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Ambuja Cements

BUY

Maintained

Rs314

Strong operating show led by cost efficiencies

Ambuja Cements (ACEM) continued to surprise positively with Q1CY21 EBITDA increasing 62% YoY to Rs9.8bn (I-Sec: Rs8bn) led by lower costs. Total cost/te declined 6% QoQ (and 5% YoY) vs our expectations of flat cost/te owing to fuel mix optimisation, better cost efficiencies and operating leverage. Volumes including clinker sales grew 25% YoY (2 year CAGR of 6%) while realisation remained flat QoQ – both broadly in-line with our estimates. EBITDA/te increased sharply 29% YoY to Rs1,350/te (I-Sec: Rs1,124/te). Factoring in better profitability, we raise our CY21-CY22E EBITDA by 4-8% and EPS by 5-11%. With improving profitability and return ratios, we raise our target multiple for standalone entity to 10yrs historical average of 12x EV/E (earlier 10x) and raise our target price to Rs375/share (earlier: Rs330/sh). Maintain BUY. Key risk: Lower demand/prices.

- **Q1CY21 standalone EBITDA at Rs9.8bn (up 62% YoY) was higher than our / consensus estimates.** Total cost/te declined 5% YoY and 6% QoQ led by operational efficiencies along with logistic efficiencies such as direct dispatches, reduction in lead distance and increased home market share and operating leverage, which compensated for rising fuel and diesel costs. Raw material and power and fuel costs/te declined 9% QoQ (Rs143/te) mainly due to fuel mix optimisation and stock inventory adjustments. Accordingly, EBITDA/te increased 29% YoY / 24% QoQ to Rs1,349/te. PAT grew 66% YoY to Rs6.6bn.
- **Standalone revenue rose 30% YoY to Rs35.8bn (I-Sec: Rs35.7bn).** Realisation increased 3.3% YoY (up 0.3% QoQ) to Rs4,945/te supported by 82% YoY growth in special/premium products (contributed 12% of total sales volume in Q1CY21). Volumes increased 25% YoY (2year CAGR of 6%) to highest-ever 7.24mnte (>96% utilisation) supported by volume growth across regions. Management remains cautiously (given the recent resurgence in covid cases) optimistic for CY21 backed by higher government infrastructure spending and rural housing demand.
- **Medium-term ambition to increase capacities to 50mnte** from the current 29.6mnte. Greenfield project at Marwar Mundwa, Rajasthan, is expected to commence operations in Q3CY21. This project will enhance the clinker capacity by 3mnte and is likely to improve cement sales by 5mnte. The company is also exploring brownfield expansions at Bhatapara, Chhattisgarh and Maratha, Maharashtra.
- **Consolidated revenue grew 24% YoY to Rs76.2bn, broadly led by volumes.** Consolidated EBITDA grew 54% YoY to Rs18.4bn while PAT, after minority interest, grew 71% YoY to Rs9.5bn. Synergies under the master-supply agreement with ACC also aided profitability for both the companies. ACEM remains focused on sustainability goals and has improved performance across key levers of carbon emissions, water consumption, use of AFR and co-processing of wastes.

Q1CY21 result review and earnings revision

Cement

Target price: Rs375

Earnings revision*

(%)		CY21E		CY22E
Sales	↑	1.1	↑	1.8
EBITDA	↑	7.9	↑	3.5
EPS	↑	11.2	↑	5.1

*standalone

Target price revision

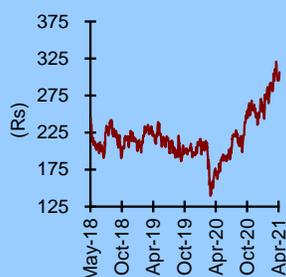
Rs375 from Rs330

Shareholding pattern

	Sep '20	Dec '20	Mar '21
Promoters	63.3	63.3	63.3
Institutional investors	30.1	29.6	29.9
MFs and others	6.8	5.3	4.9
FIs/Bank/Ins	6.5	6.2	7.2
FPI	16.8	18.1	17.8
Others	6.6	7.1	6.8

Source: NSE

Price chart



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Market Cap	Rs624bn/US\$8.4bn
Reuters/Bloomberg	ABUJ.BO/ACEM IN
Shares Outstanding (mn)	1,985.6
52-week Range (Rs)	321/162
Free Float (%)	50.0
FII (%)	17.8
Daily Volume (US\$'000)	29,458
Absolute Return 3m (%)	29.5
Absolute Return 12m (%)	100.0
Sensex Return 3m (%)	7.7
Sensex Return 12m (%)	53.8

Year to Dec	CY19	CY20	CY21E	CY22E
Revenue (Rs mn)	271,036	245,162	303,390	331,893
EBITDA (Rs mn)	45,970	50,056	62,558	70,184
Net Income (Rs)	18,786	25,401	29,386	33,264
% Chg YoY	27.5	35.2	24.2	13.2
P/E (x)	20.7	19.5	21.2	18.7
CEPS (Rs)	15.3	18.6	20.9	23.5
EV/E (x)	15.6	14.4	11.2	9.6
Dividend Yield	0.5	5.7	0.7	0.8
RoCE (%)	8.1	10.9	12.4	12.6
RoE (%)	8.1	10.8	12.2	12.5

Table 1: Q1CY21 result review (standalone)*(Rs mn, year ending December 31)*

	Q1CY21	Q1CY20	YoY (%)	Q4CY20	QoQ (%)	I-Sec estimates	% Variance
Volumes including clinker	7.24	5.77	25.4	7.04	2.9	7.14	1.3
Realisation	4,945	4,783	3.4	4,929	0.3	4,999	(1.1)
Net sales	35,790	27,600	29.7	34,680	3.2	35,697	0.3
Other operating income	424	675	(37.2)	470	(9.8)	372	14.0
Raw materials	3,435	2,514	36.7	4,486	(23.4)	4,131	(16.8)
Personnel costs	1,692	1,722	(1.7)	1,850	(8.6)	1,670	1.3
Power and fuel costs	7,352	5,622	30.8	7,010	4.9	8,096	(9.2)
Freight cost	8,803	7,423	18.6	8,690	1.3	9,172	(4.0)
Other expenses	5,164	4,964	4.0	5,437	(5.0)	4,976	3.8
Total expenses	26,446	22,243	18.9	27,473	(3.7)	28,044	(5.7)
EBITDA	9,768	6,032	61.9	7,677	27.2	8,024	21.7
EBITDA/te	1,350	1,045	29.1	1,091	23.7	1,124	20.1
Interest	204	231	(11.5)	233	(12.4)	210	(2.9)
Depreciation	1,254	1,379	(9.0)	1,257	(0.2)	1,270	(1.2)
Other income	552	881	(37.4)	394	39.9	1,734	(68.2)
Recurring pre-tax income	8,861	5,304	67.1	6,582	34.6	8,279	7.0
Extraordinary income/(expense)	-	-	-	-	-	-	-
Taxation	2,215	1,313	68.7	1,612	37.4	2,152	2.9
Reported net income	6,646	3,991	66.5	4,970	33.7	6,126	8.5
Recurring net income	6,646	3,991	66.5	4,970	33.7	6,126	8.5
Ratios (%)							
EBITDA margin	27.3	21.9	5.4	22.1	5.2	22.5	4.8
Net profit margin	18.6	14.5	4.1	14.3	4.2	17.2	1.4

Source: Company data, I-Sec research

Table 2: Q1CY21 result review (consolidated)*(Rs mn, year ending December 31)*

	Q1CY21	Q1CY20	YoY (%)	Q4CY20	QoQ (%)
Volumes including clinker*	14.8	12.2	21.5	14.2	3.9
Realisation	5,143	5,028	2.3	5,159	(0.3)
Net sales	76,170	61,290	24.3	73,500	3.6
Other operating income	978	1,207	(18.9)	1,029	(4.9)
Raw materials	12,228	9,584	27.6	14,680	(16.7)
Personnel costs	3,788	3,891	(2.6)	4,400	(13.9)
Power and fuel costs	15,405	12,968	18.8	14,542	5.9
Freight cost	16,545	13,876	19.2	15,331	7.9
Other expenses	10,797	10,263	5.2	10,861	(0.6)
Total expenses	58,763	50,583	16.2	59,815	(1.8)
EBITDA	18,385	11,913	54.3	14,714	25.0
EBITDA/te	1,241	977	27.0	1,033	20.2
Interest	316	337	(6.0)	408	(22.4)
Depreciation	2,688	2,964	(9.3)	2,833	(5.1)
Other income	972	1,418	(31.5)	999	(2.7)
Recurring pre-tax income	16,352	10,031	63.0	12,472	31.1
Extraordinary income/(expense)	-	-	-	(3,049)	-
Taxation	4,133	2,640	56.6	(199)	-
Share of profit from associates	64	35	81.3	61	5.5
Minority interest	2,810	1,883	49.2	2,360	19.1
Reported net income	9,472	5,543	70.9	7,323	29.4
Recurring net income	9,472	5,543	70.9	10,372	(8.7)
Ratios (%)					
EBITDA margin	24.1	19.4	4.7	20.0	4.1
Net profit margin	12.4	9.0	3.4	14.1	(1.7)

Source: Company data, I-Sec research, *assumed

Chart 1: Growth and competitiveness

<p>Capacity Expansion</p>  <p>Marwar Mundwa, Nagaur, Rajasthan</p> <ul style="list-style-type: none"> Greenfield integrated plant with 3 MTPA clinkerisation and 1.8 MTPA cement grinding to commence operations in Quarter 3, 2021 Progressing on our ambition to reach 50 million tons in the mid-term 	<p>Special / Premium Products</p>  <ul style="list-style-type: none"> Special / premium cement contributed ~12% of the total sales volume in Q1'21 Ambuja 'Kawach' has been endorsed globally by the "Solar Impulse Efficient Solution" label, recognizing the Company's innovative product that protects the environment in a profitable way. Ambuja 'Kawach' is the first cement brand from India to be awarded this label. 	<p>Operational Efficiency</p>  <ul style="list-style-type: none"> I CAN Program to reset the cost base in manufacturing and supply chain Installing waste heat recovery system and solar power plants across locations Effectively generate waste-derived materials for use in the kilns through Geocycle Installations of wet flyash dryers, bringing about improvement in raw material cost
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Source: Company data, I-Sec Research

Chart 2: Innovation and digitalisation

<p>Production</p> <ul style="list-style-type: none"> Technical Information System (TIS) to help effectively monitor and manage plant productions and quality through real time information access Performance and Collaboration Tool (PACT), helping in real time performance capturing and reporting of Operational and Performance KPI Special mechanical interventions on systems through use of tool / solutions for predictive maintenance, enhancing plant reliability and availability 	<p>Logistics</p> <ul style="list-style-type: none"> Blue Yonder enabling organisation from planning to execution besides network optimisation Transport Analytics Centre (TAC) for freight optimisation, distribution safety and customer services across plants 	<p>Innovation & New Solutions</p> <ul style="list-style-type: none"> Creating solutions and innovative products with sustainability focus Ambuja Certified Technology (ACT), have created a film series to educate our consumers on best construction practices enabling them to build stronger homes. These films are promoted through internal channels to our stakeholders and will be promoted to individual House Builder (IHB) using social media websites Promoted Cool Walls & Ambuja Kawach through digital lead generation campaigns
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Source: Company data, I-Sec Research

Chart 3: Sustainability Goals

SD 2030 Plan

Aligned with LafargeHolcim's Sustainability Strategy, the Sustainable Development Ambition 2030 provides critical impetus to the company's objective to achieve growth through sustainable operations

	Climate and energy	Circular Economy	Water and Nature	People and communities
	CO ₂ Reduced (kg CO ₂ / t cem)	Waste Re-used (Million tonnes)	Water Saved (Fresh water consumption: ltr / t cem)	Value Shared (Million new beneficiaries)
Performance Q1 2021	518.2	2.2	60	0.3 for 2020, on track for 2021
Target 2030	463	13.5	<75	0.8

5.1%
Thermal Substitution Rate achieved in Q1 2021

~63%
Clinker factor

Zero fatality
Across all plants in Q1 2021

Maintain 'Best in Class' performance through continuing global support

Source: Company data, I-Sec Research

Table 3: Historical quarterly per tonne analysis (standalone)

<i>(Rs/te)</i>	Q1CY21	Q1CY20	YoY (%)	Q4CY20	QoQ (%)
Net realisations	4,945	4,783	3.4	4,929	0.3
Expenditure					
Raw material costs	475	436	9.0	638	(25.5)
Employee costs	234	298	(21.7)	263	(11.1)
Power and fuel costs	1,016	974	4.3	996	2.0
Freight costs	1,216	1,286	(5.4)	1,235	(1.5)
Other expenditure	714	860	(17.0)	773	(7.7)
Total	3,654	3,855	(5.2)	3,904	(6.4)
Other operating income	59	117	(50.0)	67	(12.3)
EBITDA	1,350	1,045	29.1	1,091	23.7

Source: Company data, I-Sec research

Table 4: Performance trend and assumptions for estimates (standalone)

<i>(mnte)</i>	CY17	CY18	CY19	CY20	CY21E	CY22E
Capacity	29.7	29.7	29.7	29.7	31.5	31.5
Production	23.0	24.2	24.0	22.6	27.0	29.2
Capacity utilisation (%)	82	87	86	76	86	93
Volume (incl clinker)	23.0	24.3	24.1	22.7	27.1	29.2
Growth (%)	6.7	5.4	(0.8)	(5.8)	19.5	8.0
Realisation (Rs/te)	4,455	4,525	4,717	4,930	5,031	5,168
Growth (%)	4.7	1.6	4.2	4.5	2.1	2.7

Source: Company data, I-Sec research

Table 5: Per-tonne analysis (standalone)

<i>(Rs/te)</i>	CY17	CY18	CY19	CY20	CY21E	CY22E
Net sales	4,455	4,525	4,717	4,930	5,031	5,168
Raw material consumed	655	696	755	832	794	813
Power & Fuel costs	970	1,051	1,075	994	1,106	1,161
Freight costs	961	1,044	998	951	942	956
Other expenses	1,134	1,111	1,127	1,073	1,026	1,020
Total operating expenses	3,721	3,902	3,955	3,849	3,867	3,950
Other operating income	89	157	131	87	55	52
EBITDA	824	780	893	1,168	1,219	1,270

Source: Company data, I-Sec research

Valuation methodology and key risks

We raise our CY21E-CY22E EBITDA by 4-8% and EPS by 5-11%. We raise our target price to Rs375 (earlier: Rs330) based on 12x FY23E EV/E. Maintain **BUY**. Key risks: lower demand / prices.

Table 6: Earnings revision

(Rs mn)

	CY21E			CY22E		
	Revised	Earlier	% chg	Revised	Earlier	% chg
Revenue	1,37,757	1,36,219	1.1	1,52,664	1,49,955	1.8
EBITDA	33,016	30,610	7.9	37,149	35,908	3.5
PAT	22,558	20,282	11.2	25,287	24,056	5.1

Source: Company data, I-Sec research

Table 7: SoTP-based valuation (standalone) on 12x FY23E EV/E

(Rs mn)

Target EV/ EBITDA multiple (x)	12
Target EV (Rs mn)	4,77,905
Net debt / (cash) (Rs mn)	(72,316)
Target value (Rs mn)	5,50,221
No. of shares (mn)	1,986
Target price per share (Rs) for core ACEM	277
Proportionate 50% stake in ACC - per share	98
Target price per share (Rs)	375

Source: I-Sec research

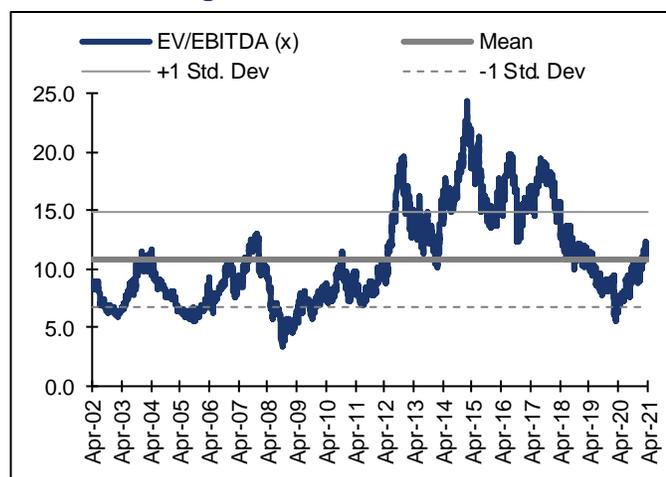
Table 8: SoTP-based valuation (consolidated) impliedly on 11x FY23E EV/E

(Rs mn)

Target multiple	11
Target EV	8,01,357
Add: Net cash	(1,41,185)
Target equity value	9,42,542
Target equity value/ share	473
Less: Minority interest in ACC at our target price	98
Target price per share (Rs)	375

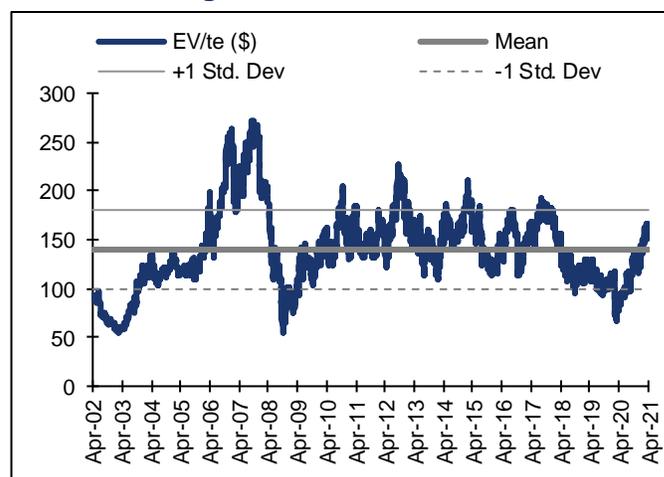
Source: I-Sec research

Chart 4: Rolling EV/EBITDA band



Source: I-Sec research

Chart 5: Rolling EV/te



Financial summary (standalone)

Table 9: Profit and Loss statement

(Rs mn, year ending December 31)

	CY19	CY20	CY21E	CY22E
Operating Income (Sales)	1,13,528	1,11,750	1,36,269	1,51,146
Other operating income	3,151	1,969	1,488	1,518
Operating Expenses	95,190	87,253	1,04,741	1,15,516
EBITDA	21,489	26,466	33,016	37,149
% margin	18.4	23.3	24.0	24.3
Depreciation & Amortisation	5,438	5,212	5,357	6,234
Gross Interest	835	831	841	851
Other Income	3,750	3,720	3,666	4,108
Recurring PBT	18,965	24,144	30,484	34,172
Add: Extraordinaries	1,549	-	-	-
Less: Taxes	5,228	6,243	7,926	8,885
- Current tax	5,730	6,520	7,879	8,837
- Deferred tax	(502)	(278)	46	48
Net Income (Reported)	15,286	17,901	22,558	25,287
Recurring Net Income	13,738	17,901	22,558	25,287

Source: Company data, I-Sec research

Table 10: Balance sheet

(Rs mn, year ending December 31)

	CY19	CY20	CY21E	CY22E
Assets				
Total Current Assets	37,917	31,940	47,861	66,455
Current Liab. & Prov.	45,342	49,360	55,392	60,081
Net Current Assets	(7,426)	(17,420)	(7,531)	6,374
Investments of which	1,62,779	1,44,822	1,44,822	1,44,822
Strategic/Group	1,17,890	1,17,877	1,17,877	1,17,877
Marketable	44,889	26,944	26,944	26,944
Net Fixed Assets*	69,212	78,052	86,633	93,383
of which				
Capital Work-in-Progress	11,087	18,737	19,674	20,658
Total Assets	2,24,565	2,05,454	2,23,924	2,44,578
of which cash & cash equi.	46,995	29,288	42,810	59,373
Liabilities				
Borrowings	353	436	436	436
Deferred Tax Liability	2,161	1,860	1,906	1,954
Equity Share Capital	3,971	3,971	3,971	3,971
Face value per share (Rs)	2	2	2	2
Reserves & Surplus	2,18,081	1,99,187	2,17,610	2,38,217
Less: Misc. Exp	-	-	-	-
Net Worth	2,22,052	2,03,159	2,21,582	2,42,188
Total Liabilities	2,24,565	2,05,454	2,23,924	2,44,578

Source: Company data, I-Sec research

Table 11: Quarterly trend

(Rs mn, year ending December 31)

	Jun-20	Sep-20	Dec-20	Mar-21
Net sales	21,450	28,020	34,680	35,790
% growth (YoY)	(26.3)	9.6	14.2	29.7
Recurring EBITDA	5,952	6,803	7,677	9,768
Margin (%)	27.7	24.3	22.1	27.3
Other income	1,922	523	394	552
Extraordinaries Inc / (Loss)	-	-	-	-
Recurring Net Income	4,534	4,405	4,970	6,646

Source: Company data

Table 12: Cashflow statement

(Rs mn, year ending December 31)

	CY19	CY20	CY21E	CY22E
Operating Cashflow	20,404	21,921	25,425	28,633
Working Capital changes	3,884	3,676	2,502	1,486
Capital Commitments	(11,101)	(9,778)	(13,937)	(12,984)
Net Operating FCF	13,187	15,819	13,991	17,135
Investing Activities	3,735	3,363	3,666	4,108
Issue of Share Capital	-	-	-	-
Buyback of shares	-	-	-	-
Inc(Dec) in Borrowings	-	26	-	-
Dividend paid	(3,340)	(36,646)	(4,135)	(4,681)
Others	11	(519)	(0)	(0)
Extraordinary Items	-	-	-	-
Chg. in Cash & Bank	13,592	(17,957)	13,521	16,563

Source: Company data, I-Sec research

Table 13: Key ratios

(Year ending December 31)

	CY19	CY20	CY21E	CY22E
Per Share Data (Rs)				
EPS(Basic)	7.7	9.0	11.4	12.7
Diluted Recurring EPS	6.9	9.0	11.4	12.7
Diluted Recurring CEPS	9.7	11.6	14.1	15.9
Dividend per share	1.5	18.0	2.1	2.4
Book Value	52	43	52	63
Growth Ratios (% YoY)				
Operating Income	2.7	(2.5)	21.1	10.8
EBITDA	13.6	23.2	24.7	12.5
Recurring Net Income	18.0	30.3	26.0	12.1
Diluted Recurring EPS	18.0	30.3	26.0	12.1
Diluted Recurring CEPS	12.0	20.5	20.8	12.9
Valuation Ratios (x)				
P/E	33.3	25.5	20.3	18.1
P/CEPS	23.8	19.8	16.4	14.5
P/BV	4.4	5.4	4.4	3.7
EV / EBITDA	18.1	15.4	12.0	10.2
EV / te (US\$)	175	183	168	161
EV / Operating Income	4.9	5.2	4.2	3.7
EV / Operating FCF	16.0	14.0	20.8	18.7
Operating Ratios (%)				
Raw Material / Sales	26	25	25	25
Other expenses / Sales	58	53	52	52
Other Income / PBT	20	15	12	12
Effective Tax Rate	28	26	26	26
NWC / Total Assets	(0.0)	(0.1)	(0)	(0)
Inventory (x)	5.5	6.6	8.6	8.6
Receivables (days)	16	12	6	6
Payable (days)	39	38	32	33
D/E Ratio (x)	(0.2)	(0.1)	(0.2)	(0.2)
Profitability Ratios (%)				
Rec. Net Income Margins	11.4	15.2	16.0	16.1
RoCE	12.8	17.7	22.1	20.8
RoNW	12.6	17.5	22.0	20.6
Dividend Payout	21.7	199.7	18.3	18.5

Source: Company data, I-Sec research

Financial summary (consolidated)

Table 14: Profit and Loss statement

(Rs mn, year ending December 31)

	CY19	CY20	CY21E	CY22E
Operating Income (Sales)	2,71,036	2,45,162	3,03,390	3,31,893
Operating Expenses	2,25,066	1,95,106	2,40,832	2,61,709
EBITDA	45,970	50,056	62,558	70,184
% margin	17.0	20.4	20.6	21.1
Depreciation & Amortisation	11,525	11,618	12,116	13,479
Gross Interest	1,319	1,174	1,555	1,572
Other Income	4,297	4,254	4,296	4,956
Recurring PBT	37,422	41,518	53,314	60,234
Add: Extraordinaries	2,164	(1,747)	-	-
Less: Taxes	11,954	8,848	15,312	17,232
- Current tax	12,647	12,004	14,773	16,628
- Deferred tax	(693)	(3,157)	539	604
Less: Minority interest	6,882	7,414	8,616	9,738
Net Income (Reported)	20,950	23,654	29,386	33,264
Recurring Net Income	18,786	25,401	29,386	33,264

Source: Company data, I-Sec research

Table 15: Balance sheet

(Rs mn, year ending December 31)

	CY19	CY20	CY21E	CY22E
Assets				
Total Current Assets	88,622	82,569	1,19,111	1,49,267
Current Liab. & Prov.	93,956	99,526	1,10,553	1,19,875
Net Current Assets	(5,334)	(16,957)	8,558	29,392
Investments of which	90,602	85,530	70,864	70,864
Strategic/Group	1,459	1,546	1,002	1,002
Marketable	89,143	83,984	69,862	69,862
Net Fixed Assets*	1,43,743	1,50,317	1,72,016	1,87,829
of which				
Capital Work-in-Progress	15,544	24,219	21,633	22,225
Goodwill	78,815	78,761	78,761	78,761
Total Assets	3,07,826	2,97,652	3,30,199	3,66,845
of which cash & cash equi.	93,583	89,483	1,09,658	1,36,453
Liabilities				
Borrowings	353	436	436	436
Deferred Tax Liability	9,326	6,231	5,704	5,789
Minority Interest	57,368	63,409	71,232	79,209
Equity Share Capital	3,971	3,971	3,971	3,971
Face value per share (Rs)	2	2	2	2
Reserves & Surplus	2,36,809	2,23,605	2,48,856	2,77,440
Less: Misc. Exp	-	-	-	-
Net Worth	2,40,780	2,27,576	2,52,827	2,81,411
Total Liabilities	3,07,826	2,97,652	3,30,199	3,66,845

Source: Company data, I-Sec research

Table 16: Quarterly trend

(Rs mn, year ending December 31)

	Jun-20	Sep-20	Dec-20	Mar-21
Net sales	45,440	60,710	73,500	76,170
% growth (YoY)	(34.4)	1.9	5.6	24.3
Recurring EBITDA	11,222	13,496	14,714	18,385
Margin (%)	24.7	22.2	20.0	24.1
Other income	1108	971	999	972
Extraordinary Inc / (Loss)	-	-	(3,049)	-
Recurring Net Income	4,571	6,218	10,372	9,472

Source: Company data, I-Sec research

Table 17: Cashflow statement

(Rs mn, year ending December 31)

	CY19	CY20	CY21E	CY22E
Operating Cashflow	39,745	39,888	40,065	43,787
Working Capital changes	6,512	7,572	5,509	4,565
Capital Commitments	(16,070)	(17,253)	(32,317)	(29,292)
Net Operating FCF	30,186	30,207	13,257	19,060
Investing Activities	4,142	4,080	18,418	4,956
Issue of Share Capital	-	-	-	-
Buyback of shares	-	-	-	-
Inc(Dec) in Borrowings	-	26	-	-
Dividend paid	(5,174)	(37,959)	(4,135)	(4,681)
Others	11	(765)	6,757	7,459
Extraordinary Items	-	-	-	-
Chg. in Cash & Bank	29,165	(4,411)	34,297	26,795

Source: Company data, I-Sec research

Table 18: Key ratios

(Year ending December 31)

	CY19	CY20	CY21E	CY22E
Per Share Data (Rs)				
EPS(Basic)	10.6	11.9	14.8	16.8
Diluted Recurring EPS	9.5	12.8	14.8	16.8
Diluted Recurring CEPS	15.3	18.6	20.9	23.5
Dividend per share	1.5	18.0	2.1	2.4
Book Value	121	115	127	142
Growth Ratios (% YoY)				
Operating Income	4.1	(9.5)	23.8	9.4
EBITDA	14.6	8.9	25.0	12.2
Recurring Net Income	27.5	35.2	24.2	13.2
Diluted Recurring EPS	27.5	35.2	15.7	13.2
Diluted Recurring CEPS	15.4	22.1	12.1	12.6
Valuation Ratios (x)				
P/E	20.7	19.5	21.2	18.7
P/CEPS	20.6	16.8	15.0	13.3
P/BV	2.6	2.7	2.5	2.2
EV / EBITDA	15.6	14.4	11.2	9.6
EV / te (US\$)	152	153	142	134
EV / Operating Income	2.0	2.2	1.7	1.5
EV / Operating FCF	13.3	12.4	11.3	10.1
Operating Ratios (%)				
Raw Material / Sales	18	18	17	17
Other expenses / Sales	56	54	51	51
Other Income / PBT	11	10	8	8
Effective Tax Rate	32	21	29	29
NWC / Total Assets	(0.0)	(0.1)	(0.1)	(0.1)
Inventory (x)	1.9	2.3	2.9	2.9
Receivables (days)	16	12	8	8
Payable (days)	43	43	36	38
D/E Ratio (x)	(0.3)	(0.4)	(0.4)	(0.5)
Profitability Ratios (%)				
Rec. Net Income Margins	6.8	10.2	9.6	9.9
RoCE	8.1	10.9	12.4	12.6
RoNW	8.1	10.8	12.2	12.5
Dividend Payout	15.9	140.7	14.1	14.1

Source: Company data, I-Sec research

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