

Raymond Ltd (RW)

Realty and Engineering | NBIE Investor Conference Update

Not Rated
CMP: Rs 1,864 | Target Price (TP): NA | Upside: NA
December 12, 2024

Key takeaways from investor conference

Key Points

- We hosted Mr. Sunny Desa Head – Investor relations of Raymond Limited at the NBIE November Investor Conference to get an overview of the current business environment in the Realty and engineering sectors.
- With the de-merger of its real estate and engineering companies, Raymond, managed by experienced personnel, may now develop a separate growth strategy for each of its divisions.
- The demand for residential real estate, particularly luxury houses, remains strong. To optimize Net working Capital, the organization has implemented measures such as emphasizing on collections and effective inventory management, as well as a linked production cycle. Thane (100-acre) land development has a total revenue potential of Rs 250bn. Nearly 40 acres of land are under development, with a revenue potential of Rs 90bn. Another 60 acres (~7.4 mn sqft) has a saleable potential of Rs 160bn.

About the company: RW, established in 1925, is a diversified conglomerate with interests in the Textile and Apparel sectors, along with a presence in various other segments such as Real Estate, FMCG, and Engineering, catering to both national and international markets. The company operates in over 55 countries, including the USA, Europe, Japan, and also in the Middle East region. Raymond has an extensive retail network of 1,638 stores, comprising 1,589 stores across approximately 600 towns and cities in India and 49 stores in nine other countries. The company is recognized as one of the world's largest vertically and horizontally integrated manufacturers of worsted suiting fabrics.

Business Restructuring Update: RW has undertaken significant restructuring initiatives to streamline operations and unlock shareholder value. The company completed the demerger of its lifestyle business on June 30, 2024, leading to the creation of Raymond Lifestyle Ltd (RLL), listed on the stock exchange in September 2024. Additionally, Raymond has initiated the demerger of its real estate segment under Raymond Realty Limited (RRL). RRL is set to become a net debt-free, pure-play real estate entity with automatic listing. As part of this arrangement, each RW shareholder will receive one share of RRL for every share held in Raymond Ltd. The scheme has been filed with the stock exchange and post-demerger, RW will continue to operate its engineering business (consolidated into two new entities) and the denim business through its joint venture, Raymond UCO Denim Pvt Ltd.

Further, the company is restructuring its engineering business through a composite scheme of arrangement. This will result in the formation of two new subsidiaries: one dedicated to aerospace and defence and the other focusing on auto components and engineering consumables. The restructuring scheme has been submitted to the National Company Law Tribunal (NCLT).

Acquisition of Maini Precision Products Limited (MPPL): In FY24, Raymond Limited acquired a 59.25% stake in Maini Precision Products Limited (MPPL) for Rs 6,820mn, making it a JK Files and Engineering Limited subsidiary. As a part of the restructuring plan, Raymond will consolidate the auto and engineering businesses of JK Files, RPAL, and MPPL into one entity and MPPL's defence and aerospace business into another. Post-restructuring, MPPL, and RPAL will cease, with Raymond holding a 66.3% stake in the consolidated companies and MPPL promoters owning 28.5%.

Est Change	-
TP Change	-
Rating Change	-

Company Data and Valuation Summary

Reuters:	RYMD.BO
Bloomberg:	RW IN Equity
Mkt Cap (Rsbn/US\$bn):	124.0 / 1.5
52 Wk H / L (Rs):	3,496 / 1,325
ADTV-3M (mn) (Rs/US\$):	1,131.5 / 13.4
Stock performance (%) 1M/6M/1yr:	19.1 / (25.9) / 5.7
Nifty50 performance(%)1M/6M/1yr:	0.6 / (2.9) / 17.9

Shareholding	4QFY24	1QFY25	2QFY25
Promoters	49.1	49.0	48.9
DII's	8.8	9.3	7.3
FII's	14.5	15.6	15.7
Others	27.6	26.1	28.1
Pro pledge	14.6	12.0	12.0

Financial and Valuation Summary

Particulars (Rsmn)	FY21	FY22	FY23	FY24
Net Sales	34,465	61,785	82,147	90,195
Growth YoY%	(46.8)	79.3	33.0	9.8
Gross margin %	52.3	63.7	63.5	71.5
EBITDA	(662)	7,101	11,836	13,048
EBITDA margin %	(1.9)	11.5	14.4	14.5
Adj PAT	(2,970)	4,239	6,361	16,810
Growth YoY%	(288.0)	(242.7)	50.1	164.3
Adj EPS	(44.6)	39.1	79.5	246.1
RoCE	(6.8)	12.6	15.7	12.3
RoE	(13.3)	19.0	24.2	44.7
RoIC	(8.5)	14.1	16.9	13.2
P/E	(41.8)	29.3	19.5	7.4
EV/EBITDA	(207.7)	19.5	11.7	11.5
P/BV	5.9	5.3	4.3	2.7

Source: Bloomberg, Company, Nirmal Bang Institutional Equities Research

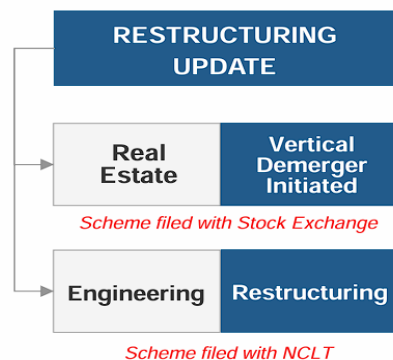
Key Links: [FY24 Annual Report](#)

Please refer to the disclaimer towards the end of the document.

Raymond Ltd – Key takeaways

- Progress on Demerger: Lifestyle business successfully demerged. The merger of the real estate segment will take 14-16 months. The engineering business was reformed. Demerger will allow residential businesses to pursue their unique growth trajectories.
- The company's 100-acre property lot in Thane has the potential to generate Rs. 250 bn in revenue. Approximately 40 acres of land are under development, with five ongoing projects totaling 4 mn square feet and generating approximately Rs. 90 bn in revenue. The remaining 60 acres have the potential for an additional 7 mn square feet, generating Rs. 160 bn in revenue. In addition, the company has signed four JDA projects in Mahim and Sion, and the cumulative revenue from four JDA projects in the Mumbai Metropolitan Region exceeds Rs. 70 bn, including the Bandra project. With this, together with the development potential of Thane Land Bank and four JDAs, the Company has a total income potential of Rs. 320 bn over the next few years. The company anticipates a 20% to 25% increase in booking value yearly. Focus on a capitalized business model via JDAs for future growth.
- Raymond Realty offers affordable luxury apartments ranging from 1 BHK to 4 BHK, catering to multiple segments of society. The company sees Rs. 2trn opportunity in Joint development projects (JDP).
- The company initiates projects only after obtaining all necessary approvals. The construction momentum across all of our projects in Thane and Bandra is strong, reflecting the company's dedication to on-time delivery and great quality. The company has been consistently ahead of construction dates on all projects.
- The company holds a 26% market share in Thane due to its strategic location and competitive pricing.

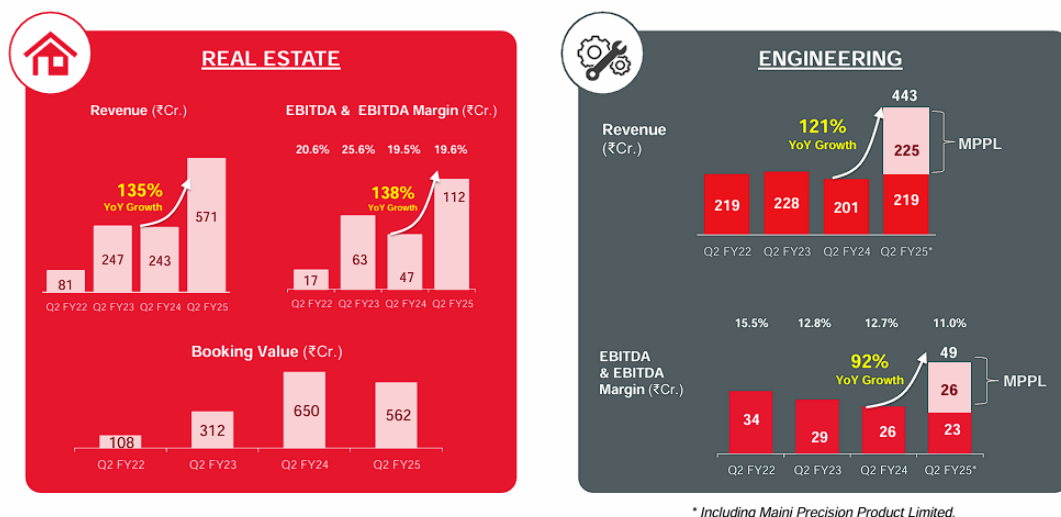
Exhibit 1: Restructuring Update



Source: Company, Nirmal Bang Institutional Equities Research

- **Real Estate Vertical Demerger:** The company has initiated a vertical demerger of its Real Estate business. The scheme has been filed with the Stock Exchange, signaling the company's intent to separate this segment from unlocking value and improving operational focus.
- **Engineering Restructuring Underway:** The Engineering segment is undergoing a restructuring process. The scheme has been filed with the National Company Law Tribunal (NCLT), indicating efforts to streamline operations and enhance efficiency in this division.

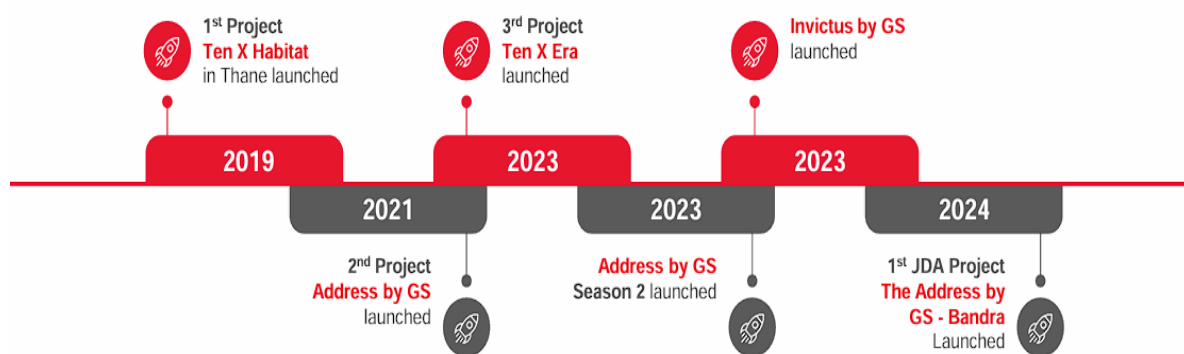
Exhibit 2: Continued Momentum for Profitable Growth



Source: Company, Nirmal Bang Institutional Equities Research

- Real Estate Business Performance:** The Real Estate segment delivered exceptional growth in 2QFY25, with revenue increasing by 135% YoY to Rs 5.71bn. EBITDA surged by 138% to Rs 1.12 bn, showcasing strong operational efficiency. Booking value remained robust at Rs 5.62bn, underlining sustained demand momentum.
- Engineering Business Growth:** The Engineering segment achieved 121% YoY revenue growth, reaching Rs 4.43bn in 2QFY25, driven by contributions from Maini Precision Product Limited (MPPL). EBITDA increased by 92% to Rs 260mn, demonstrating improvements in profitability despite a slightly moderated margin.

Exhibit 3: Raymond Realty Journey So Far



Source: Company, Nirmal Bang Institutional Equities Research

- Consistent Real Estate Expansion:** Raymond Realty has demonstrated steady progress since its first project, "Ten X Habitat," launched in 2019. With multiple successful launches, including the "Ten X Era" and "Address by GS" projects in 2023, the company has established itself as a growing player in the real estate sector.
- Diversification and Strategic Partnerships:** The upcoming Joint Development Agreement (JDA) project, "The Address by GS - Bandra," set for 2024, signifies a strategic move to enter high-value markets. This highlights the company's ability to diversify its portfolio and leverage partnerships for future growth.

Exhibit 4: Park Avenue – High Street Retail



PARK AVENUE

HIGH STREET REIMAGINED

RERA carpet area
~0.08 Mn sq.ft

Total Units Planned:
65



Source: Company, Nirmal Bang Institutional Equities Research

- **Launch of Park Avenue – High Street Retail:** Raymond Realty has introduced a high-street retail project, "Park Avenue," with a RERA carpet area of ~0.08 mn square feet and 65 planned units. This project reflects the company's diversification into premium retail spaces, complementing its residential projects.

Exhibit 5: Shape & Size of the Current Portfolio



Source: Company, Nirmal Bang Institutional Equities Research

- **Significant Real Estate Revenue Potential:** Raymond Realty has an estimated revenue potential of Rs 320bn from its current real estate portfolio. This includes Rs 250bn from owned land development in Thane and Rs 70bn from Joint Development Agreement (JDA) projects across strategic locations like Bandra, Mahim, and Sion.
- **Asset-Light Expansion Strategy:** The JDA-led business model allows the company to pursue asset-light expansion, diversifying its portfolio while minimizing upfront capital expenditure. The recently launched "The Address by GS - Bandra" project and other JDA initiatives reinforce this strategic approach, enhancing scalability and long-term profitability.


Exhibit 6: Creating product brands in a commoditized industry



Source: Company, Nirmal Bang Institutional Equities Research


- **Diversified Brand Portfolio:** Raymond Realty has strategically positioned itself across multiple market segments. Its "Ten X Habitat" and "Ten X Era" cater to the aspirational segment, while "The Address by GS" targets the premium segment. The luxury segment is addressed through "Invictus Monogram Residences," showcasing a comprehensive approach to meet diverse consumer needs.
- **Building Brands in a Commoditized Industry:** Raymond Realty differentiates itself in a highly competitive and commoditized market by creating distinct brands within the real estate sector. This branding strategy enhances customer perception, supports premium pricing, and drives long-term customer loyalty.

Exhibit 7: Existing Projects Booking Update




10 towers with RERA carpet area
~1.7 Mn sq.ft.

Total Units Planned:
3,103
(2BHK: 2,463; 1BHK: 640)



02 towers with RERA carpet area
~0.7 Mn sq.ft.

Total Units Planned:
551
(4BHK: 188; 3BHK: 320, 5BHK & above: 43)



Tower 3 launched in Dec-23

03 towers with RERA carpet area
~0.6 Mn sq.ft.

Total Units Planned:
905
(3BHK: 301; 2BHK: 604)

Particulars	FY24	Q1FY25	Q2FY25	Project Till Date
No of Bookings	359	67	56	2,933
RERA Carpet Area*	0.21	0.04	0.03	1.60
Value of Bookings (Cr.)	425	84	66	3,172 ⁵
Customer Collections (Cr.)	719	145	145	3,002
Revenue Recognised (Cr.)	801	118	97	2,837

Particulars	FY24	Q1FY25	Q2FY25	Project Till Date
No of Bookings	70	9	6	519
RERA Carpet Area*	0.08	0.01	0.01	0.64
Value of Bookings (Cr.)	194	25	15	1,377
Customer Collections (Cr.)	450	106	91	1,063
Revenue Recognised (Cr.)	354	96	61	866

Particulars	FY24	Q1FY25	Q2FY25	Project Till Date
No of Bookings	243	75	71	530
RERA Carpet Area*	0.18	0.05	0.05	0.38
Value of Bookings (Cr.)	366	109	101	802 ²
Customer Collections (Cr.)	164	47	76	297
Revenue Recognised (Cr.)	149	57	62	268

% UNIT SOLD

~95%

% UNIT SOLD

~94%

% UNIT SOLD

~59%

* In Mn Sq.ft


* Inc. subvention & SDR of ₹ 47 Cr

14

* In Mn Sq.ft
⁴ Inc. subvention & SDR of ₹ 47 Cr
² Inc. subvention & SDR of ₹ 22 Cr

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 8: Existing Projects Booking Update



THE ADDRESS
GS
— SEASON 2 —

Launched in July-23;
Tower 2 launched in Dec-23


3 Towers with
RERA Carpet Area
~0.7 Mn sq.ft.

Total Units Planned:
584
*5BHK & above: 26,
4BHK: 240; 3BHK: 318)*

Particulars	FY24	Q1FY25	Q2FY25	Project Till Date
No of Bookings	228	66	39	333
RERA Carpet Area*	0.26	0.08	0.04	0.38
Value of Bookings (Cr.)	575	182	99	856
Customer Collections (Cr.)	109	37	87	232
Revenue Recognised (Cr.)	90	42	49	181

% UNIT SOLD

~76%



INVICTUS
MONOGRAM RESIDENCES
— BY —
GS

Launched in Aug-23

1 tower with
RERA carpet area
~0.2 Mn sq.ft.

Total Units Planned:
102
(4.5BHK: 102)


Particulars	FY24	Q1FY25	Q2FY25	Project Till Date
No of Bookings	41	7	8	56
RERA Carpet Area*	0.09	0.02	0.02	0.13
Value of Bookings (Cr.)	221	38	44	304
Customer Collections (Cr.)	39	33	14	87
Revenue Recognised (Cr.)	35	20	22	77

% UNIT SOLD

~55%



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Existing Projects Booking Update

<div></div> <div>THE ADDRESS GS Bandra</div> <div>Launched in Feb-24; Tower 3 and 4 launched in Q1FY25;</div>	8 Towers with RERA Carpet Area ~0.7 Mn sq.ft.	Particulars	FY24	Q1FY25	Q2FY25	Project Till Date	<div>% UNIT SOLD LAUNCHED UNITS</div> <div>~55%</div>
	Total Units Planned: 782 (1BHK: 2; 2BHK: 497; 3BHK: 215; 4BHK & above: 68) (Launched Units – 332)	No of Bookings	96	55	30	181	
		RERA Carpet Area*	0.08	0.05	0.03	0.16	
		Value of Bookings (Cr.)	298	171	94	563	
		Customer Collections (Cr.)	13	26	32	71	
		Revenue Recognised (Cr.)	-	128	225	353	

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Existing Projects Booking Update: Retail Shops

 TENX Vibes Retail Shops in TenX Project	RERA carpet area ~0.025 Mn sq.ft.	Particulars	Project Till Date	<div>% UNIT SOLD</div> <div>~90%</div>
	Total Units Planned: 104	No of Bookings	94	
		RERA Carpet Area*	0.02	
		Value of Bookings (Cr.)	126	
		Customer Collections (Cr.)	122	
		Revenue Recognised (Cr.)	125	
 PARK AVENUE HIGH STREET REIMAGINED	RERA carpet area ~0.08 Mn sq.ft	Particulars	Project Till Date	<div>% UNIT SOLD LAUNCHED UNITS</div> <div>~38%</div>
	Total Units Planned: 65 (Launched Units 45)	No of Bookings	17	
		RERA Carpet Area*	0.02	
		Value of Bookings (Cr.)	138	
		Customer Collections (Cr.)	6	
		Revenue Recognised (Cr.)	55	

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Projects Status



KEY HIGHLIGHTS:

- 5-acre landscape
- 50,000+ sqft clubhouse
- 45+ Amenities
- Cross ventilation

PROJECT STATUS:

- Tower 1st to 5th OC received, possession in progress
- Tower 6th to 8th Snagging-desnagging in progress
- Tower 9th & 10th External, Internal finishing in progress



KEY HIGHLIGHTS:

- Centrally located, next to Vivana Mall
- 26,500 sqft Clubhouse
- 40+ indoor and outdoor amenities
- Efficiently planned 2 and 3 bed Vaastu compatible homes

PROJECT STATUS:

- Tower (A) Podium-2 level WIP
- Tower (B) 5th floor level WIP
- Tower (C) 11th floor slab WIP

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 12: Projects Status



KEY HIGHLIGHTS:

- 1.4 acres of landscape
- Premium 3, 4, 5 & 6 bed apartment
- Clubhouse 45,000 sqft
- Host of amenities & clubhouse

PROJECT STATUS:

- Tower (A) 51st floor part slab WIP
- Tower (B) 45th floor part slab WIP



KEY HIGHLIGHTS:

- Premium 3, 4, 5 & 6 bed apartments with expansive decks
- Podium top landscape amenities
- 70,000 sq. of high street retail

PROJECT STATUS:

- Tower (C) P4 level slab WIP
- Tower (D) Plinth slab completed, P1 slab WIP



KEY HIGHLIGHTS:

- 4.5-BED HOMES Spaces
- 70,000 sq. of high street retail

PROJECT STATUS:

- P4 level slab WIP

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Projects Status — JDA project



KEY HIGHLIGHTS:

- Opulent 2, 3 & 4 BHK apartments with Private Sundeck.
- Portuguese-inspired architecture and landscape design.
- 30+ landscape & clubhouse amenities

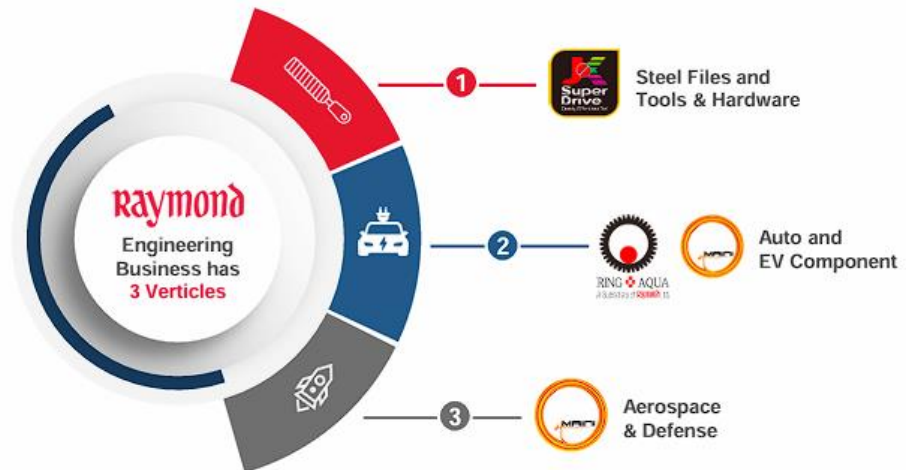
PROJECT STATUS:

- Towers A, B, C & D– Excavation WIP

Source: Company, Nirmal Bang Institutional Equities Research

- **The Address by GS - Bandra:** A Premium JDA Project: This Joint Development Agreement (JDA) project features opulent 2, 3, and 4 BHK apartments with private sun decks. The project's Portuguese-inspired architecture and over 30 landscape and clubhouse amenities set it apart in the premium housing market.
- **Early Construction Stage:** The project is currently in the excavation stage across Towers A, B, C, and D. This marks the initial phase of development, indicating a strong pipeline for future growth in a high-demand location.

Exhibit 14: Raymond Engineering Business



One of India's Largest Supplier of High Precision, Mission-Critical Components to Global Aerospace & Defense OEMs.

Source: Company, Nirmal Bang Institutional Equities Research

- **Diverse Engineering Verticals:** Raymond Engineering operates across three verticals: Steel Files and Tools & Hardware, Auto and EV Components, and Aerospace & Defence. This diversification positions the business to cater to a broad range of industries, reducing dependency on any single sector.
- **Strategic Market Position:** As one of India's largest suppliers of high-precision, mission-critical components to global Aerospace and Defence OEMs, the company has established a strong foothold in niche, high-value markets. This aligns with global trends in precision manufacturing and advanced engineering solutions.

Exhibit 15: Engineering Business



Particulars (₹Cr.)	Q2' FY25	Q2' FY24	YoY Change	H1 FY25	H1 FY24	YoY Change
Net Sales	443	201	121%	862	410	110%
EBITDA	49	26	92%	104	55	90%
EBITDA margin	11.0%	12.7%		12.1%	13.4%	

1. The Segment Witnessed a Growth of 121% in Q2'F25 vs PY:



- Performance includes MPPL business, Acquisition completed in March 24.
- Current engineering business was supported by demand in:
 - **Domestic Markets:** Supported demand in Flex plates & Ring Gear categories.
 - **Export Markets:** Sluggish on account of weak demand and geopolitical issues impacting business.
 - Aerospace business growth impacted by ongoing production issues faced by one of the largest aircraft manufacturer leading to delays in order. Additionally, recent softness in the auto components sector due to weaker market demand has further affected growth.

2. EBITDA Margin lower due to change in product mix.

Source: Company, Nirmal Bang Institutional Equities Research

- **Strong Revenue Growth:** The engineering segment recorded a 121% YoY growth in 2QFY25, with net sales reaching Rs 4.43bn. The increase was driven by the inclusion of Maini Precision Product Limited (MPPL), acquired in March 2024, alongside robust domestic demand in the Flex Plates and Ring Gear categories. However, export markets remained sluggish due to weak global demand and geopolitical issues.
- **Pressure on EBITDA Margins:** While EBITDA grew by 92% year-on-year to Rs490mn, the EBITDA margin declined to 11% from 12.7% due to changes in the product mix. This reflects a need for margin improvement strategies, especially in segments affected by external market conditions like aerospace and auto components.

Exhibit 16: Current Status of Operations & Outlook

 <p>REAL-ESTATE BUSINESS</p> <ul style="list-style-type: none"> • Targeting 20-25% growth in booking value • Future expansion through a capital-light business model (via JDA) • Additional JDA projects under evaluation 	 <p>ENGINEERING BUSINESS</p> <ul style="list-style-type: none"> • Drive strong growth from sunrise sectors of Aerospace, Auto & EV Components • Aerospace business post the acquisition of MPPL is showing promising signs however, growth impacted by ongoing production issues faced by one of the largest aircraft manufacturer leading to delays in order
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Raymond Limited to Remain Net Cash Surplus

Source: Company, Nirmal Bang Institutional Equities Research

- **Real Estate Business Outlook:** Raymond Realty is targeting a 20-25% growth in booking value, driven by its capital-light Joint Development Agreement (JDA) business model. Additional JDA projects are under evaluation, signaling an intent to expand its portfolio while maintaining a prudent approach to capital allocation.
- **Engineering Business Growth Potential:** The engineering division is poised for growth in emerging sectors such as aerospace, auto, and EV components. However, challenges persist due to delays in orders from a major aircraft manufacturer, despite the promising outlook following the acquisition of MPPL.

Financial statement

Exhibit 17: Income statement

Y/E March (Rs mn)	FY20	FY21	FY22	FY23	FY24
Net Sales	64,824	34,465	61,785	82,147	90,195
Growth YoY%	(1.5)	(46.8)	79.3	33.0	9.8
Gross profit	36,822	18,031	39,380	52,164	64,445
Gross margin %	56.8	52.3	63.7	63.5	71.5
Staff costs	9,963	6,736	8,796	10,242	11,606
% of sales	15.4	19.5	14.2	12.5	12.9
Other expenses	21,701	11,957	23,483	30,086	39,790
% of sales	33.5	34.7	38.0	36.6	44.1
EBITDA	5,158	(662)	7,101	11,836	13,048
Growth YoY%	(9.9)	(112.8)	(1,172.3)	66.7	10.2
EBITDA margin %	8.0	(1.9)	11.5	14.4	14.5
Depreciation	3,398	3,142	2,398	2,354	2,837
EBIT	1,760	(3,804)	4,703	9,482	10,211
Interest	3,027	2,760	2,277	2,573	3,758
Other income	959	2,014	1,705	1,381	2,704
PBT (bei)	(308)	(4,551)	4,131	8,291	9,157
PBT	73	(4,551)	2,496	7,219	8,725
ETR	-586%	35%	-9%	28%	26%
PAT	502	(2,942)	2,715	5,216	6,498
Adj PAT	1,580	(2,970)	4,239	6,361	16,810
Growth YoY%	(8.5)	(288.0)	(242.7)	50.1	164.3

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 19: Balance sheet

Y/E March (Rs mn)	FY20	FY21	FY22	FY23	FY24
Share capital	647	666	666	666	666
Reserves	23,112	20,308	22,925	28,324	45,508
Net worth	23,759	20,974	23,591	28,990	46,173
Long term debt	3,869	11,755	11,612	9,907	23,676
Short term debt	17,845	7,186	6,154	7,240	7,747
Total debt	21,714	18,942	17,766	17,148	31,423
Net debt	18,438	13,420	14,403	13,890	26,167
Other non-current liabilities	585	5,962	4,059	3,551	4,515
Total Equity & Liabilities	75,659	64,093	69,803	80,193	1,30,014
Gross block	34,125	32,384	32,061	34,402	52,514
Accumulated depreciation	9,713	11,943	13,282	15,064	17,763
Net Block	24,412	20,441	18,779	19,338	34,751
CWIP	353	162	199	298	700
Intangible and others	48	48	48	62	288
Other non-current assets	6,789	6,079	6,584	10,339	20,382
Investments	-	-	-	-	-
Trade receivables	11,595	9,580	8,731	7,443	14,072
Inventories	22,011	16,338	20,113	24,966	35,142
Cash & Cash Equivalents	3,276	5,521	3,363	3,258	5,256
Other current assets	7,175	5,923	11,987	14,490	19,423
Total current assets	44,057	37,363	44,194	50,157	73,892
Trade payables	14,056	11,638	17,137	16,919	20,640
Other current liabilities	10,837	10,866	10,839	13,647	16,031
Total current liabilities	42,737	29,691	34,130	37,806	44,418
Total Assets	75,659	64,093	69,803	80,193	1,30,014

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 18: Cash flow

Y/E March (Rs mn)	FY20	FY21	FY22	FY23	FY24
PBT	73	(4,551)	2,496	7,219	8,725
Depreciation	3,398	3,142	2,398	2,354	2,837
Interest	(610)	(495)	(458)	(487)	(1,037)
Other adjustments	-	-	-	-	-
Change in Working capital	(1,554)	6,712	46	(3,862)	(7,551)
Tax paid	(397)	232	(344)	(724)	(770)
Operating cash flow	3,905	7,038	6,774	8,042	5,333
Capex	(1,925)	(16)	(317)	(1,023)	(1,960)
Free cash flow	1,979	7,021	6,457	7,019	3,372
Other investing activities	556	661	(3,932)	(3,735)	(8,456)
Investing cash flow	(1,369)	644	(4,249)	(4,758)	(10,416)
Issuance of share capital	3,500	-	-	-	-
Movement of Debt	(382)	(3,374)	(95)	335	9,565
Dividend paid (incl DDT)	(184)	(1)	(96)	(200)	(201)
Other financing activities	(4,233)	(3,308)	(3,041)	(3,324)	(4,341)
Financing cash flow	(1,299)	(6,683)	(3,232)	(3,189)	5,023
Net change in cash flow	1,237	998	(706)	95	(61)
Opening C&CE	198	1,325	2,323	1,617	1,712
Closing C&CE	1,325	2,323	1,617	1,712	1,652

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 20: Key ratios

Y/E March	FY20	FY21	FY22	FY23	FY24
Per share (Rs)					
Adj EPS	30.3	-44.6	39.1	79.5	246.1
Book value	380.8	315.0	354.4	435.5	693.8
DPS	1.9	1.6	1.7	1.9	1.9
Valuation (x)					
P/Sales	1.9	3.6	2.0	1.5	1.4
EV/EBITDA	27.0	-207.7	19.5	11.7	11.5
P/E	76.3	-41.8	29.3	19.5	7.4
P/BV	4.9	5.9	5.3	4.3	2.7
Return ratios (%)					
RoCE	42.0	-6.8	12.6	15.7	12.3
RoCE (pre-tax)	6.1	-10.4	11.6	21.7	16.5
RoE	7.0	-13.3	19.0	24.2	44.7
RoIC	59.6	-8.5	14.1	16.9	13.2
Profitability ratios (%)					
Gross margin	56.8	52.3	63.7	63.5	71.5
EBITDA margin	8.0	-1.9	11.5	14.4	14.5
PAT margin	2.4	-8.6	6.9	7.7	18.6
Liquidity ratios (%)					
Current ratio	1.0	1.3	1.3	1.3	1.7
Quick ratio	0.5	0.7	0.7	0.7	0.9
Solvency ratio (%)					
Net Debt to Equity ratio	0.7	0.6	0.6	0.5	0.6
Turnover ratios					
Fixed asset turnover ratio (x)	2.7	1.1	1.9	2.5	2.1
Debtor days	68	112	54	36	44
Inventory days	116	203	108	100	122
Creditor days	78	136	85	76	76
Net Working capital days	106	179	77	60	89

Source: Company, Nirmal Bang Institutional Equities Research

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BUY > 15%

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