

Whirlpool

Sushil FinanceSM
ACTIONABLE KNOWLEDGE



WHIRLPOOL OF INDIA LIMITED

**INITIATING COVERAGE
REPORT**

WHIRLPOOL OF INDIA LTD.
(WIL)

Market Cap.

Rs. 29,339 Cr

52 Week H/L

Rs. 2,777/1,343

CMP

Rs. 2,313

Target Price

Rs. 2,802

STOCK DATA

BUY

Reuters Code	WHIR.BO	
Bloomberg Code	WHIRL IN	
BSE Code	500238	
NSE Symbol	WHIRLPOOL	
Face Value	Rs. 10	
Shares Outstanding	12.7 Cr.	
Avg. Daily Vol. (6m)	1,03,033	
Price Performance (%)		
1M	3M	6M
(2)	5	12
200 Days EMA Rs.2,261		

SHARE HOLDING (%)

Promoters	75.0
FII	3.4
FI/Bank	11.3
Body Corp/Govt	-
Public & Others	10.4

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Strong brand equity and leadership position in the intensely competitive space of consumer durables: Over the last couple of decades, WIL has established its leadership position in the Indian consumer durables market specially in the refrigerator & washing machine segments.

Substantially low penetration levels and favorable conditions makes India a lucrative market: The current penetration of refrigerators, washing machines & air-conditioners in India is around 33%, 14% & 5% respectively, substantially lower than average global penetration levels.

India to be the global hub for sourcing which is likely to drive the growth going forward: According to a recent article in a business daily, Whirlpool Corporation is exploring options to turn its Indian business into a global sourcing hub for both components and finished products in order to de-risk itself from potential supply-chain disruptions arising out of China.

Consistent expansion of product portfolio and rising advertising spending to result in promising future: The management is now striving to strengthen other categories such as air-conditioners, dishwashers, microwave ovens and water purifiers as well. Furthermore, the company is now increasing its advertisement spend which will benefit in strengthening its brand.

Robust fundamentals play a key role in fetching rich valuations: WIL has consistently been growing its sales & profits at a double digit. Over the last 3,5 and 10 years, the company's top-line has grown at a compounded annual growth rate (CAGR) of 15%, 13% and 11%, respectively while its profits have expanded at a CAGR of 15%, 18% and 12% during the same periods.

OUTLOOK & VALUATION

WIL is a leading home appliances maker with leadership in segments such as refrigerators and washing machines in particular. The company is backed by strong parent and global leader, Whirlpool Corporation, USA. The parent is keen on making India a manufacturing hub and global sourcing major and thus enhancing capacities and the management is also focusing on increasing dominance in other product categories which are currently small. Further, the strong fundamentals including consistent growth, debt-free status, robust cash position, relatively high margins, negative working capital cycle alongwith strong brand equity plays a key role. **Going forward, we expect the company to deliver an EPS of Rs.51.9 in FY23; assigning a target multiple of 54x we arrive at a target price of Rs.2,802 showcasing an upside potential of 21.2% from current levels with an investment horizon of 18-24 months.**

Y/E Mar	Revenue (Rs. Cr)	EBITDA (Rs. Cr)	EBITDA Margin (%)	PAT (Rs. Cr)	NPM (%)	A-EPS (Rs.)	P/E (x)	P/S (x)	P/B (x)
FY20	5,992.5	673.4	11.2%	490.2	8.2%	38.6	59.9	4.9	11.4
FY21 E	5,692.9	495.3	8.7%	350.5	6.2%	27.6	83.7	5.2	10.3
FY22 E	6,831.5	686.6	10.1%	501.1	7.3%	39.5	58.5	4.3	9.0
FY23 E	7,856.2	887.7	11.3%	658.4	8.4%	51.9	44.6	3.7	7.6

COMPANY OVERVIEW



Whirlpool of India Ltd. (WIL) is a leading producer of home appliances including refrigerators, air conditioners, washing machines, microwaves, air purifiers, dishwashers, etc. and operates through its headquarter in Gurugram and manufacturing facilities at Faridabad in North, Pune in West and Puducherry in South along with more than 3,500 service networks across the country. The company also provides services in the area of product development and procurement services to its parent company Whirlpool Corporation, USA and other group companies.

During late 1980's, the US based Whirlpool Corporation forayed into Indian markets as part of their global expansion strategy. It entered the market under a joint venture with TVS group and founded its manufacturing facility in Pondicherry for washing machine. Later, in 1995, the company acquired Kelvinator India Ltd, thereby, entering the refrigerator market. Subsequently, the company acquired majority of shares of the JV and following the merger, WIL was created with enhanced product portfolio ranging from washing machines, refrigerator, and microwave ovens to air conditioners.

In addition, the company has 49% shareholding in a Joint Venture - Elica PB India Private Limited (Elica India) which is in the business of manufacturing and selling kitchen equipment such as kitchen hoods, hobs, built in ovens, refrigerators, built in microwave ovens, dishwashers, barbecue fryers, kitchen sinks, and waste disposers. The investment is aligned with the company's strategy of expanding cooking and built-in business. For the year ended March 31, 2020, Elica India contributed Rs.13.9 cr to the consolidated net profit (consolidated using equity method).

Refrigerator is the key contributor to the turnover followed by washing machines and air conditioners. For the year ended March 31, 2020 – each of these segments contributed 62%, 22% and 6% respectively. During the year, the products segments contributed 97% to the top-line while the services segment contributed 3%. The overseas revenue consisted nearly 5% of the top-line.

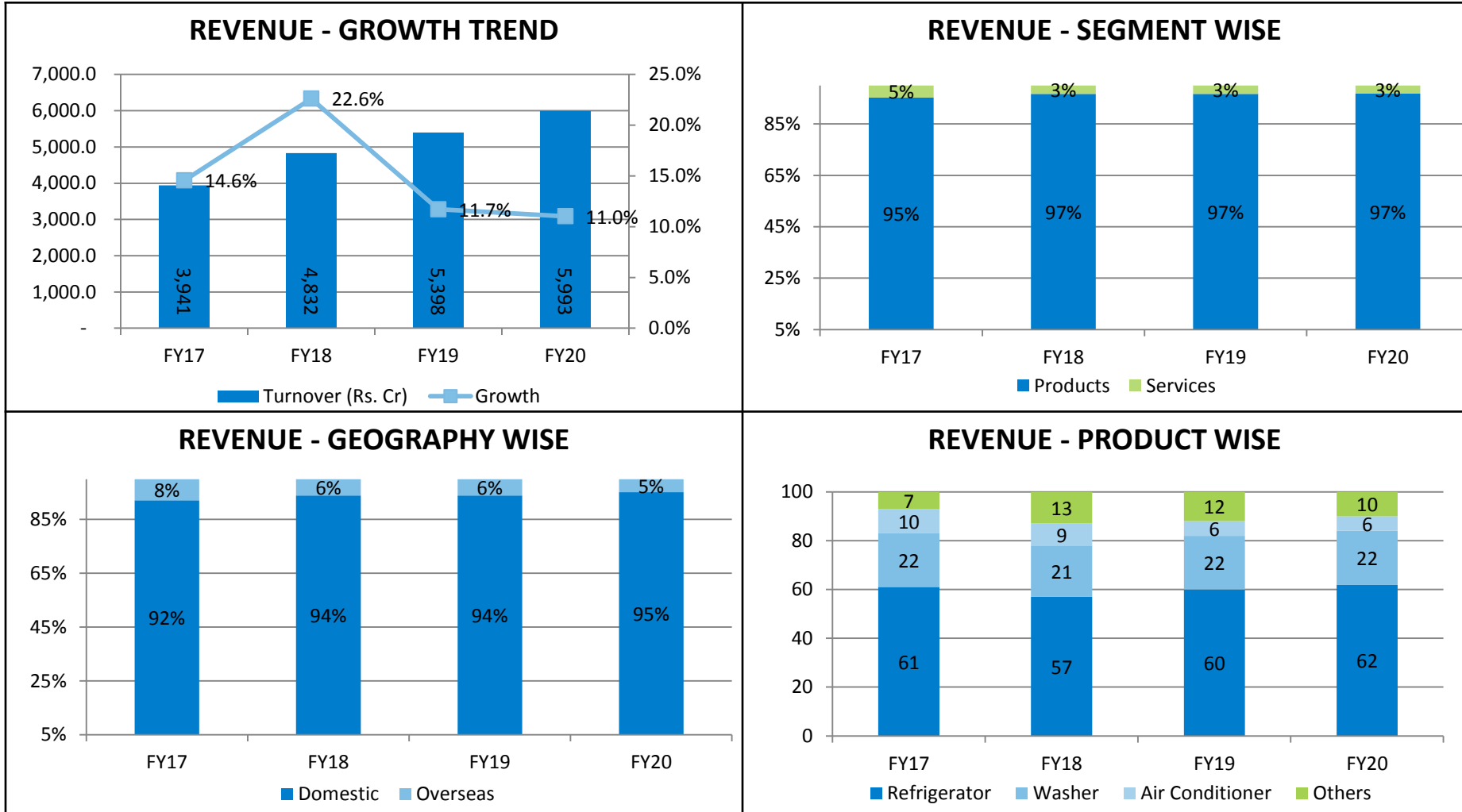
FY20 revenue stood at Rs.5,993 cr with an EBITDA of Rs.673 cr and a PAT of Rs.476 cr. For the nine months ended December 31, 2020, the company recorded a turnover of Rs.4,120 cr as against Rs.4,638 cr during the corresponding period of previous fiscal. The EBITDA margin also slipped from 11.6% in 9M FY20 to 8.0% in 9M FY21. During the same period, the net margin also slipped from 8.6% to 5.4%.

WIL is a debt-free company; promoters (Whirlpool Corporation) hold 75% while another 14.6% of the stake is held by domestic and foreign institutions leaving only a 10% free float with the public. The company has been paying dividend for last 4 years. Over the last 5 and 10 years, the company has been growing at a compounded annualized growth rate (CAGR) of 13 and 11%. The profits and stock price has been growing at a faster rate.

BUSINESS OVERVIEW

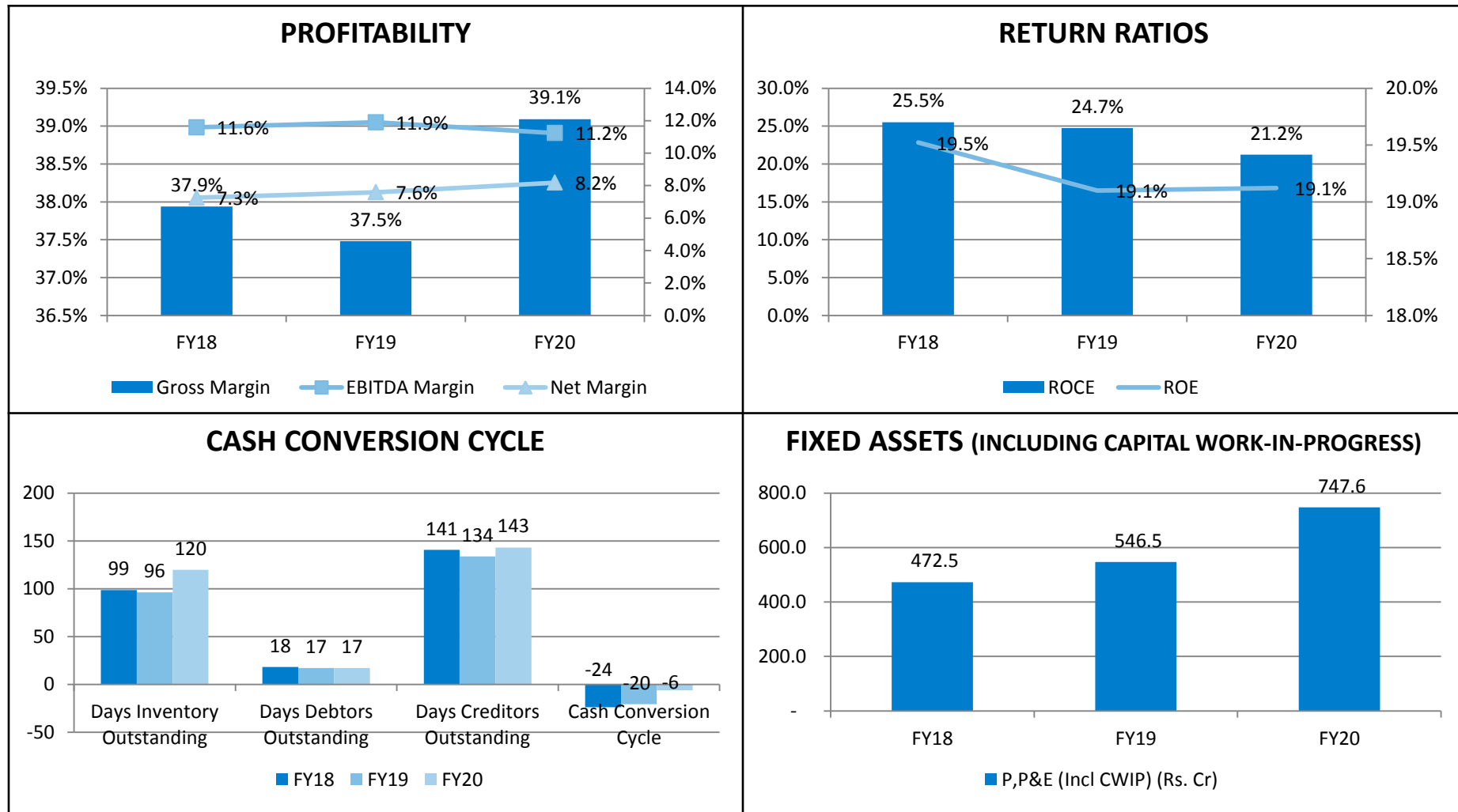
Refrigerators	<p>During FY20, the segment contributed 62% to the top-line with its sales of more than Rs.3,700 cr. During the year, the company enhanced its Refrigerator manufacturing capacity at Pune plant by adding a new line and also increased the Refrigerator manufacturing capacity at Faridabad plant. The company also introduced a new range of single door refrigerators, named, IceMagic Pro. It also comes with an advanced 6th Sense IntelliFrost Technology, powered by Intellisensor and advanced Microprocessor which allows the consumer to not worry about defrosting while providing more uniform cooling. Further, the frost free refrigerator segment witnessed the launch of the Intellifresh Range with an advanced 5-in-1 convertible freezer designed to deliver on convenience and utility by enabling consumers to utilize the freezer space depending on their storage needs according to occasions and seasons.</p>
Washing Machines	<p>During FY20, the segment contributed 22% to the top-line with its sales of more than Rs.1,300 cr. During the year, the company launched the widest range of 5-Star range of semi-automatic and top load washing machines with its proprietary 6th sense logic.</p>
Air Conditioners	<p>During FY20, the segment contributed 6% to the top-line with its sales of more than Rs.,350 cr. During the year, the company launched the latest range of 3D Cool Inverter Air Conditioners. The new launch features 3-air-intake vents in the air conditioner help in faster removal of hot air from the room that ensures faster cooling. Further, it can be operated via Google Home and Wifi. This range of air-conditioners are also equipped with 8-in-1 Intelli-convert modes alongwith in-built air purifier.</p>
Others	<p>The other products apart from the above three include air-purifiers, microwave ovens, coffee machines, dishwashers, wine-coolers, toasters, juicers, electric kettles, hand blenders, etc. This segment contributed nearly 10% of the company's turnover with sales of approximately Rs.600 cr during FY20. The company is now focusing on making a strong presence in the cooking segment, and, thus launched a wide range of microwaves across capacities alongwith advanced features. The company also introduced a range of Oven Toaster Grillers that offers motorized rotisserie which helps in uniform cooking.</p>
Services	<p>With the endeavor to build its consumer service as the company's competitive advantage, WIL took various initiatives such as 'Service Promise', 'Top 100 town uniform Service Strategy' & 'Enhance Call Centre Experience'. During the year, the company launched a new state of the art CRM 'Magicare NXT' powered by SAP C4C which comes with several new possibilities to enhance customer experience, like omni channel, real time spares visibility & ordering, real time integration with backend system and also provides opportunities to integrate our CRM with our channels.</p>

BUSINESS OVERVIEW



Source: Company, Sushil Finance

BUSINESS OVERVIEW



Source: Company, Sushil Finance

INDUSTRY OVERVIEW

The consumer durables market is bifurcated into two segments – Brown Goods (which include consumer electronics such as televisions, laptops, cameras and computers while White Goods (which include consumer appliances such as refrigerators, washing machines, air conditioners, and, ovens, etc. According to a report by Indian Brand Equity Foundation (IBEF), Indian appliance and consumer electronics market stood at Rs. 76,400 cr in 2019 of which little more than 42% was contributed by domestic manufacturing.

Even though there are dozens of national and international players in the country, yet, the white goods industry in India is highly concentrated. In washing machines and refrigerators, top five players have more than 75% market share, while in air conditioners it is around 55-60%. On the other hand, kitchen appliances segment is fragmented with top five players having 30-35% market share.

Recent developments on account of the spread of novel Covid-19 virus have led to realization of significance of hygiene and have drawn the consumer's attention back to homes and intent of making their homes equipped with all appliances to drive convenience and make life comfortable at home. There may be some blips in the short term but the long term growth story of Indian consumer durables is driven by many factors such as growing per capita income, the demographic dividend and immense opportunities on account of low penetration. Rising rural incomes, increasing urbanization, fast growing middle class and rapidly changing lifestyles further fuel the demand curve for these products. Online retailing is playing a key role of a newer, smoother and easier channel for urban buyers. The concept of rentals of home appliances is also fast growing in urban areas due to add-on comforts like relocation and periodic maintenance, which are not available in the ownership model.




Moreover, the easy financing schemes have led to shortened product replacement cycles in addition to increase in penetration. The penetration of these consumer durables is quite less as compared to developed countries and few other developing nations. The current penetration in India is around 33% for refrigerators, 14% for washers and 5% for air conditioners. In addition, as quoted in the annual report, the working population of the country is growing at a higher rate than the dependent population and this demographic dividend is going to continue for next few decades.

During November, 2020, the cabinet approved the Production-Linked-Incentive (PLI) scheme in electronics and white goods to boost the manufacturing capabilities, exports and promote the 'Atmanirbhar Bharat' initiative. The approved financial outlay over the period of five years stands at Rs.6,238 cr for white goods which is likely to result into higher domestic production, more employment opportunities and enhanced exports. We believe this will prove to be a catalyst for the industry.

Thus, encouraged by all the above factors, we form a positive outlook for the Indian home appliances industry; we believe not only the slice of manufacturing pie is going to grow but the size of entire industry is likely to register healthy growth over the next few years.

Source: IBEF, Whirlpool Annual Report, Sushil Finance

INDUSTRY OVERVIEW

	<p>Production of washing machines in India is expected to reach from 0.56 cr units in FY20 to 1.26 cr units in FY25.</p>	<p>Top 5 players command more than 75% market share; Imports contributed ~20% of the domestic market in FY20; Current penetration in the country is ~14%</p>	<p>According to database of Tijori Finance, Whirlpool commands a market share of ~15% in the washing machines market of India</p>
	<p>Room air conditioners market in the country is expected to increase to 1.65 cr units by FY25 from 0.65 cr units in FY19.</p>	<p>Top 5 players command more than 55-60% market share; Imports contributed ~30% of the domestic market in FY20 Current penetration in the country is ~5%</p>	<p>According to database of Tijori Finance, Whirlpool commands a market share of ~3% in the air conditioners market of India</p>
	<p>Refrigerator market in India is expected to reach from Rs. 19,500 cr in 2019 to Rs. 34,400 cr by 2022. Further, production of refrigerators in India is expected to reach from 1.23 cr units in FY20 to 2.75 cr units by FY25.</p>	<p>Top 5 players command more than 75% market share; Imports contributed ~20% of the domestic market in FY20; Current penetration in the country is ~33%</p>	<p>According to database of Tijori Finance, Whirlpool commands a market share of ~17% in the refrigerators market of India</p>

Source: IBEF, Whirlpool Annual Report, Tijori Finance, Sushil Finance

PEER COMPARISON



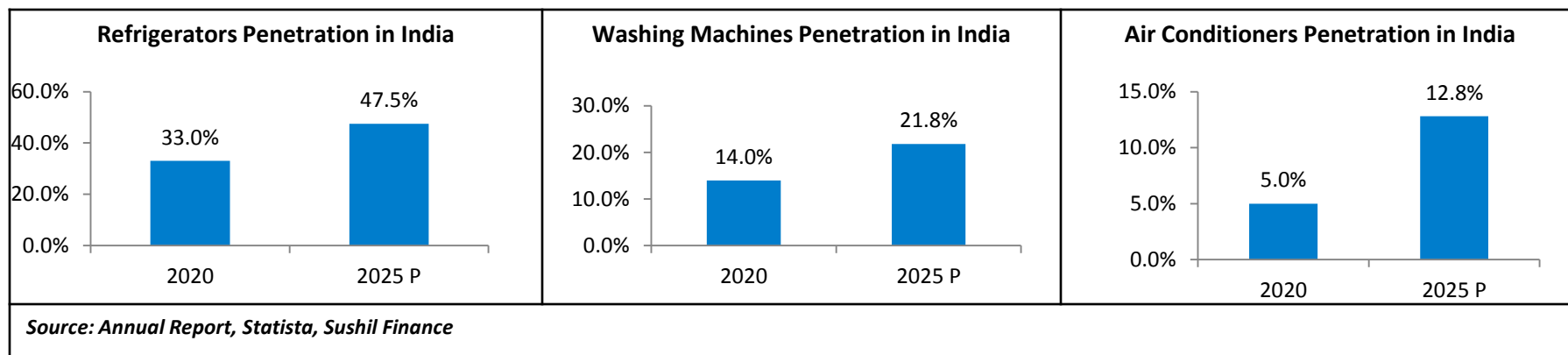
Company	Sales (Rs. Cr)	EBITDA Margin (%)	Net Margin (%)	D/E (x)	CMP (Rs.)	52 Week H/L (Rs.)	Mkt Cap (Rs. Cr)	Enterprise Value (Rs. Cr)	P/E (x)	P/S (x)	P/B (x)	EV/EBITDA (x)
Whirlpool Of India	5,993	11.2%	8.2%	0.0	2,313	2,777/1,343	29,339	28,061	60	4.9	11.4	41.7
Voltas	7,658	8.0%	6.8%	0.1	980	1,131/428	32,427	32,337	63	4.2	7.4	52.7
Bajaj Electricals	4,985	4.1%	(0.2)%	0.3	922	1,124/260	10,488	11,467	NA	2.1	7.4	51.2
Symphony	1,103	19.3%	16.4%	0.3	1268	1,530/690	8,870	9,079	49	8.0	13.4	42.6
IFB Industries	2,637	4.7%	1.0%	0.5	1085	1,458/232	4,477	4,708	166	1.7	7.0	38.3

Source: Screener, Company Data, Sushil Finance

KEY INVESTMENT RATIONALE

Strong brand equity and leadership position in the intensely competitive space of consumer durables to benefit in the medium to long term: Over the last couple of decades, WIL has established its leadership position in the Indian consumer durables market specially in the refrigerator and washing machine segments driven by consistent investments in new product launches, strong marketing exercises and filling up the gaps through steady innovations and customized offerings as per the taste and requirement of Indian consumer. The company not only commands a robust market share in refrigerators and washing machines but has built a strong brand recall. Today, the parent Whirlpool Corporation is a leader in American and European markets while WIL is also a household name in the Indian market. As the company starts focusing on exports (which currently contributes just 5% of its consolidated sales in FY20 despite supplying to over 30 markets), the benefit of strong brand equity of Whirlpool Corporation, US is likely to benefit the Indian entity. The recent PLI scheme floated by the Indian Government and enhanced manufacturing capacities is likely to fuel the exports of the company. The strength of the brand is reflected in relatively high operating margins and negative working capital cycle as it enjoys a healthy credit period for procurement of raw materials and traded goods on account of its strong brand name and longstanding relationships with suppliers.

Substantially low penetration levels and favorable conditions makes India a lucrative market: The current penetration of refrigerators, washing machines and air-conditioners in India is around 33%, 14% and 5% respectively. These levels are substantially lower than average global penetration levels. According to Statista, the penetration levels across the country is estimated to increase to 47.5% for refrigerators; 21.8% for washers & 12.4% for air-conditioners by 2025 depicting huge opportunity for the Indian white goods market. Further, India's working population has grown larger than the dependent population which reduces the dependency rate to less than 50% and increases the disposable income. This period of demographic dividend is going to continue till 2055 which will further support the growth. Furthermore, the growth is likely to see a spurt in-line with the most middle-income economies which witnessed at the per capita income of \$3,000. The above factors present a robust case for Indian consumer durables market.



KEY INVESTMENT RATIONALE

India to be the global hub for sourcing which is likely to drive the growth going forward: According to a recent article in a business daily, Whirlpool Corporation is exploring options to turn its Indian business into a global sourcing hub for both components such as compressors, motors, printed circuit boards and finished products in order to de-risk itself from potential supply-chain disruptions arising out of China. The company is already working on plans for growing exports of refrigerators and washing machines from India for which it is transforming its domestic facilities to meet global manufacturing norms. The article further stated that a majority of company's turnover is derived from refrigerators and washing machines and the company claims to be the third largest player in these two categories following LG and Samsung and the management is keen on strengthening other categories such as air-conditioners, dishwashers, microwave ovens and water purifiers. With focus on making India a manufacturing hub for global sourcing, the domestic production is also likely to witness a push from the recently introduced Production Linked Incentive (PLI) Scheme. This is also bound to discourage imports which makes a substantial chunk of current market. We believe, the opportunity in domestic consumption coupled with prospects of manufacturing for exports markets make WIL an attractive investment candidate for medium to long term.

Whirlpool is the 3rd largest player in washing machines and refrigerators after LG & Samsung

Consistent expansion of product portfolio and rising advertising spending to result in promising future: Whirlpool Corporation is one of the largest manufacturers of home appliances in the world and WIL also benefits from the parent's strong technical capabilities. From time to time, the company has been expanding its product basket and offerings – beginning with just refrigerators and expanding to other verticals like air-conditioners, washing machines to dishwashers and microwaves and more recently to other kitchen appliances leveraging on the strong technical capabilities of the parent and in-house manufacturing expertise. As mentioned earlier, the management is now striving to strengthen other categories such as air-conditioners, dishwashers, microwave ovens and water purifiers as well. Furthermore, the consumer durables industry and home appliances segment is highly influenced by the branding and marketing. In the recently concluded fiscal, the company has showcased its intent by substantially increasing their advertisement expenses, as a percentage of revenue. For the year ended March 31, 2020, the company spent a sum of Rs.112.3 cr towards advertising and sales promotions as against Rs.69.2 cr in the previous fiscal; 1.9% as a percentage of revenue as against 1.3% in FY19. We believe, going forward, the company can take advantage of its high double digits profit margins as compared to other industry players and increase its spend towards marketing campaigns, advertising and sales promotions, thereby, widening its reach and benefiting from anticipated increase in penetration levels of these appliances.

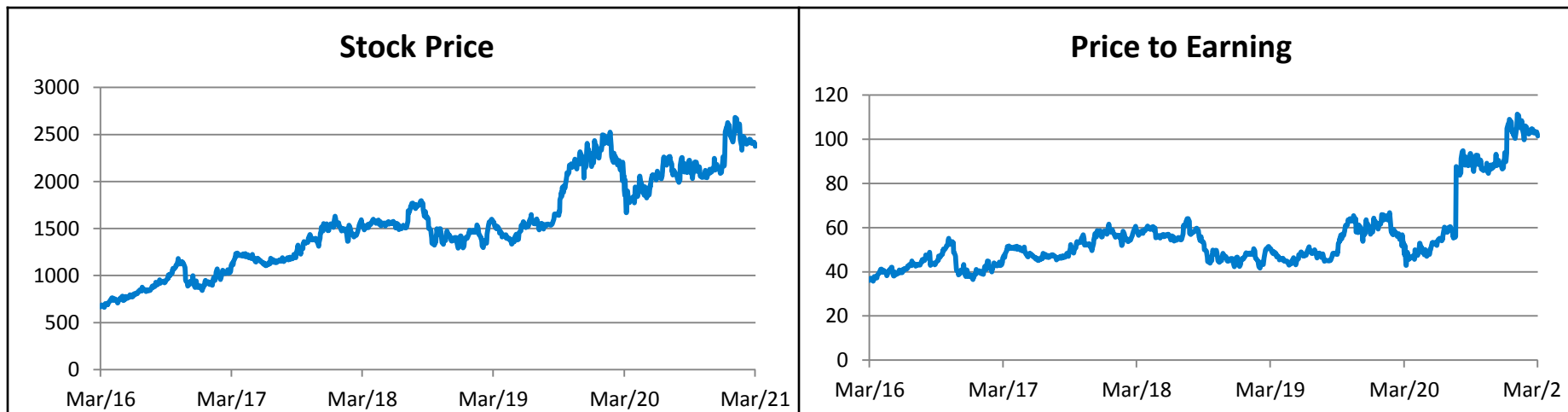
Advertising and Sales promotion expenses, as a percentage of revenue increased from 1.3% in FY19 to 1.9% in FY20

KEY INVESTMENT RATIONALE

Robust fundamentals play a key role in fetching rich valuations: WIL has consistently been growing its top-line and profitability at a double digit. Over the last 3,5 and 10 years, the company's top-line has grown at a compounded annual growth rate (CAGR) of 15%, 13% and 11%, respectively while its profits have expanded at a CAGR of 15%, 18% and 12% during the same periods. The company's top-line has never registered a decline ever since FY12, barring this FY21 on account of pandemic. Similarly, the bottom-line has also consistently grown in last six years. This steady growth over the long period is on account of consistent innovations and improvising customer experience through enhanced offerings and strong branding and promotional activities. The strong parent offers strength to company's technological capabilities and also helps in strengthening the brand being a global leader in home appliances. The company continues to be debt-free and as on September 30, 2020 held a cash and cash equivalents of Rs.1,946 cr translated into cash per share of Rs.153. The cash on books and relatively high profit margins against its peers offers a financial cushion to the company which would enable the company to carry out aggressive branding and sales promotion exercises. The above robust fundamentals have reflected in the stock price and rich valuations for last several years.

The debt-free company has cash amounting Rs.1,946 cr as on September 30, 2020 translating into Cash Per Share of Rs.153.

The stock price has grown at a CAGR of 29% in last 5 years; 3-yr & 5-yr Median PE stands at 55x & 49x respectively.



Source: Capitaline

WHY YOU SHOULD BUY?

- ❖ **Leadership position:** WIL is the 3rd largest player in washing machines and refrigerators with 15% and 17% market share respectively.
- ❖ **Focus on making India a manufacturing hub:** With focus on making India a manufacturing hub for global sourcing, the domestic production is also likely to witness a push.
- ❖ **Benefits of Production Linked Incentive Scheme:** The recent PLI scheme floated by the Indian Government is beneficial for the company and enhanced manufacturing capacities is likely to fuel the exports of the company.
- ❖ **Strong brand recall:** The Whirlpool Corporation is a leader in American and European markets while WIL is also a household name in the Indian market. The company not only commands a robust market share in refrigerators and washing machines but has built a strong brand recall. The strength of the brand is reflected in relatively high operating margins and negative working capital cycle as it enjoys a healthy credit period.
- ❖ **Substantially low penetration levels:** The current penetration of refrigerators, washing machines and air-conditioners in India is around 33%, 14% and 5% respectively. These levels are substantially lower than average global penetration levels and are projected to go higher.
- ❖ **Robust fundamentals:** Besides the robust brand and strong MNC parent, the company is fundamentally strong as the company has been consistently growing, profitability has been stable, has been a zero-debt company, and, holds cash and cash equivalents of Rs.1,949 cr as on September 30, 2020. The company generates healthy cash flow and has a negative working capital cycle which adds up to its positives.

KEY RISKS

- ❖ **Fierce competition:** Although Whirlpool commands a strong market share in refrigerators and washing machines currently but entry of many players in this space is intensifying the competition.
- ❖ **Impact on profitability:** Rising competition may lead to deterioration of profit margins of the company which may result into lower than anticipated profit margins for the company.

MANAGEMENT SPEAKS



"We are witnessing strong top line growth along with market share gains. The underlying profitability is also very healthy. The reported profits have been impacted by a number of one time items. Overall economic trends are looking positive and we continue to remain very optimistic about our business."

Mr. Arvind Uppal, Chairman

– February 04, 2021



"The strong momentum continued in this quarter and we saw further acceleration with double digit revenue growth and healthy underlying profitability during the festive season. We continue to see a very robust demand for appliances. The quarter saw growth in Metros and large towns coming back while Tier 2/3 cities continued on their rapid growth trajectory. Overall we see a step change in the penetration of the durables category and with a strong pipeline of consumer relevant innovations, we are very optimistic about our short and medium term prospects."

Mr. Vishal Bhola, Managing Director

– February 04, 2021

OUTLOOK & VALUATION

WIL is a leading home appliances maker with leadership in segments such as refrigerators and washing machines in particular. The company is backed by strong parent and global leader, Whirlpool Corporation, US. The parent is keen on making India a manufacturing hub and global sourcing major and thus enhancing capacities and the management is also focusing on increasing dominance in other product categories which are currently small. Further, the strong fundamentals including consistent growth, debt-free status, robust cash position, relatively high margins, negative working capital cycle alongwith strong brand equity plays a key role. **Going forward, we expect company to deliver an EPS of Rs.51.9 in FY23; assigning a target multiple of 54x we arrive at a target price of Rs.2,802 showcasing an upside potential of 21.2% from current levels with an investment horizon of 18-24 months.**

WHIRLPOOL (BSE: 500238) (Daily) © iCharts.in
18-Mar-2021 Chg: ▼ -23.35 (-0.97%), O:2366.65, H:2409.40, L:2349.00, C:2374.35



9M FY21 Result Performance (Rs. Cr)

Y/E Mar.	9M FY21	9M FY20	YoY
Revenue	4,120.5	4,638.9	(11.2%)
Raw Material Cost	2,597.8	2,811.4	
Employee Cost	467.3	447.1	
Other Expenses	726.0	844.1	
Capitalized Expenses	-	-	
EBITDA	329.3	536.4	(38.6%)
<i>EBITDA Margin (%)</i>	<i>8.0%</i>	<i>11.6%</i>	<i>(357 bps)</i>
Depreciation	105.9	93.6	
EBIT	223.5	442.8	(49.5%)
<i>EBIT Margin (%)</i>	<i>5.4%</i>	<i>9.5%</i>	<i>(412 bps)</i>
Finance Costs	15.1	11.9	
Other Income & Share	88.8	112.0	
Profit before Tax	297.1	542.9	(45.3%)
Tax Expense	75.4	145.1	
Net Profit	221.8	397.9	(44.3%)
<i>Net Margin (%)</i>	<i>5.4%</i>	<i>8.6%</i>	<i>(319 bps)</i>
EPS	17.5	31.4	(44.3%)

PROFIT & LOSS STATEMENT

(Rs. Cr)

Y/E Mar.	FY20	FY21 E	FY22 E	FY23 E
Revenue	5,993	5,693	6,831	7,856
Raw Material Cost	3,650	3,587	4,287	4,910
Employee Cost	590	615	697	762
Power & Fuel	-	-	-	-
Other Expenses	1,080	996	1,161	1,296
EBITDA	673	495	687	888
<i>EBITDA Margin (%)</i>	<i>11.2%</i>	<i>8.7%</i>	<i>10.1%</i>	<i>11.3%</i>
Depreciation	129	131	143	154
EBIT	544	364	544	734
<i>EBIT Margin (%)</i>	<i>9.1%</i>	<i>6.4%</i>	<i>8.0%</i>	<i>9.3%</i>
Finance Costs	20	20	20	20
Other Income & Share of Profits	143	129	153	176
Profit before Tax	667	474	677	890
Tax Expense	177	123	176	231
Net Profit	490	350	501	658
<i>Net Margin (%)</i>	<i>8.2%</i>	<i>6.2%</i>	<i>7.3%</i>	<i>8.4%</i>
EPS	39	28	40	52

Source: Company, Sushil Finance Research

BALANCE SHEET STATEMENT

(Rs. Cr)

Y/E Mar.	FY20	FY21 E	FY22 E	FY23 E
PP&E (incl. CWIP)	748	816	878	921
Investments in JV	189	189	189	189
Intangible Assets/Rights to use Assets	5	5	5	5
Other Non-Current	515	515	515	515
Inventories	1199	983	1174	1345
Trade Receivables	282	312	374	430
Cash and Bank Balances	1284	1576	1938	2463
Other Current Assets	139	141	164	184
Total Assets	4,360	4,537	5,238	6,054
Equity Share Capital	127	127	127	127
Reserves & Surplus	2437	2724	3149	3718
Borrowings (LT)	0	0	0	0
Other Non-Current Liabilities	228	228	228	228
Borrowings (ST)	0	0	0	0
Trade Payables	1431	1328	1587	1818
Other Financial Liabilities	93	85	102	118
Other Current Liabilities	45	45	45	45
Total Liabilities	4,360	4,537	5,238	6,054

CASH FLOW STATEMENT

(Rs. Cr)

Y/E Mar.	FY20	FY21 E	FY22 E	FY23 E
PBT	667	474	677	890
Depreciation	129	131	143	154
Interest	20	20	20	20
CFO before Working Cap chg	816	624	840	1,063
Chg in Inventories	(310)	216	(192)	(171)
Chg in Trade Receivables	(26)	(30)	(62)	(56)
Chg in Trade Payables	193	(103)	259	231
Cash Flow from Operations	673	708	845	1,067
Interest Paid	(20)	(20)	(20)	(20)
Dividend Paid	(63)	(63)	(76)	(89)
Taxes Paid	(177)	(123)	(176)	(231)
Others	26	(10)	(6)	(5)
Cash Flow from Financing	(233)	(217)	(278)	(345)
Capital Expenditure	(330)	(199)	(205)	(196)
Investments & Others	114	-	-	-
Cash Flow from Investing	(216)	(199)	(205)	(196)
Opening Cash	1,061	1,284	1,576	1,938
Total Cash Flow	223	292	362	525
Closing Cash	1,284	1,576	1,938	2,463

Source: Company, Sushil Finance Research

FINANCIAL RATIO STATEMENT

Y/E Mar.	FY20	FY21 E	FY22 E	FY23 E
Growth (%)				
Revenue	11.0%	(5.0%)	20.0%	15.0%
EBITDA	4.9%	(26.4%)	38.6%	29.3%
Net Profit	19.6%	(28.5%)	43.0%	31.4%
Profitability (%)				
EBITDA Margin	11.2%	8.7%	10.1%	11.3%
Net Profit Margin	8.2%	6.2%	7.3%	8.4%
ROCE	21.2%	12.8%	16.6%	19.1%
ROE	19.1%	12.3%	15.3%	17.1%
Per Share Data (Rs.)				
EPS	39	28	40	52
CEPS	49	38	51	64
BVPS	202	225	258	303
Valuation (x)				
P/E	59.9	83.7	58.5	44.6
P/BV	11.4	10.3	9.0	7.6
EV/EBITDA	41.7	56.6	40.9	31.6
P/SALES	4.9	5.2	4.3	3.7
Turnover				
Inventory days	120	100	100	100
Debtor days	17	20	20	20
Creditor days	143	135	135	135
Gearing (x)				
D/E	-	-	-	-

Rating Scale : This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)

BUY : Over 20%

HOLD : 0% to 20%

SELL : 0% to -20%

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Analyst Stock Ownership	No
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	No
Sushil Financial Services Pvt. Ltd and Group Directors Holding	No
Broking Relationship with the company covered	No