

**In-line and Soft!**

- Jio's Q1FY25 results were largely in-line and modest with Revenue/EBITDA/APAT growth of 10/10.7/12% YoY and 2/2.3/2% QoQ. Sub adds were healthy for 9<sup>th</sup> quarter at 7.9mn, but ARPU was flat QoQ.
- VIL's fund raise is a potential risk not just to growth but also quasi-duopoly market structure. However, Jio's lead in 4G/5G combined with VIL's impending payout, implies consistent tariff hikes for the industry, benefiting Jio more than its competitors.
- Key triggers are 1) flow-through of tariff hike 2) 5G pickup 3) lower capex/robust FCF and 4) potential listing of Jio. Our Enterprise/Equity value for Jio is unchanged at Rs 1,465/1,235 @ 11x H1FY27E EV/E. Not rated.

**Healthy subscriber growth, muted ARPU**

Jio's subs addition was strong for the 9<sup>th</sup> consecutive quarter at 7.9mn (FY23/24 at 29.1/42.5mn). ARPU at Rs 181.7 was flat QoQ, despite healthy data growth, pickup in high ARPU Home BB and thus was a tad of disappointment. We believe muted ARPU growth is due to 1) BharatPhone launch impact and 2) healthy subs add. Data usage grew by a robust 33/8% YoY/QoQ.

**Mixed financially**

Jio's Q1FY25 revenue/EBITDA/APAT grew by 10/10.7/12% YoY and 2/2.3/2% QoQ. EBITDA Margin stood at 52.6%, +26/14bps YoY/QoQ. S&D costs increased for 5th quarter (higher competitive intensity for subs acquisition) by 49%/14% but off-set by modest rise in network/other opex.

**Finance costs increased by 13/10% YoY/QoQ and a negative.**

**Weak FCF a challenge**

Jio's capex as per BS stood at Rs 584bn in FY24 vs. Rs 573bn in FY23 (excl. spectrum acquisition of Rs 880bn). Cash capex stood at Rs 490bn vs. 335bn YoY. Jio's capex intensity continues to remain significantly higher. Net debt increased by Rs ~88bn to Rs 2.11tn (incl. LL of Rs 126bn). FCF stood at Rs -151bn in FY24 vs. +Rs 67bn in FY23. The YoY swing in FCF of Rs 218bn was driven by higher OCF of Rs 72bn but offset by 1) higher cash capex of Rs 154bn 2) deferred spectrum payment of Rs 44bn and 3) higher finance costs of Rs 93bn. **Steep capex, trivial FCF and high debt are key challenges wrt Jio.**

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**Exhibit 1: Q1FY25 Result (Rs mn)**

Particulars	Q1FY25	Q1FY24	YoY (%)	Q4FY24	QoQ (%)
Revenue	2,64,780	2,40,420	10.1	2,59,590	2.0
Total Expense	1,25,580	1,14,640	9.5	1,23,470	1.7
EBITDA	1,39,200	1,25,780	10.7	1,36,120	2.3
Depreciation	56,070	51,590	8.7	55,660	0.7
EBIT	80,460	74,190	12.1	80,460	3.3
Other Income	1,020	850	20.0	1,220	(16.4)
Interest	11,010	9,710	13.4	10,040	9.7
EBT	73,140	65,330	12.0	71,640	2.1
Tax	18,690	16,700	11.9	18,270	2.3
RPAT	54,450	48,630	12.0	53,370	2.0
APAT	54,450	48,630	12.02	53,370	2.0
			(bps)		(bps)
Gross Margin (%)	89.8	89.5	32	90.0	(15)
EBITDA Margin (%)	52.6	52.3	26	52.4	14
NPM (%)	31.4	30.9	54	31.0	40
Tax Rate (%)	20.6	20.2	34	20.6	0
EBIT Margin (%)	25.6	25.6	(1)	25.5	5

Source: Company, Dolat Capital

**Exhibit 2: Actual vs. Estimates**

Particulars (Rs mn)	Actual	Estimate	Variance (%/bps)	Remark
Avg Subs (Mn)	485.8	485.6	0.0	In-line
Closing Subs (Mn)	489.7	489.3	0.1	
ARPU (Rs)	181.7	182.6	(0.5)	
Net Sales (Rs Bn)	264.8	266.0	(0.5)	
EBITDA (Rs Bn)	139.2	139.6	(0.3)	
EBITDA Margin (%)	52.6	52.5	8	
APAT (Rs Bn)	54.5	54.8	(0.7)	

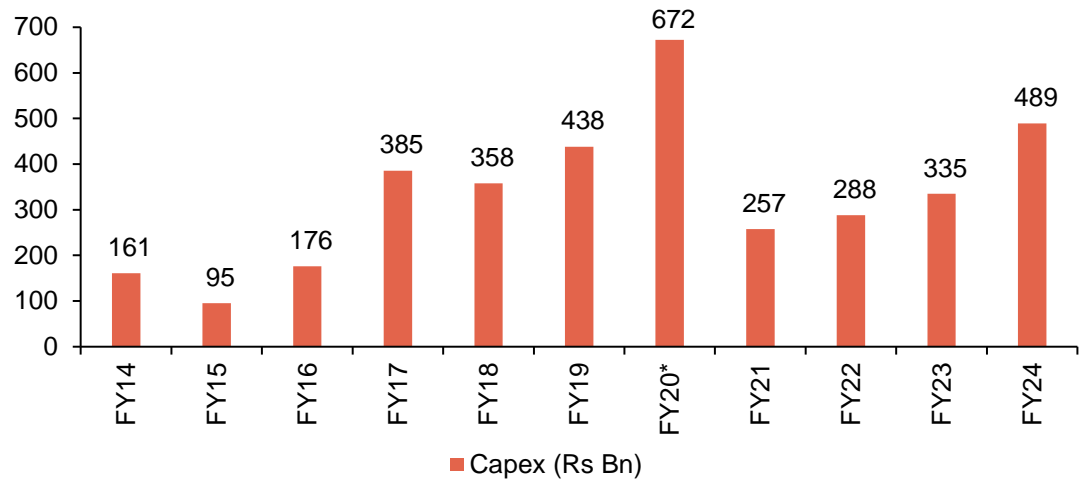
Source: Company, Dolat Capital

**Exhibit 3: Change in Estimates**

Particulars (Rs mn)	FY25E			FY26E			FY27E			Remarks
	Old	New	Chg.(%)	Old	New	Chg.(%)	Old	New	Chg.(%)	
Closing Subs (Mn)	512	512	0.0	538	538	0.0	562	562	0.0	Marginal change.
ARPU (Rs)	199	198	(0.4)	217	216	(0.5)	247	246	(0.5)	
Revenue (Rs Bn)	1,187	1,182	(0.4)	1,366	1,360	(0.4)	1,630	1,623	(0.5)	
EBITDA (Rs Bn)	648	649	0.1	760	762	0.3	937	939	0.2	
EBITDA Margin (%)	54.6	54.9	30	55.6	56.0	37	57.5	57.8	36	
APAT (Rs Bn)	273	276	1.1	334	338	1.3	441	446	1.1	

Source: Company, Dolat Capital

#### Exhibit 4: Jio's Annual Cash Capex Trend



Source: Company, Dolat Capital, \*FY20 includes Rs 402bn adjustment towards creditors as per scheme of arrangement

#### Exhibit 5: Jio's Reported Cash Flows

Particulars (Rs bn)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Total FY14-24
Net Profit/(Loss) before tax	(0)	(0)	(0)	(0)	11	46	76	161	199	244	275	1,011
Dep./Finance costs/Others	0	0	0	0	54	96	126	146	179	238	249	1,088
Wcap change	(12)	(28)	(43)	(34)	(29)	(75)	(37)	19	(64)	(2)	30	(275)
<b>Operating Cash Flow</b>	<b>(13)</b>	<b>(28)</b>	<b>(44)</b>	<b>(34)</b>	<b>36</b>	<b>67</b>	<b>166</b>	<b>326</b>	<b>313</b>	<b>481</b>	<b>553</b>	<b>1,823</b>
Purchase of PPE	(161)	(95)	(176)	(385)	(358)	(438)	(672)	(257)	(288)	(335)	(489)	(3,656)
Investment/Loans	(11)	(3)	(3)	(1)	(1)	(1)	-	-	-	-	-	(20)
Purchase/(sale) of Invt.	0	(3)	3	0	(0)	(2)	(11)	14	(1)	1	(15)	(14)
<b>Investing Cash Flow</b>	<b>(172)</b>	<b>(101)</b>	<b>(177)</b>	<b>(386)</b>	<b>(359)</b>	<b>(442)</b>	<b>(684)</b>	<b>(243)</b>	<b>(289)</b>	<b>(334)</b>	<b>(505)</b>	<b>(3,691)</b>
Equity Capital Issuance	179	71	150	-	-	-	-	-	-	-	-	399
Preference Capital Issuance/(redemption)	(26)	72	-	337	313	-	1,250	-	-	-	-	1,945
Borrowings	37	(0)	103	141	102	460	(551)	(120)	120	(66)	128	354
Finance Costs	(4)	(13)	(33)	(58)	(85)	(92)	(110)	(31)	(144)	(79)	(171)	(821)
<b>Financing Cash Flow</b>	<b>185</b>	<b>129</b>	<b>220</b>	<b>420</b>	<b>330</b>	<b>368</b>	<b>588</b>	<b>(152)</b>	<b>(24)</b>	<b>(145)</b>	<b>(44)</b>	<b>1,877</b>
Change in Cash & CE	0	(0)	(0)	0	7	(7)	70	(69)	0	2	5	10
<b>FCF (OCF + PPE + Finance costs)</b>	<b>(178)</b>	<b>(137)</b>	<b>(253)</b>	<b>(478)</b>	<b>(407)</b>	<b>(463)</b>	<b>(617)</b>	<b>37</b>	<b>(119)</b>	<b>67</b>	<b>(107)</b>	<b>(2,654)</b>

Source: Company, Dolat Capital

**Exhibit 6: Quarterly Financial Snapshot**

(Rs Mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	% YoY	% QoQ
<b>Revenue</b>	<b>2,18,730</b>	<b>225,210</b>	<b>229,980</b>	<b>233,940</b>	<b>2,40,420</b>	<b>2,47,500</b>	<b>2,53,680</b>	<b>2,59,590</b>	<b>2,64,780</b>	<b>10.1</b>	<b>2.0</b>
Access Costs	2,570	1,890	2,200	2,820	3,210	2,990	3,020	2,130	2,620	(18.4)	23.0
<b>Net revenue</b>	<b>2,16,160</b>	<b>223,320</b>	<b>227,780</b>	<b>231,120</b>	<b>2,37,210</b>	<b>2,44,510</b>	<b>2,50,660</b>	<b>2,57,460</b>	<b>2,62,160</b>	<b>10.5</b>	<b>1.8</b>
License fees	25,360	23,210	21,200	21,550	22,040	22,900	23,300	23,890	24,330	10.4	1.8
Network Costs	68,420	71,810	72,270	72,240	73,790	76,070	77,060	78,660	79,230	7.4	0.7
Emp. Costs	3,690	4,280	4,000	4,370	4,420	4,680	5,030	4,830	4,850	9.7	0.4
S&D	3,620	4,340	4,980	5,280	5,390	5,770	6,730	7,040	8,040	49.2	14.2
Other exp.	5,430	4,790	5,240	5,580	5,790	5,560	5,770	6,920	6,510	12.4	(5.9)
<b>Op. Costs</b>	<b>1,06,520</b>	<b>108,430</b>	<b>107,690</b>	<b>109,020</b>	<b>1,11,430</b>	<b>1,14,980</b>	<b>1,17,890</b>	<b>1,21,340</b>	<b>1,22,960</b>	<b>10.3</b>	<b>1.3</b>
<b>EBITDA</b>	<b>1,09,640</b>	<b>114,890</b>	<b>120,090</b>	<b>122,100</b>	<b>1,25,780</b>	<b>1,29,530</b>	<b>1,32,770</b>	<b>1,36,120</b>	<b>1,39,200</b>	<b>10.7</b>	<b>2.3</b>
D&A	42,310	45,230	48,100	49,820	51,590	52,580	54,110	55,660	56,070	8.7	0.7
Int. & Fin. Chg.	9,970	10,160	10,400	10,060	9,710	10,080	10,160	10,040	11,010	13.4	9.7
Other Income	820	1,120	630	1,050	850	1,060	1,450	1,220	1,020	20.0	(16.4)
<b>PBT</b>	<b>58,180</b>	<b>60,620</b>	<b>62,220</b>	<b>63,270</b>	<b>65,330</b>	<b>67,930</b>	<b>69,950</b>	<b>71,640</b>	<b>73,140</b>	<b>12.0</b>	<b>2.1</b>
Tax	14,830	15,440	15,840	16,110	16,700	17,350	17,870	18,270	18,690	11.9	2.3
<b>APAT</b>	<b>43,350</b>	<b>45,180</b>	<b>46,380</b>	<b>47,160</b>	<b>48,630</b>	<b>50,580</b>	<b>52,080</b>	<b>53,370</b>	<b>54,450</b>	<b>12.0</b>	<b>2.0</b>

Source: Company, Dolat Capital

**Exhibit 7: Margin Analysis (%)**

Particulars	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY bps	QoQ bps
<b>Access Costs</b>	<b>1.2</b>	<b>0.8</b>	<b>1.0</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>0.8</b>	<b>1.0</b>	<b>(35)</b>	<b>17</b>
License fees	11.6	10.3	9.2	9.2	9.2	9.3	9.2	9.2	9.2	2	(1)
Network Costs	31.3	31.9	31.4	30.9	30.7	30.7	30.4	30.3	29.9	(77)	(38)
Employee Costs	1.7	1.9	1.7	1.9	1.8	1.9	2.0	1.9	1.8	(1)	(3)
S&D	1.7	1.9	2.2	2.3	2.2	2.3	2.7	2.7	3.0	79	32
Other expenses	2.5	2.1	2.3	2.4	2.4	2.2	2.3	2.7	2.5	5	(21)
<b>Operating Costs (ex-Access)</b>	<b>48.7</b>	<b>48.1</b>	<b>46.8</b>	<b>46.6</b>	<b>46.3</b>	<b>46.5</b>	<b>46.5</b>	<b>46.7</b>	<b>46.4</b>	<b>9</b>	<b>(30)</b>
<b>EBITDA</b>	<b>50.1</b>	<b>51.0</b>	<b>52.2</b>	<b>52.2</b>	<b>52.3</b>	<b>52.3</b>	<b>52.3</b>	<b>52.4</b>	<b>52.6</b>	<b>26</b>	<b>14</b>
D&A	19.3	20.1	20.9	21.3	21.5	21.2	21.3	21.4	21.2	(28)	(27)
Interest costs	4.6	4.5	4.5	4.3	4.0	4.1	4.0	3.9	4.2	12	29
Other Income	0.4	0.5	0.3	0.4	0.4	0.4	0.6	0.5	0.4	3	(8)
<b>PBT</b>	<b>26.6</b>	<b>26.9</b>	<b>27.1</b>	<b>27.0</b>	<b>27.2</b>	<b>27.4</b>	<b>27.6</b>	<b>27.6</b>	<b>27.6</b>	<b>45</b>	<b>3</b>
Tax	6.8	6.9	6.9	6.9	6.9	7.0	7.0	7.0	7.1	11	2
<b>APAT</b>	<b>19.8</b>	<b>20.1</b>	<b>20.2</b>	<b>20.2</b>	<b>20.2</b>	<b>20.4</b>	<b>20.5</b>	<b>20.6</b>	<b>20.6</b>	<b>34</b>	<b>0</b>
LF as % of NR	11.7	10.4	9.3	9.3	9.3	9.4	9.3	9.3	9.3	(1)	0
Tax as % of PBT	25.5	25.5	25.5	25.5	25.6	25.5	25.5	25.5	25.6	(1)	5

Source: Company, Dolat Capital

### Exhibit 8: Quarterly Operational Snapshot

Particulars	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	% YoY	% QoQ
Closing Subs (Mn)	419.9	427.6	432.9	439.3	448.5	459.7	470.9	481.8	489.7	9.2	1.6
Gross Adds (Mn)	35.2	32.7	34.2	33.2	33.2	34.4	34.9	32.3	32.7	(1.5)	1.0
Churn (Mn)	25.5	25.0	28.9	26.8	24.0	23.2	23.7	21.4	24.8	3.3	15.6
Net Adds (Mn)	9.7	7.7	5.3	6.4	9.2	11.2	11.2	10.9	7.9	(14.1)	(27.5)
Monthly Churn (%)	2.05	1.97	2.24	2.05	1.80	1.70	1.70	1.50	1.70	(10)	20
ARPU (Rs)	175.7	177.2	178.2	178.8	180.5	181.7	181.7	181.7	181.7	0.7	-
Data Usage (Mn GB)	25,900	28,200	29,000	30,300	33,200	36,300	38,100	40,900	44,100	32.8	7.8
Data Usage/Sub (GB/Month)	20.8	22.2	22.5	23.2	24.9	26.6	27.3	28.6	30.3	21.4	5.7
Minutes of Usage (Bn Mins)	1,250	1,230	1,270	1,310	1,340	1,330	1,370	1,440	1,424	6.2	(1.1)
MOU/Sub (Mins)	1,004	968	984	1,001	1,006	976	981	1,008	977	(2.9)	(3.0)

Source: Company, Dolat Capital

### Exhibit 9: Key Model Assumptions

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Closing Subs (Mn)	306.7	387.5	426.2	410.2	439.3	481.8	512.2	538.2	562.2
Net Additions (Mn)	120.1	80.8	38.7	(16.0)	29.1	42.5	30.4	26.0	24.0
ARPU (Rs)	137.4	132.1	143.1	153.4	178.1	181.2	198.1	215.9	245.8
Data Usage (Mn GB)	32,330	47,866	61,160	91,300	113,400	1,48,500	1,85,879	2,13,300	2,44,767
Data Usage/Sub (MBs)	10.92	11.49	12.53	18.19	22.25	26.87	31.17	33.84	37.07
Minutes of Usage (bn Mins)	2,341	3,301	3,830	4,504	5,060	5,480	5,873	6,329	6,764
MOU/Sub (Mins)	791	793	784	897	993	992	985	1,004	1,024
Revenue (Rs bn)	406.6	550.2	698.9	769.8	907.9	1,001.2	1,181.7	1,360.4	1,622.6
EBITDA (Rs bn)	151.0	222.7	309.1	376.3	466.7	524.2	648.6	761.9	938.6
EBITDA Margin (%)	37.1	40.5	44.2	48.9	51.4	52.4%	54.9%	56.0%	57.8%
<b>Chg YoY/bps (%)</b>									
Closing Subs (Mn)	64.4	26.3	10.0	(3.8)	7.1	9.7	6.3	5.1	4.5
ARPU (Rs)	(4.9)	(3.9)	8.4	7.2	16.1	1.7	9.4	8.9	13.9
Data Usage (Mn GB)	145.9	48.1	27.8	49.3	24.2	31.0	25.2	14.8	14.8
Data Usage/Sub (MBs)	15.9	5.2	9.0	45.2	22.3	20.8	16.0	8.6	9.5
Minutes of Usage (Bn Mins)	151.9	41.0	16.0	17.6	12.3	8.3	7.2	7.8	6.9
MOU/Sub (Mins)	18.7	0.2	(1.0)	14.4	10.6	(0.1)	(0.7)	2.0	2.0
Revenue (Rs bn)	101.8	35.3	27.0	10.1	17.9	10.3	18.0	15.1	19.3
EBITDA Margin (Rs bn)	124.3	47.5	38.8	21.7	24.0	12.3	23.7	17.5	23.2

Source: Company, Dolat Capital

### Exhibit 10: Valuation Snapshot

Particulars	Amount (Rs bn)	Target multiple	EV (Rs bn)	Value per share (Rs)
FY27E EBITDA	850	11.0	9,353	1,375
CWIP in FTTH/Enterprise	584	0.50	292	43
Intangible assets under development	648	0.50	324	48
<b>Enterprise Value</b>			<b>9,969</b>	<b>1,466</b>
(-) FY26E Net debt			1,570	231
<b>Equity Value</b>			<b>8,399</b>	<b>1,235</b>

Source: Company, Dolat Capital

## Financial Performance

### Income Statement

(Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>406.6</b>	<b>550.2</b>	<b>698.9</b>	<b>769.8</b>	<b>907.9</b>	<b>1,001.2</b>	<b>1,181.7</b>	<b>1,360.4</b>	<b>1,622.6</b>
Growth (%)	101.8	35.3	27.0	10.1	17.9	10.3	18.0	15.1	19.3
Net Access costs	60.3	58.0	46.3	8.1	9.5	11.4	11.8	13.6	16.2
<b>Net revenue</b>	<b>346.3</b>	<b>492.3</b>	<b>652.6</b>	<b>761.7</b>	<b>898.4</b>	<b>989.8</b>	<b>1,169.9</b>	<b>1,346.8</b>	<b>1,606.4</b>
Growth (%)	118.3	42.1	32.6	16.7	17.9	10.2	18.2	15.1	19.3
License fee	41.6	57.2	77.6	90.7	91.3	92.1	108.7	125.2	149.3
LF as % of NR	12.0	11.6	11.9	11.9	10.2	9.3	9.3	9.3	9.3
Network & IT costs	113.4	169.3	220.6	250.1	284.7	305.6	329.0	363.2	400.9
Employee costs	16.6	14.6	13.4	14.2	16.3	19.0	23.2	27.2	32.5
SG&A	11.5	12.8	11.7	11.0	18.2	24.9	31.0	34.0	40.6
Other Expenses	12.3	15.6	20.2	19.3	21.0	24.0	29.4	35.4	44.6
<b>Total Opex</b>	<b>153.8</b>	<b>212.3</b>	<b>265.9</b>	<b>294.7</b>	<b>340.3</b>	<b>373.5</b>	<b>412.6</b>	<b>459.8</b>	<b>518.5</b>
<b>EBITDA</b>	<b>151.0</b>	<b>222.7</b>	<b>309.1</b>	<b>376.3</b>	<b>466.7</b>	<b>524.2</b>	<b>648.6</b>	<b>761.9</b>	<b>938.6</b>
EBITDA (%)	37.1	40.5	44.2	48.9	51.4	52.4	54.9	56.0	57.8
EBITDA Growth (%)	124.3	47.5	38.8	21.7	24.0	12.3	23.7	17.5	23.2
Depreciation	64.0	74.0	115.3	136.2	185.5	213.9	236.3	265.4	300.8
<b>EBIT</b>	<b>87.0</b>	<b>148.8</b>	<b>193.8</b>	<b>240.2</b>	<b>281.3</b>	<b>310.3</b>	<b>412.3</b>	<b>496.5</b>	<b>637.8</b>
Other Income	0.1	0.9	5.5	2.3	3.6	4.6	4.6	4.7	4.7
Interest	41.5	66.2	38.4	43.8	40.6	40.0	46.4	47.0	44.3
<b>PBT</b>	<b>45.6</b>	<b>83.5</b>	<b>160.9</b>	<b>198.7</b>	<b>244.3</b>	<b>274.9</b>	<b>370.5</b>	<b>454.2</b>	<b>598.2</b>
Tax	15.9	19.3	40.7	50.5	62.2	70.2	94.5	115.8	152.5
<b>APAT</b>	<b>29.6</b>	<b>64.1</b>	<b>120.2</b>	<b>148.2</b>	<b>182.1</b>	<b>204.7</b>	<b>276.0</b>	<b>338.4</b>	<b>445.7</b>
APAT Growth (%)	310.0	116.3	87.4	23.3	22.9	12.4	34.8	22.6	31.7

E: Estimate

### Balance Sheet

(Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>SOURCES OF FUNDS</b>									
Equity Share Capital	450	450	450	450	450	450	450	450	450
Preference Share Capital	-	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Reserves	(46)	10	130	278	460	664	940	1,278	1,724
<b>Total Shareholders' Funds</b>	<b>404</b>	<b>1,710</b>	<b>1,830</b>	<b>1,978</b>	<b>2,160</b>	<b>2,364</b>	<b>2,640</b>	<b>2,978</b>	<b>3,424</b>
Long term debt	756	135	155	224	278	468	424	269	130
Short term debt	521	282	189	324	444	422	364	297	251
Deferred spectrum payment	202	188	188	372	1,173	1,128	1,115	1,101	835
Lease Liabilities	-	-	-	100	137	126	132	139	146
<b>Total Debt</b>	<b>1,479</b>	<b>605</b>	<b>532</b>	<b>1,020</b>	<b>2,032</b>	<b>2,145</b>	<b>2,035</b>	<b>1,805</b>	<b>1,362</b>
Other non-current liabilities	-	-	25	77	142	215	205	196	187
<b>SOURCES OF FUNDS</b>	<b>1,883</b>	<b>2,315</b>	<b>2,387</b>	<b>3,074</b>	<b>4,334</b>	<b>4,724</b>	<b>4,880</b>	<b>4,979</b>	<b>4,973</b>
<b>APPLICATION OF FUNDS</b>									
Net Block	1,686	1,847	1,881	2,644	3,912	4,282	4,396	4,480	4,479
Other non-current assets	136	286	395	251	249	261	274	300	300
<b>Total Non-current Assets</b>	<b>1,823</b>	<b>2,133</b>	<b>2,277</b>	<b>2,895</b>	<b>4,161</b>	<b>4,543</b>	<b>4,669</b>	<b>4,780</b>	<b>4,779</b>
Cash & Equivalents	6	89	10	12	14	39	54	26	2
Other Current Assets	129	196	214	278	283	292	315	339	367
<b>Total Current Assets</b>	<b>135</b>	<b>284</b>	<b>224</b>	<b>290</b>	<b>297</b>	<b>331</b>	<b>369</b>	<b>365</b>	<b>368</b>
Total Current Liabilities	74	102	114	111	124	150	158	166	174
<b>Net Current Assets</b>	<b>61</b>	<b>182</b>	<b>111</b>	<b>179</b>	<b>173</b>	<b>181</b>	<b>211</b>	<b>199</b>	<b>194</b>
<b>APPLICATION OF FUNDS</b>	<b>1,883</b>	<b>2,315</b>	<b>2,387</b>	<b>3,074</b>	<b>4,334</b>	<b>4,724</b>	<b>4,880</b>	<b>4,979</b>	<b>4,973</b>

E: Estimate



## Cash Flows

(Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Reported PAT	30	64	120	148	182	205	276	338	446
Net interest expense	41	66	38	44	41	40	46	47	44
Depreciation	64	74	115	136	185	214	236	265	301
WC Chg & others	64	(39)	(7)	(67)	9	17	(15)	(17)	(19)
<b>OPERATING CF (a)</b>	<b>199</b>	<b>166</b>	<b>267</b>	<b>261</b>	<b>417</b>	<b>476</b>	<b>544</b>	<b>634</b>	<b>772</b>
Capex	505	(235)	(150)	(899)	(1,453)	(584)	(350)	(350)	(300)
<b>Free cash flow (FCF)</b>	<b>704</b>	<b>(69)</b>	<b>117</b>	<b>(638)</b>	<b>(1,037)</b>	<b>(108)</b>	<b>194</b>	<b>284</b>	<b>472</b>
Investments	(53)	(149)	(84)	196	67	61	(22)	(36)	(9)
<b>INVESTING CASH FLOW (b)</b>	<b>452</b>	<b>(384)</b>	<b>(234)</b>	<b>(703)</b>	<b>(1,386)</b>	<b>(523)</b>	<b>(372)</b>	<b>(386)</b>	<b>(309)</b>
Debt Issuance	41	(874)	(73)	487	1,013	113	(109)	(230)	(443)
Interest expenses	(41)	(66)	(38)	(44)	(41)	(40)	(46)	(47)	(44)
<b>FCFE</b>	<b>650</b>	<b>(1,159)</b>	<b>(79)</b>	<b>2</b>	<b>3</b>	<b>25</b>	<b>15</b>	<b>(29)</b>	<b>(24)</b>
Share capital Issuance	(655)	1,241	0	(0)	-	(1)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
<b>FINANCING CASH FLOW (c)</b>	<b>(655)</b>	<b>301</b>	<b>(112)</b>	<b>444</b>	<b>972</b>	<b>72</b>	<b>(156)</b>	<b>(277)</b>	<b>(487)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(5)</b>	<b>83</b>	<b>(79)</b>	<b>2</b>	<b>3</b>	<b>24</b>	<b>15</b>	<b>(29)</b>	<b>(24)</b>
<b>Closing Cash &amp; Equivalents</b>	<b>6</b>	<b>89</b>	<b>10</b>	<b>12</b>	<b>14</b>	<b>39</b>	<b>54</b>	<b>26</b>	<b>2</b>

E: Estimate

## Key Ratios

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>PROFITABILITY (%)</b>									
EBITDA Margin	37.1	40.5	44.2	48.9	51.4	52.4	54.9	56.0	57.8
EBIT Margin	21.4	27.0	27.7	31.2	31.0	31.0	34.9	36.5	39.3
APAT Margin	7.3	11.7	17.2	19.2	20.1	20.4	23.4	24.9	27.5
RoE	4.1	6.1	6.8	7.8	8.8	9.0	11.0	12.0	13.9
RoIC (or Core RoCE)	2.6	5.6	6.3	6.6	5.7	5.1	6.5	7.6	9.6
RoCE	2.6	5.4	6.2	6.6	5.7	5.1	6.4	7.5	9.5
<b>EFFICIENCY</b>									
Tax Rate (%)	34.9	23.2	25.3	25.4	25.5	25.5	25.5	25.5	25.5
Fixed Asset Turnover (x)	0.2	0.3	0.4	0.3	0.3	0.2	0.3	0.3	0.4
Other Current Assets (days)	116.2	129.9	111.9	131.9	113.7	106.5	97.2	91.1	82.4
CL & Provisions (days)	66.7	67.8	59.4	52.5	49.9	54.8	48.8	44.5	39.2
Cash Conversion Cycle (days)	49.4	62.1	52.5	79.4	63.8	51.7	48.4	46.5	43.2
Net D/E (x)	3.6	0.3	0.3	0.5	0.9	0.9	0.8	0.6	0.4
Net D/EBITDA (x)	9.8	2.3	1.7	2.7	4.3	4.0	3.1	2.3	1.4
Interest Coverage (x)	2.1	2.2	5.0	5.5	6.9	7.8	8.9	10.6	14.4
<b>PER SHARE DATA (Rs)</b>									
EPS	0.7	1.4	2.7	3.3	4.0	4.5	6.1	7.5	9.9
CEPS	2.1	3.1	5.2	6.3	8.2	9.3	11.4	13.4	16.6
Dividend	-	-	-	-	-	-	-	-	-
Book Value	9.0	38.0	40.7	44.0	48.0	52.5	58.7	66.2	76.1

E: Estimate

### Dolat Rating Matrix

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

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