

Asian Paints

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USD\$)	3110 / 37.4
52-Week Range (INR)	3568 / 2686
1, 6, 12 Rel. Per (%)	-3/-16/-9
12M Avg Val (INR M)	2934

Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	361.3	401.3	443.3
Sales Gr. (%)	4.7	11.1	10.5
EBITDA	79.1	86.3	94.9
EBIT Margin (%)	21.9	21.5	21.4
Adj. PAT	56.3	58.8	64.5
Adj. EPS (INR)	58.7	61.3	67.2
EPS Gr. (%)	32.8	4.4	9.6
BV/Sh.(INR)	180.3	199.4	224.4
Ratios			
RoE (%)	33.9	32.3	31.7
RoCE (%)	29.2	27.9	27.4
Payout (%)	74.9	66.9	61.0
Valuation			
P/E (x)	55.2	52.9	48.2
P/BV (x)	18.0	16.3	14.4
EV/EBITDA (x)	38.6	35.2	31.9
Div. Yield (%)	1.4	1.3	1.3

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	52.6	52.6	52.6
DII	10.1	10.1	8.8
FII	17.7	17.5	18.6
Others	19.8	19.8	20.0

FII Includes depository receipts

CMP: INR3,242 TP: INR3,340 (+3%) Neutral

Margins drive 3Q beat; raise estimates marginally

- Asian Paints (APNT) reported a volume growth of 12% YoY in 3QFY24 (est. 13%), characterized by double-digit expansion in both rural and urban markets. The revenue growth is supported by an extended festive season. However, it has been sluggish due to price reductions and unfavorable mix (low mix of luxury segment).
- Benign raw material prices continue to drive gross margin. APNT clocked a gross margin of 43.6%, the best in the last 11 quarters. The gross margin in FY25/FY26 will be the key monitorable, considering the changing competitive landscape and dwindling raw material price benefits.
- EBITDA reported a beat led by a higher-than-expected gross margin improvement. EBITDA surged 28% YoY during the quarter. APNT achieved a 22% EBITDA margin in 9MFY24. However, management reiterated its EBITDA margin guidance of 18-20% in the medium term. We model a 21.5% margin for FY25/FY26.
- We believe valuations are expensive at ~53x FY25E EPS and 48x FY26E EPS, especially considering the uncertain competitive pressure. **We reiterate our Neutral rating with a TP of INR3,340 (based on 50x Dec'25E EPS).**

Beat on gross margin; EBITDA surges 28% YoY

- APNT reported consol net sales of INR91.0b, a growth of 5.4% YoY (est. INR94.8b). The revenue growth for 2Q and 3Q combined stood at 3% YoY (est. 5% YoY).
- Volumes grew in double digits at 12% YoY (est. +13%) in the Domestic Decorative paints business.
- Gross margins expanded 500bp/~20bp YoY/QoQ to 43.6%.
- Employee and other expenses were up 13%/11% YoY and were up 40/70bp YoY as % of sales.
- EBITDA margin expanded ~390bp YoY/230bp QoQ to 22.6% (est. 19.4%).
- EBITDA grew 27.6% YoY to INR20.6b (est. INR18.4b).
- PBT also grew 33.1% YoY to INR19.2b (est. INR16.8b).
- Adj. PAT grew 34.5% YoY to INR14.8b (est. INR12.3b).
- In 9MFY24, Net sales/EBITDA/adj. PAT growth stood at 4%/34%/46% YoY.**

Key highlights from the management commentary

- The Decorative business witnessed a 12% volume growth, driven by double-digit increases in both urban and rural markets, supported by festive demand. Sustaining a 4year CAGR double-digit volume growth trajectory.
- The volume and value growth gap persists due price cuts and unfavorable mix. Luxury segment mix was low, economy and premium segments contribute 80%. The management anticipates a continuation of a 3-4% gap in volume and value growth.

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- The Kitchen business delivered flat revenue, while the bath business exhibited a 5% decline in growth due to weak demand trend at the industry level. The company has retained this business as its integration helps in strengthening the Beautiful home network. It complements the decorative and paints business of the company.
- The capex is expected to reach ~INR20b by the end of FY24.
- The international business reported a flat sales growth in INR terms, but demonstrated a growth of 5.2% in constant currency (CC) terms.

Valuation and view

- Owing to the beat on EBITDA margin, we raise our FY24 estimates by 5% while largely maintaining our FY25 EPS. The double-digit volume growth was also supported by the shift in festive demand to 3QFY24.
- With the entry of new players with deep pockets and massive commitments to investments, the overall industry may see a shift in market share and cost structures. These will be the key monitorables in FY25.
- We remain cautious as the paints segment may not enjoy higher multiples of the past. It is important to note that the re-rating of the stock was a significant factor driving the appreciation of APNT's stock price over the past five to six years, as the earnings CAGR has been in the 12-14% range.
- We project a higher EBITDA margin (21.5% for FY25/FY26) as we anticipate that gross margin would not have a significant impact on the EBITDA margin due to increasing competition. APNT has a superior execution history and should be able to manage the challenges without compromising its large-margin structure.
- We believe valuations are expensive at ~53x FY25E EPS and 48x FY26E EPS, especially considering the uncertain competitive pressure. **We reiterate our Neutral rating with a TP of INR3,340 (based on 50x Dec'25E EPS).**

Quarterly Performance (Consol.)

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Est. Dom. Deco. Vol. growth (%)	37.0	10.0	0.0	16.0	10.0	6.0	12.0	15.0	14.0	10.8	13.0	
Net Sales	86.1	84.6	86.4	87.9	91.8	84.8	91.0	93.6	344.9	361.3	94.8	-4.0%
Change (%)	54.1	19.2	1.3	11.3	6.7	0.2	5.4	6.5	18.5	4.7	9.8	
Gross Profit	32.5	30.2	33.3	37.3	39.4	36.8	39.7	41.7	133.3	157.6	40.1	
Gross Margin (%)	37.7	35.7	38.6	42.5	42.9	43.4	43.6	44.5	38.7	43.6	42.3	
EBITDA	15.6	12.3	16.1	18.6	21.2	17.2	20.6	20.1	62.6	79.1	18.4	12.0%
Margin (%)	18.1	14.5	18.7	21.2	23.1	20.2	22.6	21.5	18.2	21.9	19.4	
Change (%)	70.3	35.7	4.5	29.2	36.3	39.8	27.6	7.9	30.3	26.3	13.9	
Interest	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.6	1.4	2.1	0.4	
Depreciation	2.1	2.2	2.1	2.2	2.0	2.1	2.2	2.2	8.6	8.4	2.3	
Other Income	1.0	1.0	0.9	1.1	2.0	1.7	1.4	0.9	3.9	5.9	1.1	
PBT	14.2	10.7	14.4	17.1	20.7	16.2	19.2	18.2	56.4	74.4	16.8	14.5%
Tax	3.7	2.9	3.8	4.5	5.3	4.2	4.9	4.8	14.9	19.2	4.4	
Effective Tax Rate (%)	26.1	27.1	26.4	26.4	25.6	25.8	25.7	26.2	26.5	25.8	26.4	
Adjusted PAT	10.6	8.0	11.0	12.8	15.7	12.3	14.8	13.5	42.4	56.3	12.3	19.5%
Change (%)	84.6	32.8	6.4	29.6	48.5	53.3	34.5	5.4	32.6	32.8	12.5	

E: MOFSL Estimates

Key Performance Indicators (Consol.)

Y/E March	FY23			FY24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Realization growth (%)	17.1	9.2	1.3	-4.7	-3.3	-5.8	-6.6
Average growth in the last two years (%)							
Volume	71.5	22.0	9.0	12.0	23.5	8.0	6.0
Sales	72.6	25.9	13.4	15.0	30.4	9.7	3.3
EBITDA	79.5	3.6	-4.6	19.3	53.3	37.8	16.0
PAT	123.1	1.9	-6.1	21.7	66.6	43.1	20.4
Average growth in the last three years (%)							
Volume	35.0	18.3	17.0	24.0	51.0	16.7	10.0
As a percentage of Sales							
COGS	62.3	64.3	61.4	57.5	57.1	56.6	56.4
Operating Expenses	19.6	21.2	19.9	21.3	19.8	23.1	21.0
Depreciation	2.4	2.6	2.5	2.5	2.2	2.5	2.4
YoY change (%)							
COGS	55.9	17.4	-1.6	4.4	-2.3	-11.7	-3.2
Operating Expenses	37.0	14.9	8.0	16.0	7.8	9.3	11.3
Other Income	10.4	-30.9	20.5	31.2	99.1	73.0	60.1
EBIT	89.0	44.2	4.7	32.8	42.7	49.0	31.4

E: MOFSL Estimates

Standalone performance

- Standalone net sales grew 5.2% to INR79.1b.
- Gross margin expanded 550bp YoY at 44.4% and EBITDA margin expanded 410bp YoY to 24.0%.
- EBITDA grew 26.9% to INR19.0b.
- PBT grew 32.7% YoY to INR19.1b.
- Adj. PAT grew 32.9% YoY to INR14.4b.
- In **9MFY24**, Net sales/EBITDA/adj. PAT growth stood at 4.1%/34.6%/43.5% YoY.

Quarterly Performance (Standalone)

(INR b)

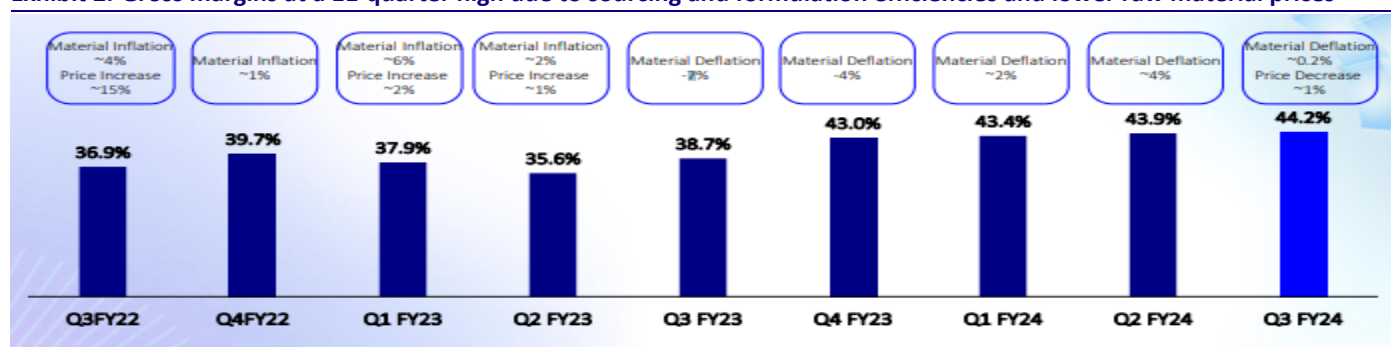
Y/E March	FY23			FY24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	75.9	73.4	75.2	76.3	81.1	73.4	79.1
Change (%)	58.5	19.4	0.4	12.8	7.0	0.0	5.2
Gross Profit	28.9	26.4	29.3	33.0	35.4	32.4	35.1
Gross Margin (%)	38.1	35.9	38.9	43.2	43.6	44.1	44.4
EBITDA	14.6	11.2	14.9	17.5	20.0	15.8	19.0
Margin (%)	19.3	15.2	19.9	22.9	24.6	21.6	24.0
Change (%)	65.8	27.5	1.8	28.2	36.7	42.1	26.9
Interest	0.2	0.2	0.2	0.2	0.3	0.3	0.3
Depreciation	1.8	1.9	1.9	1.9	1.7	1.8	1.9
Other Income	1.1	1.2	1.6	1.2	2.2	1.7	2.4
PBT	13.7	10.2	14.4	16.5	20.2	15.5	19.1
Tax	3.6	2.6	3.6	4.2	5.1	3.9	4.7
Effective Tax Rate (%)	25.9	25.2	24.7	25.4	25.3	25.2	24.6
Adjusted PAT	10.2	7.6	10.9	12.3	15.1	11.6	14.4
Change (%)	70.7	23.4	6.4	29.4	48.3	52.0	32.9

E: MOFSL Estimates;

Exhibit 1: Subsidiary quarterly performance overview

INR m	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
Sales	7,994.5	9,441.6	10,361.1	11,330.5	10,207.1	11,132.3	11,149.2	11,613.3	10,683.5	11,363.5	11,900.8
Sales growth (%)	67.92	14.65	13.15	15.54	27.68	17.91	7.61	2.50	4.67	2.08	6.74
EBITDA	315.2	295.3	741.3	805.5	933.7	1,121.5	1,166.7	1,171.7	1,215.3	1,314.9	1,589.9
EBITDA margin (%)	82.62	-74.48	-44.56	-15.95	196.22	279.78	57.39	45.46	30.16	17.24	36.27
PAT	(217.6)	(134.6)	110.3	2,054.9	671.7	405.4	111.8	740.0	664.9	721.4	316.2

Sources: Company reports, MOFSL

Exhibit 2: Gross margins at a 11-quarter high due to sourcing and formulation efficiencies and lower raw material prices

Sources: Company reports



Highlights from the management commentary

Performance and outlook

- The Decorative business witnessed a 12% volume growth, driven by double-digit increases in both urban and rural markets, supported by festive demand. Sustaining a 4year CAGR double-digit volume growth trajectory.
- The volume and value growth gap persists, primarily due to an 80% contribution from the economy and premium segments compared to luxury segments. The management anticipates a continuation of a 3-4% gap in volume and value growth.
- Rural markets, initially stressed in 2QFY24, demonstrated recovery in 3QFY24. Economy range products exhibited growth, particularly in Tier-3 and Tier-4 cities. While luxury products thrive, premium products experience a slower pace of growth.
- Distribution footprint expands to over 1.62 lakh touchpoints, with another 2,000 added in 3QFY24. Innovation accounts for 12% of the overall revenue in the same period.
- Projects and institutional business growth continues, with key contributions from builders, factories, and government sectors.
- A 3QFY24 price decrease of ~1%, combined with a prior reduction of 0.3%, results in an overall reduction of 1.3%. This pricing strategy aims to boost demand in smaller towns.

Segmental highlights

- The Home Décor business contributed 4% of revenue during the quarter, with a target set to comprise 8-10% of the decorative business by FY26.
- The Kitchen business delivered flat revenue, while the bath business exhibited a 5% decline in growth due to weak demand trend at industry level. The company has retained this business as its integration helps in strengthening the Beautiful

home network. It complements the decorative and paints business of the company.

- White Teak (Offering Decorative & Designer Lights) and Weatherseal (uPVC Windows and Doors) demonstrated robust performance, marked by network expansion and a two-fold increase in business value for Weatherseal.
- Industrial business, including auto refinishes and protective paints, maintains a strong growth trajectory. The general industrial business is getting doubled in three years.

Cost and margins

- In 3QFY24, there has been a 0.2% decrease in the deflation of material prices.
- Margins experienced a substantial increase driven by the growth in luxury products and a decline in raw material prices. This was further complemented by operational, formulation, and sourcing efficiencies in Q3.
- The management maintained the EBITDA guidance of 18-20%.
- The company will be deploying higher money toward marketing, ATL spends, and on brand building.
- Generally, the overall margins in the projects business tend to be lower than in the retail business. However, the profitability can vary based on the nature of projects; for instance, premium luxury projects delivered higher margins.

Capex plans

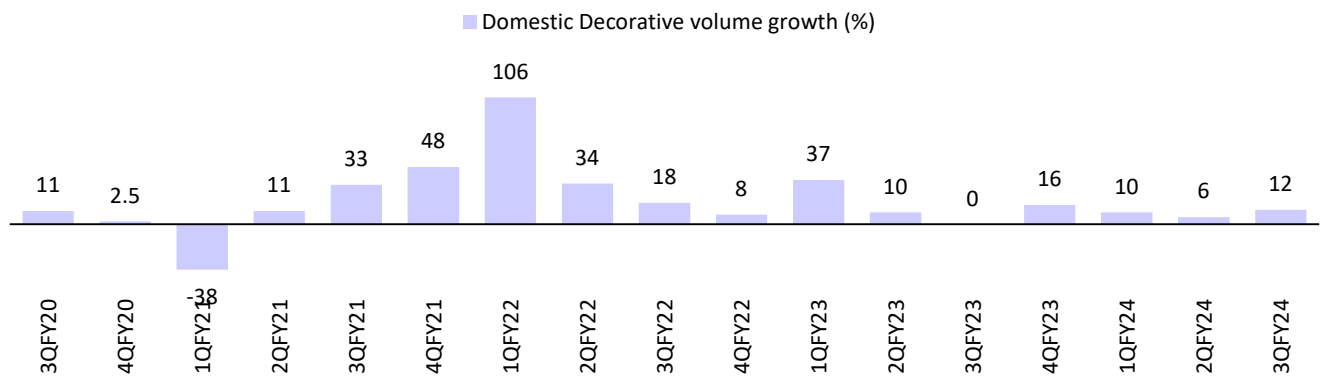
- The capex is expected to reach ~INR20bn by the end of FY24.
- The backward integration plan with Cement is scheduled to be completed by Dec'25 and the integration with VAM is expected to follow 4-5 months after the completion of the cement integration.
- The softening in raw material prices will continue as the consumption at global level decrease. However, continuous monitoring will also be required on the crude derivatives.
- Brownfield expansions at both Khandala and Kasna have been completed with installed production capacity increasing from 300,000 KL p.a. to 400,000 KL p.a. and 80,000 KL p.a. to 100,000 KL p.a., respectively.

International Business

- The international business reported a flat sales growth in INR terms, but a demonstrated growth of 5.2% in constant currency (CC) terms.
- The Middle East and Africa markets have exhibited a positive growth trajectory, and there has been notable improvement observed in Sri Lanka.
- Persistent high inflation and currency devaluation in Egypt continued to exert an impact on the business.
- Sales in Nepal remained muted due to liquidity crunch, and macro uncertainty is expected to continue, affecting Bangladesh.
- Excluding the Nepal business, the international business exhibited a growth of 7% in INR terms and 13% in CC terms.
- The profitability is driven by operating efficiencies & moderating raw material prices.

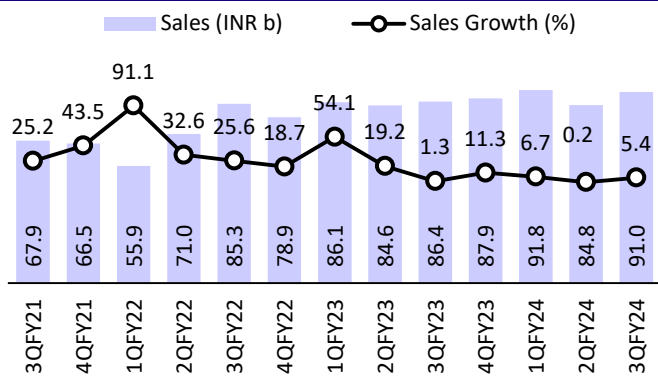
Key exhibits

Exhibit 3: Volume growth stood at 12% YoY in 3QFY24



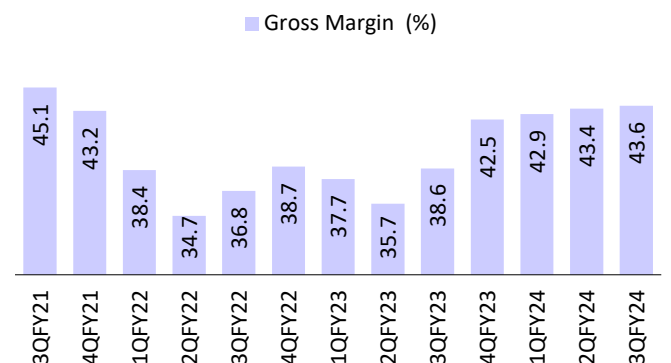
Sources: Company reports

Exhibit 4: Consolidated sales increased 5.4% YoY to INR91.0b in 3QFY24



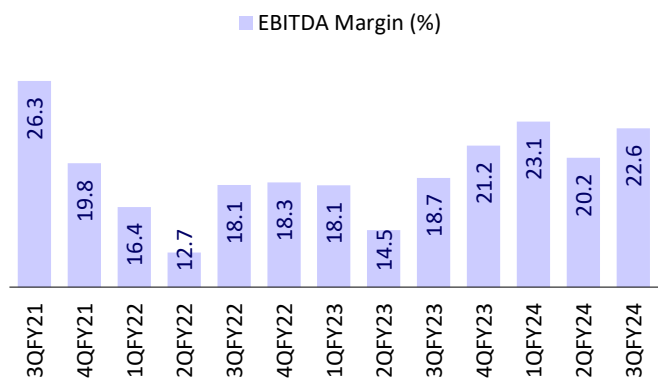
Sources: Company reports, MOFSL

Exhibit 5: Gross margin expanded 500bp YoY in 3QFY24



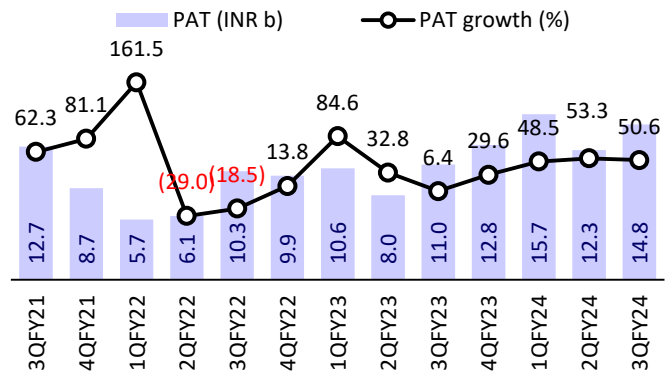
Sources: Company reports, MOFSL

Exhibit 6: EBITDA margin expanded 390bp YoY to 22.6% in 3QFY24



Sources: Company reports, MOFSL

Exhibit 7: PAT grew 50.6% YoY to INR14.8b in 3QFY24



Sources: Company reports, MOFSL

Valuation and view

APNT has been a wealth creator in the past decade

- Despite having an already sizeable sales base of ~INR109b in FY13, APNT reported a sales/EBITDA/PAT CAGR of 12.2%/14.1%/14.3% for the decade ended in FY23.
- An expanding dealer network and an increased thrust on non-metro cities led to a faster shift from the unorganized Paints business, which still constitutes ~30% of the market.
- Categories such as Putty and Waterproofing have been the new growth engines for the company.

Trading at fair valuations

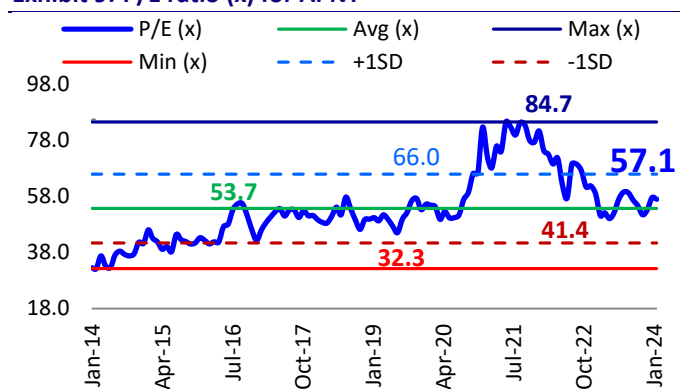
- Owing to the beat on EBITDA margin, we raise our FY24 estimates by 5% while largely maintaining our FY25 EPS. The double-digit volume growth was also supported by the shift in festive demand to 3QFY24.
- With the entry of new players with deep pockets and massive commitments to investments, the overall industry may see a shift in market share and cost structures. These will be the key monitorables in FY25.
- We remain cautious as the paints segment may not enjoy higher multiples of the past. It is important to note that the re-rating of the stock was a significant factor driving the appreciation of APNT's stock price over the past five to six years, as the earnings CAGR has been in the 12-14% range.
- We project a higher EBITDA margin (21.5% for FY25/FY26) as we anticipate that gross margin would not have a significant impact on the EBITDA margin due to increasing competition. APNT has a superior execution history and should be able to manage the challenges without compromising its large-margin structure.
- We believe valuations are expensive at ~53x FY25E EPS and 48x FY26E EPS, especially considering the uncertain competitive pressure. **We reiterate our Neutral rating with a TP of INR3,340 (based on 50x Dec'25E EPS).**

Exhibit 8: We increase our EPS estimate by ~4.9%-1.4% for FY24/FY25

INR b	New		Old		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Sales	361.3	401.3	369.3	413.7	-2.2	-3.0
EBITDA	79.1	86.3	76.4	87.9	3.4	-1.8
PAT	56.3	58.8	53.7	59.6	4.9	-1.4

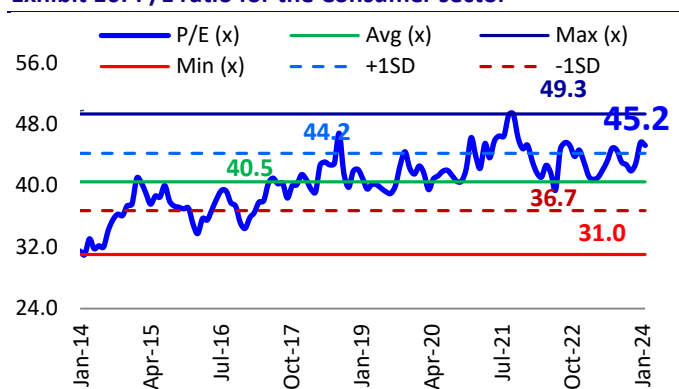
Sources: Company reports, MOFSL

Exhibit 9: P/E ratio (x) for APNT



Sources: Bloomberg, company reports, MOFSL

Exhibit 10: P/E ratio for the Consumer sector



Sources: Bloomberg, company reports, MOFSL

Financials and valuations

Income Statement consol.

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E
Net Sales	192.4	202.1	217.1	291.0	344.9	361.3	401.3	443.3
Change (%)	14.4	5.0	7.4	34.0	18.5	4.7	11.1	10.5
Raw Materials	112.6	113.8	121.0	183.0	211.6	203.7	226.3	250.8
Gross Profit	79.8	88.3	96.2	108.0	133.3	157.6	175.0	192.5
Margin (%)	41.5	43.7	44.3	37.1	38.7	43.6	43.6	43.4
Operating Expenses	42.1	46.7	47.6	60.0	70.7	78.5	88.7	97.7
EBITDA	37.7	41.6	48.6	48.0	62.6	79.1	86.3	94.9
Change (%)	17.8	10.5	16.7	-1.1	30.3	26.3	9.2	9.9
Margin (%)	19.6	20.6	22.4	16.5	18.2	21.9	21.5	21.4
Depreciation	6.2	7.8	7.9	8.2	8.6	8.4	10.2	11.9
Int. and Fin. Charges	1.1	1.0	0.9	1.0	1.4	2.1	2.2	2.1
Other Income	2.3	3.0	3.0	3.8	3.9	5.9	4.0	5.0
Profit before Taxes	32.7	35.8	42.8	42.7	56.4	74.4	77.9	85.8
Change (%)	8.2	9.5	19.3	-0.1	32.1	31.8	4.7	10.1
Margin (%)	17.0	17.7	19.7	14.7	16.4	20.6	19.4	19.4
Tax	9.4	9.5	11.2	11.6	15.1	19.2	20.3	22.5
Deferred Tax	1.6	-1.0	-0.2	-0.6	-0.2	0.0	0.0	0.0
Tax Rate (%)	33.6	23.9	25.7	25.8	26.5	25.8	26.0	26.2
PAT Before Minority	21.7	27.3	31.8	31.7	41.5	55.2	57.7	63.3
Minority Interest	-0.4	-0.5	-0.3	-0.3	-0.9	-1.1	-1.1	-1.1
Adjusted PAT	22.1	27.8	32.1	32.0	42.4	56.3	58.8	64.5
Change (%)	9.2	25.5	15.4	-0.2	32.6	32.8	4.4	9.6
Margin (%)	11.5	13.8	14.8	11.0	12.3	15.6	14.7	14.5
Reported PAT	22.1	27.7	32.1	30.8	42.0	56.3	58.8	64.5

Balance Sheet

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E
Share Capital	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	93.7	100.3	127.1	137.2	159.0	172.0	190.3	214.3
Net Worth	94.7	101.3	128.1	138.1	159.9	172.9	191.3	215.2
Loans	6.2	3.4	3.4	7.8	9.7	7.8	8.8	9.3
Other Liability	12.1	12.0	11.5	11.4	13.2	14.7	16.4	18.4
Minority Interest	3.6	4.0	4.2	3.9	4.5	5.7	6.8	8.0
Capital Employed	116.6	120.7	147.2	161.1	187.3	201.0	223.2	250.8
Gross Block	67.0	69.9	71.9	73.9	78.7	98.7	116.7	134.7
Less: Accum. Depn.	13.9	19.6	24.8	30.2	35.4	43.8	54.0	66.0
Net Fixed Assets	53.0	50.3	47.1	43.7	43.3	54.9	62.7	68.7
Capital WIP	2.1	1.4	1.8	4.3	10.2	10.2	10.2	10.2
Right to Use Assets	8.7	9.2	8.5	9.1	12.1	12.1	12.1	12.1
Investments	25.7	20.2	47.4	32.5	42.6	44.7	51.5	59.2
Current	11.7	5.1	32.7	21.8	27.0	21.3	26.8	33.3
Non-current	13.9	15.1	14.7	10.7	15.6	23.5	24.6	25.9
Curr. Assets, L&A	69.7	77.1	95.8	137.7	147.3	157.9	174.2	197.5
Inventory	31.5	33.9	38.0	61.5	62.1	59.4	64.9	71.7
Account Receivables	19.1	18.0	26.1	38.7	46.4	43.5	39.6	43.7
Cash and Bank Balance	4.4	7.8	6.1	8.6	8.4	21.7	29.2	33.8
Others	14.7	17.3	25.6	28.7	30.3	33.4	40.6	48.3
Curr. Liab. and Prov.	45.9	40.7	56.3	68.5	70.5	81.2	89.7	99.1
Account Payables	23.9	21.4	33.8	41.6	36.4	44.6	49.6	55.0
Other Liabilities	19.6	16.9	19.5	24.0	31.1	32.6	35.9	39.5
Provisions	2.3	2.4	3.0	2.9	3.0	3.9	4.3	4.7
Net Current Assets	23.9	36.4	39.4	69.2	76.8	76.8	84.5	98.4
Goodwill on Cons.	3.2	3.2	3.0	2.4	2.3	2.3	2.3	2.3
Application of Funds	116.6	120.7	147.2	161.1	187.3	201.0	223.2	250.8

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E
Basic (INR)								
EPS	23.1	29.0	33.4	33.4	44.2	58.7	61.3	67.2
Cash EPS	29.6	37.1	41.7	41.9	53.2	67.5	72.0	79.7
BV/Share	98.7	105.6	133.5	144.0	166.7	180.3	199.4	224.4
DPS	10.7	21.8	4.9	18.2	25.6	44.0	41.0	41.0
Payout %	46.4	75.3	14.5	54.4	58.0	74.9	66.9	61.0
Valuation (x)								
P/E	140.5	111.9	97.0	97.2	73.3	55.2	52.9	48.2
Cash P/E	109.7	87.4	77.8	77.4	60.9	48.0	45.0	40.7
EV/Sales	16.0	15.3	14.1	10.6	8.9	8.4	7.6	6.8
EV/EBITDA	81.9	74.1	63.0	64.0	49.0	38.6	35.2	31.9
P/BV	32.8	30.7	24.3	22.5	19.4	18.0	16.3	14.4
Dividend Yield (%)	0.3	0.7	0.1	0.6	0.8	1.4	1.3	1.3
Return Ratios (%)								
RoE	24.8	28.4	28.0	24.0	28.5	33.9	32.3	31.7
RoCE	21.0	23.6	24.2	21.0	24.4	29.2	27.9	27.4
RoIC	22.1	23.2	24.1	20.6	25.1	31.0	31.9	31.3
Working Capital Ratios								
Debtor (Days)	36	32	44	49	49	44	36	36
Asset Turnover (x)	1.6	1.7	1.5	1.8	1.8	1.8	1.8	1.8
Leverage Ratio								
Debt/Equity (x)	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0

Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E
OP/(loss) before Tax	33.1	36.3	43.0	41.9	56.9	74.4	77.9	85.8
Depreciation	4.3	7.8	7.9	8.2	8.6	8.4	10.2	11.9
Net interest	-0.3	0.1	0.2	-0.1	0.1	-3.8	-1.8	-2.9
Others	-0.9	-0.4	-1.4	-0.3	-1.0	0.0	0.0	0.0
Direct Taxes Paid	-9.8	-10.1	-10.8	-11.8	-14.9	-19.2	-20.3	-22.5
(Incr)/Decr in WC	-4.3	-7.4	-2.1	-28.0	-7.7	13.2	-0.1	-9.3
CF from Operations	22.1	26.3	36.8	9.9	41.9	73.1	65.9	63.1
Incr in FA	-11.3	-3.7	-2.5	-5.0	-12.5	-20.0	-18.0	-18.0
Free Cash Flow	10.8	22.6	34.3	4.9	29.5	53.1	47.9	45.1
Pur of Investments	1.6	-2.5	-3.7	1.0	1.8	-2.1	-6.7	-7.7
Others	-3.2	7.9	-25.8	14.8	-10.1	5.9	4.0	5.0
CF from Invest.	-12.9	1.7	-32.1	10.7	-20.7	-16.3	-20.7	-20.7
Incr in Debt	0.6	-2.6	0.3	3.2	2.4	-2.0	1.0	0.5
Dividend Paid	-10.5	-21.2	-5.0	-17.6	-19.4	-42.2	-39.3	-39.3
Net interest Paid	-0.5	-1.0	-0.9	-0.9	-1.4	-2.1	-2.2	-2.1
Others	1.5	0.2	-0.9	-2.8	-3.0	2.6	2.9	3.1
CF from Fin. Activity	-8.8	-24.7	-6.5	-18.1	-21.4	-43.6	-37.6	-37.8
Incr/Decr of Cash	0.4	3.4	-1.7	2.5	-0.2	13.2	7.6	4.5
Add: Opening Balance	4.0	4.4	7.8	6.1	8.6	8.4	21.7	29.2
Closing Balance	4.4	7.8	6.1	8.6	8.4	21.7	29.2	33.8

E: MOSL Estimates

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NOTES

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