

Weak revenues - No respite

- Zee's Q1FY26 was significantly weak. Domestic ad revenues declined steeply by 19% YoY. Revenue/EBITDA/APAT in Q1 came at -14/-16/-11% YoY, whereas for FY25 it grew by -4/+28/+36% YoY led by costs rationalization.
- Following 5 consecutive years of EBITDA decline (FY19-24), the company witnessed a rebound in FY25. We expect Zee's financials to benefit from 1) revival in ad growth supported by a favorable base, further aided by mgmt efforts to widen and deepen the genre, geographic, and customer reach, as well as switch from PayTV to FTA, 2) reduced losses in the digital segment and 3) Oplev. Potential events like M&A or an increase in stake by Promoters (which could be an additional +ve trigger). Growth disappointment and misallocation of capital are key risks.
- We reduce our FY26/27E EBITDA by 10/8% & EPS by 10/7% to factor weak near-term advertising outlook. Zee has ~Rs 22bn but is partly offset by the risk of potential contingent liabilities. We downgrade our rating by a notch to 'Accumulate' from 'BUY' with revised TP of Rs 150 @ 15x FY27E EPS (vs. Rs 160 @16x FY27E earlier).

Weak revenues.....

Zee's Q1FY26 revenues were +-14% YoY. Ad revenue declined by 17% YoY (domestic -19%) on account of sluggish macros and subdued spending by FMCG. This is despite Zee Cine awards happening in Q1 instead of Q4. Viewership share in Q4 was at 16.6% (+40bps YoY). Subscription was +1% YoY. Syndication revenues declined by 72% YoY.

.....drives Operating de-leverage

EBITDA/APAT came in at -16%/-11% YoY. EBITDA margin stood at 12.5%. The steep decline in digital losses (-72% YoY) is positive.

Balancing optimism and execution

Zee management has guided for 8-10% ad revenue growth and 18-20% EBITDA margin by FY26, with revenue-driven margin expansion. While being optimistic about diversification into retail and international markets to boost ad revenues, we acknowledge the execution risks, given management's past track record. Further, litigation risks from TV18-Star post-merger, potential capital misallocation, cord-cutting, and shift of ad dollars to digital are additional challenges. **Despite these headwinds, healthy free cash flow (FCF) and margin trajectory in FY25 have been key positives. Sustained growth on this is key. Potential contingent liabilities esp. with Nykaaare a key risk.**

Key Data

Nifty	25,061
Equity / FV	Rs 961mn / Rs 1
Market Cap	Rs 128bn
	USD 1.5bn
52-Week High/Low	Rs 155/ 89
Avg. Volume (no)	17,624,800
Bloom Code	Z IN

	Current	Previous
Rating	Accumulate	BUY
Target Price	150	160

Change in Estimates

(Rs.bn)	Current		Chg (%) /bps	
	FY26E	FY27E	FY26E	FY27E
Revenue	82	87	(5.8)	(5.5)
EBITDA	13	15	(10.1)	(7.5)
EBITDA (%)	15.6	16.9	(75)	(36)
APAT	8	10	(9.5)	(6.6)
EPS (Rs)	8.8	10.0	(9.5)	(6.6)

Valuation (x)

	FY25A	FY26E	FY27E
P/E	19.5	15.3	13.3
EV/EBITDA	9.3	6.7	5.6
ROE (%)	6.1	7.2	7.8
RoACE (%)	6.6	7.1	7.7

Q1FY26 Result (Rs Mn)

Particulars	Q1FY26	YoY (%)	QoQ (%)
Revenue	18,248	(14.4)	(16.5)
Total Expense	15,968	(14.1)	(17.4)
EBITDA	2,280	(16.1)	(8.9)
Depreciation	591	(21.8)	(7.5)
EBIT	1,689	(13.8)	(9.3)
Other Income	250	31.6	(30.9)
Interest	77	39.0	(4.9)
EBT	1,971	14.4	(24.7)
Tax	535	(1.3)	(27.1)
RPAT	1,435	21.5	(23.8)
APAT	1,369	(11.1)	(13.2)
		(bps)	(bps)
Gross Margin	46.8	203	548
EBITDA (%)	12.5	(26)	104
NPM (%)	7.9	232	(76)
Tax Rate (%)	27.1	(433)	(88)
EBIT (%)	9.3	5	73

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Exhibit 1: Actual vs. Estimates

Particulars (Rs mn)	Actual	Estimates	Variance (%)	Remarks
Net Sales (Rs Mn)	18,248	19,270	(5.3)	Weak results due to Opdeleverage
EBITDA (Rs Mn)	2,280	2,725	(16.3)	
EBITDA Margin (%)	12.5	14.1	(164 bps)	
APAT (Rs Mn)	1,369	1,672	(18.1)	
AEPS (Rs)	1.4	1.7	(18.1)	

Source: Company, Dolat Capital

Exhibit 2: Change in estimates – Zee Entertainment

Particulars (Rs mn)	FY26E			FY27E			Remarks
	Old	New	Chg %	Old	New	Chg %	
Net Sales	87,505	82,417	(5.8)	91,812	86,746	(5.5)	Marginally reduce estimates to factor in weaker revenue growth
EBITDA	14,293	12,846	(10.1)	15,807	14,621	(7.5)	
EBITDA (%)	16.3	15.6	(71 bps)	17.2	16.9	(34 bps)	
APAT	9,311	8,426	(9.5)	10,308	9,632	(6.6)	
EPS (Rs)	9.7	8.8	(9.5)	10.7	10.0	(6.6)	

Source: Company, Dolat Capital

Earnings calls KTAs

Performance Overview

- Ad revenues impacted by high base, weak macros and especially spending from FMCG, early sports calendar partly offset by shift in Zee Cine awards to Q1
- Cost savings largely through revenue growth is a key from hereon for further margin expansion.
- The company plans to diversify revenue sources, focusing on sectors beyond FMCG, like Retail and International, to drive ad revenue growth.

Zee5, Movies, and Music

- Subscriber Growth: Zee5 has witnessed healthy subscriber additions
- The movie business remains a core strength, though challenges persist.
- Music: The company is committed to music rights acquisition but sees aggression from domestic players.
- Expect EBITDA to break-even in the segment by the end of FY26

Cost Management and Investments

- Advertising & Marketing: Increased investments to support growth initiatives.
- Employee Increments: Rolled out to enhance talent retention and operational efficiency.
- Depreciation: Expenses reduced due to organizational shifts, and the current run rate is expected to continue.
- EBITDA Margin Guidance: Targeting EBITDA margin improvement by FY26 through cost management and strategic growth initiatives.

Strategic Focus and Growth Plan

Content Expansion:

- Continued focus on linear and digital platforms, with new Hindi and regional shows in development.
- Experimentation with innovative formats and selective IP acquisitions.

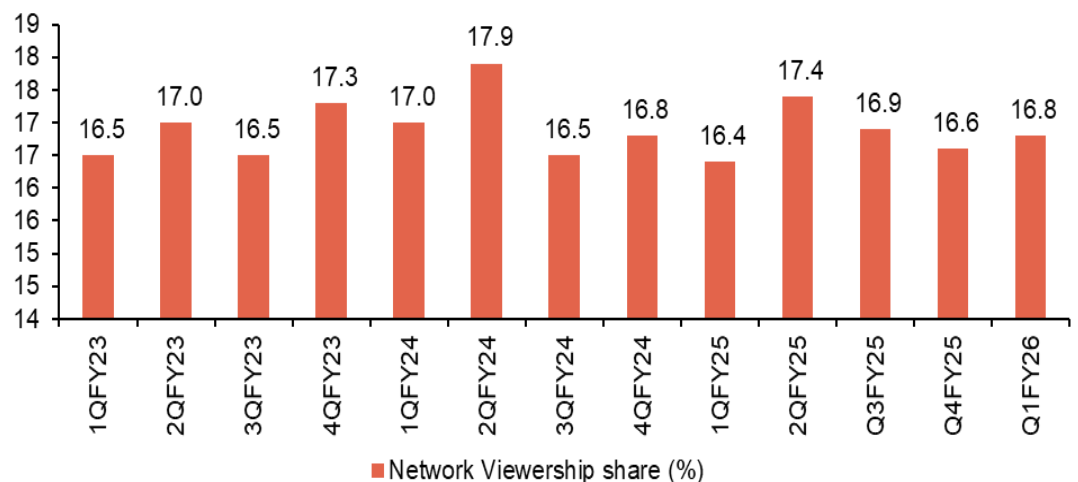
High-Growth Areas:

- Investments in digital (Zee5), regional content, music, and international markets.
- Content Monetization: Monetizing the existing content library through syndication to enhance revenue streams.
- Strengthening brand and audience engagement through unique and engaging content offerings.

Others

- FCCB Update: The next tranche of FCCBs is scheduled for Aug'25.
- Arbitration Update: Arbitration filed by Star will take time for resolution.

Exhibit 3: Network Viewership Share trend



Source: Company, Dolat Capital

Subscription growth to be modest

Zee's domestic subscription revenue increased by a healthy 11.5/7.1% YoY in FY24/25, respectively driven by the NTO 3.0 and price increase and digital. However, as per the mgmt. in linear TV, the net subscription revenue declined due to subscriber loss.

From a medium-term perspective, Zee management has stated that it remains optimistic about subscription revenue growth. These are in both the business segments of linear TV and Digital. In linear TV, the subscription revenue growth would be led by penetration and pricing, offset by subscriber churn to digital. In digital, the growth would largely be led by penetration in the initial couple of years, followed by gradual improvements in pricing in later years.

Zee5: Losses are finally on a decline

Zee's digital losses, which had been rising for several quarters, finally halved in FY25, with losses declining consistently each quarter throughout the year. This is a major positive. It further declined in Q1FY26 by ~100mn.

Zee aims to refresh and sharpen its content offerings across linear and digital platforms with new show launches in Hindi and regional markets, marketing investments, and selective IP acquisitions. The company will focus on high-growth segments like digital (Zee5), international business, music, and regional markets while monetizing its rich content library through syndication. This approach balances short-term revenue growth with long-term strategic objectives. The impact of this reshuffle would be known only over the medium term. The reduction in losses in digital (without a significant impact on revenues) is a near-term positive.

To save costs and improve performance, we wouldn't be surprised if Zee eventually switched to Sun/Sony's model of syndicating content with digital leaders (Google/FB) and significantly downsizing the digital operations.

Exhibit 4: Digital Business – Key Operating Metrics

Particulars (Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	FY21	FY22	FY23	FY24	FY25
Shows + movies	13	16	14	16	17	77	48	32	62	59
Revenue	2,237	2,363	2,413	2,747	2,900	4,191	5,495	7,411	9,195	9,760
Opex	4,014	3,951	3,775	3,500	3,558	10,918	13,028	18,461	20,247	15,240
EBITDA	(1,777)	(1,588)	(1,362)	(753)	(658)	(6,727)	(7,533)	(11,050)	(11,052)	(5,480)

Source: Company, Dolat Capital| Consolidated Free cash flow trend of Zee Entertainment

Exhibit 5: Abridged Cash Flows

Particulars	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
CF from operating activities	13,442	14,095	18,504	19,258	14,668	12,352	4,012	3,726	11,121
WC changes	(6,036)	(8,551)	(17,152)	(16,758)	809	(9,638)	(2,722)	3,418	959
Capex	(2,704)	(3,146)	(2,815)	(1,451)	(1,740)	(1,813)	(2,401)	(991)	(870)
Chg in Non-current assets & liabilities	(252)	(2,908)	414	672	(203)	(13)	-	-	-
Dividend/Interest income	1,074	1,208	1,010	1,367	443	217	403	465	583
Interest payments	(73)	(101)	(54)	(67)	(43)	(49)	(80)	(671)	(120)
Lease Liabilities payments	-	-	-	(447)	(225)	(229)	(865)	(860)	(908)
FCF	5,451	597	(92)	2,573	13,709	827	(1,652)	5,086	10,765
Stake sale in subsidiaries	18,417	1,346	-	-	-	-	-	-	-
Chg in Current investments	(2,566)	(6,997)	10,053	3,300	(3,562)	7,465	(18)	52	(15,748)
Redemption of RPS	-	(4,030)	(4,891)	(4,867)	(4,027)	(4,034)	-	-	-
Chg in long-term borrowings	-	(2,937)	15	(12)	4	9	24	(4)	1,997
Dividend paid on equity shares	(2,607)	(2,399)	(3,357)	(4,081)	(290)	(2,401)	(2,882)	-	(961)
Dividend paid on RPS	(1,458)	(1,435)	(1,377)	(1,146)	(827)	(449)	-	-	-
Effect of exchange differences	(717)	84	(19)	85	(51)	85	(1)	19	20
Payment for settlements	-	-	-	-	-	-	(280)	(1,200)	-
Chg in C&CE on non-operating items	11,069	(16,368)	424	(6,721)	(8,754)	675	(3,156)	(1,133)	(14,692)
Total chg in C&CE	16,520	(15,771)	332	(4,148)	4,956	1,502	(4,809)	3,953	(3,927)
Closing C&CE	25,116	9,345	9,677	5,529	10,485	11,987	7,178	11,131	7,204

Source: Company, Dolat Capital

Exhibit 6: Break-up of content inventory, advances and deposits

Particulars (Rs bn)	FY21	FY22	FY23	FY24	FY25
Movie rights	40.1	45.7	51.7	47.5	50.1
Shows	8.2	10.2	11.1	10.4	9.2
Movie production, Music & Others	5.6	8.0	10.3	11.9	8.5
Content advances & deposits	8.8	8.7	6.4	4.5	2.8
Total	62.7	72.5	79.6	74.2	70.5

Source: Company, Dolat Capital

Exhibit 7: Consolidated Quarterly P&L

Particulars (Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Revenue	21,305	20,007	19,788	21,841	18,248	(14.3)	(16.5)
Operating costs	11,770	10,615	9,968	12,819	9,710	(17.5)	(24.3)
Employee expenses	2,258	2,275	2,433	2,300	2,201	(2.5)	(4.3)
A&P	2,896	2,593	2,977	3,000	2,752	(5.0)	(8.3)
Other expenses	1,665	1,314	1,226	1,220	1,305	(21.6)	7.0
Operating cost	18,589	16,797	16,604	19,339	15,968	(14.1)	(17.4)
EBITDA	2,717	3,210	3,184	2,502	2,280	(16.1)	(8.9)
Depreciation	756	732	658	639	591	(21.8)	(7.5)
EBIT	1,960	2,478	2,526	1,863	1,689	(13.8)	(9.3)
Interest expenses	55	83	108	81	77	39.0	(4.9)
Fair value (gain)/loss	11	(22)	(23)	(125)	(109)	-	(12.8)
Other income	190	337	345	362	250	31.6	(30.9)
PBT	2,084	2,754	2,786	2,269	1,971	(5.4)	(13.1)
Income taxes	542	769	342	734	535	(1.3)	(27.1)
EO (loss)/gain	(361)	109	(809)	350	-	(100.0)	(100.0)
Share in Assc./JV	-	-	1	1	1		9.9
RPAT	1,181	2,094	1,634	1,884	1,435	21.5	(23.8)
APAT	1,540	1,443	2,031	1,576	1,369	(11.1)	(13.2)

Source: Company, Dolat Capital| LTP – Loss to profit | PTN – Positive to Negative| NTN – Negative to Negative

Exhibit 8: Margin Analysis

As % of Net Sales	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Operating costs	55.2	53.1	50.4	58.7	53.2	(203)	(548)
Employee expenses	10.6	11.4	12.3	10.5	12.1	146	153
A&P	13.6	13.0	15.0	13.7	15.1	149	135
Other expenses	7.8	6.6	6.2	5.6	7.2	(66)	157
Operating cost	87.2	84.0	83.9	88.5	87.5	26	(104)
EBITDA	12.8	16.0	16.1	11.5	12.5	(26)	104
Depreciation	3.5	3.7	3.3	2.9	3.2	(31)	31
EBIT	9.2	12.4	12.8	8.5	9.3	5	73
APAT	7.2	7.2	10.3	7.2	7.5	27	28
Tax as % of PBT	26.0	27.9	12.3	32.3	27.1	112	(521)

Source: Company, Dolat Capital

Exhibit 9: Segment-wise revenue

Particulars (Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Advertisement	9,113	9,017	9,406	8,375	7,585	(16.8)	(9.4)
Subscription	9,872	9,699	9,825	9,865	9,817	(0.6)	(0.5)
Other operating revenue	2,320	1,291	557	3,601	846	(63.5)	(76.5)
Total	21,305	20,007	19,788	21,841	18,248	(14.3)	(16.5)

Source: Company, Dolat Capital

Exhibit 10: Revenue split: Domestic

Domestic (Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Advertisement	8,689	8,608	8,806	7,786	7,025	(19.2)	(9.8)
Subscription	8,848	8,655	8,959	8,855	8,931	0.9	0.9
Other operating revenue	2,163	1,157	349	3,080	615	(71.6)	(80.0)
Total	19,700	18,420	18,114	19,721	16,571	(15.9)	(16.0)

Source: Company, Dolat Capital

Exhibit 11: Revenue split: International

Particulars (Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Advertisement	424	409	600	589	560	32.1	(4.9)
Subscription	1,024	1,044	866	1,010	886	(13.5)	(12.3)
Other operating revenue	157	134	208	521	231	47.1	(55.7)
Total	1,605	1,587	1,674	2,120	1,677	4.5	(20.9)

Source: Company, Dolat Capital

Exhibit 12: Broadcast business performance

(Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Revenue	19,068	17,644	17,375	19,094	15,348	(19.5)	(19.6)
Opex	14,575	12,846	12,829	15,839	12,410	(14.9)	(21.6)
EBITDA	4,494	4,798	4,546	3,255	2,938	(34.6)	(9.7)
Margin %	23.6	27.2	26.2	17.0	19.1	-443 bps	210 bps

Source: Company, Dolat Capital

Exhibit 13: Digital business performance

(Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Revenue	2,237	2,363	2,413	2,747	2,900	29.6	5.6
Opex	4,014	3,951	3,775	3,500	3,558	(11.4)	1.7
EBITDA	(1,777)	(1,588)	(1,362)	(753)	(658)	(63.0)	(12.6)
Margin %	(9.3)	(9.0)	(7.8)	(3.9)	(4.3)	504 bps	-35 bps

Source: Company, Dolat Capital

Exhibit 14: Zee Consolidated - Key Assumptions

Particulars (Rs Mn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Advertising	41,835	50,367	47,179	37,488	43,962	40,579	40,577	35,911	34,849	37,383
Subscription	20,283	23,106	28,873	32,430	32,466	32,865	36,660	39,261	40,202	41,609
Others	4,522	5,867	5,614	1,869	5,430	6,945	9,136	7,769	7,366	7,754
Total Revenue	66,640	79,339	81,667	71,787	81,857	80,389	86,372	82,941	82,417	86,746
Operating Costs	45,878	53,700	58,546	53,857	64,054	69,868	77,301	71,329	69,570	72,125
EBITDA	20,761	25,640	23,121	17,930	17,803	10,521	9,071	11,613	12,846	14,621
EBITDA Margin %	31.2	32.3	28.3	25.0	21.7	13.1	10.5	14.0	15.6	16.9
% change YoY										
Advertising	17.2	20.4	(6.3)	(20.5)	17.3	(7.7)	0.0	(11.5)	(3.0)	7.3
Subscription	9.3	13.9	25.0	12.3	0.1	1.2	11.5	7.1	2.4	3.5
Others	19.2	29.7	(4.3)	(66.7)	190.5	27.9	31.5	(15.0)	(5.2)	5.3
Total Revenue	14.8	19.1	2.9	(12.1)	14.0	(1.8)	7.4	(4.0)	(0.6)	5.3
Operating Costs	18.3	17.0	9.0	(8.0)	18.9	9.1	10.6	(7.7)	(2.5)	3.7
EBITDA	7.7	23.5	(9.8)	(22.5)	(0.7)	(40.9)	(13.8)	28.0	10.6	13.8
Revenue Mix %										
Advertising	62.8	63.5	57.8	52.2	53.7	50.5	47.0	43.3	42.3	43.1
Subscription	30.4	29.1	35.4	45.2	39.7	40.9	42.4	47.3	48.8	48.0
Others	6.8	7.4	6.9	2.6	6.6	8.6	10.6	9.4	8.9	8.9
Total Revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Revenue break-up										
Domestic	59,174	71,161	74,317	65,879	75,456	73,337	79,720	75,955	75,154	79,213
-Advertising	39,640	47,690	44,779	35,652	41,949	38,648	38,952	33,889	32,586	35,030
-Subscription	16,391	19,233	25,623	29,137	28,666	28,616	32,546	35,317	36,326	37,598
-Others	3,143	4,238	3,915	1,090	4,842	6,073	8,223	6,749	6,242	6,585
International	7,683	8,179	7,350	5,908	6,401	7,052	6,641	6,986	7,262	7,533
-Advertising	2,408	2,677	2,400	1,836	2,013	1,931	1,614	2,022	2,263	2,353
-Subscription	3,896	3,873	3,251	3,293	3,800	4,249	4,114	3,944	3,876	4,011
-Others	1,379	1,630	1,699	779	588	872	913	1,020	1,124	1,169
Change YoY (%)										
Domestic	19.7	20.3	4.4	(11.4)	14.5	(2.8)	8.7	(4.7)	(1.1)	5.4
-Advertising	20.7	20.3	(6.1)	(20.4)	17.7	(7.9)	0.8	(13.0)	(3.8)	7.5
-Subscription	15.7	17.3	33.2	13.7	(1.6)	(0.2)	13.7	8.5	2.9	3.5
-Others	29.0	34.8	(7.6)	(72.2)	344.2	25.4	35.4	(17.9)	(7.5)	5.5
International	(10.5)	6.5	(10.1)	(19.6)	8.3	10.2	(5.8)	5.2	4.0	3.7
-Advertising	(15.0)	11.2	(10.3)	(23.5)	9.6	(4.1)	(16.4)	25.3	11.9	4.0
-Subscription	(11.4)	(0.6)	(16.1)	1.3	15.4	11.8	(3.2)	(4.1)	(1.7)	3.5
-Others	1.5	18.2	4.3	(54.1)	(24.5)	48.3	4.7	11.7	10.2	4.0

Source: Company, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Revenue	86,372	82,941	82,417	86,746
Total Expense	77,301	71,329	69,570	72,125
COGS	50,393	45,172	43,341	44,925
Employees Cost	10,188	9,266	9,477	9,951
Other expenses	16,719	16,891	16,752	17,249
EBIDTA	9,071	11,613	12,846	14,621
Depreciation	3,091	2,785	2,454	2,709
EBIT	5,980	8,827	10,392	11,912
Interest	721	327	301	283
Other Income	1,292	1,234	1,372	1,475
Exc. / E.O. items	(2,745)	(552)	109	0
EBT	3,806	9,182	11,572	13,104
Tax	1,818	2,387	3,079	3,473
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	(2)	(4)	(5)
RPAT	1,988	6,792	8,489	9,627
Adjustments	2,745	552	(109)	0
APAT	4,815	6,589	8,426	9,632

Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Sources of Funds				
Equity Capital	961	961	961	961
Minority Interest	0	0	0	0
Reserves & Surplus	107,768	114,373	119,021	124,806
Net Worth	108,729	115,334	119,981	125,766
Total Debt	2,303	3,209	3,851	4,621
Net Deferred Tax Liability	1,671	1,579	1,816	2,088
Total Capital Employed	112,704	120,122	125,648	132,475

Applications of Funds

Net Block	8,251	6,262	7,012	7,762
CWIP	93	14	14	14
Investments	13,874	12,796	13,159	13,653
Current Assets, Loans & Advances	112,261	118,242	129,412	135,765
Current Investments	0	0	0	0
Inventories	69,129	67,748	55,709	55,704
Receivables	17,016	15,325	14,990	15,935
Cash and Bank Balances	11,932	24,064	45,648	50,650
Loans and Advances	0	0	0	0
Other Current Assets	14,185	11,105	13,065	13,476
Less: Current Liabilities & Provisions	21,776	17,192	23,949	24,719
Payables	14,355	11,907	14,217	14,477
Other Current Liabilities	7,421	5,285	9,732	10,243
<i>sub total</i>				
Net Current Assets	90,486	101,050	105,463	111,046
Total Assets	112,704	120,122	125,648	132,475

E – Estimates

Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
(A) Margins (%)				
Gross Profit Margin	41.7	45.5	47.4	48.2
EBIDTA Margin	10.5	14.0	15.6	16.9
EBIT Margin	6.9	10.6	12.6	13.7
Tax rate	47.8	26.0	26.6	26.5
Net Profit Margin	2.3	8.2	10.3	11.1
(B) As Percentage of Net Sales (%)				
COGS	58.3	54.5	52.6	51.8
Employee	11.8	11.2	11.5	11.5
Other	19.4	20.4	20.3	19.9
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	8.3	27.0	34.5	42.0
Inventory days	292	298	247	234
Debtors days	72	67	66	67
Average Cost of Debt	28.1	11.9	8.5	6.7
Payable days	61	52	63	61
Working Capital days	382	445	467	467
FA T/O	10.5	13.2	11.8	11.2
(D) Measures of Investment				
AEPS (Rs)	5.0	6.9	8.8	10.0
CEPS (Rs)	8.2	9.8	11.3	12.8
DPS (Rs)	4.0	4.0	4.0	4.0
Dividend Payout (%)	79.8	58.3	45.6	39.9
BVPS (Rs)	113.2	120.1	124.9	130.9
RoANW (%)	1.8	6.1	7.2	7.8
RoACE (%)	4.9	6.6	7.1	7.7
RoAIC (%)	5.9	9.0	11.8	14.7
(E) Valuation Ratios				
CMP (Rs)	134	134	134	134
Mcap (Rs Mn)	128,498	128,498	128,498	128,498
EV	118,870	107,643	86,701	82,469
MCap/ Sales	1.5	1.5	1.6	1.5
EV/Sales	1.4	1.3	1.1	1.0
P/E	26.7	19.5	15.3	13.3
EV/EBITDA	13.1	9.3	6.7	5.6
P/BV	1.2	1.1	1.1	1.0
Dividend Yield (%)	3.0	3.0	3.0	3.0
(F) Growth Rate (%)				
Revenue	7.4	(4.0)	(0.6)	5.3
EBITDA	(13.8)	28.0	10.6	13.8
EBIT	(19.1)	47.6	17.7	14.6
PBT	(18.7)	141.2	26.0	13.2
APAT	(9.5)	36.8	27.9	14.3
EPS	(9.5)	36.8	27.9	14.3

E – Estimates

Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
Profit before tax	6,590	9,893	11,572	13,104
Depreciation & w.o.	3,091	2,785	2,454	2,709
Net Interest Exp	721	327	301	283
Direct taxes paid	(1,818)	(2,387)	(3,079)	(3,473)
Change in Working Capital	839	803	17,107	(581)
Non Cash	(2,784)	(713)	(4)	(5)
(A) CF from Operating Activities	6,639	10,708	28,352	12,038
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(1,448)	(717)	(3,204)	(3,459)
Free Cash Flow	5,190	9,990	25,148	8,579
(Inc.)/ Dec. in Investments	417	1,751	(62)	(222)
Other	0	0	0	0
(B) CF from Investing Activities	(1,031)	1,033	(3,267)	(3,681)
Issue of Equity/ Preference	3,365	3,655	0	0
Inc./(Dec.) in Debt	(517)	906	642	770
Interest exp net	(721)	(327)	(301)	(283)
Dividend Paid (Incl. Tax)	(3,842)	(3,842)	(3,842)	(3,842)
Other	0	0	0	0
(C) CF from Financing	(1,716)	391	(3,501)	(3,355)
Net Change in Cash	3,892	12,132	21,584	5,002
Opening Cash balances	8,040	11,932	24,064	45,648
Closing Cash balances	11,932	24,064	45,648	50,650

E – Estimates

Notes

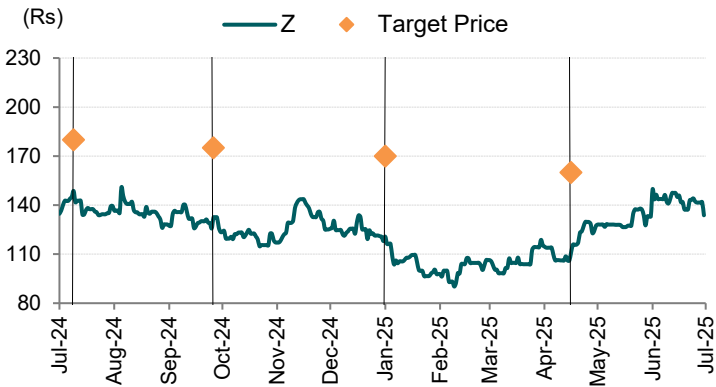
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(11)	17	(1)
Rel to NIFTY (%)	(11)	14	(3)

Shareholding Pattern

Particulars	Dec'24	Mar'25	Jun'25
Promoters	4.0	4.0	4.0
MF/Banks/FIs	18.0	16.0	16.9
FIIIs	20.1	21.7	24.8
Public / Others	58.0	58.3	54.3



Month	Rating	TP (Rs.)	Price (Rs.)
Jul-24	BUY	180	149
Oct-24	BUY	175	132
Jan-25	BUY	170	121
May-25	BUY	160	111

*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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