

Navin Fluorine | BUY

Separate CEOs for all business units eliminates execution risk

Navin Fluorine's (NFIL) 1QFY23 EBITDA missed our and consensus estimates by 2% and 5%, respectively, on account of lower exports despite EBITDA margin expansion. For Navin, 1Q tends to be the weakest, as has been in the case in the past. We believe the sharp jump in gross margin despite the challenging environment highlights the company's ability to pass on the hike in input costs fairly quickly. Moreover, jump in employee expenses has been more than offset by decline in other expenses (owing to lower freight costs), which aided EBITDA margin expansion. The company's decision to assign three operating CEOs for three business units have eliminated the execution and key man risk to a large extent. We keep our estimates largely unchanged and maintain BUY with a revised Sep'23 TP of INR 5,090 (from Mar'23 TP of INR 4,555 earlier) as we believe Navin's long-term contracts along with strong entry barriers offered by its fluorination expertise provide long-term revenue growth visibility.

Marginal EBITDA miss on JMFe led by lower exports: Navin Fluorine (NFIL)'s 1QFY23 standalone gross profit was 3% below JMFe and stood at INR 2.1bn (up 1%/23% QoQ/YoY) as revenue was 6%/10% below JMFe/consensus at INR 3.9bn (down 3% QoQ, still up 23% YoY) while gross margin was significantly higher than anticipated at 54.5% (vs. JMFe of 52.8% and 52.3% in 4QFY22). During the quarter, other expenses were lower at INR 671mn (vs. JMFe of INR 750mn and INR 733mn in 4QFY22). As a result, EBITDA came in 2%/5% below JMFe/consensus and stood at INR 999mn (up 4%/28% QoQ/YoY). Further, on account of higher-than-anticipated other income of INR 142mn (vs. JMFe of INR 120mn and INR 141mn in 4QFY22), PAT was in line with JMFe (2% ahead of consensus) and stood at INR 790mn (flat QoQ and up 40% YoY).

Domestic business revenue ~5% ahead of expectation: During 1QFY23, Navin's domestic revenue was 5% ahead of JMFe and stood at INR 2.1bn (up 12%/35% QoQ/YoY). CRAMS revenue was ~18% above JMFe and stood at INR 590mn (down 33%/12% QoQ/YoY). CRAMS business tends to be lumpy. CRAMS cGMP3 plant remains on track to be commissioned in 3QFY23. Specialty chemicals was 12% below JMFe and stood at INR 1.76bn (still up 11%/32% QoQ/YoY). Jump in specialty chemicals was on account of strong domestic sales. Navin's combined inorganic fluorides and ref gas sales stood at INR 1.5bn (up 1%/33% QoQ/YoY), benefitting from both higher volumes and better pricing. Trial supplies to Honeywell have commenced in beginning of Jul'23 and commercial supplies would start in 2QFY23. Moreover, the board has approved a debottlenecking capex of INR 800mn for a new molecule in the HPP business unit in Surat. As per our understanding, this new molecule is likely to be in the inorganic fluoride unit given Honeywell operations are out of Dahej.

Estimates largely unchanged – maintain BUY: The management continues to be optimistic of strong recovery in CDMO (erstwhile CRAMS) in 2HFY23 owing to a strong pipeline. As a result, we keep our estimates largely unchanged. We maintain **BUY** with a revised Sep'23 TP of INR 5,090 (from Mar'23 TP of INR 4,555 earlier) as we continue to believe that Navin's



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	5,090
Upside/(Downside)	20.9%
Previous Price Target	4,555
Change	11.7%

Key Data – NFIL IN

Current Market Price	INR4,208
Market cap (bn)	INR187.7/US\$2.4
Free Float	69%
Shares in issue (mn)	49.4
Diluted share (mn)	49.5
3-mon avg daily val (mn)	INR549.0/US\$6.9
52-week range	4,339/3,196
Sensex/Nifty	56,072/16,719
INR/US\$	79.9

Price Performance

%	1M	6M	12M
Absolute	4.6	2.4	-3.9
Relative*	-1.6	5.6	-9.2

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
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Financial Summary					(INR mn)
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E
Net Sales	11,794	14,534	21,577	26,910	32,862
Sales Growth (%)	11.1	23.2	48.5	24.7	22.1
EBITDA	3,093	3,548	5,764	7,457	9,271
EBITDA Margin (%)	26.2	24.4	26.7	27.7	28.2
Adjusted Net Profit	2,468	2,631	4,245	5,572	7,041
Diluted EPS (INR)	49.9	53.1	85.7	112.4	142.1
Diluted EPS Growth (%)	-39.6	6.5	61.4	31.3	26.4
ROIC (%)	15.0	14.9	18.5	18.5	21.3
ROE (%)	16.2	15.1	21.1	23.2	24.3
P/E (x)	84.4	79.3	49.1	37.4	29.6
P/B (x)	12.7	11.3	9.6	8.0	6.6
EV/EBITDA (x)	66.0	57.9	36.6	28.1	22.1
Dividend Yield (%)	0.3	0.3	0.4	0.6	0.7

Source: Company data, JM Financial. Note: Valuations as of 25/Jul/2022

long-term contracts provide long-term earnings visibility ([CRAMS business poised for strong growth](#) and [Cracking the HPP contract code](#)).

1QFY23 Result Review

Key takeaways from post-results conference call

- **New capex of INR 800mn to generate peak revenue of INR 1.5bn:** Navin's recently announced debottlenecking capex of INR 800mn in the HPP segment is likely to generate revenue of INR 1.5bn at peak utilisation. The plant is expected to be commissioned in Jul'23 and will be fully utilised in year 2/3.
- **Supplying R22 or R22 downstream for PTFE an interim strategy:** The management indicated that R22 or R22 downstream supply for PTFE is a short-term strategy (interim option) to increase the capacity utilisation. Over the long run, the company is looking to convert R22 to a potential value-added molecule or retrofitting for another molecule.
- **Looking to lock raw material supplies for CY23:** Since the company's a) MPP project (INR 1.95bn capex) will commence operations in phases starting 2QFY23, b) Agro Fluoro intermediate (INR 1.25bn capex) will commence operations from end-FY23, along with end CY23 supplies of new Fluoro specialty molecule (INR 5.4bn capex), it is looking to lock raw material supplies for CY23.
- **Thoughts on HF capacity expansion; decision on HFCs pending:** The management highlighted that it is looking at HF capacity expansion at Dahej to increase the availability at Dahej post the commissioning of various projects. Moreover, currently, the company needs to transport HF from Surat to Dahej. On foray into HFCs, the company is still evaluating.
- **Outlook for CDMO (CRAMS):** It was indicated that CDMO (CRAMS) revenue is likely to be soft in 1HFY23. The weakness of 1HFY23 will be more than offset by strong 2HFY23 as the company has a strong visibility for 2HFY23. Moreover, cGMP-4 plans remain on track.
- **Fluoro specialty outlook:** The company believes that Anti-retro virals (ARV) demand continues to be soft. Over the last couple of quarters, the company's dependency on ARV intermediates has reduced significantly. Going forward, the outlook for ARVs is going to remain soft. However, Navin's current molecules are seeing good demand. Moreover, in Fluoro specialty, the company has converted one out of three platforms of Fluoro pyridines into capex. For the rest, R&D is on-going.

Exhibit 1. NFIL's quarterly financial snapshot

Standalone (INR mn)	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	1QFY23E	% YoY	% QoQ	% diff vs JMFe
Net Sales	2,047	3,077	2,966	3,240	3,139	3,244	3,670	3,984	3,868	4,110	23%	-3%	-6%
COGS	852	1,367	1,359	1,532	1,416	1,447	1,620	1,899	1,759	1,940	24%	-7%	
Gross Profit	1,196	1,710	1,607	1,708	1,722	1,798	2,050	2,085	2,110	2,170	23%	1%	-3%
Gross Margin (%)	58.4	55.6	54.2	52.7	54.9	55.4	55.9	52.3	54.5	52.8	-33bps	221bps	
Employee expenses	291	283	294	325	396	394	405	394	440	400	11%	12%	
Other expenses	384	492	490	541	546	568	664	733	671	750	23%	-8%	
EBITDA	521	935	823	842	780	836	981	958	999	1,020	28%	4%	-2%
EBITDA margin (%)	25.4	30.4	27.8	26.0	24.8	25.8	26.7	24.0	25.8	24.8	98bps	179bps	
Depreciation	99	100	101	106	109	110	112	112	115	130	5%	3%	
Other Income	356	88	91	197	76	85	72	141	142	120	87%	1%	
PBT	776	920	810	1,589	743	808	937	982	1,023	1,004	38%	4%	
Tax	260	246	223	373	179	187	246	194	234	216	31%	20%	
PAT	516	673	587	1,216	564	621	692	788	790	788	40%	0%	0%
EPS (INR)	10.4	13.6	11.9	14.6	11.4	12.5	14.0	15.9	16.0	16.1			
Tax rate	34%	27%	28%	23%	24%	23%	26%	20%	23%	22%			

Source: Company, JM Financial

Exhibit 2. NFIL's quarterly operational snapshot

	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	1QFY23E	% YoY	% QoQ	% diff vs JMFe
Segment-wise revenue (INR mn)													
CRAMS	340	990	710	760	670	820	600	880	590	500	-12%	-33%	18%
Specialty Chemicals	970	1,020	1,220	1,310	1,330	1,220	1,520	1,590	1,760	2,000	32%	11%	-12%
Inorganic Fluorides	280	490	570	590		650	830	710		790			
Refrigerant Gases	460	580	470	580		550	720	800		820			
HPP					1,140				1,520		33%		
Total revenue	2,050	3,080	2,970	3,240	3,150	3,240	3,670	3,980	3,870	4,110	23%	-3%	-6%
Segment-wise contribution to overall revenue (%)													
CRAMS	17%	32%	24%	23%	21%	25%	16%	22%	15%	12%			
Specialty Chemicals	47%	33%	41%	40%	42%	38%	41%	40%	45%	49%			
Inorganic Fluorides	14%	16%	19%	18%		20%	23%	18%		19%			
Refrigerant Gases	22%	19%	16%	18%		17%	20%	20%		20%			
HPP					36%				39%				
Total revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%			
Segment-wise export revenue (INR mn)													
CRAMS	340	990	710	760	670	820	600	880	590	500	-12%	-33%	
Specialty Chemicals	446	429	441	492	625	561	884	816	845	1,200	35%	4%	
Inorganic Fluorides	36	56	68	71		65	62	64		80			
Refrigerant Gases	189	300	221	252		220	264	339		330			
HPP					298				334		12%		
Total Export Revenue	1,011	1,776	1,440	1,574	1,593	1,666	1,810	2,099	1,769	2,110	11%	-16%	-16%
Segment-wise export revenue contribution (%)													
CRAMS	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%			
Specialty Chemicals	46%	42%	36%	38%	47%	46%	58%	51%	48%	60%			
Inorganic Fluorides	13%	11%	12%	12%		10%	7%	9%		10%			
Refrigerant Gases	41%	52%	47%	43%		40%	37%	42%		40%			
HPP					26%				22%				
Total Export Revenue	49%	58%	48%	49%	51%	51%	49%	53%	46%	51%			
Segment-wise domestic revenue (INR mn)													
CRAMS	-	-	-	-	-	-	-	-	-	-			
Specialty Chemicals	524	591	780	818	705	659	636	774	915	800	30%	18%	
Inorganic Fluorides	244	434	502	519		585	768	646		710			
Refrigerant Gases	271	280	249	328		330	457	461		490			
HPP					842				1,186		41%		
Total domestic revenue	1,039	1,304	1,530	1,666	1,557	1,574	1,861	1,882	2,101	2,000	35%	12%	5%
Segment-wise domestic revenue contribution (%)													
CRAMS	-	-	-	-	-	-	-	-	-	-			
Specialty Chemicals	54%	58%	64%	62%	53%	54%	42%	49%	52%	40%			
Inorganic Fluorides	87%	89%	88%	88%		90%	93%	91%		90%			
Refrigerant Gases	59%	48%	53%	57%		60%	63%	58%		60%			
HPP					74%				78%				
Total domestic revenue	51%	42%	52%	51%	49%	49%	51%	47%	54%	49%			

Source: Company, JM Financial

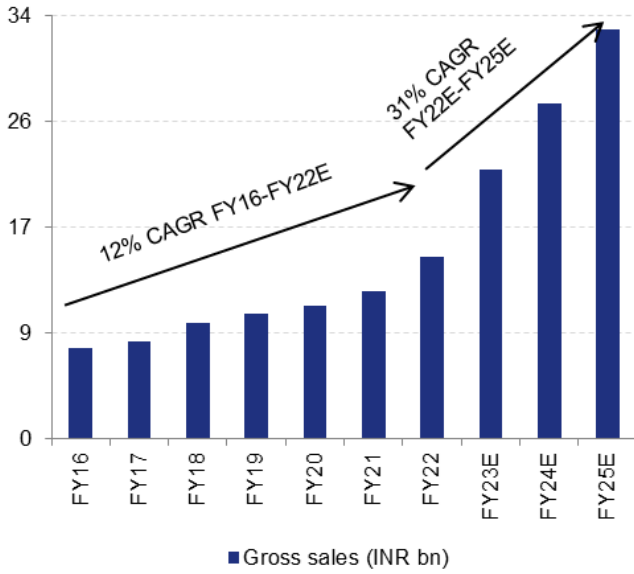
Assumptions and Estimates

Exhibit 3. Key Assumptions

INR mn	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E
Segment-wise revenue contribution (INR mn)											
CRAMS	310	865	1,374	2,575	1,780	1,730	2,790	2,980	3,874	5,036	6,295
Specialty Chemicals	2,151	2,388	2,279	2,258	3,000	3,810	4,530	5,660	6,962	8,563	9,505
Inorganic Fluorides	1,051	940	1,203	1,482	1,980	2,070	1,930	2,740	2,877	3,021	3,293
Refrigerant Gases	1,874	2,170	2,158	2,419	2,790	2,610	2,080	2,660	2,846	3,045	3,198
HFO	-	-	-	-	-	-	-	-	4,500	5,200	5,200
New INR 6.0bn contract	-	-	-	-	-	-	-	-	-	1,500	4,800
Total	5,387	6,362	7,014	8,734	9,550	10,220	11,330	14,040	21,059	26,365	32,291
Segment-wise revenue contribution (%)											
CRAMS	6%	14%	20%	29%	19%	17%	25%	21%	18%	19%	19%
Specialty Chemicals	40%	38%	32%	26%	31%	37%	40%	40%	33%	32%	29%
Inorganic Fluorides	20%	15%	17%	17%	21%	20%	17%	20%	14%	11%	10%
Refrigerant Gases	35%	34%	31%	28%	29%	26%	18%	19%	14%	12%	10%
HFO	-	-	-	-	-	-	-	-	21%	20%	16%
New INR 6.0bn contract	-	-	-	-	-	-	-	-	-	6%	15%
Segment-wise export revenue (INR mn)											
CRAMS	310	865	1,374	2,575	1,780	1,730	2,790	2,980	3,874	5,036	6,295
Specialty Chemicals	797	1,098	980	858	1,200	1,600	1,812	2,490	3,202	3,939	4,372
Inorganic Fluorides	95	103	201	193	198	248	232	329	345	363	395
Refrigerant Gases	787	824	712	847	1,228	1,148	957	1,330	1,565	1,675	1,759
HFO	-	-	-	-	-	-	-	-	4,500	5,200	5,200
New INR 6.0bn contract*	-	-	-	-	-	-	-	-	-	1,500	4,800
Total export revenue	1,989	2,891	3,267	4,472	4,406	4,727	5,790	7,129	13,487	17,713	22,821
Segmental export revenue contribution (%)											
CRAMS	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Specialty Chemicals	37%	46%	43%	38%	40%	42%	40%	44%	46%	46%	46%
Inorganic Fluorides	9%	11%	17%	13%	10%	12%	12%	12%	12%	12%	12%
Refrigerant Gases	42%	38%	33%	35%	44%	44%	46%	50%	55%	55%	55%
HFO	-	-	-	-	-	-	-	-	100%	100%	100%
Total export revenue	37%	45%	47%	51%	46%	46%	51%	51%	64%	67%	71%
Segment-wise domestic revenue (INR mn)											
CRAMS	-	-	-	-	-	-	-	-	-	-	-
Specialty Chemicals	1,354	1,289	1,299	1,400	1,800	2,210	2,718	3,170	3,759	4,624	5,133
Inorganic Fluorides	956	837	1,002	1,290	1,782	1,822	1,698	2,411	2,532	2,658	2,898
Refrigerant Gases	1,087	1,345	1,446	1,573	1,562	1,462	1,123	1,330	1,281	1,370	1,439
HFO	-	-	-	-	-	-	-	-	-	-	-
Total domestic revenue	3,398	3,471	3,747	4,262	5,144	5,493	5,540	6,911	7,572	8,653	9,469
Segmental domestic revenue contribution (%)											
CRAMS	-	-	-	-	-	-	-	-	-	-	-
Specialty Chemicals	63%	54%	57%	62%	60%	58%	60%	56%	54%	54%	54%
Inorganic Fluorides	91%	89%	83%	87%	90%	88%	88%	88%	88%	88%	88%
Refrigerant Gases	58%	62%	67%	65%	56%	56%	54%	50%	45%	45%	45%
HFO	-	-	-	-	-	-	-	-	-	-	-
Total domestic revenue	63%	55%	53%	49%	54%	54%	49%	49%	36%	33%	29%

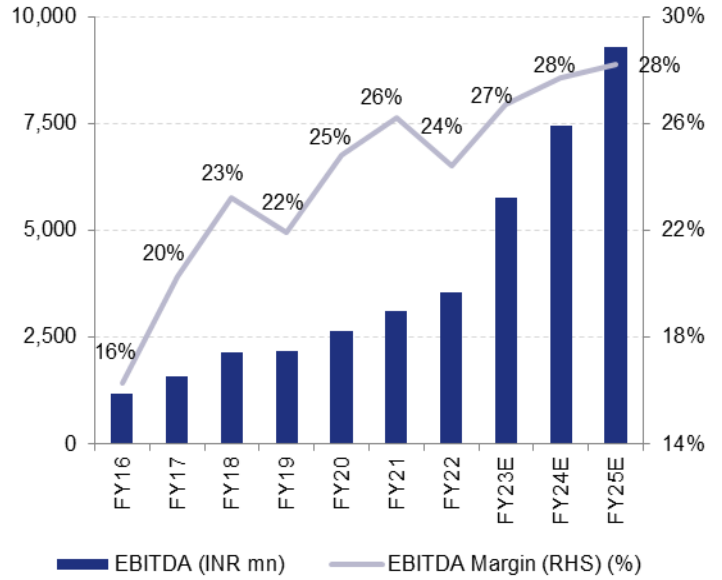
Source: JM Financial, Company, *Note: We have assumed 100% export for new INR 6.0bn contract

Exhibit 4. Sales likely to see 31% CAGR over FY22-25E



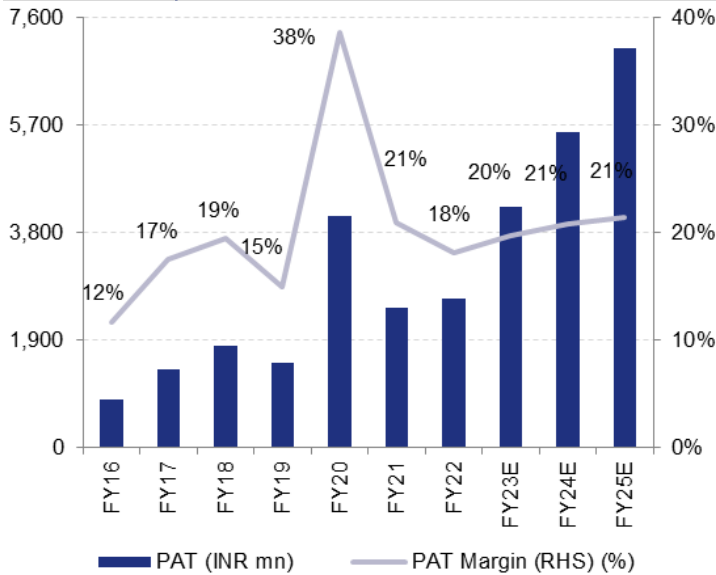
Source: Company, JM Financial

Exhibit 5. EBITDA expected to see 38% CAGR over FY22-25E



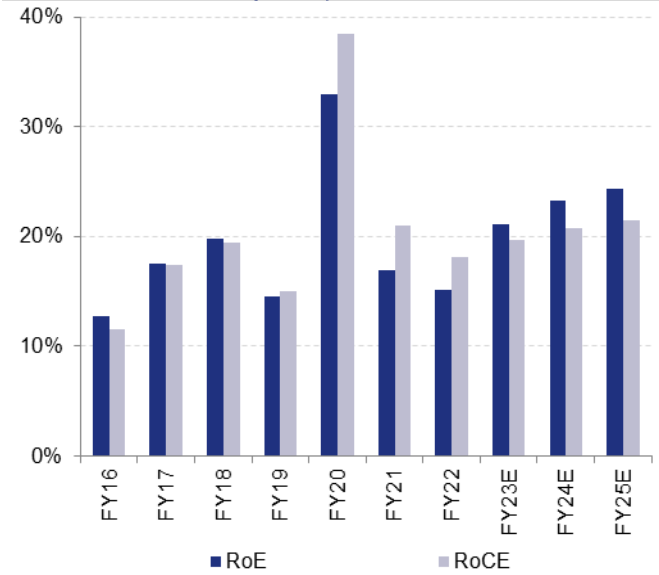
Source: Company, JM Financial

Exhibit 6. PAT expected to see 39% CAGR over FY22-FY25E



Source: Company, JM Financial

Exhibit 7. RoCE/RoE likely to improve further



Source: Company, JM Financial

Valuation

Exhibit 8. NFIL is currently trading at ~51x 1-year forward consensus P/E multiple



Source: Bloomberg

Exhibit 9. Chemical companies peer valuation

Company	Rating	TP	CMP	M.Cap (USD Bn)	EBITDA Margin (%)			EV/EBITDA (x)			P/E (x)			P/B (x)			ROE (%)		
		(INR)	(INR)		FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
SRF Ltd	BUY	3000	2383	8.9	25.5	26.1	25.6	22.2	18.5	16.0	35.9	30.4	25.9	7.9	6.4	5.3	24.5	23.4	22.4
PI Industries	BUY	3460	3062	5.1	21.9	24.0	25.2	35.3	25.4	20.2	48.0	37.5	29.7	6.5	5.6	4.8	14.5	16.1	17.5
Deepak Nitrite	BUY	2760	1850	3.3	23.6	26.0	26.9	14.6	13.1	11.0	22.2	20.6	17.5	7.1	5.4	4.2	37.5	29.7	26.9
Navin Fluorine	BUY	5090	4208	2.4	24.4	26.7	27.7	58.3	36.8	28.3	79.3	49.1	37.4	11.3	9.6	8.0	15.1	21.1	23.2
Clean Science Tech	BUY	2425	1758	2.2	43.8	48.3	48.7	51.9	35.9	27.5	69.3	50.8	39.3	20.6	14.8	10.8	34.9	33.9	31.8
Fine Organics	SELL	3200	5130	2.0	18.8	19.1	19.3	41.7	33.1	32.5	58.7	50.4	49.7	15.3	12.3	10.3	29.5	27.1	22.5
Galaxy Surfactants	HOLD	3010	3109	1.3	10.9	12.0	12.2	26.6	23.5	20.3	39.4	33.9	30.5	6.6	6.0	5.3	18.3	18.6	18.4
Anupam Rasayan	BUY	1125	788	0.8	27.9	27.3	27.0	22.5	15.2	12.7	40.4	24.2	19.7	3.5	3.1	2.7	9.1	13.6	14.7
Tatva Chintan	HOLD	2530	2371	0.6	25.0	26.2	27.0	47.5	35.9	27.5	54.2	47.1	37.1	11.0	9.0	7.3	30.0	21.0	21.7

Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E	
Net Sales	11,794	14,534	21,577	26,910	32,862	
Sales Growth	11.1%	23.2%	48.5%	24.7%	22.1%	
Other Operating Income	0	0	0	0	0	
Total Revenue	11,794	14,534	21,577	26,910	32,862	
Cost of Goods Sold/Op. Exp	5,374	6,656	9,818	12,244	14,788	
Personnel Cost	1,417	1,815	2,479	3,092	3,776	
Other Expenses	1,910	2,514	3,516	4,116	5,027	
EBITDA	3,093	3,548	5,764	7,457	9,271	
EBITDA Margin	26.2%	24.4%	26.7%	27.7%	28.2%	
EBITDA Growth	17.4%	14.7%	62.4%	29.4%	24.3%	
Depn. & Amort.	442	479	720	1,246	1,600	
EBIT	2,651	3,069	5,044	6,211	7,672	
Other Income	790	392	497	830	966	
Finance Cost	18	19	235	287	154	
PBT before Excep. & Forex	3,423	3,442	5,306	6,754	8,484	
Excep. & Forex Inc./Loss(-)	155	0	0	0	0	
PBT	3,578	3,442	5,306	6,754	8,484	
Taxes	1,108	812	1,061	1,182	1,442	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	105	0	0	0	0	
Reported Net Profit	2,575	2,631	4,245	5,572	7,041	
Adjusted Net Profit	2,468	2,631	4,245	5,572	7,041	
Net Margin	20.9%	18.1%	19.7%	20.7%	21.4%	
Diluted Share Cap. (mn)	49.5	49.6	49.6	49.6	49.6	
Diluted EPS (INR)	49.9	53.1	85.7	112.4	142.1	
Diluted EPS Growth	-39.6%	6.5%	61.4%	31.3%	26.4%	
Total Dividend + Tax	544	545	897	1,178	1,489	
Dividend Per Share (INR)	11.0	11.0	18.1	23.8	30.0	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E	
Profit before Tax	3,578	3,442	5,306	6,754	8,484	
Depn. & Amort.	14	871	720	1,246	1,600	
Net Interest Exp. / Inc. (-)	-790	-392	-497	-830	-966	
Inc (-) / Dec in WCap.	-1,255	-2,104	-1,840	-1,607	-1,794	
Others	652	-289	0	0	0	
Taxes Paid	173	-781	-1,061	-1,182	-1,442	
Operating Cash Flow	2,373	748	2,628	4,381	5,881	
Capex	-987	-5,789	-7,600	-2,500	-1,300	
Free Cash Flow	1,386	-5,041	-4,972	1,881	4,581	
Inc (-) / Dec in Investments	-3,423	-610	0	0	0	
Others	2,039	4,675	0	0	0	
Investing Cash Flow	-2,371	-1,724	-7,600	-2,500	-1,300	
Inc / Dec (-) in Capital	0	0	0	0	0	
Dividend + Tax thereon	-394	-542	-400	-348	-523	
Inc / Dec (-) in Loans	-859	929	4,700	-1,500	-4,000	
Others	803	27	0	0	0	
Financing Cash Flow	-451	415	4,300	-1,848	-4,523	
Inc / Dec (-) in Cash	-449	-561	-672	33	58	
Opening Cash Balance	1,767	1,318	757	86	118	
Closing Cash Balance	1,318	757	86	118	177	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E	
Shareholders' Fund	16,339	18,442	21,790	26,184	31,736	
Share Capital	99	99	99	99	99	
Reserves & Surplus	16,240	18,343	21,691	26,085	31,637	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	0	1,000	5,700	4,200	200	
Def. Tax Liab. / Assets (-)	207	201	201	201	201	
Total - Equity & Liab.	16,546	19,644	27,691	30,585	32,138	
Net Fixed Assets	4,716	11,577	18,456	19,710	19,411	
Gross Fixed Assets	4,817	6,080	14,501	21,101	24,601	
Intangible Assets	8	5	5	5	5	
Less: Depn. & Amort.	1,058	1,929	2,649	3,895	5,495	
Capital WIP	949	7,421	6,600	2,500	300	
Investments	991	1,181	1,181	1,181	1,181	
Current Assets	13,268	11,097	13,141	15,365	17,870	
Inventories	1,804	2,575	3,547	4,424	5,402	
Sundry Debtors	2,841	3,577	5,320	6,635	8,103	
Cash & Bank Balances	1,319	757	86	119	177	
Loans & Advances	48	0	0	0	0	
Other Current Assets	7,256	4,188	4,188	4,188	4,188	
Current Liab. & Prov.	2,429	4,211	5,087	5,671	6,324	
Current Liabilities	1,365	1,721	2,621	3,205	3,857	
Provisions & Others	1,064	2,490	2,466	2,466	2,466	
Net Current Assets	10,839	6,886	8,054	9,694	11,546	
Total - Assets	16,546	19,644	27,691	30,585	32,138	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E	
Net Margin	20.9%	18.1%	19.7%	20.7%	21.4%	
Asset Turnover (x)	0.7	0.8	0.9	0.9	1.0	
Leverage Factor (x)	1.0	1.1	1.2	1.2	1.1	
RoE	16.2%	15.1%	21.1%	23.2%	24.3%	

Key Ratios						
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E	
BV/Share (INR)	330.1	372.2	439.8	528.4	640.5	
ROIC	15.0%	14.9%	18.5%	18.5%	21.3%	
ROE	16.2%	15.1%	21.1%	23.2%	24.3%	
Net Debt/Equity (x)	-0.1	0.0	0.2	0.1	0.0	
P/E (x)	84.4	79.3	49.1	37.4	29.6	
P/B (x)	12.7	11.3	9.6	8.0	6.6	
EV/EBITDA (x)	66.0	57.9	36.6	28.1	22.1	
EV/Sales (x)	17.3	14.1	9.8	7.8	6.2	
Debtor days	88	90	90	90	90	
Inventory days	56	65	60	60	60	
Creditor days	45	49	55	55	56	

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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Rating	Meaning
Buy	Total expected returns of more than 10% for large-cap stocks* and REITs and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for large-cap* stocks and REITs and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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