

Deepak Nitrite | BUY

Focus on commercialising new capacities

Deepak Nitrite's 4QFY25 earnings print was significantly better than our and consensus expectations primarily on account of government incentives. The company will continue to receive these incentives on the existing phenol complex as well the upcoming polycarbonate complex. On the operational front, advanced intermediates (AI) performance showed sequential improvement. Going ahead, volume normalisation in the AI segment is likely from 2HFY26. Moreover, commissioning of backward integration capex in the AI segment (including nitric acid, photo chlorination) should help lift AI segment margins from 2QFY26, in our view. On the phenolics side, benefits of MIBK/MIBC and acetophenone commissioning are likely to flow through from 3QFY26. Besides that, we are also factoring in some improvement in phenol-acetone spreads. There has been a delay in the commissioning of various projects. Hence, on overall basis, our FY26-27 EPS estimates are revised downwards by ~1%. Since Deepak Nitrite has the potential to more than quadruple its EBITDA over the next 5 years, we maintain our BUY rating on the name with an unchanged Mar'26 TP of INR 2,305/share (based on 30x Mar'27E EPS).

- **EBITDA beat on account of government incentives:** Deepak Nitrite's 4QFY25 consolidated gross profit came in 22% above JMFe at ~INR 6.7bn (up 31%/2% QoQ/YoY) as revenue came in 13%/12% above JMFe/consensus at ~INR 21.8bn (up 15%/3% QoQ/YoY) and gross margin was higher than anticipated at 30.6% (vs. JMFe of 28.3% and 26.8% in 3QFY25). During the quarter, other expenses were largely in line at ~INR 2.5bn (vs. JMFe of ~INR 2.5bn and ~INR 2.4bn in 3QFY25). As a result, EBITDA was ~55%/41% above JMFe/consensus and stood at ~INR 3.2bn (up 88%/5% QoQ/YoY) and PAT came in 60%/47% above JMFe/consensus at ~INR 2bn (up 106% QoQ while down 20% YoY).
- **Phenolics EBIT higher than expected:** Deepak's phenolics EBIT was higher than expected and stood at ~INR 2.4bn (vs. JMFe of INR 1.2bn, up 97%/16% QoQ/YoY) as phenolics EBIT margin jumped to 15.6% (vs. JMFe of 8.7% and 8.9% in 3QFY25) and revenue was above our estimates at ~INR 15.3bn (vs. JMFe of ~INR 13.7bn and ~INR 13.7bn in 3QFY25). Deepak Nitrite has received an incentive amounting to ~INR 1.6bn from the government in one of its subsidiaries. The ~55%/41% EBITDA beat on JMFe/consensus seems to be on account of this incentive income. Excluding this incentive, 4QFY25 EBITDA would be ~24%/31% below JMFe/consensus at ~INR 1.55bn.
- **Advanced intermediates (AI) EBIT lower than expected:** Deepak's advanced intermediates EBIT came in slightly below our expectation at INR 449mn (vs. JMFe of INR 463mn and INR 169mn in 3QFY25) as advanced intermediates EBIT margin came in at 6.9% (vs. JMFe of 8% and 3.1% in 3QFY25) while revenue was higher than expected at ~INR 6.5bn (vs. JMFe of ~INR 5.8bn and ~INR 5.5bn in 3QFY25).
- **Estimate 16% EPS CAGR over FY25-28E; maintain BUY:** Factoring in 4QFY25 results and management commentary, we lower our FY26/27 EPS estimates by ~1%. We estimate Deepak to register 22% EBITDA CAGR over FY25-28E, while owing to sharp increase in depreciation from large capex, EPS CAGR is expected at ~16% over the same period. We

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	76,818	82,819	89,117	99,377	106,988
Sales Growth (%)	-3.6	7.8	7.6	11.5	7.7
EBITDA	11,233	10,918	13,002	17,051	19,593
EBITDA Margin (%)	14.6	13.2	14.6	17.2	18.3
Adjusted Net Profit	8,108	6,972	8,263	10,350	10,955
Diluted EPS (INR)	59.4	51.1	60.6	75.9	80.3
Diluted EPS Growth (%)	-4.8	-14.0	18.5	25.3	5.8
ROIC (%)	16.6	12.2	11.7	12.2	10.3
ROE (%)	18.2	13.6	14.3	15.6	14.4
P/E (x)	35.3	41.1	34.7	27.7	26.2
P/B (x)	5.9	5.3	4.7	4.0	3.5
EV/EBITDA (x)	25.4	26.7	22.8	18.0	16.6
Dividend Yield (%)	0.3	0.4	0.3	0.3	0.3

Source: Company data, JM Financial. Note: Valuations as of 29/May/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	2,305
Upside/(Downside)	10.0%
Previous Price Target	2,305
Change	0.0%

Key Data – DN IN

Current Market Price	INR2,096
Market cap (bn)	INR286.5/US\$3.3
Free Float	44%
Shares in issue (mn)	136.4
Diluted share (mn)	136.4
3-mon avg daily val (mn)	INR494.5/US\$5.8
52-week range	3,169/1,781
Sensex/Nifty	81,633/24,834
INR/US\$	85.5

Price Performance

%	1M	6M	12M
Absolute	5.7	-23.0	-7.4
Relative*	3.9	-24.7	-16.2

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

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maintain BUY with an unchanged Mar'26 TP of INR 2,305 (based on 30x Mar'27E EPS).

4QFY25 Result Review

Key takeaways from post-results conference call

- **Multiple projects to be commissioned in FY26** – The company is set to commission the nitric acid captive facility towards the end of 1QFY26 or early 2QFY26, which will enable cost reduction and upstream integration. Also, it is set to commission its MIBK and MIBC facilities in 2HFY26, which will enhance forward integration and support value-added growth. A state-of-the-art R&D centre is set to be commissioned in Vadodara by 2QFY26, which involves a capex of over INR 1bn.
- **Pilot compounding facility started generating revenue** - The company has already commissioned a pilot compounding facility to achieve customer approvals for its products with applications in electric switches, EVs, medical devices, etc. This facility has started generating revenue in FY25, and that is set to continue in FY26. The supplies from this plant are large representative samples with multiple SKUs being paid for by the customer. This will enable expansion into full-fledged business SKUs with the company having started to engage with customers for long-term contracts.
- **Additional INR 35bn investment for new phenol, acetone and IPA capacities** –Deepak Chem Tech board has approved an investment of INR 35bn for new capacities for phenol, acetone and IPA which will be integrated into polycarbonate production. This brings the total investment in the polycarbonate resins project to INR 85bn including the previously approved INR 50bn investment. The management indicated that once these capacities are commissioned, the company will become one of the world's largest single location manufacturers of phenol and acetone with more than half of the commissioned capacity to be for higher-value, downstream derivatives like Bisphenol and polycarbonate resins.
- **Large part of nitric acid downstream product capacity to be for formula-linked contracts** – The company is set to produce higher-value downstream products from the captive nitric acid capacity which will be commissioned in 1QFY26-2QFY26. These products will have multiple applications with healthy demand in both domestic and international markets. The company has already entered into tie-ups with customers through formula-linked pricing contracts for multiple years for a large portion of the capacity.
- **FY26 capex to be INR 12-15bn, major part of FY25 CWIP of ~INR 16bn to be commissioned**– The capex for FY26 will be in the range of INR 12bn-15bn. The management indicated that large part of the CWIP of ~INR 16bn in FY25 is set to be commissioned in FY26. This includes projects announced as a part of INR 20bn-22bn capex that the company had announced earlier with any remaining capex including phenol and polycarbonate projects to be commissioned next year.
- **Annual government incentive expected to be INR 600-700mn till CY28** – The management expects INR 600mn-700mn in government incentives every year on an accrual basis till CY28. The usual process involves 80% of the total incentive getting released by the government initially with the remaining 20% released after the final verification. The company received government incentive of ~INR 1.6bn in FY25 which included INR 600mn-700mn for FY25 along with incentives for previous years.
- **Agchem demand expected to be subdued till 2QFY26-3QFY26**: The management indicated that agchem segment demand is currently subdued, and that is expected to continue till 2QFY26-3QFY26. Although demand has increased compared to 3QFY25 levels, pricing pressure in the segment persists.
- **Agchem margins to improve from 3QFY25-4QFY25 levels**: The management indicated that the 4QFY25 margins for agchem have been soft but it is confident that the margins will improve beyond 3QFY25-4QFY25 levels, going ahead. Some agchem products are experiencing margin improvements, while others are expected to see improvement by the end of 2QFY26. Margins have been affected by significant overcapacity being built in

China over the last few years. The company intends to tackle this margin pressure by building cost leadership.

- **Company to focus on expanding AI product portfolio** – The company intends to focus on high-demand products, non-core markets, moving towards downstream products and expand its overall product portfolio in the AI segment to tackle the slowdown in agchem demand. This change in product portfolio is expected to incur only marginal investment, with current available assets expected to swing between base products and higher-value products. The new high-value products are expected to be in the pharma, personal care, industrial solvents and energy segments. The management also informed that Friedel-Craft reaction was one of the new product chemistries added to the company portfolio.
- **Phenolics raw material prices softening in 1QFY26:** The management shared that the phenolics segment has been facing margin pressure in the past few quarters due to higher imports and increase in raw material prices. However, 1QFY26 has seen some improvements in raw material prices. This along with enhanced operational efficiencies for the company is expected to improve margins, going ahead. Currently, the margin pressure is being faced mainly in the export market, with domestic market performing reasonably well.
- **Dyes and Pigments recovery volume led, margin improvement to follow:** The management indicated that the dyes and pigments business has been seeing recovery in demand since 3QFY25. This has been largely volume led, with pricing and margin improvement expected to follow in FY26.

Exhibit 1. Deepak Nitrite quarterly financial snapshot

Consolidated (INR mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	4QFY25E	% YoY	% QoQ	% diff vs. JMFe
Net Sales	17,683	17,781	20,092	21,262	21,668	20,320	19,034	21,797	19,360	3%	15%	13%
COGS	12,236	11,658	13,726	14,740	15,002	13,823	13,931	15,124	13,881	3%	9%	
Gross Profit	5,447	6,122	6,366	6,522	6,667	6,497	5,103	6,673	5,479	2%	31%	22%
Gross Margin (%)	30.8%	34.4%	31.7%	30.7%	30.8%	32.0%	26.8%	30.6%	28.3%	-6 bps	380 bps	
Employee expenses	842	848	891	929	953	971	982	1,016	985	9%	3%	
Employee expenses as % of sales	5%	5%	4%	4%	4%	5%	5%	5%	5%	29 bps	-50 bps	
Other expenses	2,507	2,252	2,428	2,582	2,621	2,551	2,436	2,492	2,450	-3%	2%	
Other expenses as % of sales	14%	13%	12%	12%	12%	13%	13%	11%	13%	-71 bps	-137 bps	
EBIDTA	2,098	3,023	3,047	3,011	3,092	2,975	1,685	3,165	2,044	5%	88%	55%
EBITDA Margin (%)	12%	17%	15%	14%	14%	15%	9%	15%	11%	36 bps	567 bps	
Depreciation	381	394	417	465	475	485	482	513	490	10%	6%	
EBIT	1,717	2,628	2,630	2,547	2,617	2,491	1,203	2,653	1,554	4%	120%	
Other Income	319	170	136	191	188	213	210	228	210	19%	9%	
Interest Cost	18	27	29	44	58	63	61	93	60	112%	53%	
Exceptional items	0	0	0	798	0	0	0	0	0	-100%	NA	
PBT	2,017	2,772	2,736	3,492	2,748	2,640	1,352	2,787	1,704	-20%	106%	
Tax	518	721	715	953	723	698	371	762	436	-20%	106%	
PAT	1,499	2,051	2,020	2,538	2,025	1,942	981	2,025	1,268	-20%	106%	60%
PAT Margin (%)	8%	12%	10%	12%	9%	10%	5%	9%	7%	-265 bps	413 bps	
EPS (INR)	11.0	15.0	14.8	18.6	14.9	14.2	7.2	14.8	9.3	-20%	106%	
Tax rate	26%	26%	26%	27%	26%	26%	27%	27%	26%	4 bps	-7 bps	

Source: Company, JM Financial

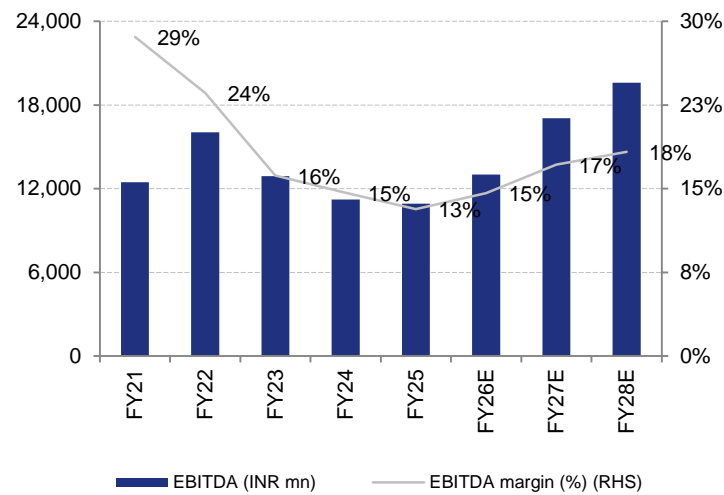
Exhibit 2. Deepak Nitrite quarterly operational snapshot

Segmental Revenue (INR mn)	1QFY24	2QFY24	3QFY24	4QFY24*	1QFY25	2QFY25	3QFY25	4QFY25	4QFY25E	% YoY	% QoQ	% diff vs. JMFe
Advanced intermediates	7,083	6,702	6,743	6,711	7,157	6,060	5,517	6,539	5,793	-3%	19%	13%
Phenolics	10,679	11,201	13,493	14,661	14,636	14,435	13,657	15,323	13,657	5%	12%	12%
Less: Inter segment revenue	-79	-123	-144	-110	-125	-175	-140	-65	-90	-41%	-54%	-28%
Total	17,683	17,781	20,092	21,262	21,668	20,320	19,034	21,797	19,360	3%	15%	13%
Segmental revenue contribution (%)												
Advanced intermediates	40%	38%	34%	32%	33%	30%	29%	30%	30%			
Phenolics	60%	63%	67%	69%	68%	71%	72%	70%	71%			
Segmental EBIT (INR mn)												
Advanced intermediates	1,149	1,034	937	1,339	665	475	169	449	463	-66%	166%	-3%
Phenolics	876	1,704	1,798	2,061	2,076	2,149	1,212	2,393	1,188	16%	97%	101%
Total	2,025	2,738	2,734	3,400	2,741	2,623	1,381	2,842	1,652	-16%	106%	72%
Segmental EBIT Margins (%)												
Advanced intermediates	16.2%	15.4%	13.9%	20.0%	9.3%	7.8%	3.1%	6.9%	8.0%	-1309bps	381bps	-114 bps
Phenolics	8.2%	15.2%	13.3%	14.1%	14.2%	14.9%	8.9%	15.6%	8.7%	156bps	675bps	692 bps
Total	11.5%	15.4%	13.6%	16.0%	12.6%	12.9%	7.3%	13.0%	8.5%	-295bps	579bps	451 bps

Source: Company, JM Financial

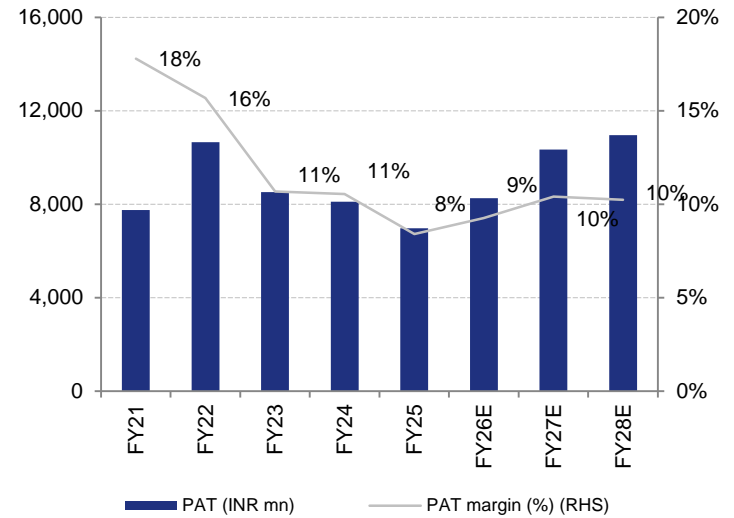
Assumptions and Estimates

Exhibit 3. Deepak's EBITDA likely to register ~22% CAGR over FY25-28E



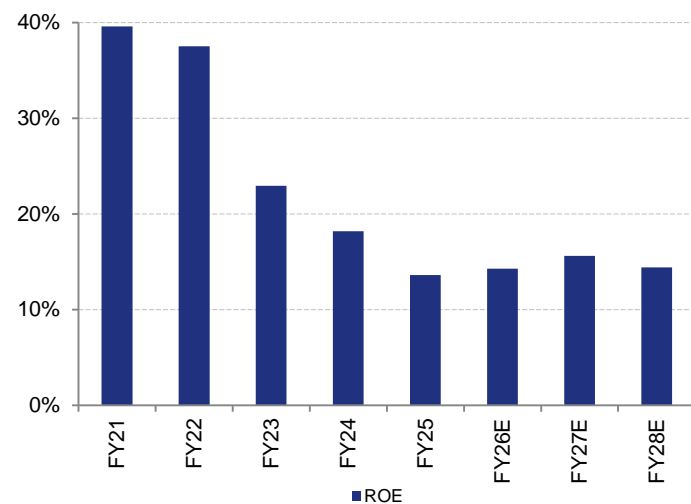
Source: Company, JM Financial

Exhibit 4. Deepak likely to post ~16% PAT CAGR over FY25-28E



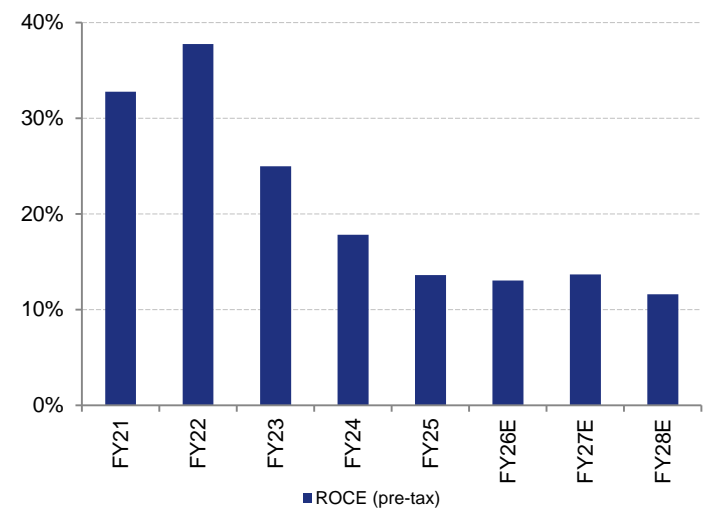
Source: Company, JM Financial

Exhibit 5. RoE to reach ~14% in FY28E



Source: Company, JM Financial

Exhibit 6. RoCE (pre-tax) to reach ~12% by FY28E



Source: Company, JM Financial

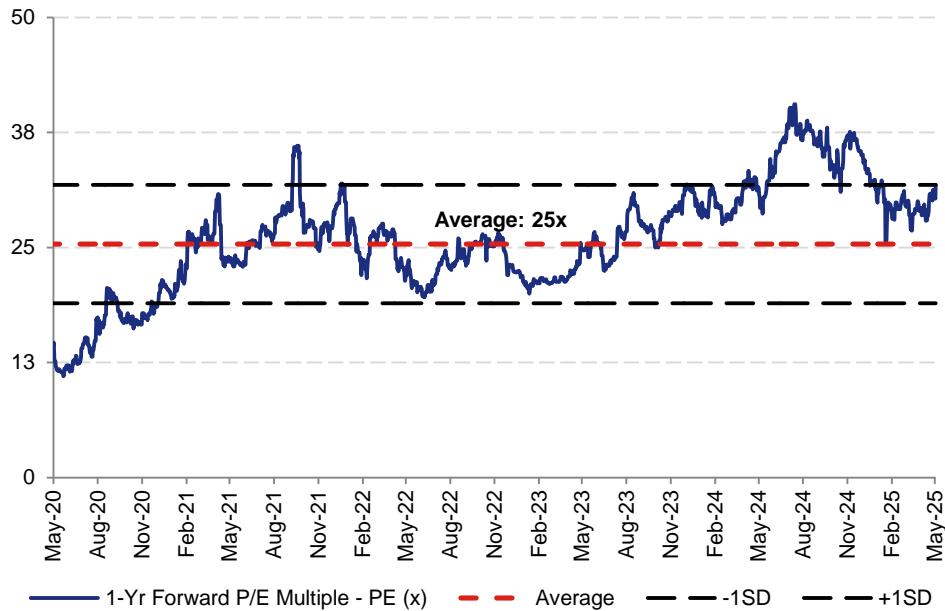
Exhibit 7. Change in estimates

	New	Old	Difference
EBITDA (INR Mn)			
FY26	13,002	13,018	-0.1%
FY27	17,051	17,130	-0.5%
FY28	19,593	NA	NA
PAT (INR Mn)			
FY26	8,263	8,343	-1.0%
FY27	10,350	10,467	-1.1%
FY28	10,954	NA	NA
EPS (INR)			
FY26	60.6	61.2	-1.0%
FY27	75.9	76.7	-1.1%
FY28	80.3	NA	NA

Source: JM Financial

Valuation

Exhibit 8. Deepak Nitrite is currently trading at ~32x 1-year forward consensus P/E multiple



Source: Bloomberg, JM Financial

Exhibit 9. Chemical companies peer valuation

Company	Rating	CMP (INR)	TP (INR)	P/E (x)				P/B (x)				EV/EBITDA (x)				ROE (%)			
				FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
SRF	BUY	2,903	3,185	64.4	68.8	43.4	31.8	7.5	6.8	6.0	5.2	34.9	33.0	24.9	19.2	12.3	10.4	14.7	17.6
PI Industries	HOLD	3,879	3,775	33.9	34.2	32.8	29.3	6.5	5.6	4.9	4.3	26.2	24.3	21.6	19.1	21.0	17.5	15.8	15.5
Deepak Nitrite	BUY	2,096	2,305	35.3	41.1	34.7	27.7	5.9	5.3	4.7	4.0	25.4	26.8	22.9	18.0	18.2	13.6	14.3	15.6
Clean Science	BUY	1,468	1,650	63.9	59.0	45.3	35.5	13.0	11.0	8.9	7.2	46.0	39.3	32.0	24.6	22.1	20.2	21.7	22.3
Fine Organic	SELL	4,684	3,705	34.9	35.0	37.5	37.3	7.5	6.3	5.5	4.9	24.9	26.1	26.8	24.9	23.8	19.5	15.6	13.9
Galaxy Surfactants	HOLD	2,285	2,495	26.9	26.6	23.7	21.8	3.7	3.4	3.2	2.9	16.9	16.0	14.3	13.0	14.8	13.4	13.9	13.8
PCBL Chemical	HOLD	406	410	31.2	35.2	27.7	21.9	4.7	4.1	3.8	3.4	19.0	15.2	14.2	12.3	16.2	12.5	14.3	16.3
Ami Organics	BUY	1,185	1,330	120.1	60.5	41.8	31.6	14.4	7.4	6.4	5.4	76.8	40.8	28.8	21.6	12.7	16.2	16.4	18.4
Anupam Rasayan	SELL	983	545	83.9	115.8	89.4	54.2	3.9	3.8	3.4	3.2	30.7	30.5	24.6	19.9	5.0	3.3	4.1	6.1
Archean Chemicals	HOLD	627	585	24.2	38.3	25.0	16.2	4.5	4.2	3.6	3.0	16.0	24.4	16.0	10.6	20.4	11.3	15.5	20.3
Tatva Chintan Pharma Chem	SELL	922	405	71.1	377.6	149.5	69.1	2.9	2.9	2.9	2.8	31.3	63.7	44.9	30.0	4.8	0.8	1.9	4.1
Paradeep Phosphates	BUY	165	160	134.6	24.4	21.2	15.1	3.8	3.3	2.9	2.4	26.7	13.4	11.9	9.3	2.8	14.4	14.4	17.2

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	76,818	82,819	89,117	99,377	106,988
Sales Growth	-3.6%	7.8%	7.6%	11.5%	7.7%
Other Operating Income	0	0	0	0	0
Total Revenue	76,818	82,819	89,117	99,377	106,988
Cost of Goods Sold/Op. Exp	52,361	57,879	61,277	66,599	70,376
Personnel Cost	3,511	3,922	4,193	4,486	4,805
Other Expenses	9,714	10,101	10,644	11,240	12,215
EBITDA	11,233	10,918	13,002	17,051	19,593
EBITDA Margin	14.6%	13.2%	14.6%	17.2%	18.3%
EBITDA Growth	-12.9%	-2.8%	19.1%	31.1%	14.9%
Depn. & Amort.	1,657	1,954	2,460	3,394	4,795
EBIT	9,576	8,964	10,542	13,657	14,798
Other Income	761	839	1,297	1,397	1,397
Finance Cost	118	275	609	998	1,355
PBT before Excep. & Forex	10,219	9,527	11,230	14,056	14,840
Excep. & Forex Inc./Loss(-)	798	0	0	0	0
PBT	11,017	9,527	11,230	14,056	14,840
Taxes	2,908	2,554	2,967	3,706	3,886
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	8,108	6,974	8,263	10,350	10,954
Adjusted Net Profit	8,108	6,972	8,263	10,350	10,955
Net Margin	10.6%	8.4%	9.3%	10.4%	10.2%
Diluted Share Cap. (mn)	136.4	136.4	136.4	136.4	136.4
Diluted EPS (INR)	59.4	51.1	60.6	75.9	80.3
Diluted EPS Growth	-4.8%	-14.0%	18.5%	25.3%	5.8%
Total Dividend + Tax	819	1,023	819	819	819
Dividend Per Share (INR)	6.0	7.5	6.0	6.0	6.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	11,017	9,528	11,230	14,056	14,840
Depn. & Amort.	1,657	1,954	2,460	3,394	4,795
Net Interest Exp. / Inc. (-)	75	-90	609	998	1,355
Inc (-) / Dec in WCap.	-1,054	-2,761	-1,037	-1,785	-1,524
Others	-290	-232	0	0	0
Taxes Paid	-2,665	-2,152	-2,967	-3,706	-3,886
Operating Cash Flow	8,741	6,247	10,295	12,957	15,579
Capex	-7,384	-11,363	-14,000	-21,000	-31,000
Free Cash Flow	1,357	-5,116	-3,705	-8,043	-15,421
Inc (-) / Dec in Investments	2,887	-3,639	0	0	0
Others	-2,682	89	0	0	0
Investing Cash Flow	-7,178	-14,913	-14,000	-21,000	-31,000
Inc / Dec (-) in Capital	0	102	0	0	0
Dividend + Tax thereon	-1,023	-1,023	-958	-958	-958
Inc / Dec (-) in Loans	1,557	9,177	12,811	11,000	11,000
Others	-98	-194	-609	-998	-1,355
Financing Cash Flow	435	8,062	11,245	9,045	8,687
Inc / Dec (-) in Cash	1,998	-605	7,540	1,002	-6,733
Opening Cash Balance	376	2,380	1,794	9,334	10,336
Closing Cash Balance	2,380	1,794	9,334	10,336	3,603

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	48,227	54,247	61,552	70,945	80,941
Share Capital	273	273	273	273	273
Reserves & Surplus	47,954	53,974	61,279	70,672	80,668
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	2,792	12,591	25,403	36,403	47,403
Def. Tax Liab. / Assets (-)	1,736	2,128	2,128	2,128	2,128
Total - Equity & Liab.	52,755	68,966	89,083	109,475	130,472
Net Fixed Assets	32,498	44,156	55,696	73,302	99,507
Gross Fixed Assets	35,745	39,344	53,344	74,344	105,344
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	12,818	14,771	17,231	20,626	25,420
Capital WIP	9,571	19,584	19,584	19,584	19,584
Investments	1,219	5,109	5,109	5,109	5,109
Current Assets	27,245	27,912	37,273	41,022	36,614
Inventories	7,599	9,264	10,028	11,179	12,155
Sundry Debtors	12,984	12,738	13,785	15,368	16,704
Cash & Bank Balances	2,380	1,794	9,334	10,336	3,603
Loans & Advances	32	37	47	60	75
Other Current Assets	4,251	4,078	4,078	4,078	4,078
Current Liab. & Prov.	8,207	8,211	8,995	9,957	10,759
Current Liabilities	7,676	7,591	8,375	9,337	10,138
Provisions & Others	531	620	620	620	620
Net Current Assets	19,038	19,701	28,278	31,065	25,856
Total - Assets	52,755	68,966	89,083	109,475	130,472

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	10.6%	8.4%	9.3%	10.4%	10.2%
Asset Turnover (x)	1.6	1.4	1.1	1.0	0.9
Leverage Factor (x)	1.1	1.2	1.4	1.5	1.6
RoE	18.2%	13.6%	14.3%	15.6%	14.4%

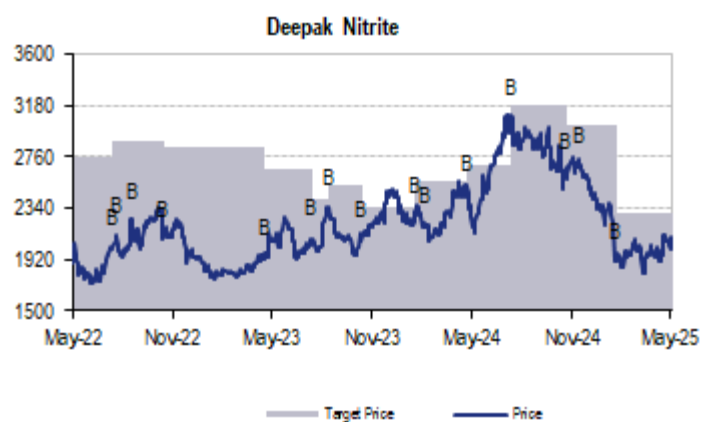
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	353.5	397.6	451.2	520.0	593.3
ROIC	16.6%	12.2%	11.7%	12.2%	10.3%
ROE	18.2%	13.6%	14.3%	15.6%	14.4%
Net Debt/Equity (x)	0.0	0.1	0.2	0.3	0.5
P/E (x)	35.3	41.1	34.7	27.7	26.2
P/B (x)	5.9	5.3	4.7	4.0	3.5
EV/EBITDA (x)	25.4	26.7	22.8	18.0	16.6
EV/Sales (x)	3.7	3.5	3.3	3.1	3.0
Debtor days	62	56	56	56	57
Inventory days	36	41	41	41	41
Creditor days	43	39	40	41	42

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
30-Nov-21	Buy	2,800	
24-Jan-22	Buy	2,760	-1.4
5-May-22	Buy	2,760	0.0
11-Aug-22	Buy	2,895	4.9
17-Aug-22	Buy	2,895	0.0
15-Sep-22	Buy	2,895	0.0
10-Nov-22	Buy	2,845	-1.7
14-May-23	Buy	2,660	-6.5
8-Aug-23	Buy	2,420	-9.0
11-Sep-23	Buy	2,535	4.7
9-Nov-23	Buy	2,340	-7.7
15-Feb-24	Buy	2,565	9.6
6-Mar-24	Buy	2,565	0.0
22-May-24	Buy	2,685	4.7
9-Aug-24	Buy	3,180	18.4
16-Nov-24	Buy	3,020	-5.0
12-Dec-24	Buy	3,020	0.0
17-Feb-25	Buy	2,305	-23.7

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion 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 stocks with market capitalisation in excess of INR 200 billion 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.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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