

Decent Q1, Volatile Macros; Structural Growth Story Intact

Est. Vs. Actual for Q1FY25: Revenue – **MISS**; Segmental EBITDA – **BEAT**; Adj PAT– **MISS**

Change in Estimates post Q1FY25 results

FY25E/FY26E: Revenue: -3.8%/-1.4%; EBITDA: -4.6%/-5.0%; PAT: -5.9%/-5.0%.

Recommendation Rationale

- Upstream Aluminium CoP:** In Q1FY25, the CoP was down by 2% QoQ, largely because of a drop in coal and carbon costs. In Q2FY25, it will remain flat or slightly increase by 1% QoQ, as spot e-auction coal prices tend to go up during monsoon and caustic soda prices have also gone up a little bit. Upstream Aluminium shipments at 329kt stood down by 4% YoY, but revenue rose by 10% YoY to Rs 8,839 Cr, led by higher LME Aluminium prices. EBITDA/t jumped up by 84%/32% YoY/QoQ to \$1,273/t, led by lower input costs and higher revenue.
- Aluminium downstream:** EBITDA/t dropped by 32%/21% YoY/QoQ to Rs 138/t as it had to fulfil some orders with a lower conversion premium. EBITDA/t is expected to jump back QoQ in Q2FY25 (sustainable target is Rs 200/t). Capex for the downstream projects (Silvassa and FRP-2) is done and ramp-up will progress. These projects once fully ramped up will take total capacity to 600 ktpa.
- Copper business** Company is shipping more copper as CCR rods (as it has spare capacity) by importing external copper to fulfil higher demand at good realisations. In FY25, it will be selling >515kt, whereas cathode production will be at ~380 to 400kt. As a result, the quarterly EBITDA guidance is raised to Rs 600 Cr from previous quarters of Rs 400 Cr. In Q1FY25, EBITDA jumped by 52%/4% YoY/QoQ to Rs 805 Cr, due to higher realisations and derivative hedging gains.
- Novelis:** Adjusted EBITDA, stood at \$500 Mn, up 19% YoY but down 3% QoQ. Adjusted EBITDA/t stood at \$525/t, up 10% YoY but down 3% QoQ, in line with sustainable guidance of \$525/t.

Sector Outlook: Neutral.

Company Outlook & Guidance: Downstream projects capex (Silvassa 34 ktpa and FRP-2 170 ktpa) is almost complete and ramp-up will progress. Focus will be on upstream projects now with alumina expansion (2 mtpa in two phases of 1mtpa each) in Odisha first, followed by Copper smelter (280-300 kt) and finally 180-pot Aluminium smelter (180 ktpa) expansion in Aditya with RE-RTC power. These projects will have a capex of Rs 8,000 Cr each. For FY25, the company's capex guidance for Indian operations stands at Rs 5,500-6,000 Cr and for Novelis, it stands at the lower end of \$1.8-2 Bn.

Current Valuation: 6.3x EV/EBITDA on FY26 EBITDA (Unchanged)

Current TP: Rs 715/share (From Rs 755/share)

Recommendation: We maintain our **BUY** rating.

Financial Performance: Hindalco's Indian operations delivered a robust performance. Overall consolidated revenue stood largely in line with consensus (up 8% YoY, 2% QoQ), while reported EBITDA grew by 31%/11% YoY/QoQ (6% and 11% beat vs. our estimates and consensus), led by strong upstream Aluminium and copper division. The company's consolidated PAT increased by 39%/7% YoY/QoQ to Rs 3,404 Cr, led by higher EBITDA.

Outlook: With the upstream smelters in the 1st quartile of the cost curve and Capex focus on the downstream assets at both India and Novelis, the capital allocation looks well-placed. However, the FCF will be under pressure for the next 3 years as Capex intensity increases. Returns will be back-ended post the completion of expansion projects. Project execution at Bay Minette remains the key risk.

Valuation & Recommendation: We value the company using SoTP with a 12MF EV/EBITDA target of 6.0x/5.5x/6.5x on FY26 EBITDA for Indian Aluminium, Copper, and Novelis (Unchanged) operations respectively and add investments at market price and CWIP at 50% to arrive at our TP of Rs 715/share. Our TP implies an upside potential of 15% from the CMP. We maintain our **BUY** rating on the stock.

Key Financials (Consolidated)

| (Rs Cr) | Q1FY25 | QoQ (%) | YoY (%) | Axis Est. | Variance |
|-------------------------------------|--------|---------|---------|-----------|----------|
| Net Sales | 57,013 | 2% | 8% | 61,186 | -7% |
| EBITDA | 7,992 | 11% | 31% | 7,535 | 6% |
| Novelis Adj EBITDA/t | 525 | -3% | 10% | 525 | 0% |
| Aluminium India upstream EBITDA/t | 1,273 | 32% | 84% | NA | |
| Aluminium India downstream EBITDA/t | 138 | -21% | -32% | NA | |
| Adj PAT | 3,404 | 7% | 39% | 3,784 | -10% |
| Net Debt | 35,530 | 13% | -8% | NA | NA |

Source: Company, Axis Securities

(CMP as of 13th August 2024)

| | |
|----------------------------|-----------|
| CMP (Rs) | 621 |
| Upside /Downside (%) | 15% |
| High/Low (Rs) | 715/438 |
| Market cap (Cr) | 1,39,586 |
| Avg. daily vol. (6m) Shrs. | 83,63,734 |
| No. of shares (Cr) | 222 |

Shareholding (%)

| | Dec-23 | Mar-24 | Jun-24 |
|------------------|--------|--------|--------|
| Promoter | 34.64 | 34.64 | 34.64 |
| FII | 27.89 | 26.82 | 27.18 |
| MF/UTI | 12.86 | 13.28 | 13.21 |
| Fin Institutions | 0.19 | 0.21 | 0.10 |
| Others | 24.42 | 25.05 | 24.87 |

Financial & Valuations

| Y/E Mar (Rs Cr) | FY24 | FY25E | FY26E |
|-----------------|----------|----------|----------|
| Net Sales | 2,15,962 | 2,33,156 | 2,51,217 |
| EBITDA | 24,257 | 27,748 | 29,453 |
| Net Profit | 10,155 | 12,964 | 14,382 |
| EPS (Rs.) | 45.7 | 58.4 | 64.8 |
| PER (x) | 13.6 | 10.6 | 9.6 |
| EV/EBITDA (x) | 7.4 | 6.5 | 6.1 |
| P/BV (x) | 1.3 | 1.2 | 1.0 |
| ROE (%) | 10.1 | 11.6 | 11.5 |

Change in Estimates (%)

| Y/E Mar | FY25E | FY26E |
|---------|-------|-------|
| Sales | -3.8% | -1.4% |
| EBITDA | -4.6% | -5.0% |
| PAT | -5.9% | -5.0% |

ESG disclosure Score**

| | |
|-----------------------------------|-------------|
| Environmental Disclosure | 25.5 |
| Social Disclosure Score | 23.1 |
| Governance Disclosure Score | 84.9 |
| Total ESG Disclosure Score | 44.5 |
| Sector Average | 50.6 |

Source: Bloomberg, Scale: 0.1-100. **Note: This score measures the amount of ESG data a company reports publicly and does not measure the company's performance on any data point. All scores are based on 2020 disclosures. The Sector average is for NSE500 companies

Relative performance



Source: Ace Equity, Axis Securities

Aditya Welekar

Sr. Research Analyst

Email: aditya.welekar@axissecurities.in

Key Concall Highlights

Group

- **Consolidated Net debt** stood at Rs 35,530 Cr as of Jun'24 (From Rs 31,536 Cr as of Mar'24) with net debt to EBITDA at 1.24x from 1.21x. India's business is net cash with Net debt to EBITDA at -0.14x as of Jun'25 from -0.32x in Mar'24. Novelis' net debt stood at \$ 4,629 Mn, with Net Debt to EBITDA at 2.37x as of the end of Q1FY25 vs 2.32x in Q4FY24. All the strategic Capex in India is matched with the cash flow from the business and is in line with the capital allocation policy.

Aluminium India

- **Coal Mix:** In the near term, the coal mix of 48% linkage, and 49%-50% e-auction, will not change much in coming years. The mix will improve once the company's own Chakala coal mine comes online.
- **Downstream projects:** Downstream capex for Silvassa extrusion and FRP-2 is almost completed. The Silvassa extrusion plant will gradually ramp up. It is currently running at 35-40% utilisation and will operate at rated capacity by Q4FY25.
- **Upstream projects:** Focus will be on upstream projects now with alumina expansion in Odisha first, followed by Copper smelter (280-300 kt) and finally 180-pot Aluminium smelter (180 ktpa) expansion in Aditya with RE-RTC power. Each of these projects will have a capex of Rs 8,000 Cr.
- **Alumina expansion at Odisha:** 1 mtpa Alumina refinery will require 3 mtpa bauxite in phase I and later it will go to 2 mtpa Alumina with 6 mtpa Bauxite requirement. Bauxite for the refinery will be sourced from OMC (Odisha Mining Corp) and the MoU is signed for 3 mtpa and company will sign a binding contract and then only will go for groundbreaking for the Alumina expansion project. Currently, the company is long alumina by 800kt because of the Utkal plant, and it sources 10-12% of its Bauxite requirement from Jharkhand and the rest from Odisha. The Alumina from the Alumina expansion projects can be sold on long-term contracts as there is a good demand in the Middle East.
- **Coal Blocks:** The company is working towards getting stage I & II forest clearances. It has Chakla coal mine (5.5 mtpa), Meenakshi West (5 mtpa) and Meenakshi mine (12 mtpa). The company currently needs 16 mtpa of coal.

Copper India

- The copper segment is doing well led by good electrification demand. The strategy is to go further downstream to maintain higher EBITDA margins.
- The management has guided for a quarterly run-rate of Rs 600 Cr EBITDA on a sustainable basis for its copper business.

Novelis (From Novelis Concall)

- **Update on Novelis IPO:** Novelis IPO was to get a premium valuation for Novelis. It's postponed and not cancelled.
- **Near-term End market outlook:** **Beverage can** segment demand strength persists with destocking behind us. Management has maintained a 4% industry growth outlook over 2023-31 (exl- China). The company is taking market share from previously imported can sheets from China. **Automotive** demand showing some signs of weakness in Asia/Europe, company has 7% demand growth rate projections over 2023-28. For the **Aerospace** market, the company projects a 5% long-term demand growth rate over 2023-30. **Speciality market** will grow with GDP, and weakness in Europe is persisting, while North America remains strong.
- **Expansion projects:** 600kt Bay Minette project capex at \$4.1 Bn is unchanged and is expected to start from H2CY26, 240kt automotive recycling capacity (\$365 Mn) at Guthrie began commissioning in 1QFY25. The project is expected to increase scrap consumption and reduce external sheet ingot supply. The 100kt recycling capacity at Ulsan (South Korea; \$65 Mn) is expected to be commissioned in 2HFY25. Novelis has additionally announced a \$90 Mn used beverage can (UBC) recycling and casting capacity expansion in the UK. Commissioning is expected by FY27.
- **Flooding at Sierra plant in Switzerland:** Attributable net income stood at \$151 Mn down 3% YoY and 10% QoQ mainly due to the one-time impact of \$40mn towards initial charges from flooding at Sierra plant in Switzerland in June'24. Excluding the special items, attributable net income was \$204mn up 32 % YoY. The Estimated net impact to adjusted EBITDA due to flooding in Switzerland is \$30 Mn, the majority of which will occur in Q2FY25.

Key Risks to Our Estimates and TP

- Lower LME Aluminium prices than our forecasts. Higher coal and other input costs.
- The key risk to our BUY rating is a slower pace of expansion of the growth projects leading to cost overrun leading to lower returns.

Change in Estimates

| | New | | | Old | | | % Change | | |
|------------------|----------|----------|----------|----------|----------|----------|----------|-------|-------|
| | FY24 | FY25E | FY26E | FY24 | FY25E | FY26E | FY24 | FY25E | FY26E |
| Sales | 2,15,962 | 2,33,156 | 2,51,217 | 2,15,962 | 2,42,271 | 2,54,753 | | -3.8% | -1.4% |
| EBITDA | 24,257 | 27,748 | 29,453 | 24,257 | 29,084 | 30,998 | | -4.6% | -5.0% |
| PAT | 10,134 | 13,294 | 14,382 | 10,134 | 14,121 | 15,135 | | -5.9% | -5.0% |
| LME Aluminium | 2,207 | 2,395 | 2,409 | 2,207 | 2,462 | 2,450 | | -2.7% | -1.7% |
| Novelis EBITDA/t | 510 | 526 | 557 | 510 | 527 | 560 | | -0.2% | -0.4% |

Source: Company, Axis Securities

Hindalco Results Review

| Rs Cr | Q1FY24 | Q4FY24 | Q1FY25 | Q1FY25 | YoY | QoQ | | Bloomberg | Vs |
|--|--------|--------|--------------|--------|---------|---------|---------|-----------|-----------|
| Consolidated | Actual | Actual | Axis Sec Est | Actual | % | % | vs Axis | Consensus | Consensus |
| LME Aluminium (\$/t) | 2,269 | 2,202 | 2,525 | 2,525 | 11% | 15% | 0% | | |
| Revenues | 52,991 | 55,994 | 61,186 | 57,013 | 8% | 2% | -7% | 56,236 | 1% |
| Total Expenditure | 47,258 | 49,156 | 53,651 | 49,428 | 5% | 1% | -8% | | |
| Novelis | 3,456 | 4,270 | 4,146 | 4,170 | 21% | -2% | 1% | | |
| Aluminum Upstream | 1,935 | 2,709 | | 3,493 | 81% | 29% | NA | | |
| Aluminum Downstream | 147 | 152 | | 110 | -25% | -28% | NA | | |
| Aluminum | 2,082 | 2,861 | 2,764 | 3,603 | 73% | 26% | 30% | | |
| Copper | 531 | 776 | 625 | 805 | 52% | 4% | 29% | | |
| All Other segments | - | - | - | - | NA | NA | NA | | |
| Segmental EBITDA | 6,069 | 7,907 | 7,535 | 8,578 | 41% | 8% | 14% | | |
| Unallocable Income/ (Expense) | 40 | -706 | | -586 | NA | NA | NA | | |
| EBITDA | 6,109 | 7,201 | 7,535 | 7,992 | 31% | 11% | 6% | 7,201 | 11% |
| Calculated EBITDA | 5,733 | 6,838 | 7,535 | 7,585 | 32% | 11% | 1% | 7,201 | 5% |
| EBITDA margin (%) | 10.8% | 12.2% | 12.3% | 13.3% | 249 bps | 109 bps | 99 bps | | |
| Depreciation and Amortization | 1,786 | 2,018 | 1,781 | 1,892 | 6% | -6% | 6% | | |
| Impairment Loss/ (Reversal) | 19 | 157 | - | 82 | 332% | -48% | NA | | |
| Other Income | 391 | 362 | 191 | 424 | 8% | 17% | 122% | | |
| Interest Expense | 992 | 888 | 774 | 859 | -13% | -3% | 11% | | |
| Exceptional Items | -12 | - | - | -330 | NA | NA | NA | | |
| Tax | 863 | 962 | 1,387 | 1,774 | 106% | 84% | 28% | | |
| P&L Discontinued Ops | - | - | - | - | NA | NA | NA | | |
| Minority Interest | - | - | - | - | NA | NA | NA | | |
| Share Of P/L Of Associates (Net of Tax) | 2 | -1 | - | 2 | 0% | NA | NA | | |
| PAT | 2,454 | 3,174 | 3,784 | 3,074 | 25% | -3% | -19% | | |
| Adjusted Attributable PAT | 2,454 | 3,174 | 3,784 | 3,404 | 39% | 7% | -10% | 3,428 | -1% |
| EPS (Rs) Basic | 11.05 | 14.30 | 17.05 | 13.84 | 25% | -3% | -19% | | |
| Net Debt | 38,463 | 31,536 | | 35,530 | -8% | 13% | NA | | |
| Net Debt: EBITDA (x) | 1.73 | 1.21 | | 1.24 | | | | | |
| Novelis Adj EBITDA/t (\$/t) | 479 | 540 | 525 | 525 | 10% | -3% | 0% | | |
| Aluminium India upstream EBITDA/t (\$/t) | 691 | 967 | | 1,273 | 84% | 32% | NA | | |
| Aluminium India downstream EBITDA/t (\$/t) | 202 | 174 | | 138 | -32% | -21% | NA | | |
| 3rd party Shipments | | | | | | | | | |
| Upstream shipment (kt) | 255 | 248 | | 232 | -9% | -6% | NA | | |
| Downstream shipment (kt) | 81 | 105 | | 96 | 19% | -9% | NA | | |
| India Primary Aluminium Total (kt) | 336 | 353 | 345 | 328 | -2% | -7% | -5% | | |
| Total Copper Metal sales (kt) | 118 | 135 | 125 | 119 | 1% | -12% | -5% | | |

Source: Company, Axis Securities

Hindalco Financials (Consolidated)

Profit & Loss

(Rs Cr)

| Y/E March | FY 23A | FY 24A | FY 25E | FY 26E |
|---|---------------|---------------|---------------|---------------|
| Total Operating income | 2,23,202 | 2,15,962 | 2,33,156 | 2,51,217 |
| Total Expenditure | 2,00,317 | 1,91,705 | 2,05,409 | 2,21,764 |
| EBITDA | 22,885 | 24,257 | 27,748 | 29,453 |
| Depreciation and Amortization | 7,086 | 7,521 | 7,171 | 7,644 |
| EBIT | 15,799 | 16,736 | 20,577 | 21,809 |
| Other Income | 1,257 | 1,496 | 953 | 729 |
| Share Of P/L Of Associates (Net of Tax) | 9 | 2 | 2 | - |
| Less: Interest & Fin Chg. | 3,646 | 3,858 | 3,156 | 3,187 |
| Less: Impairment loss/(Reversal) | 219 | 385 | 82 | - |
| Profit before tax | 13,200 | 13,991 | 18,294 | 19,351 |
| Provision for Tax | 3,144 | 3,857 | 5,001 | 4,969 |
| Reported PAT | 10,056 | 10,134 | 13,294 | 14,382 |
| Excp items | 41 | 21 | (330) | - |
| Adjusted PAT | 10,097 | 10,155 | 12,964 | 14,382 |
| EPS (Rs/sh) | 45.5 | 45.7 | 58.4 | 64.8 |
| DPS (Rs/sh) | 3.0 | 3.5 | 1.0 | 1.0 |

Source: Company, Axis Securities

Balance Sheet

(Rs Cr)

| Y/E March | FY 23A | FY 24A | FY 25E | FY 26E |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| Net Block | 75,849 | 77,151 | 84,623 | 97,769 |
| Other Tangible assets | 2,701 | 2,593 | 2,593 | 2,593 |
| CWIP | 7,340 | 14,643 | 20,789 | 19,090 |
| Intangible assets | 32,436 | 32,290 | 32,290 | 32,290 |
| Investments | 14,116 | 15,444 | 15,444 | 15,444 |
| Inventories | 42,958 | 40,812 | 44,061 | 47,474 |
| Trade Receivables | 16,214 | 16,404 | 17,710 | 19,082 |
| Cash / Bank balance | 15,368 | 14,437 | 12,819 | 15,328 |
| Misc. Assets | 17,835 | 18,133 | 18,133 | 18,133 |
| Total assets | 2,24,817 | 2,31,907 | 2,48,463 | 2,67,203 |
| Equity capital | 222 | 222 | 222 | 222 |
| Reserves | 94,584 | 1,05,924 | 1,18,111 | 1,32,270 |
| Minority Interests | 11 | 11 | 11 | 11 |
| Borrowings | 58,335 | 54,501 | 56,128 | 57,828 |
| Def Tax Liabilities | 8,650 | 9,344 | 9,344 | 9,344 |
| Other Liabilities and Provision | 61,059 | 60,050 | 62,792 | 65,673 |
| Capital employed | 2,24,817 | 2,31,907 | 2,48,463 | 2,67,203 |

Source: Company, Axis Securities

Cash Flow

(Rs Cr)

| Y/E March | FY 23A | FY 24A | FY 25E | FY 26E |
|----------------------------|-----------------|-----------------|-----------------|-----------------|
| Profit before tax | 13,241 | 14,012 | 17,964 | 19,351 |
| Depreciation | 7,086 | 7,521 | 7,171 | 7,644 |
| Interest Expenses | 3,646 | 3,858 | 3,156 | 3,187 |
| Non-operating/ EO item | (1,575) | (604) | - | - |
| Change in W/C | (457) | 1,944 | (1,813) | (1,904) |
| Income Tax | (2,733) | (2,675) | (5,001) | (4,969) |
| Operating Cash Flow | 19,208 | 24,056 | 21,477 | 23,308 |
| Capital Expenditure | (9,842) | (15,728) | (20,789) | (19,090) |
| Acquisition of business | - | - | - | - |
| Free cash Flow | 9,366 | 8,328 | 688 | 4,218 |
| Other Investments | 1,721 | 1,452 | - | - |
| Investing Cash Flow | (8,121) | (14,276) | (20,789) | (19,090) |
| Borrowings | 701 | 3,990 | 2,085 | 1,700 |
| Repayment of Borrowings | (9,400) | (8,883) | (459) | - |
| Finance cost paid | (3,845) | (3,912) | (3,156) | (3,187) |
| Dividend paid | (890) | (667) | (777) | (222) |
| Other financing activities | 3,089 | (1,345) | - | - |
| Financing Cash Flow | (10,345) | (10,817) | (2,306) | (1,709) |
| Change in Cash | 742 | (1,037) | (1,618) | 2,509 |
| Opening Cash | 11,639 | 12,838 | 14,437 | 12,819 |
| Closing Cash | 12,838 | 11,810 | 12,819 | 15,328 |

Source: Company, Axis Securities

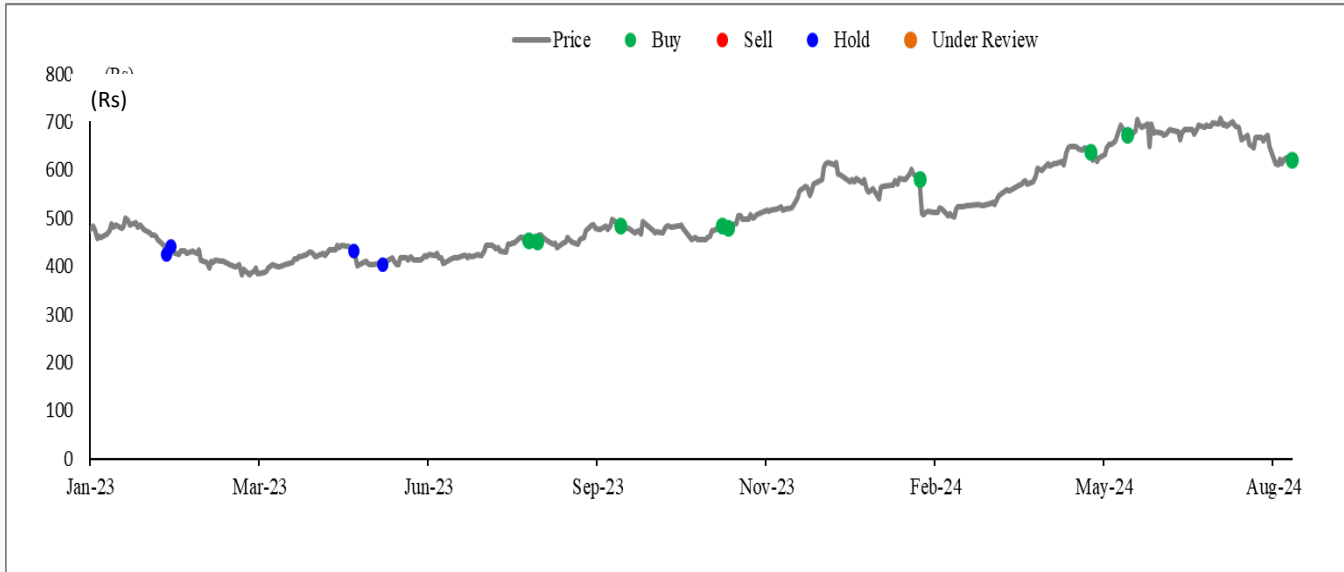
Ratio Analysis

(%)

| Y/E March | FY 23A | FY 24A | FY 25E | FY 26E |
|------------------------------|--------|--------|--------|--------|
| Operational Ratios | | | | |
| Sales growth (% YoY) | 14% | -3% | 8% | 8% |
| EBITDA growth (% YoY) | -20% | 6% | 14% | 6% |
| Op. profit growth (% YoY) | -28% | 6% | 23% | 6% |
| Net Profit growth (% YoY) | -26% | 1% | 28% | 11% |
| EBITDA Margin % | 11% | 12% | 12% | 12% |
| Net profit Margin % | 5% | 5% | 6% | 6% |
| Al: EBITDA/t (Rs/tonne) | 66,881 | 70,999 | 67,556 | 56,616 |
| Novelis: EBITDA/t (\$/tonne) | 478 | 510 | 526 | 557 |
| Tax Rate % | 24% | 28% | 28% | 26% |
| Efficiency Ratios | | | | |
| Total Asset turnover (x) | 1.0 | 0.9 | 1.0 | 1.0 |
| Sales/Gross block (x) | 1.7 | 1.5 | 1.5 | 1.5 |
| Sales/Net block(x) | 3.0 | 2.8 | 2.9 | 2.8 |
| Working capital/Sales (x) | 0.1 | 0.1 | 0.1 | 0.1 |
| Valuation Ratios | | | | |
| PER (x) | 13.7 | 13.6 | 10.6 | 9.6 |
| P/BV (x) | 1.5 | 1.3 | 1.2 | 1.0 |
| EV/Ebitda (x) | 7.9 | 7.4 | 6.5 | 6.1 |
| EV/Sales (x) | 0.8 | 0.8 | 0.8 | 0.7 |
| Return Ratios | | | | |
| ROE | 11.7% | 10.1% | 11.6% | 11.5% |
| ROCE | 10.2% | 9.9% | 11.5% | 11.2% |
| ROIC | 8.7% | 8.3% | 9.2% | 9.3% |
| Leverage Ratios | | | | |
| Debt/equity (x) | 0.6 | 0.5 | 0.5 | 0.5 |
| Net debt/ Equity (x) | 0.4 | 0.4 | 0.4 | 0.3 |
| Net debt/Ebitda (x) | 1.6 | 1.5 | 1.5 | 1.4 |
| Interest Coverage ratio (x) | 6.6 | 6.7 | 8.9 | 9.2 |

Source: Company, Axis Securities

Hindalco Price Chart and Recommendation History



Source: Axis Securities

| Date | Reco | TP | Research |
|-----------|------|-----|------------------|
| 04-Apr-22 | BUY | 660 | Top Picks |
| 27-May-22 | BUY | 510 | Result Update |
| 11-Aug-22 | BUY | 490 | Result Update |
| 15-Nov-22 | BUY | 515 | Result Update |
| 08-Feb-23 | HOLD | 470 | Result Update |
| 10-Feb-23 | HOLD | 470 | Result Update |
| 11-May-23 | HOLD | 470 | Result Update |
| 24-May-23 | HOLD | 470 | Result Update |
| 04-Aug-23 | BUY | 515 | Result Update |
| 08-Aug-23 | BUY | 515 | Result Update |
| 18-Sep-23 | BUY | 545 | Pick of the Week |
| 08-Nov-23 | BUY | 555 | Result Update |
| 11-Nov-23 | BUY | 555 | Result Update |
| 13-Feb-24 | BUY | 660 | Result Update |
| 07-May-24 | BUY | 720 | Result Update |
| 27-May-24 | BUY | 755 | Result Update |
| 14-Aug-24 | BUY | 715 | Result Update |

Source: Axis Securities

Axis Securities Limited is a subsidiary company of Axis Bank Ltd. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, and Stock Broking, the details in respect of which are available on www.axisbank.com.

Axis Securities Limited, is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073 | PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr. Jatin Sanghani, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in.; Registered Office Address – Axis House, 8th Floor, Wadia International Centre, P.B. Marg, Worli, Mumbai-400025.

Corporate Office Address – Axis Securities Limited, Unit No.002 A, Ground Floor, Agastya Corporate Park- Piramal Realty, Near Phoenix Market City Mall, Kurla (W), Mumbai – 400070.

Administrative office address: Aaurum Q Parc, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances please call us at 022-40508080 or write to us helpdesk@axisdirect.in.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories etc. have conducted the routine inspection and based on their observations have issued advise/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in normal course of business, as a Stock Broker / Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

By referring to any particular sector, Axis Securities does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and / or USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company (ies) may have been client during twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Axis Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and / or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains

an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of subject company(ies). Axis Securities or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centres on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. This should not be construed as invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation.

RATING SCALE: Definitions of ratings

| Ratings | Expected absolute returns over 12 – 18 months |
|--------------|--|
| BUY | More than 10% |
| HOLD | Between 10% and -10% |
| SELL | Less than -10% |
| NOT RATED | We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation. |
| UNDER REVIEW | We will revisit our recommendation, valuation and estimates on the stock following recent events |
| NO STANCE | We do not have any forward-looking estimates, valuation or recommendation for the stock |

Note: Returns stated in the rating scale are our internal benchmark.

List of Research Analyst (Fundamental):

| Sr. No | Name | Designation | Sector | E-mail |
|--------|-------------------|--------------------|-----------------------------------|-------------------------------------|
| 1 | Neeraj Chadawar | Head of Research | All Sectors | neeraj.chadawar@axissecurities.in |
| 2 | Preeyam Tolia | Research Analyst | FMCG and Retail, Real Estate | preeyam.tolia@axissecurities.in |
| 3 | Omkar Tanksale | Research Analyst | IT, Telecom, Internet | omkar.tanksale@axissecurities.in |
| 4 | Uttamkumar Srimal | Research Analyst | Cement, Infra, Railway | uttamkumar.srimal@axissecurities.in |
| 5 | Ankush Mahajan | Research Analyst | Pharmaceutical, Hospital, Hotel | ankush.mahajan@axissecurities.in |
| 6 | Dnyanada Vaidya | Research Analyst | BFSI | dnyanada.vaidya@axissecurities.in |
| 7 | Aditya Welekar | Research Analyst | Metal and Mining, Power Utilities | aditya.welekar@axissecurities.in |
| 8 | Sani Vishe | Research Analyst | Chemicals Capital Goods, Mid-cap | sani.vishe@axissecurities.in |
| 9 | Eesha Shah | Research Analyst | Real Estate, Special Situation | eesha.shah@axissecurities.in |
| 10 | Shridhar Kallani | Research Associate | Auto and Auto ancillaries | shridhar.kallani@axissecurities.in |
| 11 | Shikha Doshi | Research Associate | Cement, Infra, Railway | shikha.doshi@axissecurities.in |
| 12 | Suhanee Shome | Research Associate | FMCG and Retail | suhanee.shome@axissecurities.in |
| 13 | Shivani More | Research Associate | Chemicals Capital Goods, Mid-cap | shivani.more@axissecurities.in |
| 14 | Pranav Nawale | Research Associate | BFSI | pranav.nawale@axissecurities.in |
| 15 | Darsh Solanki | Research Associate | Metal and Mining, Power Utilities | darsh.solanki@axissecurities.in |
| 16 | Arundhati Bagchi | Research Associate | Database Analyst, Economy | Arundhati.Bagchi@axissecurities.in |