

APTY posted a muted Q2 (albeit a beat on our estimates, led by Europe), with consol margin down by 72bps QoQ to 13.6%, hit by decline in gross margin (RM costs up 8% QoQ in India). Mgmt expects growth acceleration in H2 vs H1, with margins seen recovering from Q4 on softening RM prices. Domestic MHCVs have been weak in H1 (54% contribution from CVs in standalone), but outlook is improving amid expected pickup in infra/capex activity and a favorable base. Also, softening rubber prices (down by over 20% from the recent peak), along with ongoing pricing action, should aid margin recovery. Q2 likely represents a bottom quarter, with improving outlook for demand and profitability. We cut FY25E/26E/27E EPS by ~11%/6%/1.5% on lower EBITDA; retain BUY with a TP of Rs600 amid industry tailwinds and company focus on return ratios.

Apollo Tyres: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	245,681	253,777	265,024	287,234	311,279
EBITDA	33,137	44,474	39,480	46,258	53,715
Adj. PAT	10,821	17,992	16,379	20,605	24,096
Adj. EPS (Rs)	17.0	28.3	25.8	32.4	37.9
EBITDA margin (%)	13.5	17.5	14.9	16.1	17.3
EBITDA growth (%)	28.7	34.2	(11.2)	17.2	16.1
Adj. EPS growth (%)	73.0	55.9	(4.9)	25.8	16.9
RoE (%)	8.8	13.4	11.2	12.8	13.5
RoIC (%)	8.0	10.8	9.7	11.8	13.5
P/E (x)	27.9	16.8	18.4	14.7	12.5
EV/EBITDA (x)	10.8	7.6	8.2	6.7	5.5
P/B (x)	2.3	2.2	2.0	1.8	1.6
FCFF yield (%)	4.9	6.9	7.1	8.5	8.3

Source: Company, Emkay Research

Strong performance; operational parameters above expected lines

Consol revenue grew 2.5% YoY to Rs64.4bn (in line with estimates), with APMEA (largely India) up 2% YoY, Others up 67% YoY, and Europe up 6%. Consolidated EBITDA fell ~24% YoY to Rs8.8bn, with margin down by 72bps QoQ to 13.6% due to gross margin contraction and higher other expenses (on higher freight and advertising expenses, and EPR liability). EBIT margins in Europe were up by ~170bps QoQ to 5.9%. APMEA margins declined by 210bps QoQ to 7.6%, and margin for Others was down by 62bps QoQ to 3.8%. PAT stood at Rs3bn.

Earnings Call KTAs

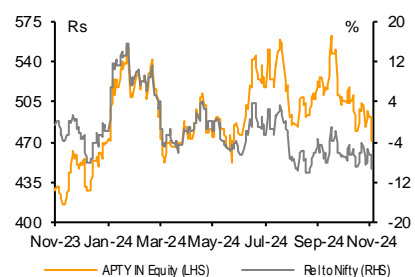
1) **India:** Company grew ahead of industry in the PC, CV, and agri radial segments with market share gains across key categories which was negated by decline in the OEM segment. 2) India volume growth was mixed, with overall volumes being flattish YoY amid mid-single-digit replacement growth (incl double-digit growth in TBR and PCR), double-digit exports growth, and double-digit OEM volume decline. 3) APTY expects accelerated growth in the replacement segment, with double-digit growth in PCR and TBR in FY25; while the outlook for the OEM segment remains muted, APTY’s conscious exit from small-size PC tyres has also led to lower OEM revenues; APTY will continue to focus on premiumization (higher rim size tyres). 4) APTY has taken the lead in price hikes with a 2%/3% hike in the TBR/PCR which has partially reflected in Q2, with balance impact to flow through in Q3; further price hikes are also being assessed. 5) RM price inflation in Q2 was ~8% QoQ; APTY anticipates ~1% increase in Q3 with cool off in RM prices Q4 onward. 6) APTY’s market share in the replacement segment is improving and it targets ~30% market share in TBR, akin to previous levels, and ~20% in the PCR segment. 7) In **Europe**, APTY grew ahead of the 3% PC industry growth in H1, on better product mix; margins improved on increased contribution from the ultra-high performance (UHP) segment (47% in Q2FY25 vs 39% in Q2FY24); lower share of natural rubber in the cost structure was also seen aiding margins. 8) APTY will continue to hedge 60% of the energy costs over the next 1 year. 9) Inventory build-up in European operations is on account of winter tyres for coming quarter. 10) FY25E capex guidance is unchanged (Rs10bn); there would be no capacity expansion in India in the near term. 11) Q2 RM costs (Rs/kg): natural rubber:210, synthetic rubber:190, carbon black:125.

Target Price – 12M	Sep-25
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	26.2
CMP (14-Nov-24) (Rs)	475.3

Stock Data	Ticker
52-week High (Rs)	585
52-week Low (Rs)	414
Shares outstanding (mn)	635.1
Market-cap (Rs bn)	302
Market-cap (USD mn)	3,576
Net-debt, FY25E (Rs mn)	22,447
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	899.7
ADTV-3M (USD mn)	10.7
Free float (%)	62.6
Nifty-50	23,533
INR/USD	84.4
Shareholding, Sep-24	
Promoters (%)	37.4
FPIs/MFs (%)	14.6/25.6

Price Performance			
(%)	1M	3M	12M
Absolute	(5.6)	(2.3)	14.4
Rel. to Nifty	0.8	0.3	(5.5)

1-Year share price trend (Rs)



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Exhibit 1: Actual vs. Estimates

Consolidated (Rs mn)	Actual	Emkay Est	Variance %	Consensus	Variance %
Net sales	64,370	64,052	0.5	64,285	0.1
EBITDA	8,779	8,263	6.2	9,523	(7.8)
EBITDA Margin (%)	13.6	12.9	74 bps	14.8	(118) bps
Adj net income	3,026	2,617	15.6	3,520	(14.0)
FDEPS (Rs)	4.8	4.1	15.6	5.7	(16.5)
Standalone (Rs mn)	Actual	Emkay Est	Variance %	Consensus	Variance %
Net sales	44,617	44,948	(0.7)	46,238	(3.5)
EBITDA	5,389	5,304	1.6	6,089	(11.5)
EBITDA Margin (%)	12.1	11.8	28 bps	13.2	(109) bps
Adj net income	1,689	1,604	5.3	2,216	(23.8)
FDEPS (Rs)	2.6	2.5	2.8	3.6	(28.3)

Source: Company, Bloomberg, Emkay Research

Exhibit 2: Consolidated result snapshot – Revenue up 2.5% YoY; margins down by 72bps QoQ on higher RM, other expenses

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (%)	QoQ (%)
Revenue	62,446	62,796	65,954	62,582	63,349	64,370	2.5	1.6
Expenditure	51,931	51,198	53,873	52,302	54,256	55,591	8.6	2.5
as a % of sales	83.2	81.5	81.7	83.6	85.6	86.4		
Consumption of RM	34,319	34,096	35,192	33,024	34,517	35,565	4.3	3.0
as a % of sales	55.0	54.3	53.4	52.8	54.5	55.2		
Employee Cost	7,388	7,296	7,669	7,288	7,968	7,697	5.5	(3.4)
as a % of sales	11.8	11.6	11.6	11.6	12.6	12.0		
Other expenditure	10,224	9,806	11,012	11,990	11,771	12,330	25.7	4.7
as a % of sales	16.4	15.6	16.7	19.2	18.6	19.2		
EBITDA	10,515	11,598	12,081	10,280	9,093	8,779	(24.3)	(3.5)
EBITDA margin (%)	16.8	18.5	18.3	16.4	14.4	13.6		
Depreciation	3,620	3,603	3,676	3,880	3,695	3,759	4.3	1.7
EBIT	6,895	7,995	8,405	6,400	5,398	5,020	(37.2)	(7.0)
Other Income	355	253	184	743	308	217	(14.4)	(29.7)
Interest	1,355	1,328	1,230	1,146	1,070	1,197	(9.8)	11.9
PBT	5,896	6,921	7,358	5,997	4,636	4,040	(41.6)	(12.9)
Minority interest	0	2	1	1	0	1		
Total Tax	1,795	2,058	2,242	2,089	1,212	1,015	(50.7)	(16.3)
Adjusted PAT after MI	4,101	4,865	5,117	3,909	3,424	3,026	(37.8)	(11.6)
Extra ordinary items Loss/(Gain)	132	122	151	368	404	52		
Reported PAT	3,969	4,743	4,966	3,541	3,020	2,975	(37.3)	(1.5)
Adjusted EPS (Rs)	6.2	7.5	7.8	5.6	4.8	4.7	(37.3)	(1.5)
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (bps)	QoQ (bps)
EBITDAM	16.8	18.5	18.3	16.4	14.4	13.6	(483)	(72)
EBITM	11.0	12.7	12.7	10.2	8.5	7.8	(493)	(72)
EBTM	9.4	11.0	11.2	9.6	7.3	6.3	(475)	(104)
PATM	6.6	7.7	7.8	6.2	5.4	4.7	(305)	(70)
Effective Tax rate	30.4	29.7	30.5	34.8	26.2	25.1	(461)	(103)

Source: Company, Emkay Research

Exhibit 3: Standalone result snapshot – Margins down by 170bps QoQ to 12.1% due to higher RM costs and other expenses

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (%)	QoQ (%)
Revenue	44,133	44,067	43,319	43,874	45,916	44,617	1.2	(2.8)
Expenditure	36,266	35,653	35,479	37,030	39,585	39,228	10.0	(0.9)
as a % of sales	82.2	80.9	81.9	84.4	86.2	87.9		
Consumption of RM	26,690	26,515	25,620	26,087	28,443	28,345	6.9	(0.3)
as a % of sales	60.5	60.2	59.1	59.5	61.9	63.5		
Employee Cost	2,782	2,719	2,831	2,755	3,002	2,773	2.0	(7.6)
as a % of sales	6.3	6.2	6.5	6.3	6.5	6.2		
Other expenditure	6,794	6,419	7,028	8,187	8,139	8,111	26.3	(0.4)
as a % of sales	15.4	14.6	16.2	18.7	17.7	18.2		
EBITDA	7,867	8,414	7,840	6,845	6,331	5,389	(36.0)	(14.9)
EBITDA margin (%)	17.8	19.1	18.1	15.6	13.8	12.1		
Depreciation	2,260	2,279	2,279	2,347	2,291	2,327	2.1	1.6
EBIT	5,607	6,135	5,562	4,498	4,041	3,061	(50.1)	(24.2)
Other Income	286	330	127	616	309	248	(24.7)	(19.5)
Interest	1,099	1,057	995	884	874	873	(17.4)	(0.1)
PBT	4,794	5,408	4,693	4,229	3,475	2,437	(54.9)	(29.9)
Total Tax	1,635	1,858	1,587	1,746	1,030	748	(59.7)	(27.3)
Adjusted PAT	3,159	3,550	3,106	2,483	2,445	1,689	(52.4)	(30.9)
Extra ordinary items Loss/(Gain)	(132)	(108)	(150)	(368)	(526)	(41)		
Reported PAT	3,291	3,658	3,257	2,851	2,971	1,729	(52.7)	(41.8)
Adjusted EPS (Rs)	4.8	5.4	4.7	3.3	3.0	2.6	(52.1)	(14.2)
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (bps)	QoQ (bps)
EBITDAM	17.8	19.1	18.1	15.6	13.8	12.1	(702)	(171)
EBITM	12.7	13.9	12.8	10.3	8.8	6.9	(706)	(194)
EBTM	10.9	12.3	10.8	9.6	7.6	5.5	(681)	(211)
PATM	7.2	8.1	7.2	5.7	5.3	3.8	(427)	(154)
Effective Tax rate	34.1	34.4	33.8	41.3	29.6	30.7	(365)	108

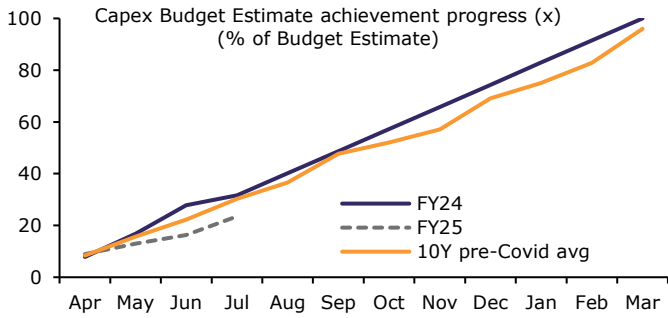
Source: Company, Emkay Research

Exhibit 4: Segmental – APMEA revenue up ~2%; Europe margin improves further; Others revenue up 67% YoY

Segmental (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	YoY (%)	QoQ (%)
APMEA								
Net Sales	44,999	44,730	44,145	44,671	47,140	45,660	2.1	(3.1)
EBIT	6,109	6,712	5,843	5,191	4,543	3,450	(48.6)	(24.0)
Margin (%)	13.6	15.0	13.2	11.6	9.6	7.6	(745)bps	(208)bps
Capital Employed	75,678	76,393	79,511	81,499	83,686	81,498		
ROCE (%)	32.3	35.1	29.4	25.5	21.7	16.9		
Europe								
Net Sales	17,408	18,158	22,192	18,641	17,148	19,286	6.2	12.5
EBIT	660	960	2,667	1,827	731	1,141	18.9	56.2
Margin (%)	3.8	5.3	12.0	9.8	4.3	5.9	63bps	166bps
Capital Employed	16,749	46,922	51,088	50,158	50,417	53,174		
ROCE (%)	15.8	8.2	20.9	14.6	5.8	8.6		
Others								
Net Sales	11,689	10,196	9,929	9,382	9,801	17,006	66.8	73.5
EBIT	482	577	79	125	433	645	11.8	49.1
Margin (%)	4.1	5.7	0.8	1.3	4.4	3.8	(187)bps	(62)bps
Capital Employed	6,360	6,782	7,765	7,713	7,995	8,761		

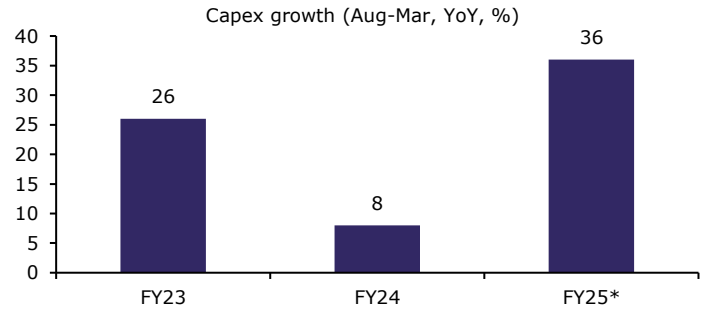
Source: Company, Emkay Research

Exhibit 5: Centre's capex declined 18% YoY till Jul-24 vs budgeted growth of 17%, amid factors like elections...



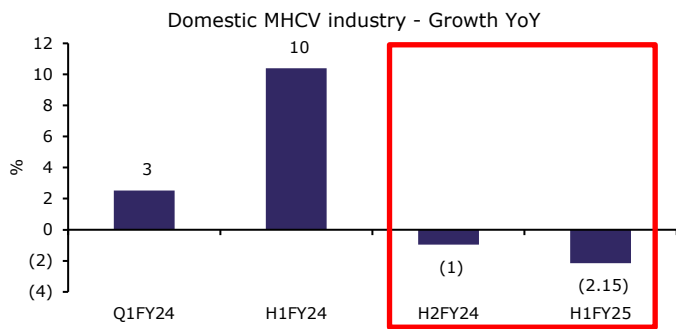
Source: CGA, Union Budget documents, Emkay Research

Exhibit 6: ...which should lead to strong ramp-up in coming months; 63% YoY growth needed over Aug-Mar to meet budget goals



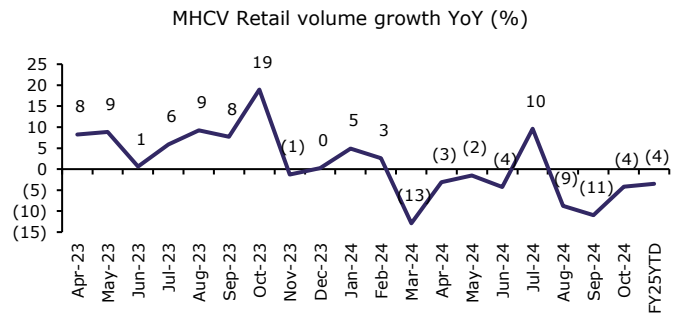
Source: CGA, Union Budget documents, Emkay Research

Exhibit 7: MHCV industry grew 10% in H1FY24 vs 1% decline in H2FY24, thus presenting a benign base for H2FY25



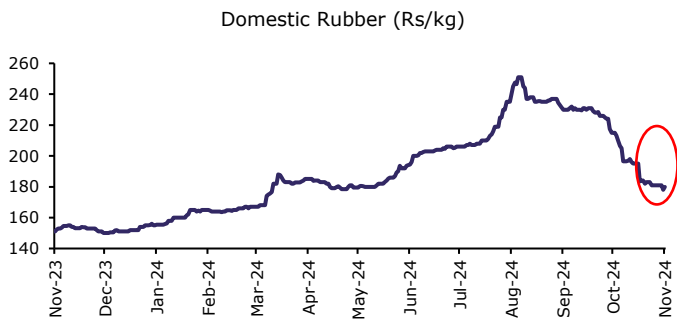
Source: SIAM, Emkay Research

Exhibit 8: MHCV retail volume decline has also narrowed in recent months



Source: Company, Emkay Research

Exhibit 9: Domestic rubber prices have corrected sharply and are now 28% below their recent peak...



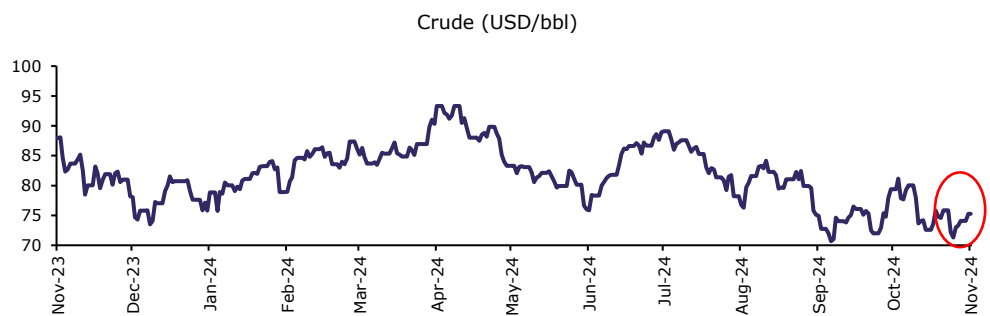
Source: Bloomberg, Emkay Research

Exhibit 10: ...with International rubber prices also 21% below their recent highs



Source: Bloomberg, Emkay Research

Exhibit 11: Crude oil prices remain slightly buoyant; currently down 12% from their recent peak



Source: Bloomberg, Emkay Research

Exhibit 12: Revenue model – We expect 7%/12% consol revenue/PAT CAGR over FY24-27E

Particulars (Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Standalone revenue	110,683	117,334	146,494	173,010	173,729	182,520	197,395	213,483
Subsidiaries - revenue	52,819	56,636	62,982	72,671	80,048	82,504	89,839	97,796
Consolidated Revenues	163,502	173,970	209,476	245,681	253,777	265,024	287,234	311,279
Growth YoY (%)	-6.8	6.4	20.4	17.3	3.3	4.4	8.4	8.4
EBITDA	19,387	27,975	25,741	33,137	44,474	39,480	46,258	53,715
EBITDA margin (%)	11.9	16.1	12.3	13.5	17.5	14.9	16.1	17.3
Standalone EBIT	7,785	13,209	6,069	12,039	20,137	15,920	19,985	23,963
Subsidiaries - EBIT	221	1,616	5,675	6,906	9,559	8,449	10,661	13,398
India EBIT margin (%)	7.0	11.3	4.1	7.0	11.6	8.7	10.1	11.2
Subsidiaries - EBIT margin (%)	0.4	2.9	9.0	9.5	11.9	10.2	11.9	13.7
EBIT	8,006	14,825	11,744	18,945	29,696	24,369	30,646	37,361
EBIT margin (%)	4.9	8.5	5.6	7.7	11.7	9.2	10.7	12.0
PAT	4,764	3,502	6,386	11,046	17,219	16,379	20,605	24,096
EPS (Rs)	8.3	15.1	10.1	17.0	28.3	25.8	32.4	37.9

Source: Company, Emkay Research

Exhibit 13: We cut FY25E/26E/27E EPS by ~11%/6%/1.5%, largely led by lower EBITDA

Consol (Rs mn)	FY25E				FY26E				FY27E			
	Earlier	Revised	Change %	YoY %	Earlier	Revised	Change %	YoY %	Earlier	Revised	Change %	YoY %
Revenue	268,642	265,024	(1.3)	4.4	288,476	287,234	(0.4)	8.4	312,114	311,279	(0.3)	8.4
EBITDA	43,844	39,480	(10.0)	(11.2)	48,542	46,258	(4.7)	17.2	54,427	53,715	(1.3)	16.1
Margin (%)	16.3	14.9	(142)bps	(263)bps	16.8	16.1	(72)bps	121bps	17.4	17.3	(18)bps	115bps
APAT	18,340	16,379	(10.7)	(9.0)	21,843	20,605	(5.7)	25.8	24,466	24,096	(1.5)	16.9
EPS (Rs)	28.9	25.8	(10.7)	(9.0)	34.4	32.4	(5.7)	25.8	38.5	37.9	(1.5)	16.9

Source: Emkay Research

Exhibit 14: Emkay vs Consensus

(Rs mn)	Emkay Estimates			Bloomberg estimates*			Difference		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net revenue	265,024	287,234	311,279	271,874	294,236	312,612	-2.5%	-2.4%	-0.4%
EBITDA	39,480	46,258	53,715	40,112	45,162	49,835	-1.6%	2.4%	7.8%
EBITDA margin (%)	14.9	16.1	17.3	14.8	15.3	15.9			
EPS (Rs)	25.8	32.4	37.9	27.0	34.0	38.2	-4.5%	-4.6%	-0.7%

Source: *Bloomberg Consensus as of 15-Nov-24, Emkay Research

Apollo Tyres: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	245,681	253,777	265,024	287,234	311,279
Revenue growth (%)	17.3	3.3	4.4	8.4	8.4
EBITDA	33,137	44,474	39,480	46,258	53,715
EBITDA growth (%)	28.7	34.2	(11.2)	17.2	16.1
Depreciation & Amortization	14,191	14,778	15,111	15,611	16,354
EBIT	18,945	29,696	24,369	30,646	37,361
EBIT growth (%)	61.3	56.7	(17.9)	25.8	21.9
Other operating income	0	0	0	0	0
Other income	411	1,536	1,762	2,079	2,369
Financial expense	5,312	5,059	4,150	3,295	2,665
PBT	14,044	26,172	21,981	29,430	37,065
Extraordinary items	0	0	0	0	0
Taxes	3,226	8,183	5,605	8,829	12,973
Minority interest	0	0	0	0	0
Income from JV/Associates	2	4	4	4	4
Reported PAT	11,046	17,219	16,379	20,605	24,096
PAT growth (%)	73.0	55.9	(4.9)	25.8	16.9
Adjusted PAT	10,821	17,992	16,379	20,605	24,096
Diluted EPS (Rs)	17.0	28.3	25.8	32.4	37.9
Diluted EPS growth (%)	73.0	55.9	(4.9)	25.8	16.9
DPS (Rs)	4.5	6.0	5.1	6.7	8.3
Dividend payout (%)	25.9	22.1	19.6	20.6	21.8
EBITDA margin (%)	13.5	17.5	14.9	16.1	17.3
EBIT margin (%)	7.7	11.7	9.2	10.7	12.0
Effective tax rate (%)	23.0	31.3	25.5	30.0	35.0
NOPLAT (pre-IndAS)	14,594	20,411	18,155	21,452	24,285
Shares outstanding (mn)	635.1	635.1	635.1	635.1	635.1

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	14,044	26,172	21,981	29,430	37,065
Others (non-cash items)	24,371	12,912	17,499	16,828	16,650
Taxes paid	(3,226)	(8,183)	(5,605)	(8,829)	(12,973)
Change in NWC	(14,256)	1,959	(763)	(1,302)	(6,333)
Operating cash flow	20,933	32,860	33,112	36,126	34,409
Capital expenditure	(3,521)	(9,265)	(10,000)	(10,000)	(10,000)
Acquisition of business	(34)	(41)	(2,000)	(4,000)	(4,000)
Interest & dividend income	331	348	0	0	0
Investing cash flow	(4,761)	(5,571)	(10,238)	(11,921)	(11,631)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(2,840)	(15,999)	(12,000)	(7,000)	(7,000)
Payment of lease liabilities	(2,577)	(2,859)	(2,859)	(2,859)	(2,859)
Interest paid	(5,312)	(5,059)	(4,150)	(3,295)	(2,665)
Dividend paid (incl tax)	(2,858)	(3,811)	(3,217)	(4,251)	(5,255)
Others	(7,506)	(1,722)	0	0	0
Financing cash flow	(18,516)	(26,591)	(19,367)	(14,545)	(14,920)
Net chg in Cash	(2,345)	698	3,507	9,660	7,858
OCF	20,933	32,860	33,112	36,126	34,409
Adj. OCF (w/o NWC chg.)	35,189	30,900	33,875	37,429	40,743
FCFF	17,412	23,594	23,112	26,126	24,409
FCFE	12,431	18,883	18,962	22,831	21,744
OCF/EBITDA (%)	63.2	73.9	83.9	78.1	64.1
FCFE/PAT (%)	112.5	109.7	115.8	110.8	90.2
FCFF/NOPLAT (%)	119.3	115.6	127.3	121.8	100.5

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	635	635	635	635	635
Reserves & Surplus	128,143	138,387	151,549	167,903	186,744
Net worth	128,778	139,022	152,184	168,538	187,379
Minority interests	0	0	0	0	0
Deferred tax liability (net)	8,875	15,705	15,705	15,705	15,705
Total debt	68,109	52,110	40,110	33,110	26,110
Total liabilities & equity	205,761	206,837	207,999	217,353	229,194
Net tangible fixed assets	158,856	151,414	146,303	140,691	134,337
Net intangible assets	7,387	7,205	7,205	7,205	7,205
Net ROU assets	7,998	9,135	9,135	9,135	9,135
Capital WIP	2,526	3,477	3,477	3,477	3,477
Goodwill	2,288	2,311	2,311	2,311	2,311
Investments [JV/Associates]	341	382	2,382	6,382	10,382
Cash & equivalents	12,479	14,156	17,662	27,322	35,180
Current assets (ex-cash)	80,998	80,670	84,311	90,966	100,709
Current Liab. & Prov.	67,109	61,910	64,787	70,140	73,550
NWC (ex-cash)	13,889	18,760	19,524	20,826	27,159
Total assets	205,761	206,837	207,999	217,353	229,194
Net debt	55,629	37,954	22,447	5,788	(9,070)
Capital employed	205,761	206,837	207,999	217,353	229,194
Invested capital	190,419	188,825	184,477	180,167	180,147
BVPS (Rs)	202.8	218.9	239.6	265.4	295.0
Net Debt/Equity (x)	0.4	0.3	0.1	0.0	0.0
Net Debt/EBITDA (x)	1.7	0.9	0.6	0.1	(0.2)
Interest coverage (x)	0.3	0.2	0.2	0.1	0.1
RoCE (%)	7.2	11.4	9.4	11.5	13.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	27.9	16.8	18.4	14.7	12.5
P/CE(x)	12.1	9.2	9.6	8.3	7.5
P/B (x)	2.3	2.2	2.0	1.8	1.6
EV/Sales (x)	1.5	1.3	1.2	1.1	0.9
EV/EBITDA (x)	10.8	7.6	8.2	6.7	5.5
EV/EBIT(x)	18.9	11.4	13.3	10.0	7.8
EV/IC (x)	1.9	1.8	1.8	1.7	1.6
FCFF yield (%)	4.9	6.9	7.1	8.5	8.3
FCFE yield (%)	4.1	6.3	6.3	7.6	7.2
Dividend yield (%)	0.9	1.3	1.1	1.4	1.7
DuPont-RoE split					
Net profit margin (%)	4.4	7.1	6.2	7.2	7.7
Total asset turnover (x)	1.2	1.2	1.3	1.4	1.4
Assets/Equity (x)	1.6	1.5	1.4	1.3	1.3
RoE (%)	8.8	13.4	11.2	12.8	13.5
DuPont-RoIC					
NOPLAT margin (%)	5.9	8.0	6.9	7.5	7.8
IC turnover (x)	1.3	1.3	1.4	1.6	1.7
RoIC (%)	8.0	10.8	9.7	11.8	13.5
Operating metrics					
Core NWC days	20.6	27.0	26.9	26.5	31.8
Total NWC days	20.6	27.0	26.9	26.5	31.8
Fixed asset turnover	0.9	0.9	0.9	0.9	1.0
Opex-to-revenue (%)	26.9	28.6	31.7	31.7	31.7

Source: Company, Emkay Research

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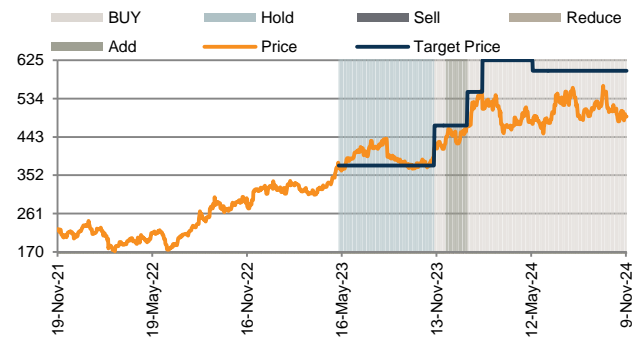
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Date	Closing Price (INR)	TP (INR)	Rating	Analyst
09-Aug-24	492	600	Buy	Chirag Jain
15-May-24	474	600	Buy	Chirag Jain
01-Apr-24	465	625	Buy	Chirag Jain
09-Feb-24	510	625	Buy	Chirag Jain
11-Jan-24	469	550	Buy	Chirag Jain
30-Nov-23	427	470	Add	Chirag Jain
09-Nov-23	418	470	Buy	Chirag Jain
12-Aug-23	396	375	Hold	Chirag Jain
26-Jun-23	404	375	Hold	Chirag Jain
10-May-23	369	375	Hold	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
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