

**I India**
**ADD** (no change)

Consensus ratings\*: Buy 6 Hold 2 Sell 0

Current price:	Rs111
Target price:	Rs143
Previous target:	Rs158
Up/downside:	28.8%
InCred Research / Consensus:	2.3%
Reuters:	PRIS.NS
Bloomberg:	PRSMJ IN
Market cap:	US\$722m
	Rs55,998m
Average daily turnover:	US\$1.0m
	Rs74.7m
Current shares o/s:	503.4m
Free float:	40.6%

\*Source: Bloomberg

**Key changes in this note**

- Net sales raised by 1-2% for FY23F-24F.
- EBITDA cut by 19-30% for FY23F-24F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(9.4)	(6.6)	(22.8)
Relative (%)	(5.7)	(0.3)	(28.9)

Major shareholders	% held
Promoter & Promoter Group	74.9
SBI Contra Fund	3.8
DSP Small Cap Fund	2.4

**Analyst(s)**

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# Prism Johnson Ltd

## TBK leads again; margin to fall in 1HFY23F

- PRSMJ's 4QFY22 consolidated EBITDA was at Rs1.4bn, in line with our estimate (down 42% yoy but up 19% qoq) on better performance of TBK division.
- Factoring in higher cost inflation, we cut our FY23F-24F EBITDA estimates by ~19%-30%. The capacity expansion plan (in both cement and tiles) is on track.
- We retain our Add rating on the stock with a lower target price of Rs143 (from Rs158 earlier) at 9x (unchanged) FY24F EV/EBITDA.

### Cement profitability declines on higher cost and lower volume

Cement sales volume fell ~25% yoy (down 7% vs. Incred estimate) to 1.42mt, particularly because of a high base and due to assembly polls in its key markets. Realization grew 10% yoy/5.5% qoq due to higher prices in its key markets aided by premium products' contribution rising to ~29% in FY22 vs. 27.7% in FY21. EBITDA/t fell sharply by 53% yoy (while it recovered only 6% qoq) to Rs408 mainly due to higher input cost and lower cement sales. We expect price hikes taken in Apr/May 2022 to aid margins in 1QFY23F while higher fuel costs would keep near-term profitability (FY23F) in check. Steady pricing in key markets, higher volume and a better product mix should lead to EBITDA/t recovery in FY24F. We factor in 8%/9% volume growth in FY23F/24F, respectively.

### TBK remains strong; high gas prices to hurt margins in near term

HR Johnson or HRJ's (TBK division) revenue grew 12% yoy/9% qoq to Rs6.9bn mainly due to domestic sales recovery (sanitaryware and bath fittings grew 12.7% yoy while tile exports fell 40.2% yoy amid higher sea freight cost and container unavailability). EBITDA margin was at 12.4% in 4QFY22 vs. 12.7% qoq/12.6% yoy despite the rise in gas prices. Going ahead, with several PRSMJ's joint venture partners operating at Morbi in Gujarat, PRSMJ will face big impact of high gas costs in the near term. Tile capacity rose by 4msm in case of JV entities, taking the total capacity to 64msm in FY22. We expect EBITDA margin to touch 11-12% in FY24F from ~10.5% in FY22. Ready-mix concrete or RMC revenue grew 6% yoy and 11% qoq to Rs3.5bn with EBITDA at Rs96m vs. Rs76m qoq.

### Balance sheet to remain stable despite capex

Consolidated net debt (ex-insurance) rose slightly by Rs191m yoy to Rs12.5bn as at end-Mar 2022. PRSMJ plans to add greenfield grinding capacity of 2mtpa in East Uttar Pradesh by Dec 2024F at a capex of Rs5bn. It also plans to expand West Bengal greenfield tile unit's capacity from 2.5msm to 5.5msm (Jun 2023F commissioning) at a Rs900m capex (ex-land) to be funded via internal accruals. As regards the sale of RQBE insurance business, PRSMJ said it will continue to evaluate the prospects of its investment in RQBE.

### Maintain Add rating on the stock

PRSMJ trades at FY23F/FY24F EV/EBITDA of 11.5x/7.5x, respectively. We retain Add rating on it. Our target price of Rs143 (Rs158 earlier) is driven by EBITDA cut, but we maintain our target multiple of 9x FY24F EV/EBITDA. Weak demand, pricing pressure and a continuous rise in input cost (including high gas price) are key downside risks.

Financial Summary	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Revenue (Rsm)	59,562	55,871	63,063	67,950	76,328
Operating EBITDA (Rsm)	5,386	6,218	5,232	5,893	8,895
Net Profit (Rsm)	101	1,712	738	1,330	3,162
Core EPS (Rs)	0.2	3.5	1.5	2.6	6.3
Core EPS Growth	(93.0%)	2,076.1%	(55.9%)	71.9%	137.8%
FD Core P/E (x)	557.20	32.70	75.89	42.11	17.71
DPS (Rs)	1.0	0.0	0.0	0.6	1.0
Dividend Yield	1.08%	0.00%	0.00%	0.65%	1.09%
EV/EBITDA (x)	13.96	11.10	13.42	11.67	7.52
P/FCFE (x)	15.28	11.18	80.88	75.06	37.23
Net Gearing	126.6%	67.1%	72.0%	59.2%	41.8%
P/BV (x)	5.19	4.51	4.23	3.95	3.34
ROE	0.7%	15.1%	6.0%	9.7%	20.4%
% Change In Core EPS Estimates				(0.64%)	(0.47%)
InCred Research/Consensus EPS (x)				0.68	0.94

SOURCES: INCRED RESEARCH, COMPANY REPORTS

## TBK leads again; margin to fall in 1HFY23F

### 4QFY22 results review

#### Key takeaways from 4QFY22 results and presentation ►

##### Key operational highlights:

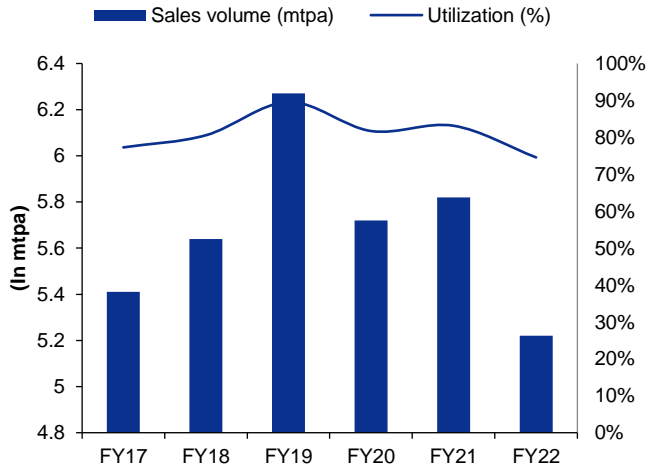
- Consolidated 4QFY22 revenue at Rs18.5bn, flat yoy, up 13% qoq and 29% above our expectation of Rs14.4bn, was mainly led by robust performance of the TBK division.
- Consolidated EBITDA for the quarter stood at Rs1.37bn vs. our estimate of Rs1.39bn, down 42% yoy and up 19% qoq. Blended EBITDA margin came in at 7.4%, down 541bp yoy and up 35bp qoq.
- Total consolidated cost stood at Rs 17.2bn during the quarter, up 6% yoy and 13% qoq. Power and fuel cost was at Rs4bn, up 33% yoy and 49% qoq. Freight and handling cost stood at Rs1.9bn, down 16% yoy and up 17% qoq. Raw material cost declined by 7% yoy to Rs6.1bn during the quarter.
- Adjusted reported consolidated PAT stood at Rs14m during the quarter (excluding Rs109m profit on sale of land/building) vs. Rs1,430m in 4QFY21 and a loss of Rs 60m in 3QFY22.
- Consolidated net debt/equity ratio stood at 0.9x as at end-Mar 2022 vs 1.45x as at end-Dec 2021 and 1.21x as at end-Sep 2021. Consolidated net debt stood at Rs12.5bn as at end-Mar 2022 vs. Rs14.3bn as at end- Dec 2021 vs. Rs12.3bn as at end-Mar 2021.
- Working capital days stood at 18 days in FY22 (same as in FY21); creditor days increased to 70 days from 63 days in FY21.
- Cash flow from operations stood at Rs5.6bn in FY22 vs. Rs12.8bn in FY21.

##### Segment-wise business update:

##### Cement division:

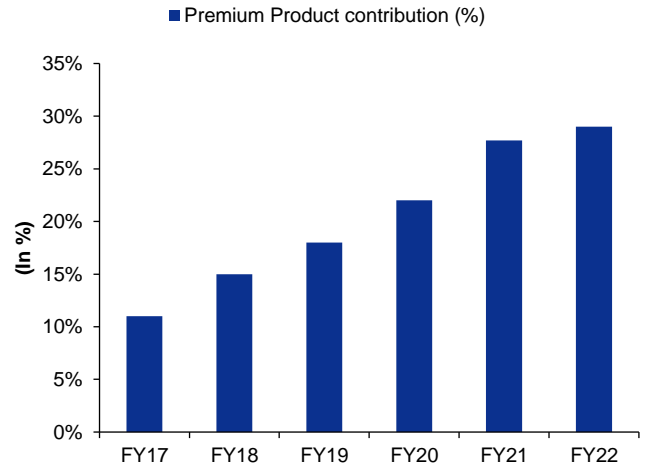
- Cement revenue was at Rs6.8bn for the quarter, down 18% yoy and up 20% qoq. Cement volume was at 1.42mtpa, down ~25% yoy and up 14% qoq. In FY22, cement sales volume was at 55% in Central and East Uttar Pradesh, 26% in Madhya Pradesh and the rest in Bihar.
- Premium products' volume contribution stood at 30.2% in 4QFY22 (29% in FY22 vs. 27.7% in FY21) out of overall cement volume for the quarter.
- Trade sales stood at ~75% in FY22 vs. 73% in 3QFY22. Lead distance stood at 369km in FY22 vs. 366km in 3QFY22 and 384km in FY21. Rail:road mix at 41:59 in FY22 vs. 39:61 in FY21. FY22 fuel mix comprised 62% coal and 38% pet-coke. Nearly 35% of power requirement in FY22 was met via waste heat recovery system or WHRS and solar power.
- Cement realization stood at Rs4,790/t, up 10% yoy and 5.5% qoq.
- Cement EBITDA/t stood at Rs408 during the quarter vs. Rs385 in 3QFY22 and Rs875 in 4QFY21. Higher operating cost combined with lower cement sales volume dented EBITDA/t during the quarter.
- The company expects near-term pressure on EBITDA/t due to rising fuel prices while maintaining a strong medium-term outlook for cement led by demand from housing and infrastructure sectors.
- **Expansion plan in cement business:** PRSMJ plans to commission its greenfield grinding capacity of 2mtpa in East Uttar Pradesh by Dec 2024F at a capex of ~Rs 5bn.

**Figure 1: PRSMJ's cement volume declined by ~10.3% in FY22**



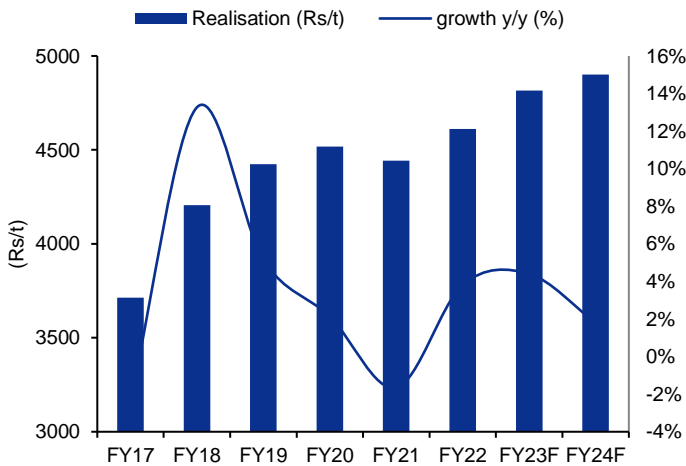
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Value-added products' contribution (Duratech + Champion Plus) has been rising since the past five years**



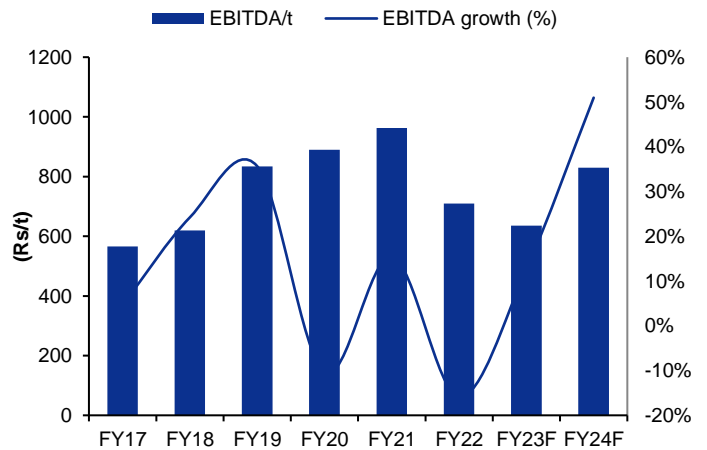
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Cement realization rose 3.8% to Rs4,612/t in FY22**



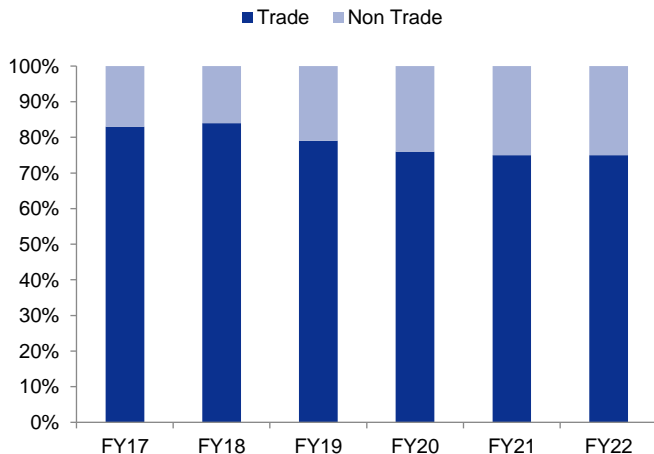
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: Cement business EBITDA declined 26% to Rs710/t in FY22**



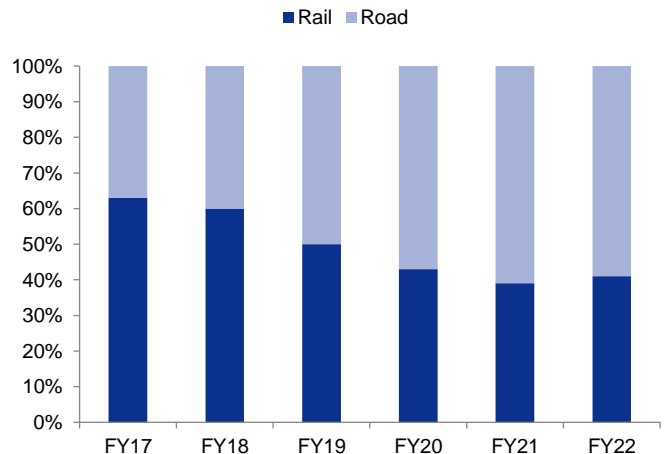
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 5: Trade mix has remained stagnant in last three years**



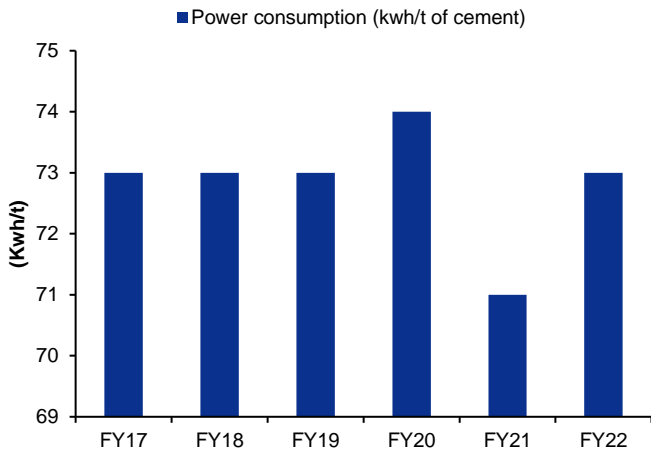
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 6: Composition of rail vs. road transport in sales volume**



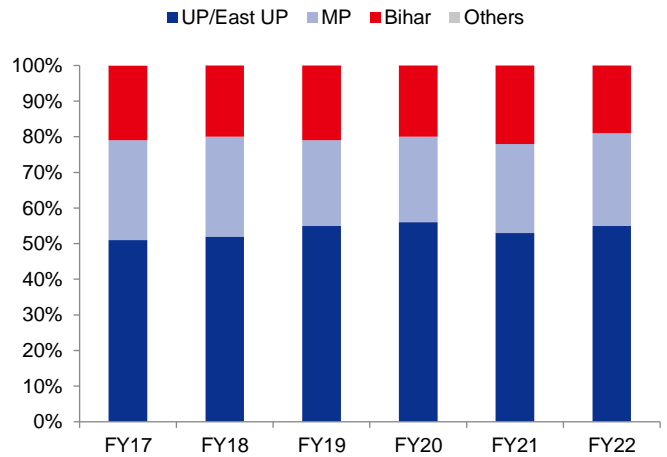
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 7: Power consumption per tonne of cement (Kwh)**



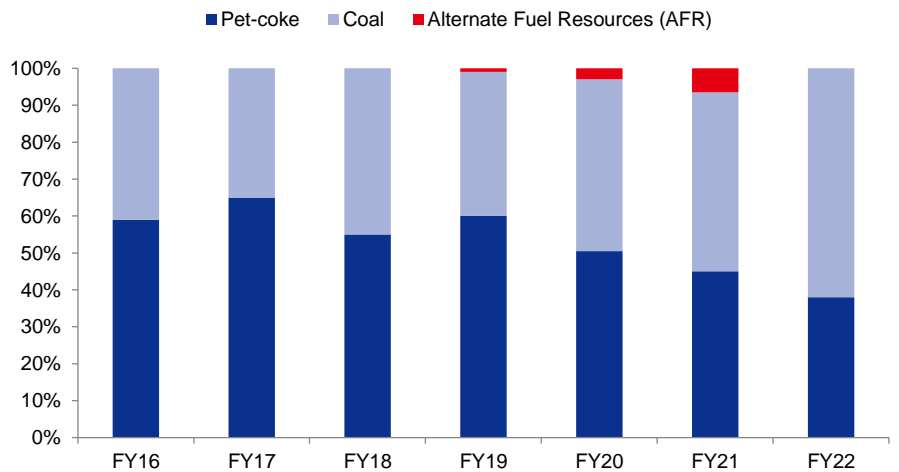
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 8: Central/East India regions contributed ~81%/19%, respectively, to PRSMJ's cement revenue as at end-FY22**



SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 9: PRSMJ has reduced its usage of pet-coke (38% of fuel mix in FY22 vs. 45% in FY21)**



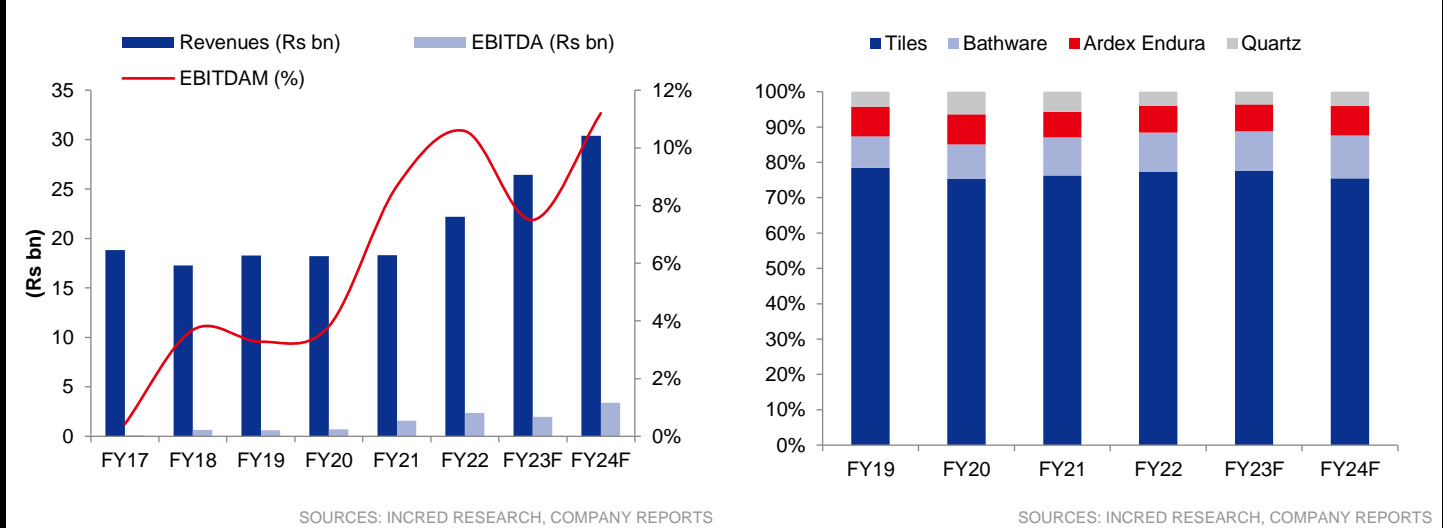
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**TBK division:**

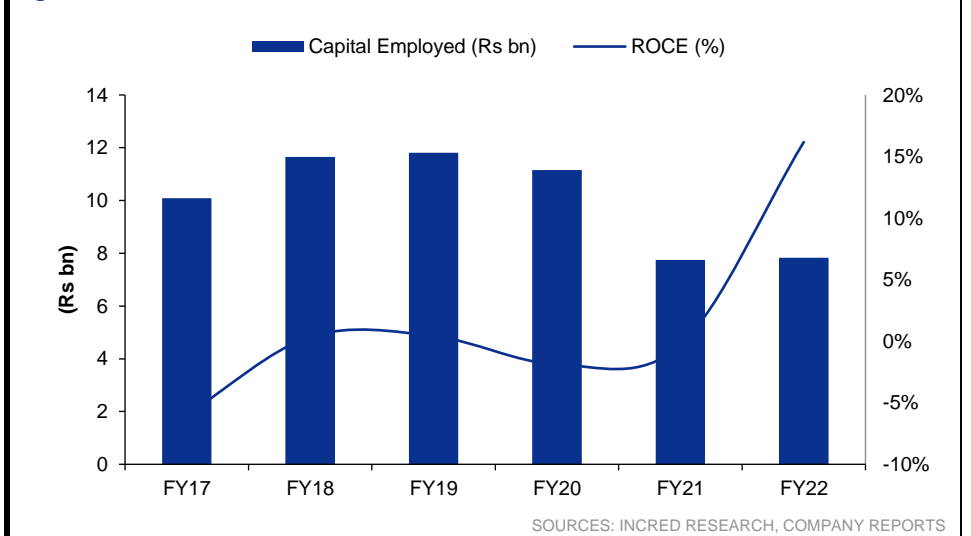
- HRJ division's (on consol. basis) revenue increased ~12% yoy and 9% qoq to ~Rs6.9bn in 4QFY22 (posted highest quarterly revenue post FY16). Tile sales volume declined 3% yoy while it was up 5% qoq at 15.7msm.
- Revenue from sanitary ware & bath fittings grew 12.7% yoy during the quarter. Tile exports declined 40% yoy on account of higher sea freight cost and non-availability of containers.
- HRJ division posted consolidated EBITDA of Rs 856m during the quarter vs. Rs807m in 3QFY22 and Rs772m in 4QFY21. Consolidated HRJ division's EBITDA margin stood at 12.4% vs. 12.7% in 3QFY22 and 12.6% in 4QFY21. EBITDA margin in FY22 stood at 10.6% vs. 8.7% in FY21. Margins remained strong despite the increase in input cost; gas price increased by around 84% yoy to Rs62/scm in Morbi during 4QFY22.
- Capital employed in HRJ division was up 8% qoq and flat qoq at Rs7.8bn.
- **Expansion plans for TBK:** Greenfield tile capacity expansion of 5.5msm at Panhagarh, West Bengal by Jun 2023F at a capex of Rs900m (excluding land). During 3QFY22, tile capacity expanded by 4msm in case of JV entities, taking the total capacity (including that of JV partners) to 64msm in FY22.
- EBITDA margin was at 10.6% in FY22 vs. 8.7% in FY21. With several PRSMJ's JV partners operating in Morbi, the company will bear a greater impact of

higher gas cost in the near term, and we expect margins to contract by 300bp to ~7.5% in FY23F. PRSMJ maintains focus on (a) distribution improvement, (b) product portfolio expansion, (c) strict working capital (WC) control (despite higher inventory days, WC days in FY22 was stable yoy at 18 days on higher creditor days/lower debtor days), and (d) cost optimization.

**Figure 10: PRSMJ's HRJ division's margins improved by 190bp in FY22; we expect them to decline in FY23F on higher gas costs and see lower double-digit margins in FY24F**      **Figure 11: PRSMJ's HRJ division - tile business contribution to overall sales to be dominant**



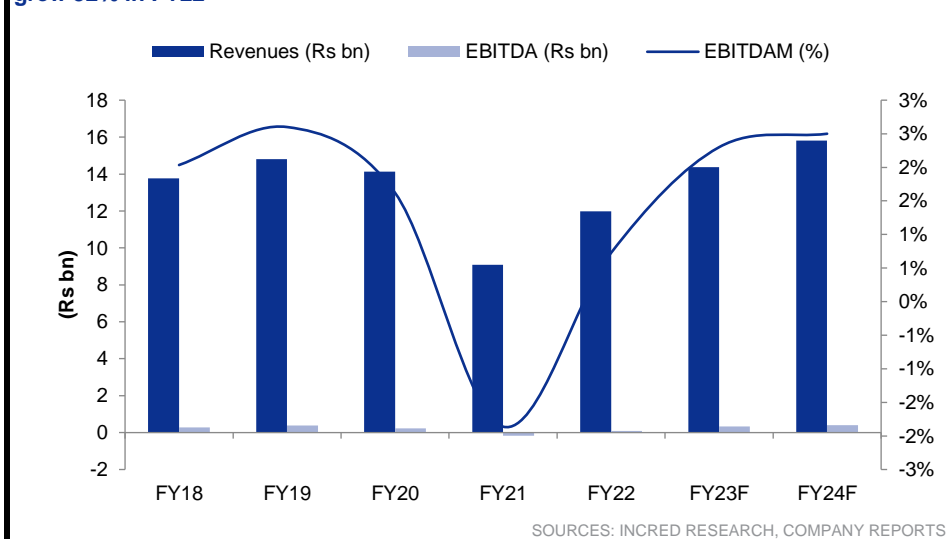
**Figure 12: HRJ's ROCE has improved in FY22 amid high EBITDA margin and posted highest-ever EBIT of Rs1,259m in FY22 vs. a loss of Rs29m in FY21**



**RMC division:**

- RMC division's revenue grew by ~6% yoy and 11% qoq to Rs3.5bn.
- RMC division posted an EBITDA of Rs 96m vs. Rs198m in 4QFY21 and Rs 73m in 3QFY22.

**Figure 13: After a sharp disruption in the RMC division in FY21, the division's sales grew 32% in FY22**



**Other updates:**

- Insurance business EBIT loss stood at Rs182m in 4QFY22.
- Sale of RQBE (insurance business) – As the share sale and purchase transaction has not been consummated within the time span envisaged by the parties to the agreement, the agreement itself stands terminated automatically. The board of directors of the company will continue to evaluate the prospects of the company's investment in RQBE and will provide necessary disclosures in accordance with applicable laws.

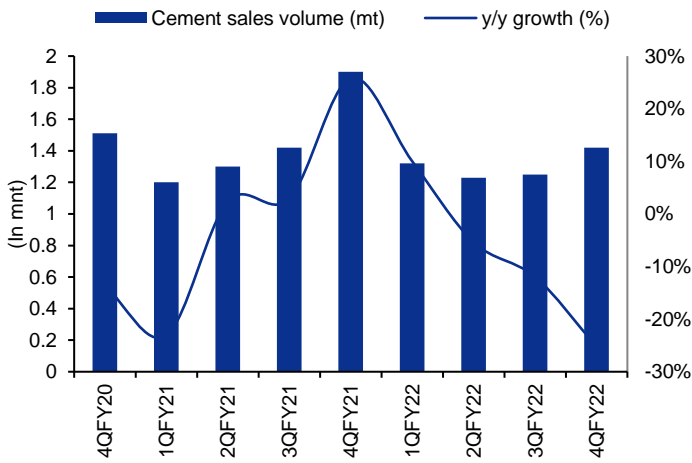
**Figure 14: Consolidated quarterly performance**

Particulars (Rs m)	4QFY22	4QFY22F	3QFY22	4QFY21	% Change		
					4QFY22F	3QFY22	4QFY21
<b>Net Sales</b>	<b>18,539</b>	<b>14,408</b>	<b>16,365</b>	<b>18,502</b>	<b>29%</b>	<b>13%</b>	<b>0%</b>
Raw materials consumed	6,079	4,166	6,133	6,523	46%	-1%	-7%
Freight and Forwarding Expense	1,921	2,266	1,639	2,294	-15%	17%	-16%
Power and Fuel	4,042	2,742	2,707	3,030	47%	49%	33%
Employee Cost	1,563	1,590	1,598	1,394	-2%	-2%	12%
Other Expenses	3,558	2,252	3,131	2,886	58%	14%	23%
<b>Total Expenditures</b>	<b>17,162</b>	<b>13,016</b>	<b>15,208</b>	<b>16,127</b>	<b>32%</b>	<b>13%</b>	<b>6%</b>
<b>EBITDA</b>	<b>1,377</b>	<b>1,392</b>	<b>1,157</b>	<b>2,375</b>	<b>-1%</b>	<b>19%</b>	<b>-42%</b>
Depreciation	941	787	751	841	20%	25%	12%
<b>EBIT</b>	<b>436</b>	<b>605</b>	<b>406</b>	<b>1,534</b>	<b>-28%</b>	<b>7%</b>	<b>-72%</b>
Interest	431	462	451	485	-7%	-5%	-11%
Other Income	129	106	109	123	22%	18%	5%
<b>PBT</b>	<b>134</b>	<b>249</b>	<b>64</b>	<b>1,172</b>	<b>-46%</b>	<b>109%</b>	<b>-89%</b>
Tax	79	82	87	-120	-4%	9%	-166%
<b>PAT before MI &amp; Associates</b>	<b>55</b>	<b>167</b>	<b>-23</b>	<b>1,293</b>	<b>-67%</b>	<b>341%</b>	<b>-96%</b>
Minority Interest	-24	0	-53	-145	#DIV/0!	-55%	-83%
Profit from Assoc.	35	0	16	29			
<b>Recurring PAT</b>	<b>175</b>	<b>167</b>	<b>-60</b>	<b>1,430</b>	<b>5%</b>	<b>392%</b>	<b>-88%</b>
Extraordinaries	0	0	0	0			
<b>Reported PAT</b>	<b>175</b>	<b>167</b>	<b>-60</b>	<b>1,430</b>	<b>5%</b>	<b>392%</b>	<b>-88%</b>
EPS (Rs)	0.3	0.3	-0.1	2.8	5%	392%	-88%
Gross Margin	35%	36%	36%	36%	-128 bp	-92 bp	-92 bp
EBITDA Margin	7.4%	9.7%	7.1%	12.8%	-224 bp	35 bp	-541 bp
EBIT Margin	2%	4%	2%	8%	-185 bp	-13 bp	-594 bp
PBT Margin	1%	2%	0%	6%	-100 bp	33 bp	-561 bp
PAT Margin	1%	1%	0%	8%	-22 bp	131 bp	-679 bp
Tax Rate	59%	33%	136%	-10%	2590 bp	-7677 bp	6916 bp
Cost items as % of Sales							
RM	33%	29%	37%	35%	388 bp	-468 bp	-247 bp
Freight costs	10%	16%	10%	12%	-536 bp	34 bp	-204 bp
P&F costs	22%	19%	17%	16%	277 bp	526 bp	542 bp

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

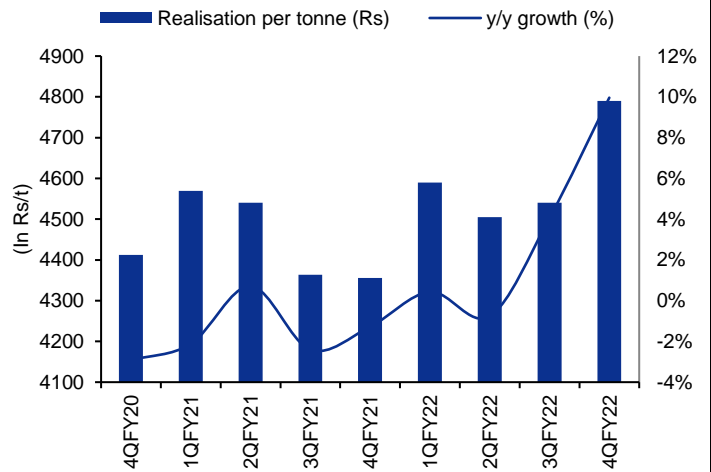
**Key quarterly charts >**

**Figure 15: Cement sales volume declined 25% yoy due to a high base and assembly elections in the company's key market during 4QFY22**



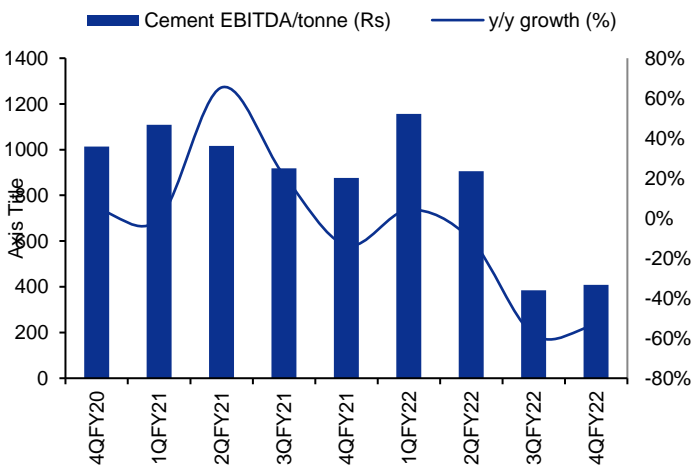
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 16: Cement realization increased by 10% yoy and 5% qoq in 4QFY22**



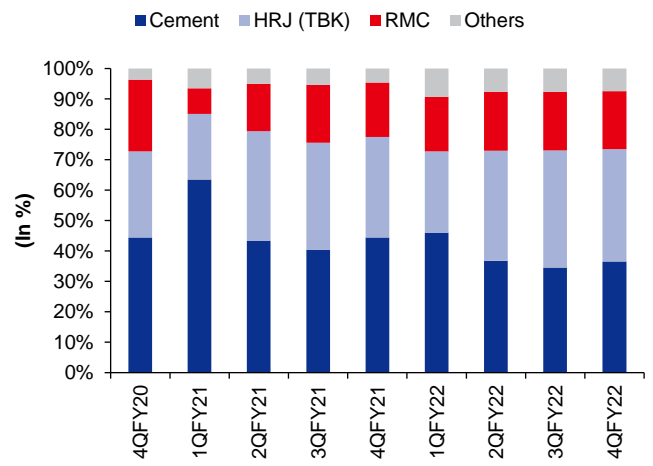
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 17: Cement unitary EBITDA contracted 53% yoy (up 6% yoy) to Rs408/t during 4QFY22 on higher input cost**



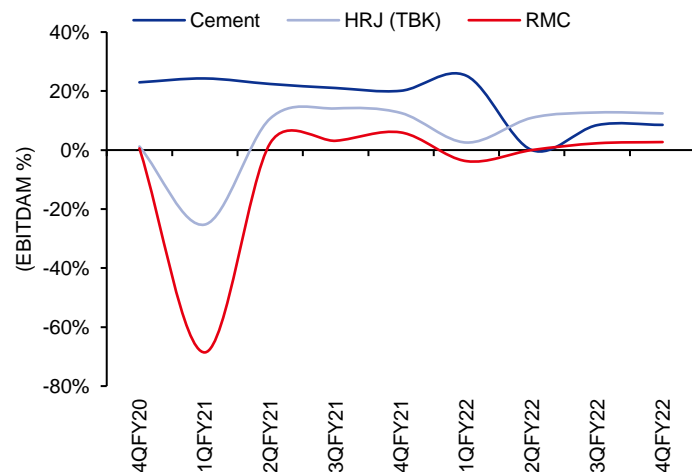
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 18: Revenue contribution of various segments (% of total sales)**



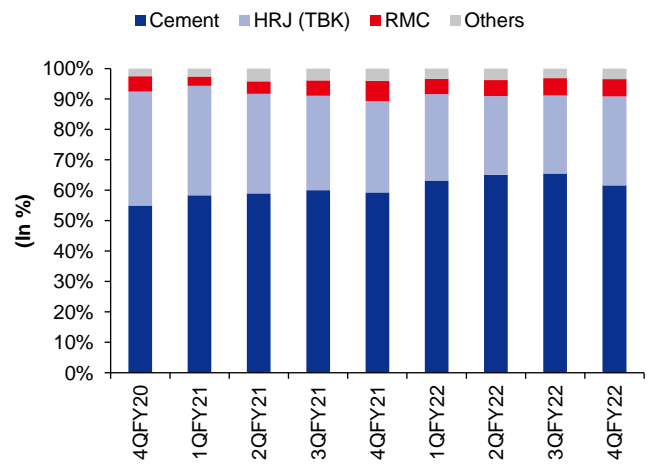
SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 19: EBITDA margin (%) of each segment**



SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 20: Capital employed share in total cement, HRJ, RMC divisions and others**



SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 21: Our revised earnings estimates**

Rs. m	New		Old		Change (%)	
	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F
Sales	67,950	76,328	66,829	75,780	2%	1%
EBITDA	5,893	8,895	8,428	11,038	-30%	-19%
PAT	1,330	3,162	2,456	3,943	-46%	-20%
EPS (Rs.)	2.6	6.3	5.2	8	-49%	-20%

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 22: Change in our estimates vs. Bloomberg consensus estimates**

Rs. m	Incred		Consensus		Change (%)	
	FY23F	FY24F	FY23F	FY24F	FY23F	FY24F
Sales	67,950	76,328	69,684	76,880	-2%	-1%
EBITDA	5,893	8,895	7,120	9,141	-17%	-3%
PAT	1,330	3,162	1,916	3,293	-31%	-4%

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

**Figure 23: Key assumptions**

Key operational estimates	FY20	FY21	FY22F	FY23F	FY24F
Cement volume (mtpa)	5.7	5.8	5.2	5.6	6.1
yoy (%)	-9%	2%	-10%	8%	9%
Cement EBITDA (Rs/t)	890	963	710	635	829
yoy	7%	8%	-26%	-11%	31%
RMC revenue (Rs m)	14,139	9,079	11,975	14,370	15,806
yoy	-5%	-36%	32%	20%	10%
RMC EBITDA (Rs m)	229	-169	87	330	395
yoy	-41%	-174%	151%	280%	20%
TBK revenue (Rs m)	18,226	18,325	22,214	26,435	30,400
yoy	0%	1%	21%	19%	15%
TBK EBITDA (Rs m)	695	1,590	2,351	1,983	3,405
yoy	16%	129%	48%	-16%	72%

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 24: Our target price of Rs143 is based on 9x FY24F EV/EBITDA**

Valuation	TP
Target EV/EBITDA (x)	9.0
Target EV (Rs m)	80,059
Net debt / (cash) (Rs m)	8,148
No. of shares (m)	503
Fair value per share (Rs)	143

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

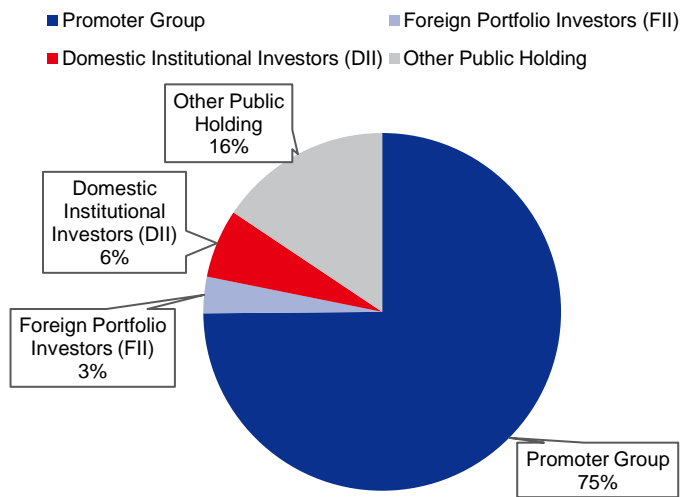
**Figure 25: Cement sector peer comparison**

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\$)	
							FY22F	FY23F	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F	FY22F	FY23F
UltraTech Cement	UTCEM IN	ADD	6,234	8,009	28%	23,148	16.1	15.3	3.6	3.3	15.2	11.6	25.0	29.5	225.1	185.2
ACC	ACC IN	ADD	2,237	2,322	4%	5,403	13.1	9.7	2.7	2.4	10.9	13.3	25.8	19.2	120.4	109.6
Ambuja Cements	ACEM IN	HOLD	361	398	10%	9,223	22.1	18.4	3.1	3.0	8.1	9.5	39.3	32.3	134.8	130.6
Shree Cement	SRCM IN	HOLD	22,501	28,045	25%	10,444	17.8	15.1	4.5	3.9	15.8	16.3	30.3	25.4	221.5	205.4
The Ramco Cements	TRCL IN	ADD	701	1053	50%	2,131	13.8	10.1	2.7	2.3	12.0	14.9	23.5	16.8	134.7	127.4
JK Cement	JKCE IN	HOLD	2,381	3656	54%	2,366	13.6	11.7	4.5	3.8	20.8	21.3	23.7	19.5	186.6	186.1
Birla Corp	BCORP IN	ADD	1,033	1300	26%	1,023	10.3	10.5	1.3	1.3	7.5	4.9	18.5	26.6	76.9	74.7
Heidelberg	HEIM IN	ADD	184	282	53%	536	6.7	5.4	2.4	2.1	19.6	21.2	12.8	10.4	78.0	72.9
Dalmia Bharat	DALBHARA IN	ADD	1,422	1724	21%	3,428	10.4	11.8	1.7	1.6	8.0	4.2	23.5	39.4	92.5	89.0
JK Lakshmi	JKLC IN	ADD	393	740	88%	595	5.2	4.5	1.8	1.5	21.4	20.7	9.3	8.0	50.1	48.1
Orient Cement	ORCMNT IN	ADD	118	176	49%	311	4.5	5.7	1.6	1.6	18.6	14.0	9.2	10.6	40.8	48.0
Prism Johnson	PRSMJ IN	ADD	111	143	28%	720	13.4	11.6	4.2	3.9	6.0	9.7	75.7	42.0	130.0	127.3
Mean							12.2	10.8	2.8	2.6	13.7	13.5	26.4	23.3	124.3	117.0
Median							13.2	11.1	2.7	2.4	13.6	13.7	23.6	22.5	125.2	118.5
Minimum							4.5	4.5	1.3	1.3	6.0	4.2	9.2	8.0	40.8	48.0
Maximum							22.1	18.4	4.5	3.9	21.4	21.3	75.7	42.0	225.1	205.4

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG. PRICED AS AT 18 MAY 2022

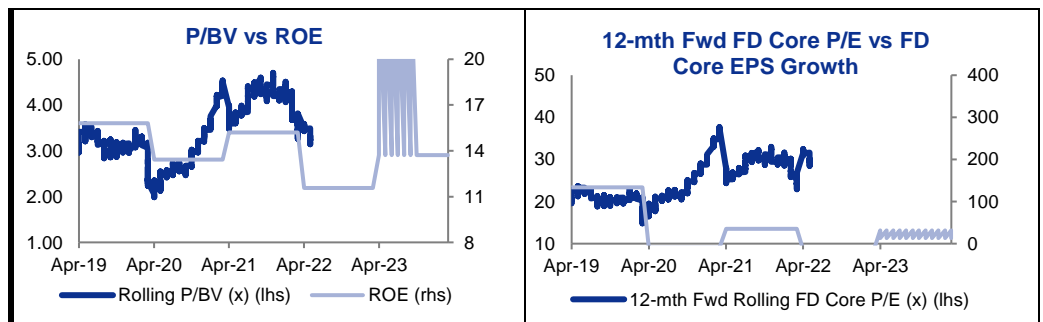


**Figure 26: PRSMJ's shareholding pattern (as at end-Mar 2022)**



SOURCES: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
<b>Total Net Revenues</b>	<b>59,562</b>	<b>55,871</b>	<b>63,063</b>	<b>67,950</b>	<b>76,328</b>
<b>Gross Profit</b>	<b>59,562</b>	<b>55,871</b>	<b>63,063</b>	<b>67,950</b>	<b>76,328</b>
<b>Operating EBITDA</b>	<b>5,386</b>	<b>6,218</b>	<b>5,232</b>	<b>5,893</b>	<b>8,895</b>
Depreciation And Amortisation	(2,506)	(2,925)	(3,097)	(3,313)	(3,711)
<b>Operating EBIT</b>	<b>2,881</b>	<b>3,293</b>	<b>2,135</b>	<b>2,580</b>	<b>5,185</b>
Financial Income/(Expense)	(2,517)	(2,104)	(1,851)	(1,740)	(1,671)
Pretax Income/(Loss) from Assoc.	73	43	69		
Non-Operating Income/(Expense)	287	382	397	413	433
<b>Profit Before Tax (pre-EI)</b>	<b>724</b>	<b>1,613</b>	<b>749</b>	<b>1,252</b>	<b>3,947</b>
Exceptional Items	(103)	(48)	(90)		
<b>Pre-tax Profit</b>	<b>621</b>	<b>1,565</b>	<b>660</b>	<b>1,252</b>	<b>3,947</b>
Taxation	(740)	(162)	(400)	(401)	(1,263)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>(119)</b>	<b>1,403</b>	<b>260</b>	<b>851</b>	<b>2,684</b>
Minority Interests	220	309	478	478	478
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>101</b>	<b>1,712</b>	<b>738</b>	<b>1,330</b>	<b>3,162</b>
Recurring Net Profit	81	1,755	773	1,330	3,162
<b>Fully Diluted Recurring Net Profit</b>	<b>81</b>	<b>1,755</b>	<b>773</b>	<b>1,330</b>	<b>3,162</b>

### Cash Flow

(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
<b>EBITDA</b>	<b>5,386</b>	<b>6,218</b>	<b>5,232</b>	<b>5,893</b>	<b>8,895</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	1,332	7,176	491	(1,634)	(788)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	287	382	397	413	433
Other Operating Cashflow	2,678	1,270	1,097	1,097	1,097
Net Interest (Paid)/Received	(2,517)	(2,104)	(1,851)	(1,740)	(1,671)
Tax Paid	(468)	(131)	130	(401)	(1,263)
<b>Cashflow From Operations</b>	<b>6,699</b>	<b>12,811</b>	<b>5,496</b>	<b>3,628</b>	<b>6,704</b>
Capex	(3,689)	(1,869)	(3,517)	(3,450)	(3,600)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(2,879)	(781)	387	2,268	
<b>Cash Flow From Investing</b>	<b>(6,568)</b>	<b>(2,650)</b>	<b>(3,129)</b>	<b>(1,182)</b>	<b>(3,600)</b>
Debt Raised/(repaid)	3,533	(5,153)	(1,675)	(1,700)	(1,600)
Proceeds From Issue Of Shares	(16)			956	956
Shares Repurchased					
Dividends Paid	503			302	503
Preferred Dividends					
Other Financing Cashflow	(3,373)	(2,909)	(1,741)	(302)	(503)
<b>Cash Flow From Financing</b>	<b>648</b>	<b>(8,061)</b>	<b>(3,415)</b>	<b>(744)</b>	<b>(644)</b>
Total Cash Generated	779	2,100	(1,049)	1,702	2,461
<b>Free Cashflow To Equity</b>	<b>3,664</b>	<b>5,009</b>	<b>692</b>	<b>746</b>	<b>1,504</b>
<b>Free Cashflow To Firm</b>	<b>2,648</b>	<b>12,265</b>	<b>4,218</b>	<b>4,186</b>	<b>4,775</b>

SOURCES: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS...cont'd

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-20A</b>	<b>Mar-21A</b>	<b>Mar-22A</b>	<b>Mar-23F</b>	<b>Mar-24F</b>
Total Cash And Equivalents	5,677	7,050	4,113	3,875	4,151
Total Debtors	7,147	6,309	6,238	6,795	7,947
Inventories	7,417	5,805	8,049	7,074	8,156
Total Other Current Assets	2,676	2,691	3,996	3,737	4,274
<b>Total Current Assets</b>	<b>22,917</b>	<b>21,855</b>	<b>22,395</b>	<b>21,481</b>	<b>24,527</b>
Fixed Assets	27,994	29,238	29,475	30,462	30,751
Total Investments	3,082	4,973	7,168	7,168	7,168
Intangible Assets	2,804	1,552	2,268		
Total Other Non-Current Assets	3,978	4,105	3,263	2,413	2,013
<b>Total Non-current Assets</b>	<b>37,857</b>	<b>39,867</b>	<b>42,175</b>	<b>40,043</b>	<b>39,933</b>
Short-term Debt	7,400	2,976	3,829	3,629	3,829
Current Portion of Long-Term Debt					
Total Creditors	7,707	9,458	11,379	7,273	8,218
Other Current Liabilities	10,165	11,824	12,814	14,609	15,647
<b>Total Current Liabilities</b>	<b>25,272</b>	<b>24,258</b>	<b>28,022</b>	<b>25,512</b>	<b>27,694</b>
Total Long-term Debt	15,044	14,298	11,770	10,270	8,470
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	7,218	7,927	8,823	8,823	8,823
<b>Total Non-current Liabilities</b>	<b>22,261</b>	<b>22,225</b>	<b>20,593</b>	<b>19,093</b>	<b>17,293</b>
Total Provisions					
<b>Total Liabilities</b>	<b>47,533</b>	<b>46,483</b>	<b>48,615</b>	<b>44,605</b>	<b>44,987</b>
Shareholders Equity	10,790	12,415	13,230	14,194	16,748
Minority Interests	2,450	2,824	2,725	2,725	2,725
<b>Total Equity</b>	<b>13,240</b>	<b>15,239</b>	<b>15,955</b>	<b>16,920</b>	<b>19,473</b>

<b>Key Ratios</b>					
	<b>Mar-20A</b>	<b>Mar-21A</b>	<b>Mar-22A</b>	<b>Mar-23F</b>	<b>Mar-24F</b>
Revenue Growth	(3.8%)	(6.2%)	12.9%	7.7%	12.3%
Operating EBITDA Growth	(10.4%)	15.4%	(15.9%)	12.6%	50.9%
Operating EBITDA Margin	9.0%	11.1%	8.3%	8.7%	11.7%
Net Cash Per Share (Rs)	(33.31)	(20.31)	(22.82)	(19.92)	(16.19)
BVPS (Rs)	21.43	24.67	26.28	28.20	33.27
Gross Interest Cover	1.14	1.57	1.15	1.48	3.10
Effective Tax Rate	119.2%	10.3%	60.6%	32.0%	32.0%
Net Dividend Payout Ratio	297.9%			27.5%	19.3%
Accounts Receivables Days	44.03	43.95	36.31	35.00	35.25
Inventory Days	44.46	43.19	40.09	40.62	36.41
Accounts Payables Days	51.99	63.09	65.76	54.85	41.93
ROIC (%)	8.4%	11.6%	7.3%	9.0%	17.7%
ROCE (%)	8.4%	9.7%	6.7%	8.3%	16.6%
Return On Average Assets	4.3%	5.8%	3.5%	4.1%	6.9%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

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<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A



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## Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2020, Anti-Corruption 2020

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- CG Score 2020 from Thai Institute of Directors Association (IOD)

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### Recommendation Framework

#### Stock Ratings

Definition:

<b>Add</b>	The stock's total return is expected to exceed 10% over the next 12 months.
<b>Hold</b>	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
<b>Reduce</b>	The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

#### Sector Ratings

Definition:

<b>Overweight</b>	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
<b>Neutral</b>	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
<b>Underweight</b>	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

#### Country Ratings

Definition:

<b>Overweight</b>	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
<b>Neutral</b>	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
<b>Underweight</b>	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.