215	-1.7	227	235	-3.3
Net Sales	4,08,425	4,16,436	-1.9	4,46,981	4,60,817	-3.0
EBITDA	40,968	38,844	5.5	46,997	45,509	3.3
EBITDA margins (%)	10.0	9.3	70bp	10.5	9.9	60bp
Net Profit	22,202	22,253	-0.2	26,634	27,683	-3.8
EPS (INR)	7.6	7.6	-0.3	9.1	9.4	-3.8

Source: MOFSL

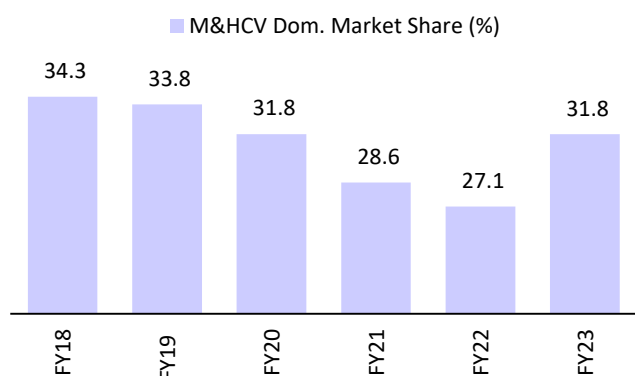
Exhibit 10: ALs trend in P/B (x)



Source: MOFSL

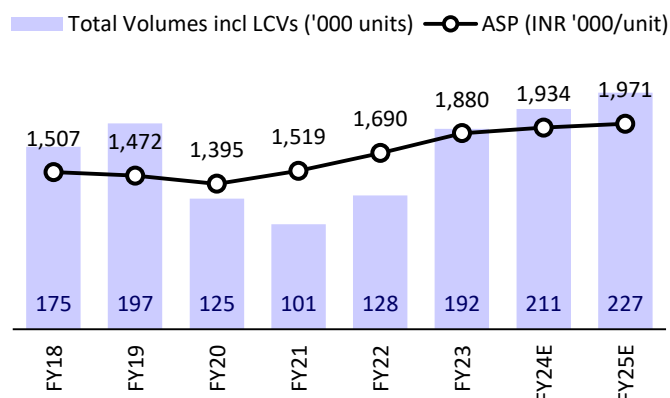
Story in charts

Exhibit 11: AL's market share trend



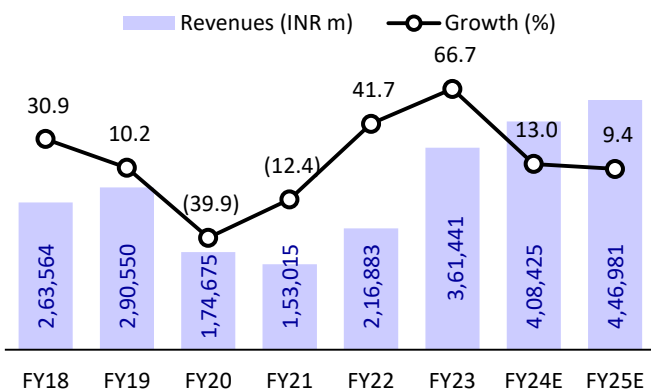
Source: Company, MOFSL

Exhibit 12: Volume and realization growth trends



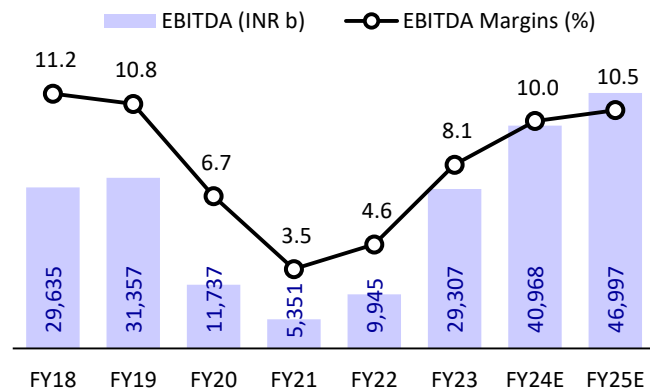
Source: Company, MOFSL

Exhibit 13: Revenue growth trend



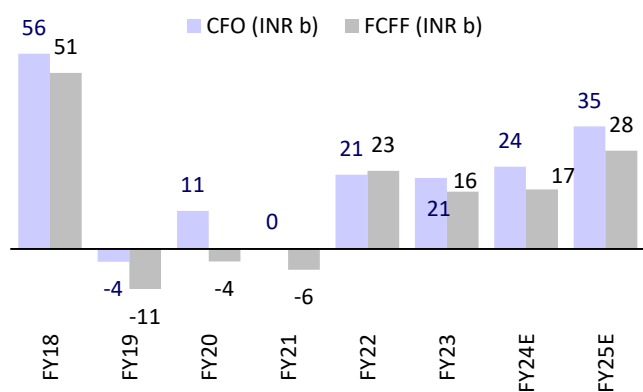
Source: Company, MOFSL

Exhibit 14: EBITDA and EBITDA margin trends



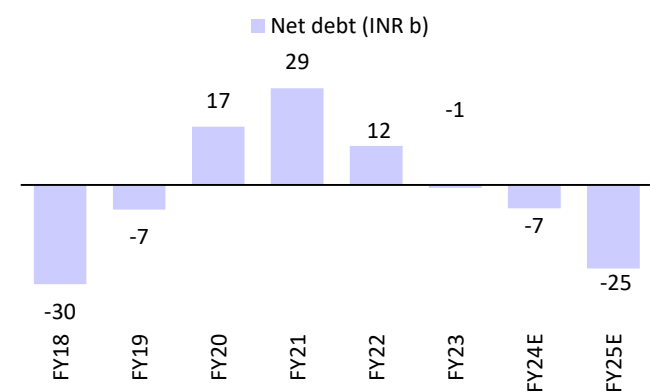
Source: Company, MOFSL

Exhibit 15: CFO and FCFF trends



Source: Company, MOFSL

Exhibit 16: AL's net debt is expected to decline in FY24



Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Volumes ('000 units)	175	197	125	101	128	192	211	227
Growth (%)	20.5	12.9	-36.5	-19.6	27.4	49.8	9.9	7.4
Net Sales	2,63,564	2,90,550	1,74,675	1,53,015	2,16,883	3,61,441	4,08,425	4,46,981
Change (%)	30.9	10.2	-39.9	-12.4	41.7	66.7	13.0	9.4
EBITDA	29,635	31,357	11,737	5,351	9,945	29,307	40,968	46,997
Change (%)	34.6	5.8	-62.6	-54.4	85.8	194.7	39.8	14.7
EBITDA Margins (%)	11.2	10.8	6.7	3.5	4.6	8.1	10.0	10.5
Depreciation	5,985	6,210	6,698	7,477	7,528	7,320	7,583	7,991
EBIT	23,650	25,147	5,039	-2,126	2,418	21,987	33,385	39,005
Interest & Fin. Charges	1,473	704	1,095	3,068	3,011	2,891	2,665	1,952
Other Income	1,966	1,099	1,233	1,195	761	1,161	1,790	1,960
PBT	23,858	24,968	3,619	-4,119	5,276	21,104	32,510	39,013
Tax	6,681	5,136	1,224	(982)	(142)	7,303	10,309	12,379
Effective Rate (%)	28.0	20.6	33.8	23.8	-2.7	34.6	31.7	31.7
Rep. PAT	17,177	19,832	2,395	-3,137	5,418	13,801	22,202	26,634
Change (%)	40.4	15.5	-87.9	-231.0	-272.7	154.7	60.9	20.0
% of Net Sales	6.5	6.8	1.4	-2.0	2.5	154.7	60.9	20.0
Adjusted PAT	17,359	20,268	3,426	-3,045	172	13,248	22,202	26,634
Change (%)	12.3	16.8	-83.1	-188.9	-105.7	7,587.8	67.6	20.0

Balance Sheet							(INR m)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Sources of Funds								
Share Capital	2,927	2,936	2,936	2,936	2,936	2,936	2,936	2,936
Reserves	69,528	80,389	69,704	66,837	70,434	81,322	97,651	1,18,413
Net Worth	72,455	83,324	72,640	69,772	73,369	84,258	1,00,587	1,21,349
Loans	12,263	6,324	30,648	37,163	35,071	31,801	24,301	16,801
Deferred Tax Liability	2,986	2,497	2,648	1,708	1,444	5,035	6,661	8,611
Capital Employed	87,704	92,145	1,05,936	1,08,642	1,09,884	1,21,094	1,31,549	1,46,761
Application of Funds								
Gross Fixed Assets	64,798	71,437	91,913	1,01,269	1,03,773	1,07,488	1,12,314	1,19,314
Less: Depreciation	13,817	19,791	28,376	35,264	41,626	48,946	56,529	64,520
Net Fixed Assets	50,981	51,646	63,537	66,005	62,146	58,543	55,785	54,793
Capital WIP	4,226	6,576	5,941	3,719	1,943	1,325	3,000	3,000
Goodwill	4,499	4,499	4,499	4,499	4,499	4,499	4,499	4,499
Investments	56,067	26,365	27,196	30,687	48,196	66,636	69,136	71,636
Curr.Assets, L & Adv.	57,591	93,158	62,723	79,590	86,554	94,914	1,24,454	1,49,989
Inventory	17,583	26,847	12,380	21,423	20,752	27,745	35,807	42,861
Sundry Debtors	9,448	25,055	11,804	28,163	31,111	40,627	44,759	48,984
Cash & Bank Balances	10,422	13,736	13,225	8,230	10,470	5,013	3,627	14,081
Loans & Advances	20,138	27,520	25,314	21,774	24,221	21,529	40,262	44,062
Current Liab. & Prov.	85,660	90,099	57,960	75,857	93,454	1,04,822	1,25,325	1,37,156
Sundry Creditors	48,879	50,189	26,239	51,647	68,752	71,751	78,328	85,722
Other Liabilities	26,146	29,386	23,666	17,665	17,997	22,686	33,569	36,738
Provisions	10,635	10,524	8,055	6,545	6,705	10,385	13,428	14,695
Application of Funds	87,704	92,145	1,05,936	1,08,642	1,09,884	1,21,094	1,31,549	1,46,761

Financials and valuations

Ratios

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Basic (INR)								
EPS	5.9	6.9	1.2	-1.0	0.1	4.5	7.6	9.1
EPS Fully Diluted	5.9	6.9	1.2	-1.0	0.1	4.5	7.6	9.1
EPS Growth (%)	9.2	16.4	-83.1	-188.9	-105.7	7,586.2	67.6	20.0
Cash EPS	8.0	9.0	3.4	1.5	2.6	7.0	10.1	11.8
Book Value per Share	24.8	28.4	24.7	23.8	25.0	28.7	34.3	41.3
DPS	2.4	3.4	0.5	0.6	1.0	2.6	2.0	2.0
Div. Payout (%)	49.3	59.4	51.5	-57.8	1,703.5	57.6	26.4	22.0
Valuation (x)								
P/E	25.3	21.8	128.8	-144.9	2,560.3	33.3	19.9	16.6
Cash P/E	18.8	16.7	43.6	99.5	57.3	21.5	14.8	12.7
EV/EBITDA	13.8	13.8	39.1	87.9	45.5	15.0	10.6	8.9
EV/Sales	1.6	1.5	2.6	3.1	2.1	1.2	1.1	0.9
Price to Book Value	6.1	5.3	6.1	6.3	6.0	5.2	4.4	3.6
Dividend Yield (%)	1.6	2.3	0.3	0.4	0.7	1.7	1.3	1.3
Profitability Ratios (%)								
ROE	26.0	26.0	4.4	-4.3	0.2	16.8	24.0	24.0
RoCE	21.5	23.2	4.2	-0.7	3.0	13.1	19.0	20.1
RoIC	55.8	64.0	6.3	-2.6	4.3	29.5	43.9	46.8
Turnover Ratios								
Debtors (Days)	13	31	25	67	52	41	40	40
Inventory (Days)	24	34	26	51	35	28	32	35
Creditors (Days)	68	63	55	123	116	72	70	70
Working Capital (Days)	-30	2	-4	-5	-28	-3	2	5
Fixed-Asset Turnover (x)	5.2	5.6	2.7	2.3	3.5	6.2	7.3	8.2
Leverage Ratio								
Net Debt/Equity (x)	-0.4	-0.1	0.2	0.4	0.2	0.0	-0.1	-0.2

Cash flow Statement

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
(INR m)								
OP/(Loss) before Tax	23,858	24,968	3,619	-4,119	5,276	21,104	33,385	39,005
Int/Div Received	552	-413	-756	-945	-220	-404	1,790	1,960
Depreciation	5,546	6,210	6,698	7,477	7,528	7,320	7,583	7,991
Direct Taxes Paid	-4,149	-5,603	-941	779	714	-4,002	-8,683	-10,429
(Inc)/Dec in Work Cap.	35,987	-29,638	-1,756	-6,058	15,696	-4,265	-10,424	-3,249
Other Items	-5,596	853	4,105	3,198	-7,633	762	0	0
CF from Oper. Activity	56,198	-3,624	10,969	332	21,361	20,514	23,651	35,279
Extra-ordinary Items	-253	-549	-1,558	-120	5,108	846	0	0
CF after EO Items	55,945	-4,172	9,411	211	26,469	21,360	23,651	35,279
(Inc)/Dec in FA/CWIP	-5,321	-7,315	-12,923	-6,166	-3,933	-4,884	-6,500	-7,000
Free Cash Flow	50,624	-11,487	-3,512	-5,954	22,536	16,477	17,151	28,279
CF from Inv. Activity	-33,321	23,115	-21,775	-9,752	-14,589	-17,345	-9,000	-9,500
Inc/(Dec) in Debt	-12,700	-6,621	25,655	4,780	-2,721	-3,918	-7,500	-7,500
Interest Rec./(Paid)	-1,464	-1,029	-1,463	-2,720	-2,755	-2,598	-2,665	-1,952
Dividends Paid	-5,495	-8,598	-12,702	0	-1,761	-2,936	-5,872	-5,872
CF from Fin. Activity	-19,613	-16,162	11,490	2,060	-7,238	-9,402	-16,037	-15,325
Inc/(Dec) in Cash	3,011	2,781	-874	-7,481	4,643	-5,387	-1,386	10,454
Add: Beginning Balance	10,412	13,423	16,205	15,330	7,850	12,492	7,105	5,719
Closing Balance	13,423	16,205	15,330	7,850	12,492	7,105	5,719	16,173

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Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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