

Expansion/acquisitions to support growth

- UTCEM's Q3FY25 Revenue/Volume/Realization/tn/EBITDA/tn came in line, however EBITDA and APAT were above our estimates.
- We expect a Revenue/EBITDA/APAT CAGR of 12.1%/19.6%/22.4% over FY24-27E led by 9.9%/20.5%/9.3% volume growth and -4.7%/1.5%/0.7% realization growth in FY25E/FY26E/FY27E.
- We have broadly maintained EBITDA estimates for FY25E/FY26E, however increase EBITDA estimate by 5.1% for FY27E as ICEM will turn profitable. Maintain 'Accumulate' rating with revised TP of 11,947 on 15.5x consolidated FY27E EV/EBITDA + 50% of FY27E CWIP + Star Cement stake at 1x P/BV.

Strong operating cash flow to support expansion

UTCEM's capacity is expected to increase from 171.2mtpa currently, to 188 mtpa/200mtpa/215mtpa by FY25E/FY26E/FY27E capacity (incl. 14.45mtpa ICEM/10.75mtpa Kesoram) which will support future growth. It will continue to witness healthy operating cash flow (average Rs148.7 bn/year over FY24-FY27E) and free cash flow (average Rs27.0 bn/year over FY24-FY27E) thereby leading to deleveraging (Net D:E of 0.19x/0.12x/0.01x in FY25E/FY26E/FY27E). We expect improvement in EBITDA/tn from Rs1,089/Rs881 in FY24/9MFY25 to Rs996/Rs1,204/Rs1,288 in FY25E/FY26E/FY27E. UTCEM, being the largest player in the Indian cement industry, is its biggest advantage.

EBITDA/tn -11.3% YoY/ +43.0% QoQ

In-line volume (+11.2% YoY/+9.1% QoQ to 30.4mt), in-line realization/tn (-7.6% YoY/+0.8% QoQ to Rs5,661) and in-line opex/tn (-4.6% YoY/-3.7% QoQ to Rs4,711) resulted in EBITDA/tn of Rs951.

Earnings Concall Highlights

- UTCEM expects industry growth in Q4FY25E at >6-7% (higher than industry for UTCEM). For FY26E, the company expects industry growth of 6-7% while UTCEM expects volume growth of >10% with 80-85% capacity utilization.
- Dec'24 exit prices are marginally up by ~1% vs. Q3FY25 avg. In Jan'25, prices increased by 1.5% in the Central and West region.
- Guided capex of Rs30 bn/~Rs90 bn (excl. Rs4-5 bn Kesoram + some portion for ICEM)/Rs60-70 bn in Q4FY25E/FY26E/FY27E.

Key Risk: Lower profitability vs. estimates.

Key Data

Nifty	23,205
Equity / FV	Rs 2,887mn / Rs 10
Market Cap	Rs 3,304bn
	USD 38.2bn
52-Week High/Low	Rs 12,145/ 9,250
Avg. Volume (no)	297,950
Bloom Code	UTCEM IN

	Current	Previous
Rating	Accumulate	Accumulate
Target Price	11,947	11,554

Change in Estimates

(Rs.bn)	Current	Chg (%)	bps
	FY25E	FY26E	FY25E
Revenue	743	908	0.6
EBITDA	130	190	(2.2)
EBITDA (%)	17.5	20.9	(49)
APAT	66	106	(4.1)
EPS (Rs)	228.4	367.1	(4.3)

Valuation (x)

	FY25E	FY26E	FY27E
P/E	50.0	31.1	25.5
EV/EBITDA	26.5	18.1	15.1
ROE (%)	10.6	15.3	16.3
RoACE (%)	9.2	12.7	14.0

Q3FY25 Result (Rs Mn)

Particulars	Q3FY25	YoY (%)	QoQ (%)
Revenue	171,933	2.7	10.0
Total Expense	143,062	6.1	5.1
EBITDA	28,871	(11.3)	43.0
Depreciation	9,167	17.0	1.4
EBIT	19,704	(20.3)	76.8
Other Income	2,443	73.9	10.7
Interest	3,819	45.7	20.4
EBT	18,328	(22.0)	80.0
Tax	3,580	(38.3)	87.0
RPAT	14,695	(17.3)	79.2
APAT	14,695	(17.3)	79.2
		(bps)	(bps)
Gross Margin	35.5	(204)	163
EBITDA (%)	16.8	(265)	388
NPM (%)	8.5	(207)	330
Tax Rate (%)	19.5	(517)	73
EBIT (%)	11.5	(330)	433

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

Particulars (Rs mn)	Actual	Dolat Est.	% Variance	Comments
Revenue	1,71,933	1,70,259	1.0	+1.6%/-0.6% volume/realization vs. estimates
EBITDA	28,871	27,107	6.5	-0.6%/-1.6% realization/opex vs. estimates
EBITDA margin (%)	16.8	15.9	87 bps	-
APAT	14,695	12,641	16.3	Better operating performance

Source: Company, Dolat Capital

Exhibit 2: Change in estimates

Particulars (Rs mn)	FY25E			FY26E			FY27E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenue	7,42,760	7,38,366	0.6	9,08,427	8,61,961	5.4	9,99,653	9,46,022	5.7
EBITDA	1,30,310	1,33,191	(2.2)	1,89,809	1,86,458	1.8	2,21,962	2,11,170	5.1
EBITDA margin (%)	17.5	18.0	(49 bps)	20.9	21.6	(74 bps)	22.2	22.3	(12 bps)
APAT	66,358	68,864	(3.6)	1,06,726	1,06,217	0.5	1,30,310	1,22,665	6.2
EPS (Rs)	229.9	238.6	(3.6)	369.7	368.0	0.5	451.4	425.0	6.2

Source: Company, Dolat Capital

We broadly maintain our estimates for FY25E. For FY26E/FY27E, we have factored contribution from ICEM volumes leading to increase in revenue by 5.4%/5.7% for FY26E/FY27E. We broadly maintain EBITDA/APAT for FY26E. We expect EBITDA/APAT to improve by 5.1%/6.2% in FY27E as ICEM is expected to turn profitable.

Exhibit 3: Volume, Realization & Cost/tn Analysis

Particulars (Rs)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Volume (MT)	30.4	27.3	11.2	27.8	9.1	90.16	84.0	7.4
Realization/tn (Rs)	5,661	6,127	(7.6)	5,616	0.8	5,645	6,013	(6.1)
EBITDA/tn (Rs)	951	1,191	(20.2)	725	31.1	881	1,055	(16.4)
Cost/tn (Rs)	4,711	4,936	(4.6)	4,891	(3.7)	4,764	4,958	(3.9)
Raw Material Cost/tn (Rs)	1,085	972	11.7	1,048	3.6	1,047	964	8.6
Employee Expenses/tn (Rs)	280	281	(0.6)	328	(14.7)	278	272	1.8
Power and Fuel Cost/tn (Rs)	1,311	1,529	(14.3)	1,378	(4.9)	1,366	1,601	(14.7)
Freight Cost/tn (Rs)	1,255	1,325	(5.3)	1,287	(2.5)	1,284	1,338	(4.0)
Other expenses/tn (Rs)	780	828	(5.8)	849	(8.2)	790	783	1.0

Source: Company, Dolat Capital

Exhibit 4: % of Revenue

Particulars	Q3FY25	Q3FY24	Bps	Q2FY25	Bps	9MFY25	9MFY24	Bps
Raw Material Cost	19.2	15.9	331	18.7	52	18.5	16.0	16
Employee Expenses	4.9	4.6	35	5.8	(90)	4.9	4.5	8
Power and Fuel Cost	23.1	25.0	(181)	24.5	(140)	24.2	26.6	(9)
Freight Cost	22.2	21.6	54	22.9	(75)	22.7	22.2	2
Other expenses	13.8	13.5	26	15.1	(135)	14.0	13.0	8

Source: Company, Dolat Capital

Exhibit 5: Income Statement (Consolidated)

Particulars (Rs mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Total Revenue	1,71,933	1,67,400	2.7	1,56,347	10.0	5,08,976	5,04,892	0.8
Raw Material Cost	32,962	26,554	24.1	29,165	13.0	94,366	80,936	16.6
Employee Expenses	8,500	7,689	10.5	9,139	(7.0)	25,021	22,882	9.3
Power and Fuel Cost	39,802	41,780	(4.7)	38,377	3.7	1,23,116	1,34,445	(8.4)
Freight Cost	38,112	36,209	5.3	35,835	6.4	1,15,760	1,12,335	3.0
Other Expenses	23,687	22,622	4.7	23,649	0.2	71,267	65,749	8.4
Total Expenditure	1,43,062	1,34,854	6.1	1,36,165	5.1	4,29,530	4,16,346	3.2
PBIDT (Excl. O.I.)	28,871	32,546	(11.3)	20,183	43.0	79,446	88,546	(10.3)
Other Income	2,443	1,405	73.9	2,207	10.7	6,308	4,813	31.0
Depreciation	9,167	7,835	17.0	9,039	1.4	26,631	23,304	14.3
EBIT	22,147	26,116	(15.2)	13,352	65.9	59,123	70,056	(15.6)
Interest	3,819	2,622	45.7	3,171	20.4	9,546	7,069	35.0
EBT (before E.O.)	18,328	23,494	(22.0)	10,180	80.0	49,577	62,988	(21.3)
Exceptional Items	0	0	-	0	-	325	0	-
EBT (after E.O.)	18,328	23,494	(22.0)	10,180	80.0	49,902	62,988	(20.8)
Tax	3,580	5,804	(38.3)	1,914	87.0	9,965	15,663	(36.4)
Share of P/L in Asso & JV (net of tax)	(13)	58	-	(14)	-	2	130	(98.5)
Minority Interest	40	(22)	-	51	(22.0)	78	(15)	-
RPAT	14,695	17,770	(17.3)	8,200	79.2	39,861	47,469	(16.0)
Adjustments	0	0	-	0	-	(325)	0	-
APAT	14,695	17,770	(17.3)	8,200	79.2	39,536	47,469	(16.7)
Adj. EPS (Rs)	50.9	61.6	(17.3)	28.4	79.2	137.0	164.4	(16.7)
			bps		bps			bps
EBIDTA Margin (Excl. O.I.)	16.8	19.4	(265)	12.9	388	15.6	17.5	(193)
NPM (%)	8.5	10.6	(207)	5.2	330	7.8	9.4	(163)
Tax Rate (%)	19.5	24.7	(517)	18.8	73	20.0	24.9	(490)

Source: Company, Dolat Capital

Exhibit 6: Valuation

Particulars	Rs mn
Assumed EV/EBITDA multiple (x)	15.5
EBITDA excl. Minority share (FY27E)	2,20,838
EV	34,22,993
Less: Net Debt	8,744
Add: 50% of FY27E Capital WIP	34,056
Add: Star Cement Stake at 1x P/BV	7,760
MCap	34,56,065
Shares o/s	289
Target price (Rs.)	11,947
CMP (Rs.)	11,421
Upside (%)	4.6

Source: Company, Dolat Capital

Earnings Call KTAs

Demand & Volume

- Cement demand remained subdued in Apr-Nov'24, however, seems to be improving from Dec'24 with pickup in govt capex, improvement in urban and rural housing demand. Industry growth for Q3FY25 remained low at ~5%, but **strong growth is expected in Q4FY25 at >6-7% (higher than industry for UTCEM)** owing to improvement in government/state capex and housing demand coupled with Q4 being a seasonally strong quarter. **For FY26, UTCEM expects 6-7% industry growth and UTCEM to clock volume growth of >10% with 80-85% capacity utilization.** In Q3FY25 for UTCEM, North has been the best performing market; followed by West/Central/ South, whereas East remains comparatively subdued.
- On a consolidated basis, UTCEM **sales volume** stood at 30.4 mt (+11.2% YoY/+9.1% QoQ) in Q3FY25; does not include any volume from India Cements.
- **Capacity utilization** stood at 73% in Q3FY25 vs. 68%/77% in Q2FY25/Q3FY24. **Clinker utilization** stood at 76% in Q3FY25 vs. 73% in Q2FY25. Region wise, East utilization levels remain below 70%, whereas capacity utilization for other regions stood at ~75%.
- **Trade share** stood at 65.4% in Q3FY25 vs. 67.5%/64% in Q2FY25/Q3FY24.
- **Blended cement** stood at 69.2%/70.1% in Q3FY25/9MFY25 vs. 70.1%/68% in Q2FY25/Q3FY24.
- **Premium products** contributed 26.5% of trade sales volume in Q3FY25 vs. 23.4%/23.0% in Q2FY25/Q3FY24.
- **Cement to clinker ratio** stood at 1.45x in Q3FY25 vs. 1.46x/1.43x in Q2FY25/Q3FY24.
- **Lead distance** stood at 377 kms in Q3FY25 vs. 388 kms/397 kms in Q2FY25/Q3FY24. The company expects lead distance to go down further by 5-6% with integration of acquired assets in South region.
- **Road/Rail/Sea mix** stood at 74%/24%/2% in Q3FY25 vs. 71%/ 27%/ 2% in Q2FY25 vs. 73-75%/ 23-25%/ 2% in Q1FY25.
- **Direct/depot sales** stood at 58.9%/41.1% in Q3FY25 vs. 55.3%/44.7% in Q2FY25.

Price

- UTCEM witnessed 1.4% QoQ price increase in Q3FY25, wherein >3% improvement was seen in North/West. Dec'24 exit prices are marginally up by ~1% vs. Q3FY25 avg. **In Jan'25 prices increased by 1.5% in the Central and West region.**

Profitability

- As per Q2FY25 earnings call, UTCEM expects 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 current 32% to 85% by FY28), iii) Lower logistic costs led by lead distance reduction (assuming >25 kms reduction), iv) Ramping up AFR consumption, and v) Operating leverage on the back of increased capacity and utilization. **The company will update further plans on the Q4FY25 earnings call.**

Cost

- **Freight cost** – On a YoY/QoQ basis the freight cost declined on account of lead distance reduction coupled with improved operating efficiencies and newer capacities.
- **Power & Fuel cost** – Fuel cost stood at Rs1.76 per Kcal in Q3FY25 vs. Rs1.84/Rs2.05 per kcal in Q2FY25/Q3FY24; **expects fuel cost to be ~Rs1.7 per Kcal in the foreseeable future.** Blended fuel consumption (CV of 7500) at \$125 per tn in Q3FY25 vs. \$133/\$150 per tn in Q2FY25/Q3FY24. Management mentioned that there was a one-time charge levied by AP government amounting to Rs470-480 mn which the company had accounted for in Q3FY25.
- **Fuel mix** – Share of petcoke stood at 58% in Q3FY25 vs. 54%/44% in Q2FY25/Q2FY24.
- **Green share** – Green power mix has increased to 33.4% (WHRS/RE 19.9%/13.5%) in Q3FY25 vs. 32.0%/24.1% in Q2FY25/Q3FY24; targets to reach 85% by FY30. UTCCEM plans to increase RE capacity from 752MW in 9MFY25 to 1GW/1.6GW (vs. earlier 1.5GW)/2.1GW (vs. earlier 1.8GW) in FY25/FY26/FY27; targets to reach 13%/26% (vs. earlier 27%)/38% (vs. earlier 40%)/60% by FY25/FY26/FY27/FY30 vs. 13% in 9MFY25. Also, plans to increase WHRS capacity from 324MW (16MW commissioned in Q3FY25) in 9MFY25 to 358MW/468MW (vs. earlier 437MW)/511MW (vs. earlier 450MW) in FY25/FY26/FY27; targets to reach 20%/21% (vs. earlier 24%)/24%/25% by FY25/FY26/FY27/FY30 vs. 19% in 9MFY25. Also, the delta for power generation cost for RE and thermal power stands at 35-40%.
- **Other expenses** – Lower other expenses were primarily led by operating leverage benefit.

Capex, Debt and Expansion

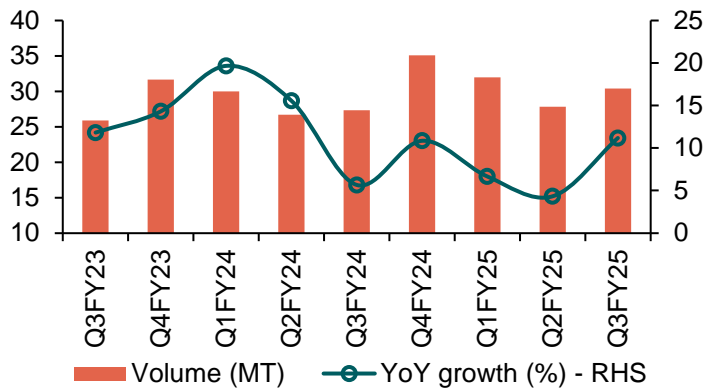
- UTCCEM incurred **capex** of Rs63 bn in 9MFY25; expects to incur capex of Rs30 bn/~Rs90 bn (excl. Rs4-5 bn Kesoram + some portion for ICEM)/Rs60-70 bn in Q4FY25E/FY26E/FY27E.
- **Net Debt** – Net Debt stood at Rs161.6 bn (including Rs31.4 bn ICEM open offer to be completed in Feb'25) in 9MFY25 vs. Rs87.9 bn/Rs27.8 bn in H1FY25/FY24. Net Debt/EBITDA stood at 1.3x in 9MFY25 vs. 0.7x/0.9x in H1FY25/FY24. Net to start going down from FY26.
- **Expansion** – In Q3FY25, UTCCEM has increased cement capacity by 1.2mtpa/0.6mtpa at Arakkonam, Tamil Nadu/ Kukurdih, Chhattisgarh. With this, the company's current India/total (incl. 5.4mtpa overseas) cement capacity stands at 151.3mtpa/156.7mtpa. The expansion program is progressing as per schedule. Going forward, the company targets to reach a total consolidated capacity (incl. 14.45mtpa ICEM/10.75mtpa Kesoram) of 188.2mtpa/200mtpa/214.7mtpa by FY25E/FY26E/FY27E. In 9MFY25, the company has added 6.7mtpa clinker capacity; further plans to add 3.35mtpa/10mtpa in Q4FY25/FY26.
- **Acquisition of Kesoram Industries** – Management highlighted that the transaction is in its last phases with the respective authorities. Also, awaiting mines transfer approval from the state authorities of Telangana and Karnataka. It expects no slippages in these processes and is confident the transaction will be concluded by FY25. At present, Kesoram's capacity utilization stood at ~70%; targets to further increase it by 4-5%.

- **Acquisition of India Cements (ICEM)** – With acquisition of 10,13,91,231 shares (32.72%) of ICEM by UTCCEM and already having a 22.77% stake in ICEM by UTCCEM, ICEM became a subsidiary of UTCCEM with effect from 24th Dec'24. UTCCEM's total shareholding increased to 17,19,55,887 equity shares representing 55.49% of ICEM's share capital. Post the open offer (110% subscribed), UTCCEM holds 81.49% of ICEM's share capital. UTCCEM will bring down its stake in ICEM to 75% as per timelines. As per the acquisition workings, ICEM's EV stands at Rs120.75 bn with a capacity of 14.45mtpa, thus translating to an acquisition cost of \$98/tn. As on Dec'24, ICEM's net debt was reduced to Rs8.77 bn; no loans & advances were being given by UTCCEM. However, ICEM's debt to get reduced primarily led by the cash generation from non-core assets (largely land). ICEM'S capacity utilization stood at 57% in Q3FY25; to further improve its capacity utilization. It targets to improve the performance of ICEM over the next 12 months coupled with WHRS investments. UTCCEM has already started evaluating its opportunities with ICEM and targets to turnaround the performance starting from Jan'25; will share further details on Q4FY25 earnings call.
- **Acquired 8.42% stake in STRCEM** – UTCCEM has acquired a non-controlling financial stake of 8.42% in Star Cement Limited at a total cost of Rs7.76 bn. UTCCEM has been trying to identify opportunities to deepen their reach in the North-East and believes investment in Star Cement will help them understand the market/opportunities in North Eastern markets.
- **Rebranding of ICEM and Kesoram** – UTCCEM mentioned there is no rush to rebrand the existing brands; the transition to take place at the right time.

Others

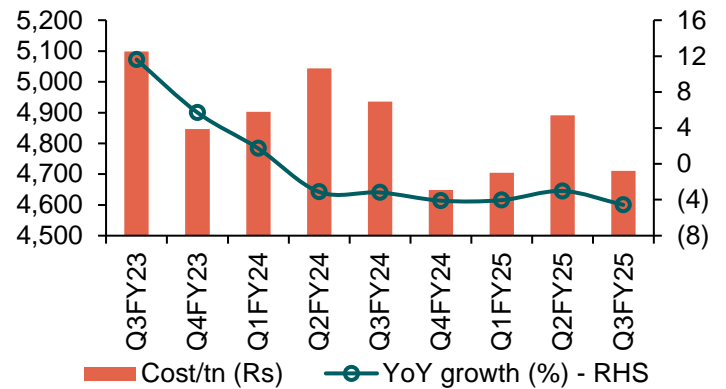
- **RMC** – UTCCEM witnessed growth in the RMC business with volumes at 3.17mn m3 (14% YoY) and revenue at Rs14.69 bn (13.6% YoY). The total number of RMC plants stood at 348 in Q3FY25 vs. 321/316/307 in Q2FY25/Q1FY25/FY24.
- **Ultratech business solutions** – Building Products segment clocked revenue of Rs2.3 bn (+26% YoY/+8% QoQ) in Q3FY25. The company has increased its UBS outlets to 4,432, contributing 19.5% of domestic grey sales volume. This has also led to an increase in direct sales to 58.9% in Q3FY25 vs. 55.3% in Q2FY25. Currently, UBS is largest pan-India multi-category retail chain catering to individual home builders (IHBs). These stores cater to urban customers as well as consumers residing in villages and talukas. Nearly 60% of the UBS stores are in villages and small towns to tap into the rising demand for housing in rural India.
- **Limestone** – UTCCEM highlighted that ICEM has limestone reserves majorly in AP and Telangana with a visibility of >25 years.

Exhibit 7: Volume trend (MT)



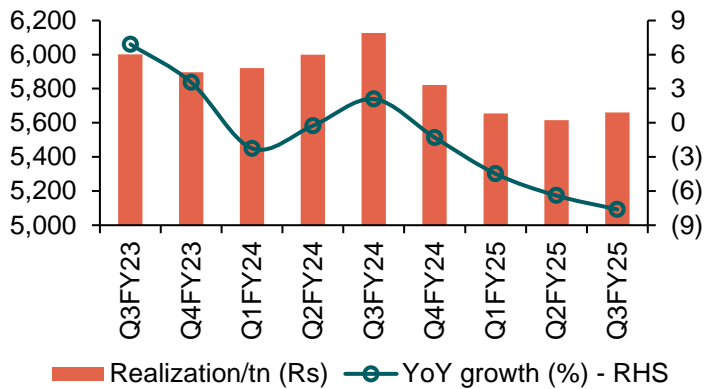
Source: Company, Dolat Capital

Exhibit 8: Cost/tn trend (Rs)



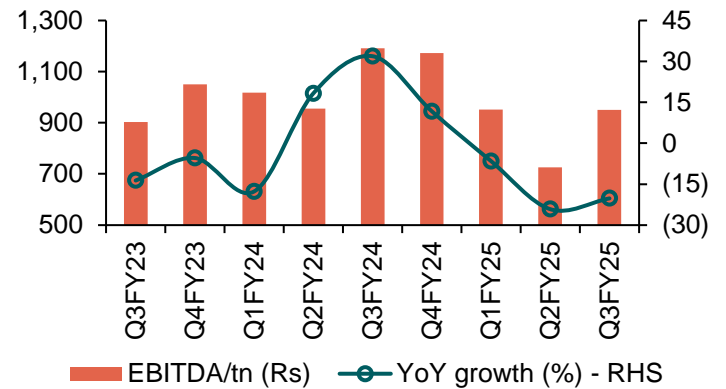
Source: Company, Dolat Capital

Exhibit 9: Realization/tn trend (Rs)



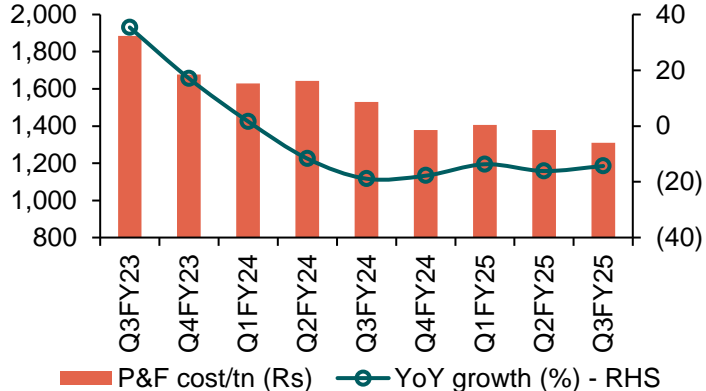
Source: Company, Dolat Capital

Exhibit 10: EBITDA/tn trend (Rs)



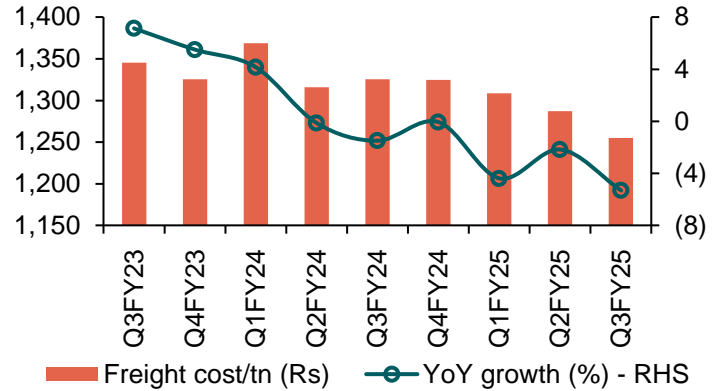
Source: Company, Dolat Capital

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



Source: Company, Dolat Capital

Exhibit 12: Freight cost/tn trend (Rs)



Source: Company, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25E	FY26E	FY27E
Revenue	709,081	742,760	908,427	999,653
Total Expense	579,396	612,450	718,618	777,692
COGS	460,669	480,043	563,018	607,404
Employees Cost	30,376	34,325	37,414	39,846
Other expenses	88,351	98,083	118,186	130,442
EBIDTA	129,686	130,310	189,809	221,962
Depreciation	31,453	36,408	41,552	45,122
EBIT	98,233	93,902	148,256	176,839
Interest	9,680	13,156	14,354	11,744
Other Income	6,170	8,020	8,421	8,842
Exc. / E.O. items	(720)	325	0	0
EBT	94,222	89,112	142,344	173,958
Tax	24,183	22,634	36,155	44,185
Minority Interest	(10)	78	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	70,050	66,400	106,189	129,773
Adjustments	720	(325)	0	0
APAT	70,770	66,075	106,189	129,773

Balance Sheet

(Rs Mn)	FY24A	FY25E	FY26E	FY27E
Sources of Funds				
Equity Capital	2,887	2,887	2,893	2,893
Minority Interest	559	637	637	637
Reserves & Surplus	599,388	645,579	737,303	851,164
Net Worth	602,275	648,466	740,196	854,057
Total Debt	102,984	173,984	144,984	115,984
Net Deferred Tax Liability	64,478	64,478	64,478	64,478
Total Capital Employed	770,296	887,565	950,295	1,035,156

Applications of Funds

Net Block	565,321	723,907	732,354	807,232
CWIP	131,567	121,567	171,567	131,567
Investments	27,642	35,402	35,402	35,402
Current Assets, Loans & Advances	283,491	232,703	280,325	354,175
Current Investments	54,848	10,848	11,848	61,848
Inventories	83,297	75,293	92,087	101,335
Receivables	42,782	42,734	52,266	57,514
Cash and Bank Balances	7,832	7,480	10,374	9,991
Loans and Advances	172	212	252	292
Other Current Assets	94,559	96,135	113,499	123,195
Less: Current Liabilities & Provisions	237,724	226,013	269,353	293,219
Payables	84,783	77,328	94,576	104,073
Other Current Liabilities	152,941	148,684	174,777	189,145
<i>sub total</i>				
Net Current Assets	45,767	6,690	10,972	60,956
Total Assets	770,296	887,565	950,295	1,035,156

E – Estimates

Important Ratios

Particulars	FY24A	FY25E	FY26E	FY27E
(A) Margins (%)				
Gross Profit Margin	35.0	35.4	38.0	39.2
EBIDTA Margin	18.3	17.5	20.9	22.2
EBIT Margin	13.9	12.6	16.3	17.7
Tax rate	25.7	25.4	25.4	25.4
Net Profit Margin	10.0	8.9	11.7	13.0
(B) As Percentage of Net Sales (%)				
COGS	65.0	64.6	62.0	60.8
Employee	4.3	4.6	4.1	4.0
Other	12.5	13.2	13.0	13.0
(C) Measure of Financial Status				
Gross Debt / Equity	0.2	0.3	0.2	0.1
Interest Coverage	10.1	7.1	10.3	15.1
Inventory days	43	37	37	37
Debtors days	22	21	21	21
Average Cost of Debt	9.6	9.5	9.0	9.0
Payable days	44	38	38	38
Working Capital days	24	3	4	22
FA T/O	1.3	1.0	1.2	1.2
(D) Measures of Investment				
AEPS (Rs)	244.6	228.4	367.1	448.6
CEPS (Rs)	353.4	354.2	510.7	604.6
DPS (Rs)	37.8	69.9	50.0	55.0
Dividend Payout (%)	15.5	30.6	13.6	12.3
BVPS (Rs)	2081.9	2241.5	2558.6	2952.2
RoANW (%)	12.4	10.6	15.3	16.3
RoACE (%)	10.6	9.2	12.7	14.0
RoAIC (%)	13.5	11.4	16.3	18.0
(E) Valuation Ratios				
CMP (Rs)	11421	11421	11421	11421
Mcap (Rs Mn)	3,304,010	3,304,010	3,304,010	3,304,010
EV	3,344,314	3,459,666	3,426,772	3,348,155
MCap/ Sales	4.7	4.4	3.6	3.3
EV/Sales	4.7	4.7	3.8	3.3
P/E	46.7	50.0	31.1	25.5
EV/EBITDA	25.8	26.5	18.1	15.1
P/BV	5.5	5.1	4.5	3.9
Dividend Yield (%)	0.3	0.6	0.4	0.5
(F) Growth Rate (%)				
Revenue	12.1	4.7	22.3	10.0
EBITDA	22.1	0.5	45.7	16.9
EBIT	27.0	(4.4)	57.9	19.3
PBT	27.0	(5.4)	59.7	22.2
APAT	39.8	(6.6)	60.7	22.2
EPS	39.8	(6.6)	60.7	22.2

E – Estimates

Cash Flow

Particulars	FY24A	FY25E	FY26E	FY27E
Profit before tax	94,222	89,112	142,344	173,958
Depreciation & w.o.	31,453	36,408	41,552	45,122
Net Interest Exp	7,271	9,146	10,143	7,322
Direct taxes paid	(16,505)	(22,634)	(36,155)	(44,185)
Change in Working Capital	(4,811)	(5,275)	(389)	(367)
Non Cash	(2,661)	0	0	0
(A) CF from Operating Activities	108,970	106,755	157,495	181,851
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(90,056)	(184,993)	(100,000)	(80,000)
Free Cash Flow	18,914	(78,238)	57,495	101,851
(Inc.)/ Dec. in Investments	(6,151)	36,240	(1,000)	(50,000)
Other	2,829	4,010	4,211	4,421
(B) CF from Investing Activities	(93,377)	(144,743)	(96,789)	(125,579)
Issue of Equity/ Preference	19	0	6	0
Inc./(Dec.) in Debt	3,299	71,000	(29,000)	(29,000)
Interest exp net	(8,535)	(13,156)	(14,354)	(11,744)
Dividend Paid (Incl. Tax)	(10,944)	(20,209)	(14,465)	(15,911)
Other	(3,095)	0	0	0
(C) CF from Financing	(19,257)	37,635	(57,812)	(56,655)
Net Change in Cash	(3,664)	(352)	2,894	(383)
Opening Cash balances	11,496	7,832	7,480	10,374
Closing Cash balances	7,832	7,480	10,374	9,991

E – Estimates

Notes

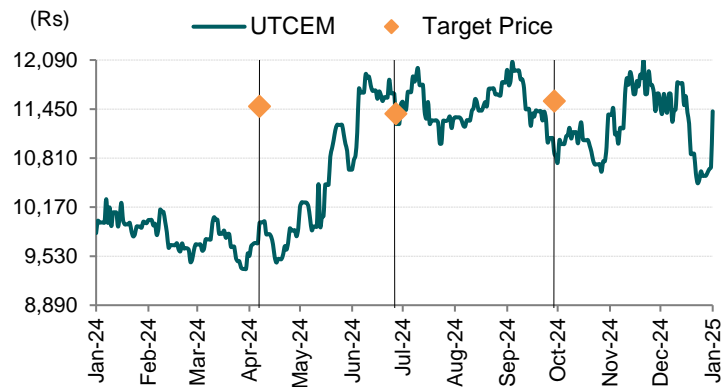
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	0	6	16
Rel to NIFTY (%)	2	11	7

Shareholding Pattern

Particulars	Jun'24	Sep'24	Dec'24
Promoters	60.0	60.0	60.0
MF/Banks/FIs	11.8	11.6	12.3
FIIIs	18.7	18.5	17.5
Public / Others	9.6	9.9	10.3



Month	Rating	TP (Rs.)	Price (Rs.)
Apr-24	BUY	11,485	9,964
Jul-24	Accumulate	11,389	11,258
Oct-24	Accumulate	11,554	10,869

*Price as on recommendation date

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

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

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