

# Swiggy

## Race against time; downgrade to ADD

Our previous upgrade note on Swiggy (May-25) was primarily a bet on capturing some QC value (available for free then). Since then (up 33%), most of the low-hanging fruits (in terms of returns) seem captured and hereon its essentially a race against time. Can Swiggy's cash balance last the current burn rate (Cash: INR53.5bn, we estimate ~INR30-32bn burn over next four quarters). Sure, the Rapido stake (~12%) monetization could help; but its cutting it too close for us to be comfortable taking this bet. Hence, we downgrade Swiggy to ADD rating (earlier: Buy) with an SOTP-based TP of INR400/sh (unchanged); implying 4x Jun-27 EV/sales (includes 43x Jun-27 EV/EBITDA for FD; 1x Jun-27 NOV). On the Q1 print, overall B2C GOV grew 45.2% YoY (14.8% QoQ) to reach INR 147.9bn (in-line). Food delivery (FD) GOV grew 18.8% YoY to INR 80.9bn (HSIE: INR 80.5bn), driven by MTU addition. FD's adj. EBITDAM declined QoQ by 51bps to 2.4%, due to seasonal factors such as elevated delivery partner incentives and annual appraisals in Q1. Instamart's performance continues to lag that of Blinkit. QC NOV grew 18.2% QoQ vs. Blinkit's 25%. QC adj. EBITDA losses widened QoQ to INR8.96bn (INR8.4bn in Q4; HSIE: INR8.89bn). Q1 net losses stood at INR 11.97bn (HSIE: INR 9.5bn).

- **FD growth healthy, seasonality impacts margins:** Swiggy's FD GOV grew 10% QoQ (+18.8% YoY) to INR 80.9bn, led by strong MTU addition, which grew by 8% QoQ (16.2% YoY) to 16.3mn (HSIE: 15.8mn). Adj. revenue grew 11.4% QoQ (up 20.3% YoY) to INR20.8bn (HSIE: INR 20.6bn). Take-rates improved by 32bps YoY to 25.7% (HSIE: 25.6%). While contribution margin improved YoY (90bps), it declined QoQ by 47bps to 7.3% due to seasonal factors like elevated delivery partner incentives (typical of Q1) and annual appraisals. Adj. EBITDAM contracted 51bps QoQ to 2.4% (HSIE: 2.7%). Adj. EBITDA declined 9.5% QoQ to INR 1.92bn (HSIE: INR 2.15bn). Management reaffirmed its guidance of achieving 5% EBITDAM in the medium term.
- **Instamart prioritizing efficiency over expansion:** Instamart's GOV grew 21.1% QoQ (+108% YoY) to INR 56.5bn (HSIE: INR 58.3bn). MTU grew 12.8% QoQ to 11.1mn (HSIE: 10.8mn), while order growth moderated to 3.8% QoQ, primarily due to cart consolidation via Maxxsaver and company's strategic decision of dropping low AOV orders. AOV grew by 16.1% QoQ to INR 612 (HSIE: INR 561), driven by rising non-grocery salience and basket-building (Maxxsaver). The dark store expansion in Q1 was measured – 41 stores added (store count: 1,062; retail area: 4.3mn sq ft; avg. store size: over 4,000 sq. ft). The management intends to optimize capacity and prioritize densification rather than aggressively expanding its footprint as it believes that the current footprint can support doubling of scale without major additions. Adj. revenue grew 17.1% QoQ (lower than GOV growth) as take-rates declined 51bps QoQ to 15.2% (HSIE: 15.8%) due to higher non-grocery mix and Maxxsaver launch. Contribution margin improved by 96bps QoQ to -4.6% (-5.6% in Q4FY25; HSIE: -4.9%). Management expects reaching CM break-even in QC between Dec-25 and June-26. Adj. EBITDAM improved 214bps QoQ to -15.8% (of GOV; HSIE: 15.2%). Adj. EBITDA losses widened QoQ to INR8.96bn (INR8.4bn in Q4; HSIE: INR8.89bn).
- **Valuation and outlook:** While FD remains stable; execution gap in QC continues to widen vs Blinkit. Swiggy's cash balance remains uncomfortably low relative to the expected burn for the next four quarters. Hence, we downgrade Swiggy to ADD (earlier: Buy) with an SOTP-based TP of INR400/sh (unchanged); implying 4x Jun-27 EV/sales (includes 43x Jun-27 EV/EBITDA for FD; 1x Jun-27 NOV).

## ADD

CMP (as on 31 Jul 2025)	INR 403
Target Price	INR 400
NIFTY	24,768

KEY CHANGES	OLD	NEW
Rating	BUY	ADD
Price Target	INR 400	INR 400
	FY27E	FY28E
EBITDA %	NM	NM

\*Pre-IND AS 116 EBITDA

### KEY STOCK DATA

Bloomberg code	SWIGGY IN
No. of Shares (mn)	2,494
MCap (INR bn) / (\$ mn)	1,007/11,493
6m avg traded value (INR mn)	5,901
52 Week high / low	INR 617/297

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	27.6	(3.0)	-
Relative (%)	26.4	(7.7)	-

### SHAREHOLDING PATTERN (%)

	Mar-25	Jun-25
Promoters	-	-
FIs & Local MFs	9.33	13.54
FPIs	4.90	7.37
Public & Others	85.77	79.09
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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**Financial Summary:**

(Rs mn)	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	49,610	32,222	54.0	44,100	12.5	82,646	1,12,474	1,52,268	2,00,010	2,45,936	2,97,147
EBITDA	(9,540)	(5,442)	75.3	(9,618)	(0.8)	(42,758)	(22,080)	(27,858)	(24,430)	(11,748)	1,796
APAT	(11,970)	(6,110)	95.9	(10,812)	10.7	(41,793)	(23,502)	(31,167)	(29,069)	(19,310)	(5,242)
EPS (Rs)	(5.0)	(2.8)	82.6	(4.6)	9.6	(19.3)	(10.7)	(12.5)	(11.7)	(7.7)	(2.1)
P/E (x)						(20.9)	(37.7)	(32.2)	(34.6)	(52.0)	(191.7)
EV/EBITDA (x)						(19.1)	(38.1)	(34.4)	(40.4)	(85.5)	567.6
Core RoCE(%)						(138)	(65)	(60)	(40)	(22)	(123)

**Estimate changes:**

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	2,00,010	2,00,010	-	2,45,936	2,46,695	(0.3)	2,97,147	2,98,183	(0.3)
Adj. EBITDA	(20,915)	(19,703)	NM	(12,254)	(11,531)	NM	(3,258)	(3,626)	NM
Adj. EBITDAM (%)	(10.5)	(9.9)	-61 bps	(5.0)	(4.7)	-31 bps	(1.1)	(1.2)	12 bps
Pre-IND AS EBITDA	(28,875)	(27,663)	NM	(17,654)	(16,931)	NM	(4,988)	(5,356)	NM
Pre-IND AS EBITDA margin (%)	(14.4)	(13.8)	-61 bps	(7.2)	(6.9)	-32 bps	(1.7)	(1.8)	12 bps
APAT	(29,069)	(27,367)	NM	(19,310)	(17,022)	NM	(5,242)	(3,275)	NM
APAT margin (%)	(14.5)	(13.7)	-85 bps	(7.9)	(6.9)	-95 bps	(1.8)	(1.1)	-67 bps
EPS (Rs)	(11.7)	(11.0)	NM	(7.7)	(6.8)	NM	(2.1)	(1.3)	NM

**SOTP Valuation (Jun-27):**

Swiggy	Methodology	Multiple	GoV/Gross sales/EBITDA	EV (Rs mn)	Per share
Food Delivery	EV/EBITDA	43	13,895	5,93,993	238
Quick Commerce	EV/NoV	1.0	3,09,501	3,00,278	120
OOH Consumption	EV/GoV	0.8	55,520	44,416	18
Supply chain & distribution	EV/Sales	0.5	98,208	49,104	20
Platform & Innovation	EV/Gross sales	0.5	1,753	876	0
<b>Consol Enterprise Value</b>				<b>9,88,666</b>	<b>396</b>
<b>Net Debt</b>				<b>(9,781)</b>	<b>-4</b>
<b>Consol Equity Value</b>				<b>9,98,447</b>	<b>400</b>
No. of shares (#)					2,494
<b>CMP</b>					<b>403</b>
<b>Upside (%)</b>					<b>(0.6)</b>

Note: EBITDA computed after deducting estimated proportionate ESOP expenses

Snapshot	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26
<b>GoV (B2C)</b>	<b>82,772</b>	<b>87,027</b>	<b>88,041</b>	<b>91,850</b>	<b>1,01,896</b>	<b>1,13,063</b>	<b>1,21,649</b>	<b>1,28,883</b>	<b>1,47,970</b>
Food Delivery	59,587	62,748	62,381	62,459	68,083	71,909	74,364	73,469	80,860
Quick Commerce	17,415	19,265	20,771	23,235	27,240	33,819	39,069	46,697	56,550
OOH Consumption	5,769	5,014	4,890	6,157	6,572	7,335	8,215	8,717	10,560
<b>Growth - YoY (%)</b>									
Food Delivery					14	15	19	18	19
Quick Commerce					56	76	88	101	108
OOH Consumption					14	46	68	42	61
<b>Gross Revenue</b>	<b>26,938</b>	<b>30,605</b>	<b>32,976</b>	<b>32,683</b>	<b>34,773</b>	<b>38,727</b>	<b>42,645</b>	<b>47,180</b>	<b>53,080</b>
Food Delivery	14,545	15,351	15,328	15,592	17,296	18,080	18,604	18,667	20,800
Quick Commerce	2,123	2,400	2,927	3,427	4,034	5,127	6,028	7,333	8,590
OOH Consumption	311	355	362	544	467	600	683	713	830
Supply chain & distribution	9,476	11,902	13,768	12,650	12,683	14,526	16,926	20,041	22,590
Platform innovation	483	598	591	471	293	394	404	426	270
<b>B2C Take rate (%)</b>	<b>20.5</b>	<b>20.8</b>	<b>21.1</b>	<b>21.3</b>	<b>21.4</b>	<b>21.1</b>	<b>20.8</b>	<b>20.7</b>	<b>20.4</b>
Food Delivery	24.4	24.5	24.6	25.0	25.4	25.1	25.0	25.4	25.7
Quick Commerce	12.2	12.5	14.1	14.8	14.8	15.2	15.4	15.7	15.2
OOH Consumption	5.4	7.1	7.4	8.8	7.1	8.2	8.3	8.2	7.9
<b>Gross Revenue mix (%)</b>									
Food Delivery	54	50	46	48	50	47	44	40	39
Quick Commerce	8	8	9	10	12	13	14	16	16
OOH Consumption	1	1	1	2	1	2	2	2	2
Supply chain & distribution	35	39	42	39	36	38	40	42	43
Platform innovation	2	2	2	1	1	1	1	1	1
<b>Adjusted EBITDA</b>	<b>(4,869)</b>	<b>(4,887)</b>	<b>(4,991)</b>	<b>(3,608)</b>	<b>(3,478)</b>	<b>(3,412)</b>	<b>(4,905)</b>	<b>(7,319)</b>	<b>(8,130)</b>
Food Delivery	(432)	(531)	162	330	578	1,123	1,838	2,122	1,920
Quick Commerce	(3,121)	(3,487)	(3,417)	(3,066)	(3,179)	(3,588)	(5,777)	(8,396)	(8,960)
OOH Consumption	(490)	(444)	(464)	(338)	(132)	(93)	(82)	23	50
Supply chain & distribution	(427)	(129)	(953)	(358)	(579)	(741)	(777)	(706)	(620)
Platform innovation	(399)	(297)	(318)	(176)	(167)	(113)	(107)	(363)	(520)
<b>Adjusted EBITDAM (%)</b>									
Food Delivery	(0.7)	(0.8)	0.3	0.5	0.8	1.6	2.5	2.9	2.4
Quick Commerce	(17.9)	(18.1)	(16.5)	(13.2)	(11.7)	(10.6)	(14.8)	(18.0)	(15.8)
OOH Consumption	(8.5)	(8.8)	(9.5)	(5.5)	(2.0)	(1.3)	(1.0)	0.3	0.5
Supply chain & distribution	(4.5)	(1.1)	(6.9)	(2.8)	(4.6)	(5.1)	(4.6)	(3.5)	(2.7)
Platform innovation	(82.6)	(49.6)	(53.8)	(37.4)	(56.9)	(28.8)	(26.5)	(85.1)	(192.6)

### Key performance indicators

KPIs	1QFY25	4QFY25	1QFY26	YoY (%)	QoQ (%)	1QFY26E	Variance (%)
<b>Food Delivery</b>							
Avg. MTUs	14.0	15.1	16.3	16.2	8.1	15.8	2.9
GoV (INR)	68,083	73,469	80,860	18.8	10.1	80,456	0.5
Gross revenue	17,296	18,667	20,800	20.3	11.4	20,620	0.9
Take rate (% of GoV)	25.4	25.4	25.7	32 bps	32 bps	25.6	9 bps
Contribution profit	4,358	5,707	5,903	35.5	3.4	6,058	(2.6)
CM (%)	6.4	7.8	7.3	90 bps	-47 bps	7.5	-23 bps
Adjusted EBITDA	578	2,122	1,920	231.9	(9.5)	2,150	(10.7)
Adj EBITDAM (As % of GoV)	0.8	2.9	2.4	152 bps	-51 bps	2.7	-30 bps
<b>Quick Commerce</b>							
Avg. MTUs	5.2	9.8	11.1	111.8	12.8	10.8	2.5
Ordering frequency/month	3.6	3.0	2.8	(22.3)	(7.9)	3.2	(13.7)
Orders (mn)	55.9	88.6	92.0	64.6	3.8	104	(11.5)
AoV (INR)	487	527	612	25.7	16.1	561	9.0
GoV (INR)	27,240	46,697	56,550	107.6	21.1	58,320	(3.0)
Gross revenue	4,034	7,333	8,590	112.9	17.1	9,215	(6.8)
Take rate (% of GoV)	14.8	15.7	15.2	38 bps	-51 bps	15.8	-61 bps
Contribution profit	(865)	(2,598)	(2,601)	200.6	0.1	(2,858)	(9.0)
Contribution margin (%)	(3.2)	(5.6)	(4.6)	-142 bps	96 bps	(4.9)	30 bps
Adjusted EBITDA	(3,179)	(8,396)	(8,960)	181.8	6.7	(8,888)	0.8
Adj EBITDAM (As % of GoV)	(11.7)	(18.0)	(15.8)	-417 bps	214 bps	(15.2)	-60 bps
<b>OOH Consumption</b>							
GoV	6,572	8,717	10,560	60.7	21.1	9,153	15.4
Gross Revenue	467	713	830	77.7	16.4	732	13.4
Take rate (%)	7.1	8.2	7.9	75 bps	-32 bps	8.0	-14 bps
Contribution profit	230	381	465	102.4	22.1	458	1.5
Contribution margin (%)	3.5	4.4	4.4	91 bps	3 bps	5.0	-60 bps
Adjusted EBITDA	(132)	23	50	(138.0)	113.3	90	(44.3)
Adj EBITDAM (As % of GoV)	(2.0)	0.3	0.5	248 bps	20 bps	1.0	-51 bps
<b>Supply chain &amp; distribution</b>							
Revenue (INR mn)	12,683	20,041	22,590	78.1	12.7	20,642	9.4
Adjusted EBITDA	(579)	(706)	(620)	7.1	(12.2)	(619)	0.1
Adj EBITDAM (As % of GoV)	(4.6)	(3.5)	(2.7)	182 bps	78 bps	(3.0)	26 bps
<b>Platform Innovations</b>							
Gross Revenue (INR mn)	293	426	270	(7.8)	(36.6)	422	(36.0)
Adjusted EBITDA	(167)	(363)	(520)	211.8	43.3	(169)	208.1
Adj EBITDAM (As % of GoV)	(56.9)	(85.1)	(192.6)	-13566 bps	-10745 bps	(40.0)	-15259 bps

## Income statement

Year End (March)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	57,049	82,646	1,12,474	1,52,268	2,00,010	2,45,936	2,97,147
Growth (%)	124.0	44.9	36.1	35.4	31.4	23.0	20.8
Material Expenses	22,680	33,809	46,042	60,015	74,778	88,002	1,00,658
Employee Expense	17,085	21,298	20,122	25,489	22,408	20,571	17,659
A&P Expense	20,051	25,012	18,508	27,117	34,619	41,339	48,461
Delivery Expenses	20,688	28,349	33,511	44,292	57,179	69,079	81,977
Other Expenses	13,056	16,936	16,372	23,213	35,455	38,693	46,596
<b>EBITDA</b>	<b>(36,511)</b>	<b>(42,758)</b>	<b>(22,080)</b>	<b>(27,858)</b>	<b>(24,430)</b>	<b>(11,748)</b>	<b>1,796</b>
EBITDA Growth (%)	181.1	17.1	(48.4)	26.2	(12.3)	(51.9)	(115.3)
EBITDA Margin (%)	(64.0)	(51.7)	(19.6)	(18.3)	(12.2)	(4.8)	0.6
<b>Adjusted EBITDA</b>	<b>(32,337.6)</b>	<b>(39,103.4)</b>	<b>(18,355.7)</b>	<b>(19,114.5)</b>	<b>(20,915.2)</b>	<b>(12,254.2)</b>	<b>(3,257.5)</b>
Adjusted EBITDAM (% of GoV)	(16.1)	(14.1)	(5.2)	(4.1)	(3.2)	(1.5)	(0.3)
<b>Pre-IND AS 116 EBITDA</b>	<b>(37,471.8)</b>	<b>(44,442.9)</b>	<b>(24,318.3)</b>	<b>(30,843.0)</b>	<b>(28,875.2)</b>	<b>(17,654.2)</b>	<b>(4,987.5)</b>
Pre-IND AS 116 EBITDAM (%)	(65.7)	(53.8)	(21.6)	(20.3)	(14.4)	(7.2)	(1.7)
Depreciation	1,701	2,858	4,206	6,123	7,632	8,917	8,891
<b>EBIT</b>	<b>(38,212)</b>	<b>(45,616)</b>	<b>(26,286)</b>	<b>(33,981)</b>	<b>(32,062)</b>	<b>(20,665)</b>	<b>(7,096)</b>
Other Income (Including EO Items)	4,149	4,499	3,870	3,962	4,162	2,739	1,678
Interest	484	582	714	1,006	1,144	1,359	1,553
<b>PBT (before exceptional items)</b>	<b>(34,547)</b>	<b>(41,699)</b>	<b>(23,130)</b>	<b>(31,025)</b>	<b>(29,043)</b>	<b>(19,284)</b>	<b>(6,971)</b>
Total Tax	-	-	-	-	-	-	(1,755)
<b>PAT before share of associate earnings</b>	<b>(34,547)</b>	<b>(41,699)</b>	<b>(23,130)</b>	<b>(31,025)</b>	<b>(29,043)</b>	<b>(19,284)</b>	<b>(5,216)</b>
Share of associate earnings	(10)	(1)	(66)	(26)	(26)	(26)	(26)
<b>RPAT</b>	<b>(34,557)</b>	<b>(41,700)</b>	<b>(23,196)</b>	<b>(31,050)</b>	<b>(29,069)</b>	<b>(19,310)</b>	<b>(5,242)</b>
Exceptional Gain/(loss)	(1,732)	(93)	(306)	(117)	-	-	-
<b>Adjusted PAT</b>	<b>(36,289)</b>	<b>(41,793)</b>	<b>(23,502)</b>	<b>(31,167)</b>	<b>(29,069)</b>	<b>(19,310)</b>	<b>(5,242)</b>
APAT Growth (%)	124.4	15.2	(43.8)	32.6	(6.7)	(33.6)	(72.9)
Adjusted EPS (Rs)	(18.6)	(19.3)	(10.7)	(12.5)	(11.7)	(7.7)	(2.1)
EPS Growth (%)	(100.0)	3.7	(44.6)	16.8	(6.7)	(33.6)	(72.9)

## Balance sheet

Year End (March)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>SOURCES OF FUNDS</b>							
Share Capital - Equity	1,55,634	1,55,652	1,55,763	2,286	2,286	2,286	2,286
Reserves	(32,965)	(65,086)	(77,848)	99,908	78,799	64,889	59,647
<b>Total Shareholders' Funds</b>	<b>1,22,669</b>	<b>90,566</b>	<b>77,915</b>	<b>1,02,195</b>	<b>81,086</b>	<b>67,176</b>	<b>61,934</b>
Minority interest	-	-	-	-	-	-	-
Long Term Debt	-	-	960	-	-	-	-
Short Term Debt	-	-	1,152	282	282	282	282
<b>Total Debt</b>	<b>-</b>	<b>-</b>	<b>2,112</b>	<b>282</b>	<b>282</b>	<b>282</b>	<b>282</b>
Net Deferred Taxes	-	-	-	-	-	-	-
Lease Liabilities	5,082	5,996	6,530	16,747	24,948	33,150	36,465
Other Non-current Liabilities & Provns	186	374	290	319	319	319	319
<b>TOTAL SOURCES OF FUNDS</b>	<b>1,27,937</b>	<b>96,936</b>	<b>86,847</b>	<b>1,19,544</b>	<b>1,06,636</b>	<b>1,00,927</b>	<b>99,000</b>
<b>APPLICATION OF FUNDS</b>							
Net Block	3,116	3,137	4,528	10,592	10,871	10,399	8,528
CWIP	-	-	-	-	-	-	-
Net Intangible Assets	272	6,455	10,008	9,470	9,470	9,470	9,470
RoU Assets	4,622	5,458	5,878	16,246	24,202	32,158	35,374
Other Non-current Assets	1,338	1,889	2,139	2,266	2,266	2,266	2,266
Investments	1,03,480	65,405	51,711	26,771	26,771	26,771	26,771
<b>Total Non-current Assets</b>	<b>1,12,828</b>	<b>82,346</b>	<b>74,264</b>	<b>65,345</b>	<b>73,581</b>	<b>81,064</b>	<b>82,410</b>
Inventories	177	106	487	555	729	896	1,083
Debtors	11,119	10,623	9,639	24,625	31,799	38,426	45,614
Other Current Assets	8,894	11,092	11,997	28,532	37,203	45,409	54,457
<b>Cash &amp; Equivalents</b>	<b>11,039</b>	<b>8,639</b>	<b>8,909</b>	<b>32,996</b>	<b>6,027</b>	<b>(12,361)</b>	<b>(27,323)</b>
<b>Total Current Assets</b>	<b>31,229</b>	<b>30,461</b>	<b>31,030</b>	<b>86,708</b>	<b>75,757</b>	<b>72,371</b>	<b>73,831</b>
Creditors	9,561	8,732	8,809	18,180	23,881	29,364	35,479
Other Current Liabilities & Provns	6,559	7,138	9,639	14,329	18,822	23,144	27,963
<b>Total Current Liabilities</b>	<b>16,120</b>	<b>15,870</b>	<b>18,448</b>	<b>32,509</b>	<b>42,703</b>	<b>52,508</b>	<b>63,441</b>
Net Current Assets	15,109	14,591	12,583	54,199	33,055	19,863	10,390
<b>TOTAL APPLICATION OF FUNDS</b>	<b>1,27,937</b>	<b>96,937</b>	<b>86,847</b>	<b>1,19,344</b>	<b>1,06,436</b>	<b>1,00,727</b>	<b>92,600</b>

## Cash flow statement

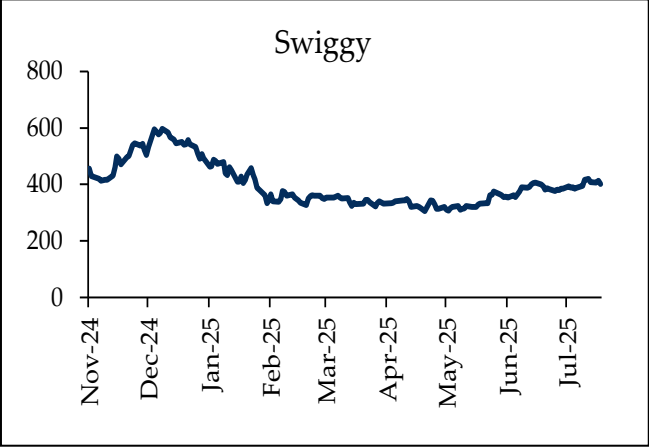
Year ending March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	(36,289)	(41,793)	(23,502)	(31,168)	(29,069)	(19,310)	(6,971)
Non-operating & EO Items	2,582	(641)	3,493	8,214	3,798	2,661	52
Interest Expenses	469	565	651	957	1,144	1,359	1,553
Depreciation	1,701	2,858	4,206	6,123	7,632	8,917	8,891
Working Capital Change	(6,876)	(1,139)	1,988	(6,221)	(5,826)	(5,195)	(5,489)
Tax Paid	(590)	(449)	38	400	-	-	1,755
<b>OPERATING CASH FLOW ( a )</b>	<b>(39,004)</b>	<b>(40,599)</b>	<b>(13,127)</b>	<b>(21,695)</b>	<b>(22,322)</b>	<b>(11,569)</b>	<b>(208)</b>
Capex	(2,274)	(1,573)	(3,459)	(7,433)	(7,911)	(8,444)	(7,021)
<b>Free Cash Flow (FCF)</b>	<b>(41,278)</b>	<b>(42,172)</b>	<b>(16,586)</b>	<b>(29,128)</b>	<b>(30,233)</b>	<b>(20,013)</b>	<b>(7,230)</b>
Investments	(90,148)	40,523	17,677	(7,734)	-	-	-
Non-operating Income	821	728	366	1,443	(3,794)	(5,217)	(9,494)
<b>INVESTING CASH FLOW ( b )</b>	<b>(91,601)</b>	<b>39,678</b>	<b>14,585</b>	<b>(13,724)</b>	<b>(11,705)</b>	<b>(13,661)</b>	<b>(16,515)</b>
Debt Issuance/(Repaid)	(918)	-	1,076	(1,643)	-	-	-
<b>FCFE</b>	<b>(1,31,523)</b>	<b>(921)</b>	<b>2,533</b>	<b>(37,062)</b>	<b>(34,027)</b>	<b>(25,230)</b>	<b>(16,723)</b>
Share Capital Issuance	1,39,058	-	-	43,858	-	-	-
Dividend	-	-	-	-	-	-	-
Others	(1,799)	(1,715)	(2,304)	(3,181)	7,057	6,843	1,762
<b>FINANCING CASH FLOW ( c )</b>	<b>1,36,341</b>	<b>(1,715)</b>	<b>(1,228)</b>	<b>39,034</b>	<b>7,057</b>	<b>6,843</b>	<b>1,762</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>5,736</b>	<b>(2,636)</b>	<b>229</b>	<b>3,615</b>	<b>(26,970)</b>	<b>(18,387)</b>	<b>(14,962)</b>
Beginning cash	5,225	10,961	8,325	8,691	32,996	6,027	(12,361)
Closing Cash & Equivalents	11,039	8,639	8,909	32,996	6,027	(12,361)	(27,323)

## Key ratios:

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>PROFITABILITY (%)</b>							
GPM	60.2	59.1	59.1	60.6	62.6	64.2	66.1
EBITDA Margin	(64.0)	(51.7)	(19.6)	(18.3)	(12.2)	(4.8)	0.6
Pre-IND-AS EBITDA Margin (%)	(37,472)	(44,443)	(24,318)	(30,842)	(28,875)	(17,654)	-
EBIT Margin	(38,212)	(45,616)	(26,286)	(33,981)	(32,062)	(20,665)	(7,096)
APAT Margin	(63.6)	(50.6)	(20.9)	(20.5)	(14.5)	(7.9)	(1.8)
RoE	(51.8)	(39.2)	(27.9)	(34.6)	(31.7)	(26.0)	(8.1)
RoIC (or Core RoCE)	(242.4)	(138.3)	(65.4)	(59.6)	(39.9)	(22.0)	(123.5)
RoCE	(47.7)	(36.7)	(24.8)	(29.2)	(24.7)	(17.3)	23.6
<b>EFFICIENCY</b>							
Tax Rate (%)	-	-	-	-	-	-	(1,754.6)
Fixed Asset Turnover (x)	8.7	11.5	13.9	9.2	8.2	7.5	7.5
Inventory (days)	1.1	0.5	1.6	1.3	1.3	1.3	1.3
Debtors (days)	71.1	46.9	31.3	59.0	58.0	57.0	56.0
Other Current Assets (days)	56.9	49.0	38.9	68.4	67.9	67.4	66.9
Payables (days)	61.2	38.6	28.6	43.6	43.6	43.6	43.6
Other Current Liab & Provsns (days)	42.0	31.5	31.3	34.3	34.3	34.3	34.3
Cash Conversion Cycle (days)	26.0	26.3	11.9	50.8	49.3	47.8	46.3
Net D/E (x)	(0.1)	(0.1)	(0.1)	(0.3)	(0.1)	0.2	0.4
Interest Coverage (x)	(79.0)	(78.4)	(36.8)	(33.8)	(28.0)	(15.2)	(4.6)
<b>PER SHARE DATA (Rs)</b>							
EPS	(18.6)	(19.3)	(10.7)	(12.5)	(11.7)	(7.7)	(2.1)
CEPS	(17.7)	(18.0)	(8.8)	(10.0)	(8.6)	(4.2)	1.5
Dividend							
Book Value	62.9	41.8	35.5	41.0	32.5	26.9	24.8
<b>VALUATION</b>							
P/E (x)	(22)	(21)	(38)	(32)	(35)	(52)	(192)
P/BV (x)	6.4	9.6	11.4	9.8	12.4	15.0	16.2
EV/EBITDA (x)	(18.7)	(19.1)	(38.1)	(34.4)	(40.4)	(85.5)	567.6
EV/Revenues (x)	12.0	9.9	7.5	6.3	4.9	4.1	3.4
OCF/EV (%)	(5.7)	(5.0)	(1.6)	(2.3)	(2.3)	(1.2)	(0.0)
FCF/EV (%)	(6.0)	(5.2)	(2.0)	(3.0)	(3.1)	(2.0)	(0.7)
FCFE/Mkt Cap (%)	(16.7)	(0.1)	0.3	(3.7)	(3.4)	(2.5)	(1.7)
Dividend Yield (%)	-	-	-	-	-	-	-

Source: Company, HSIE Research

Price Movement



Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: > 10% Downside return potential



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