

Aether Industries

Expansion and diversification

Aether Industries (Aether) has experienced sectoral environmental challenges in the fiscal year 2023-24. The broader operating environment presented hurdles, including volatile macroeconomic conditions, ongoing geopolitical tensions, slowdowns due to inventory de-stocking, and margin pressures from aggressive competition from Chinese manufacturers. Additionally, last year the company was fraught with the unfortunate fire incident at the company's primary manufacturing facility. All this put the company on the back foot.

Despite these hurdles, the company has successfully diversified across various industries, including oilfield drilling services, electronic chemicals, sustainable polyols, circular plastic recycling technology, and numerous other rapidly advancing projects within R&D and pilot plant facilities.

Aether has commissioned site 4 to execute the strategic supply agreement with Baker Hughes. It has received the revocation of the closure order from the Gujarat Pollution Control Board (GPCB) for site 2. The expansion project at sites 3+ and 3++ is on track and will be commissioned by FY25-end. This will accelerate its revenue growth in near term. Phase I at site 5 (Panoli) is proceeding according to the planned commissioning schedule by end of FY26. The company's strategic capital investments are being fuelled by internal accruals and money raised (INR 7,500mn) through QIP. We expect a revenue CAGR of ~43% and an earnings CAGR of ~58% over FY24-27E. Maintaining BUY with a TP of INR 1,117.

- Increased spending on Research and Development:** Constant focus on research and development is the key success factor in a technology oriented business model. Research & development (R&D) is the core strength of Aether. The company's business model requires it to launch products regularly and continuously add competencies. In order to achieve this, it has to invest in R&D infrastructure. The company's R&D expenditure almost doubled from INR 501mn in FY23 to INR 987mn in FY24. Aether has spent 16.5% of revenue on R&D in FY24 up from 7.7% in FY23. Total no of scientist increased from 111 to 148. Company has also increased highly qualified employees from 233 to 276. Company commissioned pilot plant in Q4FY24 at site 1. This will help for faster scale up of newly developed products in R&D. This expanded pilot plant will help in CRAMS business. This will increase no of fumes to 55 while reactors will be more than 200.
- The company has appointed Dr James Ringer as the Chief Technology Officer (CTO) with a focus on process safety. He has been associated with Aether since last 3 years as Business development leader.

BUY

| | |
|-------------------------|-----------|
| CMP (as on 23 Aug 2024) | INR 903 |
| Target Price | INR 1,117 |
| NIFTY | 24,823 |

| KEY CHANGES | OLD | NEW |
|--------------|------------------|------------------|
| Rating | BUY | BUY |
| Price Target | INR 1,110 | INR 1,117 |
| EPS % | FY25E (-4.6%) | FY26E (-3.3%) |

KEY STOCK DATA

| | |
|------------------------------|---------------|
| Bloomberg code | AETHER IN |
| No. of Shares (mn) | 133 |
| MCap (INR bn) / (\$ mn) | 119/1,426 |
| 6m avg traded value (INR mn) | 76 |
| 52 Week high / low | INR 1,065/762 |

STOCK PERFORMANCE (%)

| | 3M | 6M | 12M |
|--------------|-----|-------|--------|
| Absolute (%) | 9.0 | 4.1 | (13.9) |
| Relative (%) | 1.5 | (6.7) | (37.8) |

SHAREHOLDING PATTERN (%)

| | Marc-24 | June-24 |
|-----------------|---------|---------|
| Promoters | 81.79 | 81.79 |
| FIs & Local MFs | 11.82 | 11.56 |
| FPIs | 2.22 | 2.90 |
| Public & Others | 4.17 | 3.75 |
| Pledged Shares | 0.00 | 0.00 |

Source: BSE

Nilesh Ghuge

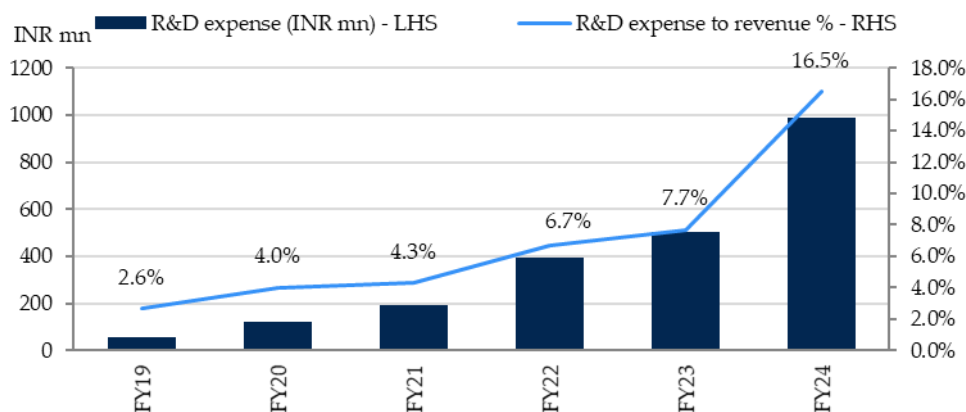
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Exhibit-1 : Increase in R&D spending during FY24

Source: Company, HSIE Research

Transition towards sustainable businesses

Saudi Aramco and H B fuller -Novel Converge Polyols contract

Aether has signed a license agreement with Saudi Aramco Technologies company, Saudi Arabia for the commercialisation of the Converge polyols technology. This agreement initiates Aether's activities towards the manufacturing and commercialisation of the Converge polyols technology and product series. The company is progressing towards adopting sustainable business practices and transitioning to low environmental footprint. These polyols could contain up to 40% of carbon dioxide (CO₂) by weight, thus reducing overall CO₂ emissions. These are a differentiated series of polyols with promising applications in the CASE (coatings, adhesives, sealants, elastomers) industry. The targeted market of these polyols is 850 KTPA and a growing at CAGR of 5%.

Aether and Aramco, along with H.B. Fuller, global leader in adhesive manufacturing has jointly announced the commercialisation of the Converge polyols technology. This announcement further underscores the company's collaborative endeavours in the CASE industry to identify sustainable alternatives that not only enhance performance but also prioritise sustainability. Aether has appointed Dr. Ron Valente as a Business Development Leader (Speciality polyols).

Partnership with Novoloop on the sustainable plastic management project

Aether has partnered with Novoloop for Lifecycling technology. This technology offers an economical and sustainable solution for hard-to- recycle plastics, with operations set to begin in FY25 at company's newly built pilot plant dedicated to the project. This technology transforms post-consumer plastic waste into virgin-quality monomers for the synthesis of virgin-quality, high performance materials such as the company's Lifecycled™ thermoplastic polyurethane. This pilot plant is a testament to the commitment of the Novoloop and Aether to tackle the global plastic crisis. By scaling this technology, a pathway is being created towards a truly circular world, where plastic waste becomes a valuable resource. By using this scalable mechanism of oxidation to convert postconsumer polyethylene into useful monomers for durable materials, Novoloop expects to provide its products at prices competitive with fossil-based products. It will help in carbon footprint reduction of upto 91%.

Agreement with major global lithium ion battery manufacturer

Aether executes strategic agreement with Global Lithium-Ion Battery Producer and enter into the electrolyte additives space. The agreement includes the commercial supply finalisation of one specific electrolyte additive and initiates the discussion on three others. The company was developing products for this field for a long time but wanted to make it public knowledge only after securing a substantial commercial contract with a global lithium-ion battery producer.

Other highlights

- Company commenced production at site 4 with strategic supply agreement with Baker Hughes on March 2024. The company will manufacture 6 products for the Baker Huges under the contract/exclusive manufacturing model. Production commenced in wholly owned subsidiary; Aether Speciality Chemicals limited. In June 2023, the company signed LOI for the same. The Tenure of the agreement is 5 years with additional 1-year term.
- On November 29, 2023, there was a fire accident at company's manufacturing facility 2. This accident significantly impacted human and material capital. The closure of the site by GPCB for 39days has impact on the manufacturing operations. The plant was 50% operational by end of February post revocation of closure order by GPCB.
- Company will incur additional capex on land parcel near site 3 named as site 3+,3++. On Site 3+ and 3++ company will incur capex of ~INR 2bn of which INR 1.383bn will be infused from QIP. Total capacity of site 3+, 3++ is 3,500 tons which will be together double the total capacity of site 3.
- For future expansion the company has acquired land for manufacturing facility 4 and manufacturing facility 5.
- Manufacturing Facility 3+/3++ is projected to be operational by the end of FY25, with the first phase of manufacturing facility 5 expected to come online by the end of FY26.

Financials (Consolidated)

Income statement as on 31st March, 2024

| INR mn | FY22 | FY23 | FY24 | Comments |
|-------------------------------------|--------------|--------------|--------------|---|
| Revenues | 5,900 | 6,511 | 5,982 | <ul style="list-style-type: none"> LSM, CRAMS and CEM contributed 59%,14% and 26% Domestic CRAMS sells were lower in FY24 by 65% YoY Exports 43% of total revenue Italy:10.8%, Germany:7.3%, USA:5.8% and Spain:4% Expect contribution from middle east region to increase significantly with start of Baker Hughes contract |
| Growth % | 31.2 | 10.3 | (8.1) | <ul style="list-style-type: none"> Estimated sales volume grew 8% YoY Correction in product realisation resulted in revenue declined by 8% The company sources raw material from open market |
| Raw Material | 2,880 | 3,173 | 3,209 | <ul style="list-style-type: none"> Prices corrected during the year and for most of them prices have stabilised now Gross margin reduced by 491bps in FY24 |
| Employee Cost | 270 | 345 | 386 | <ul style="list-style-type: none"> ESOP cost increased by 137% to INR36.76mn |
| Other Expenses | 1,069 | 1,130 | 1,064 | <ul style="list-style-type: none"> 26% saving on power and fuel cost expenses to INR268.5mn 30% saving on electricity expenses to INR135.1mn |
| EBITDA | 1,681 | 1,862 | 1,322 | |
| <i>EBITDA Margin (%)</i> | 28.5 | 28.6 | 22.1 | |
| <i>EBITDA Growth %</i> | 49.9 | 10.8 | (29.0) | |
| Depreciation | 155 | 232 | 397 | <ul style="list-style-type: none"> The insurance claim process wrt fire accident is being accessed and hence the impairment has not been charged |
| EBIT | 1,526 | 1,630 | 926 | <ul style="list-style-type: none"> Increase was primarily due to (i) interest on FDs created out of Idle IPO/QIP funds (ii) duty drawback earned on exports done by the company in FY24 and (iii) MEIS duty credit Exceptional items of INR137.6 includes all the expenses made towards the fire accident and revenue from selling the scrap Other Income includes gain of INR 35.45mn on foreign currency on account of appreciation of Indian currency |
| Other Income (Including EO Items) | 70 | 166 | 254 | |
| Interest | 131 | 51 | 85 | <ul style="list-style-type: none"> The increased is largely owing to (i) interest on cash credit and (ii) interest on bill discounting Repayment of debt from QIP money has resulted in saving in interest |
| PBT | 1,465 | 1,745 | 1,095 | |
| Tax | 375 | 441 | 270 | |
| PAT | 1,089 | 1,304 | 825 | <ul style="list-style-type: none"> Net margins decreased from 20% in FY23 to 15.5% in FY24. The decrease is primarily due to decrease in realisation |
| EO (Loss) / Profit (Net Of Tax) | - | - | (104) | |
| APAT | 1,089 | 1,304 | 929 | |
| Share from associates | - | - | - | |
| Minority Interest | - | - | - | |
| Consolidated APAT | 1,089 | 1,304 | 929 | |
| <i>Consolidated APAT Growth (%)</i> | 53.2 | 19.7 | (28.8) | |
| AEPS | 8.2 | 9.8 | 7.0 | |
| <i>AEPS Growth %</i> | 53.2 | 19.7 | (28.5) | |

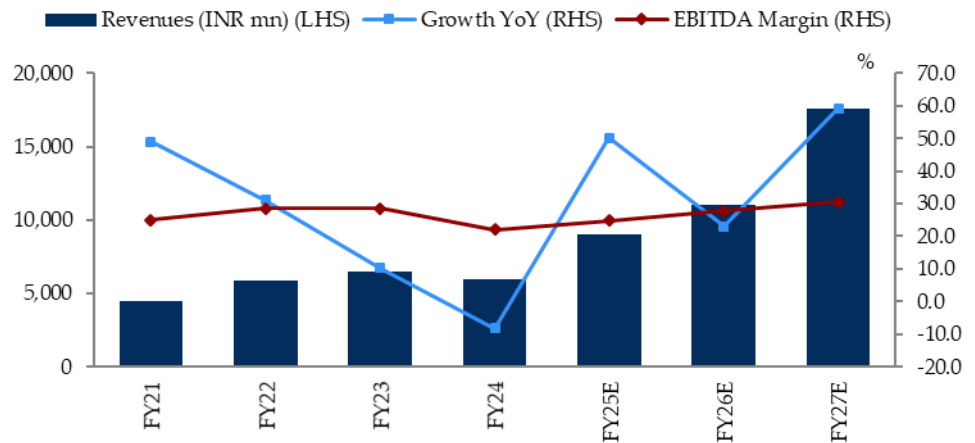
Source: Company, HSIE Research

Balance sheet as on 31st March, 2024

| INR mn | FY22 | FY23 | FY24 | Comments |
|------------------------------------|--------------|---------------|---------------|---|
| SOURCES OF FUNDS | | | | |
| Share Capital | 1,127 | 1,245 | 1,326 | <ul style="list-style-type: none"> 80,12,820 Equity Shares of face value INR10 each at a price of INR 936.00 per Equity Share (including a premium of INR 926 per Equity Share), issued in QIP in June 23 26,732 Equity Shares of face value INR10 each at a price of INR321 per Equity share (including a premium of INR311 per Equity share), issued under exercise of ESOPs Company wrote off INR 180.63mn of QIP expenses from securities premium reserve. |
| Reserves And Surplus | 2,742 | 11,201 | 19,308 | |
| Total Equity | 3,869 | 12,446 | 20,633 | |
| Minority Interest | - | - | - | |
| Long-term Debt | 1,218 | - | - | |
| Short-term Debt | 1,633 | 1 | 1,686 | Working capital loan |
| Total Debt | 2,851 | 1 | 1,686 | |
| Deferred Tax Liability | 139 | 268 | 364 | |
| Long-term Provision and others | 51 | 145 | 119 | |
| TOTAL SOURCES OF FUNDS | 6,909 | 12,860 | 22,803 | |
| APPLICATION OF FUNDS | | | | |
| Net Block | 2,571 | 6,462 | 8,595 | |
| Capital WIP | 577 | 372 | 2,261 | 95% of CWIP is on the projects which are less than one year |
| Other non-current assets | 450 | 212 | 121 | Reduction in capital advances has resulted in decrease |
| Non-current Investments | 2 | 2 | 2 | |
| Total Non-current assets | 3,600 | 7,047 | 10,979 | |
| Inventories | 1,627 | 2,488 | 3,435 | The increase in inventory is primarily due to restart of site 2 in February 2024, following the fire incident, which led to higher in process inventory levels for many of products as of 31st March, 2024 |
| Debtors | 1,635 | 2,590 | 2,329 | |
| Cash and Cash Equivalents | 180 | 1,023 | 5,557 | |
| Other Current Assets | 656 | 651 | 1,707 | Increase on account of increase in (i) balances with government authorities and (ii) advances recoverable in cash/in kind |
| Total Current Assets | 4,098 | 6,752 | 13,027 | |
| Creditors | 699 | 815 | 1,035 | |
| Other Current Liabilities & Provns | 91 | 124 | 168 | |
| Total Current Liabilities | 789 | 939 | 1,204 | |
| Net Current Assets | 3,309 | 5,813 | 11,823 | |
| TOTAL APPLICATION OF FUNDS | 6,909 | 12,860 | 22,802 | |

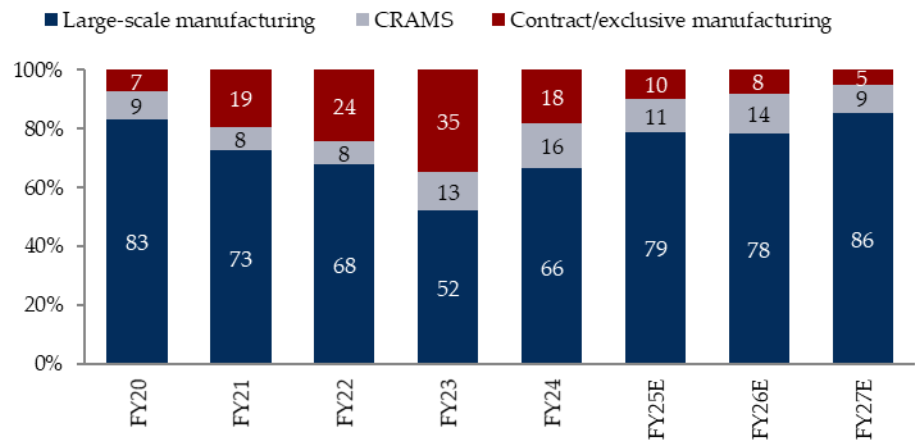
Source: Company, HSIE Research

Exhibit-2 : Revenue EBITDA margin growth YoY



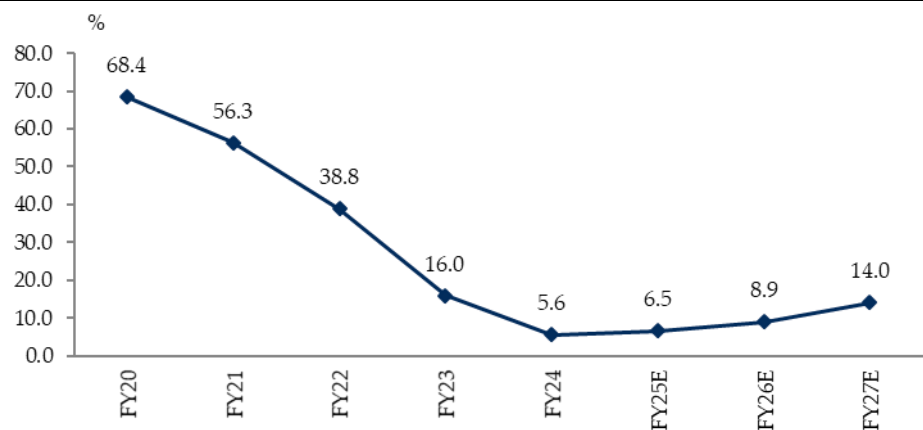
Source: Company, HSIE Research

Exhibit-3 : Increased contribution from site 3+,3++ in LSM segment



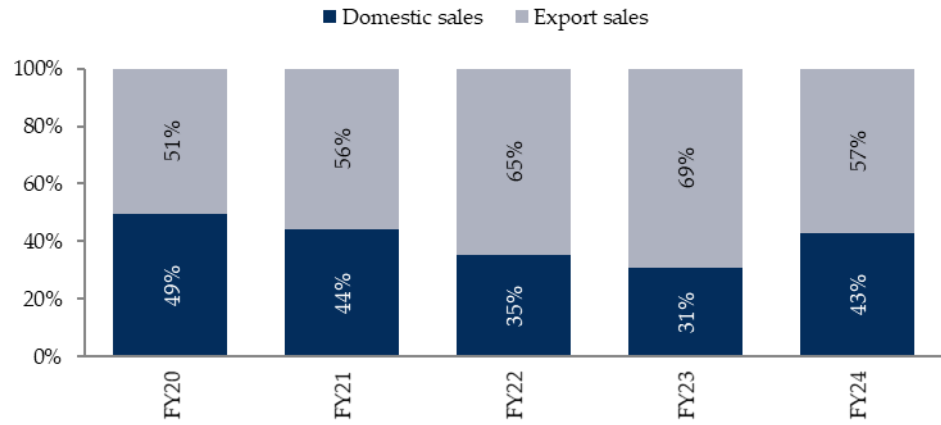
Source: Company, HSIE Research

Exhibit-4 : ROE is expected to improve in FY25 and FY26



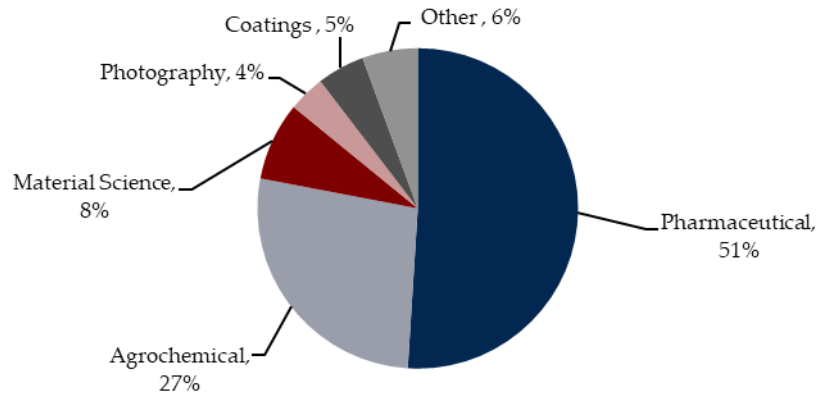
Source: Company, HSIE Research

Exhibit-5 : Domestic/ Export Revenue trend



Source: Company, HSIE Research

Exhibit-6: Revenue break up by end user industry



Source: Company, HSIE Research

Financials (Consolidated)

INCOME STATEMENT

| INR mn | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|-------------------------------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|
| Revenues | 4,498 | 5,900 | 6,511 | 5,982 | 8,981 | 11,059 | 17,609 |
| <i>Growth %</i> | <i>49.0</i> | <i>31.2</i> | <i>10.3</i> | <i>(8.1)</i> | <i>50.1</i> | <i>23.1</i> | <i>59.2</i> |
| Raw Material | 2,307 | 2,880 | 3,173 | 3,209 | 4,580 | 5,419 | 8,453 |
| Employee Cost | 221 | 270 | 345 | 386 | 464 | 533 | 613 |
| Other Expenses | 849 | 1,069 | 1,130 | 1,064 | 1,706 | 2,046 | 3,170 |
| EBITDA | 1,122 | 1,681 | 1,862 | 1,322 | 2,231 | 3,061 | 5,374 |
| <i>EBITDA Margin (%)</i> | <i>24.9</i> | <i>28.5</i> | <i>28.6</i> | <i>22.1</i> | <i>24.8</i> | <i>27.7</i> | <i>30.5</i> |
| <i>EBITDA Growth %</i> | <i>56.3</i> | <i>49.9</i> | <i>10.8</i> | <i>(29.0)</i> | <i>68.7</i> | <i>37.2</i> | <i>75.6</i> |
| Depreciation | 110 | 155 | 232 | 397 | 598 | 733 | 844 |
| EBIT | 1,011 | 1,526 | 1,630 | 926 | 1,632 | 2,328 | 4,530 |
| Other Income (Including EO Items) | 40 | 70 | 166 | 254 | 250 | 390 | 270 |
| Interest | 113 | 131 | 51 | 85 | 85 | 85 | 136 |
| PBT | 938 | 1,465 | 1,745 | 1,095 | 1,797 | 2,633 | 4,664 |
| Tax | 227 | 375 | 441 | 270 | 404 | 579 | 1,026 |
| PAT | 711 | 1,089 | 1,304 | 825 | 1,393 | 2,053 | 3,638 |
| EO (Loss) / Profit (Net Of Tax) | - | - | - | (104) | - | - | - |
| APAT | 711 | 1,089 | 1,304 | 929 | 1,393 | 2,053 | 3,638 |
| Share from associates | - | - | - | - | - | - | - |
| Minority Interest | - | - | - | - | - | - | - |
| Consolidated APAT | 711 | 1,089 | 1,304 | 929 | 1,393 | 2,053 | 3,638 |
| <i>Consolidated APAT Growth (%)</i> | <i>78.0</i> | <i>53.2</i> | <i>19.7</i> | <i>(28.8)</i> | <i>50.0</i> | <i>47.4</i> | <i>77.2</i> |
| AEPS | 5.4 | 8.2 | 9.8 | 7.0 | 10.5 | 15.5 | 27.5 |
| <i>AEPS Growth %</i> | <i>78.0</i> | <i>53.2</i> | <i>19.7</i> | <i>(28.5)</i> | <i>49.4</i> | <i>47.4</i> | <i>77.2</i> |

Source: Company, HSIE Research

BALANCE SHEET

| INR mn | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| SOURCES OF FUNDS | | | | | | | |
| Share Capital | 101 | 1,127 | 1,245 | 1,326 | 1,326 | 1,326 | 1,326 |
| Reserves And Surplus | 1,642 | 2,742 | 11,201 | 19,308 | 20,701 | 22,754 | 26,392 |
| Total Equity | 1,743 | 3,869 | 12,446 | 20,633 | 22,026 | 24,080 | 27,718 |
| Minority Interest | - | - | - | - | - | - | - |
| Long-term Debt | 1,038 | 1,218 | - | - | - | - | - |
| Short-term Debt | 1,044 | 1,633 | 1 | 1,686 | 1,686 | 1,686 | 2,686 |
| Total Debt | 2,082 | 2,851 | 1 | 1,686 | 1,686 | 1,686 | 2,686 |
| Deferred Tax Liability | 102 | 139 | 268 | 364 | 364 | 364 | 364 |
| Long-term Provision and others | 27 | 51 | 145 | 119 | - | - | - |
| TOTAL SOURCES OF FUNDS | 3,955 | 6,909 | 12,860 | 22,803 | 24,076 | 26,130 | 30,768 |
| APPLICATION OF FUNDS | | | | | | | |
| Net Block | 2,162 | 2,571 | 6,462 | 8,595 | 12,892 | 15,433 | 17,282 |
| Capital WIP | 2 | 577 | 372 | 2,261 | 1,365 | 1,091 | 898 |
| Other non-current assets | 28 | 450 | 212 | 121 | 121 | 121 | 121 |
| Non-current Investments | 2 | 2 | 2 | 2 | 5 | 5 | 5 |
| Total Non-current assets | 2,194 | 3,600 | 7,047 | 10,979 | 14,384 | 16,650 | 18,306 |
| Inventories | 847 | 1,627 | 2,488 | 3,435 | 2,707 | 3,333 | 5,307 |
| Debtors | 1,082 | 1,635 | 2,590 | 2,329 | 3,199 | 3,939 | 6,272 |
| Cash and Cash Equivalents | 56 | 180 | 1,023 | 5,557 | 4,403 | 2,965 | 2,089 |
| Other Current Assets | 350 | 656 | 651 | 1,707 | 910 | 1,121 | 1,785 |
| Total Current Assets | 2,335 | 4,098 | 6,752 | 13,027 | 11,218 | 11,358 | 15,453 |
| Creditors | 478 | 699 | 815 | 1,035 | 1,353 | 1,666 | 2,653 |
| Other Current Liabilities & Provns | 97 | 91 | 124 | 168 | 172 | 212 | 338 |
| Total Current Liabilities | 575 | 789 | 939 | 1,204 | 1,526 | 1,878 | 2,991 |
| Net Current Assets | 1,760 | 3,309 | 5,813 | 11,823 | 9,693 | 9,479 | 12,462 |
| TOTAL APPLICATION OF FUNDS | 3,955 | 6,909 | 12,860 | 22,802 | 24,076 | 26,130 | 30,768 |

Source: Company, HSIE Research

CASH FLOW STATEMENT

| INR mn | FY21 | FY22 | FY23 | FY24P | FY25E | FY26E | FY27E |
|---------------------------------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Reported PBT | 938 | 1,465 | 1,745 | 1,095 | 1,797 | 2,633 | 4,664 |
| Non-operating & EO Items | (40) | (70) | (166) | (254) | (250) | (390) | (270) |
| Interest Expenses | 113 | 131 | 51 | 85 | 85 | 85 | 136 |
| Depreciation | 110 | 155 | 232 | 397 | 598 | 733 | 844 |
| Working Capital Change | (687) | (1,424) | (1,661) | (1,476) | 976 | (1,224) | (3,859) |
| Tax Paid | (201) | (339) | (312) | (174) | (404) | (579) | (1,026) |
| OPERATING CASH FLOW (a) | 233 | (82) | (110) | (328) | 2,803 | 1,258 | 489 |
| Capex | (809) | (1,139) | (3,918) | (4,419) | (4,000) | (3,000) | (2,500) |
| Free Cash Flow (FCF) | (576) | (1,221) | (4,028) | (4,747) | (1,197) | (1,742) | (2,011) |
| Investments | - | - | (0) | - | (2) | - | - |
| Non-operating Income | 40 | 70 | 166 | 254 | 250 | 390 | 270 |
| Others | 31 | (422) | 238 | 90 | - | - | - |
| INVESTING CASH FLOW (b) | (738) | (1,491) | (3,514) | (4,074) | (3,752) | (2,610) | (2,230) |
| Debt Issuance/(Repaid) | 377 | 769 | (2,850) | 1,685 | - | - | 1,000 |
| Interest Expenses | (113) | (131) | (51) | (85) | (85) | (85) | (136) |
| FCFE | (312) | (583) | (6,929) | (3,147) | (1,283) | (1,827) | (1,146) |
| Share Capital Issuance | 15 | 1,026 | 118 | 80 | - | - | - |
| Dividend | - | - | - | - | - | - | - |
| Others | 245 | 34 | 7,249 | 7,256 | (119) | 0 | 0 |
| FINANCING CASH FLOW (c) | 525 | 1,697 | 4,467 | 8,936 | (205) | (85) | 864 |
| NET CASH FLOW (a+b+c) | 20 | 125 | 843 | 4,534 | (1,154) | (1,437) | (876) |
| EO Items, Others | | | | | | | |
| Closing Cash & Equivalents | 56 | 180 | 1,023 | 5,557 | 4,402 | 2,965 | 2,089 |

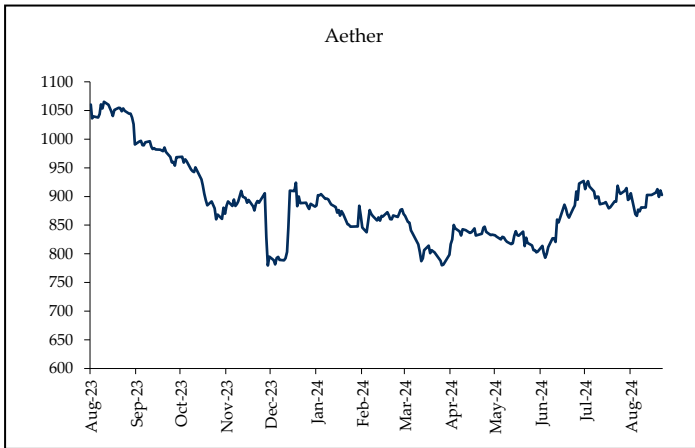
Source: Company, HSIE Research

KEY RATIOS

| Ratios | FY21 | FY22 | FY23 | FY24P | FY25E | FY26E | FY27E |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| PROFITABILITY % | | | | | | | |
| Gross Margin | 48.7 | 51.2 | 51.3 | 46.4 | 49.0 | 51.0 | 52.0 |
| EBITDA Margin | 24.9 | 28.5 | 28.6 | 22.1 | 24.8 | 27.7 | 30.5 |
| EBIT Margin | 22.5 | 25.9 | 25.0 | 15.5 | 18.2 | 21.0 | 25.7 |
| APAT Margin | 15.8 | 18.5 | 20.0 | 15.5 | 15.5 | 18.6 | 20.7 |
| RoE | 56.3 | 38.8 | 16.0 | 5.6 | 6.5 | 8.9 | 14.0 |
| RoIC | 24.5 | 22.6 | 13.8 | 5.9 | 7.6 | 9.0 | 14.2 |
| RoCE | 24.4 | 21.9 | 13.6 | 5.6 | 6.2 | 8.4 | 13.2 |
| EFFICIENCY | | | | | | | |
| Tax Rate % | 24.2 | 25.6 | 25.3 | 24.7 | 22.5 | 22.0 | 22.0 |
| Fixed Asset Turnover (x) | 2.3 | 2.1 | 1.3 | 0.7 | 0.7 | 0.7 | 0.9 |
| Inventory (days) | 69 | 101 | 139 | 210 | 110 | 110 | 110 |
| Debtors (days) | 88 | 101 | 145 | 142 | 130 | 130 | 130 |
| Other Current Assets (days) | 28 | 41 | 37 | 104 | 37 | 37 | 37 |
| Payables (days) | 76 | 89 | 94 | 118 | 108 | 112 | 115 |
| Other Current Liab & Provns (days) | 8 | 6 | 7 | 10 | 7 | 7 | 7 |
| Cash Conversion Cycle (days) | 102 | 148 | 220 | 328 | 162 | 158 | 155 |
| Net Debt/EBITDA (x) | 1.8 | 1.6 | (0.5) | (2.9) | (1.2) | (0.4) | 0.1 |
| Net D/E | 1.2 | 0.7 | (0.1) | (0.2) | (0.1) | (0.1) | 0.0 |
| Interest Coverage | 8.9 | 11.6 | 32.0 | 10.9 | 19 | 27 | 33.4 |
| PER SHARE DATA (INR) | | | | | 43 | | |
| EPS | 5.4 | 8.2 | 9.8 | 7.0 | 10.5 | 15.5 | 27.5 |
| CEPS | 6.2 | 9.4 | 11.6 | 10.0 | 15.0 | 21.0 | 33.8 |
| Dividend | - | - | - | - | - | - | - |
| Book Value | 13.2 | 29.2 | 93.9 | 155.7 | 166.2 | 181.7 | 209.2 |
| VALUATION | | | | | | | |
| P/E (x) | 299.5 | 168.3 | 109.9 | 91.8 | 128.4 | 85.9 | 58.3 |
| P/Cash EPS (x) | 250.3 | 145.7 | 96.2 | 77.9 | 90.0 | 60.1 | 42.9 |
| P/BV (x) | 152.9 | 68.6 | 30.9 | 9.6 | 5.8 | 5.4 | 5.0 |
| EV/EBITDA (x) | 169.1 | 108.5 | 72.8 | 63.7 | 87.6 | 52.4 | 38.7 |
| EV/Revenue (x) | 40.2 | 27.1 | 20.7 | 18.2 | 19.4 | 13.0 | 10.7 |
| Dividend Yield (%) | - | - | - | - | - | - | - |
| OCF/EV (%) | 0.1 | 0.2 | (0.1) | (0.1) | (0.3) | 2.4 | 1.1 |
| FCFF/EV (%) | (0.3) | (0.5) | (1.0) | (3.4) | (4.1) | (1.0) | (1.5) |
| FCFE/M Cap (%) | 0.0 | (0.3) | (0.5) | (5.8) | (2.6) | (1.1) | (1.5) |

Source: Company, HSIE Research

1 Yr Price history



Rating Criteria

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

Disclosure:

We, Nilesh Ghuge, MMS, Harshad Katkar, MBA & Prasad Vadnere, MSc authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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