MOTILAL OSWAL FINANCIAL SERVICES

19 May 2024

4QFY24 Results Update | Sector: Automobile

Endurance Technologies

Estimate changes	↑
TP change	↔
Rating change	↔

Bloomberg	ENDU IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	307.7 / 3.7
52-Week Range (INR)	2319 / 1348
1, 6, 12 Rel. Per (%)	15/20/33
12M Avg Val (INR M)	238

Financials & Valuations (INR b)

INR Billion	FY24	FY25E	FY26E
Sales	102.2	118.5	137.3
EBITDA	13.1	16.3	19.2
Adj. PAT	6.7	9.2	11.4
EPS (INR)	47.3	65.8	81.1
EPS Growth (%)	36.5	39.0	23.3
BV/Share (INR)	353.9	408.6	475.7
Ratios			
Net Debt/Equity	-0.1	-0.2	-0.2
RoE (%)	14.2	17.2	18.3
RoCE (%)	13.1	15.7	17.0
Payout (%)	17.6	16.7	17.3
Valuations			
P/E (x)	46.3	33.3	27.0
P/BV (x)	6.2	5.4	4.6
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	0.8	1.8	2.2

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	75.0	75.0	75.0
DII	15.4	15.4	15.5
FII	7.8	7.8	7.7
Others	1.8	1.8	1.8

FII Includes depository receipts

CMP: INR2,188 TP: INR2,515 (+15%) Buy

Healthy order backlog to boost earnings

The new Sambhajinagar plant to focus on PVs/non-autos

- Endurance Technologies (ENDU) reported a strong performance in 4QFY24, outperforming the underlying domestic industry growth. India business margin came in at 13.5% (vs. est. 12.1%) driven by a better mix. The EU business is improving gradually; however, order wins remained soft in FY24.
- We raise our FY25E/FY26E EPS by 14% each owing to ENDU's strong order backlog and continued new order wins both in India and Europe. **Reiterate BUY with a TP of INR2,515 (premised on 31x Mar'26E EPS).**

EBITDA margin (after the one-off) stands at 13.5%

- ENDU's 4QFY24 consol. revenue grew 20% YoY to INR26.6b (vs. est. INR27.4b) after adjusting for a one-time gain of INR200m. EBITDA improved 29% YoY to INR3.7b (vs. est. INR3.5b), and adj. PAT was up 43% YoY to INR1.95b (vs. est. INR1.8b). **During FY24,** revenue/ EBITDA/adj. PAT grew 16%/26%/36.5% YoY.
- FCFF stood at INR2.4b similar to last year levels, despite better operating cash flows of INR10.6b (vs. INR8.6b in FY23). Capex stood at INR8.2b (vs. INR6.2b in FY23).
- The Board declared a final dividend of INR8.5/share in FY24 (vs. INR7/share in FY23).

India business:

- Revenue grew 25% YoY to INR20.6b (vs. est. INR21.2b vs. industry growth of 20.5%). Revenues have been adjusted for a one-time gain of INR200m.
- Segment wise: the company's 4QFY24 revenue was up 26%/17%/ down 8% YoY for 2Ws/3Ws/PVs (vs. industry growth of 26%/9%/7% YoY for 2Ws/3Ws/PVs).
- Higher other costs were offset by lower raw material costs, thus leading to an EBITDA margin of 13.5% (vs. est. 12.1%), which improved 160bp YoY. A better mix aided margin expansion.
- Adj. PAT grew 60% YoY to INR1.7b (vs. est. INR1.5b).

EU businesses:

- The EU revenue grew 1% YoY to EUR68m (in line) vs. EU new car registration growth of 4% YoY.
- The EU margin came in at 17.8% (flat YoY/+230bp QoQ vs. est. 16.3%). The flattish margin on a YoY basis was on account of higher other expenses (+26% YoY, as energy costs remain elevated vs. pre-Covid levels) even as raw material costs declined 12% YoY.

Maxwell business:

- Its 4QFY24 revenue grew 38% YoY to INR110m (vs. est. INR220m), while the operating loss narrowed sequentially to INR13m (vs. -INR10m/-INR34m in 4QFY23/3QFY24).

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Highlights from the management commentary

- **Business wins**: In FY24, INR12b worth of business was won from OEMs other than BJAUT, which would reach peak sales in FY27 (INR8.25b of new business and INR3.7b of replacement business).
- **EV outlook in the EU:** ENDU would be reaching 50% of the peak capacity it had put up to service the EV orders it had won in the last two years. It expects EVs to grow in line with the PV industry in the future. It is open for acquisitions in the EU to continue the growth momentum.
- The new plant in Sambhajinagar started in Jan'24 to cater to 4W EV parts demand and non-auto Alu casting (telecom, ATVs, etc.) business with a capex of INR4b to be spent in stages with a sales expectation of INR5b/year. Plant SOP would start 1QFY26.

Valuation and view

- ENDU is the best proxy play for the Indian 2W industry. It has scope to increase content, led by technological changes and new products. ENDU is now focusing on increasing the 4W revenue contribution to 45% of revenue by FY30 from 26%, and this would remain a key growth driver in the coming years.
- The stock trades at 33x/27x FY25E/FY26E consolidated EPS. **We reiterate our BUY rating with a TP of INR2,515 (based on 31x Mar'26E consolidated EPS).**

Consolidated - Quarterly

Y/E March	FY23				FY24				FY23	FY24	
INR m	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**			**4Q**
Net Sales	**21,138**	**23,606**	**20,952**	**22,343**	**24,500**	**25,450**	**25,611**	**26,648**	**88,040**	**1,02,209**	**27,391**
YoY Change (%)	24.8	25.1	10.9	7.5	15.9	7.8	22.2	19.3	16.6	16.1	22.6
EBITDA	**2,398**	**2,716**	**2,395**	**2,854**	**3,213**	**3,183**	**2,990**	**3,694**	**10,363**	**13,080**	**3,463**
Margins (%)	11.3	11.5	11.4	12.8	13.1	12.5	11.7	13.9	11.8	12.8	12.6
Depreciation	991	993	1,016	1,216	1,129	1,184	1,144	1,282	4,216	4,740	1,163
Interest	19	61	46	80	90	98	109	129	206	427	108
Other Income	47	84	115	208	166	155	270	265	454	856	227
PBT before EO expense	**1,434**	**1,747**	**1,448**	**1,767**	**2,159**	**2,056**	**2,006**	**2,548**	**6,395**	**8,769**	**2,419**
Exceptional Item	103	0	0	0	0	0	0	-200	103	-200	0
PBT after EO	**1,331**	**1,747**	**1,448**	**1,767**	**2,159**	**2,056**	**2,006**	**2,748**	**6,293**	**8,969**	**2,419**
Eff. Tax Rate (%)	22.3	24.7	25.3	22.8	24.3	24.8	24.1	23.5	23.8	75.9	24.1
Adj. PAT	**1,112**	**1,315**	**1,082**	**1,365**	**1,635**	**1,546**	**1,523**	**1,950**	**4,875**	**6,653**	**1,835**
YoY Change (%)	-8.3	-1.4	14.4	0.2	47.0	17.5	40.7	42.9	0.4	36.5	34.5

Standalone Performance

Y/E March	FY23				FY24				FY23	FY24	
INR m	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**			**4Q**
Net Sales	**16,161**	**19,054**	**15,968**	**16,492**	**18,254**	**19,736**	**19,934**	**20,586**	**67,675**	**78,510**	**21,162**
YoY Change (%)	40.3	26.9	7.2	6.1	13.0	3.6	24.8	24.8	18.8	16.0	28.3
RM Cost (% of sales)	67.7	67.4	66.6	66.1	66.0	65.9	66.3	63.9	67.0	65.5	66.4
Staff Cost (% of sales)	5.1	4.1	4.9	5.1	5.0	4.8	4.8	4.8	4.8	4.8	4.7
Other Expenses (% of sales)	16.4	16.3	17.3	17.0	16.4	16.8	17.3	17.9	16.7	17.1	16.7
EBITDA	**1,742**	**2,319**	**1,777**	**1,955**	**2,302**	**2,478**	**2,311**	**2,773**	**7,792**	**9,863**	**2,569**
Margins (%)	10.8	12.2	11.1	11.9	12.6	12.6	11.6	13.5	11.5	12.6	12.1
Depreciation	571	595	603	638	643	651	658	673	2,407	2,625	661
Interest	8	14	13	8	10	9	5	5	43	30	10
Other Income	40	59	80	103	107	107	136	145	282	495	138
PBT before EO expense	**1,203**	**1,769**	**1,240**	**1,413**	**1,756**	**1,924**	**1,783**	**2,240**	**5,625**	**7,703**	**2,035**
Extra-Ord expense	103	0	0	0	0	0	0	-200	103	-200	0
Tax Rate (%)	26.5	25.8	25.6	26.0	25.6	25.9	25.7	25.3	25.9	25.6	25.7
Adj. PAT	**885**	**1,313**	**922**	**1,045**	**1,305**	**1,425**	**1,324**	**1,674**	**4,165**	**5,729**	**1,512**
YoY Change (%)	10.6	7.3	5.0	-8.9	47.4	8.6	43.6	60.2	2.8	37.5	44.7
Margins (%)	5.5	6.9	5.8	6.3	7.2	7.2	6.6	8.1	6.2	7.3	7.1

EU Subs

Y/E March	FY23				FY24				FY23	FY24	
EUR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q
Net Sales	61	57	60	67	69	63	63	68	245	263	67
YoY Change (%)	-1.9	25.8	26.3	7.4	12.6	10.1	5.5	1.4	12.7	7.2	-0.9
EBITDA	8.4	6.6	8.6	12.0	11.1	9.3	9.8	12.1	35.6	42.4	11
Margins (%)	13.7	11.6	14.3	17.8	16.1	14.8	15.5	17.8	14.5	16.1	16.3
PAT	2.9	1.7	3.0	4.4	4.2	2.5	3.3	4.0	12.0	13.9	
YoY Change (%)	-38.3	6.3	172.7	64.4	44.8	47.1	9.9	-10.9	19.2	15.8	

E: MOFSL Estimates

Maxwell

Y/E March	FY23				FY24				FY23	FY24	
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q
Net Sales		40	58	80	160	170	190	110	178	630	220
YoY Change (%)						325.0	227.6	37.5		253.9	175.0
EBITDA		-61.0	-47.6	-10.4	-28.0	-43.0	-34.0	-13.0	-119.0	-118.0	-36
Margins (%)		-152.5	-82.1	-13.0	-17.5	-25.3	-17.9	-11.8	-66.9	-18.7	-16.2
PAT		-132.4	-85.7	-29.0	-50.0	-64.2	-55.0	-37.0	-177.0	-205.0	
YoY Change (%)											

Highlights from the management commentary

Industry scenario

- Overall domestic auto industry grew 20.5% YoY with 2Ws growing 26% YoY (Motorcycles/Scooters grew 28%/22% YoY). The EU new car registrations grew 4% YoY.

India new order wins at INR8.25b in FY24:

- 77% income from the India operations.
- In FY24, INR12b worth of business was won from OEMs other than BJAUT, which would reach peak sales in FY27 (INR8.25b of new business and INR3.7b of replacement business). 4W business win in FY24 was INR2.8b, which was 23% of total order wins. PV orders are mainly from TTMT Punch Powertrain, Hyundai, Kia, M&M, and JLR. RFQs worth INR18.4b are under discussion.
- **Business wins in FY24 for India operations were**:
  - INR719m business from TVS (includes INR309m for inverted front forks and rear shocks, suspension business/ INR404m business for TVS Raider front fork and rear shock absorber). SOPs to start from Aug'24. TVS business win has been INR5.3b to date for brakes, alu alloy wheels, and suspension. It will reach peak sales in FY26.
  - INR1.75b business win from HMCL which includes INR240m business for inverted front fork, (SOP Jun'24), brake assembly business of INR260m (SOP Apr'24), front and rear shock absorber business of INR1.25b (SOP started)
  - Suzuki new scooter front fork business of INR253m, in addition to INR1,400m of front fork business won in FY23. (SOP from 3QFY25)
  - HMSI brake assembly business for INR294m (SOP from 3QFY25).
  - HMSI's two new business wins in 4QFY24 are: 100cc rear shock absorber of INR343m/annum (SOP from Feb'25); EV front fork shock absorber (SOP from 4QFY25).
  - RE alloy wheel business of INR961m with (SOP started).
  - TTMT Punch powertrain Alu casting business INR1.03b (INR582m-SOP started and rest from 3QFY25).

- 35mm dia air suspension inverted front fork export order from KTM Austria (SOP from 3QFY25). Value of this business is INR400m/annum.
- INR876m business from Hyundai for Alu castings. (SOP from 3QFY27).
- E-3W business won for case transmission, battery housing castings of INR200m/annum which will peak in FY26.
- INR793m business won in Maxwell for BMS and have pipeline of RFQs of INR1b. Should see sales of INR2500m by FY27 thru Maxwell.

- **EU new order wins at EUR30.8m in FY24** with key order from VW for EV motor cover and clutch housing of Mercedes hybrid vehicle. Out of EUR251m of cumulative orders won in the last five years, EUR91m (36%) are for EV applications and EUR120m (48%) for Hybrid Applications. BEV penetration in Europe stood at 15%/hybrids at 33% in FY24.
- Future growth drivers: a) increased share of PVs in consolidated business to 45% by FY30E (from 25% presently) on the back of Alu castings/forgings due to light weighting. b) Focus on premium bikes. c) focus on embedded electronics business d) non-auto business - 10% of India business from aftermarket by FY28.
- Aftermarket sales grew 7% in FY24 to INR4.6b. It added 3 more countries and is now exporting parts to 34 countries.
- **EV scooters**: ramping up Alu castings to 240k sets/annum required for battery pack and motor housing. Total value would be INR1,000m/annum, production started and will reach peak in this year.
- **Disc brake assembly business growing with addition of customers such as BJAUT, TVS, Yamaha, HMCL, Ather and HMSI**. The second plant was set up in Waluj and SOP started last year. With this plant, it has reached a run rate of 6.2m/annum for disc brake assembly volumes.
- Present capacities of ABS assemblies are 400k/annum and it is supplying to BJAUT/RE. It would start supplying dual channel ABS from Jul'24 and would increase capacity by 240k/annum. Total capacity would be 640k/annum. Plan is to increase capacity to 1.2m/annum by 2HFY26 based on the present RFQs.
- Alloy wheels capacity stands at 4.5m wheels/annum. Plan is to take it to 5m wheels/annum due to strong demand from BJAUT/TVS/RE.
- N**ew plant in Sambhajinagar started in Jan'24 to caters to 4W EV parts demand and non-auto Alu casting (telecom, ATVs etc.) business with capex of INR4b to be spent in stages** with sales expectation of INR5b/year. It would be an advanced plant mostly focused on exports. SOP to start from 1QFY26.

India business key pointers:

- **Drivers of India margins**: Increase in volumes and improvement in product mix. There was a INR200m one-time gain on the customer and vendor side (over and above INR203m incentives)
- **Brakes is the fastest growing segment** with orders outpacing the budgeted production.
- **Domestic 4Ws contributed to 6.5% of India business.** Alu die casting for Hyundai/ Kia / M&M/TTMT and exports to EU. Alu forging order of INR250m from JLR side. Alu forgings segment was started due to backward integration for KTM/BJAUT inverted front forks. Presently, it has an order from HD also.

- Alu die castings capacity in new Sambhajinagar plant would be 900 MT/ month (total capacity of ENDU would be more than 100k MT/annum excluding alloy wheels).
- The company has booked incentives of INR792.3m for FY13-19 period. For FY25 it expects incentives of around INR300m which would be mostly be booked in the first 2 quarters. Also there would be incentives for FY19-24 whenever the company applies for it.
- Not exporting anything from India to the US.

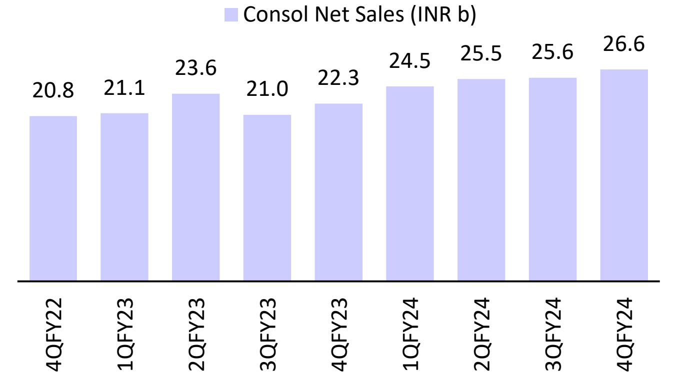
The EU business key pointers:

- New orders wins have slowed down in FY24 but the company is confident of showing a good performance in FY25 on the back of orders wins in the previous financial years.
- **Margins flat on YoY basis despite sharp decline in energy costs:** 4QFY23 has a positive impact of 45% grant from the government on energy costs and compensation from the customers. 4QFY24 had the positive impact of 12% reduction in RM costs despite increase in other expenses by 26%. Further, the machining mix in this quarter was higher that led to better profitability. Despite reduction of energy prices it is still paying 3x the energy costs vs. pre-Covid level which impacted EU full year margins by 1.8% despite improvement in volumes.
- **EV outlook in the EU:** ENDU would be reaching 50% of the peak capacity it had put up to service the EV orders it had won in the last two years. It expects EVs to grow in line with the PV industry in the future. It is open for acquisitions in the EU to continue the growth momentum.
- **Capex for the EU business** would be EUR40m (vs. EUR62m in FY24).
- Hybrid components are made from high pressure die casting with high level of machining required. Investments are higher for this processes.

Others

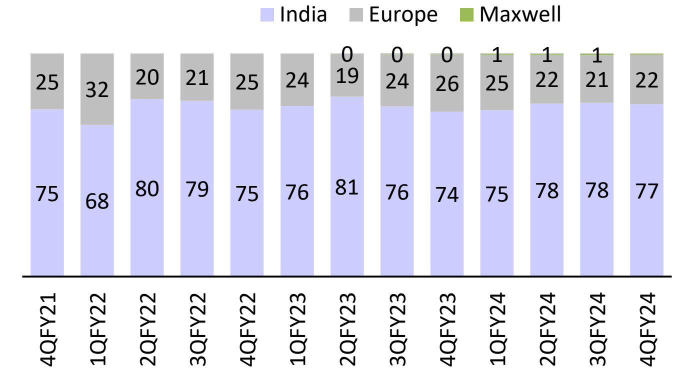
- FY25 capex would be INR4b. Capex for FY24 was INR3.8b (81% was growth capex with the rest maintenance).
- Aluminum die casting requires higher capex. Company is focusing on winning new orders in this vertical with machining involved to improve margins.

Exhibit 1: Trend in consolidated revenue



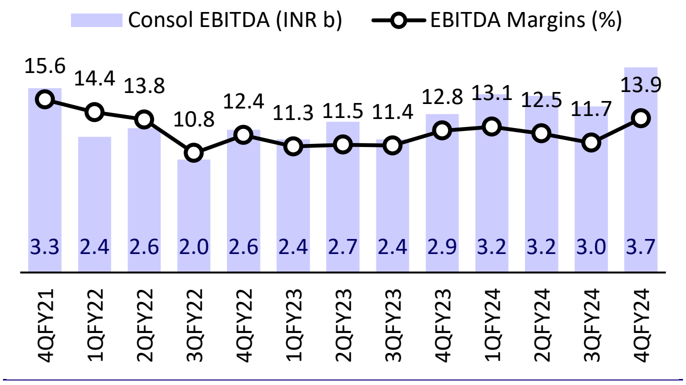
Source: Company, MOFSL

Exhibit 2: Revenue split in India, Europe and Maxwell (as percentage of total)



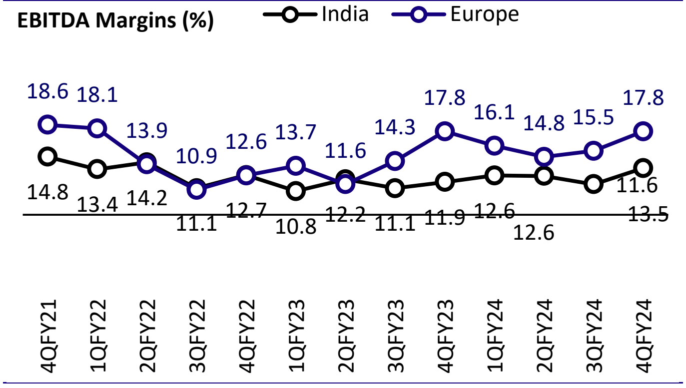
Source: Company, MOFSL

Exhibit 3: Trend in consolidated EBITDA margin



Source: Company, MOFSL

Exhibit 4: EBITDA margin trends in India and Europe



Source: Company, MOFSL

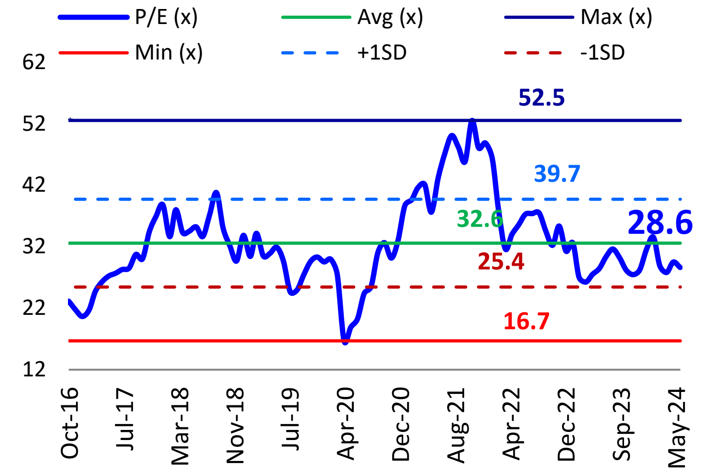
Valuation and view

- Given ENDU's strong positioning in the 2W segment, it is the best proxy to play the India 2W opportunity, keeping in mind the underlying trends of premiumization and an uptrend in scooters. Driven by new customer wins (won orders worth INR40.9b since FY20, including new orders worth INR29.3b) and technology-led increase in content, we estimate ENDU to outperform the underlying 2W industry in India.
- ENDU is also geared up for the electrification megatrend in 2Ws through Maxwell, as it is focusing on the most critical component, BMS. The company has already won orders worth INR3.8b in the last three years from new-age OEMs. It has won a BMS order worth INR300m from RE, indicating that it is slowly making inroads with traditional OEMs.
- The company offers strong management, a diverse revenue profile, improving technological content, increasing wallet share of customers, and financial discipline. It is one of the few auto-ancillary companies in India that boasts a truly diversified revenue base, both in terms of product lines as well as customer base, but still offers a consistently respectable RoE. At the helm is a proven management, as evidenced by sustained profitable growth, entry into new segments, and significant market share gains.
- Given ENDU's strong business franchisee and strong management, the stock should continue to command premium valuation multiples in comparison to most domestic auto ancillary companies, as there are only a handful of high-quality, large-scale, multi-product auto component suppliers, in our view.
- We raise our FY25E/FY26E EPS by 14% each, owing to ENDU's strong order backlog and continued new order wins both in India and Europe. We estimate a CAGR of ~16%/21%/31% in consolidated revenue/EBITDA/PAT over FY24-26, on the back of the recovery in underlying industries (domestic 2W and European PV), a content increase in the Suspension and Braking business, and an improving margin trajectory. The stock trades at 33x/27x FY25/FY26E consolidated EPS. A sustained recovery in underlying 2W demand, a strong focus on ramping up presence in the PV segment, and a strong order backlog in the EU in FY25 are potential catalysts for the stock. **We reiterate our BUY rating with a TP of INR2,515 (based on 31x Mar'26E consolidated EPS).**

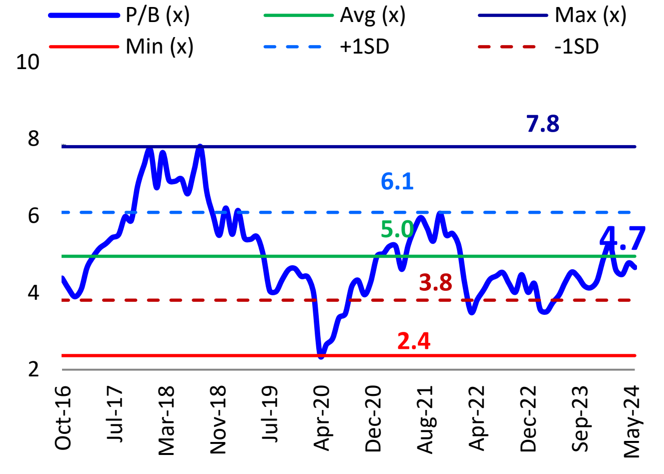
Exhibit 5: Our revised estimates (consolidated)

(INR M)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,18,527	1,15,974	2.2	1,37,280	1,30,218	5.4
EBITDA (%)	13.8	13.0	80bp	14.0	13.5	50bp
Net Profit	9,250	8,109	14.1	11,407	9,998	14.1
EPS (INR)	65.8	57.6	14.1	81.1	71.1	14.1

Exhibit 6: Valuations – P/E and P/B trading band



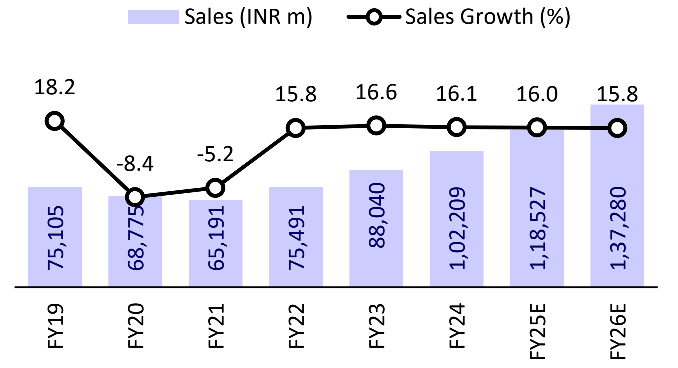
Source: Bloomberg, MOFSL



Source: Bloomberg, MOFSL

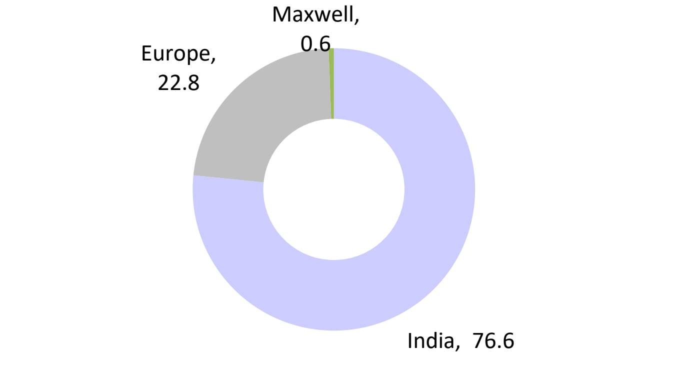
Story in charts

Exhibit 7: Trend in consolidated sales



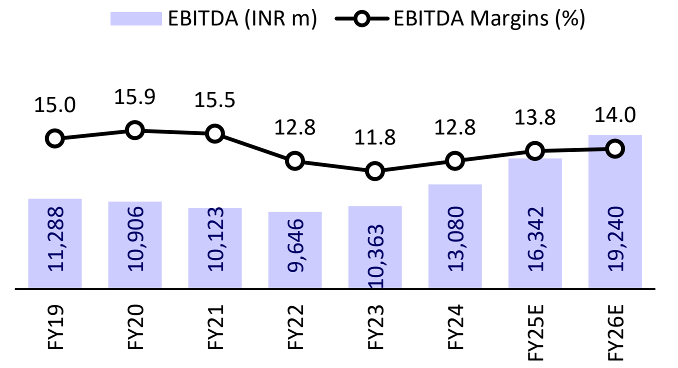
Source: Company, MOFSL

Exhibit 8: Sales break-up in FY24



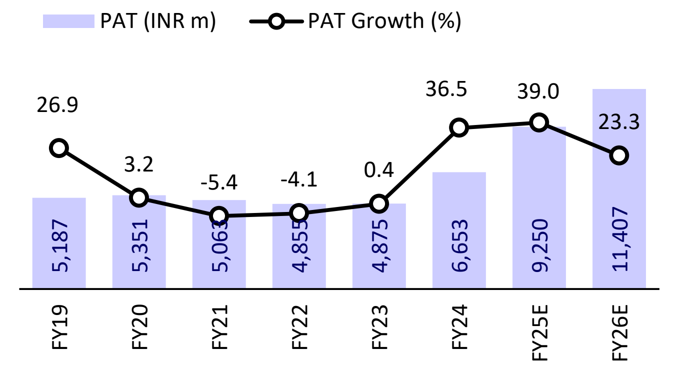
Source: Company, MOFSL

Exhibit 9: Trends in EBITDA and EBITDA margin



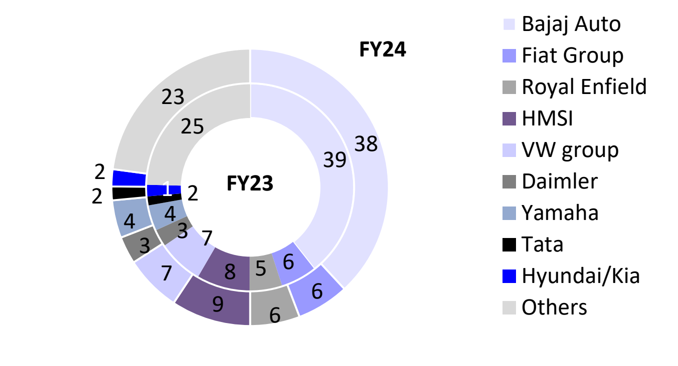
Source: Company, MOFSL

Exhibit 10: Trend in consolidated PAT



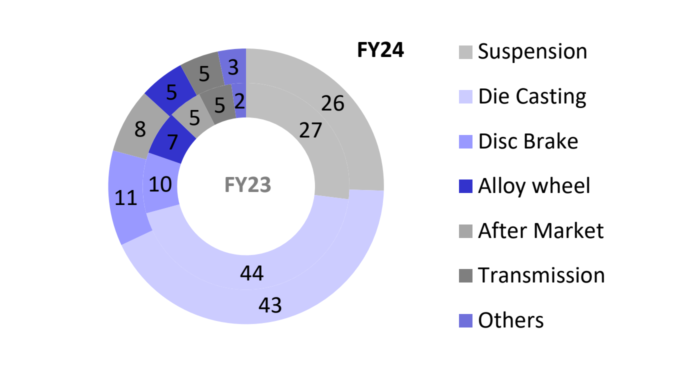
Source: Company, MOFSL

Exhibit 11: Customer-wise break up (%)



Source: Company presentation, MOFSL

Exhibit 12: Segment-wise break up (% consolidated)



Source: Company presentation, MOFSL

Financials and valuations

Income Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	**75,105**	**68,775**	**65,191**	**75,491**	**88,040**	**1,02,209**	**1,18,527**	**1,37,280**
Change (%)	18.2	-8.4	-5.2	15.8	16.6	16.1	16.0	15.8
Raw Materials	43,495	37,352	35,706	44,201	53,295	60,506	69,782	80,862
Employees Cost	6,527	6,773	6,761	6,944	7,636	8,799	9,805	10,969
Other Expenses	13,795	13,744	12,602	14,700	16,747	19,824	22,598	26,209
Total Expenditure	**63,817**	**57,869**	**55,068**	**65,845**	**77,678**	**89,129**	**1,02,184**	**1,18,039**
% of Sales	85.0	84.1	84.5	87.2	88.2	87.2	86.2	86.0
EBITDA	**11,288**	**10,906**	**10,123**	**9,646**	**10,363**	**13,080**	**16,342**	**19,240**
Margin (%)	15.0	15.9	15.5	12.8	11.8	12.8	13.8	14.0
Depreciation	3,762	4,143	3,991	3,817	4,216	4,740	5,141	5,641
EBIT	**7,526**	**6,763**	**6,131**	**5,829**	**6,147**	**8,340**	**11,201**	**13,599**
Int. and Finance Charges	257	175	138	64	206	427	397	314
Other Income	270	476	307	410	454	856	1,310	1,600
PBT bef. EO Exp.	**7,539**	**7,064**	**6,301**	**6,176**	**6,395**	**8,769**	**12,115**	**14,886**
EO Items	92	402	167	-315	-103	200	0	0
PBT after EO Exp.	**7,631**	**7,465**	**6,468**	**5,861**	**6,293**	**8,969**	**12,115**	**14,886**
Total Tax	2,381	1,810	1,272	1,253	1,496	2,165	2,865	3,479
Tax Rate (%)	31.2	24.2	19.7	21.4	23.8	24.1	23.6	23.4
Reported PAT	**5,250**	**5,655**	**5,197**	**4,608**	**4,796**	**6,805**	**9,250**	**11,407**
Adjusted PAT	**5,187**	**5,351**	**5,063**	**4,855**	**4,875**	**6,653**	**9,250**	**11,407**
Change (%)	26.9	3.2	-5.4	-4.1	0.4	36.5	39.0	23.3

Consolidated - Balance Sheet **(INR Million)**

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	1,407	1,407	1,407	1,407	1,407	1,407	1,407	1,407
Total Reserves	24,240	28,654	34,215	37,793	42,715	48,368	56,070	65,507
Net Worth	**25,647**	**30,060**	**35,621**	**39,200**	**44,121**	**49,774**	**57,477**	**66,914**
Total Loans	5,584	5,482	4,242	3,994	5,148	7,653	6,653	5,653
Deferred Tax Liabilities	161	79	5	6	5	144	144	144
Capital Employed	**31,392**	**35,621**	**39,868**	**43,201**	**49,274**	**57,572**	**64,275**	**72,712**
Gross Block	32,159	40,629	44,054	48,000	54,354	63,945	71,445	79,445
Less: Accum. Deprn.	12,048	16,190	19,768	22,610	26,826	31,566	36,707	42,348
Net Fixed Assets	**20,112**	**24,439**	**24,286**	**25,390**	**27,528**	**32,379**	**34,738**	**37,097**
Goodwill on Consolidation	1,520	1,624	1,740	1,757	3,900	3,923	3,923	3,923
Capital WIP	1,178	1,260	962	1,193	1,709	1,593	1,593	1,593
Total Investments	**361**	**1,660**	**4,443**	**4,868**	**6,718**	**7,926**	**11,926**	**15,926**
Curr. Assets, Loans&Adv.	**24,690**	**21,716**	**26,045**	**25,368**	**28,169**	**33,036**	**37,077**	**43,108**
Inventory	5,400	5,501	6,118	7,011	8,206	8,722	10,067	11,659
Account Receivables	9,251	6,727	10,410	9,704	11,620	12,624	14,613	16,925
Cash and Bank Balance	5,379	6,209	5,133	4,026	2,877	5,047	5,039	6,001
Loans and Advances	4,660	3,279	4,383	4,627	5,465	6,643	7,358	8,522
Curr. Liability & Prov.	**16,468**	**15,078**	**17,607**	**15,375**	**18,750**	**21,285**	**24,982**	**28,934**
Account Payables	11,735	10,662	12,783	12,413	14,257	16,045	18,510	21,438
Other Current Liabilities	3,783	3,305	3,791	2,088	3,520	4,394	5,163	5,979
Provisions	950	1,111	1,032	874	973	846	1,309	1,517
Net Current Assets	**8,222**	**6,638**	**8,438**	**9,993**	**9,418**	**11,751**	**12,095**	**14,173**
Appl. of Funds	**31,392**	**35,621**	**39,868**	**43,201**	**49,274**	**57,572**	**64,275**	**72,712**

E: MOFSL Estimates

Financials and valuations

Ratios (INR Million)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	**36.9**	**38.0**	**36.0**	**34.5**	**34.7**	**47.3**	**65.8**	**81.1**
BV/Share	182	214	253	279	314	353.9	408.6	476
DPS	5.5	5.5	6.0	6.3	7.0	8.5	11.0	14.0
Payout (%)	17.7	16.5	16.2	19.1	20.5	17.6	16.7	17.3
Valuation (x)								
P/E	59.3	57.5	60.8	63.4	63.1	46.3	33.3	27.0
P/BV	12.0	10.2	8.6	7.9	7.0	6.2	5.4	4.6
EV/Sales	4.1	4.5	4.7	4.1	3.5	3.0	2.6	2.2
EV/EBITDA	27.3	28.2	30.3	31.9	29.9	23.7	18.9	16.0
Dividend Yield (%)	0.3	0.3	0.3	0.3	0.3	0.4	0.5	0.6
FCF per share	15.7	33.0	22.0	15.8	17.1	16.8	40.0	47.2
Return Ratios (%)								
RoE	21.9	19.2	15.4	13.0	11.7	14.2	17.2	18.3
RoCE	18.3	16.4	13.7	11.8	14.3	13.1	15.7	17.0
RoIC	22.6	20.1	17.6	14.7	13.2	15.6	19.3	22.0
Working Capital Ratios								
Fixed Asset Turnover (x)	2.3	1.7	1.5	1.6	1.6	1.6	1.7	1.7
Asset Turnover (x)	2.4	1.9	1.6	1.7	1.8	1.8	1.8	1.9
Inventory (Days)	26	29	34	34	34	31	31	31
Debtor (Days)	45	36	58	47	48	45	45	45
Creditor (Days)	57	57	72	60	59	57	57	57
Leverage Ratio (x)								
Net Debt/Equity	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2

Consolidated - Cash Flow Statement (INR Million)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	7,331	7,466	6,468	5,861	6,293	8,969	12,115	14,886
Depreciation	3,762	4,143	3,991	3,817	4,216	4,740	5,141	5,641
Interest & Finance Charges	233	169	132	57	196	418	-913	-1,286
Direct Taxes Paid	-2,337	-2,256	-1,739	-1,600	-1,849	-2,194	-2,865	-3,479
(Inc)/Dec in WC	305	538	-2,695	-398	-415	-803	-351	-1,116
CF from Operations	**9,294**	**10,060**	**6,157**	**7,737**	**8,441**	**11,131**	**13,126**	**14,645**
Others	-310	54	57	-322	179	-560	0	0
CF from Operating incl EO	**8,983**	**10,114**	**6,215**	**7,416**	**8,620**	**10,571**	**13,126**	**14,645**
(Inc)/Dec in FA	-6,776	-5,472	-3,114	-5,195	-6,216	-8,201	-7,500	-8,000
Free Cash Flow	**2,207**	**4,642**	**3,101**	**2,220**	**2,404**	**2,370**	**5,626**	**6,645**
(Pur)/Sale of Investments	137	-1,243	-2,739	-262	-1,746	-1,288	-4,000	-4,000
CF from Investments	**-7,252**	**-6,706**	**-5,906**	**-5,502**	**-9,147**	**-9,452**	**-10,190**	**-10,400**
Inc/(Dec) in Debt	-762	-542	-1,296	-1,838	282	2,513	-1,000	-1,000
Interest Paid	-233	-169	-134	-67	-30	-324	-397	-314
Dividend Paid	-678	-1,865	0	-844	-879	-985	-1,547	-1,969
CF from Fin. Activity	-1,380	-2,576	-1,384	-3,020	-719	1,051	-2,944	-3,283
Inc/Dec of Cash	**352**	**832**	**-1,076**	**-1,107**	**-1,246**	**2,170**	**-8**	**962**
Opening Balance	5,026	5,377	6,209	5,133	4,026	2,877	5,046	5,038
Closing Balance	**5,377**	**6,209**	**5,133**	**4,026**	**2,780**	**5,046**	**5,038**	**6,000**

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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