CENTRUM

# Artemis Medicare Services Ltd

## Weak quarter; Downgrade to ADD

Result Update

India I Pharma & Healthcare

12 May, 2025

Institutional Research

**ADD**

Price: Rs254

Target Price: Rs270

Forecast return: 6%


**ARTMSL delivered a miss on our estimates in 4QFY25. Consol. Revenue/PAT grew 7%/62% YoY while EBITDA declined 5% YoY. EBITDA margins contracted 180bp YoY to 15% (our est. 18.3%). Hospital segment net revenue was Rs2.2bn (+8% YoY). However, Hospital EBITDA margin (ex-other income) declined 240bp YoY to 15.9%. EBITDA per operating bed was Rs4.5mn (down 10% YoY/down 7% QoQ). We believe this is largely due to increase in opex led by Tower-3 being operational. In 4QFY25, ARPOB was Rs80,200 (+5% YoY/+3% QoQ), operational bed capacity was 522 (+14% YoY/2% QoQ) and patient volumes were flat YoY. In FY25, patient volumes grew ~2% YoY highlighting lower traction and increased competition from peers. We have reduced our FY26E/FY27E EPS estimates by 11%/5% on account of a) lower than expected volume growth and b) increase in opex due to investments in Raipur facility. Going forward, ARTMSL plans to expand bed capacity to ~2000 beds (800+ at end-FY25) over the next 3-5 years. We expect Revenue/EBITDA/PAT to deliver 26%/32%/41% with margins expanding 160bp to ~18% over FY25-27E. We value ARTMSL at 14x (v/s 15x earlier) FY27E EV/EBITDA arriving at a revised TP of Rs270. However, we see majority of the positives being factored in the current price. Downgrade to ADD.**


### Gurgaon hospital profitability declines YoY/QoQ

In 4QFY25, the revenue of the Gurgaon hospital grew 8% YoY/ 3% QoQ to Rs2.2bn. Despite Tower-3 being operational from 3QFY25, the patient volume grew a modest 2% QoQ. Hospital EBITDA margin (ex-other income) declined 240bp YoY to 15.9%. EBITDA per operating bed was Rs4.5mn (down 10% YoY/down 7% QoQ). Going forward, in addition to the operating bed capacity increasing in T3, the upcoming Raipur facility is also getting commissioned in 3QFY26E. It is likely to be operationally loss-making in the first three years of operations and will breakeven by FY29E. We expect the cumulative hospital segment to deliver revenue/EBITDA CAGR of 26%/28% with margins expanding 80bp to 18.3% over FY25-27E.

### Delhi-NCR continues to be the focus for further expansion

For further bed additions, ARTMSL continues to focus on Delhi-NCR (South Delhi and Noida). The expansion will likely be through greenfield, build-to-suit, M&A and O&M. In Apr'24, it raised Rs3b from IFC for the expansion.

### Artemis Cardiac Care (ACC) and Daffodils & Lite segment to continue on robust growth path

In 4QFY25, ACC revenues declined 39% YoY. This was largely on account of 2 centres which were closed in 3QFY25. As the existing ACC centres mature along with new centres addition, we expect ACC revenue to 3x over FY25-27E. On the other hand, the asset-light Daffodils and Lite hospital are gaining traction and are expected to post revenue CAGR of 16% reaching ~Rs550mn over FY25-27E.

### Downgrade to ADD

We have reduced our FY26E/FY27E EPS estimates by 11%/5% on account of a) lower than expected volume growth and b) increase in opex due to investments in Raipur facility. Going forward, ARTMSL plans to expand bed capacity to ~2000 beds (800+ at end-FY25) over the next 3-5 years. We continue to value ARTMSL at 14x FY27E EV/EBITDA arriving at a revised **TP of Rs270**. However, we see majority of the positives being factored in the current price. **Downgrade to ADD.**

### Financial and valuation summary

| YE Mar (Rs mn) | 4QFY25A | 4QFY24A | YoY (%) | 3QFY25A | QoQ (%) | FY25A | FY26E | FY27E |
|---|---|---|---|---|---|---|---|---|
| Revenues | 2,399 | 2,252 | 6.5 | 2,324 | 3.2 | 9,369 | 12,007 | 14,881 |
| EBITDA | 359 | 380 | (5.4) | 375 | (4.2) | 1,518 | 1,977 | 2,649 |
| EBITDA margin (%) | 15.0 | 16.8 | (11.2) | 16.1 | (7.2) | 16.2 | 16.5 | 17.8 |
| Adj. Net profit | 230 | 142 | 62.4 | 207 | 11.4 | 826 | 1,099 | 1,653 |
| Adj. EPS (Rs) | 1.7 | 1.0 | 62.4 | 1.5 | 11.4 | 5.3 | 7.1 | 10.7 |
| EPS growth (%) | | | | | | 47.5 | 33.0 | 50.5 |
| PE (x) | | | | | | 47.6 | 35.8 | 23.8 |
| EV/EBITDA (x) | | | | | | 25.2 | 19.0 | 13.2 |
| PBV (x) | | | | | | 4.7 | 4.2 | 3.6 |
| RoE (%) | | | | | | 12.9 | 12.4 | 16.2 |
| RoCE (%) | | | | | | 11.2 | 11.2 | 14.5 |

Source: Company, Centrum Broking

**Market Data**

| | |
|---|---|
| Bloomberg: | ARTMSL IN |
| 52 week H/L: | 350/143 |
| Market cap: | Rs35.3bn |
| Shares Outstanding: | 138.9mn |
| Free float: | 22.2% |
| Avg. daily vol. 3mth: | 1,33,375 |

Source: Bloomberg

**Changes in the report**

| | |
|---|---|
| Rating: | Downgrade to ADD |
| Target price: | Rs270 from Rs290 |

Source: Centrum Broking

**Shareholding pattern**

| | Mar-25 | Dec-24 | Sep-24 | Jun-24 |
|---|---|---|---|---|
| Promoter | 67.2 | 67.2 | 67.2 | 67.5 |
| FIIs | 0.3 | 0.7 | 0.2 | 0.2 |
| DIIs | 12.1 | 11.6 | 10.7 | 10.6 |
| Public/other | 20.4 | 20.5 | 21.9 | 21.7 |

Source: BSE

**Centrum estimates vs Actual results**

| YE Mar (Rs mn) | Centrum Q4FY25 | Actual Q4FY25 | Variance (%) |
|---|---|---|---|
| Revenue | 2,367 | 2,399 | 1 |
| EBITDA | 434 | 359 | -17 |
| EBITDA margin | 18.3 | 15.0 | -340bp |
| Adj. PAT | 255 | 230 | -10 |

Source: Bloomberg, Centrum Broking

Pharma & Healthcare


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# Thesis Snapshot

### Estimate revision

| YE Mar (Rs mn) | FY26E New | FY26E Old | % chg | FY27E New | FY27E Old | % chg |
|---|---|---|---|---|---|---|
| Revenue | 12,007 | 13,113 | -8.4 | 14,881 | 15,664 | -5.0 |
| EBITDA | 1,977 | 2,145 | -7.8 | 2,649 | 2,742 | -3.4 |
| EBITDA margin | 16.5 | 16.4 | 11bp | 17.8 | 17.5 | 30bp |
| Adj. PAT | 1,099 | 1,239 | -11.3 | 1,653 | 1,736 | -4.8 |

Source: Centrum Broking

### Artemis Medicare versus NIFTY 50

| | 1m | 6m | 1 year |
|---|---|---|---|
| ARTMSL IN | (9.8) | (10.3) | 41.9 |
| NIFTY 50 | 9.7 | 3.0 | 11.4 |

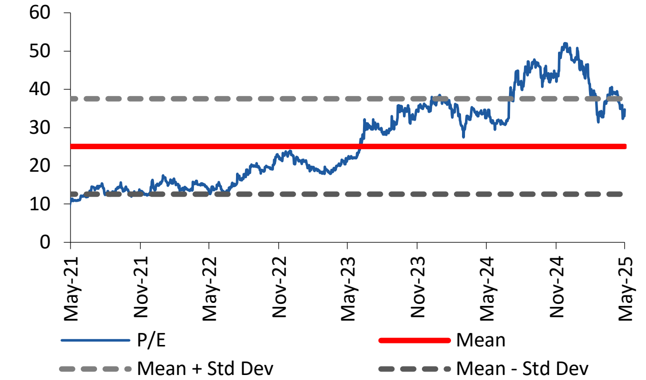
Source: Bloomberg, NSE

### Valuations

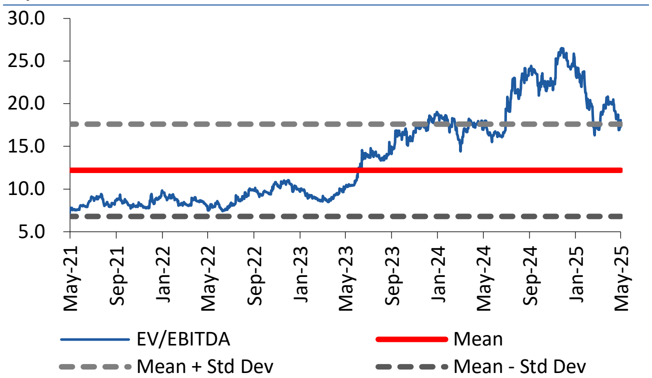
We value ARTMSL at 14x FY27E EV/EBITDA arriving at a revised TP of Rs270. Downgrade to **ADD**.

| Valuations | Rs/share |
|---|---|
| EBITDA | 2,649 |
| Target EV/EBITDA | 14 |
| **EV** | **37,621** |
| Less: Net debt/(cash) | -4,272 |
| Less: Minority | 59 |
| **Equity value** | **41,834** |
| Number of shares | 155 |
| **TP** | **270** |

**P/E mean and standard deviation**




**EV/EBITDA mean and standard deviation**




Source: Bloomberg, Centrum Broking

### Peer comparison

| Company | Mkt Cap | CAGR (FY25-27E) | | | P/E (x) | | | EV/EBITDA (x) | | | RoE(%) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (Rs bn) | Sales | EBITDA | EPS | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E | FY25 | FY26E | FY27E |
| MAXHEALT | 1,128 | 24 | 26 | 28 | 78 | 60 | 48 | 50 | 39 | 32 | 14 | 16 | 18 |
| MEDANTA | 330 | 19 | 22 | 30 | 64 | 50 | 38 | 36 | 30 | 24 | 16 | 18 | 19 |
| ASTERDM | 274 | 21 | 34 | 43 | 91 | 69 | 44 | 37 | 27 | 21 | 11 | 10 | 14 |
| RAINBOW | 138 | 24 | 24 | 39 | 53 | 36 | 27 | 29 | 23 | 19 | 18 | 21 | 23 |
| YATHARTH | 47 | 24 | 23 | 27 | 39 | 33 | 24 | 21 | 17 | 14 | 10 | 9 | 11 |
| **ARTMSL** | **35** | **26** | **32** | **41** | **48** | **36** | **24** | **25** | **18** | **13** | **13** | **12** | **16** |

Source: Company, Centrum Broking

### Exhibit 1: Quarterly Table

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25 | Estimates | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (Rs mn) | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | | | Q4FY25E | %var |
| **Net Sales** | **2,095** | **2,250** | **2,188** | **2,252** | **2,232** | **2,414** | **2,324** | **2,399** | **8,786** | **9,369** | **2,367** | **1** |
| YoY Change(%) | 25 | 20 | 17 | 15 | 7 | 7 | 6 | 7 | | 7 | | |
| **EBITDA** | **279** | **342** | **326** | **380** | **362** | **423** | **375** | **359** | **1,327** | **1,518** | **434** | **-17** |
| EBITDA Margin(%) | 13.3 | 15.2 | 14.9 | 16.8 | 16.2 | 17.5 | 16.1 | 15.0 | 15.1 | 16.2 | **18.3** | -340bp |
| YoY Change(%) | 45 | 46 | 27 | 48 | 30 | 24 | 15 | -5 | | 14 | | |
| **Adjusted PAT** | **98** | **136** | **115** | **142** | **167** | **223** | **207** | **230** | **491** | **826** | **255** | **-10** |
| Net Margin(%) | 4.7 | 6.0 | 5.3 | 6.3 | 7.5 | 9.2 | 8.9 | 9.6 | 5.6 | 8.8 | 11 | -120bp |
| YoY Change(%) | 17 | 48 | 10 | 34 | 69 | 64 | 79 | 62 | | 68 | | |

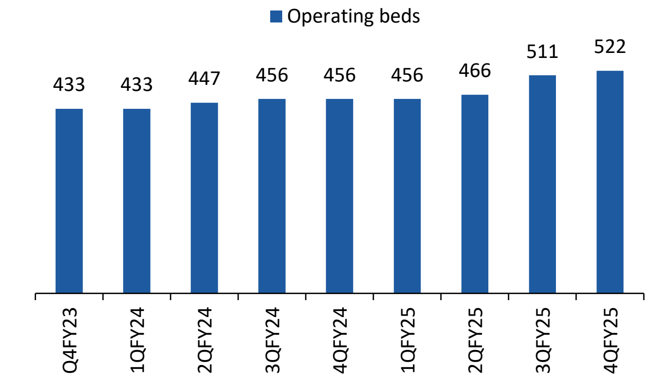
Source: Centrum Broking, Company Data

### Exhibit 2: Operational metrics

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | | |
| **Operational beds** | **433** | **447** | **456** | **456** | **456** | **466** | **511** | **522** | **448** | **489** |
| YoY Change(%) | 0 | 3 | 2 | 0 | 5 | 4 | 12 | 14 | | 9.2 |
| **ARPOB (Rs)** | **76,000** | **76,400** | **77,900** | **78,800** | **79200** | **78,800** | **80,200** | **82800** | **77,300** | **80,200** |
| YoY Change(%) | 13.4 | 18.1 | 14.9 | 12.7 | 4.2 | 3.1 | 3.0 | 5.1 | | 4 |
| QoQ Change (%) | 9 | 1 | 2 | 1 | 1 | -1 | 2 | 3 | | |
| **Occupancy** | **68** | **70** | **65** | **67** | **67** | **69** | **60** | **61** | **67** | **64** |
| YoY Change (bp) | 0.0 | -200.0 | -330.0 | -270.0 | -80.0 | -60.0 | -460.0 | -620.0 | | -320.0 |
| QoQ Change(bp) | -190 | 220 | -500 | 200 | 0 | 240 | -900 | 40 | | |

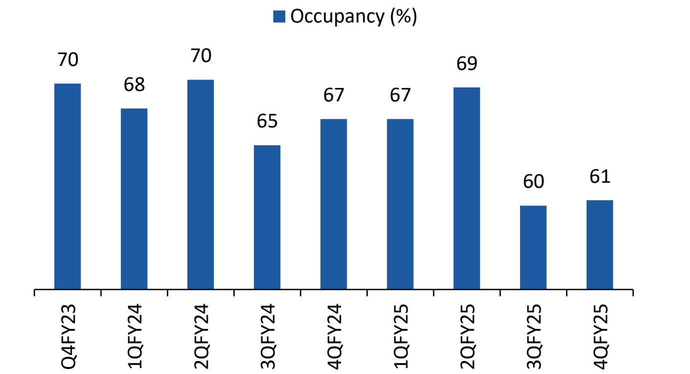
Source: Centrum Broking, Company Data

### Exhibit 3: Operational beds grew 14% YoY in Q4FY25



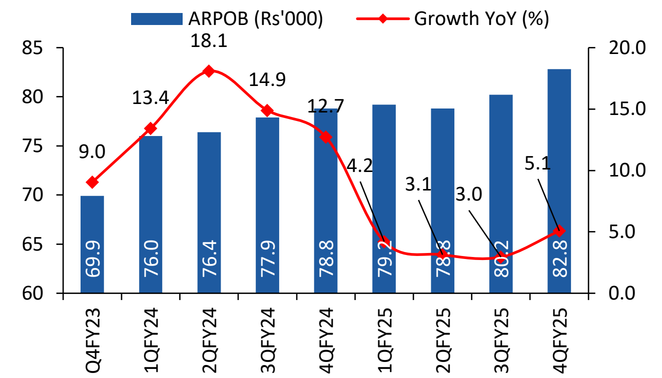

Source: Centrum Broking, Company Data

### Exhibit 4: Occupancy (%) declined 620bp YoY to 61%



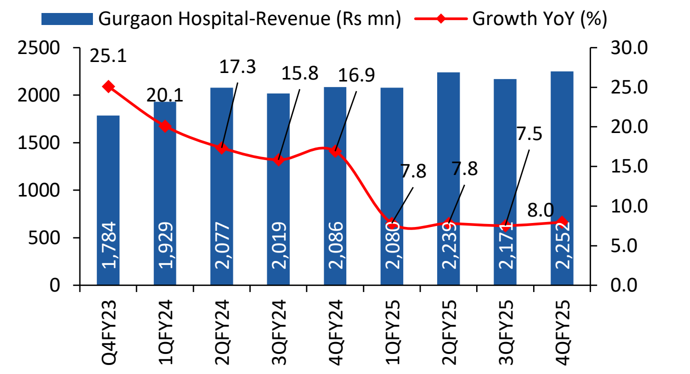

Source: Centrum Broking, Company Data

### Exhibit 5: ARPOB grew 5% YoY to Rs83k in Q4FY25



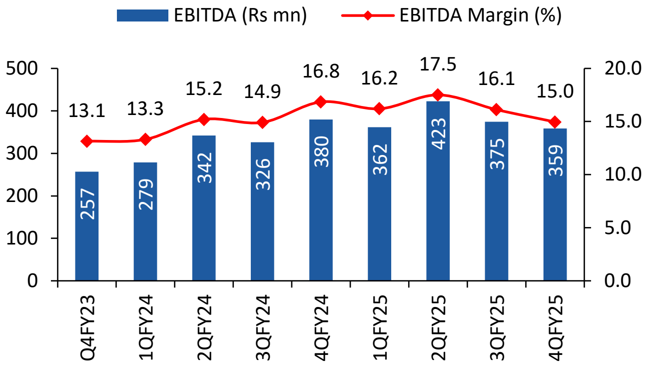

Source: Centrum Broking, Company Data

### Exhibit 6: Hospital Revenue grew 8% YoY to Rs2.2bn



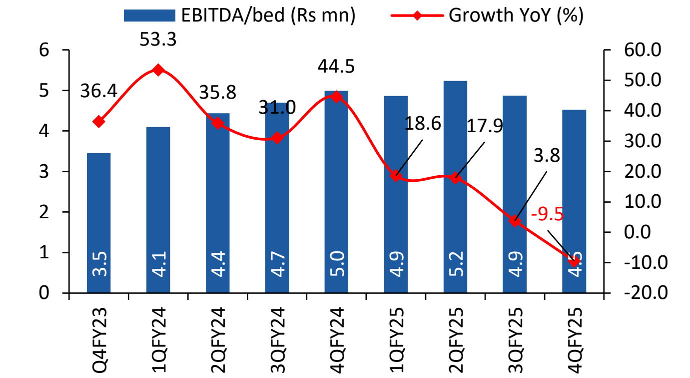

Source: Centrum Broking, Company Data

**Exhibit 7: EBITDA margin declined 180bp YoY to 15%**



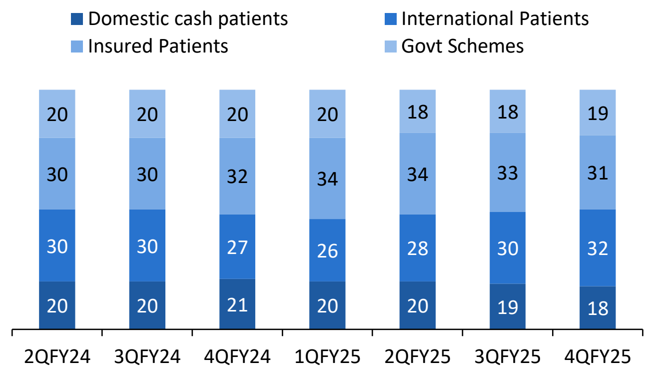

Source: Centrum Broking, Company Data

**Exhibit 8: EBITDA per bed declined 9.5% YoY to Rs4.5mn**



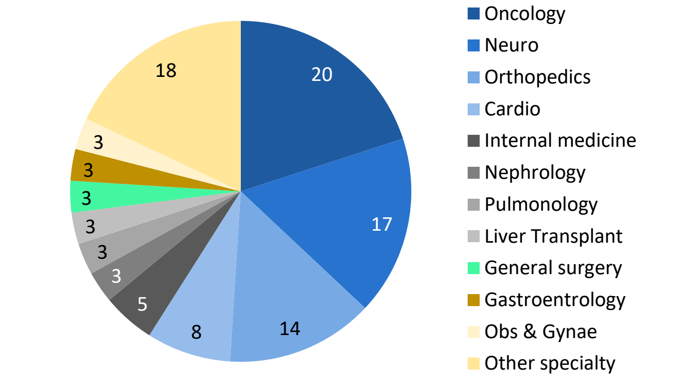

Source: Centrum Broking, Company Data

**Exhibit 9: Payor mix**




Source: Centrum Broking, Company Data

**Exhibit 10: Specialty Mix – Q4FY25**




Source: Centrum Broking, Company Data

# Operational Highlights – Q4FY25

## Gurgaon Hospital

- Net revenue grew 8% YoY to Rs2.25bn driven by higher ARPOB (+5%), increase in operational bed capacity (+14% YoY) partially offset by decline in occupancy (down 620bp YoY)
- ARPOB grew 5% YoY to Rs82.8k.
- Occupancy stood at 61% down 620bp YoY.
- Operating beds stood at 522 up 14% YoY.
- EBITDA (ex-other income) declined 6% YoY to Rs359mn. EBITDA margin declined 235bp YoY to 16%.
- EBITDA per bed declined 9.5% YoY to Rs4.5mn.
- Patient volume was flat YoY at 93k.

## Daffodils and Lite performance

- Revenue grew 16% YoY to Rs96mn.
- EBITDA loss narrowed down to Rs3mn vs loss of Rs24.5mn in Q4FY24.

**Exhibit 11: Daffodils + Lite performance**

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | | |
| **Net Sales** | **83** | **92** | **84** | **83** | **89** | **108** | **98** | **96** | **341** | **391** |
| YoY Change(%) | 189 | 69 | 18 | -4 | 7 | 17 | 17 | 16 | | 15 |
| **EBITDA** | **-28** | **-14** | **-31** | **-20** | **-14** | **-5** | **-8** | **-3** | **-93** | **-30** |
| EBITDA Margin(%) | -33.9 | -15.3 | -37.0 | -24.5 | -16.2 | -4.8 | -7.8 | -3.4 | -27.4 | -7.6 |

Source: Centrum Broking, Company Data

## Cardiac Care

- Revenue declined 39% YoY to Rs51mn.
- EBITDA declined 81% YoY to Rs4mn with margin decreasing to 7%.

**Exhibit 12: Daffodils + Lite performance**

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q1FY24 | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | | |
| **Net Sales** | **84** | **81** | **85** | **84** | **63** | **67** | **55** | **51** | **333** | **236** |
| YoY Change(%) | 123 | 62 | 41 | 2 | -24 | -17 | -35 | -39 | | -29 |
| **EBITDA** | **7** | **9** | **9** | **18** | **5** | **5** | **6** | **4** | **43** | **19** |
| EBITDA Margin(%) | 7.8 | 11.1 | 11.0 | 21.9 | 7.8 | 7.1 | 11.4 | 6.9 | 13.0 | 8.0 |
| YoY Change(%) | | | | 62 | -24 | -47 | -33 | -81 | | -56 |
| **Adjusted PAT** | **-2** | **-2** | **0** | **4** | **-2** | **-3** | **-1** | **-2** | **0** | **-9** |
| Net Margin(%) | -2.1 | -2.8 | 0.5 | 4.4 | -4.0 | -4.4 | -2.0 | -3.4 | 0.0 | -3.7 |
| YoY Change(%) | NA | NA | NA | 11 | NA | NA | NA | NA | | |

Source: Centrum Broking, Company Data

## Gurgaon Hospital to post 21% revenue CAGR over FY25-27E

- Over FY25-27E, we expect Gurgaon hospital revenue to post 21% CAGR driven by phased ramp-up in bed capacity in Tower 3 and occupancy expanding by 400bp to 68%.
- ARPOB to reach Rs88K posting 5% CAGR over FY25-27E.
- EBITDA margin to expand 350bp over FY25-27E reaching 21% exhibiting operating leverage due to scale up in Tower-3 operations.

**Exhibit 13: Gurgaon hospital metrics**

| | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|---|---|---|---|---|---|---|---|---|
| Operational Beds | 318 | 318 | 349 | 427 | 448 | 489 | 579 | 619 |
| Occupancy (%) | 81 | 58 | 69 | 70 | 67 | 64 | 62 | 68 |
| ARPOB (Rs) | 62,100 | 61,800 | 63,200 | 67,100 | 77,300 | 80,200 | 83,809 | 87,999 |
| *Growth YoY (%)* | | *-0.5* | *2.3* | *6.2* | *15.2* | 3.8 | 4.5 | 5.0 |
| Gross Revenue (Rs mn) | 5,822 | 4,186 | 5,573 | 7,278 | 8,524 | 9,171 | 10,981 | 13,520 |
| *Growth YoY (%)* | | *-28.1* | *33.1* | *30.6* | *17.1* | 7.6 | 19.7 | 23.1 |
| EBITDA (Rs mn) | 613 | 385 | 704 | 965 | 1,377 | 1,529 | 2,010 | 2,706 |
| EBITDA Margin (%) | 11.8 | 10.6 | 12.6 | 14.0 | 17.0 | 17.5 | 19.2 | 21.0 |

Source: Centrum Broking, Company Data

## Raipur Hospital expected to post losses in FY26E/FY27E

- We expect Raipur hospital revenue to reach Rs966mn in FY27E driven by strong occupancy levels.
- Facility is expected to experience losses in the first 3 year of operations.

**Exhibit 14: Raipur hospital metrics**

| | FY26E | FY27E |
|---|---|---|
| Operational beds | 150 | 270 |
| Occupancy (%) | 65 | 70 |
| ARPOB (Rs) | 35,000 | 36,750 |
| Growth YoY (%) | | 5.0 |
| Gross Revenue (Rs mn) | 767 | 966 |
| Growth YoY (%) | | 26.0 |
| EBITDA (Rs mn) | -73 | -184 |
| EBITDA Margin (%) | -10.0 | -20.0 |

Source: Centrum Broking, Company Data

**Exhibit 15: Cardiac Care revenue to 3x over FY25-27E**

| | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|---|---|---|---|---|---|---|
| Cardiac Care- Revenue (Rs mn) | 103 | 231 | 347 | 245 | 428 | 632 |
| Growth YoY (%) | | 126 | 50 | -29 | 74 | 48 |
| Cardiac Care- EBITDA (Rs mn) | 3 | 2 | 43 | 19 | 49 | 102 |
| Margin (%) | 2.7 | 0.7 | 12.5 | 7.7 | 11.5 | 16.1 |

Source: Centrum Broking, Company Data

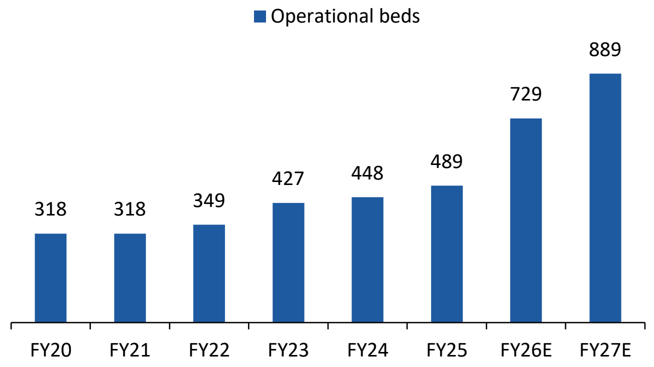
**Exhibit 16: Daffodils + Lite revenue to post 16% CAGR over FY25-27E/breakeven by FY27E**

| | FY23 | FY24 | FY25 | FY26E | FY27E |
|---|---|---|---|---|---|
| Daffodils+Lite- Revenue (Rs mn) | 240 | 341 | 391 | 431 | 508 |
| Growth YoY (%) | | 42 | 15 | 10 | 18 |
| Daffodils+Lite- EBITDA (Rs mn) | -27 | -93 | -30 | -9 | 25 |
| Margin (%) | -11.2 | -27.4 | -7.6 | -2.0 | 5.0 |

Source: Centrum Broking, Company Data

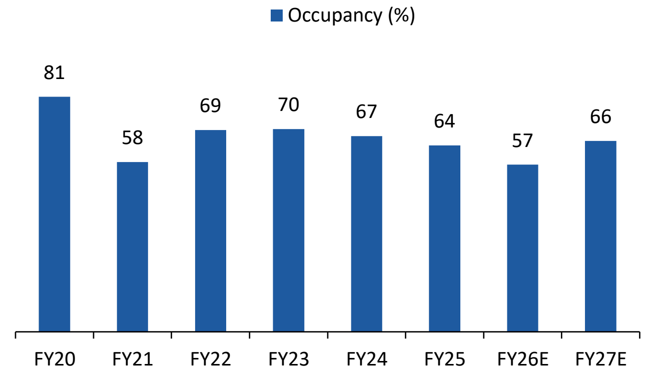
# Story in charts

### Exhibit 17: Bed capacity to increase ~2x over FY25-27E



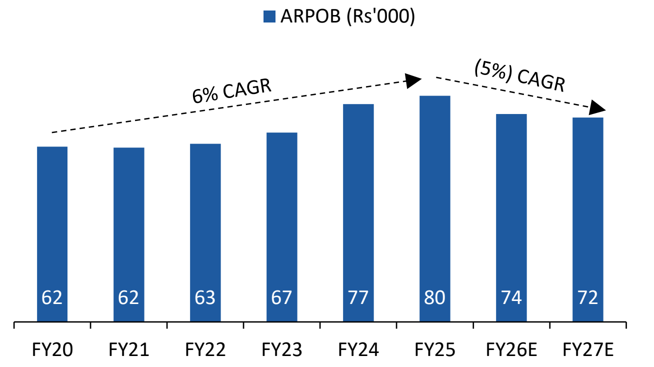

Source: Centrum Broking, Company Data

### Exhibit 18: Occupancy to rise 150bp over FY25-27E



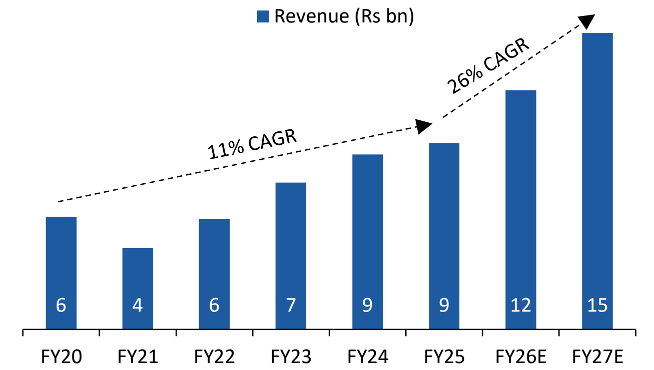

Source: Centrum Broking, Company Data

### Exhibit 19: ARPOB to decline 5% CAGR over FY25-27E



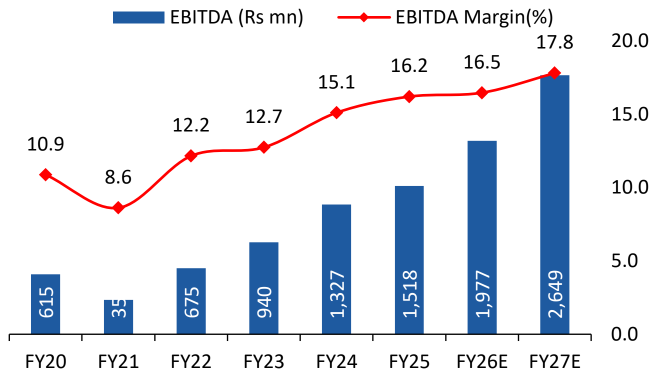

Source: Centrum Broking, Company Data

### Exhibit 20: Revenue to exhibit 26% CAGR over FY25-27E



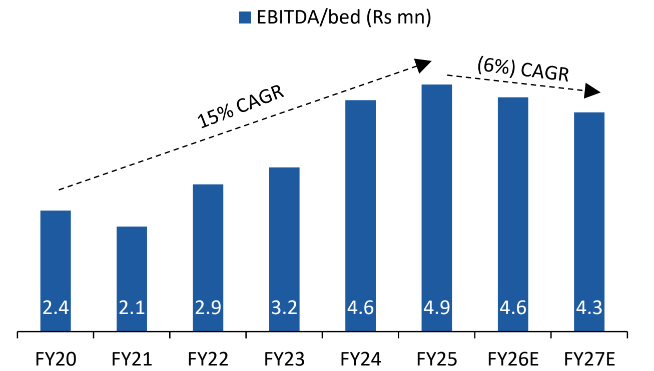

Source: Centrum Broking, Company Data

### Exhibit 21: EBITDA margin to expand 160bp over FY25-27E



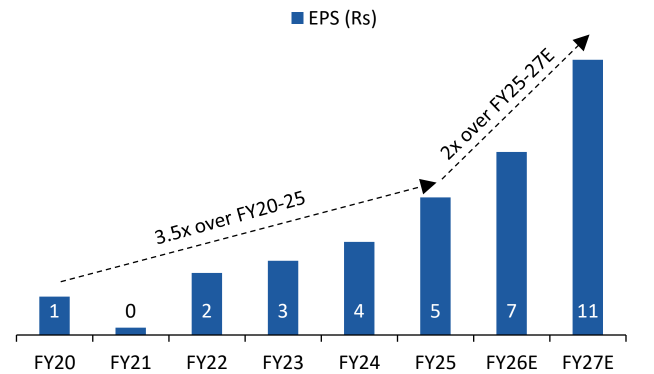

Source: Centrum Broking, Company Data

### Exhibit 22: EBITDA/bed to decline 6% CAGR over FY25-27E



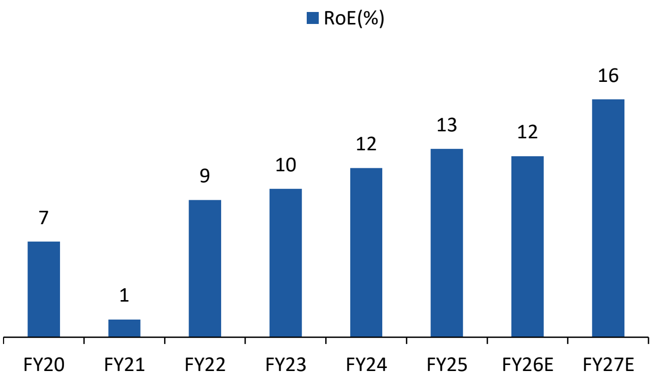

Source: Centrum Broking, Company Data

### Exhibit 23: Expect EPS to 2x over FY25-27E




Source: Centrum Broking, Company Data

### Exhibit 24: RoE to improve 340bps over FY25-27E




Source: Centrum Broking, Company Data

## P&L

| YE Mar (Rs mn) | FY23A | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|---|
| **Revenues** | **7,374** | **8,786** | **9,369** | **12,007** | **14,881** |
| Operating Expense | 4,599 | 5,403 | 5,652 | 7,132 | 8,706 |
| Employee cost | 1,208 | 1,389 | 1,484 | 1,861 | 2,321 |
| Others | 628 | 666 | 715 | 1,037 | 1,205 |
| **EBITDA** | **940** | **1,327** | **1,518** | **1,977** | **2,649** |
| Depreciation & Amortisation | 310 | 403 | 452 | 493 | 525 |
| **EBIT** | **630** | **924** | **1,066** | **1,484** | **2,125** |
| Interest expenses | 197 | 313 | 319 | 291 | 262 |
| Other income | 73 | 74 | 330 | 240 | 298 |
| **PBT** | **506** | **685** | **1,077** | **1,434** | **2,160** |
| Taxes | 126 | 193 | 255 | 339 | 511 |
| Effective tax rate (%) | 24.9 | 28.2 | 23.7 | 23.7 | 23.7 |
| **PAT** | **380** | **491** | **822** | **1,094** | **1,649** |
| Minority/Associates | 6 | 0 | 4 | 4 | 4 |
| **Recurring PAT** | **386** | **491** | **826** | **1,099** | **1,653** |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| **Reported PAT** | **386** | **491** | **826** | **1,099** | **1,653** |

## Ratios

| YE Mar | FY23A | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|---|
| **Growth (%)** | | | | | |
| Revenue | 32.9 | 19.1 | 6.6 | 28.2 | 23.9 |
| EBITDA | 39.3 | 41.2 | 14.4 | 30.2 | 34.0 |
| Adj. EPS | 19.8 | 25.6 | 47.5 | 33.0 | 50.5 |
| **Margins (%)** | | | | | |
| Gross | 37.6 | 38.5 | 39.7 | 40.6 | 41.5 |
| EBITDA | 12.7 | 15.1 | 16.2 | 16.5 | 17.8 |
| EBIT | 8.5 | 10.5 | 11.4 | 12.4 | 14.3 |
| Adjusted PAT | 5.2 | 5.6 | 8.8 | 9.2 | 11.1 |
| **Returns (%)** | | | | | |
| ROE | 10.1 | 11.5 | 12.9 | 12.4 | 16.2 |
| ROCE | 8.4 | 9.8 | 11.2 | 11.2 | 14.5 |
| ROIC | 7.0 | 8.9 | 10.5 | 14.0 | 22.8 |
| **Turnover (days)** | | | | | |
| Gross block turnover ratio (x) | 1.1 | 1.1 | 1.1 | 1.2 | 1.5 |
| Debtors | 41 | 39 | 38 | 35 | 36 |
| Inventory | 10 | 8 | 6 | 6 | 6 |
| Creditors | 59 | 62 | 63 | 61 | 67 |
| Net working capital | (4) | 8 | 137 | 108 | 127 |
| **Solvency (x)** | | | | | |
| Net debt-equity | 0.6 | 0.6 | (0.1) | (0.2) | (0.4) |
| Interest coverage ratio | 4.8 | 4.2 | 4.8 | 6.8 | 10.1 |
| Net debt/EBITDA | 2.5 | 2.0 | (0.7) | (0.9) | (1.6) |
| **Per share (Rs)** | | | | | |
| Adjusted EPS | 2.9 | 3.6 | 5.3 | 7.1 | 10.7 |
| BVPS | 30.1 | 33.0 | 54.1 | 60.7 | 70.8 |
| CEPS | 5.2 | 6.6 | 8.3 | 10.3 | 14.1 |
| DPS | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Dividend payout (%) | 15.6 | 12.4 | 8.4 | 6.3 | 4.2 |
| **Valuation (x)** | | | | | |
| P/E | 88.2 | 70.2 | 47.6 | 35.8 | 23.8 |
| P/BV | 8.4 | 7.7 | 4.7 | 4.2 | 3.6 |
| EV/EBITDA | 38.8 | 28.0 | 25.2 | 19.0 | 13.2 |
| Dividend yield (%) | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |

Source: Company, Centrum Broking

## Balance sheet

| YE Mar (Rs mn) | FY23A | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|---|
| Equity share capital | 134 | 136 | 138 | 138 | 138 |
| Reserves & surplus | 3,897 | 4,348 | 8,239 | 9,256 | 10,828 |
| Shareholders fund | 4,032 | 4,484 | 8,377 | 9,394 | 10,965 |
| Minority Interest | 45 | 63 | 59 | 59 | 59 |
| Total debt | 2,859 | 3,203 | 2,903 | 2,653 | 2,353 |
| Non Current Liabilities | 0 | 0 | 0 | 0 | 0 |
| Def tax liab. (net) | 295 | 353 | 358 | 358 | 358 |
| **Total liabilities** | **7,231** | **8,103** | **11,696** | **12,463** | **13,734** |
| Gross block | 6,830 | 8,116 | 8,808 | 9,908 | 9,958 |
| Less: acc. Depreciation | (1,268) | (1,409) | (1,861) | (2,354) | (2,879) |
| Net block | 5,562 | 6,707 | 6,947 | 7,554 | 7,079 |
| Capital WIP | 947 | 334 | 387 | 387 | 387 |
| Net fixed assets | 6,966 | 7,457 | 7,750 | 8,357 | 7,883 |
| Non Current Assets | 346 | 457 | 435 | 557 | 691 |
| Investments | 0 | 0 | 0 | 0 | 0 |
| Inventories | 140 | 101 | 100 | 137 | 167 |
| Sundry debtors | 933 | 948 | 1,013 | 1,298 | 1,609 |
| Cash & Cash Equivalents | 509 | 613 | 3,955 | 4,374 | 6,625 |
| Loans & advances | 0 | 0 | 0 | 0 | 0 |
| Other current assets | 156 | 139 | 320 | 410 | 509 |
| Trade payables | 882 | 945 | 1,011 | 1,374 | 1,843 |
| Other current liab. | 203 | 219 | 263 | 337 | 418 |
| Provisions | 734 | 448 | 604 | 961 | 1,488 |
| Net current assets | (81) | 189 | 3,510 | 3,548 | 5,161 |
| **Total assets** | **7,231** | **8,103** | **11,696** | **12,463** | **13,734** |

## Cashflow

| YE Mar (Rs mn) | FY23A | FY24A | FY25A | FY26E | FY27E |
|---|---|---|---|---|---|
| Profit Before Tax | 506 | 685 | 1,077 | 1,434 | 2,160 |
| Depreciation & Amortisation | 310 | 403 | 452 | 493 | 525 |
| Net Interest | 143 | 235 | 18 | 51 | (36) |
| Net Change – WC | 302 | (140) | 33 | 258 | 505 |
| Direct taxes | (29) | (58) | (138) | (339) | (511) |
| **Net cash from operations** | **1,272** | **1,089** | **1,456** | **1,896** | **2,643** |
| Capital expenditure | (1,465) | (726) | (905) | (1,100) | (50) |
| Acquisitions, net | 0 | 0 | 0 | 0 | 0 |
| Investments | 0 | 0 | 0 | 0 | 0 |
| Others | (117) | (144) | (2,949) | 240 | 298 |
| **Net cash from investing** | **(1,582)** | **(870)** | **(3,854)** | **(860)** | **248** |
| **FCF** | **(311)** | **219** | **(2,398)** | **1,036** | **2,890** |
| Issue of share capital | 2 | 2 | 3,302 | 5 | 5 |
| Increase/(decrease) in debt | 576 | 120 | (151) | (250) | (300) |
| Dividend paid | 0 | (61) | (60) | (82) | (82) |
| Interest paid | (201) | (330) | (276) | (291) | (262) |
| Others | 6 | (94) | (207) | 0 | 0 |
| **Net cash from financing** | **382** | **(362)** | **2,608** | **(618)** | **(639)** |
| Net change in Cash | 72 | (144) | 210 | 418 | 2,251 |

Source: Company, Centrum Broking

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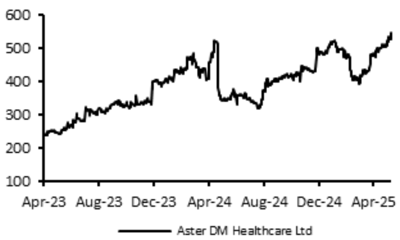


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