

## Galaxy Surfactants

**Good business, good people; however, bad phase continues**

GALSURF's 3QFY26 revenue performance came in-line with overall estimates; however volume underperformance continues (flat YoY in 3QFY26/9MFY26) on account of reformulation risk with Tier 1 customers in India, GST rate cut related one-time impact, loss of market share by Tier 1 customers in AMET and USA specific pressure amid Tariff uncertainty during 3QFY26. Improved mix led by strong Specialty Care volumes, correction in Fatty Alcohol Prices, Strong performance of Tri-K and EPC contract fee (undisclosed sum but not material, per management) boosted the EBITDA/kg (Rs19.3 in 3QFY26 vs Rs16.4/Rs16.9 in 2QFY26/3QFY25). Despite Reformulation pressure with Tier 1 set, non-Tier 1 customers grew significantly in India (specialty care volume growth of 35% YoY) resulting into overall mid-single digit volume growth. AMET performance worsened further (high dd volume decline) on account of loss of market share of Tier 1 customers to local competition. However, management sounded optimistic on AMET volumes from 4QFY26 and beyond led by company led initiatives pertaining to geographical expansion within the region. RoW growth during 3QFY26 was led by non-USA geographies (LATAM and EU); however the management considers India-USA trade deal as a structural positive for future volume growth trajectory. Launch of 5 new products under Suncare (Leave On category) in Nov'25 is encouraging wherein commercialization is planned in 4QFY26. While there are multiple variables at play (mostly macro factors) from a near-term perspective, normalization of consumption sentiment along with growth in premium products and new launches coupled with favourable base should enable GALSURF resume its growth trajectory from FY27, in our view. While recovery is getting pushed, we believe risk-reward is still favourable. We maintain structural positive stance on GALSURF led by market leadership in India and AMET regions and strengthening presence in developed markets backed by portfolio innovation and distribution expansion. Post earnings revision, maintain Buy with an unchanged TP of Rs2,600 (valued at 24x PE on FY28E)

### 3QFY26 performance update

GALSURF's ~28% YoY consolidated revenue growth was largely driven by pricing as volume came flat. India and RoW reported mid single digit volume growth on YoY basis whereas AMET reported high double digit decline. Improved mix led by strong Specialty Care volumes, correction in Fatty Alcohol Prices, Strong performance of Tri-K and EPC contract fee (undisclosed sum but not material, per management) boosted the EBITDA/kg (Rs19.3 in 3QFY26 vs Rs16.4/Rs16.9 in 2QFY26/3QFY25).

### Growth drivers

We are building in overall volume CAGR of ~7% over FY25-28E. We believe that existing business growth trajectory should be more or less as per the original guidance (combination of 6%-8% volume growth and ~10% EBITDA growth) and entry in new category coupled with Strategic collaborations and M&A should bring in additional growth.

**Key Risks:** Delay in India & AMET recovery and RM inflation.

### Financial and valuation summary

YE Mar (Rs mn)	3QFY26A	3QFY25A	YoY (%)	2QFY26A	QoQ (%)	FY26E	FY27E	FY28E
Revenues	13,295	10,417	27.6	13,262	0.3	51,982	56,941	63,542
EBITDA	1,194	1,056	13.1	1,105	8.0	4,690	5,381	6,324
EBITDA margin (%)	9.0	10.1		8.3		9.0	9.5	10.0
Adj. Net profit	709	646	9.7	665	6.6	3,056	3,325	3,909
Adj. EPS (Rs)	20.0	18.2	9.7	18.8	6.6	86.2	93.8	110.3
EPS growth (%)						0.2	8.8	17.6
PE (x)						21.3	19.5	16.6
EV/EBITDA (x)						12.7	11.0	9.5
PBV (x)						2.5	2.3	2.0
RoE (%)						12.3	12.1	12.9
RoCE (%)						12.1	11.9	12.6

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.

Result Update

India I Chemicals

16 February, 2025

**BUY**

Price: Rs1,833

Target Price: Rs2,600

Forecast return: 42%

Institutional Research

### Market Data

Bloomberg:	GALSURF IN
52 week H/L:	2,750/1,800
Market cap:	Rs64.6bn
Shares Outstanding:	35.5mn
Free float:	26.1%
Avg. daily vol. 3mth:	14,177

Source: Bloomberg

### Changes in the report

Rating:	-
Target price:	-
EPS:	(0.2%) for FY26, 1.2% for FY27

Source: Centrum Broking

### Shareholding pattern

	Dec-25	Sep-25	Jun-25	Mar-25
Promoter	70.9	70.9	70.9	70.9
FIIs	4.1	4.2	4.3	4.1
DIIIs	13.0	12.9	12.7	12.9
Public/other	12.0	12.0	12.1	12.1

Source: BSE

### Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum 3QFY26	Actual 3QFY26	Variance
Revenue	13,021	13,295	2.1
EBITDA	1,120	1,194	6.6
EBITDA margin	8.6%	9.0%	38bps
Adj. PAT	663	686	3.4

Source: Company Data, Centrum Broking

Chemicals



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## Thesis Snapshot

### Estimate revision

YE Mar (Rsmn)	FY26E New	FY26E Old	% change	FY27E New	FY27E Old	% change
Revenue	51,982	44,956	15.6%	56,941	48,948	16.3%
EBITDA	4,690	4,695	-0.1%	5,381	5,326	1.0%
EBITDA margin	9.0%	10.4%	-142bps	9.5%	10.9%	-143bps
APAT	3,056	3,062	-0.2%	3,325	3,285	1.2%

Source: Centrum Broking

### Galaxy Surfactant versus Nifty Midcap 100

	1m	6m	1 year
GALSURF IN	(3.5)	(19.2)	(19.6)
Nifty Midcap 100	(0.8)	5.1	19.6

Source: Bloomberg, NSE

### Key assumptions

Y/E Mar	FY26E	FY27E	FY28E
Volume Growth	1.7%	8.8%	10.8%
EBITDA/kg	18.0	18.9	20.1
EBITDA growth	-3.2%	14.7%	17.5%

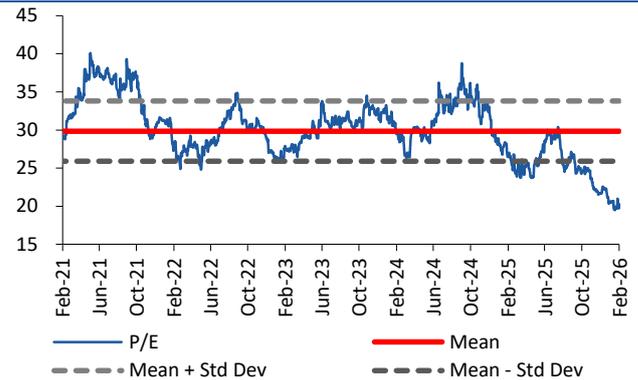
Source: Centrum Broking

### Valuations

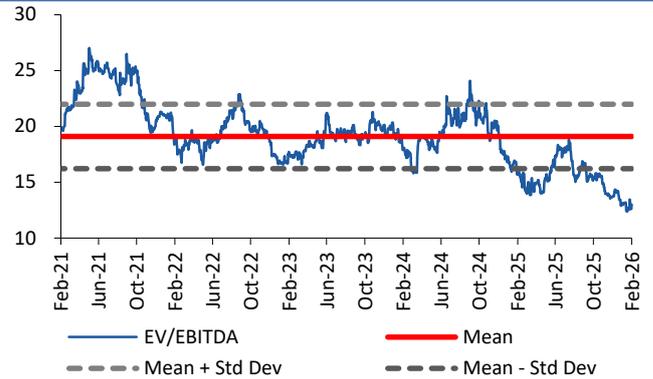
We are structurally positive on GALSURF led by market leadership in India and AMET regions and strengthening presence in developed markets backed by portfolio innovation and distribution expansion. We maintain Buy with a revised TP of Rs2,600 (valued at 24x PE on Mar'28E)

Valuations	Rs/share
Mar'28E EPS	110
PE multiple (x)	24
Target price	2,600

#### P/E mean and standard deviation



#### EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

### Peer comparison

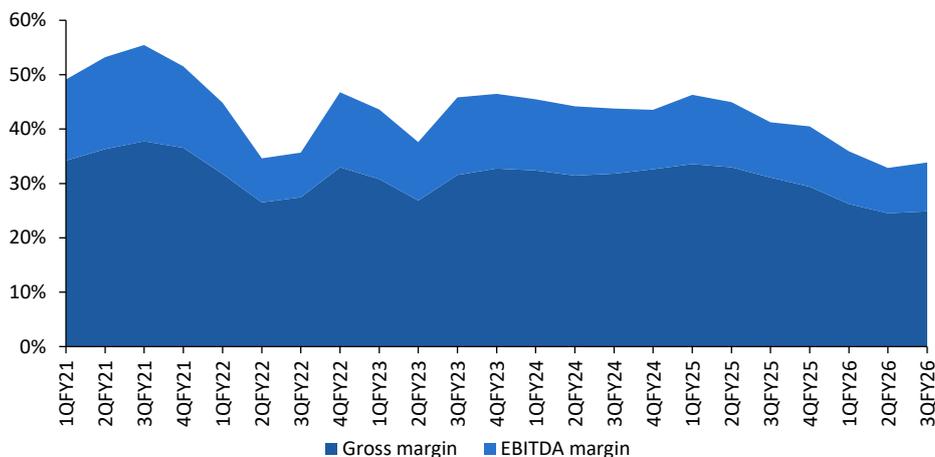
Company	CMP	TP	FY25-28E CAGR			ROIC		PE		EV/EBITDA	
			Revenue	EBITDA	APAT	FY25	FY28E	FY27E	FY28E	FY27E	FY28E
SRF	2,833	3,000	13.2%	22.9%	30.5%	9.0%	14.1%	35.5	30.2	20.5	17.2
NFIL	6,304	7,400	26.7%	41.1%	48.3%	9.3%	17.7%	41.0	34.2	26.3	21.8
ARTO	446	500	20.7%	24.6%	35.8%	7.0%	10.0%	23.2	19.6	12.3	10.3
VO	1,499	2,000	18.0%	21.2%	19.8%	18.6%	18.5%	25.4	22.1	17.4	14.9
FLUOROCH	3,398	3,580	14.5%	19.0%	19.4%	7.5%	9.7%	53.6	40.2	24.7	19.9
CLEAN	756	1,000	20.3%	16.1%	16.0%	23.2%	24.2%	27.6	19.5	17.0	12.1
FINEORG	4,423	5,300	8.1%	8.2%	4.1%	30.7%	18.5%	35.2	29.3	23.0	19.3
<b>GALSURF</b>	<b>1,833</b>	<b>2,600</b>	<b>14.6%</b>	<b>9.3%</b>	<b>8.6%</b>	<b>15.5%</b>	<b>15.5%</b>	<b>19.5</b>	<b>16.6</b>	<b>11.0</b>	<b>9.5</b>
ROSSARI	524	630	12.8%	13.0%	12.5%	12.4%	13.2%	18.1	14.9	9.1	7.5
CFIN	166	165	11.1%	12.8%	26.4%	10.0%	9.6%	29.6	20.2	16.9	11.7
ADVENZY	301	370	16.1%	15.8%	16.1%	10.1%	13.0%	19.5	16.4	10.4	9.0

Source: Company, Centrum Broking

**Exhibit 1: 3QFY26 consolidated performance snapshot**

Particulars (Rs mn)	3QFY25	2QFY26	3QFY26	YoY%	QoQ%	9MFY25	9MFY26	YoY%
<b>Net Sales</b>	<b>10,417</b>	<b>13,262</b>	<b>13,295</b>	<b>27.6%</b>	<b>0.3%</b>	<b>30,787</b>	<b>39,336</b>	<b>27.8%</b>
COGS	7,176	10,013	9,985	39.1%	-0.3%	20,772	29,425	41.7%
<b>Gross Profit</b>	<b>3,241</b>	<b>3,249</b>	<b>3,310</b>	<b>2.1%</b>	<b>1.9%</b>	<b>10,015</b>	<b>9,911</b>	<b>-1.0%</b>
Staff costs	738	805	802	8.6%	-0.5%	2,267	2,442	7.7%
Other expenses	1,447	1,339	1,315	-9.1%	-1.8%	4,175	3,932	-5.8%
Total expenses	9,361	12,157	12,101	29.3%	-0.5%	27,214	35,799	31.5%
<b>EBITDA</b>	<b>1,056</b>	<b>1,105</b>	<b>1,194</b>	<b>13.1%</b>	<b>8.0%</b>	<b>3,573</b>	<b>3,537</b>	<b>-1.0%</b>
Depreciation	277	298	307	10.9%	3.0%	820	898	9.5%
EBIT	779	807	887	13.8%	9.9%	2,753	2,639	-4.1%
Interest	50	73	85	72.2%	17.3%	130	224	71.7%
Other income	40	58	48	20.9%	-17.1%	181	218	20.8%
Exceptional items	-	-	-119	-	-	-	-119	-
PBT (bei)	769	792	849	10.4%	7.2%	2,803	2,633	-6.1%
PBT	769	792	730	-5.0%	-7.8%	2,803	2,515	-10.3%
Tax	123	127	141	14.5%	10.7%	513	465	-9.3%
PAT	646	665	590	-8.7%	-11.3%	2,290	2,050	-10.5%
<b>Adj. PAT</b>	<b>646</b>	<b>665</b>	<b>686</b>	<b>6.1%</b>	<b>3.1%</b>	<b>2,290</b>	<b>2,145</b>	<b>-6.3%</b>
EPS	18.2	18.8	16.6	-8.7%	-11.3%	64.6	57.8	-10.5%
<b>Margins (%)</b>	<b>3QFY25</b>	<b>2QFY26</b>	<b>3QFY26</b>	<b>YoY%</b>	<b>QoQ%</b>	<b>9MFY25</b>	<b>9MFY26</b>	<b>YoY%</b>
Gross margin	31.1%	24.5%	24.9%	-621bps	40bps	32.5%	25.2%	-734bps
EBITDA margin	10.1%	8.3%	9.0%	-116bps	64bps	11.6%	9.0%	-261bps
EBIT margin	7.5%	6.1%	6.7%	-81bps	58bps	8.9%	6.7%	-223bps
PBT margin	7.4%	5.9%	5.5%	-188bps	-47bps	9.1%	6.4%	-271bps
PAT margin	6.2%	5.0%	4.4%	-176bps	-57bps	7.4%	5.5%	-199bps
<b>Common Size</b>	<b>3QFY25</b>	<b>2QFY26</b>	<b>3QFY26</b>	<b>YoY%</b>	<b>QoQ%</b>	<b>9MFY25</b>	<b>9MFY26</b>	<b>YoY%</b>
COGS	68.9%	75.5%	75.1%	621bps	-40bps	67.5%	74.8%	734bps
Staff costs	7.1%	6.1%	6.0%	-106bps	-4bps	7.4%	6.2%	-116bps
Other expenses	13.9%	10.1%	9.9%	-400bps	-21bps	13.6%	10.0%	-357bps
Depreciation	2.7%	2.2%	2.3%	-35bps	6bps	2.7%	2.3%	-38bps
Interest	0.5%	0.5%	0.6%	17bps	9bps	0.4%	0.6%	15bps
Other income	0.4%	0.4%	0.4%	-2bps	-8bps	0.6%	0.6%	-3bps
ETR	16.0%	16.0%	19.3%	328bps	322bps	18.3%	18.5%	20bps

Source: Company Data, Centrum Broking

**Exhibit 2: Consolidated quarterly gross margin and EBITDA margin trend**

Source: Company Data, Centrum Broking

**Exhibit 3: Quarterly segment information**

Segment information	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
<b>Volume Data</b>									
<b>Volume Mix (%)</b>									
Performance surfactants	63.0	62.7	64.9	65.9	64.2	65.5	65.2	61.6	60.7
Speciality Care	37.0	37.3	35.1	34.1	35.8	34.5	34.8	38.4	39.3
<b>Volume sales ('000/MT)</b>									
Performance surfactants	39.9	38.1	41.6	44.9	40.1	40.6	43.9	41.4	37.5
YoY (%)	1.8	-0.0	5.0	6.0	0.6	6.5	5.5	-8.0	-6.5
Speciality Care	23.4	22.7	22.5	23.3	22.3	21.4	23.4	25.8	24.3
YoY (%)	21.8	24.5	14.0	2.5	-4.5	-5.7	4.1	11.1	8.9
<b>Overall sales volume</b>	<b>63.3</b>	<b>60.8</b>	<b>64.1</b>	<b>68.2</b>	<b>62.5</b>	<b>62.0</b>	<b>67.3</b>	<b>67.2</b>	<b>61.8</b>
YoY (%)	8.4	5.1	8.0	4.8	-1.3	2.0	5.0	-1.5	-1.0
<b>Revenue Data</b>									
<b>Revenue mix (%)</b>									
Performance surfactants	59.1	55.7	59.2	60.8	60.8	62.8	65.2	63.0	63.0
Speciality Care	40.9	44.3	40.8	39.2	39.2	37.2	34.8	37.0	37.0
<b>Segment Revenue (mn)</b>									
Performance surfactants	5,594	5,303	5,800	6,519	6,357	7,232	8,405	8,392	8,412
YoY (%)	-18.1	-27.9	-0.4	10.9	13.6	36.4	44.9	28.7	32.3
Speciality Care	3,874	4,226	3,990	4,203	4,100	4,293	4,486	4,928	4,930
YoY (%)	-3.4	72.5	10.2	5.6	5.8	1.6	12.4	17.3	20.2
<b>Total</b>	<b>9,468</b>	<b>9,529</b>	<b>9,790</b>	<b>10,722</b>	<b>10,457</b>	<b>11,525</b>	<b>12,891</b>	<b>13,320</b>	<b>13,343</b>
YoY (%)	-12.7	-2.9	3.7	8.8	10.4	20.9	31.7	24.2	27.6
<b>Realisation data (Rs kg)</b>									
Performance surfactants	140	139	139	145	158	178	191	203	224
YoY (%)	-19.6	-25.1	-5.1	4.6	13.0	28.0	37.4	39.9	41.5
Speciality Care	166	186	177	181	184	200	192	191	203
YoY (%)	-20.7	38.5	-3.3	3.0	10.8	7.7	8.0	5.6	10.4
<b>Total</b>	<b>150</b>	<b>157</b>	<b>153</b>	<b>157</b>	<b>167</b>	<b>186</b>	<b>192</b>	<b>198</b>	<b>216</b>
YoY (%)	-19.4	-7.6	-4.0	3.8	11.9	18.6	25.4	26.1	28.9
<b>Profitability data (per kg)</b>									
<b>Gross profit/kg</b>	<b>47.3</b>	<b>49.8</b>	<b>51.0</b>	<b>51.4</b>	<b>51.9</b>	<b>54.3</b>	<b>49.8</b>	<b>48.4</b>	<b>53.5</b>
YoY (%)	-19.2	-10.1	-0.7	8.1	9.8	8.9	-2.4	-5.9	3.2
<b>Staff costs/kg</b>	<b>10.7</b>	<b>11.8</b>	<b>12.0</b>	<b>11.1</b>	<b>11.8</b>	<b>12.2</b>	<b>12.4</b>	<b>12.0</b>	<b>13.0</b>
YoY (%)	4.0	7.8	-0.1	12.3	10.6	3.3	3.3	7.6	9.7
<b>Other expenses/kg</b>	<b>18.8</b>	<b>21.3</b>	<b>19.7</b>	<b>21.5</b>	<b>23.2</b>	<b>21.6</b>	<b>19.0</b>	<b>19.9</b>	<b>21.3</b>
YoY (%)	-13.8	0.3	5.6	16.9	23.3	1.3	-3.4	-7.4	-8.2
<b>EBITDA/kg</b>	<b>17.8</b>	<b>16.7</b>	<b>19.4</b>	<b>18.7</b>	<b>16.9</b>	<b>20.5</b>	<b>18.4</b>	<b>16.4</b>	<b>19.3</b>
YoY (%)	-32.6	-28.1	-6.7	-2.5	-4.9	22.4	-4.9	-12.1	14.2

Source: Company Data, Centrum Broking

## Earnings call KTAs

- Revenue growth was entirely led by pricing growth due to RM changes and mix. Consolidated volumes remained flat on YoY, with high single-digit growth in Specialty Care Products offsetting softness in the Performance Surfactants segment. EBITDA increased by 13% on YoY to Rs 1.2bn, supported by stronger contributions from the Specialty segment in India and ROW region.
- Improved mix led by strong Specialty Care volumes, correction in Fatty Alcohol Prices, Strong performance of Tri-K and EPC contract fee (undisclosed sum but not material, per management) boosted the EBITDA/kg (Rs19.3 in 3QFY26 vs Rs16.4/Rs16.9 in 2QFY26/3QFY25).
- In India, domestic volumes grew in the mid-single digit YoY, driven by strong traction from Non-Tier-1 and D2C customers. While the Performance segment declined due to ongoing reformulation at a key Tier-1 account and temporary demand disruption following GST-related inventory adjustments in October month, the Specialty segment delivered a robust 35% YoY volume growth, cushioning Tier-1 softness and reinstating momentum across Tier-2 and Tier-3 accounts. The management expects Specialty Care double-digit growth to continue.
- In the AMET region volumes declined in the high teens YoY, primarily due to heightened competitive intensity wherein even the Tier-1 customer continues to lose market share to the local competition. The management expects significant volume recovery from 4QFY26 on the back of geographical expansion within AMET.
- ROW region continued to support portfolio resilience, delivering mid-single digit YoY volume growth, led by healthy demand across Latin America and Europe in both Performance and Specialty segments. The management expects Performance Surfactants growth momentum to continue whereas the Specialty portfolio should benefit from the recently concluded India-USA trade deal. Tri-K subsidiary continued to demonstrate strong momentum, enhancing the premium mix contribution.
- Feedstock prices softened briefly during the quarter, supported by record palm oil production; however, the benefit was short lived. Jan'26 pricing trend is moving up after a moderation seen during previous quarter. Fatty Alcohol pricing might start correction from May'26, per management.
- EPC contract fees amount was not disclosed due to confidentiality reasons; however the management alluded that the sum is not material.
- Capacity enhancements for aligning with new formulations are underway with approvals in-process. Post approvals, GALSURF will begin commercial production which will aid in recouping lost volumes of Tier-1 accounts going forward.

**Exhibit 4: Segment wise annual assumptions**

Segment Consolidated	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Volume Mix</b>								
Performance surfactants	66%	64%	66%	64%	65%	62%	62%	61%
Speciality Care	34%	36%	34%	36%	35%	38%	38%	39%
<b>Revenue Mix</b>								
Performance surfactants	64%	61%	65%	59%	61%	63%	62%	62%
Speciality Care	36%	39%	35%	41%	39%	37%	38%	38%
<b>Volume sales ('000/MT)</b>								
Performance surfactants	1,56,153	1,49,195	1,53,126	1,60,017	1,67,423	1,62,400	1,75,392	1,92,932
YoY (%)	9%	-4%	3%	5%	5%	-3%	8%	10%
Speciality Care	80,011	85,023	77,659	88,531	89,375	98,759	1,08,635	1,21,672
YoY (%)	-1%	6%	-9%	14%	1%	11%	10%	12%
<b>Overall sales volume</b>	<b>2,36,164</b>	<b>2,34,218</b>	<b>2,30,785</b>	<b>2,48,548</b>	<b>2,56,798</b>	<b>2,61,160</b>	<b>2,84,028</b>	<b>3,14,603</b>
YoY (%)	5%	-1%	-1%	7.7%	3%	2%	9%	11%
<b>Segment Revenue (mn)</b>								
Performance surfactants	17,780	22,560	28,960	22,596	25,908	32,921	35,555	39,110
YoY (%)	12%	27%	28%	-22%	15%	27%	8%	10%
Speciality Care	10,170	14,420	15,590	15,702	16,586	19,061	21,386	24,431
YoY (%)	0%	42%	8%	1%	6%	15%	12%	14%
<b>Total</b>	<b>27,950</b>	<b>36,980</b>	<b>44,550</b>	<b>38,298</b>	<b>42,494</b>	<b>51,982</b>	<b>56,941</b>	<b>63,542</b>
YoY (%)	7%	32%	20%	-14%	11%	22%	10%	12%
<b>Realisation/kg</b>								
Performance surfactants	114	151	189	141	155	203	203	203
YoY (%)	3%	33%	25%	-25%	10%	31%	0%	0%
Speciality Care	127	170	201	177	186	193	197	201
YoY (%)	1%	33%	18%	-12%	5%	4%	2%	2%
<b>Total</b>	<b>118</b>	<b>158</b>	<b>193</b>	<b>154</b>	<b>165</b>	<b>199</b>	<b>200</b>	<b>202</b>
YoY (%)	2%	33%	22%	-20%	7%	20%	1%	1%
<b>Consolidated EBITDA/kg</b>								
	<b>19.0</b>	<b>17.1</b>	<b>24.6</b>	<b>18.6</b>	<b>18.0</b>	<b>18.0</b>	<b>18.9</b>	<b>20.1</b>
YoY (%)	16%	-10%	44%	-24%	-3%	0%	6%	6%

Source: Company Data, Centrum Broking

P&L					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Revenues</b>	<b>37,944</b>	<b>42,237</b>	<b>51,982</b>	<b>56,941</b>	<b>63,542</b>
Operating Expense	25,780	28,856	35,499	39,233	43,795
Employee cost	2,755	3,025	3,364	3,389	3,672
Others	4,787	5,513	8,429	8,937	9,751
<b>EBITDA</b>	<b>4,622</b>	<b>4,842</b>	<b>4,690</b>	<b>5,381</b>	<b>6,324</b>
Depreciation & Amortisation	998	1,103	1,137	1,230	1,371
<b>EBIT</b>	<b>3,624</b>	<b>3,739</b>	<b>3,553</b>	<b>4,152</b>	<b>4,953</b>
Interest expenses	224	193	207	233	233
Other income	355	258	412	362	300
<b>PBT</b>	<b>3,755</b>	<b>3,805</b>	<b>3,757</b>	<b>4,280</b>	<b>5,020</b>
Taxes	740	755	701	955	1,111
Effective tax rate (%)	19.7	19.9	18.7	22.3	22.1
<b>PAT</b>	<b>3,015</b>	<b>3,049</b>	<b>3,056</b>	<b>3,325</b>	<b>3,909</b>
Minority/Associates	0	0	0	0	0
<b>Recurring PAT</b>	<b>3,015</b>	<b>3,049</b>	<b>3,056</b>	<b>3,325</b>	<b>3,909</b>
Extraordinary items	0	0	0	0	0
<b>Reported PAT</b>	<b>3,015</b>	<b>3,049</b>	<b>3,056</b>	<b>3,325</b>	<b>3,909</b>

Ratios					
YE Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Growth (%)</b>					
Revenue	(15.0)	11.3	23.1	9.5	11.6
EBITDA	(18.7)	4.8	(3.2)	14.7	17.5
Adj. EPS	(20.9)	1.1	0.2	8.8	17.6
<b>Margins (%)</b>					
Gross	32.1	31.7	31.7	31.1	31.1
EBITDA	12.2	11.5	9.0	9.5	10.0
EBIT	9.6	8.9	6.8	7.3	7.8
Adjusted PAT	7.9	7.2	5.9	5.8	6.2
<b>Returns (%)</b>					
ROE	14.8	13.4	12.3	12.1	12.9
ROCE	14.3	13.3	12.1	11.9	12.6
ROIC	14.8	14.3	13.4	13.4	13.8
<b>Turnover (days)</b>					
Gross block turnover ratio (x)	2.3	2.4	2.7	2.7	2.7
Debtors	58	55	52	54	53
Inventory	85	81	73	67	67
Creditors	62	67	66	65	65
Net working capital	114	107	113	118	119
<b>Solvency (x)</b>					
Net debt-equity	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
Interest coverage ratio	20.6	25.2	22.7	23.1	27.1
Net debt/EBITDA	(0.7)	(0.8)	(1.2)	(1.1)	(0.8)
<b>Per share (Rs)</b>					
Adjusted EPS	85.0	86.0	86.2	93.8	110.3
BVPS	614.7	666.4	735.4	810.4	898.7
CEPS	113.2	117.1	118.3	128.5	148.9
DPS	4.0	38.1	17.2	18.8	22.1
Dividend payout (%)	4.7	44.3	20.0	20.0	20.0
<b>Valuation (x)</b>					
P/E	21.6	21.3	21.3	19.5	16.6
P/BV	3.0	2.8	2.5	2.3	2.0
EV/EBITDA	13.4	12.6	12.7	11.0	9.5
Dividend yield (%)	0.2	2.1	0.9	1.0	1.2

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity share capital	355	355	355	355	355
Reserves & surplus	21,438	23,271	25,716	28,376	31,503
Shareholders fund	21,793	23,625	26,070	28,730	31,857
Minority Interest	0	0	0	0	0
Total debt	1,317	1,418	2,075	2,075	2,075
Non Current Liabilities	570	723	723	723	723
Def tax liab. (net)	297	318	318	318	318
<b>Total liabilities</b>	<b>23,976</b>	<b>26,085</b>	<b>29,186</b>	<b>31,846</b>	<b>34,973</b>
Gross block	16,654	17,905	19,096	21,096	23,596
Less: acc. Depreciation	(8,403)	(9,507)	(10,644)	(11,873)	(13,244)
Net block	8,251	8,398	8,452	9,223	10,352
Capital WIP	1,585	2,619	2,539	2,539	2,539
Net fixed assets	9,910	11,080	10,991	11,762	12,891
Non Current Assets	2,217	2,605	2,087	1,674	1,342
Investments	0	0	0	0	0
Inventories	5,561	7,239	6,924	7,574	8,441
Sundry debtors	5,931	6,865	7,967	8,730	9,745
Cash & Cash Equivalents	4,373	5,144	7,603	7,766	7,075
Loans & advances	6	9	10	12	14
Other current assets	1,149	1,679	2,519	3,779	5,668
Trade payables	4,461	6,200	6,696	7,341	8,199
Other current liab.	710	2,337	2,220	2,109	2,003
Provisions	0	0	0	0	0
Net current assets	11,849	12,400	16,108	18,411	20,740
<b>Total assets</b>	<b>23,976</b>	<b>26,085</b>	<b>29,186</b>	<b>31,846</b>	<b>34,973</b>

Cashflow					
YE Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Profit Before Tax	3,755	3,805	3,757	4,280	5,020
Depreciation & Amortisation	998	1,103	1,137	1,230	1,371
Net Interest	224	193	207	233	233
Net Change – WC	1,110	42	(1,249)	(2,140)	(3,020)
Direct taxes	(781)	(681)	(701)	(955)	(1,111)
<b>Net cash from operations</b>	<b>5,184</b>	<b>4,205</b>	<b>2,739</b>	<b>2,286</b>	<b>2,193</b>
Capital expenditure	(1,583)	(1,840)	(1,112)	(2,000)	(2,500)
Acquisitions, net	0	0	0	0	0
Investments	(1,967)	(894)	0	0	0
Others	111	(213)	1,217	776	631
<b>Net cash from investing</b>	<b>(3,439)</b>	<b>(2,946)</b>	<b>105</b>	<b>(1,224)</b>	<b>(1,869)</b>
<b>FCF</b>	<b>1,745</b>	<b>1,259</b>	<b>2,845</b>	<b>1,062</b>	<b>324</b>
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	(1,404)	92	656	0	0
Dividend paid	(143)	(1,351)	(611)	(665)	(782)
Interest paid	(235)	(201)	(207)	(233)	(233)
Others	(107)	(113)	0	0	0
<b>Net cash from financing</b>	<b>(1,889)</b>	<b>(1,573)</b>	<b>(162)</b>	<b>(898)</b>	<b>(1,015)</b>
Net change in Cash	(144)	(314)	2,683	163	(691)

Source: Company, Centrum Broking

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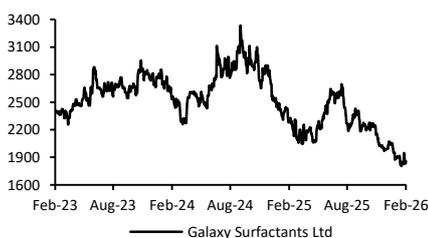
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#### Galaxy Surfactants



Source: Bloomberg

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