

July 29, 2025

**RESULT REPORT Q2CY25** | Sector: Consumer Staples

# Varun Beverages Ltd.

## Robust margins delivered in current environment

### Expect improved performance in next quarter

**Mixed bag:** Varun Beverages Ltd (VBL's) 2QCY25 performance was a mixed bag as India volumes took a hit while overall margin surprised us positively (EM up 80bps YoY).

**India volumes impacted:** India business volume was down by 7.1% largely due to unseasonal rains while International volumes grew by 15.1%. But VBL continued to improve its overall reach in India and also added chilling equipment in outlets to improve relevance. With low base of 3QCY24, we can expect moderate growth in the coming quarter.

**Strong improvement in margins:** India business delivered strong margins during 2QCY25, which are likely to sustain in coming quarters led by efficiencies in freight costs, savings in power & fuel, etc. Capacity additions in International business is aiding growth in CY25 as base normalizes but margin profile in international will improve sharply only over the next few years led by GT mix and backward integration.

**Valuation and View:** We now expect VBL's revenue to grow at ~13% CAGR over CY24-27E ~60bps EBITDA margin improvement largely driven by scale, efficiencies, channel mix improvement and backward integration. Pro-active capacity additions in domestic as well as international businesses along with long runway for distribution expansion, gives us good visibility on medium-to-long term growth. We maintain our BUY rating with revised target price (TP) of Rs600 (Rs625 earlier), as we assign a target multiple of ~50x on March'27E EPS.

### Result Highlights

- **Headline performance:** Consolidated net sales declined 2.5% YoY to Rs70.2bn (vs our est. of Rs72.6bn) in 2QCY25. EBITDA was flat YoY to Rs19.9bn (vs our est. of Rs18.5bn). Adjusted PAT (APAT) grew by 5.1% to Rs13.2bn (vs our est. of Rs11.9bn) supported by lower interest cost and higher other income.
- **Volumes:** Overall volumes for the quarter degrew by ~3% YoY to 390mn cases (including BevCo. and DRC), 5% below our est. India volume growth stood at -7.1%.
- **Margins:** Overall gross margin down ~20bps YoY to 54.5% (flat QoQ) in 2QCY25. EBITDA margins was up 80bps YoY to 28.5% in 2QCY25 (vs est. 25.5%). EBITDA margins increased on account of operational efficiencies and strong currency in international territories.
- **Per case:** Net realization per case for the quarter was up 0.5% YoY to Rs180 (vs est. Rs177) in 2QCY25 largely due to 6.6% improvement in international markets. EBITDA per case stood at Rs51 in 2QCY25 (up by 3.5% YoY) vs Rs50 in 2QCY24.
- **Standalone** Net sales, EBITDA and APAT grew by -8.6%, -5.6% and 0.9% YoY, respectively. Gross margin was down 20bps YoY (flat QoQ) to 53% and EBITDA margin was up 100bps YoY to 30.9% in 2QCY25.

### Key Conference Call Highlights

- (1) VBL has maintained the margin guidance of 21% even while it is delivering way higher than expectation.
- (2) July has not been the best of seasons for the industry. With low base of 3QCY24, the management expects moderate growth in the next quarter.

### Exhibit 1: Actual vs estimate

Parameter	Q1FY26	QoQ (%)	YoY (%)	vs Est	vs Bloom
Revenue	70,174	26.1	(2.5)	Miss	Miss
EBITDA	19,988	58.1	0.4	Beat	Beat
EBITDA Margin (%)	28.5	5.8	0.8	Beat	Beat
PAT / EPS	13,170	81.3	5.1	Beat	Beat

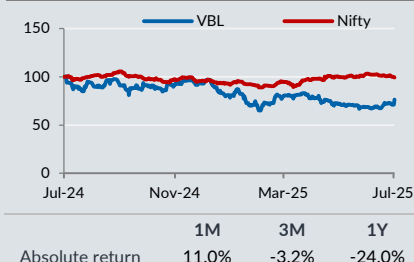
Source: Bloomberg, YES SEC

RECO	: BUY
CMP	: Rs 512
Target Price	: Rs 600
Potential Return	: +17.2%

### Stock data (as on July 29, 2025)

Nifty	24,821
52 Week h/l (Rs)	681 / 420
Market cap (Rs/USD mn)	1646148 / 18969
Outstanding Shares (mn)	3,382
6m Avg t/o (Rs mn):	4,244
Div yield (%):	0.2
Bloomberg code:	VBL IN
NSE code:	VBL

### Stock performance



### Shareholding pattern (As of March'25 end)

Promoter	60.2%
FII+DII	32.2%
Others	7.6%

### Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	600	625

### Δ in earnings estimates

	CY25e	CY26e	CY27e
EPS (New)	9.2	11.4	13.6
EPS (Old)	9.6	11.9	NA
% change	(4.2)	(3.8)	NA

### Financial Summary

(Rs bn)	CY25E	CY26E	CY27E
Revenue	221	256	291
YoY Growth (%)	10.3	16.1	13.7
EBIDTA	52	61	70
Margins (%)	23.6	23.9	24.2
APAT	31	39	46
EPS	9.2	11.4	13.6
YoY Growth (%)	17.7	24.7	18.7
Pre-tax RoCE (%)	21.2	24.9	26.8
ROE (%)	17.7	20.1	21.4
P/E (x)	56.0	44.9	37.8
EV/EBITDA (x)	9.4	8.6	7.6

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## Exhibit 2: Quarterly snapshot (Consolidated)

Particulars (Rs. Mn)	2QCY24	1QCY25	2QCY25	YoY (%)	QoQ (%)	1HCY24	1HCY25	YoY (%)
<b>Net Sales</b>	<b>71,969</b>	<b>55,669</b>	<b>70,174</b>	<b>-2.5</b>	<b>26.1</b>	<b>115,142</b>	<b>125,843</b>	<b>9.3</b>
COGS	32,606	25,291	31,911	-2.1	26.2	51,481	57,202	11.1
% of sales	45.3	45.4	45.5	0.2	0.0	44.7	45.5	0.7
<b>Gross margin %</b>	<b>54.7</b>	<b>54.6</b>	<b>54.5</b>	<b>-0.2</b>	<b>0.0</b>	<b>55.3</b>	<b>54.5</b>	<b>-1.3</b>
Employee costs	4,993	5,115	5,497	10.1	7.5	8,930	10,612	18.8
% of sales	6.9	9.2	7.8	0.9	-1.4	7.8	8.4	0.7
Other expenses	14,458	12,624	12,778	-11.6	1.2	24,931	25,402	1.9
% of sales	20.1	22.7	18.2	-1.9	-4.5	21.7	20.2	-1.5
<b>EBITDA</b>	<b>19,912</b>	<b>12,639</b>	<b>19,988</b>	<b>0.4</b>	<b>58.1</b>	<b>29,800</b>	<b>32,627</b>	<b>9.5</b>
<b>EBITDA margin %</b>	<b>27.7</b>	<b>22.7</b>	<b>28.5</b>	<b>0.8</b>	<b>5.8</b>	<b>25.9</b>	<b>25.9</b>	<b>0.0</b>
Depreciation	2,425	2,725	3,062	26.3	12.3	4,300	5,787	34.6
<b>EBIT</b>	<b>17,487</b>	<b>9,914</b>	<b>16,926</b>	<b>-3.2</b>	<b>70.7</b>	<b>25,500</b>	<b>26,841</b>	<b>5.3</b>
<b>EBIT margin %</b>	<b>24.3</b>	<b>17.8</b>	<b>24.1</b>	<b>-0.2</b>	<b>6.3</b>	<b>22.1</b>	<b>21.3</b>	<b>-0.8</b>
Interest expense	1,292	411	365	-71.7	-11.1	2,228	777	-65.1
Other income	440	281	772	75.3	175.0	524	1,052	100.9
<b>PBT</b>	<b>16,636</b>	<b>9,784</b>	<b>17,332</b>	<b>4.2</b>	<b>77.2</b>	<b>23,795</b>	<b>27,116</b>	<b>14.0</b>
Tax	4,012	2,465	4,066	1.3	65.0	5,896	6,681	13.3
Effective tax rate %	24.1	25.2	23.5	-0.7	-1.7	24.8	24.6	-0.6
<b>Adj.PAT after Share of Assc &amp; JV</b>	<b>12,526</b>	<b>7,265</b>	<b>13,170</b>	<b>5.1</b>	<b>81.3</b>	<b>17,899</b>	<b>20,435</b>	<b>14.2</b>
<b>PAT margin %</b>	<b>17.4</b>	<b>13.0</b>	<b>18.8</b>	<b>1.4</b>	<b>5.7</b>	<b>15.5</b>	<b>16.2</b>	<b>0.7</b>

Source: Company, YES Sec

## Exhibit 3: Quarterly snapshot (Standalone)

Particulars (Rs. Mn)	2QCY24	1QCY25	2QCY25	YoY (%)	QoQ (%)	1HCY24	1HCY25	YoY (%)
<b>Net Sales</b>	<b>58,016</b>	<b>40,525</b>	<b>53,050</b>	<b>-8.6</b>	<b>30.9</b>	<b>92,477</b>	<b>93,575</b>	<b>1.2</b>
COGS	27,153	19,100	24,946	-8.1	30.6	43,001	44,046	2.4
% of sales	46.8	47.1	47.0	0.2	-0.1	46.5	47.1	0.6
<b>Gross margin %</b>	<b>53.2</b>	<b>52.9</b>	<b>53.0</b>	<b>-0.2</b>	<b>0.1</b>	<b>53.5</b>	<b>52.9</b>	<b>-0.6</b>
Employee costs	3,209	3,074	3,304	3.0	7.5	5,956	6,379	7.1
% of sales	5.5	7.6	6.2	0.7	-1.4	6.4	6.8	0.4
Other expenses	10,267	8,248	8,385	-18.3	1.7	17,924	16,633	-7.2
% of sales	17.7	20.4	15.8	-1.9	-4.5	19.4	17.8	-1.6
<b>EBITDA</b>	<b>17,387</b>	<b>10,103</b>	<b>16,415</b>	<b>-5.6</b>	<b>62.5</b>	<b>25,596</b>	<b>26,518</b>	<b>3.6</b>
<b>EBITDA margin %</b>	<b>30.0</b>	<b>24.9</b>	<b>30.9</b>	<b>1.0</b>	<b>6.0</b>	<b>27.7</b>	<b>28.3</b>	<b>0.7</b>
Depreciation	1,668	1,650	1,801	8.0	9.2	3,063	3,451	12.7
<b>EBIT</b>	<b>15,719</b>	<b>8,453</b>	<b>14,614</b>	<b>-7.0</b>	<b>72.9</b>	<b>22,534</b>	<b>23,067</b>	<b>2.4</b>
<b>EBIT margin %</b>	<b>27.1</b>	<b>20.9</b>	<b>27.5</b>	<b>0.5</b>	<b>6.7</b>	<b>24.4</b>	<b>24.7</b>	<b>0.3</b>
Interest expense	1,032	78	37	-96.4	-52.7	1,871	115	-93.9
Other income	672	598	900	33.9	50.5	999	1,498	50.0
<b>PBT</b>	<b>15,360</b>	<b>8,973</b>	<b>15,477</b>	<b>0.8</b>	<b>72.5</b>	<b>21,661</b>	<b>24,450</b>	<b>12.9</b>
Tax	3,857	2,193	3,875	0.5	76.8	5,465	6,068	11.0
Effective tax rate %	25.1	24.4	25.0	-0.1	0.6	25.2	24.8	-0.4
<b>Adjusted PAT</b>	<b>11,503</b>	<b>6,781</b>	<b>11,602</b>	<b>0.9</b>	<b>71.1</b>	<b>16,196</b>	<b>18,382</b>	<b>13.5</b>
<b>PAT margin %</b>	<b>19.8</b>	<b>16.7</b>	<b>21.9</b>	<b>2.0</b>	<b>5.1</b>	<b>17.5</b>	<b>19.6</b>	<b>2.1</b>

Source: Company, YES Sec

## ANALYST VIEW & INVESTMENT THESIS

### 1-year view

Changes to model, largely to bake in the near-term topline pressure has led to 4.2% & 3.8% downward revision in EPS for CY25E & CY26E. Through this update we also introduce our CY27 estimates.

In the very near-term, low base for next quarter and no major weather impact on industry growth should lead to moderate growth for the company in India business, well supported by strong international growth across geographies.

India business delivered strong margins during 2QCY25, which are likely to sustain in coming quarters led by efficiencies in freight costs, savings in power & fuel, etc. Capacity additions in International business is aiding growth in CY25 as base normalizes but margin profile in international will improve sharply over the next few years led by GT mix and backward integration.

VBL is currently trading at ~56x/45x/38x CY25E/CY26E/CY27E EPS as we build 21% earnings CAGR over CY24-27E. We have not yet baked-in Africa's snacking business in our earnings.

We maintain our BUY rating with revised target price (TP) of Rs600 (Rs625 earlier), as we assign a target multiple of ~50x on March'27E EPS.

### 3-year view

We expect VBL's revenue to grow at ~13% CAGR over CY24-CY26E led by:-

(1) Reach expansion to aid capacity utilization in India business: With the recent capacities already in place for the India business, VBL will not require any new capacities atleast for the next two years and can focus on improving the utilization levels. The current outlet reach in India for VBL is close to ~4mn outlets. Company aims to increase its overall reach by 300-400k outlets but because of unseasonal rains, the outlet expansion was lower in the near-term. Visi-cooler placements have also gone up by 50% versus last year and will continue to grow at the same pace. VBL, has also formed a JV with Everest which will help placing visi-coolers in South and Western territories.

(2) New business additions in the international business: After BevCo (SA) and DRC, in International markets, Varun Beverages Morocco has commenced commercial production of PepsiCo's snacks product 'Cheetos'. It is also enhancing capacity in the South Africa market. The company is looking for new acquisitions and further expansion in the overseas market.

Margin profile for the company is already at strong levels. Over the next few years, EBITDA margin will be driven by scale, efficiencies, channel mix improvement and backward integration.

We maintain our positive view on VBL over the medium-term as we expect competitive intensity to come down and international business to support growth and margin improvement.

## Exhibit 4: Key Monitorable Triggers

What to Watch	Why it Matters	Timeline
India business volume growth trend	Any improvement in India business volume trajectory will be seen as a sign of competitive intensity slowing down.	Over the course of next 1 year
EBIDTA margins	In the current environment when topline is under pressure, sustainability of margin improvement driven by operational efficiencies and strong currency in international territories will be keenly monitored.	Over the near-term

## Exhibit 5: Estimate Revisions

Metric	Old Est (CY27E)	New Est	% Change	Reason
Revenue	NA	291,296	NA	We introduce CY27E estimates.
EBITDA	NA	70,348	NA	
APAT	NA	45,867	NA	

Source: Company, YES Sec

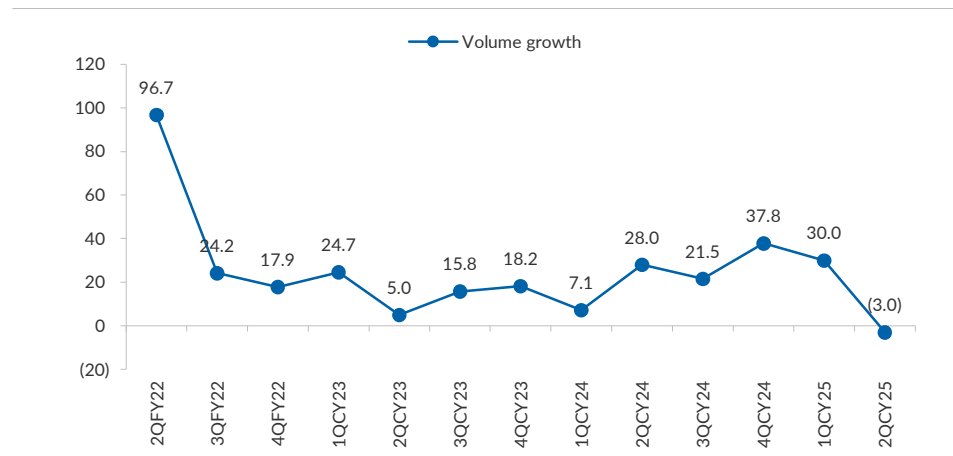
## VBL 2QCY25 CON CALL HIGHLIGHTS

- **Outlook:** The company has maintained the margin guidance of 21% even while it is delivering way higher than expectation. July has not been the best of seasons for the industry. With low base of 3QCY24, the management expects moderate growth in the next quarter.
- **Category performance:** The hydration category and Value-added dairy has done very well during the summer season. No dip was seen in energy drinks demand.
- **Cost savings:** The company has consolidated a lot of distributors; it has put the plants closer to the distributor which is leading to lesser freight per case. In Power and Fuel costs, the newer lines' efficiencies are much higher and increase in solar salience led to savings. The management expects these costs optimization efficiencies to be sustainable.
- **Decline in Realization:** Higher salience of water during the season which has a lower realization led to decline in India realization per case. Larger and smaller packs, both have declined due to low out of home consumption.
- **Capacity utilization** is close to 70% capacity utilization. Current capacity is sufficient for the next 2 years. Capex would be required more for international markets. In India, the capex would not be more than Rs6-7bn.
- **Reach:** The outlet reach is close to ~4mn outlets. The goal was to increase 300-400k outlets but because of unseasonal rains, the outlet expansion was lower. Visi-cooler placements have gone up by 50% versus last year and will continue to grow at the same pace. JV with Everest will help placing visi-coolers in South and Western territories.
- **Water:** The company doesn't want to push water much as it has lower realization. In rainy season, to avoid disease consumer consumes a lot of water in-home which has led to increase in water volumes
- **Zimbabwe:** Zimbabwe volumes are expected to stabilize next quarter (earlier impacted by Sugar tax), and the new manufacturing plant for snacks will commence in October-November. Morocco plant already started in June.
- **Sting Gold:** The product has seen mixed reaction and nowhere close to Sting Red. The company will push Sting gold over the next 2 quarters as the current quarter was impacted by unseasonal rains.
- **International markets:** In the international markets, Morocco, SA, Zambia are doing well. DRC has just started, and Zimbabwe market have started to stabilize. Backward integration has been completed in Zambia, DRC and Morocco. Currency tailwinds and favorable sugar prices helped international markets performance. South Africa growth was the highest among the international markets.
- **A&SP spends:** The ATL spends is done by Pepsi whereas the BTL spends are done by the company which is as per the budget.

# Varun Beverages Ltd.

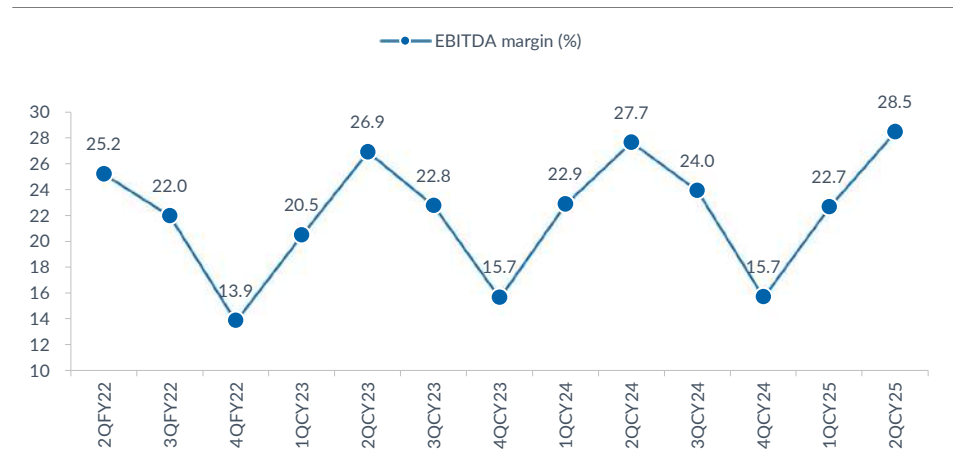
- **M&A:** The company is looking for new acquisitions and expansion in the overseas market.

**Exhibit 6: Overall volumes declined 3% YoY to 390mn cases in 2QCY25 with India volumes declining ~7% YoY**



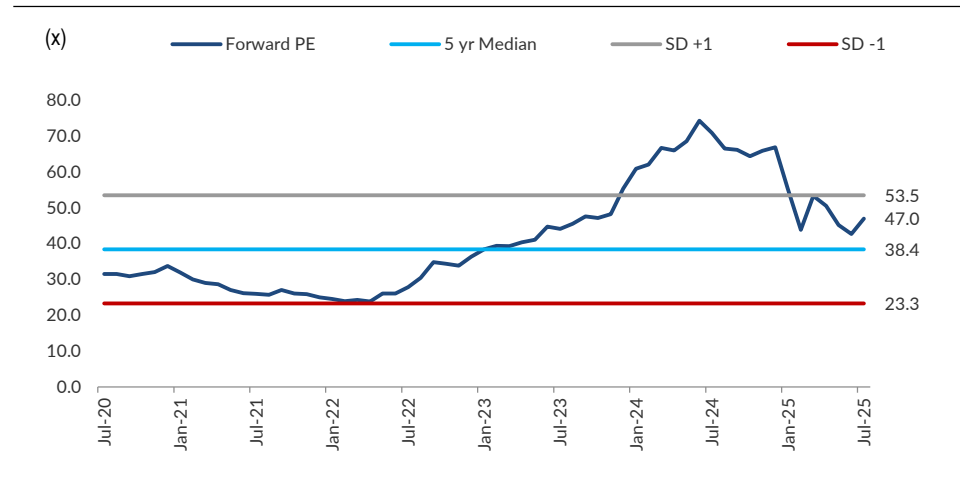
Source: Company, YES Sec

**Exhibit 7: EBITDA margin improved 80bps to 28.5% in 2QCY25 led by operational efficiencies and strong currency tailwinds in international territories**



Source: Company, YES Sec

**Exhibit 8: Currently trading at ~47x on 1yr fwd. earnings**



Source: Company, YES Sec

## FINANCIALS

**Exhibit 9: Income statement**

Income statement	CY22	CY23	CY24	CY25E	CY26E	CY27E
Net Sales	131,731	160,426	200,077	220,654	256,089	291,296
<b>% growth</b>	<b>49.3</b>	<b>21.8</b>	<b>24.7</b>	<b>10.3</b>	<b>16.1</b>	<b>13.7</b>
COGS	62,612	74,049	89,047	100,398	115,240	129,627
<b>Gross Profits</b>	<b>69,120</b>	<b>86,377</b>	<b>111,029</b>	<b>120,257</b>	<b>140,849</b>	<b>161,670</b>
Staff costs	12,166	14,466	18,850	21,624	24,713	27,964
Selling & Admin costs	1,398	1,964	2,521	2,869	3,457	3,933
Other expenses	27,675	33,852	42,547	43,690	51,474	59,424
Total Expenses	103,850	124,330	152,965	168,580	194,884	220,948
EBITDA	27,881	36,096	47,111	52,074	61,205	70,348
<b>% growth</b>	<b>68.5</b>	<b>29.5</b>	<b>30.5</b>	<b>10.5</b>	<b>17.5</b>	<b>14.9</b>
<b>EBITDA margin</b>	<b>21.2</b>	<b>22.5</b>	<b>23.5</b>	<b>23.6</b>	<b>23.9</b>	<b>24.2</b>
Depreciation	6,172	6,809	9,474	11,862	12,080	12,680
Other income	388	794	1,213	1,637	1,932	2,511
Interest cost	1,861	2,681	4,504	1,407	628	314
Profit before tax	20,236	27,399	34,346	40,442	50,429	59,865
Tax	4,735	6,375	7,988	9,423	11,750	13,949
Tax Rate	23.4	23.3	23.3	23.3	23.3	23.3
PAT	15,501	21,024	26,358	31,019	38,679	45,917
Adj. PAT	15,501	20,560	25,947	30,997	38,646	45,867
<b>% growth</b>	<b>107.8</b>	<b>32.6</b>	<b>26.2</b>	<b>19.5</b>	<b>24.7</b>	<b>18.7</b>
<b>Adj PAT margin</b>	<b>11.8</b>	<b>12.8</b>	<b>13.0</b>	<b>14.0</b>	<b>15.1</b>	<b>15.7</b>

Source: Company, YES Sec

**Exhibit 10: Balance sheet**

Balance sheet	CY22	CY23	CY24	CY25E	CY26E	CY27E
Equity capital	6,496	6,496	6,763	6,763	6,763	6,763
Reserves and surplus	44,528	62,869	159,335	176,806	195,163	220,741
<b>Net worth</b>	<b>51,024</b>	<b>69,364</b>	<b>166,098</b>	<b>183,569</b>	<b>201,926</b>	<b>227,504</b>
Minority Interest	1,131	1,482	1,298	1,298	1,298	1,298
Total Debt	36,948	51,943	23,643	7,618	3,809	1,904
Other LT liabilities	2,283	2,195	1,942	2,036	2,136	2,240
<b>Total liabilities</b>	<b>91,622</b>	<b>126,962</b>	<b>196,551</b>	<b>198,093</b>	<b>212,740</b>	<b>236,518</b>
Gross Block	103,075	124,902	185,103	191,979	201,979	211,979
Depreciation	37,163	43,972	53,446	65,308	77,388	90,068
Net Block	65,912	80,930	131,658	126,670	124,591	121,911
Capital work-in-progress	6,066	19,222	11,667	11,667	11,667	11,667
Goodwill	242	242	3,009	3,009	3,009	3,009
Net deferred tax	(3,368)	(3,430)	(4,879)	(4,879)	(4,879)	(4,879)
Other assets	6,709	5,833	5,347	5,614	5,895	6,189
Investments	0	211	534	534	534	534
Cash	2,853	4,599	24,500	29,841	43,753	65,701
Inventories	19,939	21,505	27,912	29,622	33,678	38,307
Debtors	2,993	3,594	8,458	7,254	7,016	7,981
Other current assets	8,540	12,517	17,304	19,623	22,098	24,898
<b>Current Assets</b>	<b>31,472</b>	<b>37,616</b>	<b>53,675</b>	<b>56,499</b>	<b>62,792</b>	<b>71,186</b>
Creditors	8,243	7,582	15,604	11,002	11,998	13,495
Other CL	10,021	10,677	13,355	19,861	22,625	25,306
<b>Current Liabilities</b>	<b>18,264</b>	<b>18,259</b>	<b>28,959</b>	<b>30,864</b>	<b>34,622</b>	<b>38,802</b>
<b>Net Current Assets</b>	<b>13,208</b>	<b>19,357</b>	<b>24,715</b>	<b>25,636</b>	<b>28,170</b>	<b>32,384</b>

<b>Total Assets</b>	<b>91,622</b>	<b>126,963</b>	<b>196,552</b>	<b>198,093</b>	<b>212,740</b>	<b>236,518</b>
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Source: Company, YES Sec

## Exhibit 11: Cash flow statement

Cash flow statement	CY22	CY23	CY24	CY25E	CY26E	CY27E
PBT	20,236	27,398	34,346	40,420	50,396	59,816
Add: Depreciation	5,831	6,409	8,387	11,862	12,080	12,680
Add: Interest	1,626	2,443	397	1,407	628	314
Less: taxes paid	(3,733)	(6,679)	(7,276)	(9,423)	(11,750)	(13,949)
Add: other adjustments	(208)	1,072	4,650	(267)	(281)	(295)
Less: WC changes	(5,852)	(6,735)	(6,694)	(920)	(2,534)	(4,215)
<b>Cash flow from operations</b>	<b>17,900</b>	<b>23,908</b>	<b>33,810</b>	<b>43,079</b>	<b>48,539</b>	<b>54,352</b>
Capital expenditure	(17,499)	(31,939)	(37,403)	(31,000)	(10,000)	(10,000)
Net cash after capex	401	(8,031)	(3,594)	12,079	38,539	44,352
(Inc.)/Dec in investments	453	(959)	(5,763)	0	0	0
<b>Cash flow from investing activities</b>	<b>(17,046)</b>	<b>(32,899)</b>	<b>(43,167)</b>	<b>(31,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>
Dividends paid	(1,624)	(2,273)	(3,248)	(13,526)	(20,289)	(20,289)
Others	1,444	12,122	32,784	(3,407)	(2,628)	(2,314)
<b>Cash from financing activities</b>	<b>(180)</b>	<b>9,849</b>	<b>29,535</b>	<b>(16,933)</b>	<b>(22,918)</b>	<b>(22,603)</b>
Opening cash balance	1,507	1,543	2,422	22,662	17,808	33,430
Closing cash balance	1,543	2,422	22,662	17,808	33,430	55,178
Change in cash balance	675	858	20,178	(4,854)	15,622	21,748

Source: Company, YES sec

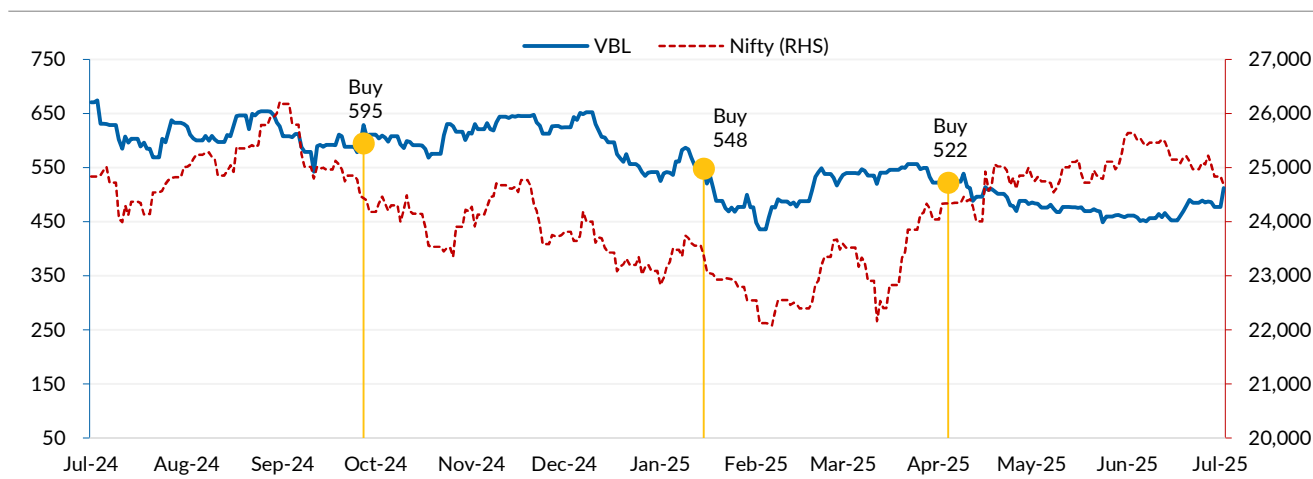
## Exhibit 12: Ratio analysis

Ratios (%)	CY22	CY23	CY24	CY25E	CY26E	CY27E
<b>Per share numbers (Rs)</b>						
Reported earnings	23.9	15.8	7.7	9.2	11.4	13.6
Dividend	5.0	3.5	1.8	4.0	6.0	6.0
Book Value	176.7	53.4	49.1	54.3	59.7	67.3
<b>Valuations (x)</b>						
P/E	44.4	32.4	66.7	55.9	44.8	37.8
EV / EBITDA	25.9	19.7	36.7	32.8	27.6	23.7
P/Sales	5.2	4.1	8.7	7.8	6.8	5.9
<b>Profitability Ratios</b>						
Gross margin	52.5	53.8	55.5	54.5	55.0	55.5
EBITDA margin	21.2	22.5	23.5	23.6	23.9	24.2
PAT margin	11.8	12.8	13.0	14.0	15.1	15.7
<b>Return Ratios</b>						
ROCE (pre-tax)	26.1	27.5	24.0	21.2	24.9	26.8
RONW	33.8	34.9	22.4	17.7	20.1	21.4
<b>Turnover ratios</b>						
Total asset turnover ratio (x)	1.4	1.3	1.0	1.1	1.2	1.2
Fixed asset turnover ratio (x)	1.8	1.6	1.4	1.6	1.9	2.2
Debtors days	8	8	15	12	10	10
Inventory days	55	49	51	49	48	48
Payable days	48	37	64	40	38	38
NWC days	16	20	3	21	20	20

Source: Company, YES sec



## Recommendation Tracker



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