

India

**ADD** (no change)

Consensus ratings\*: Buy 17 Hold 4 Sell 5

Current price:	Rs6,660
Target price: ▲	Rs7,565
Previous target:	Rs4,400
Up/downside:	13.6%
InCred Research / Consensus:	50.3%
Reuters:	SIEM.NS
Bloomberg:	SIEM IN
Market cap:	US\$28,402m
	Rs2,371,921m
Average daily turnover:	US\$19.4m
	Rs1620.0m
Current shares o/s:	356.0m
Free float:	25.0%

\*Source: Bloomberg

**Key changes in this note**

- For FY24F/25F, we raised revenue estimates by ~2%/7%, respectively.
- For FY24F/25F, we raised earnings estimates by 15%/23%, respectively.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	22.4	53.2	73.7
Relative (%)	22.9	51.0	48.2

Major shareholders	% held
Promoter	75.0
Life Insurance Corporation	3.1
	0.0

**Research Analyst(s)**



**Arafat SAIYED**

T (91) 22 4161 1542  
E arafat.saiyed@incredcapital.com

**Anirvan DIVAKERA**

T (91) 02241611548  
E anirvan.divakera@incredresearch.com

# Siemens Ltd

## Strong EBITDA beat; rerating to continue

- Strong 2QFY24 EBITDA beat on InCred estimate (17%) and consensus estimate (26%). The EBITDA margin improved by 249bp YoY to 15.3%.
- The energy business to be demerged in the ratio of 1:1 and become a separate listed entity. This is likely to be completed by CY25F.
- We retain our ADD rating on the stock with a higher target price of Rs7,565 (Rs4,400 earlier), valuing it at 75x Mar 2026F (from 60x Sep 2025F) EPS.

### Healthy beat on profitability front

Siemens posted a strong 2QFY24 EBITDA beat on InCred estimate (17%) and consensus estimate (26%) led by a higher margin in energy, smart infrastructure and digital industries segments while PAT was 36% and 47% above InCred/consensus estimates, respectively. The EBITDA margin improved by 249bp YoY and 292bp QoQ to 15.3%. The company witnessed strong backlog conversion and robust project execution and was also able to convert past orders into profitable revenue drivers.

### Well-placed in India's capex upcycle

Siemens is the most diversified industrial player in India which is set to benefit because of the exposure to a wide range of sectors. During FY18-23, the company's order inflow clocked a strong 28% CAGR led by the mobility segment, which is on a solid footing and has gained visibility by winning a new order for electric locomotives. We expect the momentum to continue in digital and factories & building technologies, which will boost growth and operating margin.

### Lower order inflow on a high base

The order inflow declined by 83% YoY to Rs51.8bn mainly due to the high base last year, with 9,000 HP electric locomotive order worth Rs260bn. Excluding this order, the order growth was flat YoY. Siemens has received orders from the railway sector for rolling stock, signaling and electrification projects. It is also exploring new opportunities in emerging verticals such as semiconductors, batteries and green hydrogen.

### Retain ADD rating on the stock with a higher target price of Rs7,565

Siemens' energy business to be demerged in the ratio of 1:1 to become a separate listed entity. All this is likely to be completed by CY25F. The demerger will create two strong independent companies focusing on their core activities. The company has given total capex guidance of Rs10bn for its GIS factory and other mobility capex. For FY24F/25F, we have raised our revenue estimates by ~2%/7%, respectively, factoring in the strong capex and order inflow led by digital penetration, government capex and also raised earnings estimates by 15%/23%, respectively, factoring in higher other income. We also introduce our FY26F EPS of Rs111 with a revenue of Rs321bn. We retain our ADD rating on the stock with a higher target price of Rs7,565 (Rs4,400 earlier), valuing it at 75x Mar 2026F (from 60x Sep 2025F) EPS. Any slowdown in the order inflow is a downside risk.

### Financial Summary

	Sep-22A	Sep-23A	Sep-24F	Sep-25F	Sep-26F
Revenue (Rsm)	158,738	192,794	230,086	273,463	321,412
Operating EBITDA (Rsm)	17,573	24,874	31,547	38,558	48,533
Net Profit (Rsm)	15,325	19,622	26,317	32,158	39,650
Core EPS (Rs)	35.4	55.1	73.9	90.3	111.4
Core EPS Growth	20.3%	55.5%	34.1%	22.2%	23.3%
FD Core P/E (x)	154.72	120.84	90.10	73.73	59.80
DPS (Rs)	10.0	12.0	14.0	14.0	14.0
Dividend Yield	0.15%	0.18%	0.21%	0.21%	0.21%
EV/EBITDA (x)	131.19	92.25	72.19	58.57	45.94
P/FCFE (x)	150.56	141.80	104.46	96.94	70.06
Net Gearing	(56.7%)	(58.4%)	(61.6%)	(62.9%)	(66.0%)
P/BV (x)	20.42	18.12	15.58	13.22	11.08
ROE	11.5%	15.9%	18.6%	19.4%	20.2%

% Change In Core EPS Estimates  
InCred Research/Consensus EPS (x)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

---

## 2QFY24 conference-call highlights

- **Overview:** Siemens posted a healthy performance for the quarter with a revenue growth of 19%. The EBITDA margin improved by ~250bp to 15.3%. The company witnessed strong order backlog conversion, robust project execution and was able to convert past orders into profitable revenue drivers. Management said the growth plans of the company remain intact, which will be driven by the government's thrust on public spending as well as a pick-up in private capex. The destocking effect in industrial automation, however, is still visible. For 1HFY24, revenue was up by ~21%, EBITDA margin stood at 13.9%.
- The company continued to focus on its core verticals, which include data centres, T&D, metals, cement, automotive, etc. It has received orders from the railway sector for rolling stock, signaling and electrification projects. Siemens to explore opportunities in emerging verticals such as semiconductors, batteries and green hydrogen going ahead.
- **Investments & capex:** The company will be investing ~Rs3.3bn for expansion of the plant in Goa. The expected timeline for this expansion is Dec 2026F. The factory will introduce the cutting-edge gas-insulated switchgear and clean air GIS (Blue GIS) technologies to support customers in sectors like data centres, metro rail, oil & gas, steel, and T&D to achieve sustainability objectives. Moreover, the company is also investing in metro train manufacturing in Aurangabad with an investment of ~Rs1.9bn. It is likely to be commissioned by FY27F. Total capex is likely to be Rs10bn. It will serve as a crucial export centre for metro rail turnkey projects for key markets like Asia, Australia and the Middle East. In Nov 2023, the company had announced capex for a power transformer factory in Kalwa and a vacuum interrupter factory in Goa. The total capex now stands at ~Rs10bn.
- **Demerger of Siemens' energy division:** Siemens' energy business to be demerged and become a separate listed entity. The process is expected to be completed by CY25F. The demerger will create two strong independent companies focusing on their core activities. Siemens' energy entity will be a key beneficiary of mega reforms like Gati Shakti, production-linked incentive or PLI scheme and the National Hydrogen Mission. India's energy market is likely to post a CAGR of 9% over FY21-30F, with the total installed capacity at 820 GW, of which 500GW is renewable energy. The energy business plans to increase power transformer production capacity by 2x over the next two-to-three years with a capex of Rs3.6bn. Energy business revenue was up 5% YoY during the quarter with a book-bill ratio of 1.2x.
- **Segment-wise details:** Digital industries' revenue and EBIT grew by 16% and 77% YoY, respectively, during the quarter. The segment will benefit from the government's increased capex outlay, PLI scheme and Industry 4.0, with opportunities in factory automation, process automation and motion control systems. The smart infrastructure segment witnessed revenue and EBIT jump of 26% and 59%, respectively. The segment will have opportunities across electrification, electrical products, grid software and eMobility. The mobility segment's revenue was up 56% while EBIT climbed 65%. The segment is expected to receive increased traction in the railway sector, metro rail projects, propulsion systems, etc.

Figure 1: Results summary

Rs m	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	1HFY24	1HFY23	YoY (%)
<b>Sales</b>	<b>56,810</b>	<b>47,901</b>	<b>18.6%</b>	<b>47,813</b>	<b>18.8%</b>	<b>1,04,623</b>	<b>87,539</b>	<b>19.5%</b>
Other operating income	689	677	1.8%	439	56.9%	1,128	1,192	-5.4%
<b>Total revenue</b>	<b>57,499</b>	<b>48,578</b>	<b>18.4%</b>	<b>48,252</b>	<b>19.2%</b>	<b>1,05,751</b>	<b>88,731</b>	<b>19.2%</b>
Raw material costs	-38,838	-33,254	16.8%	-32,744	18.6%	-71,582	-59,956	19.4%
Employee expenses	-4,899	-5,077	-3.5%	-5,635	-13.1%	-10,534	-10,040	4.9%
Other expenses	-4,980	-4,035	23.4%	-3,912	27.3%	-8,892	-6,530	36.2%
<b>EBITDA</b>	<b>8,782</b>	<b>6,212</b>	<b>41.4%</b>	<b>5,961</b>	<b>47.3%</b>	<b>14,743</b>	<b>12,205</b>	<b>20.8%</b>
<b>EBITDA margin (%)</b>	<b>15.3%</b>	<b>12.8%</b>	<b>249 bp</b>	<b>12.4%</b>	<b>292 bp</b>	<b>13.9%</b>	<b>13.8%</b>	<b>19 bp</b>
Other income	3,210	1,166	175.3%	1,641	95.6%	4,851	2,183	122.2%
<b>EBIT</b>	<b>11,192</b>	<b>6,593</b>	<b>69.8%</b>	<b>6,817</b>	<b>64.2%</b>	<b>18,009</b>	<b>12,842</b>	<b>40.2%</b>
Interest	(313)	(99)	216.2%	(34)	820.6%	(347)	(136)	155.1%
Depreciation	-800	-785	1.9%	-785	1.9%	-1,585	-1,546	2.5%
<b>PBT</b>	<b>10,879</b>	<b>6,494</b>	<b>67.5%</b>	<b>6,783</b>	<b>60.4%</b>	<b>17,662</b>	<b>12,706</b>	<b>39.0%</b>
Tax	-2,851	-1,776	60.5%	-1,726	65.2%	-4,577	-3,360	36.2%
<b>Adjusted PAT</b>	<b>8,029</b>	<b>4,718</b>	<b>70.2%</b>	<b>5,057</b>	<b>58.8%</b>	<b>13,086</b>	<b>9,346</b>	<b>40.0%</b>
Extraordinary items	-	-	-	-	-	-	-	-
<b>Reported PAT</b>	<b>8,029</b>	<b>4,718</b>	<b>70.2%</b>	<b>5,057</b>	<b>58.8%</b>	<b>13,086</b>	<b>9,346</b>	<b>40.0%</b>
<b>Core EPS (Rs)</b>	<b>22.5</b>	<b>13.2</b>	<b>70.2%</b>	<b>14.2</b>	<b>58.8%</b>	<b>36.7</b>	<b>26.2</b>	<b>40.0%</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Margin analysis

Key ratios (%)	2QFY24	2QFY23	YoY (bp)	1QFY24	QoQ (bp)	1HFY24	1HFY23	YoY (bp)
Raw material /sales	67.5%	68.5%	-91 bp	67.9%	-31 bp	67.7%	67.6%	12 bp
Employee expenses /sales	8.5%	10.5%	-193 bp	11.7%	-316 bp	10.0%	11.3%	-135 bp
Other expenses / sales	8.7%	8.3%	35 bp	8.1%	55 bp	8.4%	7.4%	105 bp
Tax rate	26.2%	27.3%	-114 bp	25.4%	76 bp	25.9%	26.4%	-53 bp
PAT margin	-14.0%	-9.7%	-425 bp	-10.5%	-348 bp	-12.4%	-10.5%	-184 bp
Gross margin (%)	31.6%	30.6%	106 bp	31.5%	12 bp	31.6%	31.5%	7 bp

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Segment revenue and EBIT performance

Revenue (Rs m)	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	1HFY24	1HFY23	YoY (%)
Energy	16,375	15,554	5.3%	11,454	43.0%	27,829	27,155	2.5%
Smart Infrastructure	21,655	17,249	25.5%	18,523	16.9%	40,178	32,446	23.8%
Mobility	7,573	4,864	55.7%	6,597	14.8%	14,170	8,702	62.8%
Digital Industries	10,419	8,982	16.0%	10,379	0.4%	20,798	16,771	24.0%
Portfolio Companies'	2,171	2,425	-10.5%	2,219	-2.2%	4,390	4,829	-9.1%
Others	275	337	-18.4%	161	70.8%	436	570	-23.5%
<b>Total</b>	<b>58,468</b>	<b>49,411</b>	<b>18.3%</b>	<b>49,333</b>	<b>18.5%</b>	<b>1,07,801</b>	<b>90,473</b>	<b>19.2%</b>
Less: Inter segmental	969	833	16.3%	1,081	-10.4%	2,050	1,744	17.5%
<b>Total Revenue</b>	<b>57,499</b>	<b>48,578</b>	<b>18.4%</b>	<b>48,252</b>	<b>19.2%</b>	<b>1,05,751</b>	<b>88,729</b>	<b>19.2%</b>
EBIT (Rs m)	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	1HFY24	1HFY23	YoY (%)
Energy	2,243	1,766	27.0%	1,251	79.3%	3,494	3,097	12.8%
Smart Infrastructure	3,097	1,947	59.1%	1,964	57.7%	5,061	3,275	54.5%
Mobility	698	423	65.0%	492	41.9%	1,190	558	113.3%
Digital Industries	1,721	969	77.6%	1,313	31.1%	3,034	3,061	-0.9%
Portfolio Companies'	214	308	-30.5%	142	50.7%	356	643	-44.6%
Others	10	14	-28.6%	14	-28.6%	24	24	0.0%
<b>EBIT</b>	<b>7,983</b>	<b>5,427</b>	<b>47.1%</b>	<b>5,176</b>	<b>54.2%</b>	<b>13,159</b>	<b>10,658</b>	<b>23.5%</b>
EBIT Margin (%)	2QFY24	2QFY23	YoY (bp)	1QFY24	QoQ (bp)	1HFY24	1HFY23	YoY (bp)
Energy	13.7%	11.4%	234 bp	10.9%	278 bp	12.6%	11.4%	115 bp
Smart Infrastructure	14.3%	11.3%	301 bp	10.6%	370 bp	12.6%	10.1%	250 bp
Mobility	9.2%	8.7%	52 bp	7.5%	176 bp	8.4%	6.4%	199 bp
Digital Industries	16.5%	10.8%	573 bp	12.7%	387 bp	14.6%	18.3%	-366 bp
Portfolio Companies'	9.9%	12.7%	-284 bp	6.4%	346 bp	8.1%	13.3%	-521 bp
Others	3.6%	4.2%	-52 bp	8.7%	-506 bp	5.5%	4.2%	129 bp
<b>Blended EBIT Margin</b>	<b>13.7%</b>	<b>11.0%</b>	<b>267 bp</b>	<b>10.5%</b>	<b>316 bp</b>	<b>12.2%</b>	<b>11.8%</b>	<b>43 bp</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Order details

(Rs m)	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	1H FY24	1H FY23	YoY (%)
Order Inflow	51,840	3,11,510	-83.4%	59,700	-13.2%	1,11,540	3,65,970	-69.5%
Order Book	4,62,097	4,50,000	2.7%	4,67,067	-1.1%	4,62,097	4,50,000	2.7%

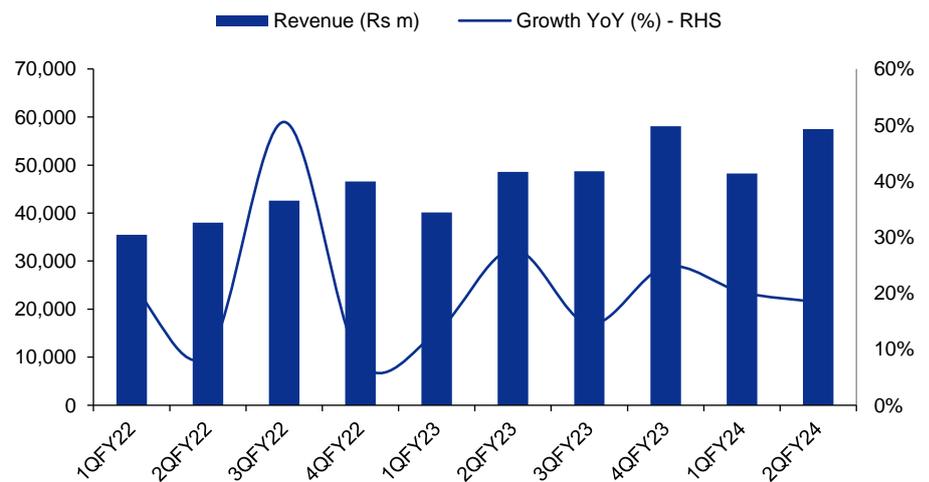
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Standalone financials

Rs m	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	1HFY24	1HFY23	YoY (%)
<b>Sales</b>	<b>52,478</b>	<b>44,005</b>	<b>19.3%</b>	<b>43,947</b>	<b>19.4%</b>	<b>96,425</b>	<b>79,967</b>	<b>20.6%</b>
Other operating income	660	647	2.0%	411	60.6%	1,071	1,138	-5.9%
<b>Total revenue</b>	<b>53,138</b>	<b>44,652</b>	<b>19.0%</b>	<b>44,358</b>	<b>19.8%</b>	<b>97,496</b>	<b>81,105</b>	<b>20.2%</b>
Raw material cost	-36,178	-30,946	16.9%	-30,363	19.2%	-66,541	-55,453	20.0%
Employee expenses	-4,557	-4,724	-3.5%	-5,195	-12.3%	-9,752	-9,242	5.5%
Other expenses	-4,518	-3,433	31.6%	-3,570	26.6%	-8,088	-5,369	50.6%
<b>EBITDA</b>	<b>7,885</b>	<b>5,549</b>	<b>42.1%</b>	<b>5,230</b>	<b>50.8%</b>	<b>13,115</b>	<b>11,041</b>	<b>18.8%</b>
Other income	4606	1,880	145.0%	1557	195.8%	6163	2829	117.9%
<b>EBIT</b>	<b>11,935</b>	<b>6,891</b>	<b>73.2%</b>	<b>6,246</b>	<b>91.1%</b>	<b>18,181</b>	<b>12,817</b>	<b>41.9%</b>
Interest	(302)	-74	308.1%	(29)	941.4%	(331)	(124)	166.9%
Depreciation	-556	-538	3.3%	-541	2.8%	-1,097	-1,053	4.2%
<b>PBT</b>	<b>11,633</b>	<b>6,817</b>	<b>70.6%</b>	<b>6,217</b>	<b>87.1%</b>	<b>17,850</b>	<b>12,693</b>	<b>40.6%</b>
Tax	-2,669	-1,657	61.1%	-1,583	68.6%	-4,252	-3,157	34.7%
<b>Reported PAT</b>	<b>8,964</b>	<b>5,160</b>	<b>73.7%</b>	<b>4,634</b>	<b>93.4%</b>	<b>13,598</b>	<b>9,536</b>	<b>42.6%</b>
Extraordinary items	-	-	-	-	-	-	-	-
<b>Adjusted PAT</b>	<b>8,964</b>	<b>5,160</b>	<b>73.7%</b>	<b>4,634</b>	<b>93.4%</b>	<b>13,598</b>	<b>9,536</b>	<b>42.6%</b>
<b>EPS (Rs)</b>	<b>25.2</b>	<b>14.5</b>	<b>73.7%</b>	<b>13.0</b>	<b>93.4%</b>	<b>38.2</b>	<b>26.8</b>	<b>42.6%</b>
<b>Key ratios SA (%)</b>	<b>2QFY24</b>	<b>2QFY23</b>	<b>YoY (bp)</b>	<b>1QFY24</b>	<b>QoQ (bp)</b>	<b>1HFY24</b>	<b>1HFY23</b>	<b>YoY (bp)</b>
Raw material costs	68.1%	69.3%	-122 bp	68.4%	-37 bp	68.2%	68.4%	-12 bp
Employee costs	8.6%	10.6%	-200 bp	11.7%	-314 bp	10.0%	11.4%	-139 bp
Other expenses	8.5%	7.7%	81 bp	8.0%	45 bp	8.3%	6.6%	168 bp
<b>EBITDA Margin (%)</b>	<b>14.8%</b>	<b>12.4%</b>	<b>241 bp</b>	<b>11.8%</b>	<b>305 bp</b>	<b>13.5%</b>	<b>13.6%</b>	<b>-16 bp</b>
Tax rate	22.9%	24.3%	-136 bp	25.5%	-252 bp	23.8%	24.9%	-105 bp
PAT margin	-16.9%	-11.6%	-531 bp	-10.4%	-642 bp	-13.9%	-11.8%	-219 bp

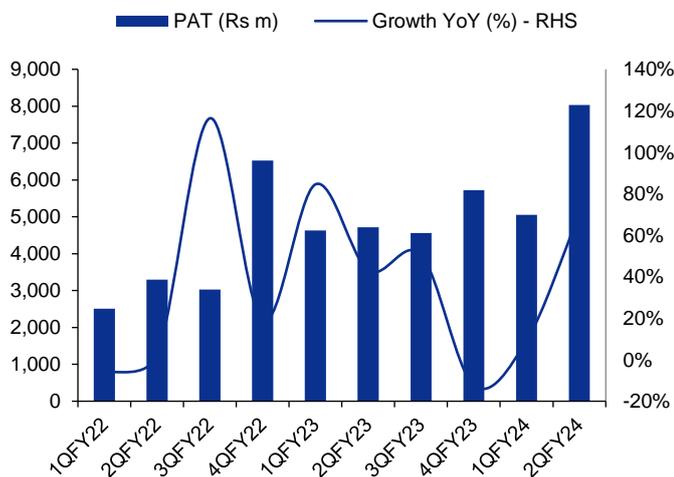
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Healthy revenue growth in 2QFY24



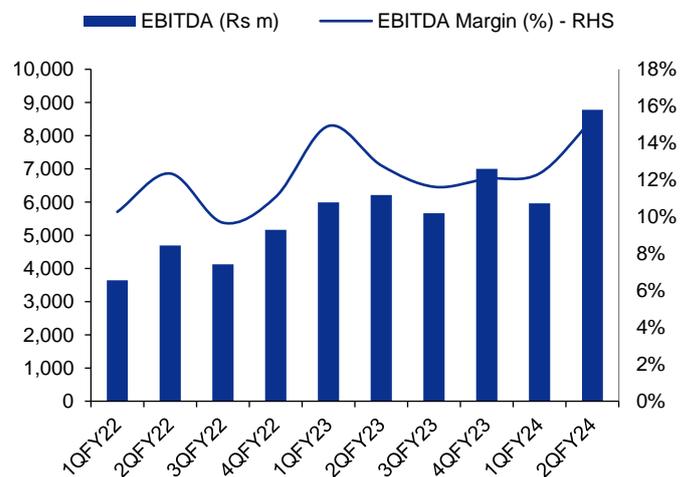
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Strong beat on profitability front...



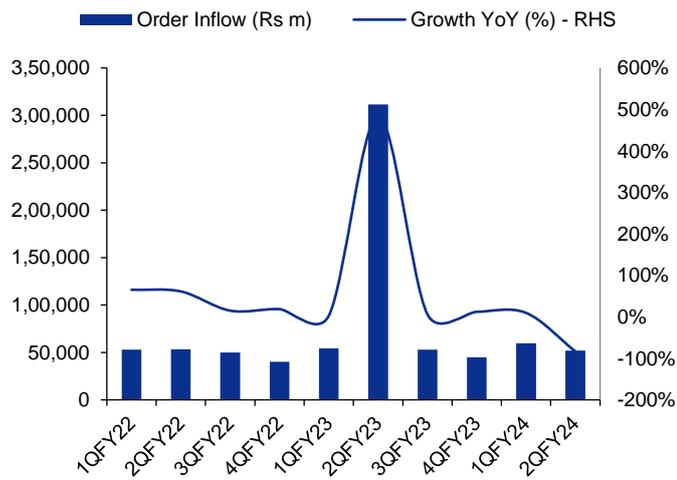
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: ...with a higher margin



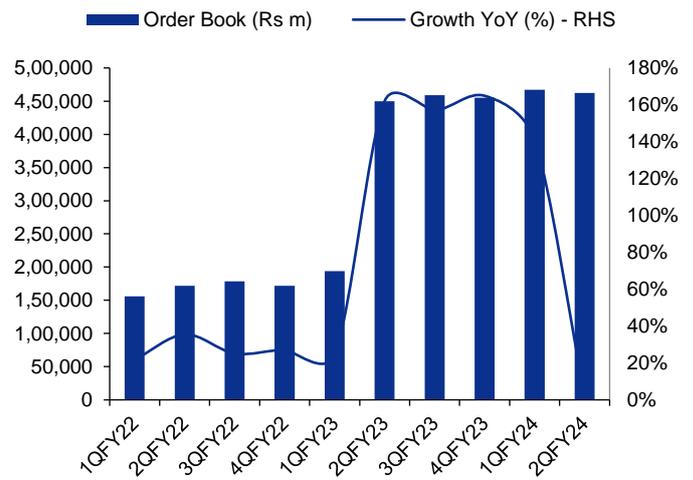
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Lower order inflow on a high base of last year



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Order book remains robust



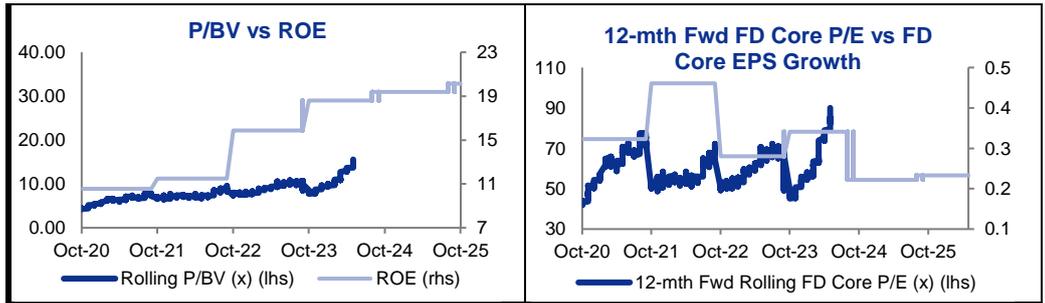
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Key revisions in our earnings estimates

(Rs m)	Old Estimates		New Estimates		Changes	
	FY24F	FY25F	FY24F	FY25F	FY24F	FY25F
Revenue	2,25,969	2,56,315	2,30,086	2,73,463	1.8%	6.7%
EBITDA	30,618	34,495	31,547	38,558	3.0%	11.8%
PAT	22,843	26,106	26,317	32,158	15.2%	23.2%

SOURCE: COMPANY REPORTS, INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Sep-22A	Sep-23A	Sep-24F	Sep-25F	Sep-26F
<b>Total Net Revenues</b>	161,378	195,540	230,086	273,463	321,412
<b>Gross Profit</b>	52,115	61,715	73,566	90,243	109,280
<b>Operating EBITDA</b>	17,573	24,874	31,547	38,558	48,533
Depreciation And Amortisation	(3,171)	(3,208)	(3,330)	(3,526)	(3,901)
<b>Operating EBIT</b>	14,402	21,666	28,217	35,032	44,632
Financial Income/(Expense)	(363)	(228)	(444)	(343)	(343)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	3,078	4,962	7,908	8,303	8,718
<b>Profit Before Tax (pre-EI)</b>	17,117	26,400	35,681	42,993	53,008
Exceptional Items					
<b>Pre-tax Profit</b>	17,117	26,400	35,681	42,993	53,008
Taxation	(4,498)	(6,778)	(9,364)	(10,834)	(13,358)
Exceptional Income - post-tax	2,706				
<b>Profit After Tax</b>	15,325	19,622	26,317	32,158	39,650
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	15,325	19,622	26,317	32,158	39,650
Recurring Net Profit	12,619	19,622	26,317	32,158	39,650
<b>Fully Diluted Recurring Net Profit</b>	12,619	19,622	26,317	32,158	39,650

Cash Flow

(Rs mn)	Sep-22A	Sep-23A	Sep-24F	Sep-25F	Sep-26F
<b>EBITDA</b>	17,573	24,874	31,547	38,558	48,533
Cash Flow from Invt. & Assoc.	(456)	1,526	4,134	4,434	4,474
Change In Working Capital	1,372	(4,162)	(2,413)	(4,568)	(5,050)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	3,171	3,208	3,330	3,526	3,901
Other Operating Cashflow	(2,715)	(4,734)	(7,464)	(7,960)	(8,375)
Net Interest (Paid)/Received					
Tax Paid	(4,498)	(6,778)	(9,364)	(10,834)	(13,358)
<b>Cashflow From Operations</b>	14,447	13,934	19,770	23,156	30,125
Capex	(1,751)	(2,175)	(4,980)	(7,000)	(5,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	3,078	4,962	7,908	8,303	8,718
<b>Cash Flow From Investing</b>	1,327	2,787	2,928	1,303	3,718
Debt Raised/(repaid)	(25)				
Proceeds From Issue Of Shares	842	(571)			
Shares Repurchased					
Dividends Paid	(3,560)	(4,272)	(4,984)	(4,984)	(4,984)
Preferred Dividends					
Other Financing Cashflow	(363)	(228)	(444)	(343)	(343)
<b>Cash Flow From Financing</b>	(3,106)	(5,071)	(5,428)	(5,327)	(5,327)
Total Cash Generated	12,668	11,650	17,270	19,132	28,517
<b>Free Cashflow To Equity</b>	15,749	16,721	22,698	24,459	33,844
<b>Free Cashflow To Firm</b>	15,774	16,721	22,698	24,459	33,844

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**BY THE NUMBERS...cont'd**

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Sep-22A</b>	<b>Sep-23A</b>	<b>Sep-24F</b>	<b>Sep-25F</b>	<b>Sep-26F</b>
Total Cash And Equivalents	65,841	76,507	93,777	112,910	141,426
Total Debtors	39,194	48,047	57,341	68,151	80,101
Inventories	21,650	25,052	29,898	35,534	41,765
Total Other Current Assets	41,830	40,518	49,093	58,328	68,537
<b>Total Current Assets</b>	<b>168,515</b>	<b>190,124</b>	<b>230,109</b>	<b>274,923</b>	<b>331,829</b>
Fixed Assets	19,246	18,213	19,863	23,337	24,436
Total Investments					
Intangible Assets	12,354	12,686	12,686	12,686	12,686
Total Other Non-Current Assets	975	1,627	1,627	1,627	1,627
<b>Total Non-current Assets</b>	<b>32,575</b>	<b>32,526</b>	<b>34,176</b>	<b>37,650</b>	<b>38,749</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	71,782	75,527	90,136	107,129	125,913
Other Current Liabilities	13,130	16,166	21,858	25,979	30,534
<b>Total Current Liabilities</b>	<b>84,912</b>	<b>91,693</b>	<b>111,994</b>	<b>133,108</b>	<b>156,447</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>					
Total Provisions					
<b>Total Liabilities</b>	<b>84,912</b>	<b>91,693</b>	<b>111,994</b>	<b>133,108</b>	<b>156,447</b>
Shareholders Equity	116,102	130,871	152,205	179,379	214,045
Minority Interests	76	86	86	86	86
<b>Total Equity</b>	<b>116,178</b>	<b>130,957</b>	<b>152,291</b>	<b>179,465</b>	<b>214,131</b>

<b>Key Ratios</b>					
	<b>Sep-22A</b>	<b>Sep-23A</b>	<b>Sep-24F</b>	<b>Sep-25F</b>	<b>Sep-26F</b>
Revenue Growth	18.3%	21.5%	19.3%	18.9%	17.5%
Operating EBITDA Growth	15.8%	41.5%	26.8%	22.2%	25.9%
Operating EBITDA Margin	11.1%	12.9%	13.7%	14.1%	15.1%
Net Cash Per Share (Rs)	184.95	214.91	263.42	317.16	397.27
BVPS (Rs)	326.13	367.62	427.54	503.87	601.25
Gross Interest Cover	39.67	95.03	63.61	102.13	130.12
Effective Tax Rate	26.3%	25.7%	26.2%	25.2%	25.2%
Net Dividend Payout Ratio	28.2%	21.8%	18.9%	15.5%	12.6%
Accounts Receivables Days	87.00	81.42	83.59	83.75	84.18
Inventory Days	66.17	63.69	64.07	65.17	66.50
Accounts Payables Days	224.96	200.89	193.16	196.49	200.49
ROIC (%)	20.6%	32.0%	38.1%	44.0%	49.3%
ROCE (%)	13.1%	17.5%	19.9%	21.1%	22.7%
Return On Average Assets	6.8%	9.3%	10.9%	11.2%	11.7%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

---

## DISCLAIMER

---

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by Incred Research Services Private Ltd. (formerly known as Earnest Innovation Partners Private Limited) (hereinafter referred to as "IRSPL"). IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000011024. Pursuant to a trademark agreement, IRSPL has adopted "Incred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject IRSPL and its affiliates/group companies to registration or licensing requirements within such jurisdictions.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. IRSPL is not under any obligation to update this report in the event of a material change to the information contained in this report. IRSPL has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies to any person to buy or sell any investments.

The opinions expressed are based on information which are believed to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made. (Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request. The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short term views etc.) that are inconsistent with and reach different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

	Analyst/ Relative	Entity/ Associates
any financial interests in the company covered in this report (subject company) and nature of such financial interest	NO	NO
actual/beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the research report or date of the public appearance;	NO	NO
any other material conflict of interest at the time of publication of the research report or at the time of public appearance	NO	NO
received any compensation from the subject company in the past twelve months for investment banking or merchant banking or brokerage services or investment advisory or depository or distribution from the subject company in the last twelve months for products/services other than investment banking or merchant banking or broker- age services or investment advisory or depository or distribution from the subject company in the last twelve months	NO	NO
managed or co-managed public offering of securities for the subject company in the last twelve months	NO	NO
received any compensation or other benefits from the subject company or third party in connection with the research report	NO	NO
served as an officer, director or employee of the subject company	NO	NO
been engaged in market making activity for the subject company	NO	NO

#### Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part.