

24 October 2024

India | Equity Research | Q2FY25 results review

SRF Ltd

Speciality Chemicals

Weak print; but order book visibility healthy for H2FY25

SRF's chemicals business is facing multiple headwinds from increased Chinese competition, weak demand from agro-chemical innovators, delay in new product commercialisation and drop in prices across specialty chemicals and HFCs. Nonetheless, SRF expects revenues to improve in H2FY25 with healthy orderbook visibility for Q4FY25 in specialty chemicals. It believes margins have bottomed out, and technology intervention and higher volumes shall aid improvement. The company has announced capex for HFO of INR 11bn. We cut our FY25E/26E EPS by 18%/17%, entirely driven by slower-than-expected recovery in its chemicals business, and revise our SoTP-based TP to INR 2,250 (from INR 2,480) as we roll over valuation to Sep'26E. We downgrade SRF a notch to **HOLD** (from Add).

FY25 guidance: SRF has withdrawn guidance, citing uncertain macro; but expects earnings improvement in H2FY25

Ref-gas: SRF saw good volume off-take in the domestic market for HFCs and helping company maximise volume during quota determination period in India. Volumes in US/developed market have been subdued, along with drop in realisations for HFCs in exports hurt revenues. SRF reiterated that HFC sales will likely shift towards Asian markets, as developed markets phase-off HFCs.

Fluoro-specialty: SRF's specialty chemicals revenue faced challenges due to the ongoing de-inventorisation; a few orders have been postponed/pushed and realisations are under pressure with rising Chinese competition. Given the uncertain macro environment, SRF has withdrawn its guidance of 20% revenue growth in FY25. Nonetheless, SRF anticipates Q3FY25 to show improvement in revenues QoQ; Q4FY25 to be strong, as SRF is sitting on a healthy orderbook. It also anticipates product pricing to stabilise, and technology intervention to aid SRF in being competitive. SRF has received approvals for AIs, which were in the pipeline; and customers are in the process of product registration – may start contributing to revenue from late-FY25. The silver-lining is that underlying demand for its products remains stable.

SRF has also withdrawn its EBIT margin guidance of 25% (+/-2%) for FY25; however, it remains confident of achieving these margins in the medium term, and to sustain. EBIT margin will likely improve from better absorption of fixed cost, technology intervention to help reduce production cost of legacy products, and improved pricing for HFCs in domestic market.

Financial Summary

Y/E March (INR mn)	FY24A	FY25E	FY26E	FY27E
Net Revenue	1,29,104	1,47,926	1,72,442	1,92,588
EBITDA	25,841	27,187	36,565	43,516
EBITDA Margin (%)	19.7	18.4	21.2	22.6
Net Profit	13,357	12,878	18,955	23,440
EPS (INR)	45.1	43.4	63.9	79.1
EPS % Chg YoY	(38.2)	(3.6)	47.2	23.7
P/E (x)	49.9	51.7	35.2	28.4
EV/EBITDA (x)	27.4	26.3	19.8	16.7
RoCE (%)	9.7	8.7	11.3	12.5
RoE (%)	12.3	10.7	14.2	15.5

Sanjesh Jainsanjesh.jain@icicisecurities.com
+91 22 6807 7153**Ashvik Jain**

ashvik.jain@icicisecurities.com

Mohit Mishra

Mohit.mishra@icicisecurities.com

Market Data

Market Cap (INR)	666bn
Market Cap (USD)	7,927mn
Bloomberg Code	SRF IN
Reuters Code	SRFL.BO
52-week Range (INR)	2,697 /2,081
Free Float (%)	49.0
ADTV-3M (mn) (USD)	20.7

Price Performance (%)	3m	6m	12m
Absolute	(4.8)	(14.1)	3.5
Relative to Sensex	(4.3)	(22.7)	(20.5)

ESG Score	2023	2024	Change
ESG score	59.3	58.3	(1.0)
Environment	35.9	38.8	2.9
Social	65.9	63.1	(2.8)
Governance	71.6	72.7	1.1

Note - Score ranges from 0 - 100 with a higher number indicating a higher ESG score.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY25E	FY26E
Revenue	5.5	5.0
EBITDA	(12.1)	(12.0)
EPS	(17.9)	(16.5)

Previous Reports25-07-2024: [Q1FY25 results review](#)11-06-2024: [Company Update](#)

Chemicals business' revenue dips 4.8 YoY/8.4% QoQ

SRF's revenue rose only 7.8% YoY/fell 1.1% QoQ to INR 34bn on slower-than-expected growth, particularly in chemicals business. Revenue from chemicals segment was down 4.8% YoY/8.4% QoQ to INR 14bn. The segment's revenue was impacted by lower sales to US market for HFCs, and was also hurt by subdued performance in specialty chemicals. The only bright spot was ref-gas business in domestic market.

Packaging films' revenue was up 26.7% YoY/6.3% QoQ to INR 14.2bn aided by higher realisation, and commercialisation of aluminium foil plant. Textile revenue rose 5.8% YoY/1.9% QoQ to INR 5.4bn, which was largely driven by volume growth. Gross profit fell 2.9% QoQ/+2.1% YoY to INR 15.9bn, and margin was down 80bps QoQ at 46.4%. EBITDA was down 14.1% YoY/10.8% QoQ to INR 5bn and net profit slipped 33% YoY/20.1% QoQ to INR 2bn. Other expenses were up 25.8% YoY/3.2% QoQ to INR 4.5bn on the commissioning of a large number of projects.

Chemicals business EBIT margin was depressed at 18.1%

Chemical business EBIT dipped 29.2% YoY to INR 2.5bn, and EBIT margin reduced to 18.1%, down 260bps QoQ. Chemical business EBIT was hurt from lower ref-gas realisation particularly in US market; specialty chemicals also saw margin compression of 200-250bp due to pressure on realisation. PTFE plant under-utilisation dragged chemicals EBIT margin by 200bps. Packaging films business' EBIT increased 7.2% YoY to INR 828mn and EBIT margin stood at 5.8% (vs. 6.5% in Q1FY25). Technical textiles' EBIT fell 4.8% YoY to INR 713mn and segmental EBIT margin was 13.3% (vs. 12.9% in Q1FY25).

Conference call highlights

- Legacy products (specialty chemicals) – SRF expects volume off-take to improve in H2FY25; and sales were impacted due to de-inventorisation, and higher Chinese competitive intensity. Company is betting on technology intervention to remain competitive in its key products.
- New products (including AI) – SRF has received approval for multiple AIs; however, sales are restricted due to on-going registration process or weak demand for innovators who have pushed supplies. The company anticipates at least 2-3 molecules supplies to begin in FY25. Some of the new projects commissioned in the past few quarters have received good response.
- Pharmaceutical intermediate – SRF's efforts remain to increase contribution from pharmaceutical intermediate, but visible off-take expected only in next 18-24 months.
- Ref-gas: Domestic market volume off-take was healthy, and SRF continues to grab higher market share across HFCs. Domestic ref-gas prices have shown good improvement.
- PTFE – The company expects approval for new grades in near-term, and volume improvement expected from Q4FY25.
- HFO – The company has announced capex of INR 11bn for HFO plant to be commissioned in 30months with in-house technology. It will start with two products initially. SRF expects patent issue to be resolved by the time its plant is commissioned in FY28E.
- Chloromethane continues to struggle, but commodity prices have started improving recently.
- SRF has started supplies of aluminium foil in domestic market, and it anticipates volume and realisation to improve as ADD kicks-in. The company has sampled products in exports market, and expects approvals to come subsequently.

- SRF has announced capex of INR 4.45bn for 60ktpa BOPP/BOPE plant at Indore. It will be the first hybrid packaging films plant, and shall allow the company to introduce new product BOPE in 25 months.
- SRF has incurred capex of INR 6.5bn in H1FY25; and it expects to incur capex of INR 15-18bn for FY25 (vs. earlier expectation of INR 18-19bn).

Risks

Upside: 1) Higher-than-expected revenue growth in fluoro-specialty business; and 2) EBIT margin in chemical business of >25%.

Downside: 1) Sharp drop in HFC prices, particularly in India; and 2) continued slump in specialty business with higher Chinese competition.

Exhibit 1: Q2FY25 result (consolidated)

INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	QoQ (%)	YoY (%)
Net revenue	31,774	30,530	35,697	34,641	34,243	(1.1)	7.8
Cost of Goods sold	16,201	15,547	18,335	18,271	18,341	0.4	13.2
Gross profit	15,573	14,984	17,362	16,371	15,903	(2.9)	2.1
Gross profit margin (%)	49.0	49.1	48.6	47.3	46.4		
Employee cost	2,266	2,438	2,466	2,522	2,534	0.5	11.8
Power & Fuel	3,438	3,194	3,288	3,417	3,451	1.0	0.4
Other expenses	3,607	3,693	4,650	4,397	4,538	3.2	25.8
Total expenses	9,311	9,325	10,404	10,336	10,522	1.8	13.0
EBITDA	6,262	5,658	6,958	6,034	5,380	(10.8)	(14.1)
EBITDA margin (%)	19.7	18.5	19.5	17.4	15.7		
Depreciation	1,612	1,689	1,859	1,882	1,939	3.1	20.3
EBIT	4,650	3,969	5,099	4,153	3,441	(17.1)	(26.0)
EBIT margin (%)	15	13	14	12	10.0		
Other income	291	188	234	253	333	31.9	14.5
Finance cost	793	674	900	965	938	(2.9)	18.3
PBT	4,148	3,483	4,433	3,440	2,837	(17.5)	(31.6)
Tax expenses	1,140	949	211	918	822	(10.4)	(27.9)
ETR (%)	27.5	27.2	4.8	26.7	29.0		
PAT	3,008	2,534	4,222	2,522	2,014	(20.1)	(33.0)
Net profit margin (%)	9.5	8.3	11.8	7.3	5.9		
EPS (INR)	10	9	14	9	7	(20.1)	(33.0)

Source: Company data, I-Sec research

Exhibit 2: Q2FY25 segmental result (consolidated)

INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	QoQ (%)	YoY (%)
Revenue							
Technical Textile	5,062	4,584	4,689	5,253	5,355	1.9	5.8
Chemical business	14,263	13,941	18,161	14,820	13,578	(8.4)	(4.8)
Packaging Film	11,215	10,907	11,824	13,363	14,206	6.3	26.7
Others	1,269	1,136	1,062	1,262	1,128	(10.6)	(11.1)
Total revenue	31,774	30,530	35,697	34,641	34,243	(1.1)	7.8
EBIT							
Technical Textile	750	688	698	677	713	5.4	(4.8)
Chemical & Polymers	3,478	3,219	4,977	3,064	2,461	(19.7)	(29.2)
Packaging Film	773	449	331	868	828	(4.5)	7.2
Others	331	212	156	236	172	(27.1)	(48.1)
Total EBIT	5,331	4,567	6,161	4,844	4,175	(13.8)	(21.7)
EBIT margin (%)							
Technical Textile	14.8	15.0	14.9	12.9	13.3		
Chemical & Polymers	24.4	23.1	27.4	20.7	18.1		
Packaging Film	6.9	4.1	2.8	6.5	5.8		
Others	26.1	18.7	14.7	18.7	15.2		
Total EBIT	16.8	15.0	17.3	14.0	12.2		

Source: Company data, I-Sec research

Exhibit 3: Segmental mix (consolidated)

%	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Revenue					
Technical Textile	15.9	15.0	13.1	15.2	15.6
Chemical & Polymers	44.9	45.7	50.9	42.8	39.7
Packaging Film	35.3	35.7	33.1	38.6	41.5
Others	4.0	3.7	3.0	3.6	3.3
EBIT					
Technical Textile	14.1	15.1	11.3	14.0	17.1
Chemical & Polymers	65.2	70.5	80.8	63.3	59.0
Packaging Film	14.5	9.8	5.4	17.9	19.8
Others	6.2	4.6	2.5	4.9	4.1

Source: Company data, I-Sec research

Exhibit 4: Q2FY25 result (standalone)

INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	QoQ (%)	YoY (%)
Net revenue	25,870	25,063	29,196	27,363	27,035	(1.2)	4.5
Cost of Goods sold	12,310	12,043	14,018	13,480	13,510	0.2	9.8
Gross profit	13,560	13,021	15,179	13,883	13,525	(2.6)	(0.3)
Gross profit margin (%)	52.4	52.0	52.0	50.7	50.0		
Employee cost	1,920	2,079	2,085	2,112	2,112	(0.0)	10.0
Power & Fuel	2,885	2,710	2,769	2,845	2,852	0.3	(1.1)
Other expenses	3,014	3,058	3,854	3,606	3,659	1.5	21.4
Total expenses	7,819	7,847	8,707	8,563	8,623	0.7	10.3
EBITDA	5,741	5,174	6,472	5,320	4,902	(7.9)	(14.6)
EBITDA margin (%)	22.2	20.6	22.2	19.4	18.1		
Depreciation	1,332	1,413	1,527	1,551	1,584	2.2	18.9
EBIT	4,409	3,760	4,945	3,769	3,318	(12.0)	(24.7)
EBIT margin (%)	17.0	15.0	16.9	13.8	12.3		
Other income	381	278	326	351	436	24.2	14.3
Finance cost	633	518	680	757	720	(4.9)	13.8
PBT	4,158	3,520	4,590	3,363	3,034	(9.8)	(27.0)
Tax expenses	1,071	892	219	864	783	(9.4)	(26.9)
ETR (%)	25.7	25.3	4.8	25.7	25.8		
PAT	3,087	2,628	4,371	2,499	2,251	(9.9)	(27.1)
Net profit margin (%)	11.9	10.5	15.0	9.1	8.3		

Source: Company data, I-Sec research

Exhibit 5: Q2FY25 segmental result (standalone)

INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	QoQ (%)	YoY (%)
Revenue							
Technical Textile	5,062	4,584	4,689	5,253	5,355	1.9	5.8
Chemical & Polymers	14,070	13,827	18,004	14,675	13,451	(8.3)	(4.4)
Packaging Film	5,504	5,554	5,479	6,230	7,125	14.4	29.5
Others	1,269	1,136	1,062	1,262	1,128	(10.6)	(11.1)
Total revenue	25,870	25,063	29,196	27,363	27,035	(1.2)	4.5
EBIT							
Technical Textile	748	687	697	676	712	5.4	(4.8)
Chemical & Polymers	3,493	3,205	4,980	3,071	2,464	(19.7)	(29.5)
Packaging Film	503	238	172	467	770	64.8	53.0
Others	331	212	156	236	172		
Total EBIT	5,076	4,342	6,004	4,449	4,119	(7.4)	(18.9)
EBIT margin (%)							
Technical Textile	14.8	15.0	14.9	12.9	13.3		
Chemical & Polymers	24.8	23.2	27.7	20.9	18.3		
Packaging Film	9.1	4.3	3.1	7.5	10.8		
Others	26.1	18.7	14.7	18.7	15.2		
Total EBIT	19.6	17.3	20.6	16.3	15.2		

Source: Company data, I-Sec research

Exhibit 6: SRF – performance in international operations

INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	QoQ (%)	YoY (%)
Net revenue	5,904	5,467	6,501	7,278	7,208	(1.0)	22.1
Cost of Goods sold	3,891	3,504	4,318	4,791	4,831	0.8	24.1
Gross profit	2,013	1,963	2,183	2,488	2,377	(4.4)	18.1
Gross profit margin (%)	34.1	35.9	33.6	34.2	33.0		
Employee cost	346	360	381	410	422	2.9	22.0
Power & Fuel	553	484	520	572	599	4.6	8.2
Other expenses	638	598	824	850	818	(3.7)	28.2
Total expenses	1,537	1,441	1,724	1,832	1,839	0.4	19.6
EBITDA	475	522	459	656	538	(17.9)	13.2
EBITDA margin (%)	8.1	9.5	7.1	9.0	7.5		
Depreciation	280	276	332	331	355	7.3	26.8
EBIT	195	246	127	324	183	(43.6)	(6.3)
EBIT margin (%)	3.3	4.5	2.0	4.5	2.5		
Other income	(90)	(90)	(92)	(98)	(102)	4.2	13.7
Finance cost	160	155	220	208	218	4.5	35.9
PBT	(55)	0	(184)	18	(137)		149.5
Tax expenses	70	57	(8)	54	40	(26.1)	(42.8)
ETR (%)	(127.1)	57,000.0	4.6	301.7	(29.1)		
PAT	(125)	(57)	(176)	(36)	(177)	390.0	41.9
Net profit margin (%)	(2.1)	(1.0)	(2.7)	(0.5)	(2.5)		

Source: I-Sec research, Company data

Exhibit 7: Earnings revision (consolidated)

INR mn	Revised		Earlier		% change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Segmental revenue						
Technical Textile	21,235	21,104	21,235	21,104	-	-
Chemical & Polymers	65,865	84,895	74,460	93,939	(11.5)	(9.6)
Packaging Film	56,053	61,449	56,053	61,449	-	-
Others	4,886	5,130	4,886	5,130	-	-
Segmental EBIT						
Technical Textile	2,752	2,889	2,752	2,889	-	-
Chemical & Polymers	14,093	19,829	17,856	24,819	(21.1)	(20.1)
Packaging Film	4,702	6,953	4,702	6,953	-	-
Others	738	781	738	781	-	-
Financial						
Revenue	1,47,926	1,72,442	1,56,512	1,81,477	(5.5)	(5.0)
EBITDA	27,187	36,565	30,941	41,546	(12.1)	(12.0)
EBITDA margin (%)	18.4	21.2	19.8	22.9		
PAT	12,878	18,955	15,696	22,690	(17.9)	(16.5)
EPS (INR)	43	64	53	77	(17.9)	(16.5)

Source: I-Sec research, Company data

Exhibit 8: SoTP-based valuation

Business units (INR mn)	Methodology	Multiple (x)	FY26E	FY27E
Technical Textiles	EV/EBITDA	6.0	25,090	24,497
Chemical & Polymers	EV/EBITDA	24.0	6,24,561	7,31,474
Packaging films	EV/EBITDA	7.0	64,571	83,437
	Weighted avg			
Less: Unallocated	EV/EBITDA	18.1	51,885	53,532
Enterprise value			6,62,337	7,85,877
Net debt			57,427	58,368
Equity value			6,04,910	7,27,509
No of outstanding shares (mn)			296	296
Equity value (INR/sh)			2,041	2,454
Target price (INR/sh)				2,250

Source: Company data, I-Sec research

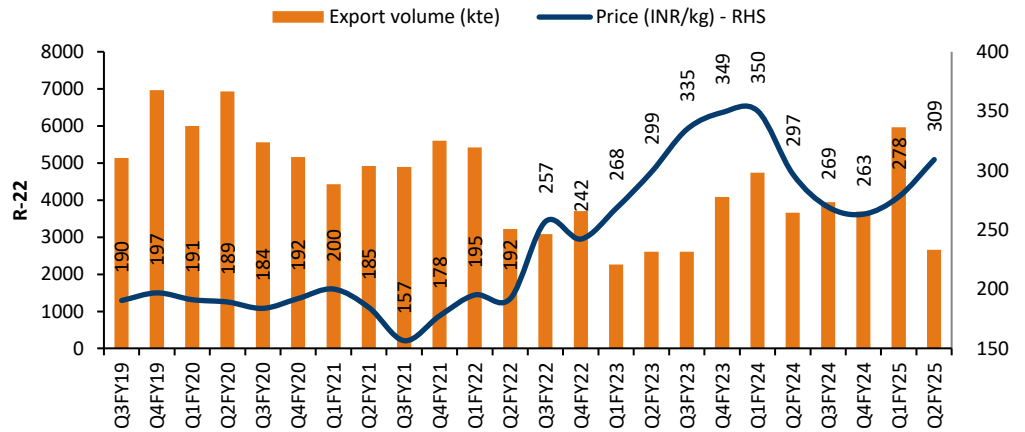
Exhibit 9: Implied valuation

	FY25E	FY26E
Target price (INR)	2,250	2,250
EPS	43	64
Implied PE (x)	51.8	35.2
Enterprise Value (INR bn)	662	662
EBITDA (INR bn)	27	37
Implied EV/EBITDA (x)	24.4	18.1

Source: Company data, I-Sec research

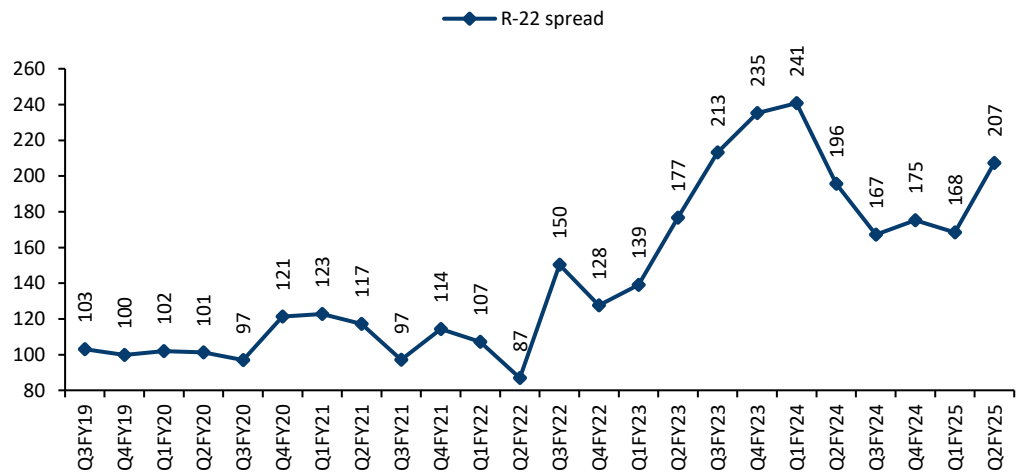
Products (EXIM data)

Exhibit 10: R-22 prices up 4.2% YoY



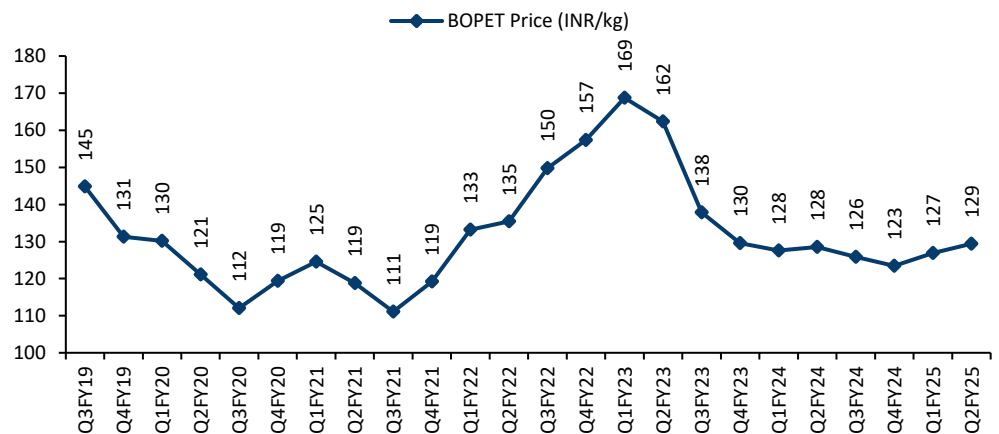
Source: Company data, I-Sec research

Exhibit 11: R22-fluorspar/chloroform spread increased 5.9% YoY



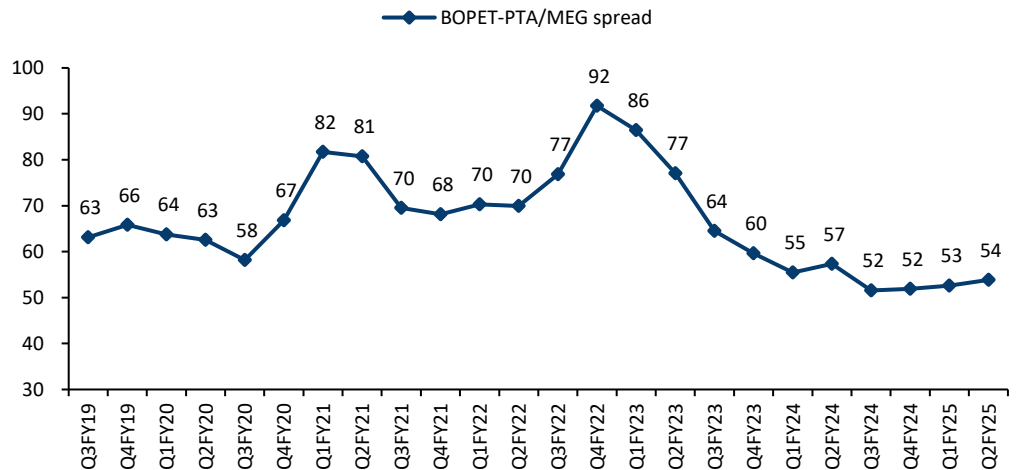
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 12: BOPET price rose 0.7% YoY



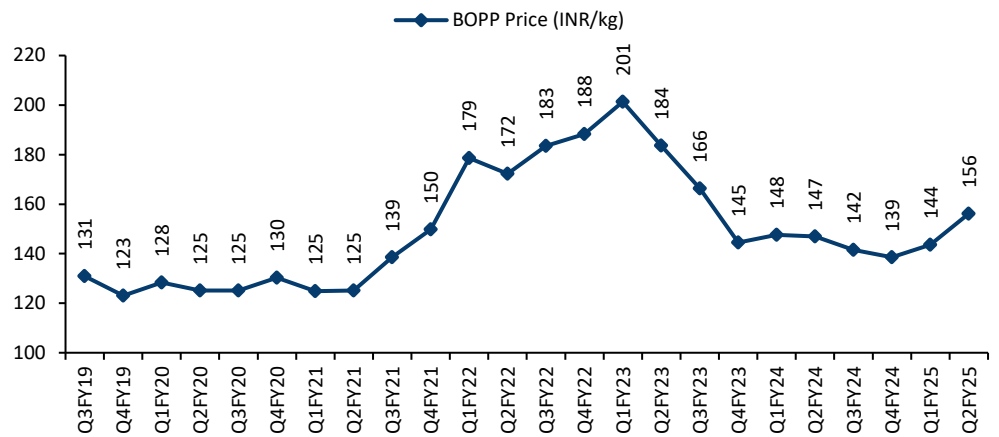
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 13: BOPET-PTA/MEG prices decline 6.1% YoY



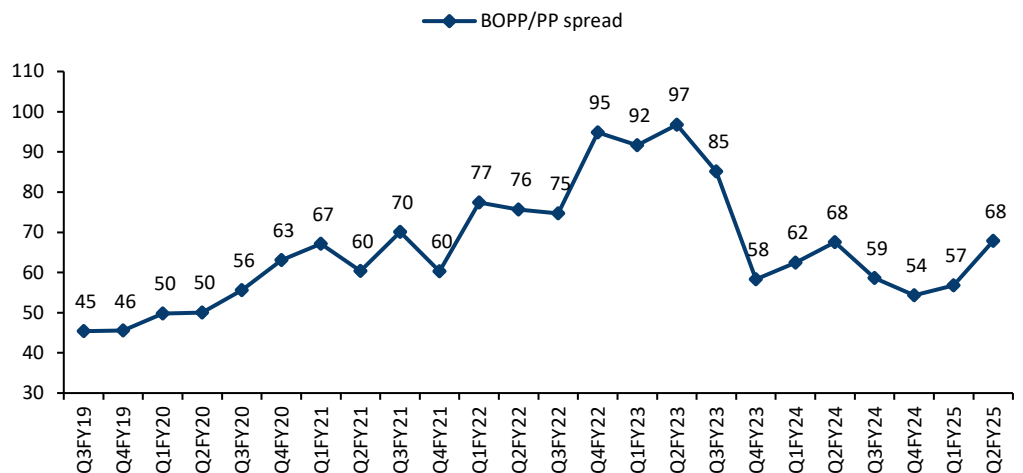
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 14: BOPP price increased 6.2% YoY



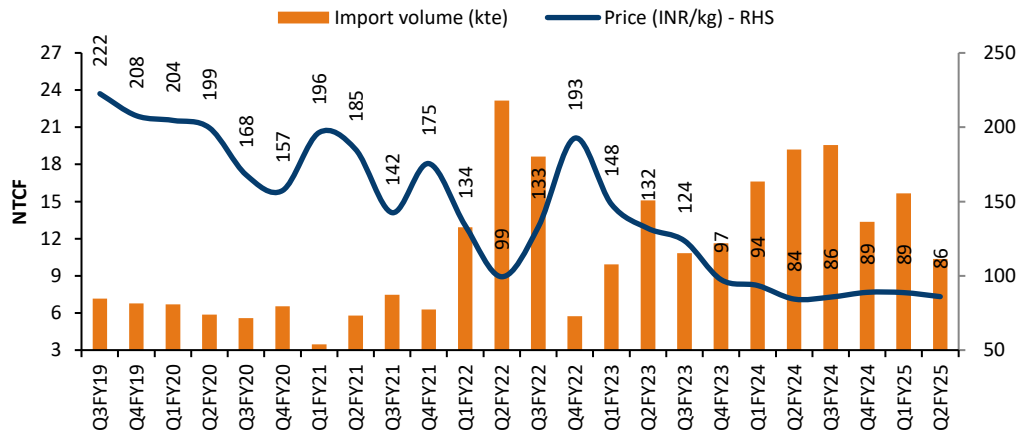
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 15: BOPP-PP spreads increased 0.5% YoY



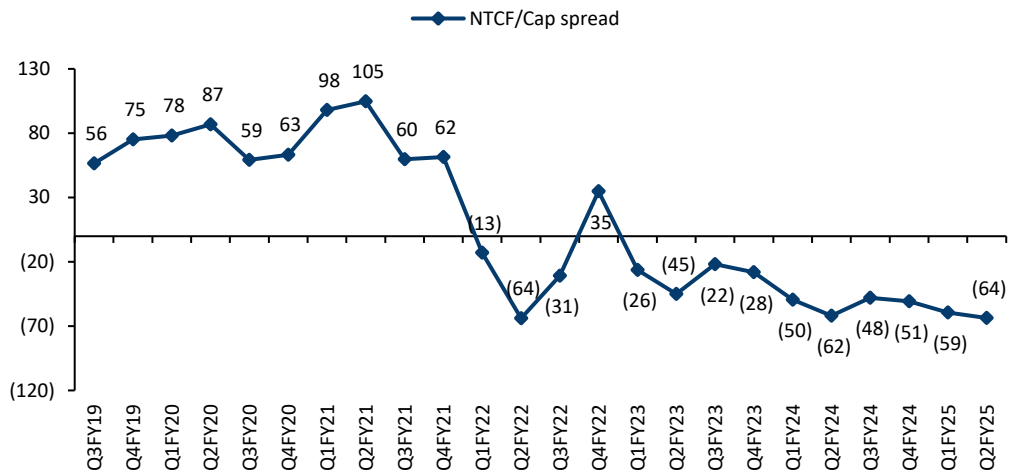
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 16: NTC import volumes increased while prices increased 1.9% YoY



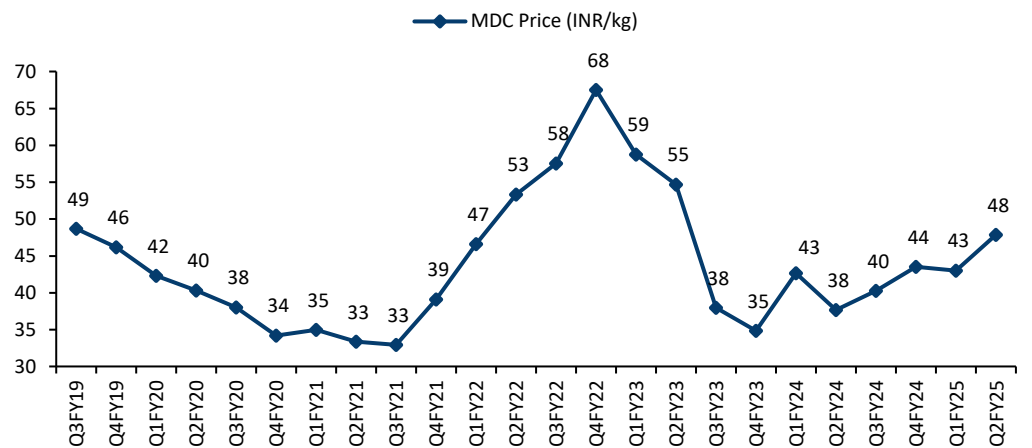
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 17: NTCF-caprolactam spreads were up 3.1% YoY



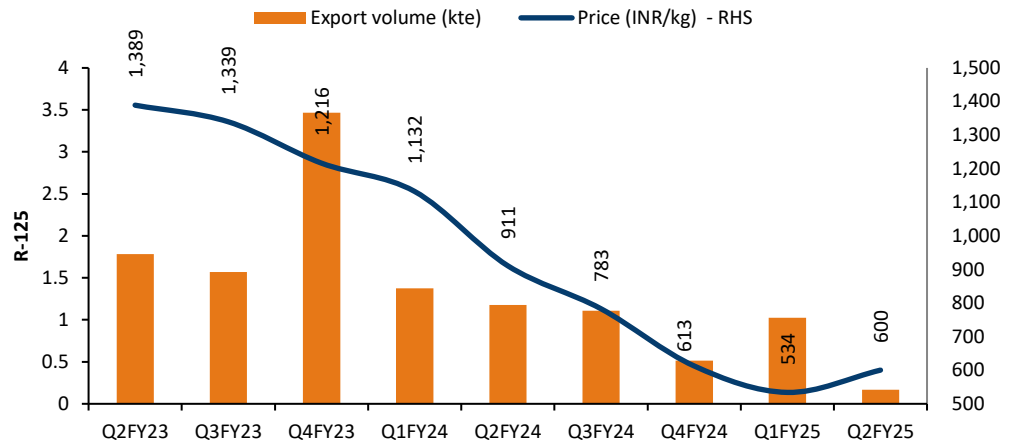
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 18: MDC prices were up 27.1% YoY



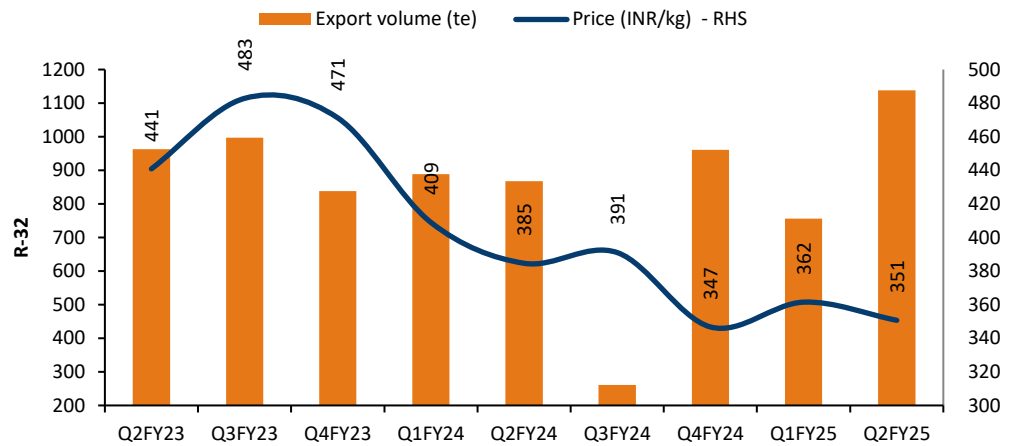
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 19: R-125 volumes dipped YoY; prices drop sharply



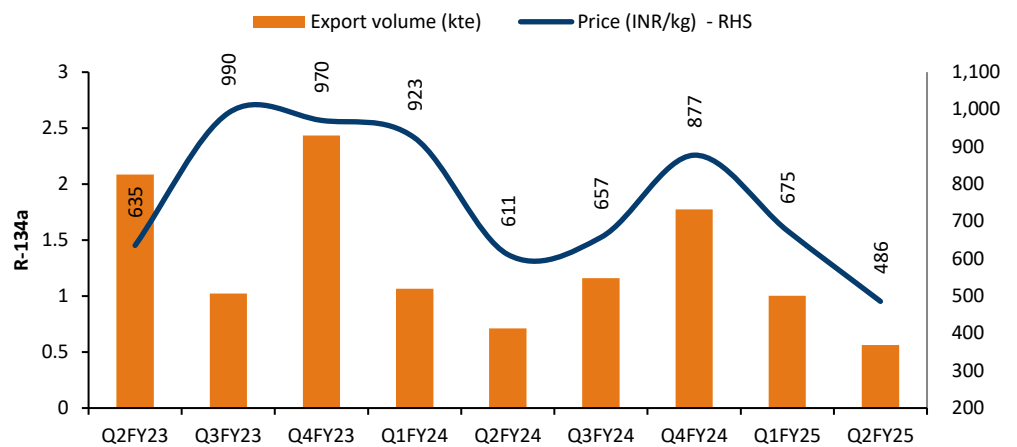
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 20: R-32 exports volume increased in Q2FY25



Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 21: Decline in exports volume for R-134a; prices fell, too



Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY25 data is for the month of Jul & Aug'24

Exhibit 22: Shareholding pattern

%	Mar'24	Jun'24	Sep'24
Promoters	50.3	50.3	50.3
Institutional investors	35.1	35.3	36.3
MFs and others	8.4	8.4	10.4
Banks / Insurance	6.3	7.9	7.4
FIIIs	20.4	19.0	18.5
Others	14.6	14.4	13.4

Source: Bloomberg, I-Sec research

Exhibit 23: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 24: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Net Sales	1,29,104	1,47,926	1,72,442	1,92,588
Operating Expenses	1,05,544	1,20,739	1,35,877	1,49,071
EBITDA	25,841	27,187	36,565	43,516
EBITDA Margin (%)	19.7	18.4	21.2	22.6
Depreciation & Amortization	6,726	7,503	8,786	9,787
EBIT	19,115	19,683	27,779	33,730
Interest expenditure	3,023	3,482	3,672	3,785
Other Non-operating Income	830	890	953	1,018
Recurring PBT	16,922	17,091	25,060	30,963
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	3,565	4,213	6,106	7,523
PAT	13,357	12,878	18,955	23,440
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	13,357	12,878	18,955	23,440
Net Income (Adjusted)	13,357	12,878	18,955	23,440

Source Company data, I-Sec research

Exhibit 25: Balance sheet

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	52,437	54,750	58,147	64,674
of which cash & cash eqv.	4,075	1,756	(4,343)	(5,762)
Total Current Liabilities & Provisions	28,117	30,022	34,301	37,800
Net Current Assets	24,320	24,728	23,846	26,874
Investments	5,267	1,211	1,211	1,211
Net Fixed Assets	1,40,470	1,55,828	1,74,422	1,89,039
ROU Assets	2,766	2,766	2,766	2,766
Capital Work-in-Progress	8,053	8,053	8,053	8,053
Total Intangible Assets	1,195	-	-	-
Other assets	3,894	4,031	4,176	4,328
Deferred Tax Assets	276	276	276	276
Total Assets	2,04,819	2,19,098	2,42,246	2,64,388
Liabilities				
Borrowings	49,202	50,613	53,083	52,606
Deferred Tax Liability	9,387	9,387	9,387	9,387
Provisions	714	714	714	714
Other Liabilities	2,609	2,804	3,226	3,572
Equity Share Capital	2,964	2,964	2,964	2,964
Reserves & Surplus	1,11,816	1,22,583	1,38,561	1,57,334
Total Net Worth	1,14,790	1,25,557	1,41,536	1,60,308
Minority Interest	-	-	-	-
Total Liabilities	2,04,819	2,19,098	2,42,246	2,64,388

Source Company data, I-Sec research

Exhibit 26: Quarterly trend

(INR mn, year ending March)

	Dec-23	Mar-24	Jun-24	Sep-24
Net Sales	30,530	35,697	34,641	34,243
% growth (YOY)	(12)	(5.5)	3.8	7.8
EBITDA	5,658	6,958	6,034	5,380
Margin %	18.5	19.5	17.4	15.7
Other Income	188	234	253	333
Extraordinaries	0	0	0	0
Adjusted Net Profit	2,534	4,222	2,522	2,014

Source Company data, I-Sec research

Exhibit 27: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25E	FY26E	FY27E
Operating Cashflow	22,066	22,974	30,459	35,993
Working Capital Changes	(1,128)	(3,194)	(5,954)	(5,097)
Capital Commitments	(22,169)	(22,862)	(27,379)	(24,404)
Free Cashflow	(1,231)	(3,082)	(2,874)	6,493
Other investing cashflow	(104)	4,946	953	1,018
Cashflow from Investing Activities	(104)	4,946	953	1,018
Issue of Share Capital	-	-	-	-
Interest Cost	(3,612)	(3,482)	(3,672)	(3,785)
Inc (Dec) in Borrowings	5,404	1,411	2,470	(477)
Dividend paid	(2,137)	(2,112)	(2,976)	(4,667)
Others	(372)	-	-	-
Cash flow from Financing Activities	(717)	(4,183)	(4,178)	(8,930)
Chg. in Cash & Bank balance	(2,052)	(2,319)	(6,100)	(1,418)
Closing cash & balance	3,994	1,756	(4,343)	(5,762)

Source Company data, I-Sec research

Exhibit 28: Key ratios

(Year ending March)

	FY24A	FY25E	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	45.1	43.4	63.9	79.1
Adjusted EPS (Diluted)	45.1	43.4	63.9	79.1
Cash EPS	67.8	68.8	93.6	112.1
Dividend per share (DPS)	3.6	7.1	10.0	15.7
Book Value per share (BV)	387.3	423.6	477.5	540.8
Dividend Payout (%)	8.0	16.4	15.7	19.9
Growth (%)				
Net Sales	(11.5)	14.6	16.6	11.7
EBITDA	(26.8)	5.2	34.5	19.0
EPS (INR)	(38.2)	(3.6)	47.2	23.7
Valuation Ratios (x)				
P/E	49.9	51.7	35.2	28.4
P/CEPS	33.2	32.7	24.0	20.1
P/BV	5.8	5.3	4.7	4.2
EV / EBITDA	27.4	26.3	19.8	16.7
EV/SALES	5.4	4.8	4.2	3.8
Dividend Yield (%)	0.2	0.3	0.4	0.7
Operating Ratios				
Gross Profit Margins (%)	48.9	46.7	48.3	49.2
EBITDA Margins (%)	19.7	18.4	21.2	22.6
Effective Tax Rate (%)	21.1	24.6	24.4	24.3
Net Profit Margins (%)	10.2	8.7	11.0	12.2
NWC / Total Assets (%)	13.4	14.3	15.9	16.9
Net Debt / Equity (x)	0.4	0.4	0.4	0.4
Net Debt / EBITDA (x)	1.6	1.8	1.6	1.3
Profitability Ratios				
RoCE (%)	9.7	8.7	11.3	12.5
RoE (%)	12.3	10.7	14.2	15.5
RoC (%)	10.3	9.0	11.3	12.2
Fixed Asset Turnover (x)	0.8	0.8	0.8	0.8
Inventory Turnover Days	64.6	62.1	62.0	62.0
Receivables Days	54.0	52.0	51.8	51.7
Payables Days	61.1	57.6	56.0	54.9

Source Company data, I-Sec research

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, E-mail Address : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headservicequality@icicidirect.com Contact Number: 18601231122
