

India

ADD (no change)

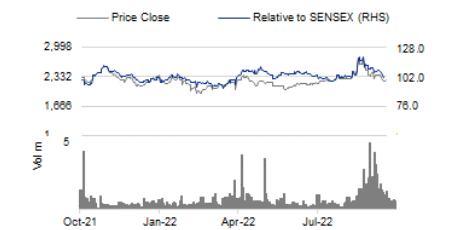
Consensus ratings*: Buy 23 Hold 12 Sell 10

Current price:	Rs2,270
Target price: ▲	Rs2,636
Previous target:	Rs2,322
Up/downside:	16.1%
InCred Research / Consensus:	6.5%
Reuters:	ACC.NS
Bloomberg:	ACC IN
Market cap:	US\$5,176m
	Rs426,296m
Average daily turnover:	US\$22.2m
	Rs1830.5m
Current shares o/s:	188.0m
Free float:	43.8%

*Source: Bloomberg

Key changes in this note

- ▶ We modelled change in the reporting year to FY23F-FY25 vs. CY22F-CY24F earlier.
- ▶ CY21 gets reflected as FY22 and FY23F consists of five quarters.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(13.1)	4.4	(1.5)
Relative (%)	(12.4)	(2.5)	4.2

Major shareholders	% held
Promoter & Promoter Group	54.5
Life Insurance Corporation of India	6.2
Tata Multi Asset Fund	1.3

Analyst(s)



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ACC Ltd

Weak 3Q; synergies to drive improvement

- ACC posted a net loss in 3QCY22 after two decades, as against our/street expectations of a profit, because of a mix of seasonality and elevated cost.
- We adjust our estimates for the change in accounting year from CY to FY. Hence, our revised estimates are not comparable with earlier estimates.
- Energy cost reduction and elimination of royalty payment will contribute to cost savings, in our view. Retain ADD rating on ACC with a higher TP of Rs2,636.

In-line volume performance; growth projects on track

Cement sales volume grew ~4% yoy to 6.85mt (down ~9% qoq) in 3Q mainly due to a low base, and we expect the post-monsoon quarter to see a traditional rebound for the cement sector. Cement realization was up ~1.3% yoy (down ~2% qoq vs. 4-5% for Shree Cement) most likely on a better regional mix. The integrated Ametha project is on track and may be commissioned by 4QCY22F, with the Adani Group's target to double Ambuja Cements and ACC's capacity over the next five years, which would improve volume growth outlook.

Overall cost/t up 8% qoq; multiple levers to bridge the gap with peers

Blended EBITDA/t declined sharply to a multi-year low of Rs24 on ~25% yoy and 8% qoq rise in blended cost/t because (a) power & fuel cost/t rose 60% yoy and 11% qoq as the company likely utilized higher-fuel cost inventory, and b) other costs increased by 7% yoy and 13% qoq due to negative operating leverage. ACC has partially commissioned its WHRS project at Kymore (14MW) and Jamul (10MW), with an aim to increase WHRS capacity to 75MW. We believe ACC's takeover by the Adani Group would lead to multiple synergies which improve profitability and bridge the efficiency gap with peers such as 1) the end of its agreement with Holcim for payment of technology and knowhow fees @ 1% of net sales (we expect a saving of Rs50/t in FY24F-25F) b) cross-utilization of raw materials, and c) potentially lower power cost. ACC's plants are much older, and we are of the view that the Adani Group will succeed at narrowing the company's gap with peers to a large extent. We await more clarity on its targets and strategies.

Strong balance sheet is a buffer; will ACC-Ambuja Cements merge?

ACC had net cash of Rs47bn in 1HCY22 (post dividend payment of Rs10.9bn) and it will use the same for expansion (as it has now undertaken initiatives to address concerns around its falling market share). To us, a merger of Ambuja Cements-ACC is a logical way going ahead, and, with new promoters at the fore, it may be looked at in the medium term.

Kitchen-sink quarter; Retain ADD rating

ACC trades at FY24F/FY25F EV/EBITDA of 11.2x/8.5x, respectively. We retain ADD rating on it with an EV/EBITDA-based target price of Rs2,633 (Rs2,322 earlier), set at 11x (10.5x earlier), in line with the 1-year forward avg. on consensus estimates for 10 years and roll-over to Sep 2024F. We believe a premium is now warranted given the Adani Group's aspirations. Downside risks: cement price rollback, delay in projects, and rise in input cost.

Financial Summary	Dec-20A	Dec-21A	Mar-23F	Mar-24F	Mar-25F
Revenue (Rsm)	137,860	161,517	223,020	207,896	225,060
Operating EBITDA (Rsm)	23,551	29,981	22,641	32,649	40,994
Net Profit (Rsm)	16,063	19,179	12,370	19,857	25,255
Core EPS (Rs)	85.4	102.0	65.8	105.6	134.3
Core EPS Growth	16.8%	19.4%	(35.5%)	60.5%	27.2%
FD Core P/E (x)	26.57	22.25	34.50	21.49	16.90
DPS (Rs)	14.0	58.0	14.5	21.1	26.9
Dividend Yield	0.74%	2.68%	0.64%	0.93%	1.18%
EV/EBITDA (x)	15.57	11.73	16.78	11.27	8.55
P/FCFE (x)	13.07	17.33	(15.72)	28.51	20.23
Net Gearing	(47.3%)	(52.6%)	(30.7%)	(35.0%)	(40.3%)
P/BV (x)	3.36	2.98	2.79	2.53	2.26
ROE	13.3%	14.2%	8.4%	12.4%	14.1%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Weak 3Q; synergies to drive improvement

3QCY22 results review

Quick snapshot of ACC's 3QCY22 results >

- ACC reported 3QCY22 consolidated revenue of Rs39.8bn, up 6% yoy (down ~11% qoq) and broadly in line with our estimate of Rs40.2bn.
- Cement division: During 3Q, cement volume stood at 6.85mt (down ~1% vs. our expectation), up ~4% yoy and down ~9% qoq. Cement realization was up 1.3% yoy while down only 1.9% qoq to ~Rs5,389/t (2.2% above our expectation).
- RMC division: Revenue was Rs3.5bn vs. Rs 3bn in 3QCY21, down 9% qoq. ACC reported EBIT of Rs18m vs. Rs124m in 2QCY22 and Rs109m in 3QCY21.
- Consolidated EBITDA for the quarter stood at Rs164m vs. our expectation of ~Rs 2.67bn, and down 98% yoy and 96% qoq due to the significant impact of the increase in fuel cost and other expenses. Cement EBITDA/t stood at Rs 24 during the quarter vs. Rs564 in 2QCY22 and Rs1,084 in 3QCY21.
- Operating cost: Overall blended cost/t was up by 25% yoy and 8% qoq on account of a) cost of raw materials consumed rising 30% yoy and 12% qoq, b) logistics cost/t rising by 10% yoy and 1% qoq, c) power & fuel cost/t increasing by 60% yoy and 11% qoq, and d) other expenses rising by 7% yoy and 13% qoq. We believe the company has consumed all high-cost inventories and would shift its focus on building synergies with other group companies which should lead to lower cost going ahead. However, we expect entire synergy benefits to play out over the next 12-15 months.
- ACC reported a loss of Rs873m vs. our expectation of Rs1.1bn PAT, down 119% yoy and 138% qoq. Exceptional item of Rs162.5m represents special incentives for certain key employees pursuant to the change in ownership and control of ACC during the quarter.

Other updates from the results and press release:

- ACC has an ongoing expansion project, Ametha integrated project in Madhya Pradesh (greenfield, clinker 2.7mtpa and cement 1mtpa, to be completed in 4QCY22F).
- **Waste heat recovery projects:** Management plans to increase ACC's WHRS capacity from 7MW currently to 45MW in CY22F and 75MW by CY25F. ACC has partially commissioned its WHRS project at Kymore (14MW) and Jamul (10MW), while orders for equipment have been placed for the next phase of WHRS projects at Wadi and Chanda plants with an aim to increase WHRS capacity to 75MW.
- ACC, with effect from 16 Sep 2022, has terminated its agreement with Holcim Technology Limited for payment of technology and knowhow fees at 1% of eligible net sales (we expect a saving of Rs50/t for FY24F-25F).
- As per management, with a focus on operational excellence & unlocking potential, ACC has accelerated debottlenecking of various plants and improvement in efficiency. Alternative fuel & raw material (AFR) platforms are being leveraged to maximize the usage of waste to reduce power and fuel cost.

Valuation and view:

- ACC has delivered the worst quarterly performance in its history (post CY01), profitability miss vs. our and consensus estimates mainly on higher cost even as cement volume was broadly in line with our estimate. The stock has corrected from its highs (down 18% in the last one month) post news of Ambuja Cements pledging of 50.5% shareholding in its subsidiary ACC as "collateral for loans taken by the company." The weak quarter expectation also has created an overhang for the stock which, we believe, is over. In the medium

term, we expect margins to improve on easing input cost, improved cement prices, and demand recovery. While 3Q (a washout quarter due to higher inventory booked) performance may warrant trouble in the near term, we remain positive on ACC in the long run. We expect the structural change in the ownership as well as aggressive expansion strategy through organic/inorganic route to pave the way for growth as well as margin expansion led by cost synergy and operating leverage opportunities. However, we await more clarity and would want to see how this plays out. Given these potential benefits, we expect the valuation gap between ACC and other large efficient players to narrow over the next two to three years.

- At CMP, ACC trades at 11.2x/8.5x FY24F/25F EV/EBITDA and US\$117/112 FY24F/FY25F EV/t based on our estimates. Net-net, a huge miss, and any significant stock price correction, in our view, should be seen as a buying opportunity.

Figure 1: Consolidated quarterly performance (3QCY22)

Particulars (Rs m)	3QCY22	3QCY22F	2QCY22	3QCY21	% Change		
					3QCY22F	2QCY22	3QCY21
Net Sales	39,873	40,262	44,684	37,490	-1%	-11%	6%
Raw materials consumed	8,491	7,333	8,385	6,242	16%	1%	36%
Freight and forwarding expenses	9,827	10,090	10,779	8,602	-3%	-9%	14%
Power and fuel cost	13,175	12,781	13,119	7,883	3%	0%	67%
Employee cost	2,113	1,960	2,168	2,170	8%	-3%	-3%
Other expenses	6,104	5,425	5,971	5,471	13%	2%	12%
Total expenditure	39,710	37,589	40,422	30,367	6%	-2%	31%
EBITDA	164	2,673	4,262	7,123	-94%	-96%	-98%
Depreciation	1,735	1,658	1,647	1,505	5%	5%	15%
EBIT	-1,571	1,016	2,615	5,617	-255%	-160%	-128%
Interest	177	153	149	171	16%	19%	3%
Other income	697	591	539	633	18%	29%	10%
PBT	-1,051	1,453	3,005	6,079	-172%	-135%	-117%
Tax	-311	378	775	1,597	-182%	-140%	-119%
PAT before MI & Associates	-740	1,076	2,230	4,482	-169%	-133%	-117%
Minority interest	0	0	0	0			
Profit from assoc.	29	34	44	20	-14%	-33%	44%
Recurring PAT	-711	1,110	2,273	4,502	-164%	-131%	-116%
Extraordinary items	-163	0	0	0			
Reported PAT	-873	1,110	2,273	4,502	-179%	-138%	-119%
EPS (Rs)	-4.6	5.9	12.1	24.0	-179%	-138%	-119%
Margins (%)	3QCY22	3QCY22F	2QCY22	3QCY21	Est.	yoy	qoq
Gross margin	21%	25%	28%	39%	-396 bp	-673 bp	-1,836 bp
EBITDA margin	0.4%	6.6%	9.5%	19.0%	-623 bp	-913 bp	-1,859 bp
EBIT margin	-4%	3%	6%	15%	-646 bp	-979 bp	-1,892 bp
PBT margin	-3%	4%	7%	16%	-624 bp	-936 bp	-1,885 bp
PAT margin	-2%	3%	5%	12%	-495 bp	-728 bp	-1,420 bp
Tax rate	30%	26%	26%	26%	356 bp	376 bp	328 bp
Cost items as a % of sales							
Raw material cost	21%	18%	19%	17%	308 bp	253 bp	465 bp
Freight cost	25%	25%	24%	23%	-42 bp	52 bp	170 bp
P&F cost	33%	32%	29%	21%	130 bp	368 bp	1,202 bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

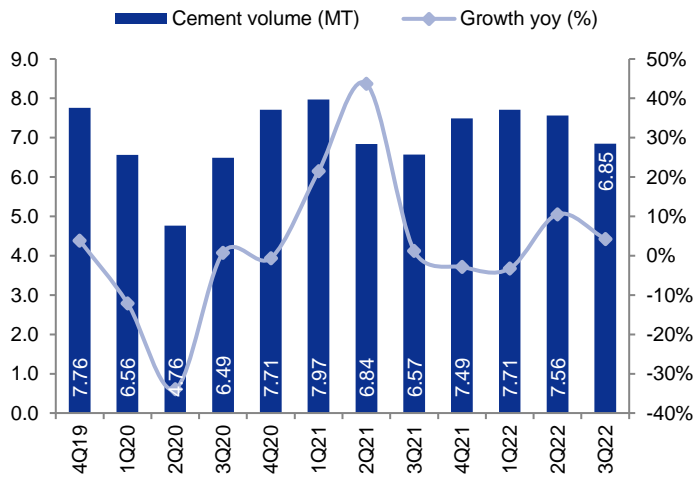
Figure 2: 3QCY22 results - per tonne analysis

Per tonne analysis	3QCY22	3QCY22F	2QCY22	3QCY21	% Change		
					3QCY22F	2QCY22	3QCY21
Sales volume	6.85	6.95	7.56	6.57	-1%	-9%	4%
Realization	5,389	5,275	5,495	5,320	2.2%	-1.9%	1.3%
EBITDA/t	24	385	564	1084	-93.8%	-95.8%	-97.8%
Raw material cost/t	1,240	1,056	1,109	950	17%	12%	30%
P&F cost/t	1,923	1,840	1,735	1,200	5%	11%	60%
Freight cost/t	1,435	1,452	1,426	1,309	-1%	1%	10%
Employee cost/t	308	282	287	330	9%	8%	-7%
Other expenses/t	891	781	790	833	14%	13%	7%
Total cost/t	5,797	5,411	5,347	4,622	7%	8%	25%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

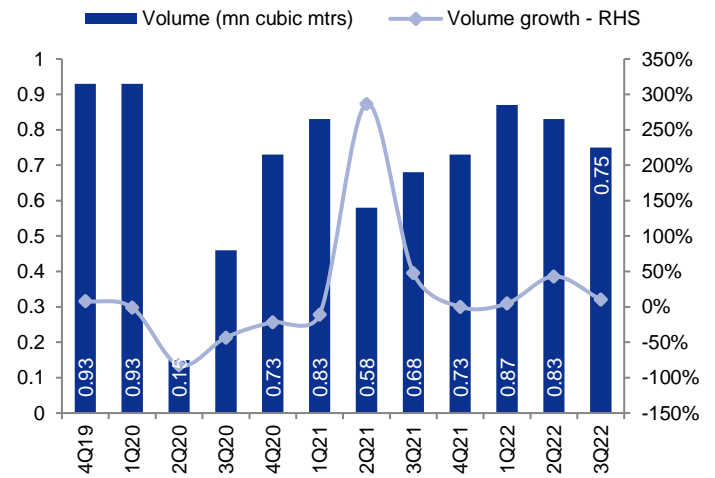
Key charts >

Figure 3: Cement sales volume slips 9.4% qoq (+4.3% yoy)



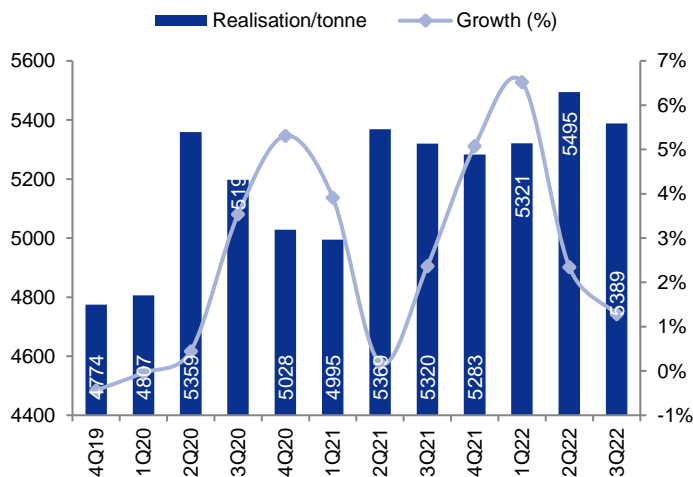
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: RMC volume trend



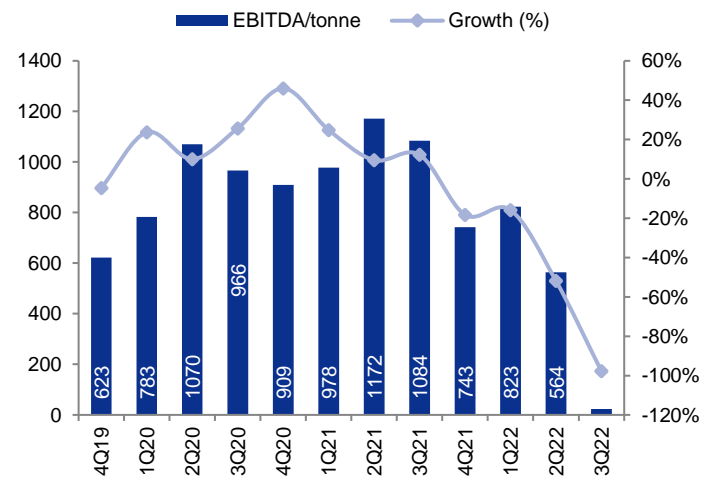
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Cement realization improves 1.3% yoy (down only 1.9% qoq)






SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Unit EBITDA declines 96% qoq and 98% yoy to Rs24/t



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Capacity expansion - ramp-up of ongoing capacity to 40mtpa (CY21: 35mtpa) will be key for near-term volume growth

 <p>Tikaria Brownfield Grinding Unit Commissioned 1.6 MTPA grinding unit in Feb 2022, (executed in 9 months)</p>	 <p>Ametha Greenfield Integrated Unit Project implementation on track and commissioning expected in Q4 2022</p> <ul style="list-style-type: none"> • 2.7 MTPA Clinker • 1.0 MTPA Cement • 16.3 MW WHRS 	 <p>Salai Banwa Greenfield Grinding Unit Project implementation on track</p> <ul style="list-style-type: none"> • 2.2 MTPA Cement
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SOURCE: INCRED RESEARCH, ACC 2QCY22 INVESTOR PRESENTATION

Figure 8: Sustainability goal (Net Zero Future)

First Indian Cement Company to Sign Net Zero Pledge with Science based Targets

BUSINESS AMBITION FOR 1.5°C



ACC has become the first and only Indian cement company to sign the Business Ambition for 1.5°C along with Science Based Targets.

ACC has committed to reduce

- Scope 1 GHG emissions **21.3%** per ton of cementitious material by 2030 from a 2018 base year
- Scope 2 GHG emissions **48.4%** per ton of cementitious material within the same timeframe.

The target boundary includes biogenic emissions and removals from bioenergy feedstocks

SOURCE: INCRED RESEARCH, ACC 2QCY22 INVESTOR PRESENTATION

Figure 9: Sustainability goal - ACC's strategy is led by Sustainable Development (SD) 2030 Plan

	Climate and energy	Circular economy	Environment	Community
Target 2030	Net specific CO ₂ emissions 400 kg ft of cementitious materials	Use 30 million tons of waste derived resources per year	Water Positive Index 5 (number of times)	3.5 million Number of new beneficiaries
Performance H1 2022	Net specific CO ₂ emissions 469 kg ft of cementitious materials	Consumed 6 million tons of waste derived resources	>1 (number of times)	1.7 million (cumulative till H1'22) people benefited through community development projects
SDGs Impacted	7, 13, 17	9, 12, 13, 17	6, 13, 14, 15	1, 2, 3, 4, 5, 8, 10, 11, 17

SOURCE: INCRED RESEARCH, ACC 2QCY22 INVESTOR PRESENTATION

Figure 10: Project Parvat leveraging efficiencies to mitigate cost headwinds

Manufacturing Excellence

- Improvement in Clinker Factor
- Higher share of WHRS power
- Scaling up renewable power
- Improving TSR through Geocycle initiatives
- Fuel flexibility

Logistics Excellence

- Network Optimisation - MSA
- Improvement in Direct dispatch
- Warehouse footprint optimisation
- Transport Analytics Center
- Enhancing Logistics infrastructure

Commercial Excellence

- Driving premiumisation
- Higher share of blended cement
- Channel expansion
- Revenue & margin management
- Enabling digitisation of Channel & Field force

MSA – Master Supply Agreement; TSR – Thermal Substitution Rate, WHRS - Waste Heat Recovery Systems

SOURCE: INCRED RESEARCH, ACC 2QCY22 INVESTOR PRESENTATION

Figure 11: Green power addition (ACC's WHRS capacity to touch 75MW with new projects announced at Chanda and Wadi plants)



WHRS Projects

- Jamul, Kymore and Ametha projects on track
- Orders placed for Chanda and Wadi
- Total capacity to reach 75 MW
- Study in progress for other plants

Renewables

- Journey of increasing share of green power on course
- 82 MW of solar energy capacity
- 19 MW of wind power
- Mix of On-site as well as Off-site facilities

Geocycle Initiatives

- Single-use plastics management with Leave Behind No Waste, Zero Plastic, reuse of packaging material
- Introduced Bubble Barrier technology to address marine pollution.
- Geocycle projects at Jamul and Kymore progressing as planned

SOURCE: INCRED RESEARCH, ACC 2QCY22 INVESTOR PRESENTATION

Figure 12: Sectoral outlook

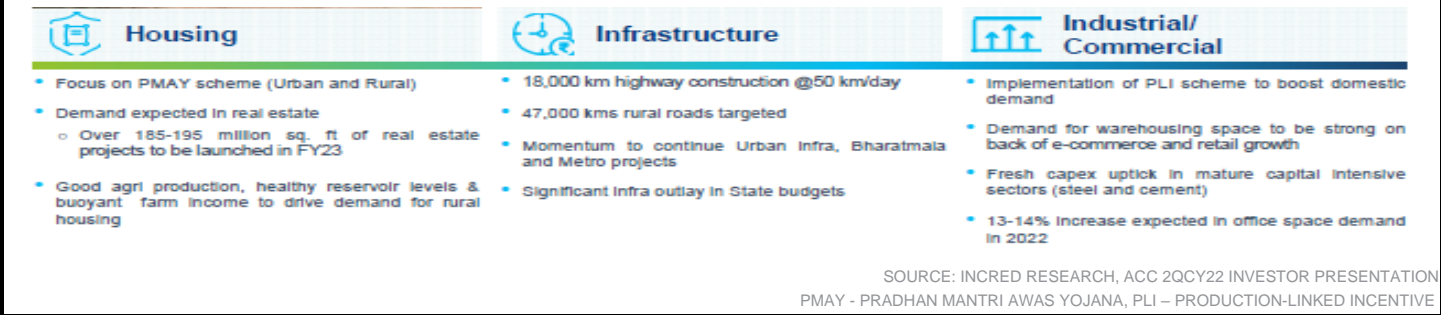


Figure 13: ACC's RMC business is in place for significant growth



Figure 14: Solutions & products business is also set for significant growth



Figure 15: Product portfolio is expanding

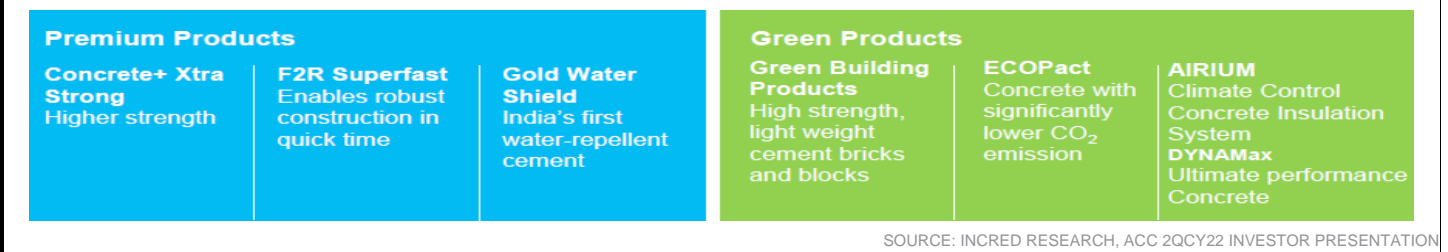


Figure 16: Our revised earnings estimates

Rs. m	NEW (FY)			Change (%)			Old (CY)		
	FY23F (15M)*	FY24F	FY25F	FY23F (15M)*	FY24F	FY25F	CY22F	CY23F	CY24F
Sales	2,23,020	2,07,896	2,25,060	24%	5%	5%	1,79,188	1,97,513	2,14,389
EBITDA	22,641	32,649	40,994	4%	-1%	13%	21,818	32,875	36,429
PAT	12,370	19,857	25,255	-2%	-2%	13%	12,660	20,203	22,369
EPS (Rs.)	65.1	104.8	133.4	-2%	-2%	13%	67	107	118

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS
*NOTE: FINANCIAL YEAR FOR 15 MONTHS; YEAR-END CHANGES FROM DEC- MAR, HENCE OLD ESTIMATES ARE NOT COMPARABLE WITH REVISED ESTIMATES

Figure 17: Change in our estimates vs. Bloomberg consensus estimates

Rs. m	Incred		Consensus		Change (%)	
	FY23F*	FY24F	CY22F	CY23F	FY23F*	FY24F
Sales	2,23,020	2,07,896	1,78,183	1,96,243	25%	6%
EBITDA	22,641	32,649	22,220	32,058	2%	2%
PAT	12,370	19,857	13,022	19,838	-5%	0%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
*NOTE: FINANCIAL YEAR FOR 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR, HENCE, OLD ESTIMATES ARE NOT COMPARABLE WITH REVISED ESTIMATES

Figure 18: Key assumptions

	CY20A	CY21F	FY23F	FY24F	FY25F
Volume (in mtpa)	26	29	37	35	38
yoy	-12%	13%	30%	-6%	8%
Realization (per t)	5,024	5,160	5,351	5,329	5,350
yoy	2%	3%	4%	0%	0%
Cost (per t)	4,112	4,149	4,833	4,515	4,402
yoy	1%	1%	16%	-7%	-3%
EBITDA (per t)	899	1,004	610	959	1,097
yoy	15%	12%	-39%	57%	14%
EBITDA (Rs m)	23,551	29,981	22,641	32,649	40,994
yoy	-2%	27%	-24%	44%	26%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 19: Our TP of Rs2,636 is based on 11.5x (10.5x earlier) Sep-2024F EV/EBITDA

Valuation	TP
Target EV/EBITDA (x)	11.0
Target EV (Rs m)	4,50,934
Net debt / (cash) (Rs m)	(76,157)
No. of shares (m)	188
Fair value per share (Rs)	2,636

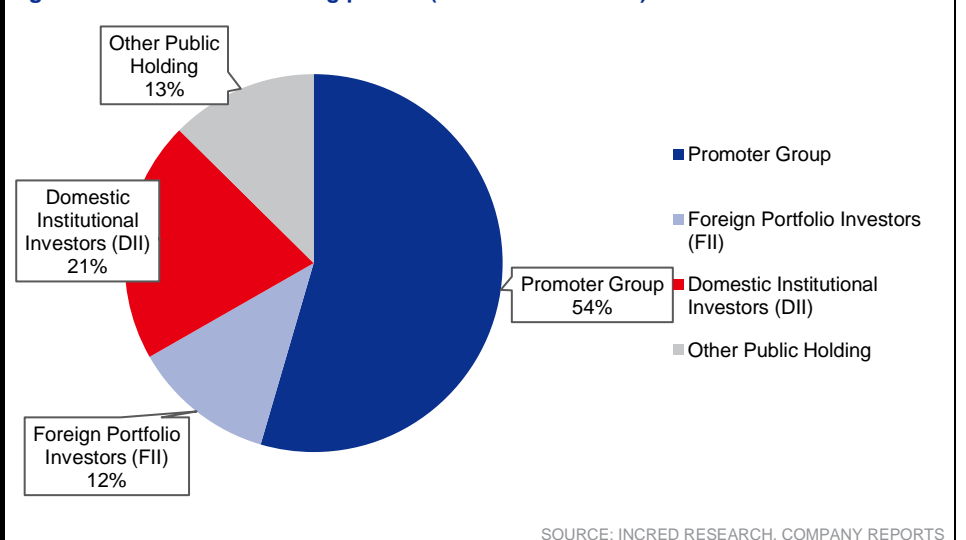
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 20: Cement sector peer comparison

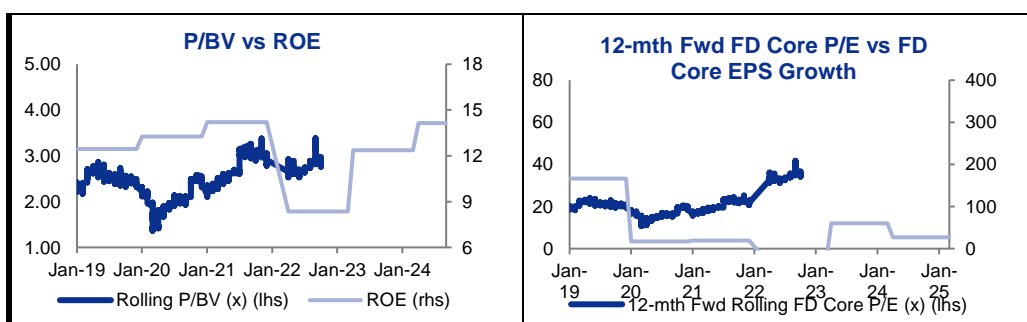
Company	Bloomberg Ticker	Rating	Closing Price (LC)	Target Price (LC)	% Upside	Market cap (US\$ m)	EV/EBITDA (x)		P/BV (x)		RoE (%)		P/E (x)		EV/t (US\$)	
							FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F
UltraTech Cement	UTCEM IN	ADD	6,272	7,721	23%	22,046	15.7	12.9	3.2	2.9	11.4	13.1	29.6	23.3	176.7	172.0
ACC	ACC IN	ADD	2,270	2,636	16%	5,191	11.3	8.6	2.5	2.3	12.4	14.1	21.5	16.9	117.0	111.5
Ambuja Cements	ACEM IN	HOLD	521	398	-24%	12,587	25.4	23.0	4.1	3.9	9.5	10.1	43.8	39.7	178.0	178.3
Shree Cement	SRCM IN	HOLD	20,831	21,657	4%	9,153	24.5	18.3	4.1	3.7	7.7	11.2	54.9	35.1	204.7	191.2
The Ramco Cements	TRCL IN	ADD	707	879	24%	2,035	15.5	11.4	2.4	2.2	7.7	11.1	32.6	20.9	132.7	115.4
JK Cement	JKCE IN	ADD	2,504	2,883	15%	2,356	16.4	11.9	4.1	3.6	14.6	19.0	29.9	20.1	187.1	147.4
Birla Corp	BCORP IN	ADD	902	1,300	44%	846	10.3	7.6	1.2	1.2	4.9	8.5	26.0	14.1	73.2	73.4
Heidelberg	HEIM IN	ADD	196	205	4%	542	10.5	7.8	2.8	2.7	14.5	19.6	19.8	14.1	86.1	83.4
Dalmia Bharat	DALBHARA IN	ADD	1,509	1,901	26%	3,445	12.8	10.3	1.8	1.7	4.4	6.4	41.8	27.0	94.4	82.5
JK Lakshmi	JKLC IN	ADD	546	602	10%	783	9.1	7.9	2.3	2.0	14.4	16.3	17.0	13.1	70.3	73.6
Orient Cement	ORCMNT IN	ADD	123	176	43%	307	6.1	6.3	1.5	1.4	14.0	14.5	11.5	9.9	49.9	46.6
Prism Johnson	PRSMJ IN	ADD	123	142	16%	751	12.9	8.7	4.5	3.9	9.2	18.9	50.9	22.2	139.6	137.5
Mean							14.2	11.2	2.9	2.6	10.4	13.6	31.6	21.4	125.8	117.7
Median							12.9	9.5	2.7	2.5	10.5	13.6	29.7	20.5	124.8	113.4
Minimum							6.1	6.3	1.2	1.2	4.4	6.4	11.5	9.9	49.9	46.6
Maximum							25.4	23.0	4.5	3.9	14.6	19.6	54.9	39.7	204.7	191.2

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG. PRICES AS ON 17 OCT 2022

Figure 21: ACC's shareholding pattern (as at end-Jun 2022)



BY THE NUMBERS



Profit & Loss

(Rs mn)	Dec-20A	Dec-21A	Mar-23F	Mar-24F	Mar-25F
Total Net Revenues	137,860	161,517	223,020	207,896	225,060
Gross Profit	137,860	161,517	223,020	207,896	225,060
Operating EBITDA	23,551	29,981	22,641	32,649	40,994
Depreciation And Amortisation	(6,388)	(6,007)	(8,410)	(7,989)	(8,948)
Operating EBIT	17,163	23,974	14,232	24,660	32,046
Financial Income/(Expense)	(571)	(546)	(792)	(673)	(693)
Pretax Income/(Loss) from Assoc.	89	117	137	157	177
Non-Operating Income/(Expense)	2,167	2,067	2,894	2,315	2,130
Profit Before Tax (pre-EI)	18,849	25,611	16,470	26,458	33,659
Exceptional Items					
Pre-tax Profit	18,849	25,611	16,470	26,458	33,659
Taxation	(2,786)	(6,433)	(4,100)	(6,602)	(8,404)
Exceptional Income - post-tax					
Profit After Tax	16,063	19,179	12,370	19,857	25,255
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	16,063	19,179	12,370	19,857	25,255
Recurring Net Profit	16,063	19,179	12,370	19,857	25,255
Fully Diluted Recurring Net Profit	16,063	19,179	12,370	19,857	25,255

Cash Flow

(Rs mn)	Dec-20A	Dec-21A	Mar-23F	Mar-24F	Mar-25F
EBITDA	23,551	29,981	22,641	32,649	40,994
Cash Flow from Invt. & Assoc.					
Change In Working Capital	3,883	1,303	(13,126)	1,439	(1,274)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	2,167	2,067	2,894	2,315	2,130
Other Operating Cashflow	1,901	(1,162)	(1,162)	(1,162)	(1,162)
Net Interest (Paid)/Received	(571)	(546)	(792)	(673)	(693)
Tax Paid	7,069	2,857	(4,100)	(6,602)	(8,404)
Cashflow From Operations	38,000	34,499	6,356	27,966	31,591
Capex	(7,479)	(11,533)	(27,954)	(17,000)	(9,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	2,127	1,653	(5,550)	4,000	(1,000)
Cash Flow From Investing	(5,352)	(9,880)	(33,504)	(13,000)	(10,500)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(2,629)	(10,890)	(2,722)	(3,971)	(5,051)
Preferred Dividends					
Other Financing Cashflow	(645)	7,585	1,498	1,118	1,138
Cash Flow From Financing	(3,274)	(3,305)	(1,223)	(2,853)	(3,913)
Total Cash Generated	29,375	21,314	(28,371)	12,113	17,178
Free Cashflow To Equity	32,648	24,619	(27,148)	14,966	21,091
Free Cashflow To Firm	33,219	25,165	(26,356)	15,639	21,784

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Dec-20A	Dec-21A	Mar-23F	Mar-24F	Mar-25F
Total Cash And Equivalents	60,057	75,237	46,866	58,979	76,157
Total Debtors	4,514	4,890	10,196	8,952	9,682
Inventories	9,013	12,739	20,391	18,464	19,968
Total Other Current Assets	10,903	10,827	17,512	16,338	17,669
Total Current Assets	84,486	103,694	94,965	102,732	123,476
Fixed Assets	65,544	65,914	85,504	92,515	90,567
Total Investments	1,293	1,496	1,496	1,496	1,496
Intangible Assets	5,583	12,488	18,038	14,038	15,038
Total Other Non-Current Assets	25,097	26,797	26,751	28,751	31,251
Total Non-current Assets	97,516	106,695	131,789	136,800	138,352
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	14,222	19,049	23,890	20,784	21,789
Other Current Liabilities	33,820	41,012	42,686	42,886	44,173
Total Current Liabilities	48,043	60,060	66,577	63,670	65,961
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	6,936	7,206	7,406	7,206	7,006
Total Non-current Liabilities	6,936	7,206	7,406	7,206	7,006
Total Provisions					
Total Liabilities	54,979	67,267	73,983	70,876	72,968
Shareholders Equity	126,991	143,088	152,737	168,623	188,827
Minority Interests	32	34	34	34	34
Total Equity	127,024	143,122	152,771	168,656	188,860

Key Ratios					
	Dec-20A	Dec-21A	Mar-23F	Mar-24F	Mar-25F
Revenue Growth	(12.0%)	17.2%	38.1%	(6.8%)	8.3%
Operating EBITDA Growth	(2.3%)	27.3%	(24.5%)	44.2%	25.6%
Operating EBITDA Margin	17.1%	18.6%	10.2%	15.7%	18.2%
Net Cash Per Share (Rs)	319.47	400.22	249.30	313.73	405.11
BVPS (Rs)	675.52	761.15	812.48	896.98	1,004.45
Gross Interest Cover	30.07	43.89	17.97	36.63	46.22
Effective Tax Rate	14.8%	25.1%	24.9%	25.0%	25.0%
Net Dividend Payout Ratio	19.7%	59.7%	22.0%	20.0%	20.0%
Accounts Receivables Days	14.27	10.63	12.34	16.81	15.11
Inventory Days	27.05	24.58	27.11	34.11	31.16
Accounts Payables Days	46.26	46.16	39.11	46.52	42.21
ROIC (%)	23.6%	32.6%	12.7%	21.4%	27.1%
ROCE (%)	14.2%	17.7%	9.6%	15.3%	17.9%
Return On Average Assets	9.4%	10.1%	6.0%	8.8%	10.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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