

India

REDUCE (no change)

| | | | |
|------------------------------|------------|------------|--------|
| Consensus ratings*: | Buy 24 | Hold 2 | Sell 7 |
| Current price: | Rs338 | | |
| Target price: | Rs256 ▲ | | |
| Previous target: | Rs252 | | |
| Up/downside: | -24.3% | | |
| InCred Research / Consensus: | -22.4% | | |
| Reuters: | | | |
| Bloomberg: | APTY IN | | |
| Market cap: | US\$2,959m | Rs214,855m | |
| Average daily turnover: | US\$16.9m | Rs1224.8m | |
| Current shares o/s: | 635.1m | | |
| Free float: | 62.7% | | |

*Source: Bloomberg

Key changes in this note

- Net sales cut by 2% for FY23F-25F.
- EBITDA margin raised by 53bp for FY23F.
- EPS cut by ~3% for FY24F-25F.



| | | | |
|--------------------------|-----|------|------|
| Price performance | 1M | 3M | 12M |
| Absolute (%) | 3.2 | 17.1 | 51.2 |
| Relative (%) | 2.2 | 18.0 | 46.5 |

| | |
|------------------------------|--------|
| Major shareholders | % held |
| Kanwar Family | 37.3 |
| Emerald Sage Investment Ltd. | 9.9 |
| White Iris Investment Ltd. | 8.0 |

Analyst(s)

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Apollo Tyres Ltd

Onset of weakness in replacement demand

- 3QFY23 EPS growth of 50% qoq to Rs4.6 was marginally below our estimate, due to in-line EBITDA being negated by higher interest cost and tax outgo.
- Onset of weakness in truck and car tyre replacement segment demand (most profitable) in India and Europe leads to our EPS cut of ~3% for FY24F-25F.
- Stock price rally in recent months made P/BV valuation (1.6x) stretched at +1SD above mean for a 12-15% ROCE, leading to our REDUCE rating on it.

India business growth impressive but Europe disappoints

Apollo Tyres' 3QFY23 consolidated EBITDA rose 28% yoy and qoq to Rs9.1bn, which was just 3% above our estimate but 14% above Bloomberg consensus estimate. India EBIT beat estimates by 26% but a sharp 29% yoy plunge in Europe EBIT to Rs1.7bn led to disappointment. Net debt eased by 13% qoq to Rs48bn but interest cost rose by 8% qoq to Rs1.4bn. Higher interest cost, rise in tax outgo, and lower other income led to a PAT of Rs2.9bn, a 3% miss vs. our estimate.

Management conference-call highlights

Management highlighted that India business volume dipped 4% yoy in 3QFY23 due to a sharp 8% decline witnessed in both truck and car tyre replacement segments. Our channel check indicates that MRF has gained leadership in the truck radial replacement segment and is fast expanding its lead over Apollo Tyres. In Europe (Fig. 7), replacement tyre demand dipped by a sharp 14% yoy, while Apollo Tyres limited the drop to 5% with the help of a better product mix and pricing. The sharp drop in rubber prices (22% qoq), along with a seasonal winter tyre mix, helped improve EBITDA margin by 230bp qoq to 14.2%.

Easing rubber prices aid FY23F but weak demand leads to EPS cut

The tailwind from a correction in rubber prices in the short term helped overcome sales volume challenges, leading to an EPS upgrade of 4% for FY23F. However, sustenance of weak demand, we feel, will force Apollo Tyres and its peers into giving price discounts soon, thus leading to our consolidated EPS cut of ~3% for FY24F-25F. Volatility in Europe EBIT, elevated profitability from short-term Russia supply chain issue and recession possibility in CY23F, we feel, are the areas of concern.

Retain REDUCE rating due to rich valuation and likely weak demand

The recent 3-month stock price rally drove P/BV valuation to +1SD above 7-year mean level (Fig. 16). The combination of rich valuation and weak demand, we feel, are the areas of concern, leading us to retain our REDUCE rating. We have assigned a 12x 1-year forward P/E, which is just above -1SD of the 7-year mean to arrive at a marginally higher target price of Rs256 (Rs252 earlier), which is a 25% downside from the current level. Higher capacity utilization (~80%) and capex requirement soon can lead to a further downside. Upside risk: Better pricing discipline helping retain lower rubber cost benefits.

Financial Summary

| | Mar-21A | Mar-22A | Mar-23F | Mar-24F | Mar-25F |
|-----------------------------------|---------|---------|---------|---------|---------|
| Revenue (Rsm) | 172,006 | 209,475 | 245,608 | 281,291 | 315,323 |
| Operating EBITDA (Rsm) | 26,011 | 25,740 | 31,663 | 35,018 | 40,039 |
| Net Profit (Rsm) | 3,502 | 6,384 | 9,097 | 11,129 | 13,970 |
| Core EPS (Rs) | 11.5 | 10.1 | 14.3 | 17.5 | 22.0 |
| Core EPS Growth | 159.1% | (12.2%) | 41.2% | 22.3% | 25.5% |
| FD Core P/E (x) | 61.35 | 33.65 | 23.62 | 19.31 | 15.38 |
| DPS (Rs) | 3.5 | 5.0 | 6.0 | 7.5 | 9.0 |
| Dividend Yield | 1.03% | 1.48% | 1.77% | 2.22% | 2.66% |
| EV/EBITDA (x) | 9.87 | 10.13 | 8.27 | 7.37 | 6.50 |
| P/FCFE (x) | 12.62 | (55.51) | 84.50 | 24.89 | 60.15 |
| Net Gearing | 36.7% | 39.0% | 38.4% | 33.5% | 33.0% |
| P/BV (x) | 1.88 | 1.83 | 1.75 | 1.66 | 1.56 |
| ROE | 6.9% | 5.6% | 7.6% | 8.8% | 10.5% |
| % Change In Core EPS Estimates | | | 4.22% | (3.51%) | (2.86%) |
| InCred Research/Consensus EPS (x) | | | | | |

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Onset of weakness in replacement demand

3QFY23 earnings-call highlights

Outlook: For India business, management expects replacement tyre demand as well as exports to remain subdued in the near term, while the demand from original equipment manufacturers or OEMs should remain firm. In respect of the Europe business, it expects the earnings growth momentum to continue with demand recovery in key markets, continuous focus on improving the sales mix and easing raw material cost. Management stated that healthy free cash flow and a ROCE of 12% in 3QFY23 are the indicators which it plans to use going ahead as performance-based metrics for the management reward system. On the raw material front, it expects the price correction to be in mid-single-digit in 4QFY23F. However, management believes that beyond the near-term challenges, the demand should pick up in the medium term.

India business: Replacement demand was subdued but there was a strong revival in OEM demand with 30%+ volume growth. Export volume declined by 25% qoq. Overall, India business volume declined by 4% yoy, and truck tyre replacement as well as passenger car tyre replacement volume also fell by 8% yoy. The correction in raw material prices provided benefits of 6% qoq. Management stated that the company lost out on some OEM volume due to higher pricing, and added that it was one price increase ahead of peers. For comparison, it mentioned that with Apollo Tyres' base price for India passenger car radial tyre at Rs100, in case of MRF it will be Rs94 and for Bridgestone it will be Rs110. Apollo Tyres expects its Vredestein brand to compete with the MNCs.

Europe business: Revenue was flattish qoq at €180m which, on a yoy basis, grew by 7% led by the improvement in pricing and sales mix. Management mentioned that demand was subdued due to a delayed winter and poor market sentiment. Management also stated that the company maintained its market share in key segments. While the market was down 14%, Apollo Tyres was down 5%. It is trying to make inroads into new focus markets like Spain, France and the UK. EBITDA stood at €28m with a margin of 15.4%. Margins were impacted on a yoy basis due to higher raw material and energy costs. The Europe business is yet to witness lower raw material prices as the initial correction was led by natural rubber prices, which has a lower impact on the Europe business products. The mix of UHP/UUHP (ultra high performance/ultra ultra high performance) tyres increased by 200bp yoy to 45%. The company is still benefiting from the ban on Russian tyre imports in West Europe which has created a gap of 8-10m passenger car tyres. Management feels that a similar branding and sales mix of winter tyres has enabled Apollo Tyres to grab some of this market share. Reifencor's revenue stood at €78m, while EBITDA margin fell just short of 8%. On the pricing front, taking the base price of Michelin tyre as 100, it indicated that Vredestein's tyre price will be 92.

Capex: Management indicated FY23YTD capex at Rs4.5bn for India business and €20m for Europe business. Management also indicated that it is unlikely to budget for any major growth capex for FY24F. India PCR (passenger car radial) and TBR (truck bus radial) utilization stood at 80% while Europe utilization stood at 90%. Management mentioned that whenever the next capex cycle starts, it would be spread over two years. Working capital requirement reduced largely due to the reduction in inventory in India as well as Europe. This helped net debt to decline by ~13% qoq to Rs48bn.

Figure 1: Consolidated financial performance

| FYE Mar (Rs m) | 3QFY23 | 3QFY22 | yoy % chg | 2QFY23 | qoq % chg | 9MFY23 | 9MFY22 | yoy % chg | Comments |
|------------------------------|--------------|--------------|-------------|--------------|-------------|---------------|---------------|--------------|--|
| Revenue | 64,228 | 57,075 | 12.5 | 59,560 | 7.8 | 1,83,208 | 1,53,693 | 19.2 | In line with our estimates. |
| Raw Materials | 38,754 | 34,271 | 13.1 | 36,406 | 6.4 | 1,11,000 | 90,247 | 23.0 | |
| RM as % of revenue | 60.3 | 60.0 | 29 | 61.1 | (78.6) | 60.6 | 58.7 | 187 | Gross margin was 444bp below our estimates. |
| EBITDA | 9,134 | 7,429 | 22.9 | 7,120 | 28.3 | 23,152 | 19,477 | 18.9 | 3% above our estimates aided by lower operating expenses. |
| EBITDA margin (%) | 14.2 | 13.0 | 120 | 12.0 | 226.6 | 12.6 | 12.7 | (4) | 32bp above our estimates. |
| Depn & amort. | 3,544 | 3,443 | 2.9 | 3,485 | 1.7 | 10,467 | 10,243 | 2.2 | 10% below our estimates. |
| EBIT | 5,589 | 3,987 | 40.2 | 3,635 | 53.8 | 12,685 | 9,234 | 37.4 | |
| Interest expense | 1,420 | 1,083 | 31.1 | 1,320 | 7.6 | 3,922 | 3,165 | 23.9 | In line with our estimates. |
| Other Income | 67 | 170 | (60.3) | 69 | (2) | 242 | 863 | (72.0) | |
| Pretax profit | 4,237 | 3,073 | 37.9 | 2,383 | 77.8 | 9,005 | 6,932 | 29.9 | |
| Tax | 1,316 | 833 | 58.0 | 440 | 199.3 | 2,234 | 1,623 | 37.6 | |
| Tax rate (%) | 31.1 | 27.1 | 395 | 18.5 | 1,261.1 | 24.8 | 23.4 | 139 | 507bp higher than our estimates. |
| Normalised Net profit | 2,921 | 2,240 | 30.4 | 1,944 | 50.3 | 6,771 | 5,309 | 27.5 | 3% below our estimates. |
| Exceptionals | - | (5) | nm | - | nm | - | (59) | nm | |
| Reported net profit | 2,920 | 2,235 | 30.6 | 1,942 | 50.3 | 6,769 | 3,152 | 114.7 | |
| Normalised EPS (Rs) | 4.6 | 3.5 | 30.4 | 3.1 | 50.3 | 10.7 | 8.4 | 27.5 | |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

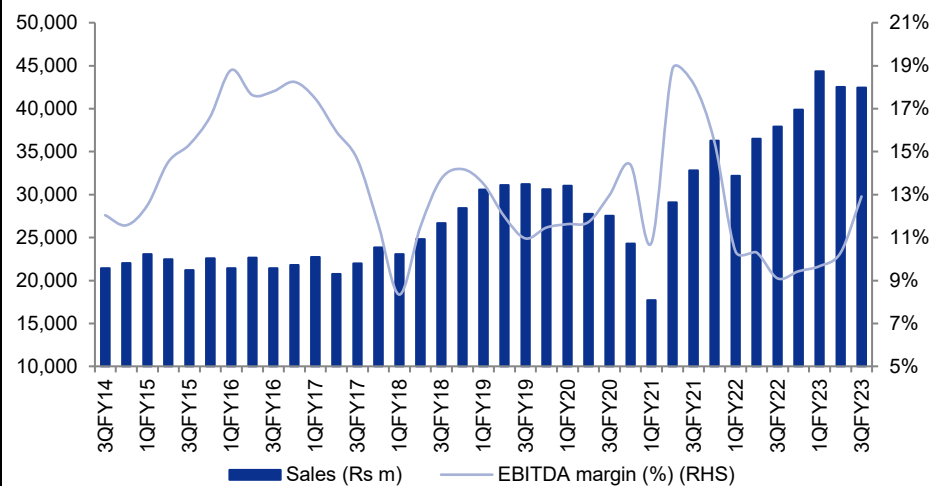
Figure 2: India business performance

| In Rs m | 3QFY23 | 3QFY22 | yoy (%) | 2QFY23 | qoq (%) | 9MFY23 | 9MFY22 | yoy (%) |
|---------------|--------|--------|---------|--------|---------|----------|----------|---------|
| Sales | 42,466 | 37,917 | 12.0% | 42,519 | -0.1% | 1,29,348 | 1,06,614 | 21.3% |
| EBITDA | 5,483 | 3,450 | 58.9% | 4,374 | 25.4% | 14,145 | 10,547 | 34.1% |
| EBITDA margin | 12.9% | 9.1% | 381 | 10.3% | 263 | 10.9% | 9.9% | 104 |
| PAT | 1,376 | 492 | 179.6% | 808 | 70.2% | 3,227 | 2,080 | 55.1% |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

EBITDA margin improves because of softening commodity prices along with the company's focus on profitability over market share.

Figure 3: Standalone EBITDA margin performance



SOURCE: INCRED RESEARCH, COMPANY REPORTS

EBITDA margin improves aided by the improvement in its product mix towards UHP/UUHP segments.

Figure 4: Consolidated EBITDA margin performance

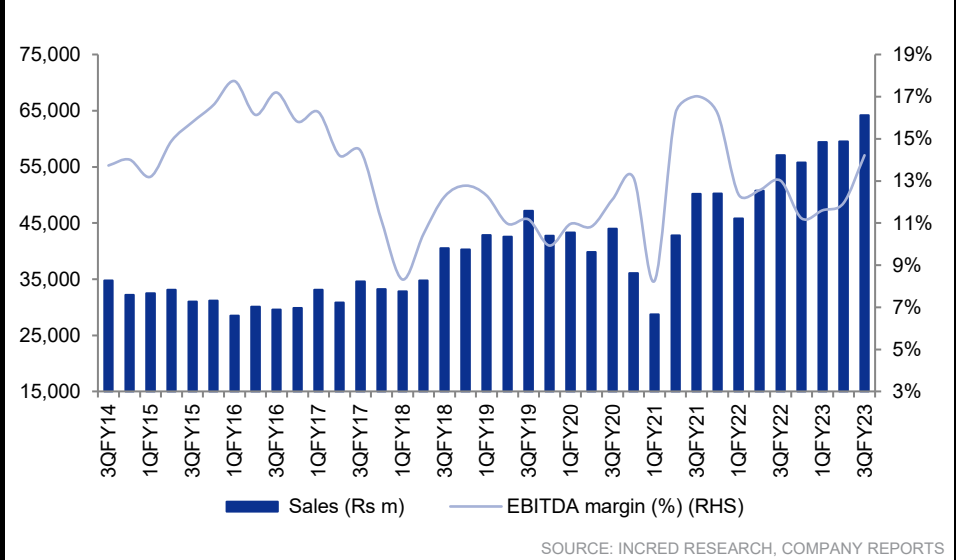


Figure 5: Apollo Tyres' regional EBIT margin trend

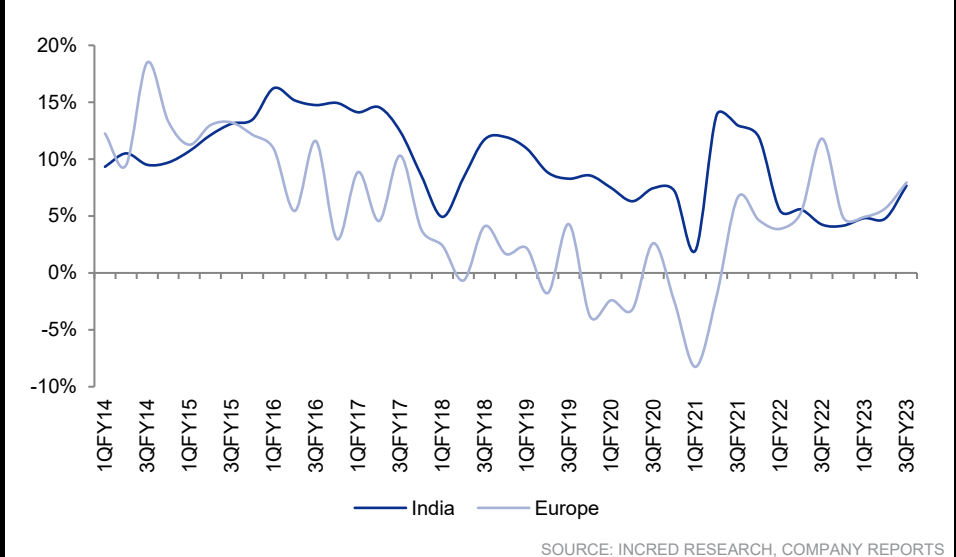


Figure 6: Natural rubber prices corrected by ~22% since Jul 2022, although they are up by ~5% from Dec 2022 lows

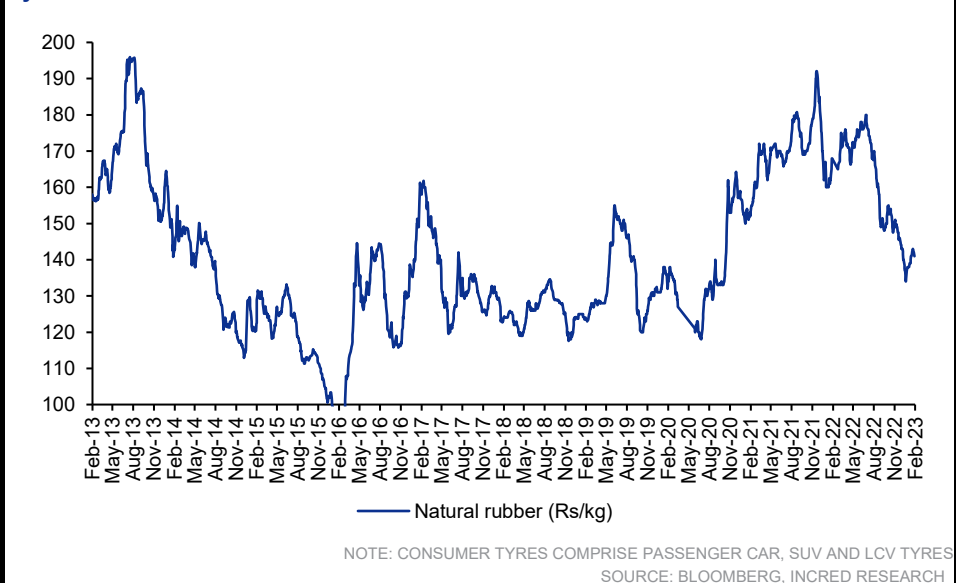


Figure 7: Replacement demand trend in Europe in case of consumer tyres

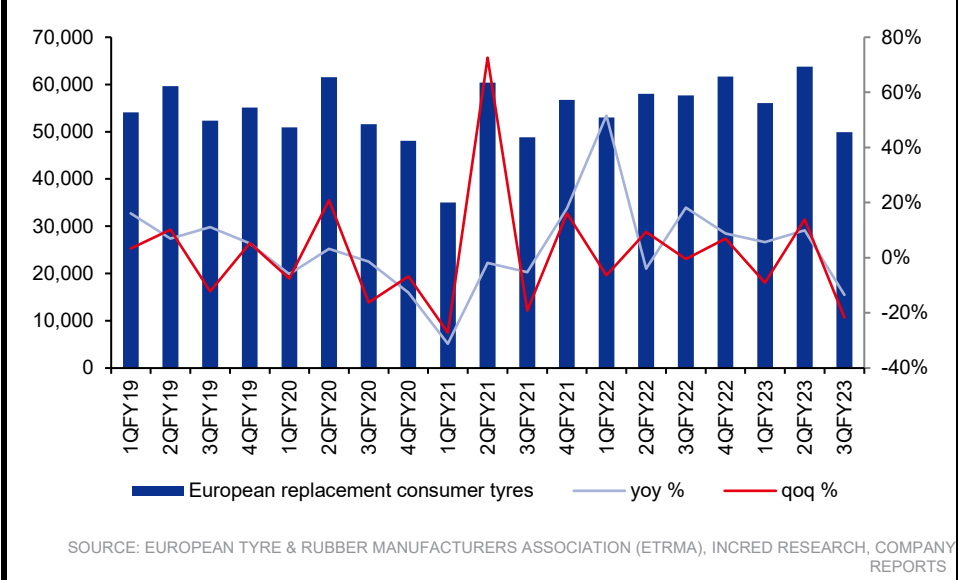
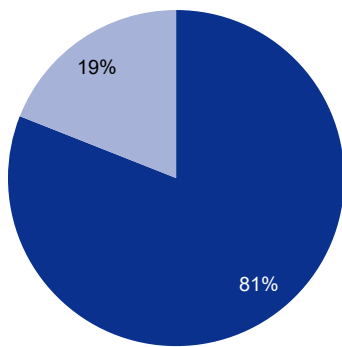


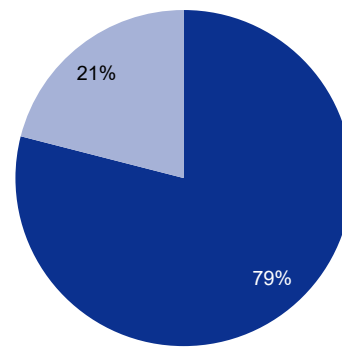
Figure 8: Apollo Tyres' consolidated mix by channel in FY22



■ Replacement ■ OEM

SOURCE: INCRED RESEARCH, COMPANY REPORTS

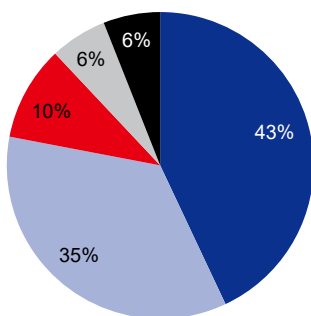
Figure 9: OEMs' share in the consolidated mix rises in 9MFY23



■ Replacement ■ OEM

SOURCE: INCRED RESEARCH, COMPANY REPORTS

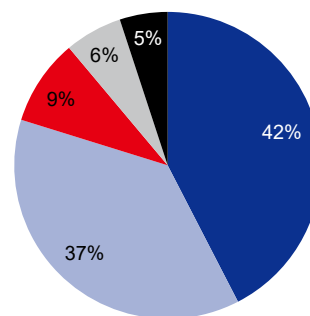
Figure 10: Apollo Tyres' consolidated mix by products in FY22



■ Truck & Bus ■ Passenger Vehicle ■ Farm/Off Highway ■ Light Truck ■ Others

SOURCE: INCRED RESEARCH, COMPANY REPORTS

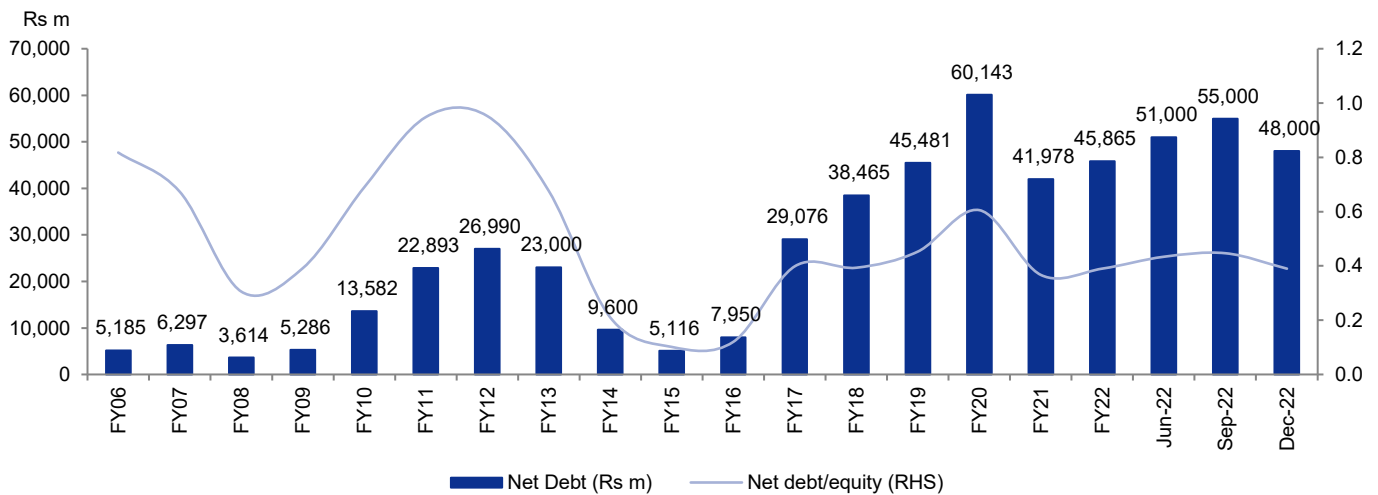
Figure 11: Passenger vehicle tyres' share in the consolidated mix rises in 9MFY23



■ Truck & Bus ■ Passenger Vehicle ■ Farm/Off Highway ■ Light Truck ■ Others

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Consolidated net debt (Rs m)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: Revision in our earnings estimates for the consolidated entity

| Consolidated (Rs m) | FY23F | | FY24F | | FY25F | |
|---------------------|----------|----------|----------|----------|----------|----------|
| | Old | New | Old | New | Old | New |
| Net Sales | 2,50,761 | 2,45,608 | 2,87,202 | 2,81,291 | 3,21,980 | 3,15,323 |
| Change (%) | | -2.1% | | -2.1% | | -2.1% |
| EBITDA | 31,002 | 31,663 | 35,684 | 35,018 | 40,825 | 40,039 |
| Change (%) | | 2.1% | | -1.9% | | -1.9% |
| EBITDA Margin | 12.4% | 12.9% | 12.4% | 12.4% | 12.7% | 12.7% |
| bp Change | | 53 | | 2 | | 2 |
| Interest Expense | 5,160 | 5,291 | 5,100 | 5,100 | 5,123 | 5,123 |
| Change (%) | | 2.5% | | 0.0% | | 0.0% |
| Normalised PAT | 8,729 | 9,097 | 11,535 | 11,129 | 14,382 | 13,970 |
| Change (%) | | 4.2% | | -3.5% | | -2.9% |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 14: Key drivers

| | FY21A | FY22A | FY23F | FY24F | FY25F |
|------------------------------|--------------|-------------|-------------|-------------|-------------|
| India sales (mt) | 7,47,161 | 8,59,236 | 9,19,382 | 10,02,127 | 10,82,297 |
| Growth(%) | 5.0% | 15.0% | 6.0% | 9.0% | 8.0% |
| ASP (Rs/kg) | 155.2 | 170.5 | 189.6 | 196.6 | 203.9 |
| Growth(%) | -0.2% | 9.9% | 11.2% | 3.7% | 3.7% |
| India Sales (Rsm) | 1,15,952 | 1,46,494 | 1,74,328 | 1,96,991 | 2,20,629 |
| India EBIT margin(%) | 11.4% | 4.8% | 5.9% | 6.4% | 7.2% |
| Europe sales (Rsm) | 56,138 | 65,563 | 73,431 | 83,711 | 95,430 |
| Europe EBIT margin(%) | 1.2% | 6.8% | 6.2% | 6.2% | 5.9% |
| Consolidate EBIT margin(%) | 7.5% | 5.6% | 6.8% | 6.8% | 7.2% |

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 15: Target price calculation methodology

| | |
|---------------------------|------------|
| 1-year forward EPS (Rs.) | 21.3 |
| P/E(x) | 12.0 |
| Target Price (Rs.) | 256 |

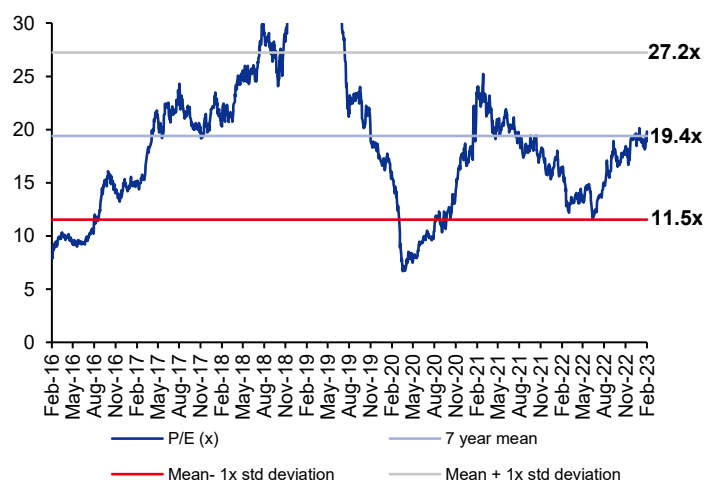
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 16: Rich forward P/BV valuation



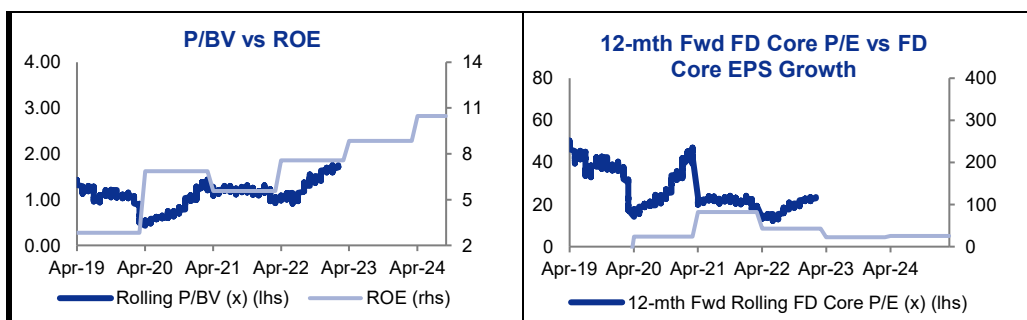
SOURCE: BLOOMBERG, INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 17: Forward P/E valuation near mean level



SOURCE: BLOOMBERG, INCRED RESEARCH ESTIMATES, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

| (Rs m) | Mar-21A | Mar-22A | Mar-23F | Mar-24F | Mar-25F |
|---|----------------|----------------|----------------|----------------|----------------|
| Total Net Revenue | 172,006 | 209,475 | 245,608 | 281,291 | 315,323 |
| Gross Profit | 78,061 | 85,620 | 96,278 | 113,923 | 130,859 |
| Operating EBITDA | 26,011 | 25,740 | 31,663 | 35,018 | 40,039 |
| Depreciation And Amortisation | (13,150) | (13,997) | (14,943) | (15,987) | (17,261) |
| Operating EBIT | 12,861 | 11,744 | 16,719 | 19,032 | 22,779 |
| Financial Income/(Expense) | (2,522) | (3,209) | (4,426) | (4,192) | (4,151) |
| Pretax Income/(Loss) from Assoc. | | | | | |
| Non-Operating Income/(Expense) | | | | | |
| Profit Before Tax (pre-EI) | 10,339 | 8,534 | 12,293 | 14,839 | 18,627 |
| Exceptional Items | | | | | |
| Pre-tax Profit | 10,339 | 8,534 | 12,293 | 14,839 | 18,627 |
| Taxation | (3,005) | (2,091) | (3,196) | (3,710) | (4,657) |
| Exceptional Income - post-tax | (3,833) | (59) | | | |
| Profit After Tax | 3,502 | 6,384 | 9,097 | 11,129 | 13,970 |
| Minority Interests | | | | | |
| Preferred Dividends | | | | | |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 3,502 | 6,384 | 9,097 | 11,129 | 13,970 |
| Recurring Net Profit | 7,335 | 6,443 | 9,097 | 11,129 | 13,970 |
| Fully Diluted Recurring Net Profit | 7,335 | 6,443 | 9,097 | 11,129 | 13,970 |

Cash Flow

| (Rs m) | Mar-21A | Mar-22A | Mar-23F | Mar-24F | Mar-25F |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| EBITDA | 26,011 | 25,740 | 31,663 | 35,018 | 40,039 |
| Cash Flow from Invt. & Assoc. | | | | | |
| Change In Working Capital | (549) | (2,663) | (11,382) | (4,790) | (7,160) |
| (Incr)/Decr in Total Provisions | 12,117 | 374 | 1,460 | 1,550 | 1,350 |
| Other Non-Cash (Income)/Expense | | | | | |
| Other Operating Cashflow | 1,908 | 1,235 | 864 | 908 | 971 |
| Net Interest (Paid)/Received | (4,430) | (4,444) | (5,291) | (5,100) | (5,123) |
| Tax Paid | (2,068) | (948) | (2,459) | (2,968) | (3,725) |
| Cashflow From Operations | 32,989 | 19,294 | 14,856 | 24,618 | 26,352 |
| Capex | (17,437) | (20,877) | (10,500) | (14,500) | (21,000) |
| Disposals Of FAs/subsidiaries | | | | | |
| Acq. Of Subsidiaries/investments | | | | | |
| Other Investing Cashflow | 4,773 | 872 | (1,813) | (1,485) | (1,780) |
| Cash Flow From Investing | (12,664) | (20,005) | (12,313) | (15,985) | (22,780) |
| Debt Raised/(repaid) | (3,302) | (3,160) | | | |
| Proceeds From Issue Of Shares | 63 | | | | |
| Shares Repurchased | | | | | |
| Dividends Paid | (2,223) | (3,176) | (3,811) | (4,763) | (5,716) |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | | | | | |
| Cash Flow From Financing | (5,462) | (6,335) | (3,811) | (4,763) | (5,716) |
| Total Cash Generated | 14,863 | (7,046) | (1,268) | 3,869 | (2,144) |
| Free Cashflow To Equity | 17,022 | (3,870) | 2,543 | 8,633 | 3,572 |
| Free Cashflow To Firm | 24,754 | 3,733 | 7,833 | 13,733 | 8,695 |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

| Balance Sheet | | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| (Rs m) | Mar-21A | Mar-22A | Mar-23F | Mar-24F | Mar-25F |
| Total Cash And Equivalents | 22,359 | 15,313 | 14,045 | 17,914 | 15,771 |
| Total Debtors | 13,808 | 16,104 | 20,187 | 23,120 | 25,917 |
| Inventories | 33,185 | 41,554 | 49,795 | 55,488 | 62,201 |
| Total Other Current Assets | 13,637 | 10,539 | 12,500 | 14,200 | 16,200 |
| Total Current Assets | 82,989 | 83,510 | 96,526 | 110,722 | 120,088 |
| Fixed Assets | 173,057 | 179,938 | 175,494 | 174,008 | 177,747 |
| Total Investments | 195 | 399 | 439 | 483 | 531 |
| Intangible Assets | 2,204 | 2,158 | 2,158 | 2,158 | 2,158 |
| Total Other Non-Current Assets | | | | | |
| Total Non-current Assets | 175,456 | 182,495 | 178,092 | 176,649 | 180,436 |
| Short-term Debt | 3,033 | 17,093 | 17,093 | 17,093 | 17,093 |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 28,067 | 36,069 | 37,009 | 40,845 | 43,195 |
| Other Current Liabilities | 40,150 | 38,610 | 40,410 | 42,210 | 44,010 |
| Total Current Liabilities | 71,250 | 91,772 | 94,512 | 100,148 | 104,298 |
| Total Long-term Debt | 61,304 | 44,085 | 44,085 | 44,085 | 44,085 |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | | | | | |
| Total Non-current Liabilities | 61,304 | 44,085 | 44,085 | 44,085 | 44,085 |
| Total Provisions | 11,460 | 12,627 | 13,213 | 13,964 | 14,713 |
| Total Liabilities | 144,014 | 148,483 | 151,810 | 158,197 | 163,096 |
| Shareholders' Equity | 114,431 | 117,521 | 122,808 | 129,174 | 137,428 |
| Minority Interests | | | | | |
| Total Equity | 114,431 | 117,521 | 122,808 | 129,174 | 137,428 |

| Key Ratios | | | | | |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| | Mar-21A | Mar-22A | Mar-23F | Mar-24F | Mar-25F |
| Revenue Growth | 6.6% | 21.8% | 17.2% | 14.5% | 12.1% |
| Operating EBITDA Growth | 51.0% | (1.0%) | 23.0% | 10.6% | 14.3% |
| Operating EBITDA Margin | 15.1% | 12.3% | 12.9% | 12.4% | 12.7% |
| Net Cash Per Share (Rs) | (66.10) | (72.22) | (74.21) | (68.12) | (71.50) |
| BVPS (Rs) | 180.18 | 185.04 | 193.37 | 203.39 | 216.39 |
| Gross Interest Cover | 2.90 | 2.64 | 3.16 | 3.73 | 4.45 |
| Effective Tax Rate | 29.1% | 24.5% | 26.0% | 25.0% | 25.0% |
| Net Dividend Payout Ratio | 30.3% | 49.3% | 41.9% | 42.8% | 40.9% |
| Accounts Receivables Days | 24.62 | 26.06 | 26.97 | 28.10 | 28.38 |
| Inventory Days | 126.76 | 110.13 | 111.64 | 114.80 | 116.44 |
| Accounts Payables Days | 99.38 | 94.50 | 89.31 | 84.89 | 83.15 |
| ROIC (%) | 5.0% | 4.6% | 6.3% | 6.9% | 8.1% |
| ROCE (%) | 7.1% | 6.3% | 8.8% | 9.8% | 11.3% |
| Return On Average Assets | 3.7% | 3.3% | 4.4% | 4.9% | 5.7% |

| Key Drivers | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | Mar-21A | Mar-22A | Mar-23F | Mar-24F | Mar-25F |
| ASP (% chg, main prod./serv.) | (0.2%) | 9.9% | 11.2% | 3.7% | 3.7% |
| Unit sales grth (% , main prod./serv.) | 5.0% | 15.0% | 6.0% | 9.0% | 8.0% |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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