

Cement | Q4FY24 Result Update

Profitability to improve; Expansion to support growth

- UTCЕМ's Revenue/Volume/Realization came in-line, however EBITDA, EBITDA/tn, APAT were above our estimates. Revenue grew +9.4% YoY to Rs204.2 bn (+22.0% QoQ) led by volume growth of 10.8% YoY at 35.1mt (+28.4% QoQ), partially offset by -1.3% YoY in realization/tn to Rs5,821 (-5% QoQ). EBITDA/APAT up by 11.7%/39.9% YoY to Rs41.1 bn/Rs23.3 bn led by better operating performance.
- The company expects better volume growth vs. industry and targets to reach 199.6mtpa capacity by FY27E. We expect Revenue/EBITDA/APAT CAGR of 11.3%/23.3%/29.2% over FY24-26E led by 10.2%/ 12.0% volume growth and -0.5%/0.8% realization growth in FY25E/FY26E.
- We maintain our EBITDA estimates for FY25E, however increase by 6.4% for FY26E factoring lower cost. We expect further improvement in EBITDA/tn from Rs1,089 in FY24 to Rs1,245/Rs1,342 in FY25E/FY26E. Accordingly, we upgrade our rating to 'BUY' from Accumulate with revised TP of Rs11,485 based on 16.5x (vs. earlier 16x) consolidated FY26E EV/EBITDA.

Strong operating cash flow to support expansion.

UTCЕМ's capacity to increase from 146.2/152.7mtpa in FY24/Q1FY25 to 162.4/184.9mtpa by FY25E/FY26E. Including 10.75mtpa Kesoram/ 5.4mtpa overseas, the total consolidated cement capacity will reach 199.6mtpa by FY27E to support future growth. It will continue to witness healthy operating cash flow (average Rs144.6 bn/year over FY24-FY26E) and free cash flow (average Rs34.6 bn/year over FY24-FY26E), and lead to deleveraging (Net D:E of 0.01x/ -0.01x in FY25E/ FY26E vs. 0.05x FY24). UTCЕМ, being the largest player in Indian cement industry is its biggest advantage. We factor 5.97 mn increase in equity shares (~2%) to be issued to Kesoram Industries' shareholders in FY26E.

EBITDA/tn +11.7% YoY/ -1.6% QoQ

In-line volume (+10.8% YoY/ +28.4% QoQ to 35.1mt), in-line realization/tn (-1.3% YoY/ -5.0% QoQ to Rs5,821) and lower than estimated opex/tn (-4.1% YoY/ -5.8% QoQ to Rs4,648) resulted EBITDA/tn of Rs1,173.

Q4FY24 Result (Rs Mn)

Particulars	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)
Revenue	204,189	186,624	9.4	167,400	22.0
Total Expense	163,050	153,399	6.3	134,854	20.9
EBITDA	41,139	33,225	23.8	32,546	26.4
Depreciation	8,149	7,617	7.0	7,835	4.0
EBIT	32,990	25,608	28.8	24,711	33.5
Other Income	1,356	1,215	11.6	1,405	(3.5)
Interest	2,612	1,914	36.4	2,622	(0.4)
EBT	31,015	24,909	24.5	23,494	32.0
Tax	8,519	8,223	3.6	5,804	46.8
RPAT	22,581	16,660	35.5	17,770	27.1
APAT	23,301	16,660	39.9	17,770	31.1
			(bps)		(bps)
Gross Margin (%)	34.9	32.1	281	37.5	(266)
EBITDA Margin (%)	20.1	17.8	234	19.4	71
NPM (%)	11.1	8.9	213	10.6	44
Tax Rate (%)	27.5	33.0	(554)	24.7	277
EBIT Margin (%)	16.2	13.7	243	14.8	140

CMP	Rs 9,964
Target / Upside	Rs 11,485 / 15%
NIFTY	22,643

Scrip Details

Equity / FV	Rs 2,887mn / Rs 10		
Market Cap	Rs 2,876bn		
	USD 34.7bn		
52-week High/Low	Rs 10,526/ 7,434		
Avg. Volume (no)	326,593		
Bloom Code	UTCЕМ IN		
Price Performance	1M	3M	12M
Absolute (%)	2	0	32
Rel to NIFTY (%)	1	(5)	1

Shareholding Pattern

	Sep'23	Dec'23	Mar'24
Promoters	60.0	60.0	60.0
MF/Banks/FIs	13.6	12.5	12.2
FIs	17.2	18.7	18.3
Public / Others	9.3	8.9	9.6

Valuation (x)

	FY24A	FY25E	FY26E
P/E	40.6	30.6	24.4
EV/EBITDA	22.5	17.8	14.7
ROE (%)	12.4	14.7	16.3
RoACE (%)	10.6	12.6	14.2

Estimates (Rs bn)

	FY24A	FY25E	FY26E
Revenue	709.1	777.5	877.8
EBITDA	129.7	163.3	197.2
PAT	70.8	94.0	118.1
EPS (Rs.)	245.2	325.6	409.2

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	2,04,189	1,99,740	2.2	In line
EBITDA	41,139	36,739	12.0	flat/ -2.2% realization/ cost vs. estimates
EBITDA (%)	20.1	18.4	175 bps	-
APAT	23,301	19,763	17.9	Better operating performance

Source: Company, DART

Exhibit 2: Change in estimates

Particulars (Rs mn)	FY25E			FY26E		
	New	Old	Chg (%)	New	Old	Chg (%)
Net revenues	777,528	785,217	(1.0)	877,797	866,045	1.4
EBIDTA	163,304	164,184	(0.5)	197,168	185,319	6.4
EBIDTA margin (%)	21.0	20.9	9 bps	22.5	21.4	106 bps
Adj. Net Profit	93,994	95,011	(1.1)	118,127	110,157	7.2
EPS (Rs)	325.6	329.2	(1.1)	409.2	381.6	7.2

Source: DART, Company

We maintain our estimates for FY25E. For FY26E, we maintain revenue estimates, however we increase our EBITDA/APAT estimates by 6.4%/ 7.2% factoring lower cost.

Exhibit 3: Volume, Realization & Cost/tn Analysis

Particulars (Rs)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY24	FY23	YoY (%)
Volume (MT)	35.1	31.7	10.8	27.3	28.4	119.1	105.7	12.7
Realization/tn (Rs)	5,821	5,896	(1.3)	6,127	(5.0)	5,956	5,986	(0.5)
EBITDA/tn (Rs)	1,173	1,050	11.7	1,191	(1.6)	1,089	1,005	8.4
Cost/tn (Rs)	4,648	4,847	(4.1)	4,936	(5.8)	4,867	4,981	(2.3)
Raw Material Cost/tn (Rs)	1,086	1,002	8.4	972	11.7	1,000	920	8.7
Employee Expenses/tn (Rs)	214	226	(5.6)	281	(24.1)	255	259	(1.6)
Power and Fuels/tn (Rs)	1,379	1,677	(17.8)	1,529	(9.8)	1,536	1,750	(12.3)
Freight Expenses/tn (Rs)	1,325	1,326	(0.1)	1,325	(0.0)	1,334	1,326	0.6
Other expenses/tn (Rs)	644	615	4.7	828	(22.2)	742	726	2.3

Source: Company, DART

Exhibit 4: % of Revenue

Particulars	Q4FY24	Q4FY23	Bps	Q3FY24	Bps	FY24	FY23	Bps
Raw Material Cost	18.7	17.0	166	15.9	279	16.8	15.4	9
Employee Expenses	3.7	3.8	(17)	4.6	(92)	4.3	4.3	(1)
Power and Fuels	23.7	28.4	(475)	25.0	(126)	25.8	29.2	(12)
Freight Expenses	22.8	22.5	28	21.6	113	22.4	22.2	1
Other expenses	11.1	10.4	63	13.5	(244)	12.5	12.1	3

Source: Company, DART

Exhibit 5: Income Statement (Consolidated)

Particulars (Rs mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY24	FY23	YoY (%)
Total Revenue	2,04,189	1,86,624	9.4	1,67,400	22.0	7,09,081	6,32,400	12.1
Raw Material Cost	38,094	31,711	20.1	26,554	43.5	1,19,029	97,150	22.5
Employee Expenses	7,494	7,164	4.6	7,689	(2.5)	30,376	27,390	10.9
Power and Fuel	48,388	53,089	(8.9)	41,780	15.8	1,82,833	1,84,913	(1.1)
Freight Cost	46,472	41,954	10.8	36,209	28.3	1,58,807	1,40,092	13.4
Other expenses	22,602	19,480	16.0	22,622	(0.1)	88,351	76,657	15.3
Total Expenditure	1,63,050	1,53,399	6.3	1,34,854	20.9	5,79,396	5,26,201	10.1
PBIDT (Excl. O.I.)	41,139	33,225	23.8	32,546	26.4	1,29,686	1,06,199	22.1
Other Income	1,356	1,215	11.6	1,405	(3.5)	6,170	5,031	22.6
Depreciation	8,149	7,617	7.0	7,835	4.0	31,453	28,880	8.9
EBIT	34,346	26,823	28.0	26,116	31.5	1,04,402	82,349	26.8
Interest	2,612	1,914	36.4	2,622	(0.4)	9,680	8,227	17.7
EBT (before E.O.)	31,735	24,909	27.4	23,494	35.1	94,722	74,122	27.8
Exceptional Items	(720)	0	-	0	-	(720)	0	-
EBT (after E.O.)	31,015	24,909	24.5	23,494	32.0	94,002	74,122	26.8
Tax	8,519	8,223	3.6	5,804	46.8	24,183	23,429	3.2
Share of P/L in Associate & JV (net of tax)	91	15	520.5	58	57.3	220	40	446.2
Minority Interest	5	42	-	(22)	-	(10)	94	-
RPAT	22,581	16,660	35.5	17,770	27.1	70,050	50,640	38.3
Adjustments	720	0	-	0	-	720	0	-
APAT	23,301	16,660	39.9	17,770	31.1	70,770	50,640	39.8
Adj. EPS (Rs)	80.7	57.7	39.9	61.6	31.1	245.1	175.4	39.8
			bps		bps			bps
EBIDTA Margin (Excl. O.I.)	20.1	17.8	234	19.4	71	18.3	16.8	150
NPM (%)	11.4	8.9	248	10.6	80	10.0	8.0	197
Tax Rate (%)	27.5	33.0	(554)	24.7	277	25.7	31.6	(588)

Source: DART, Company

Exhibit 6: Valuation

Particulars	Rs mn
Assumed EV/EBITDA multiple (x)	16.5
EBITDA (FY26E)	197,168
EV	3,253,272
Less: Net Debt (FY26E)	(7,681)
50% of FY26E Capital WIP	61,556
Mcap	3,322,508
Shares o/s (mn)	289
Target Price (Rs)	11,485
CMP (Rs)	9,964
Upside (%)	15.3

Source: Company, DART

Earnings Call KTAs

Demand & Volume

- The industry continued to witness demand growth of ~9% YoY in FY24 (7-8% YoY in Q4FY24) supported by continued traction from IHB and infrastructure. Demand is expected to slightly moderate in FY25 to 7-9% YoY, however UTCCEM is expected to outperform vs. industry. On region-wise demand, the industry witnessed high double digit YoY growth in West, followed by 6-9% YoY in North, Central and South regions and mid-single digit in East due to fiscal challenges. For FY24, West and South witnessed strong demand, however East, Central and North remained relatively weaker.
- On a consolidated basis, UTCCEM **sales volume** stood at 35.08mt (+10.8% YoY/+28.4% QoQ)/119.04mt (12.7% YoY) in Q4FY24/FY24.
- **Capacity utilization** stood at 98% in Q4FY24 vs. 77%/95% in Q3FY24/ Q4FY23. For FY24, capacity utilization stood at 85% vs. the industry average of 71%.
- **Trade share** stood at 65% in Q4FY24 vs. 64%/ 66% in Q3FY24/ Q4FY23. Also, the company has increased its UBS outlets to 3,952 contributing 28% of trade sales; 15% of total volume was done through UBS outlets.
- **Blended cement** in FY24 stood at 69.2% vs. 69.6% in FY23.
- **Premium products** contributed 23.9% of trade sales volume in Q4FY24 vs. 23%/ 20.4% in Q3FY24/ Q4FY23.
- **Cement to clinker ratio** stood at 1.44x in Q4FY24 vs. 1.42x/ 1.42x in Q3FY24/ Q4FY23. The company will continue to focus on cc ratio improvement.
- **Lead distance** stood at 400kms in Q4FY24 vs. 397kms/ 413kms in Q3FY24/ Q4FY23.

Prices

- UTCCEM witnessed ~6% QoQ drop in cement prices in Q4FY24. Prices have increased by 3.5% CAGR over the past 5 years, however costs have also witnessed a similar growth. In Apr'24 the company has witnessed some sparks of improvement in Maharashtra, East and South regions, however Central remained flat and not so much in North. **For FY25, pricing to remain stable or improve and not see any further decline.**

Profitability

- **The company expects Rs200-300/tn decline in opex/tn by FY27** led by i) Improvement in blended cement and cc ratio (led by increased penetration of composite cement), ii) Increase in share of green power (from currently 24% to 60-65% by FY27), iii) Lower logistic costs led by lead distance reduction (assuming 25 kms reduction will lead to Rs75/tn savings), iv) Ramping up AFR consumption, and v) Operating leverage on the back of increased capacity and utilization.

Cost

- **Freight cost** – On YoY/QoQ basis the freight cost remained stable; lead distance saw a reduction.
- **Power & Fuel cost – Fuel cost** stood at Rs2.03/kcal in Q4FY24 vs. Rs2.048/kcal in Q3FY24 vs. Rs2.51/kcal in Q4FY23. **Blended fuel consumption (CV of 7500)** at \$150 per tn in Q4FY24 vs. \$150/ \$194 per tn in Q3FY24/ Q4FY23. **The company expects fuel consumption cost to soften to \$130 per tn for FY25;** significant improvement to be seen from Q4FY25 led by expiry of high-cost coal contracts. It expects the cost curve to keep sliding down in the foreseeable future. Decline in power cost is led by increased efficiency, green power mix has increased to 25.7% vs 24.1%/ 20.3% in Q3FY24/ Q4FY23. Cost of WHRS/RE is ~90%/ 40% lower vs. thermal power.
- **Fuel mix** – Imported + domestic coal/petcoke/AFR + Others stood at 59%/36%/6% in Q4FY24 vs. 52%/ 44%/ 4% in Q3FY24 vs. 40%/ 52%/ 8% in Q4FY23.

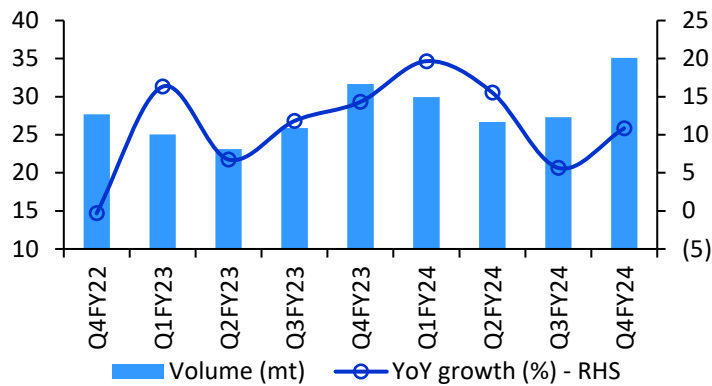
- **Other expenses** – QoQ decrease was led by benefit of operating leverage Q4FY24; YoY increase was due to higher brand building and CSR expenses.

Capex, Debt and Expansion

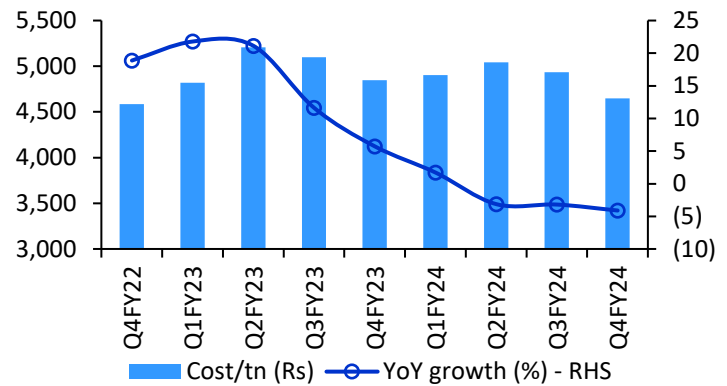
- UTCEM incurred **capex** of Rs91.87 bn (75%/ 14%/ 11% - Growth/ Other/ ESG) in FY24. **It expects to incur capex of ~Rs95 bn (70%/ 16%/ 13% - Growth/ Other/ ESG) in FY25 and ~Rs110 bn in FY26/ FY27.**
- **Debt** – Net Debt stood at Rs27.8 bn (FY24) vs. Rs27.0 bn (FY23) vs. Rs55.4 bn (9MFY24). Net Debt/ EBITDA stood at 0.2x (FY24) vs. 0.3x (FY23) vs. 0.5x (9MFY24). **UTCEM targets to become Net Cash (excl. Kesoram debt) by end of FY25. However, considering Kesoram's debt of Rs27 bn, the company is expected to reach Net Debt of Rs15-20 bn by FY25.** UTCEM's cost of borrowing stands at 8% vs. 11.5% of Kesoram.
- **Expansion** – UTCEM has commissioned 7.8mtpa/ 6.5mtpa cement capacity in Q4FY24/ Q1FY25. **With this, the company's total consolidated cement capacity stands at 146.2mtpa/ 152.7mtpa in FY24/ Q1FY25.** The expansion program is progressing as per schedule. Work on 22.6mtpa under 2nd phase of expansion is under progress with capacities commissioned across several locations. Also, 21.9mtpa under the 3rd phase of expansion, major orders have already been placed to key technology suppliers and civil work has also commenced at some locations. With the recent acquisition of 10.75mtpa Kesoram, the company put 2.7mtpa brownfield capacity expansion in Hotgi, Maharashtra on hold as of now. **Going forward, UTCEM targets to reach India's capacity (excl. 10.75mtpa Kesoram) of 157.0/168.8/183.5mtpa by FY25/FY26/FY27. Including 10.75mtpa Kesoram/5.4mtpa Overseas, total consolidated cement capacity to reach 199.6mtpa by FY27 spreading across 70 locations across the country. Company does not intend to stop its growth with the achievement of 200mtpa capacity; will provide more cement if India needs it.**
- **Acquisition of Kesoram Industries** – UTCEM has announced the acquisition of Kesoram Industries Ltd's cement business in Q3FY24 through Scheme of Arrangement between UTCEM and Kesoram Industries at an EV of Rs72.6 bn i.e. Rs6.8 bn/ tn (\$81.05/ tn) for capacity of 10.75mtpa. Kesoram has 2 integrated cement units with total capacity of 10.75mtpa (8.5mtpa/ 2.25mtpa clinker backed/ surplus GU) coupled with 0.66mtpa packing plant in Solapur, Maharashtra. UTCEM will issue 1 equity share of FV of Rs10 each for every 52 equity shares of Kesoram of FV Rs10. It will issue 5.9 mn new equity shares to the shareholders of Kesoram, which will increase UTCEM's equity capital to Rs2.95 bn. CCI's approval has been approved on 19 Mar'24. The company plans to merge with effects on 1 Apr'24 subject to all regulatory approvals and is waiting for approval from statutory and regulatory authorities; **expects to reach a conclusion by FY25.**
- **North-East expansion** – UTCEM has obtained single window clearance and license for its expansion plans in NE markets. It has also identified some mines and is already in process of due diligence to fast track its growth in those markets. Further timelines are expected to be shared in FY25.
- **Green share** – UTCEM's green power mix increased to 25.7% (WHRS/ RE 17.7%/ 8.0%) in Q4FY24 vs. 24.1%/ 20.0% in Q3FY24/ Q4FY23. The company has also commissioned 100MW solar energy project under the Group captive scheme in the state of Rajasthan. This is the first project for sourcing power for its captive consumption from the inter-state transmission network (ISTS). Power from this project will be available to its units in Rajasthan, Gujarat, HP, TN, Odisha among others. Including this, UTCEM's current Renewable/WHRS capacity stands at 612MW/278MW. Another 150MW WHRS to get added in the next 2 years. **It remains committed to increasing its green power mix to 60-65%/85% by FY27/FY30.**
- **JPA Super Dalla** – UTCEM mentioned that it is still under arbitration; no guidance was given on the timeline.

Others

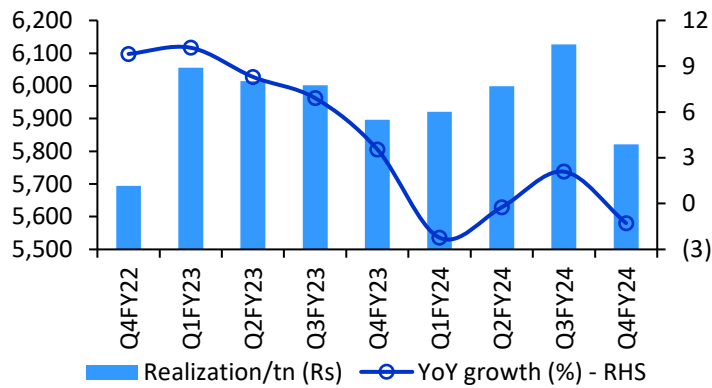
- **M&A** – UTCEM continues to believe in India's growth story and will simultaneously continue to grow; company believes inorganic expansion opportunities are present in the industry and would go for inorganic route if the same would provide synergies, profitable and value accretive. It expects other players will emerge in the long term who would be willing to cash out. No CCI issue on account of absorption of smaller assets like Burnpur and India Cements. Also, South being a very fragmented market, it expects more opportunities for consolidation in the foreseeable future.
- **RMC** – UTCEM witnessed growth in the RMC business and expects huge potential on the play; RMC generates an incremental EBITDA. Total number of RMC plants stood at 307 in FY24.
- **Incentives** – In FY24 incentives contribute Rs60/tn of the revenue.
- **Carbon intensity** – UTCEM mentioned clinker factor will be the largest driver in reducing CO2 emissions. CO2 emissions stood at 556 kg/tn in FY24; targets to reach 462 kg/tn by FY32.
- Board declared dividend of Rs70/ sh for FY24.

Exhibit 7: Volume (mt)


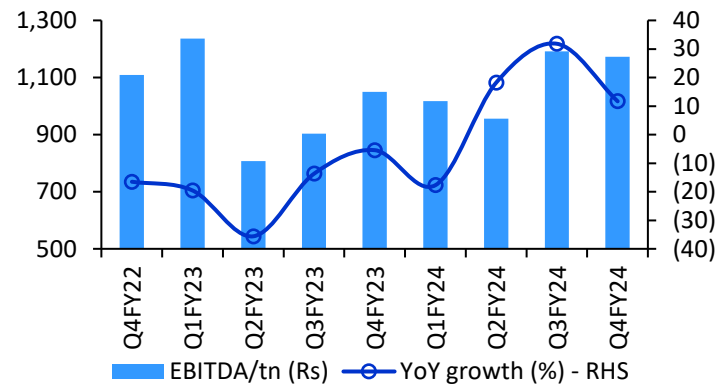
Source: Company, DART

Exhibit 8: Cost/tn (Rs)


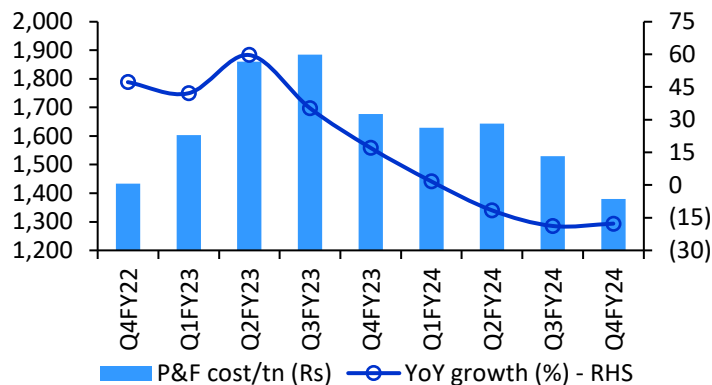
Source: Company, DART

Exhibit 9: Realization/tn (Rs)


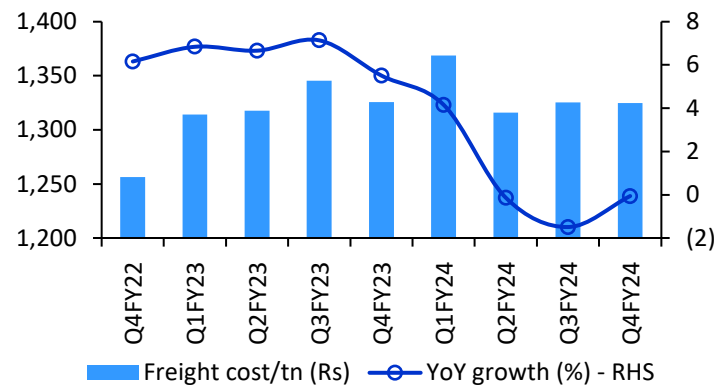
Source: Company, DART

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)	FY23A	FY24A	FY25E	FY26E
Revenue	632,400	709,081	777,528	877,797
Total Expense	526,201	579,396	614,223	680,629
COGS	422,154	460,669	483,230	535,386
Employees Cost	27,390	30,376	32,654	35,103
Other expenses	76,657	88,351	98,340	110,140
EBIDTA	106,199	129,686	163,304	197,168
Depreciation	28,880	31,453	35,391	38,939
EBIT	77,319	98,233	127,913	158,229
Interest	8,227	9,680	8,414	6,704
Other Income	5,031	6,170	6,478	6,802
Exc. / E.O. items	0	(720)	0	0
EBT	74,163	94,222	125,997	158,348
Tax	23,429	24,183	32,003	40,220
Minority Interest	94	(10)	0	0
RPAT	50,640	70,050	93,994	118,127
Adjustments	0	720	0	0
APAT	50,640	70,770	93,994	118,127

Balance Sheet

(Rs Mn)	FY23A	FY24A	FY25E	FY26E
Sources of Funds				
Equity Capital	2,887	2,887	2,887	2,893
Minority Interest	556	559	559	559
Reserves & Surplus	540,359	599,388	673,173	771,050
Net Worth	543,245	602,275	676,060	773,943
Total Debt	99,008	102,984	83,984	64,984
Net Deferred Tax Liability	62,601	64,478	64,478	64,478
Total Capital Employed	705,411	770,296	825,081	903,964

Applications of Funds

Net Block	532,497	565,321	634,930	655,991
CWIP	103,697	131,567	126,567	186,567
Investments	14,604	27,642	27,642	27,642
Current Assets, Loans & Advances	263,072	283,491	271,052	295,105
Current Investments	58,366	54,848	40,848	36,848
Inventories	66,118	83,297	78,818	88,982
Receivables	38,670	42,782	44,734	50,503
Cash and Bank Balances	11,496	7,832	6,723	8,175
Loans and Advances	169	172	212	252
Other Current Assets	88,253	94,559	99,716	110,344
Less: Current Liabilities & Provisions	208,459	237,724	235,108	261,340
Payables	72,093	84,783	80,948	91,387
Other Current Liabilities	136,366	152,941	154,160	169,953
<i>sub total</i>				
Net Current Assets	54,613	45,767	35,943	33,765
Total Assets	705,411	770,296	825,081	903,964

E – Estimates

Important Ratios

Particulars	FY23A	FY24A	FY25E	FY26E
(A) Margins (%)				
Gross Profit Margin	33.2	35.0	37.9	39.0
EBIDTA Margin	16.8	18.3	21.0	22.5
EBIT Margin	12.2	13.9	16.5	18.0
Tax rate	31.6	25.7	25.4	25.4
Net Profit Margin	8.0	10.0	12.1	13.5
(B) As Percentage of Net Sales (%)				
COGS	66.8	65.0	62.1	61.0
Employee	4.3	4.3	4.2	4.0
Other	12.1	12.5	12.6	12.5
(C) Measure of Financial Status				
Gross Debt / Equity	0.2	0.2	0.1	0.1
Interest Coverage	9.4	10.1	15.2	23.6
Inventory days	38	43	37	37
Debtors days	22	22	21	21
Average Cost of Debt	8.2	9.6	9.0	9.0
Payable days	42	44	38	38
Working Capital days	32	24	17	14
FA T/O	1.2	1.3	1.2	1.3
(D) Measures of Investment				
AEPS (Rs)	175.4	245.2	325.6	409.2
CEPS (Rs)	275.5	354.1	448.2	544.1
DPS (Rs)	37.8	37.9	70.0	70.2
Dividend Payout (%)	21.5	15.5	21.5	17.1
BVPS (Rs)	1881.9	2086.4	2342.0	2681.1
RoANW (%)	9.7	12.4	14.7	16.3
RoACE (%)	8.2	10.6	12.6	14.2
RoAIC (%)	11.4	13.5	16.2	18.5
(E) Valuation Ratios				
CMP (Rs)	9964	9964	9964	9964
P/E	56.8	40.6	30.6	24.4
Mcap (Rs Mn)	2,876,446	2,876,446	2,876,446	2,876,446
MCap/ Sales	4.5	4.1	3.7	3.3
EV	2,905,592	2,916,750	2,912,859	2,896,407
EV/Sales	4.6	4.1	3.7	3.3
EV/EBITDA	27.4	22.5	17.8	14.7
P/BV	5.3	4.8	4.3	3.7
Dividend Yield (%)	0.4	0.4	0.7	0.7
(F) Growth Rate (%)				
Revenue	20.2	12.1	9.7	12.9
EBITDA	(7.8)	22.1	25.9	20.7
EBIT	(12.1)	27.0	30.2	23.7
PBT	(13.0)	27.0	33.7	25.7
APAT	(10.6)	39.8	32.8	25.7
EPS	(10.6)	39.8	32.8	25.7

E – Estimates

Cash Flow

Particulars	FY23A	FY24A	FY25E	FY26E
Profit before tax	74,163	94,222	125,997	158,348
Depreciation & w.o.	28,880	31,453	35,391	38,939
Net Interest Exp	5,503	7,271	5,175	3,303
Direct taxes paid	(11,243)	(16,505)	(32,003)	(40,220)
Change in Working Capital	(3,370)	(4,811)	(5,286)	(370)
Non Cash	(3,254)	(2,661)	0	0
(A) CF from Operating Activities	90,679	108,970	129,274	159,999
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(62,001)	(90,056)	(100,000)	(120,000)
Free Cash Flow	28,678	18,914	29,274	39,999
(Inc.)/ Dec. in Investments	(8,078)	(6,151)	14,000	4,000
Other	3,614	2,829	3,239	3,401
(B) CF from Investing Activities	(66,465)	(93,377)	(82,761)	(112,599)
Issue of Equity/ Preference	47	19	0	6
Inc./(Dec.) in Debt	4,529	3,299	(19,000)	(19,000)
Interest exp net	(7,016)	(8,535)	(8,414)	(6,704)
Dividend Paid (Incl. Tax)	(10,913)	(10,944)	(20,208)	(20,250)
Other	(2,958)	(3,095)	0	0
(C) CF from Financing	(16,310)	(19,257)	(47,622)	(45,948)
Net Change in Cash	7,904	(3,664)	(1,109)	1,452
Opening Cash balances	3,592	11,496	7,832	6,723
Closing Cash balances	11,496	7,832	6,723	8,175

E – Estimates

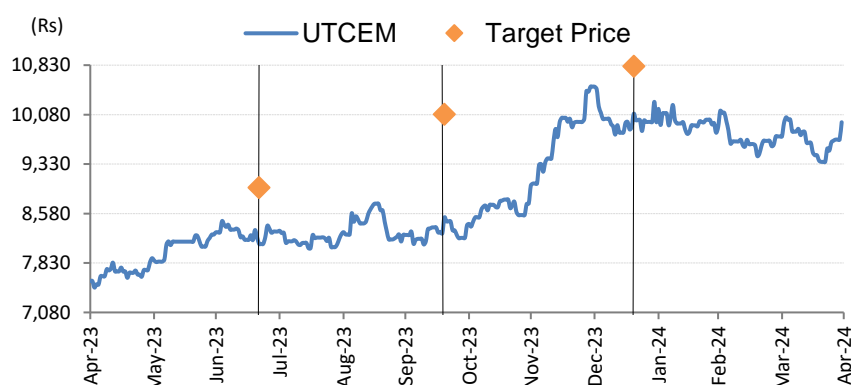
Notes

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.)
Jul-23	Accumulate	8,972	8,119
Oct-23	BUY	10,085	8,519
Jan-24	Accumulate	10,813	10,094

*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
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
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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SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

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 | www.dolatresearch.com