

FY24 ARA: Product and channel expansion to gain market share

We have done an analysis of Voltas Annual Report FY24 and following are the key takeaways: Voltas is (1) Focusing on backward integration, (2) Increasing its focus on modern trade to inch up its market share, (3) Strong order book in the Engineering projects and (4) continue to strengthen its Voltbek brand.

- Moving up in distribution to inch up the market share:** Voltas along with general trade have started focusing on modern trade (MR+RR) and expanded Exclusive Brand Outlets (EBOs), including experience zones in order to inch up its market share. Over the last 5 years it has added c.15,000 touch points which is highest in the industry and also it has strengthened its EBO from 100 in FY19 to 320 as of FY24 along with 5 experience zones.
- Strong product developments- ahead of industry:** Voltas has strengthened its R&D to improve its product basket, In FY24 R&D (as a % of UCP sales) were c.0.4% vs 0.3% YoY. Also, it launched c.213 total SKU's out of which RAC/Air Coolers and Commercial ref was 73/61/79 respectively.
- In UCP – Focus on backward integration & product expansion:** Voltas sold c.1mn RAC units between Jan to 20th April,24 (2mn units in FY24). In the RAC vertical c.80% of the sales was from the inverter category. Its Air Cooler category grew c.40% YoY in FY24, Voltas expects to become Top 3 player in this category within next 5 years. Also, **Voltas aims to do a 100% backward integration of its selected RAC components.**
- Engineering Projects, International headwinds but strong order wins:** Delay in receivables in international business especially from Qatar impacted the overall profitability, however order book in the international business continue to remain strong at c.INR 30bn as of FY24. It received INR 8.28bn/2.15bn and 9.3bn order under MEP/Water and RDSS along with new order of solar totalling c.189MW power in FY24.
- Voltas continue to strengthen Voltbeko:** It recorded a volume/revenue growth of c.53%/c.46% YoY to INR 15.85 bn mainly driven by improving product mix and increasing channel presence. Voltbek increased its channel presence from 6,000 in FY21 to 11,400 in FY24. **Its SKU launched increased to 298 from 100 in FY23.** Also it has become the Top 3 player in the Semi-Automatic WM.

Outlook & Valuation: We expect VOLT revenue/earning CAGR of c.19%/114%(lower base in FY24) over FY24-26 mainly led by In UCP (1) Benefit from long-term demand drivers for AC, PLI on components, market leadership position and Beko (home appliances), (2) Increasing its penetration through channel expansion and (3) Improving its sourcing through backward integration and localisation. However high level of competition may cap margins in this segment. In EMP: strong domestic order book and revival in international market will add to growth/margin. At CMP VOLT trades at PE of 59x/43x on FY25/FY26, we value VOLT at SOTP – UCP 55x to INR 1,459 (BS/Havells trades at 63x/c.52x), EMP 15x to INR 76, EPS 20x to INR 132 and Voltbek at INR 105 on FY26 and arrive at TP of 1,770 and hence maintain BUY.

Financial Summary					(INR mn)
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E
Net Sales	79,344	94,988	1,24,812	1,53,511	1,76,510
Sales Growth (%)	5.0	19.7	31.4	23.0	15.0
EBITDA	6,815	5,724	4,746	8,547	11,601
EBITDA Margin (%)	8.6	6.0	3.8	5.6	6.6
Adjusted Net Profit	5,060	3,800	2,355	8,271	11,401
Diluted EPS (INR)	15.3	11.5	7.1	25.0	34.5
Diluted EPS Growth (%)	-4.3	-24.9	-38.0	251.3	37.8
ROIC (%)	24.2	13.7	9.7	20.9	25.0
ROE (%)	9.6	6.9	4.2	13.4	16.3
P/E (x)	97.2	129.4	208.9	59.5	43.1
P/B (x)	8.9	9.0	8.5	7.5	6.6
EV/EBITDA (x)	72.0	86.0	103.5	57.2	41.8
Dividend Yield (%)	0.3	0.1	0.1	0.5	0.6

Source: Company data, JM Financial. Note: Valuations as of 21/Jun/2024

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,770
Upside/(Downside)	19.0%
Previous Price Target	1,515
Change	16.8%

Key Data – VOLT IN

Current Market Price	INR1,487
Market cap (bn)	INR492.1/US\$5.9
Free Float	62%
Shares in issue (mn)	330.8
Diluted share (mn)	330.8
3-mon avg daily val (mn)	INR2,967.0/US\$35.5
52-week range	1,560/745
Sensex/Nifty	77,210/23,501
INR/US\$	83.5

Price Performance

%	1M	6M	12M
Absolute	10.4	56.9	98.2
Relative*	7.8	44.5	61.6

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

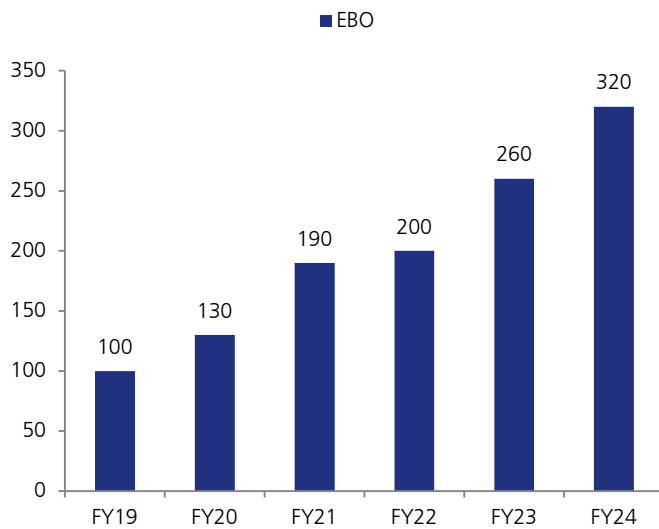
Moving up in distribution to inch up the market share

- Voltas continued to leverage its strength in traditional channels and increase its concentration in Modern Trade and organised channels. It has also started focusing on to build an extensive network of Exclusive Brand Outlets (EBOs), including experience zones at strategic locations which will help in strengthening its market share.
- Over the last 5 years it has added c.15,000 touch points taking the total to 30,000 in FY24 which is highest in the industry, Also it has strengthen its EBO from 100 in FY19 to 320 as of FY24 along with increasing experience zones from one in FY20 to five in FY24.
- All the above has helped Voltas in maintaining its leadership position. As of FY24 Voltas had a RAC market share of c.18.7% vs 21.6% in FY23 and a Window AC market share of c.34% vs 36.4% in FY23. We expect overall RAC Voltas market to inch up 20-21% backed to its FY23 levels in this season of FY25.

Voltas now also started focusing on Modern trade + EBO's to improve its market penetration.

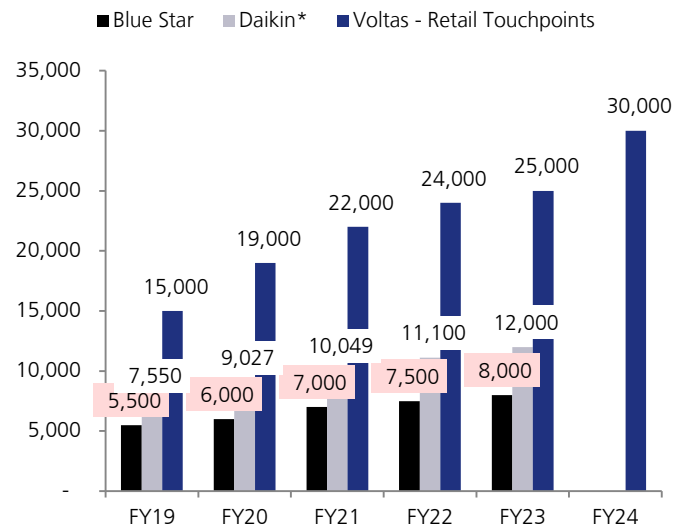
Voltas remains the market leader in the RAC industry with c.18.7% market share at secondary level and c.20% at Primary level as of FY24

Exhibit 1. Expanding Exclusive Brand Outlet (EBOs)



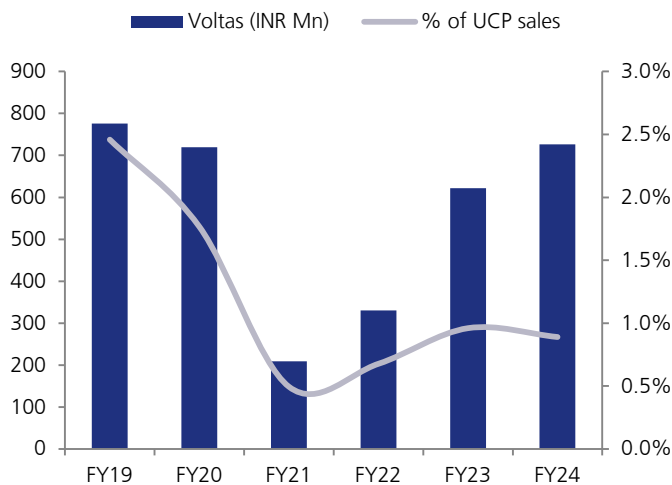
Source: JM Financial, Company

Exhibit 2. Strong Retail Touch points, highest in industry.



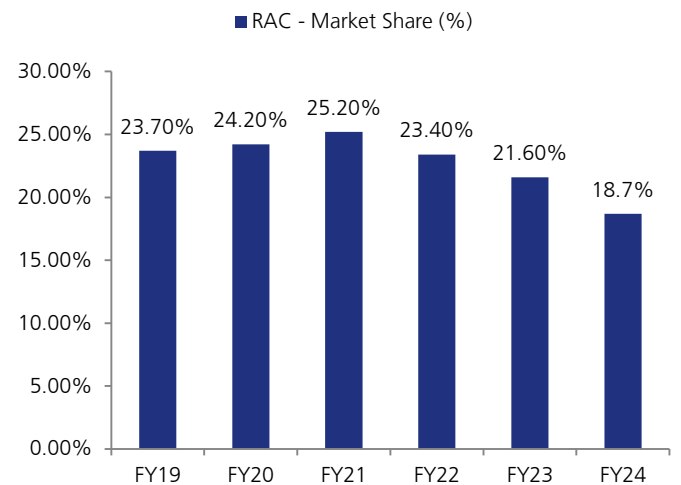
Source: JM Financial, Company, FY24 figures NA for Daikin & Blue Star

Exhibit 3. Voltas Advertisement expenses increased by c.17% YoY in FY24.



Source: JM Financial, Company

Exhibit 4. Voltas remains the market leader in the RAC industry with c.18.7% and c.34% market share in Window AC category.



Source: JM Financial, Company

Strong product developments- always ahead of industry

Voltas has diversified its product basket from mere offerings of just RAC to now Air Coolers, Commercial Refrigeration, etc. It has strengthened its R&D to improve its product basket.

Ahead of the industry moments for Voltas

- 1956: Introduced the first room air-conditioner in India
- 2007: India's first energy efficient Air Conditioner in 2007 and was the first in the industry to introduce the star rating concept in the industry.
- 2009: Developed India's first indigenously built energy-efficient Split AC product range
- 2018: Launched India's first Window AC with Inverter Technology, with unique Steady Cool Inverter compressor
- 2022: Introduced India's First AC with HEPA Filter with a unique value proposition of 'Pure & Flexible Air Conditioning.

What has Voltas done on new products developments?

- Launched its SmartAir Inverter AC series packed with smart features like Super Silent Operations, Sleep Mode, 5-Stage Multi Adjustable Mode, and IoT capabilities.
- Collaborated with Vestfrost Solutions, Denmark for technical license to expand product portfolio of commercial refrigeration
- Voltas has launched its new range of 5-star Glass Top models and Hard Top Deep freezers & Convertible models, New Floor Standing Water Dispenser Models in the Spring Series with a choice of hot, normal and cold water.
- The Company is also expanding its Visi Cooler line-up with additions of 4 new models - Minibar 50 ltrs., Large Single Door in 550 ltrs. and two Large Double Door models in 750 & 1000 ltrs.
- In Commercial Air Conditioners launched the new Inverter Scroll Chillers have a cooling capacity ranging from 12 TR to 72 TR with eco-friendly refrigerants and which can be operated through mobile app.

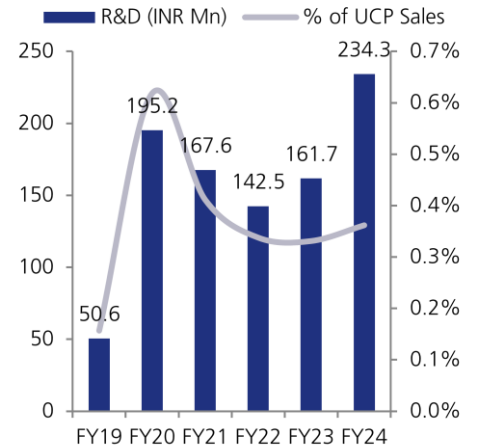
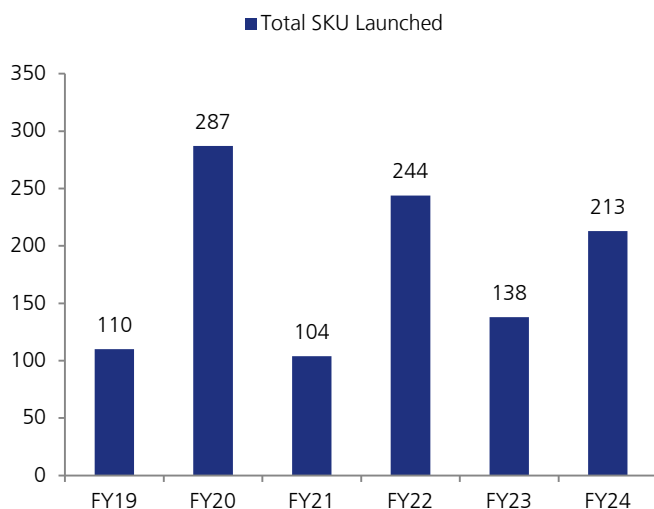
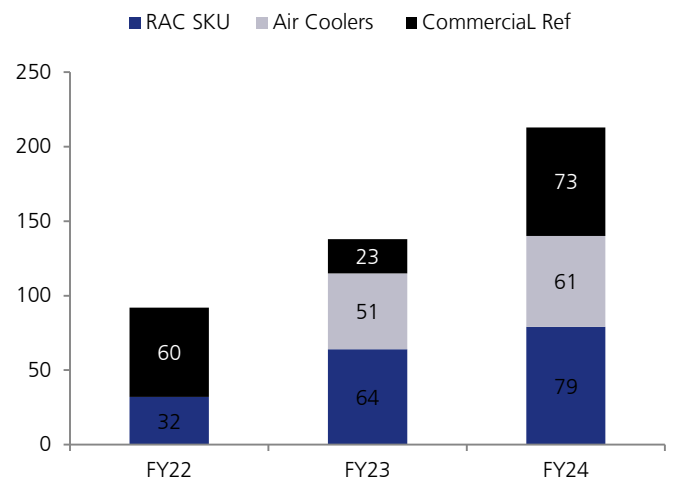


Exhibit 5. Average SKU launched in last 5 years is c.180 p.a



Source: JM Financial, Company

Exhibit 6. Strong SKU launched in RAC along with gearing up on Commercial Ref and Air Coolers.



Source: JM Financial, Company

- Voltas launched c.105 SKU's under the 5 star rating category which was almost 21 in FY23 and c.86 in FY20.

In UCP focus on backward integration & product expansion

- Voltas – Unitary Cooling Products (UCP) revenue grew c.26% YoY in FY24 to INR 81.6 bn. Overall RAC volume grew c.35% to 2mn units. The growth was mainly led by the inverter speed RAC category; these category contributed c.80% of the overall RAC sale in FY24.
- The Air Cooler segment also improved its market position and grew c.40% YoY due to high-end product acceptance and strategic channel expansions.
- Also, Commercial AC saw notable growth across key sectors however margins impacted due to higher RM cost and increased competition.
- With increased demand for Water coolers, Voltas launched a complete water cooler range (20 Lts. to 300 Lts.) due to which Voltas continues to dominate this category. Also, introduction of premium-coloured options (black & grey) in the water dispenser category, helped Voltas to maintain market leadership.
- In order to further tap the market opportunities Voltas is increasing its RAC capacity by 1mn units at Sri City and 2,50,000 Commercial Refrigerators at its Wagodia facility in Gujarat.

Voltas sold c.1mn RAC units between Jan,24 to 20th April,24.

Voltas will consolidate its position to become the Top 3 players in the industry within 5 years of its launch in Air Coolers.

Voltas aims to do a 100% backward integration of its selected RAC components.

Exhibit 7. Voltas being a leader in the industry have grown ahead of industry along with strong margins; however profitability (PAT) has been impacted due to EMP losses.

Companies	FY19	FY20	FY21	FY22	FY23	FY24	CAGR
	Revenue (INR Mn)						
Daikin -Total*	36,524	40,052	33,650	46,804	65,877	85,640	19%
Voltas - UCP	31,556	40,737	42,185	48,819	64,745	81,605	21%
Blue Star- UP	22,690	23,006	18,683	26,122	36,269	45,922	15%
Lloyd	18,556	15,903	16,888	22,606	33,686	37,852	15%
Johnsons Controls - Hitachi	22,256	21,355	15,952	21,190	23,399	18,690	-3%
	EBIT/EBITDA (INR Mn)						
Daikin -Total*	3,723	5,100	3,681	4,429	5,352	6,937	13%
Voltas - UCP	3,254	5,121	5,837	5,134	5,378	6,935	16%
Blue Star- UP	1,859	1,623	1,088	1,559	2,823	3,603	14%
Lloyd	3,176	1,687	741	-711	-2,209	-1,644	NA
Johnsons Controls - Hitachi	1300	1138	413	232	-908	-655	NA
	EBIT/EBITDA Margin						
Daikin -Total*	10.2%	12.7%	10.9%	9.5%	8.1%	8.1%	
Voltas - UCP	10.3%	12.6%	13.8%	10.5%	8.3%	8.5%	
Blue Star- UP	8.2%	7.1%	5.8%	6.0%	7.8%	7.8%	
Lloyd	17.1%	10.6%	4.4%	-3.1%	-6.6%	-4.3%	
Johnsons Controls - Hitachi	5.8%	5.3%	2.6%	1.1%	-3.9%	-3.5%	
	Total PAT (INR Mn)						
Daikin*	1,921	2,324	1,498	2,283	3,005	4,282	17%
Voltas	5,139	4,474	5,288	5,060	1,362	2,481	-14%
Blue Star	1,901	1,433	1,007	1,691	4,011	4,143	17%
Lloyd	NA						
Johnsons Controls - Hitachi	860	835	331	161	-821	-758	NA

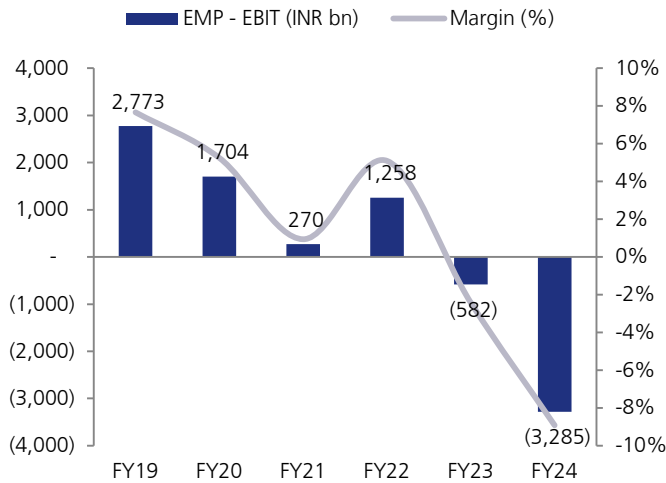
Source: JM Financial, Company, *Daikin FY24 numbers are consolidated and we have taken EBITDA margin of Daikin and for rest its EBIT.

Engineering Projects, International headwinds but strong order wins

- Internationally, the Projects business continued to face headwinds due to the challenges faced on few projects, especially in Qatar. These projects continued to remain under stress due to delays in realization of overdue receivables, certification of bills and also cost overruns which impacted the performance of segment and in turn impacted the profitability of the company.

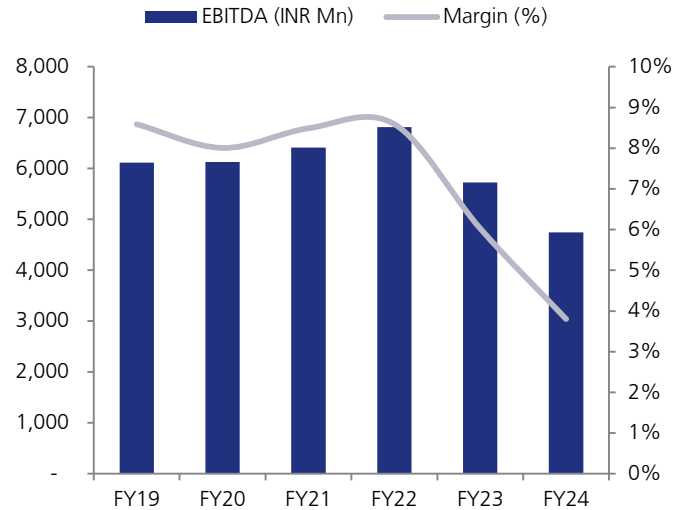
Voltas has earned an EBIT Profit of c.INR 6bn over FY19-22 in these segment, however with increased provision in the segment resulted in losses of c.INR 3.9bn over FY23 and FY24 which led to evaporating more than 65% of the segment profits.

Exhibit 8. EMP profitability impacted due to international projects, Management expects EBIT margin of c.4-5% in FY25



Source: JM Financial, Company

Exhibit 9. EMP impacted overall profitability of the company.

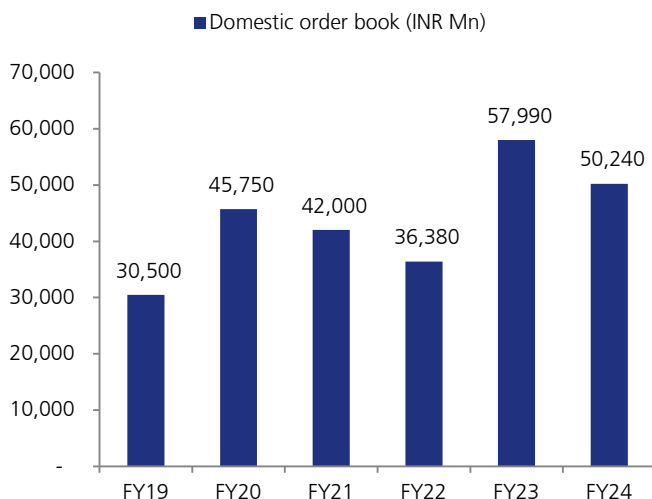


Source: JM Financial, Company

- Universal MEP projects & Engineering services Ltd (UMPESL); 100% wholly owned subsidiary have received INR 8.28bn orders in MEP vertical.
- In Water business secured orders amounting to INR 2.15bn. Also, it won new order totalling 189 MWp in Solar business and its entry into the Rooftop Solar segment will open up significant opportunities. The Electrical business vertical has secured orders worth INR 9.30 bn under Revamped Distribution Sector Scheme (RDSS) in West Bengal and Jharkhand. Additionally, it also ventured into the substation segment, commissioning 15 substations in Madhya Pradesh, including the milestone of inaugurating the first Gas Insulated Substation (GIS) in Kolkata.

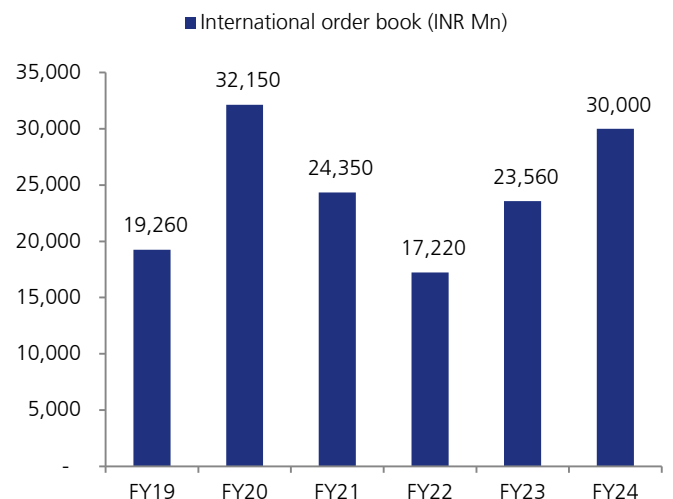
In MEP, Voltas has increased its average contract size and also shifted from general contractors to direct clients.

Exhibit 10. Domestic order book



Source: JM Financial, Company

Exhibit 11. International business has strong order book.



Source: JM Financial, Company

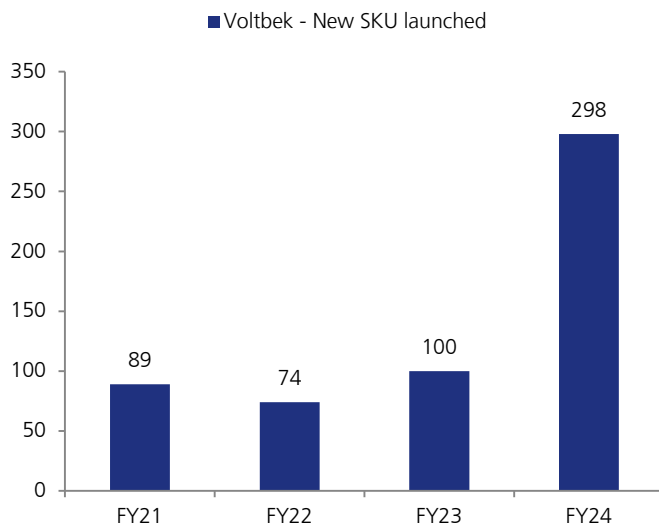
Voltas continue to strengthen Voltbek

- Voltas Beko has sold over 5 million appliances in just 5 years. It improved its market share in Refrigerators & Washing Machines on the back of new product development and pricing which resulted in volume growth of c.53% and revenue growth of c.46% YoY to INR 15.85 bn.
- In Semi-Automatic Washing Machines, Voltas Beko has moved up to be among the top three players in the market which was driven by the introduction of new innovative products and expansion into additional retail outlets.
- Currently, Voltbek imports premium products, such as high-capacity side-by-side and Frost-Free refrigerators, Fully Automatic Front Load Washing Machines, Microwave Ovens, and Dishwashers. In FY25, it expects significant expansion, particularly in increasing refrigerator manufacturing capacity by 5,00,000 units at the Sanand plant, aimed at meeting escalating market demands and maintaining competitive superiority.

Voltbek recorded c.12% of sales from e-commerce channels in FY24.

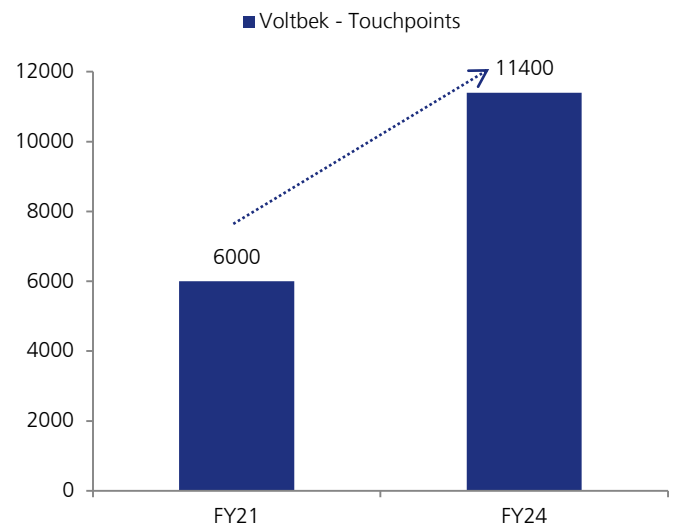
Voltbek market share was in Refrigerator was c.5.3%, Washing Machine was c.8.5% and Semi-Automatic was c.15% (12.2% for Dec-23).

Exhibit 12. Significant new SKU's launched in FY24



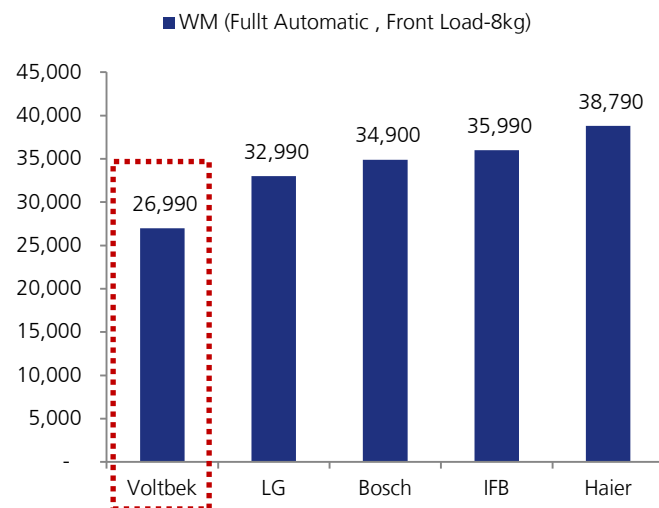
Source: JM Financial, Company

Exhibit 13. Voltas Beko has improved its retail penetration



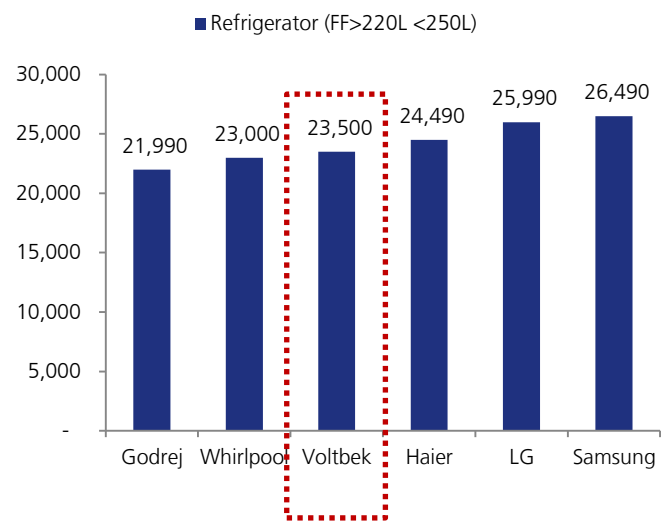
Source: JM Financial, Company

Exhibit 14. Voltbek has very aggressive pricing in Washing Machines.



Source: JM Financial, Amazon

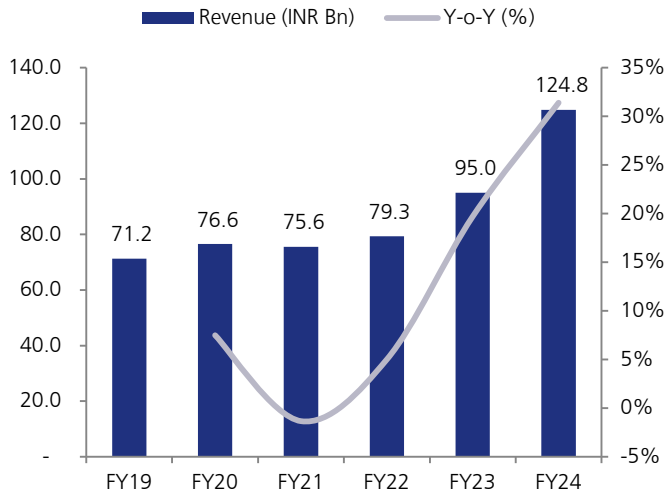
Exhibit 15. Voltbek has now started going aggressive in Refrigerator



Source: JM Financial, Amazon

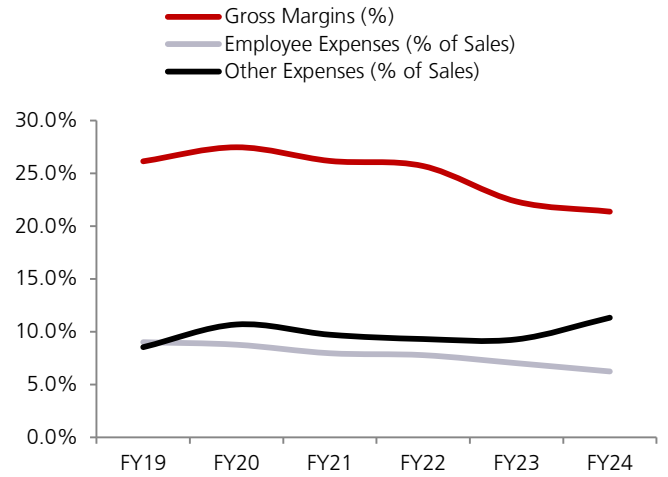
Financial Analysis in charts

Exhibit 16. Strong revenue growth, CAGR of c.12% over FY19-24



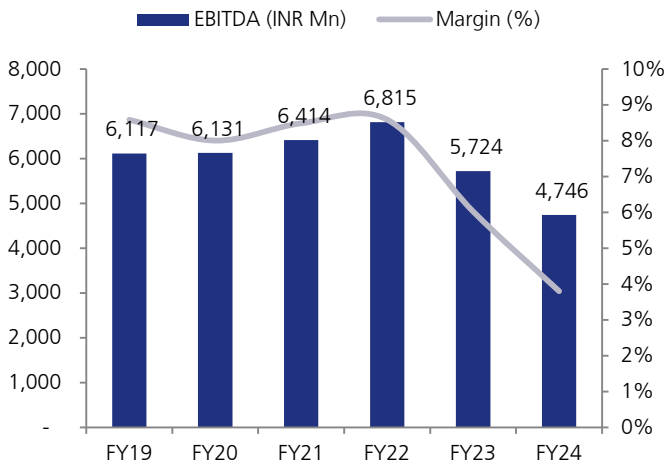
Source: JM Financial, Company

Exhibit 17. Gross margins impacted due to higher RM prices, however operating leverage led to lower Employee expenses



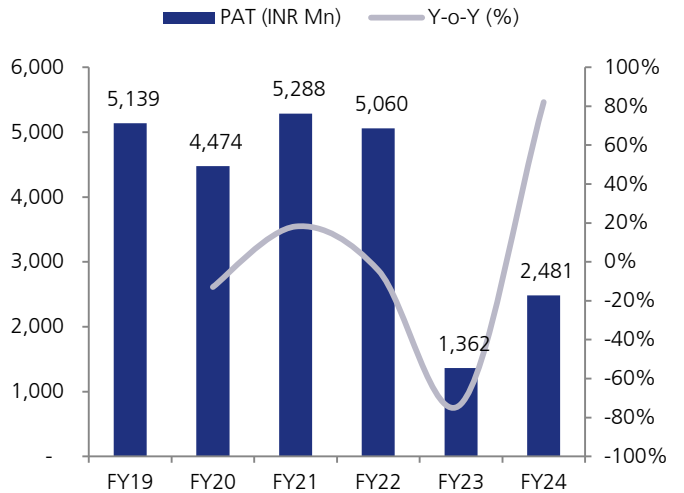
Source: JM Financial, Company

Exhibit 18. All the above led to lower EBITDA CAGR of c.-5%; mainly due to losses in EMP business



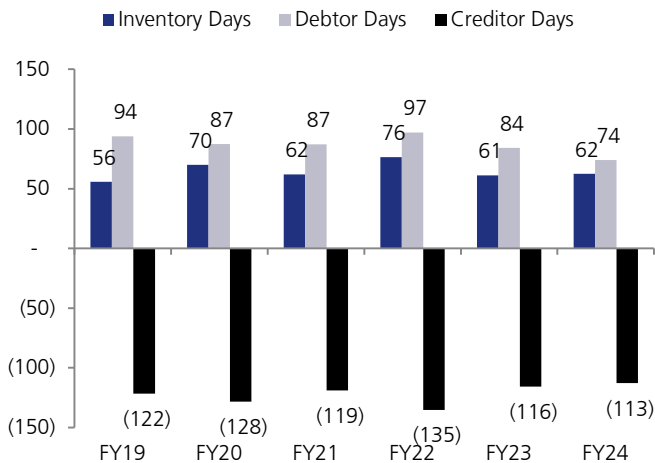
Source: JM Financial, Company

Exhibit 19. Reported PAT trend over FY19-24



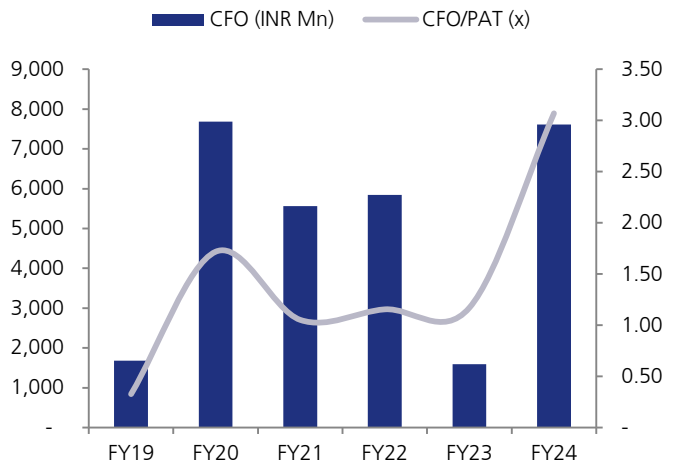
Source: JM Financial, Company

Exhibit 20. Improvement in WC due to better sourcing + Collections



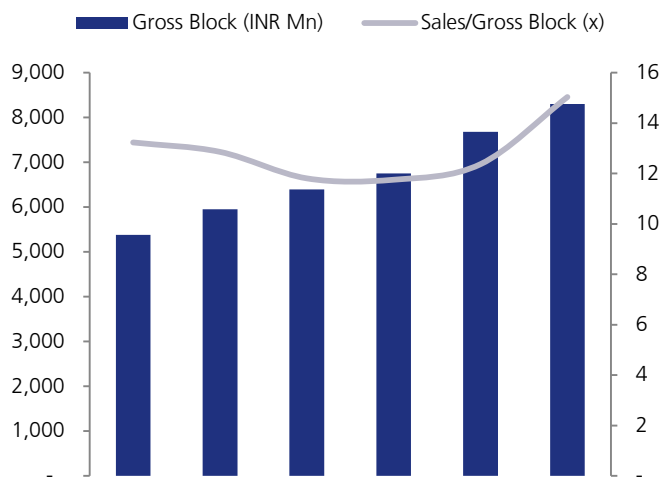
Source: JM Financial, Company

Exhibit 21. Strong cash flow generation and quick cash conversion



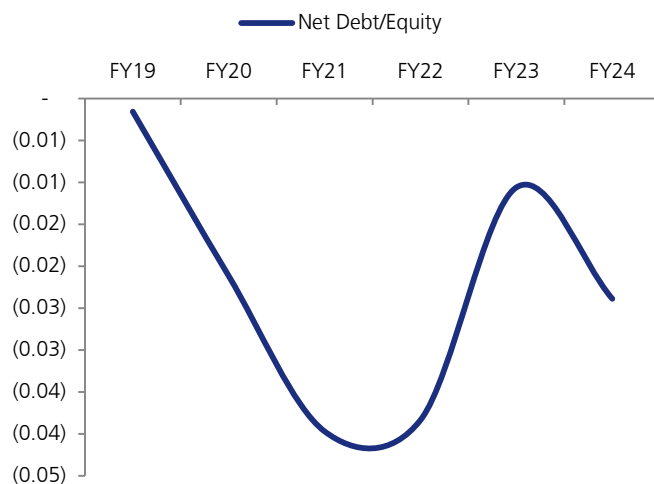
Source: JM Financial, Company

Exhibit 22. Strong Asset T/o and gross block addition



Source: JM Financial, Company

Exhibit 23. Voltas is Net debt free since many years.



Source: JM Financial, Company

Exhibit 24. Duo Point Analysis and ROCE, lower return ratios due to impact on profitability by engineering project segment.

Particulars	FY19	FY20	FY21	FY22	FY23	FY24
PAT Margin	7%	6%	7%	6%	1%	2%
Sales/Asset	1.6	1.7	1.4	1.4	1.6	1.9
Asset/Equity	1.1	1.0	1.0	1.1	1.1	1.1
ROE	12.5%	10.5%	10.6%	9.2%	2.5%	4.3%
ROCE	13.5%	13.0%	11.6%	11.0%	8.7%	6.5%

Source: JM Financial, Company

Outlook & Valuation

- We expect VOLT revenue/earning CAGR of c.19%/114%(lower base in FY24) over FY24-26 mainly led by In UCP (1) Benefit from long-term demand drivers for AC, PLI on components, market leadership position and Beko (home appliances), (2) Increasing its penetration through channel expansion and (3) Improving its sourcing through backward integration and localisation. However high levels of competition may cap margins in this segment.
- In EMP: strong domestic order book and revival in international market will add to growth/margin.
- At CMP VOLT trades at PE of 59x/43x on FY25/FY26, we value VOLT at SOTP – UCP 55x to INR 1,459 (Blue Star /Havells trades at 63x/c.52x), EMP 15x to INR 76, EPS 20x to INR 132 and Voltbek at INR 105 on FY26 and arrive at TP of 1,770 and hence maintain BUY

Exhibit 25. SOTP Valuation

Segment	FY26- EPS (INR)	Target Multiple	Target Price (INR)
Unitary Cooling Products (UCP)	26.5	55	1,459
Electro Mechanical Products (EMP)	5.1	15	76
Engineering Products & Services (EPS)	6.6	20	132
Voltas			1,667
Voltbek			105
SOTP Value (INR)			1,773

Source: JM Financial, Company

Exhibit 26. Change in Estimates

INR mn	NEW		OLD		% Revision	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	1,53,511	1,76,510	1,51,063	1,74,690	1.6%	1.0%
EBITDA	8,547	11,601	8,111	10,573	5.4%	9.7%
PAT	8,271	11,401	7,894	10,586	4.8%	7.7%
EPS	25.0	34.5	23.9	32	4.8%	7.7%

Source: JM Financial, Company

Financial Tables (Consolidated)

Income Statement		(INR mn)				
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Net Sales	79,344	94,988	1,24,812	1,53,511	1,76,510	
Sales Growth	5.0%	19.7%	31.4%	23.0%	15.0%	
Other Operating Income	0	0	0	0	0	
Total Revenue	79,344	94,988	1,24,812	1,53,511	1,76,510	
Cost of Goods Sold/Op. Exp	58,967	73,782	98,140	1,19,233	1,36,214	
Personnel Cost	6,176	6,672	7,788	8,488	9,210	
Other Expenses	7,386	8,810	14,138	17,242	19,485	
EBITDA	6,815	5,724	4,746	8,547	11,601	
EBITDA Margin	8.6%	6.0%	3.8%	5.6%	6.6%	
EBITDA Growth	6.3%	-16.0%	-17.1%	80.1%	35.7%	
Depn. & Amort.	373	396	476	360	408	
EBIT	6,443	5,327	4,270	8,187	11,193	
Other Income	1,892	1,685	2,534	4,349	4,592	
Finance Cost	259	296	559	380	300	
PBT before Excep. & Forex	8,076	6,716	6,245	12,157	15,485	
Excep. & Forex Inc./Loss(-)	0	-2,438	0	0	0	
PBT	8,076	4,278	6,245	12,157	15,485	
Taxes	1,913	1,709	2,503	3,060	3,898	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	-1,103	-1,207	-1,387	-825	-186	
Reported Net Profit	5,060	1,362	2,355	8,271	11,401	
Adjusted Net Profit	5,060	3,800	2,355	8,271	11,401	
Net Margin	6.4%	4.0%	1.9%	5.4%	6.5%	
Diluted Share Cap. (mn)	330.8	330.8	330.8	330.8	330.8	
Diluted EPS (INR)	15.3	11.5	7.1	25.0	34.5	
Diluted EPS Growth	-4.3%	-24.9%	-38.0%	251.3%	37.8%	
Total Dividend + Tax	1,366	368	670	2,233	3,078	
Dividend Per Share (INR)	4.1	1.1	2.0	6.8	9.3	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Shareholders' Fund	54,996	54,521	58,205	65,669	74,378	
Share Capital	331	331	331	331	331	
Reserves & Surplus	54,665	54,190	57,874	65,338	74,047	
Preference Share Capital	0	0	0	0	0	
Minority Interest	381	417	337	337	337	
Total Loans	3,608	6,506	7,133	7,133	7,133	
Def. Tax Liab. / Assets (-)	-317	-303	176	126	76	
Total - Equity & Liab.	58,668	61,140	65,851	73,265	81,924	
Net Fixed Assets	3,897	5,735	8,703	9,343	9,935	
Gross Fixed Assets	6,750	7,677	8,301	9,701	10,701	
Intangible Assets	723	723	723	723	723	
Less: Depn. & Amort.	4,170	3,648	3,996	4,356	4,764	
Capital WIP	593	983	3,675	3,275	3,275	
Investments	32,344	28,509	30,517	30,709	31,809	
Current Assets	60,782	68,191	80,724	1,02,797	1,20,016	
Inventories	16,614	15,920	21,354	29,400	33,587	
Sundry Debtors	21,097	21,919	25,328	39,534	45,457	
Cash & Bank Balances	5,717	7,084	8,523	10,397	14,976	
Loans & Advances	0	0	0	0	0	
Other Current Assets	17,355	23,269	25,519	23,466	25,996	
Current Liab. & Prov.	38,355	41,294	54,093	69,584	79,836	
Current Liabilities	29,421	30,126	38,557	58,800	67,174	
Provisions & Others	8,935	11,168	15,536	10,785	12,662	
Net Current Assets	22,427	26,896	26,631	33,213	40,180	
Total - Assets	58,668	61,140	65,851	73,265	81,924	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24A	FY25E	FY26E	
Profit before Tax	8,076	3,071	4,858	12,157	15,485	
Depn. & Amort.	373	396	476	360	408	
Net Interest Exp. / Inc. (-)	219	-219	-67	4,729	4,892	
Inc (-) / Dec in WCap.	-438	-3,836	801	-6,651	-2,388	
Others	-218	3,838	3,662	0	0	
Taxes Paid	-2,169	-1,656	-2,115	-3,110	-3,948	
Operating Cash Flow	5,842	1,594	7,615	7,485	14,449	
Capex	-482	-1,799	-2,931	-1,000	-1,000	
Free Cash Flow	5,360	-206	4,685	6,485	13,449	
Inc (-) / Dec in Investments	-10,602	-20,696	-3,176	1,751	-1,100	
Others	7,437	21,679	883	-5,174	-4,778	
Investing Cash Flow	-3,646	-816	-5,224	-4,423	-6,878	
Inc / Dec (-) in Capital	0	0	0	0	0	
Dividend + Tax thereon	-1,676	-1,829	-1,432	-808	-2,693	
Inc / Dec (-) in Loans	918	2,728	974	0	0	
Others	-312	-349	-704	-380	-300	
Financing Cash Flow	-1,070	550	-1,163	-1,188	-2,993	
Inc / Dec (-) in Cash	1,125	1,328	1,228	1,874	4,579	
Opening Cash Balance	4,480	5,605	6,936	8,523	10,397	
Closing Cash Balance	5,605	6,934	8,164	10,397	14,976	

Source: Company, JM Financial

Dupont Analysis		FY22A	FY23A	FY24A	FY25E	FY26E
Net Margin		6.4%	4.0%	1.9%	5.4%	6.5%
Asset Turnover (x)		1.4	1.6	2.0	2.2	2.3
Leverage Factor (x)		1.1	1.1	1.1	1.1	1.1
RoE		9.6%	6.9%	4.2%	13.4%	16.3%

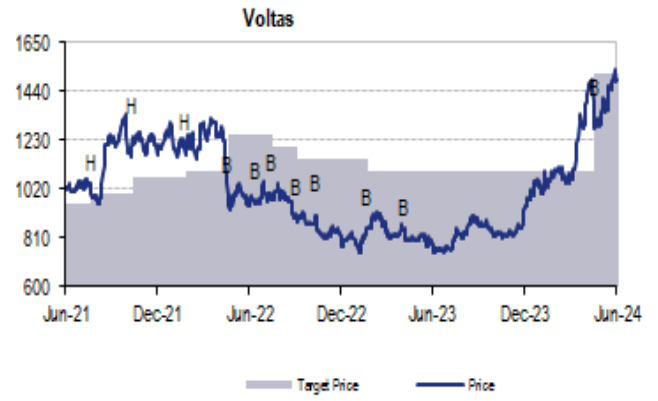
Key Ratios		FY22A	FY23A	FY24A	FY25E	FY26E
BV/Share (INR)		166.3	164.8	176.0	198.5	224.8
ROIC		24.2%	13.7%	9.7%	20.9%	25.0%
ROE		9.6%	6.9%	4.2%	13.4%	16.3%
Net Debt/Equity (x)		0.0	0.0	0.0	0.0	-0.1
P/E (x)		97.2	129.4	208.9	59.5	43.1
P/B (x)		8.9	9.0	8.5	7.5	6.6
EV/EBITDA (x)		72.0	86.0	103.5	57.2	41.8
EV/Sales (x)		6.2	5.2	3.9	3.2	2.7
Debtor days		97	84	74	94	94
Inventory days		76	61	62	70	69
Creditor days		148	123	117	148	149

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
10-Feb-20	Buy	750	
9-Apr-20	Buy	535	-28.7
2-Jun-20	Hold	525	-1.9
3-Aug-20	Hold	525	0.0
17-Aug-20	Hold	570	8.6
9-Nov-20	Hold	720	26.3
15-Feb-21	Hold	960	33.3
14-May-21	Hold	960	0.0
11-Aug-21	Hold	1,000	4.2
1-Nov-21	Hold	1,070	7.0
14-Feb-22	Hold	1,100	2.8
10-May-22	Buy	1,250	13.6
4-Jul-22	Buy	1,250	0.0
4-Aug-22	Buy	1,200	-4.0
22-Sep-22	Buy	1,150	-4.2
2-Nov-22	Buy	1,150	0.0
10-Feb-23	Buy	1,100	-4.3
27-Apr-23	Buy	1,100	0.0
8-May-24	Buy	1,515	37.7

Recommendation History



APPENDIX I

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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* REITs refers to Real Estate Investment Trusts.

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