motilal oswal Financial Services

31 July 2026
1QFY27 Result Update | Sector: Chemicals

# Privi Speciality Chemicals

| Estimate change | ⟷ |
|---|---|
| TP change | ⟷ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | PRIVISCL IN |
| Equity Shares (m) | 39 |
| M.Cap.(INRb)/(USDb) | 141.8 / 1.5 |
| 52-Week Range (INR) | 3785 / 2173 |
| 1, 6, 12 Rel. Per (%) | -4/33/44 |
| 12M Avg Val (INR M) | 405 |

**Financials & Valuations (INR b)**

| Y/E Mar | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 25.6 | 30.6 | 40.0 |
| EBITDA | 6.5 | 7.7 | 10.6 |
| PAT | 3.3 | 4.2 | 6.0 |
| EBITDA % | 25.3 | 25.2 | 26.4 |
| EPS (INR) | 84.6 | 107.3 | 148.1 |
| EPS Gr. (%) | 76.7 | 26.8 | 38.0 |
| BV/Sh. (INR) | 361.6 | 468.9 | 730.5 |
| **Ratios** | | | |
| Net D:E | 0.7 | 0.6 | 0.3 |
| RoE (%) | 26.3 | 25.8 | 25.1 |
| RoCE (%) | 15.3 | 16.5 | 18.1 |
| **Valuations** | | | |
| P/E (x) | 42.7 | 33.6 | 24.4 |
| P/BV (x) | 10.0 | 7.7 | 4.9 |
| EV/EBITDA (x) | 23.2 | 19.6 | 14.8 |
| FCF per share | 58.9 | (18.0) | (74.5) |

**Shareholding Pattern (%)**

| As of | Jun-26 | Mar-26 | Jun-25 |
|---|---|---|---|
| Promoter | 60.6 | 60.6 | 69.9 |
| DII | 10.1 | 10.7 | 3.9 |
| FII | 1.9 | 1.4 | 1.5 |
| Others | 27.4 | 27.4 | 24.7 |

Note: FII includes depository receipts

**CMP: INR3630 TP: INR4400 (+21%) Buy**

## Growth momentum continues, fueled by healthy demand

**Earnings in line**

- Privi Speciality Chemicals (PRIVI) delivered a healthy revenue growth of 19% YoY to INR1.5b in 1QFY27, driven by healthy volume and realizations. Despite volatility in input costs, EBITDA grew 15% YoY to INR1.5b and margins were supported by lower other operating expenses, driven by efficiency initiatives and stringent cost controls.
- The company's growth outlook remains positive, led by global tailwinds and healthy demand visibility in the flavor and fragrance industry (China + 1 strategy), and supported by strong capacity expansion plans in existing and new products. Further, PRIVI has maintained its guidance of achieving INR50b/INR10b in revenue/EBITDA over the next 3-4 years (with a revenue growth guidance of 20% CAGR and similar EBITDA margins).
- We largely maintain our FY27/FY28 EPS estimates and reiterate our BUY rating with a TP of **INR4,400 (based on 30x FY28E EPS).**

### Healthy earnings growth despite margin pressure

- Consolidated revenue grew 19% YoY to INR6.7b (est. in line). Gross Margins contracted 650bp YoY to 44%
- EBITDA grew 15% YoY to INR1.5b (est. INR1.6b). EBITDA margin contracted 70bp YoY to 22.9% (est. 25.0%), led by lower gross margin. This was partially offset by lower other expenses as a % of sales (down 530bp).
- Adj. PAT grew 36% YoY to INR842m (in line).
- One of the company's export consignments, valued at INR27.8m, caught fire at a CFS warehouse near JNPT. The company has filed an insurance claim and expects to recover the loss in full.
- The working capital cycle improved to 108 days compared with 141 days YoY.

### Highlights from the management commentary

- **Maltol and Ethyl Maltol:** Privi aims to leverage the China+1 opportunity in maltol and ethyl maltol, with over 90–95% of global production currently concentrated in China. The company plans to establish India as an alternative manufacturing hub by becoming the only globally integrated player with a corn cob → furfural → maltol/ethyl maltol value chain, aided by superior technology, lower costs, and supply chain advantages. The strategy is aligned with its existing waste-to-value approach using CST-based products.
- **Strategic alliance:** PRIGIV generated INR180m revenue with an EBITDA margin of 14–15%. Products manufactured through PRIGIV will be exclusively supplied to Givaudan. Further, the company is evaluating other strategic alliance opportunities, with two partnerships currently under discussion.
- **Capex:** Capacity expansion is progressing as planned, with Phase 1 expected to increase capacity from 48k MT to 54k MT by Sept'26, followed by an additional 12k MT under Phase 2 by Sept'27. Phase 2 and Phase 3 projects are on track, with Phase 2 capex already initiated. This is expected to require INR9b capex over the next 2–3 years (for both Phase 2 and 3).

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## Valuation and view

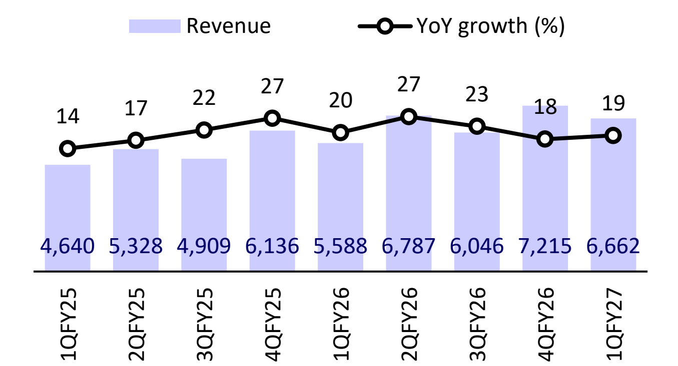
- Going forward, PRIVI's growth trajectory is expected to be driven by multiple levers, including 1) capacity expansion across both existing and new products to cater to rising demand, 2) backward integration initiatives aimed at improving cost efficiencies and supply security, 3) entry into the biomass segment to tap emerging biotech opportunities, 4) increasing traction and scale-up in Prigiv, and 5) the proposed amalgamation with PFSPL and PBPL, which is expected to simplify the group structure and enhance operational synergies.
- **We build in a CAGR of 25%/28%/36% in revenue/EBITDA/adj. PAT over FY26-28E. We largely maintain our FY27/FY28 EPS estimates and reiterate our BUY rating with a TP of INR4,400 (based on 30x FY28E EPS).**

**Consolidated - Quarterly Snapshot** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | Var |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 1Q | % |
| **Gross Sales** | **5,588** | **6,787** | **6,046** | **7,215** | **6,662** | **7,602** | **7,679** | **8,671** | **25,637** | **30,614** | **6,594** | **1** |
| *YoY Change (%)* | *20%* | *27%* | *23%* | *18%* | *19%* | *12%* | *27%* | *20%* | *22%* | *19%* | 18.0 | |
| Total Expenditure | 4,267 | 4,967 | 4,494 | 5,413 | 5,140 | 5,588 | 5,685 | 6,471 | 19,141 | 22,884 | 10,853 | |
| *Gross Margin (%)* | *50.7%* | *50.7%* | *50.1%* | *43.8%* | *44.2%* | *48.0%* | *48.0%* | *47.0%* | *48.6%* | *46.9%* | *49.0%* | |
| **EBITDA** | **1,321** | **1,820** | **1,552** | **1,802** | **1,523** | **2,013** | **1,994** | **2,200** | **6,496** | **7,729** | **1,645** | **-7** |
| *Margin (%)* | *23.6* | *26.8* | *25.7* | *25.0* | *22.9* | *26.5* | *26.0* | *25.4* | *25.3* | *25.2* | *25.0* | |
| Depreciation | 362 | 356 | 355 | 365 | 374 | 395 | 415 | 509 | 1,438 | 1,692 | 380 | |
| Interest | 237 | 215 | 186 | 182 | 167 | 165 | 160 | 155 | 820 | 647 | 180 | |
| Other Income | 90 | 1 | 65 | 42 | 152 | 20 | 20 | 20 | 198 | 212 | 20 | |
| **PBT before EO expense** | **812** | **1,251** | **1,077** | **1,297** | **1,134** | **1,473** | **1,439** | **1,556** | **4,436** | **5,602** | **1,105** | |
| Extra-Ord expense | 0 | 0 | 39 | 0 | 0 | 0 | 0 | 0 | 39 | 0 | 0 | |
| **PBT** | **812** | **1,251** | **1,038** | **1,297** | **1,134** | **1,473** | **1,439** | **1,556** | **4,397** | **5,602** | **1,105** | |
| Tax | 236 | 349 | 289 | 356 | 305 | 371 | 362 | 372 | 1,230 | 1,410 | 278 | |
| *Rate (%)* | *29.1* | *27.9* | *27.9* | *27.4* | *26.9* | *25.2* | *25.2* | *23.9* | *28.0* | *25.2* | *25.2* | |
| MI & Profit/Loss of Asso. Cos. | -44 | -37 | -31 | 4 | -14 | 5 | 5 | 5 | -108 | 1 | 5 | |
| **Reported PAT** | **619** | **939** | **780** | **937** | **842** | **1,098** | **1,072** | **1,179** | **3,275** | **4,190** | **822** | |
| **Adj. PAT** | **619** | **939** | **809** | **937** | **842** | **1,098** | **1,072** | **1,179** | **3,305** | **4,190** | **822** | **2** |
| *YoY Change (%)* | *97.4* | *109.1* | *82.1* | *40.8* | *36.0* | *16.9* | *32.4* | *25.8* | *76.5* | *26.8* | *-75.1* | |
| *Margin (%)* | *11.1* | *13.8* | *13.4* | *13.0* | *12.6* | *14.4* | *14.0* | *13.6* | *12.9* | *13.7* | *12.5* | |
| *Growth (%)* | *97.4* | *109.1* | *82.1* | *40.8* | *36.0* | *16.9* | *32.4* | *25.8* | *76.5* | *26.8* | *32.7* | |

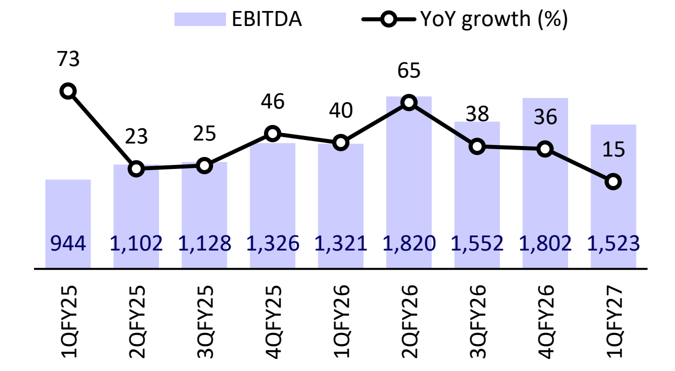
# Key Exhibits

**Exhibit 1: Consolidated revenue trend**



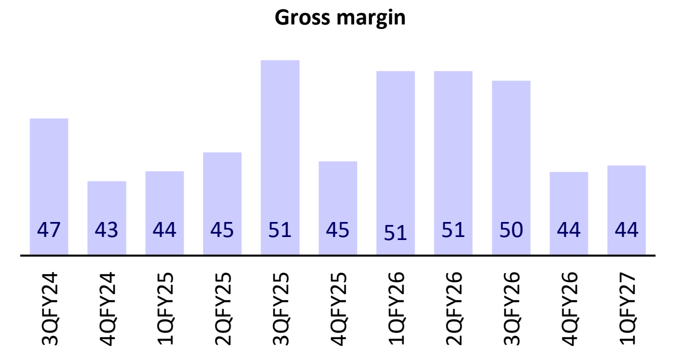

Source: Company, MOFSL

**Exhibit 2: Consolidated EBITDA trend**



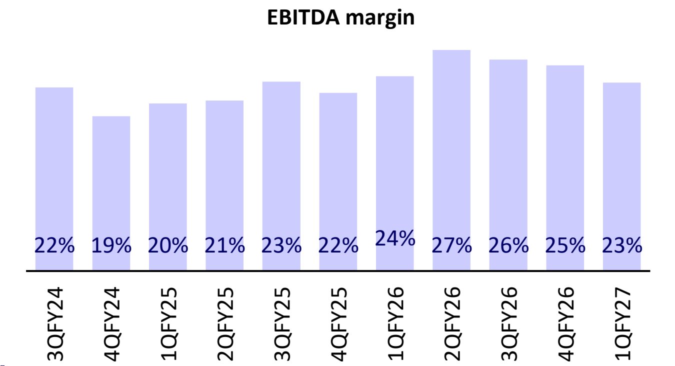

Source: Company, MOFSL

**Exhibit 3: Gross margin trend**



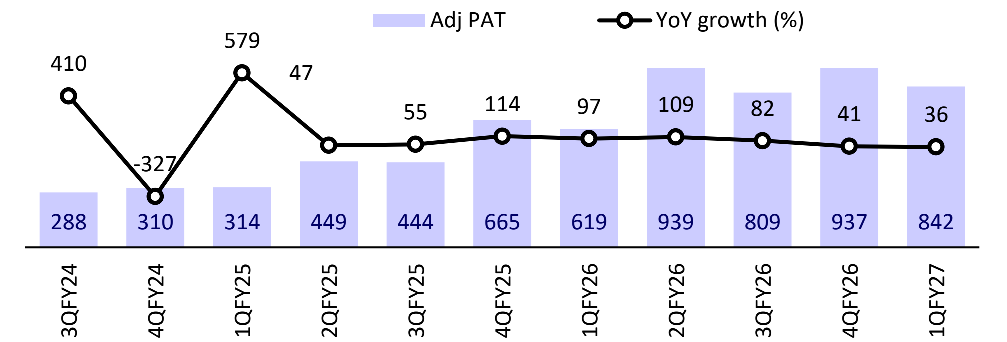

Source: Company, MOFSL

**Exhibit 4: EBITDA margin trend**




Source: Company, MOFSL

**Exhibit 5: Adj. profit trend**




Source: Company, MOFSL

### Exhibit 1: The company is marching toward its guidance

**New Projects and Products**

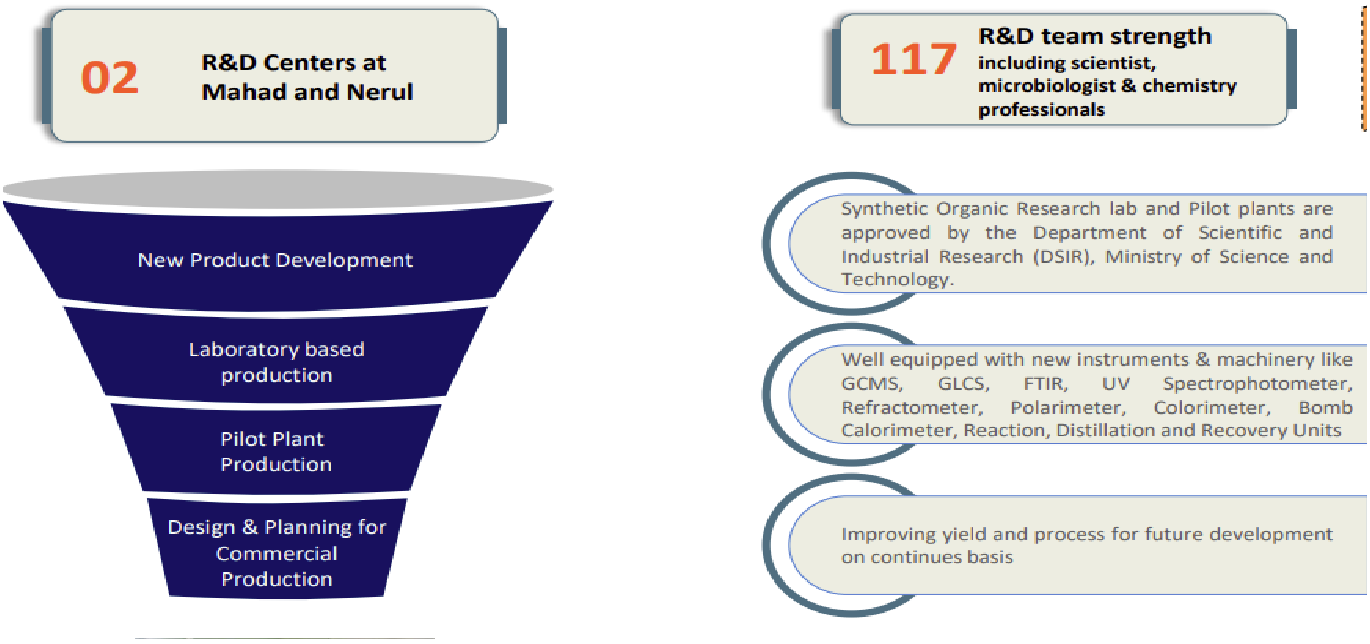
- Existing products expansion
- Maltol and Ethyl Maltol
- Renewable Cyclopentanone
- 10+ other High end Specialty Products
- Furfural
- 40+ Products under PRIGIV

On track to achieve the vision of **Rs 5,000 Cr revenue** and **Rs 1,000 Cr + EBITDA** by FY29-30, representing more than 2x growth.

**EBITDA margins** are expected to sustain north of **20%,** driven by continued operational efficiency and an enhanced product mix

Source: Company, MOFSL

### Exhibit 2: High R&D focus to improve products and processes




Source: Company, MOFSL

CONFERENCE CALL

## Key highlights from the management commentary

**Capex**
- Capacity expansion is progressing as planned. Phase 1: Capacity expected to increase from 48k MT to 54k MT by Sept'26. Phase 2: Additional 12k MT capacity targeted by Sept'27.
- Phase 2 and Phase 3 projects are progressing as per schedule.
- Phase 2 capex has already commenced.
- Capex is primarily funded through internal accruals, followed by bank borrowings at competitive rates.
- Management remains focused on maintaining prudent debt levels.
- Planned capex of approximately INR9b over the next 2–3 years.

**Operations**
- One of the company's export consignments, valued at INR27.8m, was damaged in a fire at a CFS warehouse near JNPT. The company has filed an insurance claim and expects to recover the loss.
- The business has remained resilient despite challenging global macroeconomic conditions. A diversified geographic presence has helped maintain stability across markets.
- The company has not faced any operational or supply chain disruptions, highlighting the structural strength of its business.
- New products are expected to expand the addressable market, strengthen customer relationships, and contribute meaningfully to future growth.
- Expansion projects are progressing as planned and are expected to commence commercial operations in 2HCY28.
- Supported by a strong balance sheet, healthy cash flows, and a well-defined strategic roadmap, the company remains well positioned for future growth.
- Input costs remained volatile; however, the company continues to focus on:
- Improving utilization levels, Cost reduction initiatives, and Better product mix.
- RM cost as a percentage of sales is expected to remain in the range of 52–54%, primarily impacted by GTO price volatility.
- Company manufactures 75+ products using ~60 different raw materials, providing diversification.
- EBITDA margins are expected to improve towards 25%+ (including other income).
- Alpha pinene prices have increased significantly and are currently at historical highs; however, the company has been able to pass on higher costs to customers.

**Biomass**
- Progressing well on conversion of biomass into patented products.
- Multiple patents have been filed.
- A demonstration plant is being established to process ~2 tons of biomass per day, enabling validation and subsequent scale-up.

**Merger**

- Merger process continues to progress as planned and is expected to be completed in FY27.
- Scheme has already been filed with the NCLT.
- Company is currently not pursuing backward integration in PFS.
- Backward integration opportunities will be evaluated once PFS becomes part of the Privi portfolio.

**Continuous chemistry**

- Existing molecules typically involve 3–4 reaction steps, with some steps already converted to continuous processes.
- Most distillation processes have already moved to continuous operations.
- The company is evaluating continuous manufacturing for upcoming projects wherever technically feasible.
- Large-scale molecules are being designed with continuous manufacturing capabilities.
- Certain specialty molecules will continue to be manufactured through batch processes due to process requirements.

**Guidance**

- Management reiterated its long-term guidance of achieving INR50b revenue and INR10b EBITDA over the next 3–4 years, with revenue growth expected at around 20% CAGR while maintaining EBITDA margins at similar levels.
- The company has made no changes to its existing guidance.

**Maltol and Ethyl Maltol**

- Over 90–95% of global maltol and ethyl maltol production is concentrated in China, creating a significant China+1 opportunity for Privi.
- Ethyl Maltol is primarily used as a pharmaceutical intermediate, with India currently importing substantial quantities.
- Maltol is used as a flavoring ingredient across products such as chocolates, biscuits and dairy-flavored foods.
- Privi aims to establish India as an alternative manufacturing hub for these products.
- Privi aims to become the only globally integrated player with a complete value chain of corn cob → furfural → maltol/ethyl maltol.
- While several companies manufacture furfural from corn cob and Chinese players produce downstream maltol products, Privi's differentiation lies in: Complete backward integration, Superior furfural production technology, Lower manufacturing costs, and enhanced supply chain efficiency.
- The strategy aligns with Privi's existing waste-to-value approach using CST-based products.
- Ethyl Maltol is to be used for pharma and, being an intermediate, currently does not require any additional regulatory approvals. For maltol, it is being designed as per GMP standards. The company will be getting good manufacturing practices certification to sell those products because it is a flavor.

**Others**

- Most players manufacture camphor using GTO, which remains a volatile raw material. Privi manufactures camphor using CST, providing a differentiated sourcing advantage. Camphor contributes around 4–5% of total revenue.
- PRIGIV generated INR180m revenue with an EBITDA margin of 14–15%. The company is evaluating strategic alliance opportunities, with two partnerships currently under discussion. Products manufactured through PRIGIV will be exclusively supplied to Givaudan.
- Geopolitical developments have had a limited impact on the company's raw material availability, supported by its diversified sourcing capabilities. Additionally, Privi has limited exposure to crude-linked raw materials, reducing the impact of crude price volatility on its operations.

## Valuation and view

- Going forward, PRIVI's growth trajectory is expected to be driven by multiple levers, including 1) capacity expansion across both existing and new products to cater to rising demand, 2) backward integration initiatives aimed at improving cost efficiencies and supply security, 3) entry into the biomass segment to tap emerging biotech opportunities, 4) increasing traction and scale-up in Prigiv, and 5) the proposed amalgamation with PFSPL and PBPL, which is expected to simplify the group structure and enhance operational synergies.
- **We build in a CAGR of 25%/28%/36% in revenue/EBITDA/adj. PAT over FY26-28E. We largely maintain our FY27/FY28 EPS estimates and reiterate our BUY rating with a TP of INR4,400 (based on 30x FY28E EPS).**

**Exhibit 3: Revisions to our estimates**

| Earnings change | Old | | New | | Change | |
|---|---|---|---|---|---|---|
| (INR m) | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E |
| Revenue | 30,614 | 40,014 | 30,614 | 40,014 | 0% | 0% |
| EBITDA | 7,949 | 10,564 | 7,729 | 10,564 | -3% | 0% |
| Adj. PAT | 4,194 | 6,022 | 4,190 | 6,040 | 0% | 0% |
| EPS | 107 | 148 | 107 | 148 | 0% | 0% |

Source: MOFSL

# Financials and valuations

**Income Statement** (INRm)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|
| **Total Income from Operations** | **12,766** | **14,037** | **16,078** | **17,522** | **21,012** | **25,637** | **30,614** | **40,014** |
| Change (%) | -3.6 | 10.0 | 14.5 | 9.0 | 19.9 | 22.0 | 19.4 | 30.7 |
| Raw Materials | 7,511 | 8,310 | 9,610 | 10,094 | 11,315 | 13,171 | 16,258 | 20,807 |
| Power and fuel | 704 | 1,003 | 1,472 | 1,383 | 1,533 | 1,737 | 2,136 | 2,801 |
| Employees Cost | 699 | 767 | 797 | 727 | 865 | 1,108 | 1,229 | 1,441 |
| Other Expenses | 1,776 | 2,020 | 2,340 | 2,069 | 2,799 | 3,125 | 3,262 | 4,402 |
| **Total Expenditure** | **10,690** | **12,099** | **14,219** | **14,273** | **16,512** | **19,141** | **22,884** | **29,451** |
| **Gross profit** | **5,255** | **5,728** | **6,468** | **7,429** | **9,697** | **12,466** | **14,356** | **19,207** |
| Gross Margin (%) | 41.2 | 40.8 | 40.2 | 42.4 | 46.1 | 48.6 | 46.9 | 48.0 |
| **EBITDA** | **2,076** | **1,938** | **1,859** | **3,250** | **4,500** | **6,496** | **7,729** | **10,564** |
| Margin (%) | 16.3 | 13.8 | 11.6 | 18.5 | 21.4 | 25.3 | 25.2 | 26.4 |
| Depreciation | 710 | 747 | 1,085 | 1,234 | 1,318 | 1,438 | 1,692 | 2,031 |
| **EBIT** | **1,366** | **1,192** | **774** | **2,015** | **3,182** | **5,058** | **6,037** | **8,533** |
| Int. and Finance Charges | 214 | 241 | 678 | 979 | 879 | 820 | 647 | 564 |
| Other Income | 200 | 324 | 214 | 263 | 242 | 198 | 212 | 105 |
| **PBT bef. EO Exp.** | **1,351** | **1,275** | **310** | **1,299** | **2,545** | **4,436** | **5,602** | **8,074** |
| EO Items | 231 | 53 | 0 | 0 | 0 | 39 | 0 | 0 |
| **PBT after EO Exp.** | **1,582** | **1,328** | **310** | **1,299** | **2,545** | **4,397** | **5,602** | **8,074** |
| Total Tax | 413 | 354 | 98 | 345 | 698 | 1,230 | 1,410 | 2,032 |
| Tax Rate (%) | 26.1 | 26.6 | 31.5 | 26.5 | 27.4 | 28.0 | 25.2 | 25.2 |
| Minority Interest | 0 | 0 | -9 | 5 | -22 | -108 | 1 | 1 |
| **Reported PAT** | **1,169** | **974** | **222** | **949** | **1,870** | **3,275** | **4,190** | **6,040** |
| **Adjusted PAT** | **938** | **921** | **222** | **949** | **1,870** | **3,305** | **4,190** | **6,040** |
| Change (%) | -18.9 | -1.8 | -75.9 | 327.2 | 97.0 | 76.7 | 26.8 | 44.1 |
| Margin (%) | 7.3 | 6.6 | 1.4 | 5.4 | 8.9 | 12.9 | 13.7 | 15.1 |

**Consolidated - Balance Sheet** (INRm)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|
| Equity Share Capital | 391 | 391 | 391 | 391 | 391 | 391 | 391 | 408 |
| Eq. Share Warrants & App. Money | | | | | | | | |
| Preference Capital | | | | | | | | |
| Total Reserves | 6,835 | 7,732 | 7,900 | 8,853 | 10,644 | 13,734 | 17,924 | 29,395 |
| **Net Worth** | **7,225** | **8,123** | **8,291** | **9,244** | **11,034** | **14,124** | **18,315** | **29,803** |
| Minority Interest | 0 | 74 | 64 | 167 | 145 | 282 | 283 | 284 |
| Total Loans | 5,021 | 9,330 | 10,793 | 10,082 | 11,428 | 10,213 | 11,213 | 10,213 |
| Deferred Tax Liabilities | 133 | 133 | 198 | 232 | 241 | 227 | 227 | 227 |
| **Capital Employed** | **12,378** | **17,659** | **19,347** | **19,725** | **22,849** | **24,846** | **30,037** | **40,527** |
| | | | | | | | | |
| Gross Block | 9,601 | 11,476 | 15,648 | 17,168 | 19,766 | 21,190 | 27,167 | 30,667 |
| Less: Accum. Deprn. | 3,621 | 4,346 | 5,425 | 6,723 | 8,067 | 9,505 | 11,197 | 13,228 |
| **Net Fixed Assets** | **5,980** | **7,130** | **10,222** | **10,445** | **11,699** | **11,685** | **15,969** | **17,439** |
| Goodwill on Consolidation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital WIP | 1,744 | 3,636 | 946 | 887 | 1,275 | 2,976 | 2,500 | 1,500 |
| **Total Investments** | **0** | **120** | **67** | **403** | **84** | **545** | **545** | **5,993** |
| | | | | | | | | |
| **Curr. Assets, Loans&Adv.** | **7,678** | **10,875** | **12,675** | **11,690** | **14,848** | **16,492** | **19,206** | **26,291** |
| Inventory | 3,425 | 6,163 | 7,994 | 6,594 | 7,884 | 8,261 | 9,864 | 12,893 |
| Account Receivables | 2,390 | 2,650 | 2,956 | 3,475 | 3,941 | 5,260 | 6,281 | 8,210 |
| Cash and Bank Balance | 197 | 374 | 250 | 288 | 502 | 695 | 343 | 1,186 |
| Loans and Advances | 1,665 | 1,688 | 1,475 | 1,333 | 2,520 | 2,276 | 2,717 | 4,001 |
| **Curr. Liability & Prov.** | **3,024** | **4,102** | **4,565** | **3,700** | **5,056** | **6,853** | **8,183** | **10,696** |
| Account Payables | 1,674 | 3,058 | 2,939 | 2,825 | 4,023 | 5,274 | 6,298 | 8,232 |
| Other Current Liabilities | 1,189 | 854 | 1,426 | 663 | 759 | 1,210 | 1,444 | 1,888 |
| Provisions | 160 | 190 | 199 | 212 | 275 | 369 | 441 | 576 |
| **Net Current Assets** | **4,654** | **6,773** | **8,111** | **7,989** | **9,791** | **9,639** | **11,023** | **15,595** |
| Misc Expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Appl. of Funds** | **12,378** | **17,659** | **19,347** | **19,725** | **22,849** | **24,846** | **30,037** | **40,527** |

# Financials and valuations

## Ratios

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|
| **Basic (INR)** | | | | | | | | |
| **EPS** | **24.0** | **23.6** | **5.7** | **24.3** | **47.9** | **84.6** | **107.3** | **148.1** |
| **EPS Growth (%)** | **-18.9** | **-1.8** | **-75.9** | **327.2** | **97.0** | **76.7** | **26.8** | **38.0** |
| Cash EPS | 42.2 | 42.7 | 33.5 | 55.9 | 81.6 | 121.4 | 150.6 | 197.8 |
| BV/Share | 185.0 | 207.9 | 212.2 | 236.6 | 282.5 | 361.6 | 468.9 | 730.5 |
| DPS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payout (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Valuation (x)** | | | | | | | | |
| P/E | 150 | 153 | 635 | 149 | 75 | 43 | 34 | 24 |
| Cash P/E | 86 | 85 | 108 | 65 | 44 | 30 | 24 | 18 |
| P/BV | 20 | 17 | 17 | 15 | 13 | 10 | 8 | 5 |
| EV/Sales | 11 | 11 | 9 | 9 | 7 | 6 | 5 | 4 |
| EV/EBITDA | 70 | 77 | 81 | 46 | 34 | 23 | 20 | 15 |
| Dividend Yield (%) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FCF per share | -24 | -78 | -23 | 54 | -4 | 59 | -18 | -75 |
| **Return Ratios (%)** | | | | | | | | |
| RoE | 14 | 12 | 3 | 11 | 18 | 26 | 26 | 25 |
| RoCE | 9 | 6 | 3 | 8 | 11 | 15 | 16 | 18 |
| RoIC | 10 | 7 | 3 | 8 | 12 | 18 | 19 | 22 |
| **Working Capital Ratios** | | | | | | | | |
| Fixed Asset Turnover (x) | 2.1 | 2.1 | 1.9 | 1.7 | 1.9 | 2.2 | 2.2 | 2.4 |
| Asset Turnover (x) | 1.0 | 0.8 | 0.8 | 0.9 | 0.9 | 1.0 | 1.0 | 1.0 |
| Inventory (Days) | 98 | 160 | 181 | 137 | 137 | 118 | 118 | 118 |
| Debtor (Days) | 68 | 69 | 67 | 72 | 68 | 75 | 75 | 75 |
| Creditor (Days) | 48 | 80 | 67 | 59 | 70 | 75 | 75 | 75 |
| **Leverage Ratio (x)** | | | | | | | | |
| Current Ratio | 2.5 | 2.7 | 2.8 | 3.2 | 2.9 | 2.4 | 2.3 | 2.5 |
| Interest Cover Ratio | 6.4 | 4.9 | 1.1 | 2.1 | 3.6 | 6.2 | 9.3 | 15.1 |
| Net Debt/Equity | 0.7 | 1.1 | 1.3 | 1.1 | 1.0 | 0.7 | 0.6 | 0.3 |

## Consolidated - Cash Flow Statement (INRm)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|
| OP/(Loss) before Tax | 1,582 | 1,328 | 310 | 1,299 | 2,545 | 4,397 | 5,602 | 8,074 |
| Depreciation | 710 | 747 | 1,085 | 1,234 | 1,318 | 1,358 | 1,692 | 2,031 |
| Interest Expenses | 214 | 241 | 678 | 979 | 879 | 820 | 647 | 564 |
| Others | 127 | -1 | 90 | -116 | 162 | 183 | 0 | 0 |
| Direct Taxes Paid | -397 | -327 | -139 | -259 | -707 | -1,163 | -1,410 | -2,032 |
| (Inc)/Dec in WC | -743 | -1,939 | -1,537 | 407 | -1,386 | -93 | -1,736 | -3,729 |
| **CF from Operations** | **1,493** | **47** | **488** | **3,545** | **2,811** | **5,501** | **4,795** | **4,907** |
| **CF from Operating incl EO** | | | | | | | | |
| (Inc)/Dec in FA | -2,428 | -3,085 | -1,396 | -1,423 | -2,985 | -3,200 | -5,500 | -7,948 |
| **Free Cash Flow** | **-935** | **-3,038** | **-909** | **2,122** | **-173** | **2,301** | **-705** | **-3,041** |
| Change in Investments | 8 | -123 | 62 | -383 | 26 | -460 | 0 | 5,448 |
| Others | 5 | 3 | 3 | 3 | 19 | 80 | 0 | 0 |
| **CF from Investments** | **-2,415** | **-3,205** | **-1,332** | **-1,803** | **-2,940** | **-3,581** | **-5,500** | **-2,500** |
| Issue of Shares | 0 | 0 | 0 | 0 | 0 | 245 | 0 | 0 |
| Inc/(Dec) in Debt | 531 | 761 | 643 | 751 | 603 | -1,128 | 1,000 | -1,000 |
| Interest Paid | -218 | -344 | -667 | -948 | -856 | -797 | -647 | -564 |
| Dividend Paid | -59 | -78 | -78 | 0 | -78 | -195 | 0 | 0 |
| Others | -25 | 2,990 | 825 | -1,510 | 717 | -101 | 0 | 0 |
| **CF from Fin. Activity** | **229** | **3,329** | **723** | **-1,706** | **386** | **-1,977** | **353** | **-1,564** |
| **Inc/Dec of Cash** | **-693** | **172** | **-121** | **35** | **258** | **-57** | **-352** | **843** |
| Opening Balance | 849 | 154 | 325 | 204 | 240 | 497 | 695 | 343 |
| Bank balance and other items | 41 | 47 | 46 | 48 | 4 | 255 | 0 | 0 |
| **Closing Balance** | **197** | **374** | **250** | **288** | **502** | **695** | **343** | **1,186** |

# NOTES

| Explanation of Investment Rating | |
|---|---|
| **Investment Rating** | **Expected return (over 12-month)** |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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