

## Cement | Q1FY24 Result Update

## Poor quarter; Fair valuation; Downgrade to SELL

- STRCEM reported volume, revenue in line, however realization, EBITDA, EBITDA/tn and APAT below estimates.
- STRCEM posted 14.3% YoY growth in revenue to Rs.6 bn (-8.4% QoQ) led by +18.8% YoY in volume to 1.2 mt (-5.7% QoQ), which was partially offset by -3.7% YoY in realization/tn to Rs6,533 (-2.8% QoQ). EBITDA +4.1%/ -22.2% YoY/ QoQ to Rs1.3 bn. However, APAT (after adjusting Rs193 mn towards deferred tax assets for earlier years) -0.5% YoY to Rs672 mn in Q1FY24.
- We expect 16.5%/ 24.1%/ 10.9% revenue/ EBITDA/ APAT CAGR over FY23-25E led by 12%/ 25% volume growth and -3%/ 0% realization growth in FY24E/ FY25E.
- We decrease our EBITDA estimates by 2.5%/ 2% for FY24E/ FY25E factoring Q1FY24 lower profitability. We downgrade to Sell with revised TP of Rs152 due to ~30% run up in stock price since last update (22<sup>nd</sup> May'23).

## EBITDA/tn -12.3%/ -17.5% YoY/ QoQ

In line volume (+18.8% YoY/ -5.7% QoQ to 1.2 mt), lower than estimated realization/ tn (-3.7% YoY/ -2.8 QoQ to Rs6,533) and higher than estimated cost/tn (-1.8% YoY/ +0.9% QoQ to Rs5,423) led STRCEM to report EBITDA/tn of Rs1,111.

## Outlook and Valuation

We like STRCEM due to its strong presence in lucrative North East region and improving utilization. However, we factor significant increase in net debt to Rs4.6 bn/ Rs4.2 bn in FY24E/ FY25E from Rs5.1 bn (FY23)/ Rs3 bn (Q1FY24) net cash due to Rs18 bn capex (FY23-25E) for 3mtpa/ 2mtpa/ 2mtpa clinker/ GU/ GU expansion at Meghalaya/ Guwahati/ Silchar, Assam (to start by Feb'24/ Nov-Dec'23/ Dec'24). This limits the potential valuation upside coupled with ~30% increase in stock price since our last result update note (22<sup>nd</sup> May'23). Thus, we downgrade from Accumulate to Sell with a revised TP of Rs152 based on 9x (in line 5-yr avg. vs. 8x earlier) consolidated FY25E EV/EBITDA and 50% Capital WIP of FY25E.

## Q1FY24 Result (Rs Mn)

Particulars	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)
Revenue	7,605	6,652	14.3	8,300	(8.4)
Total Expense	6,312	5,411	16.7	6,638	(4.9)
EBITDA	1,293	1,241	4.1	1,662	(22.2)
Depreciation	318	304	4.5	351	(9.3)
EBIT	975	937	4.0	1,311	(25.7)
Other Income	87	141	(37.9)	127	(31.5)
Interest	22	26	(13.2)	12	90.7
EBT	1,040	1,052	(1.1)	1,427	(27.1)
Tax	107	376	(71.5)	466	(77.0)
RPAT	933	676	38.0	961	(3.0)
APAT	672	676	(0.5)	885	(24.1)
			(bps)		(bps)
Gross Margin (%)	73.7	76.7	(307)	76.3	(264)
EBITDA Margin (%)	17.0	18.7	(166)	20.0	(302)
NPM (%)	12.3	10.2	211	11.6	68
Tax Rate (%)	10.3	35.8	(2547)	32.6	(2234)
EBIT Margin (%)	12.8	14.1	(127)	15.8	(298)

CMP	Rs 165
Target / Downside	Rs 152 / 8%
NIFTY	19,633

## Scrip Details

Equity / FV	Rs 404mn / Rs 1		
Market Cap	Rs 67bn		
	USD 813.4mn		
52-week High/Low	Rs 170/ 91		
Avg. Volume (no)	8,96,867		
Bloom Code	STRCEM IN		
Price Performance	1M	3M	12M
Absolute (%)	11	31	73
Rel to NIFTY (%)	10	18	61

## Shareholding Pattern

	Dec'22	Mar'23	Jun'23
Promoters	67.0	67.1	66.8
MF/Banks/FIs	5.9	5.9	6.0
FIs	0.5	0.6	0.7
Public / Others	26.5	26.4	26.6

## Valuation (x)

	FY23A	FY24E	FY25E
P/E	27.8	26.0	22.6
EV/EBITDA	13.5	13.2	9.9
ROE (%)	10.8	10.1	10.5
RoACE (%)	10.7	9.4	9.3

## Estimates (Rs bn)

	FY23A	FY24E	FY25E
Revenue	27.0	29.4	36.7
EBITDA	4.7	5.5	7.2
PAT	2.4	2.6	3.0
EPS (Rs.)	5.9	6.4	7.3

VP Research: Shravan Shah

Tel: +91 22 40969749

E-mail: shravans@dolatcapital.com

Associate: Shouvik Chakraborty

Tel: +9122 40969751

E-mail: shouvikc@dolatcapital.com

Associate: Prachi Kadam

Tel: +9122 409696772

E-mail: prachik@dolatcapital.com

**Exhibit 1: Actual V/s DART estimates (Rs mn)**

Particulars (Rs mn)	Actual	DART Est	% Variance	Comments
Revenue	7,605	7,698	(1.2)	In line
EBITDA	1,293	1,572	(17.8)	-2.7%/ +1.5% realization/ cost vs. estimates
EBITDA (%)	17.0	20.4	(342 bps)	-
APAT	672	821	(18.1)	Poor operating performance

Source: Company, DART

**Exhibit 2: Change in estimates**

Particulars (Rs mn)	FY24E			FY25E		
	New	Old	Chg (%)	New	Old	Chg (%)
Net revenues	29,385	29,456	(0.2)	36,732	36,820	(0.2)
EBIDTA	5,452	5,594	(2.5)	7,215	7,364	(2.0)
EBIDTA margin (%)	18.6%	19.0%	(44 bps)	19.6%	20.0%	(36 bps)
Adj. Net Profit	2,572	2,545	1.1	2,951	3,059	(3.6)
EPS (Rs)	6.4	6.3	1.1	7.3	7.6	(3.6)

Source: Company, DART

We maintain our revenue estimates for FY24E/ FY25E, however we marginally decrease EBITDA estimates by 2.5%/ 2% for FY24E/ FY25E factoring Q1FY24 lower profitability. Accordingly, we maintain our APAT estimates for FY24E factoring lower finance cost despite lower EBITDA, whereas we decrease APAT estimates by 3.6% for FY25E as we factor lower EBITDA.

**Exhibit 3: Volume, Realization & Cost/tn Analysis**

Particulars (Rs)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)	FY23	FY22	YoY (%)
Volume(MT)	1.2	1.0	18.8	1.2	(5.7)	4.0	3.4	18.0
Realization/tn (Rs)	6,533	6,788	(3.7)	6,720	(2.8)	6,749	6,529	3.4
EBITDA/tn (Rs)	1,111	1,267	(12.3)	1,346	(17.5)	1,153	1,015	13.6
Cost/tn (Rs)	5,423	5,521	(1.8)	5,375	0.9	5,596	5,514	1.5
Raw Material Cost/tn (Rs)	1,721	1,579	9.0	1,593	8.0	1,559	1,687	(7.6)
Employee Expenses/tn (Rs)	438	490	(10.6)	452	(3.0)	506	468	8.0
Power and Fuels/tn (Rs)	1,487	1,325	12.2	1,357	9.6	1,426	1,225	16.4
Freight Expenses/tn (Rs)	1,083	1,333	(18.8)	1,137	(4.8)	1,262	1,255	0.6
Other expenses/tn (Rs)	694	793	(12.5)	836	(17.0)	843	879	(4.1)

Source: Company, DART

**Exhibit 4: % of Revenue**

Particulars	Q1FY24	Q1FY23	Bps	Q4FY23	Bps	FY23	FY22	Bps
Raw Material Cost	26.3	23.3	307	23.7	264	23.1	25.8	(273)
Employee Expenses	6.7	7.2	(51)	6.7	(2)	7.5	7.2	32
Power and Fuels	22.8	19.5	323	20.2	256	21.1	18.8	237
Freight Expenses	16.6	19.6	(307)	16.9	(35)	18.7	19.2	(52)
Other expenses	10.6	11.7	(106)	12.4	(181)	12.5	13.5	(98)

Source: Company, DART

**Exhibit 5: Income statement (Consolidated)**

Particulars (Rs mn)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)	FY23	FY22	YoY (%)
<b>Total Revenue</b>	<b>7,605</b>	<b>6,652</b>	<b>14.3</b>	<b>8,300</b>	<b>(8.4)</b>	<b>27,089</b>	<b>22,218</b>	<b>21.9</b>
Raw Material Cost	2,003	1,548	29.4	1,967	1.8	6,257	5,740	9.0
Employee Expenses	510	480	6.2	558	(8.6)	2,030	1,594	27.4
Power and Fuel	1,731	1,299	33.3	1,676	3.3	5,725	4,169	37.3
Freight Cost	1,260	1,307	(3.6)	1,405	(10.3)	5,067	4,271	18.7
Other expenses	808	778	3.9	1,032	(21.7)	3,384	2,993	13.1
<b>Total Expenditure</b>	<b>6,312</b>	<b>5,411</b>	<b>16.7</b>	<b>6,638</b>	<b>(4.9)</b>	<b>22,463</b>	<b>18,766</b>	<b>19.7</b>
<b>PBIDT (Excl. OI)</b>	<b>1,293</b>	<b>1,241</b>	<b>4.1</b>	<b>1,662</b>	<b>(22.2)</b>	<b>4,626</b>	<b>3,453</b>	<b>34.0</b>
Other Income	87	141	(37.9)	127	(31.5)	521	334	56.1
Depreciation	318	304	4.5	351	(9.3)	1,311	1,216	7.8
<b>EBIT</b>	<b>1,062</b>	<b>1,078</b>	<b>(1.4)</b>	<b>1,439</b>	<b>(26.2)</b>	<b>3,836</b>	<b>2,570</b>	<b>49.3</b>
Interest	22	26	(13.2)	12	90.7	97	133	(27.3)
<b>EBT</b>	<b>1,040</b>	<b>1,052</b>	<b>(1.1)</b>	<b>1,427</b>	<b>(27.1)</b>	<b>3,739</b>	<b>2,437</b>	<b>53.5</b>
Exceptional item	0	0	-	0	-	0	0	-
<b>PBT (after exceptional item)</b>	<b>1,040</b>	<b>1,052</b>	<b>(1.1)</b>	<b>1,427</b>	<b>(27.1)</b>	<b>3,739</b>	<b>2,437</b>	<b>53.5</b>
Tax	107	376	(71.5)	466	(77.0)	1,321	(31)	-
<b>RPAT</b>	<b>933</b>	<b>676</b>	<b>38.0</b>	<b>961</b>	<b>(3.0)</b>	<b>2,418</b>	<b>2,468</b>	<b>(2.0)</b>
Non-Controlling interest	0	0	-	0	-	0	0	-
Adjustments	(261)	0	-	(76)	-	(76)	(0)	-
<b>APAT</b>	<b>672</b>	<b>676</b>	<b>(0.5)</b>	<b>885</b>	<b>(24.1)</b>	<b>2,342</b>	<b>2,468</b>	<b>(5.1)</b>
<b>Adj. EPS (Rs)</b>	<b>1.7</b>	<b>1.7</b>	<b>(0.5)</b>	<b>2.2</b>	<b>(24.1)</b>	<b>5.7</b>	<b>6.0</b>	<b>(5.1)</b>
			<i>bps</i>		<i>bps</i>			<i>bps</i>
EBIDTA Margin (excl. O.I.)	17.0	18.7	(166)	20.0	(302)	17.1	15.5	154
NPM (%)	8.8	10.2	(132)	10.7	(183)	8.6	11.1	(246)
Tax Rate (%)	10.3	35.8	(2,547)	32.6	(2,234)	35.3	(1.3)	3,660

Source: DART, Company

**Exhibit 6: Valuation**

Particulars	Rs mn
Assumed EV/EBITDA multiple (x)	9.0
EBITDA (FY25E)	7,215
EV	64,935
Less: Net Debt (FY25E)	4,187
Mcap	60,747
Shares o/s (mn)	404
(a) Value/share (Rs)	150
50% of FY25E Capital WIP	503
(b) Value/share (Rs)	1.2
<b>Target price (Rs.) (a+b)</b>	<b>152</b>
<b>CMP (Rs.)</b>	<b>165</b>
Up/(down)side (%)	(8.4)

Source: Company, DART

## Earnings call KTAs

### Demand and volume

- **Clinker production** stood at 0.727 mt in Q1FY24 vs. 0.778 mt/ 0.739 mt/ 0.511 mt/ 0.692 mt in Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23. **Cement production** stood at 1.194 mt in Q1FY24 vs. 1.253 mt/ 0.921 mt/ 0.891 mt/ 0.99 mt in Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23.
- **Cement sales** stood at 1.154 mt in Q1FY24 vs. 1.235 mt/ 0.908 mt/ 0.891 mt/ 0.98 mt in Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23. Clinker sales stood at 0.01 mt in Q1FY24.
- Company maintains its target of **healthy volume growth of 12-13% in FY24**; Q2FY24 is expected to be slower in demand, still will maintain double digit growth.
- **Trade:Non trade mix** stood at 88:12 in Q1FY24 vs. 87:13 in Q4FY23 vs. 86:14 in Q1FY23. Company is currently focusing majorly on trade segment due to clinker constraints but will also cater to non-trade demand as clinker unit sets up in Meghalaya.
- **Premium share** for the company stood at 4% in Q1FY24 vs. 4%/ 4.5%/ 7%/ 8% in Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23. In the next 2 quarters, company expects premium share to increase from current 4% to close to double digit.
- **Capacity utilization of the Siliguri plant** stood at 70-72% in Q1FY24 vs. 73%/ 55%/ 50%/ 67% in Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23.
- In Q1FY24, **PPC:OPC** remained constant at 91:9 vs. 91:9/ 92:8/94:6/ 89:11 in Q4FY23/ Q3FY23/Q2FY23/ Q1FY23.
- **Geological mix** stood at 72:28 in North East: Outside North East vs.74:26/ 73:27/ 73:27/ 66:34 in Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23. Company will continue to focus on North Eastern markets and gain share of 30-32% in NE.
- **Lead distance** declined in Q1FY24 to 207 kms vs. 224kms/ 211 kms/ 233 kms/ 230 kms in Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23.

### Price

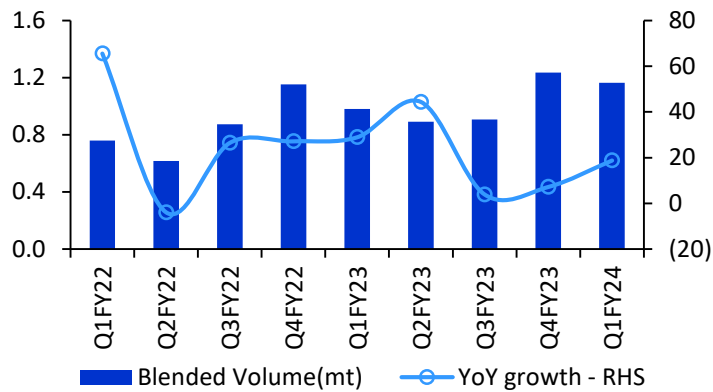
- From Q1FY24 till date, company has seen stable pricing in North East and Eastern markets. Company expects stable pricing in Q2FY24.

### Cost

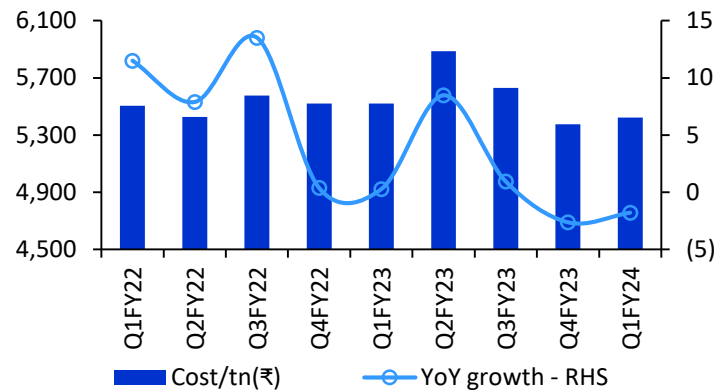
- **Fuel mix** stands at 55%/ 30%/ 7%/ 8% for spot contract coal/ Nagaland Coal/ Biomass/ AFR in Q1FY24 vs. 45-47%/ 25%/ 15%/ 15% in Q4FY23 vs. 50%/ 5-6%/ 25%/ 19-20% for spot contract coal/ FSA coal/ Nagaland Coal/ AFR in Q3FY23 vs. 45%/ 30-35%/ 10%/ 10% for spot contract coal/ FSA coal/ Nagaland Coal/ AFR in Q2FY23 vs. 65%/ 15-20%/ 10-15% for FSA coal/ Nagaland Coal/ AFR in Q1FY23.
- On per kcal basis, fuel cost stood at Rs2.4 in Q1FY24 vs. Rs2.1/ Rs2.1/ Rs2.1/ Rs1.75 per Kcal in Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23. **Company expects fuel cost to come down to Rs1.95 per Kcal in Q2FY24 led by the decline in the coal cost; expects Rs180/ tn savings from lower fuel costs.**
- Electricity cost increased from Rs6/ unit to Rs7.25/ unit for Guwahati plant in Q1FY24.
- **Other expenses** – Decline in other expenses was due to the decline in consulting costs; expected to maintain similar run rate in FY24.
- **Incentives** – Company expects no subsidy in FY24. Company will be getting SGST benefit in the new GU in Assam from the government in FY25. Currently, company is selling 1.7mt and post the expansion it will increase to 2mt. SGST is available for 15 years but company intends to utilize it in 7 years.

## Capex, Debt and Expansion

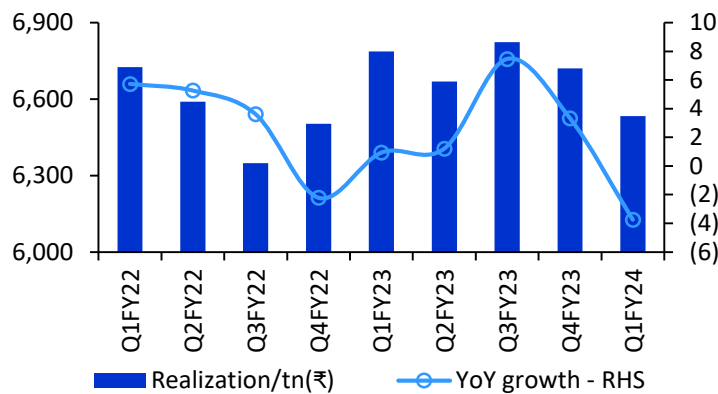
- **Capex** for 3mtpa clinker/ 2mtpa GU/ 2mtpa GU in Meghalaya/ Silchar/ Guwahati stands at Rs13 bn/ Rs4.5 bn/ Rs4-4.2 bn. Company has already incurred capex of Rs5.8 bn/ Rs1.4 bn for Meghalaya/ Guwahati units. Company expects capex of Rs8 bn (Rs13 bn total capex in FY24) for the rest of FY24 and Rs4-5 bn for FY25. Apart from this, company will also incur capex of Rs400 mn/ Rs800 mn/ Rs800-900 mn for AAC block Guwahati/ Solar plant/ maintenance capex in FY24.
- Company is planning to set up a 25MW solar power plant in Guwahati for Rs800-900 mn; expects to receive 100% benefit through SGST.
- Company is working on the 3mtpa clinker unit at Meghalaya and expects it to get commissioned by Jan'24/ Feb'24 and expects 2mtpa Guwahati (brownfield)/ 2mtpa Silchar (greenfield) to get commissioned by Nov-Dec'23/ Dec'24 (vs. earlier Aug-Sep'24). Silchar unit is delayed by 3-4 months due to land acquisition issue; currently 75% land acquisition is done, company will complete EC and other paperwork by Dec'23.
- **Net Cash** stood at Rs3 bn in Q1FY24 vs. Rs5.3 bn/ Rs5.48 bn/ Rs7.5 bn/ Rs7.5 bn in Q4FY23/ Q3FY23/ Q2FY23/ Q1FY23. Company expects to borrow debt of ~Rs4-5 bn in FY24 (rate 8-8.4%) and plans to repay it in the first year of the commissioning of the expansion capacity. **Company plans to reach back to zero debt levels by Mar'25.**
- 12.3MW WHRS has been commissioned in Q4FY23; it has stabilized now in Q2FY24. For Q1FY24, company generated savings of Rs90 mn and targets savings of Rs450-500 mn per year.
- STRCEM is actively looking at opportunities to acquire new mines and plants (capacity 1-2.5mtpa) and plans to grow both organically and inorganically; details to be shared in upcoming quarters.

**Exhibit 7: Volume (mt)**


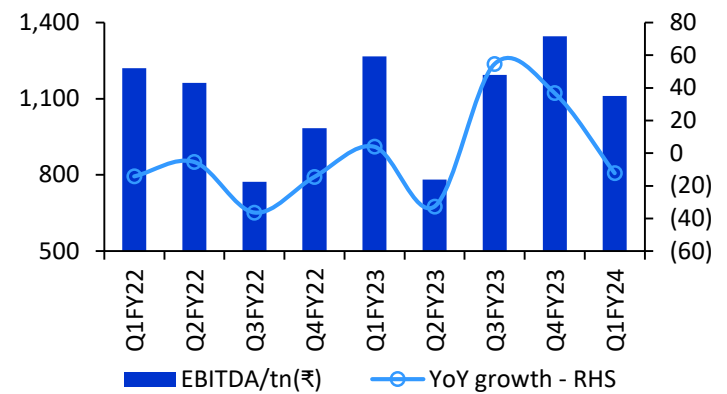
Source: Company, DART

**Exhibit 8: Cost/tn (Rs)**


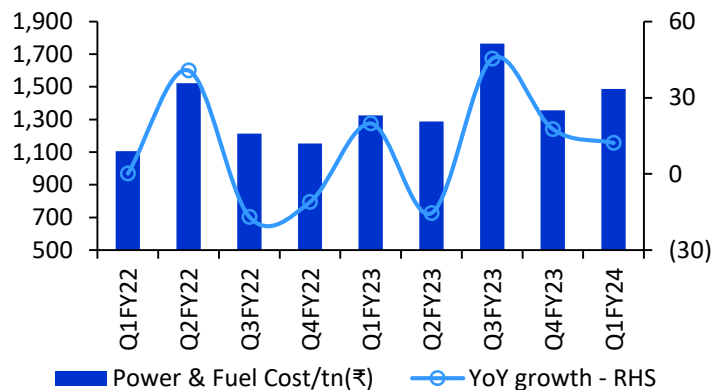
Source: Company, DART

**Exhibit 9: Realization/tn (Rs)**


Source: Company, DART

**Exhibit 10: EBITDA/tn (Rs)**


Source: Company, DART

**Exhibit 11: Power & fuel cost/tn (Rs)**


Source: Company, DART

**Exhibit 12: Freight cost/tn (Rs)**


Source: Company, DART



## Financial Performance

### Profit and Loss Account

(Rs Mn)	FY22A	FY23A	FY24E	FY25E
<b>Revenue</b>	<b>22,218</b>	<b>27,048</b>	<b>29,385</b>	<b>36,732</b>
<b>Total Expense</b>	<b>18,766</b>	<b>22,365</b>	<b>23,933</b>	<b>29,517</b>
COGS	14,176	17,022	18,254	22,675
Employees Cost	1,594	1,959	2,155	2,370
Other expenses	2,996	3,384	3,525	4,472
<b>EBIDTA</b>	<b>3,453</b>	<b>4,684</b>	<b>5,452</b>	<b>7,215</b>
Depreciation	1,216	1,311	1,519	2,486
<b>EBIT</b>	<b>2,236</b>	<b>3,373</b>	<b>3,934</b>	<b>4,729</b>
Interest	133	97	330	630
Other Income	334	521	353	441
Exc. / E.O. items	0	0	0	0
<b>EBT</b>	<b>2,437</b>	<b>3,797</b>	<b>3,957</b>	<b>4,540</b>
Tax	(31)	1,321	1,385	1,589
RPAT	2,468	2,476	2,572	2,951
Minority Interest	0	0	0	0
<b>Profit/Loss share of associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APAT</b>	<b>2,468</b>	<b>2,400</b>	<b>2,572</b>	<b>2,951</b>

### Balance Sheet

(Rs Mn)	FY22A	FY23A	FY24E	FY25E
<b>Sources of Funds</b>				
Equity Capital	404	404	404	404
Minority Interest	0	0	0	0
Reserves & Surplus	21,280	23,760	26,331	29,282
<b>Net Worth</b>	<b>21,684</b>	<b>24,164</b>	<b>26,736</b>	<b>29,686</b>
Total Debt	54	261	8,261	7,761
Net Deferred Tax Liability	0	0	0	0
<b>Total Capital Employed</b>	<b>21,738</b>	<b>24,425</b>	<b>34,997</b>	<b>37,447</b>

### Applications of Funds

Net Block	<b>9,280</b>	<b>8,910</b>	<b>23,891</b>	<b>27,405</b>
CWIP	1,045	5,506	2,006	1,006
Investments	1,673	1,725	725	725
<b>Current Assets, Loans &amp; Advances</b>	<b>15,453</b>	<b>15,173</b>	<b>15,121</b>	<b>16,323</b>
Inventories	1,953	3,741	4,025	4,529
Receivables	1,287	1,047	1,208	1,510
Cash and Bank Balances	3,847	3,117	2,396	2,316
Loans and Advances	341	173	173	173
Other Current Assets	6,797	6,562	6,786	7,264
<b>Less: Current Liabilities &amp; Provisions</b>	<b>5,713</b>	<b>6,889</b>	<b>6,747</b>	<b>8,012</b>
Payables	2,125	2,820	2,415	3,019
Other Current Liabilities	3,588	4,069	4,332	4,993
<i>sub total</i>				
Net Current Assets	9,740	8,283	8,374	8,311
<b>Total Assets</b>	<b>21,738</b>	<b>24,425</b>	<b>34,997</b>	<b>37,447</b>

E – Estimates

### Important Ratios

Particulars	FY22A	FY23A	FY24E	FY25E
<b>(A) Margins (%)</b>				
Gross Profit Margin	36.2	37.1	37.9	38.3
EBIDTA Margin	15.5	17.3	18.6	19.6
EBIT Margin	10.1	12.5	13.4	12.9
Tax rate	(1.3)	34.8	35.0	35.0
Net Profit Margin	11.1	9.2	8.8	8.0
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	63.8	62.9	62.1	61.7
Employee	7.2	7.2	7.3	6.5
Other	13.5	12.5	12.0	12.2
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.0	0.0	0.3	0.3
Interest Coverage	16.8	34.8	11.9	7.5
Inventory days	32	50	50	45
Debtors days	21	14	15	15
Average Cost of Debt	129.0	61.6	7.7	7.9
Payable days	35	38	30	30
Working Capital days	160	112	104	83
FA T/O	2.4	3.0	1.2	1.3
<b>(D) Measures of Investment</b>				
AEPS (Rs)	6.1	5.9	6.4	7.3
CEPS (Rs)	9.1	9.2	10.1	13.5
DPS (Rs)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0	0.0	0.0	0.0
BVPS (Rs)	53.7	59.8	66.1	73.4
RoANW (%)	11.6	10.8	10.1	10.5
RoACE (%)	12.1	10.7	9.4	9.3
RoAIC (%)	13.1	17.2	14.6	14.0
<b>(E) Valuation Ratios</b>				
CMP (Rs)	165	165	165	165
P/E	27.1	27.8	26.0	22.6
Mcap (Rs Mn)	66,831	66,831	66,831	66,831
MCap/ Sales	3.0	2.5	2.3	1.8
EV	61,810	63,442	72,163	71,744
EV/Sales	2.8	2.3	2.5	2.0
EV/EBITDA	17.9	13.5	13.2	9.9
P/BV	3.1	2.8	2.5	2.3
Dividend Yield (%)	0.0	0.0	0.0	0.0
<b>(F) Growth Rate (%)</b>				
Revenue	29.2	21.7	8.6	25.0
EBITDA	3.8	35.7	16.4	32.3
EBIT	(7.8)	50.8	16.6	20.2
PBT	22.3	55.8	4.2	14.7
APAT	(2.0)	(2.7)	7.2	14.7
EPS	(2.0)	(2.7)	7.2	14.7

E – Estimates



## Cash Flow

Particulars	FY22A	FY23A	FY24E	FY25E
<b>Profit before tax</b>	<b>2,437</b>	<b>3,797</b>	<b>3,957</b>	<b>4,540</b>
Depreciation & w.o.	1,190	1,289	1,519	2,486
Net Interest Exp	133	97	330	630
Direct taxes paid	(350)	(677)	(1,385)	(1,589)
Change in Working Capital	1,065	(417)	(811)	(18)
Non Cash	(304)	(337)	(353)	(441)
<b>(A) CF from Operating Activities</b>	<b>4,171</b>	<b>3,752</b>	<b>3,256</b>	<b>5,608</b>
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(1,974)	(5,694)	(13,000)	(5,000)
<b>Free Cash Flow</b>	<b>2,197</b>	<b>(1,942)</b>	<b>(9,744)</b>	<b>608</b>
(Inc.)/ Dec. in Investments	(1,619)	647	1,000	0
Other	308	466	353	441
<b>(B) CF from Investing Activities</b>	<b>(3,285)</b>	<b>(4,582)</b>	<b>(11,647)</b>	<b>(4,559)</b>
Issue of Equity/ Preference	0	0	0	0
Inc./(Dec.) in Debt	(99)	207	8,000	(500)
Interest exp net	(129)	(97)	(330)	(630)
Dividend Paid (Incl. Tax)	0	0	0	0
Other	(1,528)	(10)	0	0
<b>(C) CF from Financing</b>	<b>(1,756)</b>	<b>100</b>	<b>7,670</b>	<b>(1,130)</b>
Net Change in Cash	(870)	(729)	(721)	(81)
<b>Opening Cash balances</b>	<b>4,717</b>	<b>3,847</b>	<b>3,117</b>	<b>2,396</b>
<b>Closing Cash balances</b>	<b>3,847</b>	<b>3,117</b>	<b>2,396</b>	<b>2,316</b>

E – Estimates

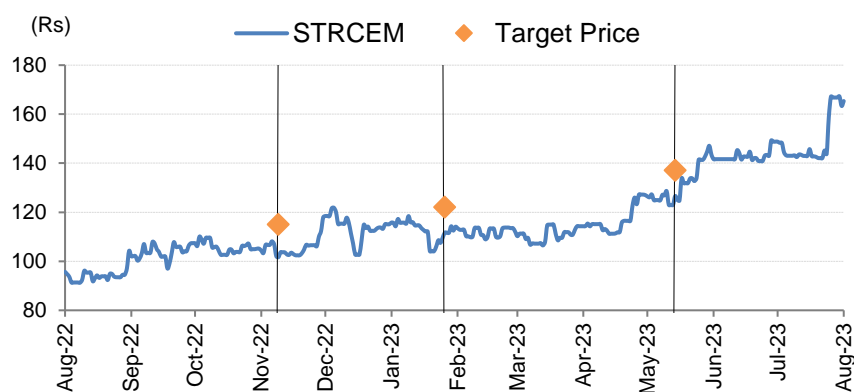
## Notes

## DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

## Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Nov-22	Accumulate	115	102
Feb-23	Accumulate	122	112
May-23	Accumulate	137	127

\*Price as on recommendation date

## DART Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
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Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745
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## CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	VP - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

**Dolat Capital Market Private Limited.**

Naman Midtown, A-1203, 12th Floor, Senapati Bapat Marg, Prabhadevi, Mumbai 400013

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**I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)**

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Member: BSE Limited and National Stock Exchange of India Limited.

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Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: [research@dolatcapital.com](mailto:research@dolatcapital.com) | [www.dolatresearch.com](http://www.dolatresearch.com)

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