

Berger Paints (India) Ltd

Strong volumes aid profitability; volatility under watch even as competition eases

| | |
|----------------|------------------------|
| CMP Rs 488 | Target Price Rs 577 |
| Rating LONG | Upside 18% (↑) |

- Berger Paints (BRGR) reported a healthy 4QFY26, with consolidated revenue rising 6.1% yoy to Rs 28.7bn, led by strong 11.8% volume growth – highest since 1QFY23 – narrowing the value-volume gap to ~5%. Volume growth was aided by both pre-price-hike channel stocking and organic demand. We expect the gap to reverse in FY27 as price hikes flow through, with value growth likely to outpace volumes.
- Amid rising RM costs due to the West Asia conflict, BRGR's blended RM basket (~60% of sales) has risen ~20%. To counter this, it has taken cumulative retail price hikes of 11-12%, fully passing on cost inflation so far and limiting downside risk to margins. We expect EBITDA margins in the guided 15-17% range, with FY27 likely at the lower end.
- Management highlighted early signs of easing competitive intensity, with the new entrant also facing RM inflation. It stated that the pricing gap vs the industry leader has started narrowing, alongside moderation in dealer incentives.
- We cut FY27/FY28 EPS estimates by 5%/3% to factor in higher RM costs. Maintain LONG with a Jun'27 TP of Rs 577 (vs Rs 578 earlier) at 46x TTM EPS of Rs 12.6.

Volume growth strong amid pre-hike channel stocking and organic demand: BRGR's standalone volumes grew 11.8% yoy in 4QFY26, aided by pre-price-hike channel stocking and improved underlying demand. Value growth stood at 6.7%, with the value-volume gap narrowing to ~5% from 7-8% over the past two quarters, supported by premium-emulsion traction, richer mix and price hikes towards the fag end of 4Q. With price hikes now implemented, value growth could outpace volumes, although growth is likely to normalise from elevated 4Q levels (which benefited from pre-hike channel stocking). We build in FY27 revenue growth of 9-10%. BRGR could also gain from recovery in key markets such as West Bengal (>10% of revenue), aided by higher capex and industrial activity.

FY27 margins likely at lower end of 15-17% guidance: 4Q standalone gross margins remained healthy at 42.3% (+100bps yoy), aided by favourable mix, lower impact of economy-segment price cuts and benefits from withdrawal of anti-dumping duty on TiO₂. While industry-wide cumulative price hikes of 11-12% are likely to offset rising RM costs, we expect consolidated FY27 EBITDA margins towards the lower end of the guided 15-17% range. The B2B segment could see a lag in price hikes and near-term margin pressure, although the decorative segment may benefit from easing competitive intensity.

Subsidiaries steady; JVs rebound: Subsidiary revenue grew 2% yoy to Rs 3.6bn, while gross margins expanded ~450bps yoy to 57.2%. The BNPA JV reported improved performance amid buoyant automobile demand, while Berger Becker saw steady margin recovery. Performance was partly impacted by muted demand in Nepal, along with softer contribution from STP and SBL Specialty Coatings. Management expects automobile demand to remain stable, alongside gradual recovery in industrial demand.

Financial Summary

| YE Mar Rs mn | Sales | EBITDA | Recurring PAT | EPS (Rs) | P/E (x) | P/B (x) | EV/ EBITDA (x) | ROE (%) | Core ROIC (%) | EBITDA Margin (%) |
|-----------------|----------|--------|------------------|-------------|---------|------------|----------------------|------------|---------------------|-------------------------|
| FY26A | 1,18,803 | 18,333 | 11,801 | 10.1 | 48.2 | 8.2 | 30.4 | 17.2 | 34.1 | 15.4 |
| FY27E | 1,30,595 | 19,822 | 12,250 | 10.5 | 46.4 | 7.5 | 28.0 | 16.9 | 34.1 | 15.2 |
| FY28E | 1,43,305 | 23,006 | 14,199 | 12.2 | 40.1 | 6.7 | 24.0 | 17.7 | 33.8 | 16.1 |
| FY29E | 1,57,186 | 25,792 | 15,923 | 13.7 | 35.7 | 6.1 | 21.2 | 17.9 | 33.8 | 16.4 |

Source: Company, Equirus Securities

Estimate Revision

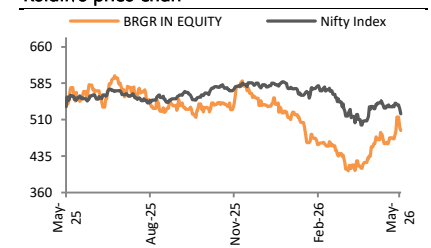
| (Rs mn) | Forecasts | | % Change | |
|---------|-----------|----------|----------|-------|
| | FY27E | FY28E | FY27E | FY28E |
| Sales | 1,19,434 | 1,30,487 | 0% | 0% |
| EBITDA | 18,152 | 21,104 | -6% | -4% |
| PAT | 11,268 | 12,886 | -5% | -3% |
| EPS | 9.7 | 11.1 | -5% | -3% |

Stock Information

| | |
|--------------------------|----------|
| Market Cap (Rs Mn) | 5,69,126 |
| 52 Wk H/L (Rs) | 605/391 |
| Avg. Daily Volume (1yr) | 4,18,323 |
| Avg. Daily Value (Rs Mn) | 2.1 |
| Equity Cap (Rs Mn) | 61,541 |
| Face Value (Rs) | 1 |
| Share Outstanding (Mn) | 1,166.0 |
| Bloomberg Code | BRGR IN |
| Ind Benchmark | SPBSMIP |

| Ownership (%) | Recent | 3M | 12M |
|---------------|--------|-------|-------|
| Promoters | 75.0 | 0.0 | 0.0 |
| DII | 11.1 | 0.4 | 1.5 |
| FII | 5.3 | (0.1) | (0.7) |
| Public | 8.7 | (0.3) | (0.8) |

Relative price chart



Source: Bloomberg

Analysts

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Exhibit 1: Quarterly performance

| Rs. Mn | 4QFY26 | 4QFY26E | 3QFY26 | 4QFY25 | % Change | | |
|---------------------------------------|---------------|---------------|---------------|---------------|------------|------------|------------|
| | | | | | 4QFY26E | 3QFY26 | 4QFY25 |
| Net Sales | 28,680 | 29,515 | 29,840 | 27,040 | -3% | -4% | 6% |
| Consumption of Raw Materials | 15,005 | 14,437 | 13,697 | 13,932 | 4% | 10% | 8% |
| Purchase of Traded Goods | 1,002 | 2,443 | 3,296 | 1,559 | -59% | -70% | -36% |
| Employee Costs | 2,224 | 2,257 | 2,276 | 2,015 | -1% | -2% | 10% |
| Other Expenditure | 5,633 | 5,972 | 5,860 | 5,257 | -6% | -4% | 7% |
| Total Expenditures | 23,864 | 25,109 | 25,130 | 22,763 | -5% | -5% | 5% |
| EBITDA | 4,817 | 4,406 | 4,710 | 4,278 | 9% | 2% | 13% |
| Depreciation | 1,010 | 1,044 | 1,000 | 892 | -3% | 1% | 13% |
| EBIT | 3,806 | 3,360 | 3,710 | 3,386 | 13% | 3% | 12% |
| Interest | 116 | 147 | 141 | 151 | -21% | -18% | -23% |
| Other Income | 217 | 242 | 305 | 171 | -10% | -29% | 27% |
| PBT | 3,907 | 3,455 | 3,874 | 3,406 | 13% | 1% | 15% |
| Tax | 1,032 | 797 | 809 | 870 | 30% | 28% | 19% |
| PAT before MI & Associates | 2,875 | 2,658 | 3,065 | 2,536 | 8% | -6% | 13% |
| Minority Interest | -5 | 0 | -2 | -9 | NM | NM | NM |
| Profit from Assoc. | 109 | 0 | 182 | 93 | NM | NM | NM |
| Recurring PAT | 2,979 | 2,658 | 3,245 | 2,621 | 12% | -8% | 14% |
| Extraordinaries | -368 | 0 | 533 | 0 | NM | NM | NM |
| Reported PAT | 3,348 | 2,658 | 2,712 | 2,621 | 26% | 23% | 28% |
| EPS (Rs) | 2.6 | 2.3 | 2.8 | 2.2 | 12% | -8% | 14% |
| Cost % | | | | | | | |
| COGS | 55.8% | 57.2% | 56.9% | 57.3% | -138 bps | -114 bps | -148 bps |
| Employee Costs | 7.8% | 7.6% | 7.6% | 7.5% | 11 bps | 13 bps | 30 bps |
| Other Expenditure | 19.6% | 20.2% | 19.6% | 19.4% | -59 bps | 0 bps | 20 bps |
| Margins % | | | | | | | |
| Gross Margin | 44.2% | 42.8% | 43.1% | 42.7% | 138 bps | 114 bps | 148 bps |
| EBITDA Margin | 16.8% | 14.9% | 15.8% | 15.8% | 187 bps | 101 bps | 97 bps |
| EBIT Margin | 13.3% | 11.4% | 12.4% | 12.5% | 189 bps | 84 bps | 75 bps |
| PBT Margin | 13.6% | 11.7% | 13.0% | 12.6% | 192 bps | 64 bps | 103 bps |
| PAT Margin | 11.7% | 9.0% | 9.1% | 9.7% | 267 bps | 258 bps | 198 bps |
| Tax Rate | 26.4% | 23.1% | 20.9% | 25.5% | 336 bps | 554 bps | 87 bps |

Source: Company, Equirus Securities

Earnings Call Takeaways

Key highlights for quarter:

- Volume growth of 11.8% is driven by healthy traction across key business segments. Decorative segment delivered strong double-digit volume growth with sequential improvement in value performance, supported by pre-price hike channel pick-up and premium emulsion traction. Value growth was supported by improved product mix across premium and economy emulsions.
- *Volume growth is expected to be in range of FY26 levels as base is favorable (Q2/Q3 is likely to have lower monsoon Vs last year resulting in higher painting days). Some impact of Inflation and higher prices might impact demand adversely.*
- There is some impact of pre pick up buying, but there is also some improvement MoM in organic demand. Management indicated Q1 to witness healthy growth as 4th price hike is in process of implementing. Secondary sales were also better at 8-9% (lower than primary but encouraging).
- Construction chemicals & Waterproofing continue to outperform, sustaining robust momentum across key markets.
- Protective coatings registered healthy high single-digit volume and value growth on a strong base.
- Automotive coatings delivered strong double-digit volume and high single digit value growth driven by healthy demand in two and three wheelers, supported by lower financing costs and GST cuts.
- West Bengal is key state for Berger and management expects significant growth from the state, majorly from better positioning in state. West Bengal constitutes double digit to the company's total sales.
- Management indicated Leader might execute strong performance on lower base and pre price hike pickup. New entrant has spent beyond market share in brand presence. Company will not aggressively push in Mass marketing and will continue at lower pace.

Margins:

- Gross and operating margins expanded to a 12 quarter and 10-quarter high respectively, supported by favourable mix, benign RM prices (partial benefit from withdrawal of anti-dumping duty on TiO₂) and operating leverage.
- *Price increases are in range of 11-12%, Management expects volume value gap to be reversed and value gap to be higher than volumes. Management expects most of the cost increases are covered by price increases for retail portfolio, expecting some lag in solvents. Industrials will witness some lag in price hikes. Prices may reverse in ~1-1.5 years once RM stabilizes.*
- *There is blended 20% increase in RM prices and Net impact is 12% on sales levels and similar hikes are undertaken by management, hence management expects Gross margins to remain steady and won't be largely impacted. EBITDA margins will be maintained at similar levels in 15-17% range.*
- Price advantage given by completion does not exist now (price hikes are higher than company and leader) and reduction in lot of painter schemes and incentives. Impact on volumes might be there for competition and hence expects competition to be at steady levels. Competition did well in March as some of schemes were ending resulting in stock up.

Subsidiary Performance:

- Bolix S.A. Poland: Topline and PBDIT growth was strong, partly aided by PLN appreciation.
- JV BNPA delivered strong double-digit revenue and profit growth backed by buoyant demand in the passenger car and SUV auto space.

- Berger Becker JV witnessed robust sales growth on a low base and strong profitability driven by scale and margin expansion.
- STP Ltd: Topline continue to be impacted, Operating profit muted due to scale. Gross margins improved on account of conscious mix change.
- SBL Specialty Coatings Ltd: Revenue growth at mid-single digit, improved sequentially and YoY; Profitability however was affected by scale, high raw prices and some impact of mix.
- BSNL Nepal witnessed revenue growth and profitability remained subdued during the quarter due to elections; however, improvement in political stability along with recent price increases is expected to support recovery in the coming quarters.

Outlook:

- Demand conditions are monitored and gradual recovery is expected across decorative and industrial business.
- Staggered price hikes from March onwards are expected to support gross margins amid rising raw material costs, while sustained cost optimization initiatives are likely to keep operating margins within the guided range.
- Competition remains but is expected to be stable and may not increase.
- Growth momentum is expected to be led by strong traction in Construction Chemicals, Waterproofing and Wood Coatings segments, and upcoming product launches.
- Protective coatings business outlook remains positive, supported by expected increase in government capex spending.
- West Asian disturbances, volatility in crude-based derivatives, Rupee depreciation, supply-side disruptions and potential inflationary pressures remain key monitorable for the sector.

Company Snapshot

How we differ from consensus

| | | Equirus | Consensus | % Diff |
|--------|-------|----------|-----------|--------|
| | - | | | |
| Sales | FY27E | 1,30,595 | 1,27,899 | 2% |
| | FY28E | 1,43,305 | 1,39,733 | 3% |
| EBITDA | FY27E | 19,822 | 19,952 | -1% |
| | FY28E | 23,007 | 22,538 | 2% |
| PAT | FY27E | 12,249 | 12,443 | -2% |
| | FY28E | 14,198 | 14,270 | -1% |

Our Key Investment arguments:

- Steady volume growth with market share gains
- Stable margin profile

Risk to Our View

- Increase in Raw material prices
- Inability to scale new products
- Success of new competition

Company Description:

Berger Paints India Limited is engaged in the manufacturing and selling of paints. The Company offers products in categories, including interior wall coatings, exterior wall coatings, putty and cement paint, primers, enamels, wood finishes, and waterproofing. Subsidiaries include SBL Specialty Coatings Private Limited, Beepee Coatings Private Limited, Berger Jenson & Nicholson (Nepal) Private Limited, and STP Limited, among others.

Comparable valuation

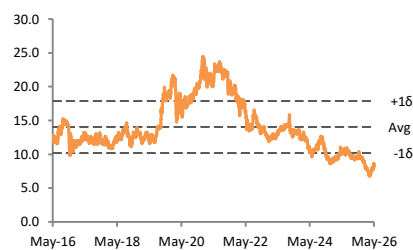
| Company | Reco. | CMP | Mkt Cap Rs. bn. | Price Target | Target Date | P/E | | | EV/EBITDA | | | RoE | | |
|----------------------|-------------|------------|-----------------|--------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|
| | | | | | | FY26 | FY27 | FY28 | FY25 | FY26 | FY27 | FY25 | FY26 | FY27 |
| Asian Paints | LONG | 2,432 | 2,337 | 2,874 | Mar'27 | 55.5 | 50.6 | 46.2 | 35.8 | 32.8 | 29.6 | 21% | 21% | 21% |
| Berger paints | LONG | 488 | 569 | 577 | Jun'27 | 50.5 | 46.4 | 40.1 | 30.4 | 28.0 | 24.0 | 17% | 17% | 18% |

Price to earning chart



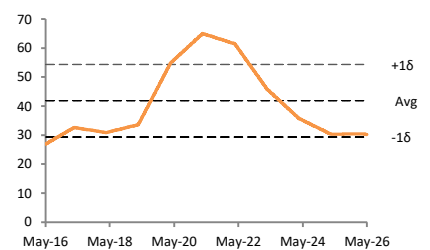
Source: Company, Equirus Research

Price to book chart



Source: Company, Equirus Research

EV-EBITDA chart



Source: Company, Equirus Research

Quarterly performance

| Y/E Mar (Rs mn) | 1QFY26A | 2QFY26A | 3QFY26A | 4QFY26A | 1QFY27E | 2QFY27E | 3QFY27E | 4QFY27E |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 32,008 | 28,275 | 29,840 | 28,680 | 35,195 | 30,563 | 32,888 | 31,949 |
| COGS | 18,749 | 16,525 | 16,994 | 16,007 | 20,386 | 17,543 | 19,141 | 18,875 |
| Employee Cost | 2,174 | 2,454 | 2,276 | 2,224 | 2,318 | 2,485 | 2,504 | 2,787 |
| Other Expenses | 5,802 | 5,774 | 5,860 | 5,633 | 6,516 | 5,715 | 6,151 | 6,356 |
| EBITDA | 5,284 | 3,522 | 4,709 | 4,816 | 5,975 | 4,820 | 5,092 | 3,932 |
| Depreciation | 940 | 971 | 1,000 | 1,010 | 1,092 | 1,103 | 1,105 | 1,156 |
| EBIT | 4,344 | 2,551 | 3,709 | 3,806 | 4,883 | 3,717 | 3,987 | 2,776 |
| Interest Exp. | 145 | 174 | 141 | 116 | 183 | 162 | 174 | 33 |
| Other Income | 285 | 260 | 305 | 217 | 334 | 334 | 334 | 389 |
| Profit before Tax | 4,484 | 2,638 | 3,874 | 3,907 | 5,034 | 3,889 | 4,147 | 3,132 |
| Tax Expenses | 1,077 | 682 | 809 | 1,032 | 1,285 | 993 | 1,059 | 617 |
| Profit After Tax | 3,406 | 1,955 | 3,065 | 2,874 | 3,749 | 2,896 | 3,088 | 2,515 |
| Minority Interest | (4) | (1) | (2) | (5) | 0 | 0 | 0 | 0 |
| Profit/(Loss) from Associates | 112 | 108 | 182 | 109 | 0 | 0 | 0 | 0 |
| Recurring PAT | 3,514 | 2,062 | 3,245 | 2,979 | 3,749 | 2,896 | 3,088 | 2,515 |
| Exceptional Items | 368 | 0 | 533 | (368) | 0 | 0 | 0 | 0 |
| Reported PAT | 3,146 | 2,062 | 2,712 | 3,347 | 3,749 | 2,896 | 3,088 | 2,515 |
| Other comprehensive income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PAT after comp. income. | 3,146 | 2,062 | 2,712 | 3,347 | 3,749 | 2,896 | 3,088 | 2,515 |
| FDEPS | 3.0 | 1.8 | 2.8 | 2.6 | 3.2 | 2.5 | 2.6 | 2.2 |
| Cost items as % of sales | | | | | | | | |
| RM expenses | 58.6 | 58.4 | 57.0 | 55.8 | 57.9 | 57.4 | 58.2 | 59.1 |
| Employee expenses | 6.8 | 8.7 | 7.6 | 7.8 | 6.6 | 8.1 | 7.6 | 8.7 |
| Other expenses | 18.1 | 20.4 | 19.6 | 19.6 | 18.5 | 18.7 | 18.7 | 19.9 |
| Margin (%) | | | | | | | | |
| Gross Margin | 41.4 | 41.6 | 43.1 | 44.2 | 42.1 | 42.6 | 41.8 | 40.9 |
| EBITDA Margin | 16.5 | 12.5 | 15.8 | 16.8 | 17.0 | 15.8 | 15.5 | 12.3 |
| PAT Margin | 11.0 | 7.3 | 10.9 | 10.4 | 10.6 | 9.5 | 9.4 | 7.9 |
| YoY Growth (%) | | | | | | | | |
| Sales | 3.6 | 1.9 | 0.3 | 6.1 | 10.0 | 8.1 | 10.2 | 11.4 |
| EBITDA | 1.2 | (18.9) | (0.2) | 12.6 | 13.1 | 36.9 | 8.1 | (18.3) |
| EBIT | (0.2) | (26.1) | (3.1) | 12.4 | 12.3 | 45.6 | 7.5 | (27.0) |
| PAT | (11.0) | (23.5) | (8.1) | 27.8 | 19.0 | 40.3 | 13.8 | (24.8) |

Key Financials (Consolidated)

Income Statement

| Y/E Mar (Rs mn) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue | 1,05,678 | 1,11,989 | 1,15,447 | 1,18,803 | 1,30,595 | 1,43,305 | 1,57,186 |
| COGS | 67,306 | 66,460 | 67,620 | 68,273 | 75,943 | 82,310 | 89,700 |
| Employee Cost | 6,092 | 7,130 | 8,147 | 9,128 | 10,093 | 11,094 | 12,173 |
| Other Expenses | 17,409 | 19,786 | 21,120 | 23,069 | 24,738 | 26,894 | 29,521 |
| EBITDA | 14,871 | 18,613 | 18,560 | 18,333 | 19,822 | 23,006 | 25,792 |
| Depreciation | 2,640 | 3,309 | 3,542 | 3,921 | 4,456 | 5,007 | 5,619 |
| EBIT | 12,231 | 15,304 | 15,018 | 14,412 | 15,365 | 17,999 | 20,173 |
| Interest Exp. | 992 | 783 | 633 | 576 | 552 | 501 | 482 |
| Other Income | 516 | 637 | 948 | 1,067 | 1,391 | 1,424 | 1,532 |
| Profit before Tax | 11,754 | 15,158 | 15,334 | 14,903 | 16,205 | 18,922 | 21,222 |
| Tax Expenses | 3,019 | 3,871 | 3,857 | 3,601 | 3,955 | 4,723 | 5,299 |
| Profit After Tax | 8,735 | 11,288 | 11,477 | 11,302 | 12,250 | 14,199 | 15,923 |
| Minority Interest | (10) | (21) | (24) | (12) | 0 | 0 | 0 |
| Profit/(Loss) from Associates | (132) | 410 | 351 | 511 | 0 | 0 | 0 |
| Recurring PAT | 8,593 | 11,677 | 11,803 | 11,801 | 12,250 | 14,199 | 15,923 |
| Exceptional Items | 44 | 223 | (33) | (533) | 0 | 0 | 0 |
| Reported PAT | 8,637 | 11,900 | 11,770 | 11,268 | 12,250 | 14,199 | 15,923 |
| Other comprehensive income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PAT after comp. income. | 8,637 | 11,900 | 11,770 | 11,268 | 12,250 | 14,199 | 15,923 |
| FDEPS | 7.4 | 10.0 | 10.1 | 10.1 | 10.5 | 12.2 | 13.7 |
| DPS | 4 | 4 | 4 | 4 | 5 | 5 | 6 |
| BVPS | 39 | 46 | 53 | 59 | 65 | 73 | 80 |

| YoY Growth (%) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|----------------|-------|-------|-------|-------|-------|-------|-------|
| Sales | 20.6 | 6.0 | 3.1 | 2.9 | 9.9 | 9.7 | 9.7 |
| EBITDA | 11.7 | 25.2 | (0.3) | (1.2) | 8.1 | 16.1 | 12.1 |
| EBIT | 10.7 | 25.1 | (1.9) | (4.0) | 6.6 | 17.1 | 12.1 |
| PAT | 5.7 | 37.8 | (1.1) | (4.3) | 8.7 | 15.9 | 12.1 |

Key Ratios

| Profitability (%) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|-------------------|-------|-------|-------|-------|-------|-------|-------|
| Gross Margin | 36.3 | 40.7 | 41.4 | 42.5 | 41.8 | 42.6 | 42.9 |
| EBITDA Margin | 14.1 | 16.6 | 16.1 | 15.4 | 15.2 | 16.1 | 16.4 |
| PAT Margin | 8.2 | 10.6 | 10.2 | 9.5 | 9.4 | 9.9 | 10.1 |
| ROE | 20.5 | 24.1 | 20.4 | 17.2 | 16.9 | 17.7 | 17.9 |
| ROIC | 19.0 | 23.0 | 20.6 | 17.5 | 17.1 | 17.9 | 18.1 |
| Core ROIC | 25.6 | 34.1 | 34.1 | 34.1 | 34.1 | 33.8 | 33.8 |
| Dividend Payout | 43.2 | 34.3 | 37.6 | 41.4 | 42.8 | 41.1 | 43.9 |

| CAGR (%) | 1 year | 2 years | 3 years | 5 years | 7 years | 10 years |
|----------|--------|---------|---------|---------|---------|----------|
| Revenue | 17.3 | 15.4 | 12.8 | 9.4 | 10.8 | 14.1 |
| EBITDA | 15.9 | 14.1 | 13.2 | 16.7 | 17.4 | 21.5 |
| PAT | (0.8) | 3.9 | 11.3 | 14.5 | 15.4 | 19.5 |

| Valuation (x) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|--------------------|-------|-------|-------|-------|-------|-------|-------|
| P/E | 66.2 | 48.7 | 48.2 | 48.2 | 46.4 | 40.1 | 35.7 |
| P/B | 12.7 | 10.6 | 9.2 | 8.2 | 7.5 | 6.7 | 6.1 |
| P/FCFF | 302.8 | 54.5 | 115.1 | 129.0 | 59.3 | 62.3 | 42.5 |
| EV/EBITDA | 45.9 | 35.7 | 30.3 | 30.4 | 28.0 | 24.0 | 21.2 |
| EV/Sales | 6.5 | 5.9 | 4.9 | 4.7 | 4.3 | 3.9 | 3.5 |
| Dividend Yield (%) | 0.8 | 0.7 | 0.8 | 0.8 | 0.9 | 1.0 | 1.2 |

Balance Sheet

| Y/E Mar (Rs mn) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|-----------------------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Equity Capital | 971 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 | 1,166 |
| Reserves | 43,970 | 52,624 | 60,375 | 67,996 | 74,998 | 83,367 | 92,294 |
| Net Worth | 44,941 | 53,790 | 61,541 | 69,162 | 76,164 | 84,532 | 93,460 |
| Total Debt | 7,677 | 2,054 | 1,462 | 1,422 | 1,122 | 822 | 422 |
| Other long term liabilities | 4,826 | 6,110 | 5,823 | 5,458 | 5,458 | 5,458 | 5,458 |
| Minority Interest | 81 | 102 | 126 | 137 | 137 | 137 | 137 |
| Account Payables | 17,657 | 10,792 | 17,403 | 17,450 | 17,890 | 18,846 | 20,671 |
| Other Current Liabilities | 4,490 | 10,839 | 4,962 | 6,943 | 5,224 | 5,308 | 5,822 |
| Total Liabilities | 79,672 | 83,686 | 91,316 | 1,00,573 | 1,05,995 | 1,15,103 | 1,25,970 |
| Gross Fixed Assets | 34,642 | 36,764 | 42,219 | 47,404 | 54,404 | 61,604 | 68,804 |
| Acc. Depreciation | (9,124) | (11,436) | (14,978) | (18,899) | (23,355) | (28,362) | (33,981) |
| Net Fixed Assets | 25,519 | 25,327 | 27,241 | 28,505 | 31,049 | 33,242 | 34,823 |
| Capital WIP | 1,102 | 1,873 | 1,226 | 3,160 | 0 | 0 | 0 |
| long term investments | 1,302 | 1,692 | 1,990 | 2,354 | 2,354 | 2,354 | 2,354 |
| Others | 10,105 | 11,614 | 11,957 | 12,283 | 12,283 | 12,283 | 12,283 |
| Inventory | 23,191 | 21,797 | 23,661 | 23,932 | 26,477 | 28,268 | 31,007 |
| Receivables | 12,431 | 13,020 | 15,357 | 15,652 | 17,174 | 18,846 | 20,671 |
| Loans and advances | 525 | 714 | 371 | 1,001 | 1,073 | 1,178 | 1,292 |
| Other current assets | 2,521 | 2,284 | 1,172 | 1,097 | 1,097 | 1,097 | 1,097 |
| Cash & Cash Equivalents. | 2,977 | 5,365 | 8,341 | 12,589 | 14,488 | 17,836 | 22,444 |
| Total Assets | 79,672 | 83,687 | 91,316 | 1,00,573 | 1,05,995 | 1,15,103 | 1,25,970 |
| Non-Cash WC | 16,521 | 16,185 | 18,197 | 17,289 | 19,406 | 21,271 | 21,271 |
| Cash Conv. Cycle | 62.1 | 78.3 | 68.3 | 68.0 | 72.0 | 72.0 | 72.0 |
| WC Turnover | 6.4 | 6.9 | 6.3 | 6.9 | 5.8 | 5.7 | 5.7 |
| Gross Asset Turnover | 3.1 | 3.0 | 2.7 | 2.5 | 2.4 | 2.3 | 2.3 |
| Net Asset Turnover | 4.0 | 4.1 | 4.1 | 3.8 | 4.2 | 4.3 | 4.5 |
| Net D/E | 0.1 | (0.1) | (0.1) | (0.2) | (0.2) | (0.2) | (0.2) |

| Days (x) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|------------------|-------|-------|-------|-------|-------|-------|-------|
| Receivable Days | 43 | 42 | 49 | 48 | 48 | 48 | 48 |
| Inventory Days | 80 | 71 | 75 | 74 | 74 | 72 | 72 |
| Payable Days | 61 | 35 | 55 | 54 | 50 | 48 | 48 |
| Non-cash WC days | 57 | 53 | 58 | 53 | 54 | 54 | 49 |

Cash Flow

| Y/E Mar (Rs mn) | FY23A | FY24A | FY25A | FY26A | FY27E | FY28E | FY29E |
|---------------------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| Profit Before Tax | 11,753 | 15,158 | 15,684 | 14,881 | 16,204 | 18,921 | 21,222 |
| Depreciation | 2,640 | 3,309 | 3,542 | 3,921 | 4,456 | 5,007 | 5,619 |
| Others | 1,038 | 628 | (60) | 158 | 0 | 0 | 0 |
| Tax paid | (3,078) | (3,486) | (3,779) | (3,386) | (3,955) | (4,723) | (5,299) |
| Change in WC | (2,594) | 302 | (2,697) | (174) | (2,117) | (1,864) | 0 |
| Operating Cashflow | 9,760 | 15,911 | 12,689 | 15,400 | 14,588 | 17,340 | 21,542 |
| Capex | (7,479) | (2,705) | (4,245) | (5,033) | (3,840) | (7,200) | (7,200) |
| Change in Invest. | 1,305 | (1,451) | (2,518) | (5,087) | 0 | 0 | 0 |
| Others | 172 | 176 | 265 | 359 | 0 | 0 | 0 |
| Investing Cashflow | (6,003) | (3,981) | (6,499) | (9,760) | (3,840) | (7,200) | (7,200) |
| Change in Debt | 993 | (7,221) | (1,851) | (1,588) | (300) | (300) | (400) |
| Change in Equity | 0 | 0 | 0 | 5 | 0 | 0 | 0 |
| Others | (4,621) | (3,468) | (4,205) | (4,544) | (5,247) | (5,829) | (6,995) |
| Financing Cashflow | (3,629) | (10,689) | (6,055) | (6,126) | (5,547) | (6,129) | (7,395) |
| Net Change in Cash | 129 | 1,241 | 135 | (486) | 5,201 | 4,011 | 6,947 |

Source: Company, Equirus Research



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