RESULT REVIEW

BUY
TP: Rs 525 | ⮝ 18%

INDRAPRASTHA GAS | Oil & Gas | 14 May 2024

Growth focus improving, reiterate BUY

- **While Q4 EBITDA missed consensus on higher expense booking in a quarter, IGL gained traction in industrials, commercials and households**
- **Delivery on 13% volume growth in FY25 could confirm potential beyond Delhi; we are conservative with a 7% CAGR over FY24-26E**
- **Our DCF-based TP increases to Rs 525 (from Rs 510) on roll forward to May'25; we believe CNG will co-exist with EVs and reiterate BUY**

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Q4 miss but better growth: Q4 EBITDA at Rs 5.2bn was 8% below Bloomberg consensus and 10% below our forecasts. The miss was due to sharp rise in opex to Rs 6.6/scm dragging down EBITDA to Rs 6.6/scm. More importantly, IGL was able to demonstrate traction in industrials (12% growth in Q4) with a change in pricing mechanism and domestic (15% growth in FY24) with enhanced focus.

Improving growth focus: It is positive to see IGL gearing up for 9.5mmscmd target for FY25, despite electric vehicle challenges in Delhi. For FY25, IGL aims to rightly focus on GAs outside Delhi in the NCR region to target 10% growth and on relatively newer GAs for more than 15% growth. IGL expects traction in cars to offset decline in the DTC bus segment in Delhi. While the steps are in the right direction, our forecasts remain conservative on potential CNG growth in Delhi and we build in only a 7% CAGR over FY24-26E against IGL's target of 13% growth in FY25 alone.

Factor in higher costs: IGL's gas purchase costs were Rs 3-4/scm higher than MAHGL since Q4FY23 (see page 3). We attribute it to higher transportation cost after the Unified Tariff from 1 Apr'23 and term contracts limiting benefits of cheaper spot. We note that opex was higher at Rs 5.9/scm in FY24, although Q4 is not representative due to clubbing of several expenses in a quarter.

Mid-cycle margin still possible: Despite cost escalations, IGL could maintain margin at Rs 7.7/scm in FY24 and guides for Rs 7-8.5/scm over the medium term. With CNG competitiveness supported by the availability of an HPHT gas with gas price ceiling to offset shortfall in the APM gas, and industrials aided by the pullback in LNG prices, we build a mid-cycle margin of Rs 7.8/scm over FY25-26E.

Reiterate BUY: We broadly maintain our forecasts, building in 8.5% CAGR in FY24-26E EBITDA. Rolling forward valuations to May'25, we raise our DCF-based TP to Rs 525 (from Rs 510), which assumes 11% cost of equity, 6.8% volume CAGR and ~Rs 7.8/scm average EBITDA margin over FY25-FY33, with terminal growth of 4%. Our TP implies an FY25E P/E of 17.7x, below the 5Y mean forward multiple of 18.5x. Given 18% upside to our TP, we reiterate BUY.

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	IGL IN/Rs 445
Market cap	US$ 3.8bn
Free float	55%
3M ADV	US$ 16.5mn
52wk high/low	Rs 501/Rs 376
Promoter/FPI/DII	45%/17%/24%

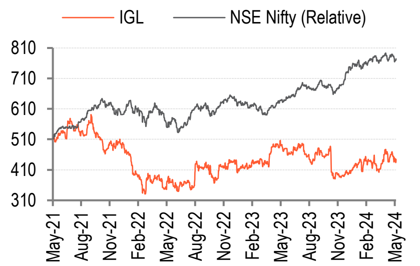
Source: NSE | Price as of 14 May 2024

Key financials

Y/E 31 Mar	FY24P	FY25E	FY26E
Total revenue (Rs mn)	1,40,000	1,47,165	1,60,220
EBITDA (Rs mn)	23,637	25,565	27,828
Adj. net profit (Rs mn)	19,834	20,737	22,122
Adj. EPS (Rs)	28.3	29.6	31.6
Consensus EPS (Rs)	28.3	28.4	31.1
Adj. ROAE (%)	22.6	20.0	18.6
Adj. P/E (x)	15.7	15.0	14.1
EV/EBITDA (x)	12.4	11.3	10.3
Adj. EPS growth (%)	21.0	4.6	6.7

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

Q4 review

Q4 missed consensus but demonstrated better growth

Q4 EBITDA at Rs 5.2bn was 8% below Bloomberg consensus and 10% below our forecasts. The miss was due to a sharp rise in opex to Rs 6.6/scm, dragging down EBITDA to Rs 6.6/scm. IGL clarified that the quarterly opex was unusually higher due to the clubbing of a) silver jubilee year bonus for employees, b) entire Corporate Social Responsibility (CSR) expense booking in Q4, and c) change in lease arrangement impacting expenses.

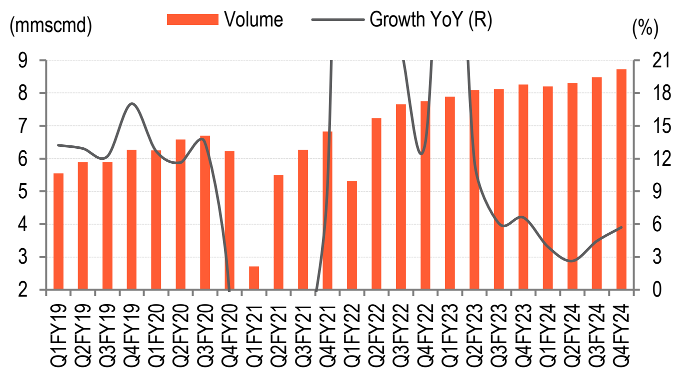
Fig 1 – Quarterly performance: Q4FY24 below consensus on unusually higher opex

(Rs mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY24	FY23	YoY (%)
Net sales	36,872	(2.5)	35,504	1.3	1,40,000	1,41,326	(0.9)	36,872
Raw materials	27,925	(8.6)	25,459	0.3	98,131	1,04,360	(6.0)	27,925
% of sales	75.7	-	71.7	-	70.1	73.8	-	75.7
Other expenditure	4,284	21.7	4,464	16.8	18,201	16,712	8.9	4,284
% of sales	11.6	-	12.6	-	13.0	11.8	-	11.6
EDITDA	**4,663**	**12.1**	**5,582**	**(6.4)**	**23,669**	**20,255**	**16.9**	**4,663**
EDITDA (Rs/scm)	**6.3**	**4.8**	**7.2**	**(8.0)**	**7.7**	**6.9**	**11.8**	**6.3**
EDITDA margin (%)	12.6	-	15.7	-	16.9	14.3	-	12.6
Depreciation and amortization	938	18.1	1,018	8.8	4,138	3,634	13.9	938
Interest	26	0.0	18	44.1	92	106	(13.6)	26
Other income	654	67.2	610	79.5	3,632	2,762	31.5	654
Profit Before Tax	**4,354**	**19.1**	**5,155**	**0.6**	**23,072**	**19,277**	**19.7**	**4,354**
Provision for tax	1,057	28.6	1,235	10.1	5,591	4,827	15.8	1,057
-effective tax rate (%)	24.3	-	23.9	-	24.2	25.0	-	24.3
PAT (reported)	**3,298**	**16.1**	**3,921**	**(2.4)**	**17,481**	**14,450**	**21.0**	**3,298**

Source: Company, BOBCAPS Research

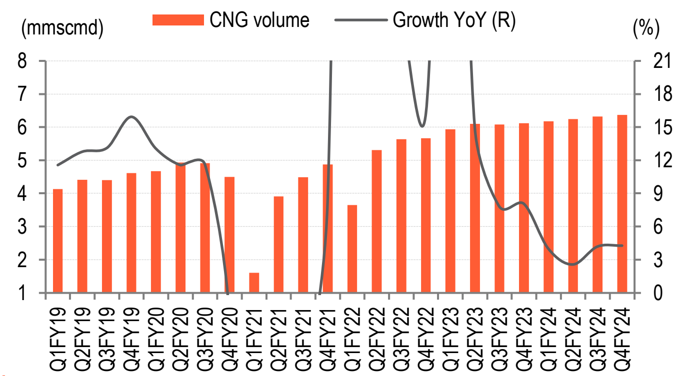
IGL was successful in demonstrating a sequential 2.9% QoQ recovery in volumes leading to 5.7% YoY growth in Q4. While CNG was steady at 4.3%, IGL grew a sharp 15.3% in industrials/ commercials on the back of change in price mechanism for industrials and 11.5% in domestic volumes, connecting 0.32mn customers in FY24, leveraging network in legacy geographical areas (GAs).

Fig 2 – IGL volume growth recovers to 5.7% in Q4



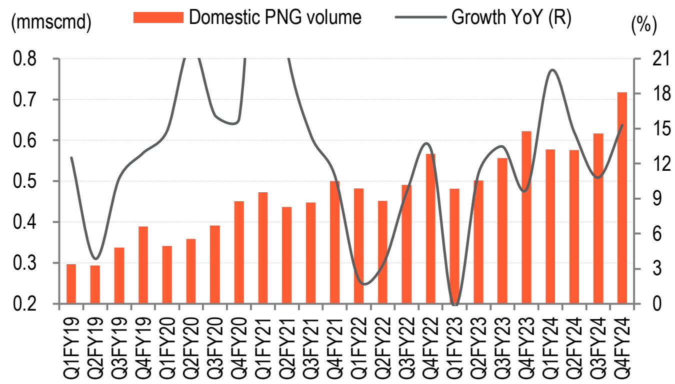
Source: Company, BOBCAPS Research

Fig 3 – CNG volume growth steady



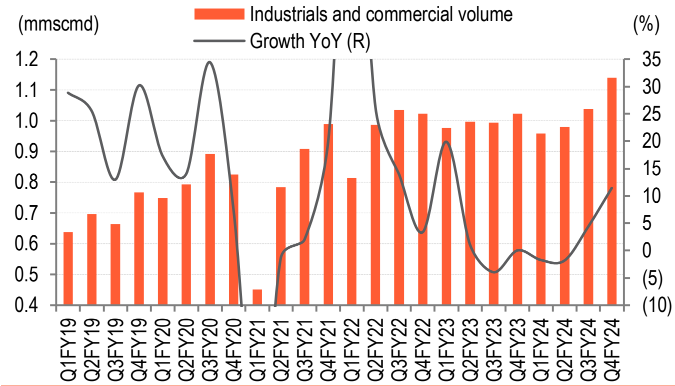
Source: Company, BOBCAPS Research

Fig 4 – Domestic volume growth on higher connections



Source: Company, BOBCAPS Research

Fig 5 – Industrial traction improves with change in pricing mechanism



Source: Company, BOBCAPS Research

FY25 volume target reasserts growth focus but seems steep

IGL is targetting 9.5mmscmd as an average volume for FY25, implying 12.7% YoY growth. The company has further indicated it is targetting 4-5% growth in Delhi CNG even after factoring in the planned reduction in CNG buses at Delhi Transport Corporation (DTC), 10-15% growth from their GAs in Gautam Buddha Nagar and Ghaziabad, more than 15% growth in relatively newer GAs outside NCR (National Capital Region) – the GAs won by IGL on or after the sixth bidding round. Also, it is looking to grow industrials by 10-15% and domestic and commercial volumes by 15% in FY25.

The growth target set by IGL is higher than our prior assumption of 9mmscmd for FY25. We have tried assessing feasibility of achieving this growth in FY25, incorporating indicated growth assumptions. We believe IGL needs to deliver upwards of 8% growth in the Delhi CNG segment excluding DTC buses as well as 20% growth in its relatively newer GAs to reach closer to its target. We think this is a steep goal and we will be monitoring through the year before building in our assumptions.

Fig 6 – Assessing feasibility of FY25 growth

Volumes (mmscm)	FY24E	FY25 growth (%)		FY25 addition (mmscm)		FY25 scenario (mmscm)	
	mmscm	Lower bound	Upper bound	Lower bound	Upper bound	Lower bound	Upper bound
1) Delhi	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CNG	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DTC buses	74	(72)	(67)	(53.1)	(49.1)	21	25
Others	1,615	3	8	48.5	129.2	1,664	1,744
CNG	**1,689**	**(0.3)**	**4.7**	**(4.7)**	**80.1**	**1,684**	**1,769**
PNG-Domestic	135	12	15	16.3	20.3	152	156
PNG-Commercial	54	12	15	6.5	8.1	60	62
PNG-Industrial	63	10	15	6.3	9.5	70	73
Delhi total	**1,942**	**1.3**	**6.1**	**24.4**	**118.0**	**1,966**	**2,060**
Delhi as % of total	63.0	-	-	15.8	38.7	60.7	60.8
2) Gautam Buddha Nagar and Ghaziabad	**834**	**10**	**15**	**83.4**	**125.1**	**918**	**959**
As % of total	27.0	-	-	54.1	41.0	28.3	28.3
3) Newer Gas	**308**	**15**	**20**	**46.3**	**61.7**	**355**	**370**
As % of total	10	-	-	30.0	20.2	11.0	10.9
IGL Total (mmscm)	**3,084**	**5.0**	**9.9**	**154.1**	**304.8**	**3,239**	**3,389**
IGL Total (mmscmd)	**8.45**	**5.0**	**9.9**	**0.42**	**0.84**	**8.87**	**9.29**

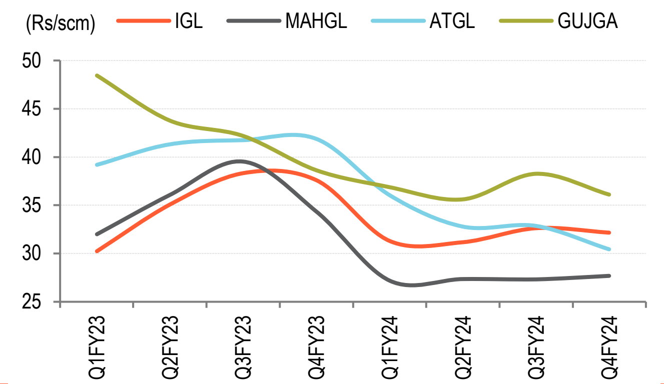
Source: Company, Petroleum Planning and Analysis Cell (PPAC), BOBCAPS Research

Gas purchase costs have increased relative to MAHGL

We note that IGL's cost of gas purchase has turned Rs 3-5/scm higher than that of Mahanagar Gas (MAHGL) since Q4FY23. This could possibly be the result of higher transportation tariff for IGL than MAHGL and lower flexibility in its term contracts.

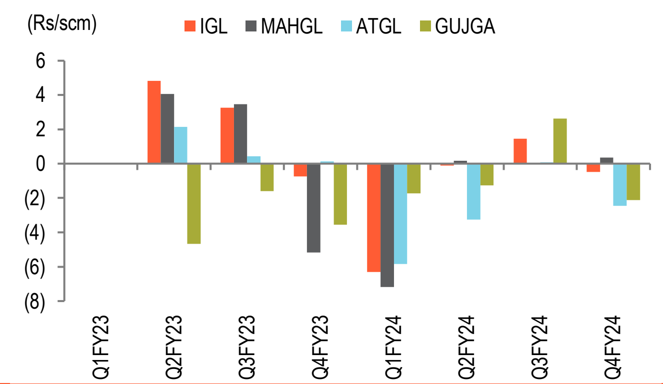
- **Higher transportation tariff:** Since the implementation of the Unified Tariff from 1 Apr'23, IGL's transportation cost has increased due to implementation of higher zonal tariff as well as upward revision in tariff entitlement for GAIL.
- **Lower back-down flexibility in term RLNG contract:** While IGL has fully covered its gas requirements under term contracts and has not resorted to spot purchases for the past two quarters, it is probably prohibiting IGL from benefitting from intermittent lower spot prices in our view. Of the 28% RLNG (regasified liquefied natural gas) it sources through term contracts, 60% is linked with HH (Henry Hub) and 40% is linked with the JKM (Japan Korea Maker) index.

Fig 7 – IGL gas cost has been higher than MAHGL…



Source: Company, Mahanagar Gas, Adani Total Gas (ATGL), Gujarat Gas (GUJGA), BOBCAPS Research

Fig 8 – … since Q4FY23



Source: Company, MAHGL, ATGL, GUJGA, BOBCAPS Research

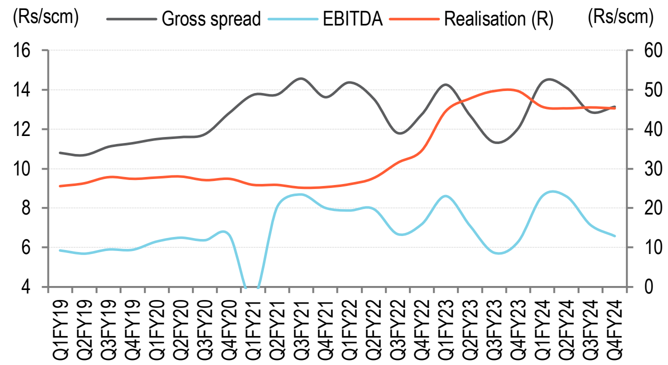
Margin drop was unusual in Q4

Besides the increase in gas purchase costs, opex was unusually higher at Rs 6.6/scm in Q4 due to clubbing of several one-off expenses in a quarter such as (a) silver jubilee year bonus for employees, (b) entire CSR expense booked in the quarter, and (c) change in lease arrangement impacting expenses. This led to a decline in EBITDA margin to Rs 6.6/scm, which was below IGL's guidance range.

Instead, the annual trend accounting for this higher expense is a better reflection of underlying profitability. While opex was at Rs 5.9/scm, EBITDA margin was at Rs 7.7/scm.

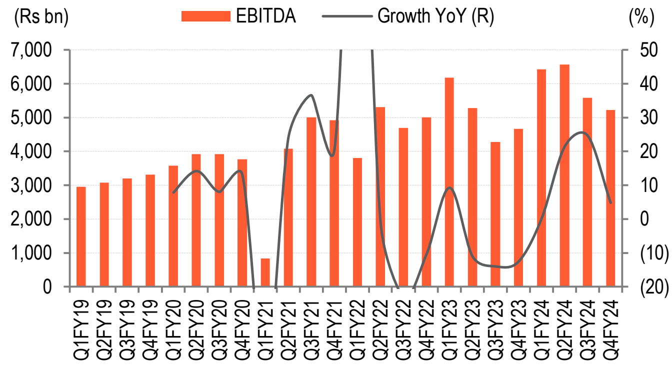
The company continues to guide for an EBITDA margin of Rs 7-8.5/scm over the medium term. With CNG competitiveness supported by the availability of an HPHT (high-pressure high-temperature) gas with a gas price ceiling to offset the shortfall in the APM (Administered Price Mechanism), and industrials aided by the pullback in LNG prices, we build in a mid-cycle margin of Rs 7.8/scm over FY25-26E.

Fig 9 – EBITDA margin dropped below Rs 7/scm on clubbing of expenses in the quarter...



Source: Company, BOBCAPS Research

Fig 10 – … leading to decline in EBITDA



Source: Company, BOBCAPS Research

Valuation methodology

Forecast changes

We broadly maintain our FY25 and FY26 EBITDA estimates after the review of Q4FY24 results. We now expect IGL's EBITDA to grow from Rs 23.6bn in FY23 to Rs 27.8bn in FY26E, an 8.5% CAGR, driven by volume growth of 7.7% and normalisation of margin to ~Rs 8/scm by FY26 as the global LNG market turns into surplus. Our EBITDA forecasts for FY25-FY26 are broadly in line (within ~1%) with Bloomberg consensus.

Conservative volume forecasts. Against IGL's target of 9.5mmscmd average volume for FY25, we broadly maintain our forecasts at 9mmscmd (unchanged) for FY25E and 9.7mmscmd (up from 9.6mmscmd) for FY26E on a conservative basis. While we believe that growth would continue outside Delhi for IGL, we build in steadier growth of ~7% CAGR over FY24-26E against management's target of 13% growth in FY25.

- At this stage, we are cognisant of the decline in DTC buses and potential challenges from accelerated electrification in the commercial cab and bus categories. We are accounting for a shift of 3.0k-3.5k CNG buses to electric buses over FY24-FY26. For commercial cabs, we believe that growth could still be sustained over the medium term as legacy GAs in Uttar Pradesh (UP) and newer GAs potentially offset the decline in new additions in Delhi. We are positive about potential growth in long-haul buses and expect IGL to capture floating volumes from neighbouring regions as it scales up buses with type-4 cylinders and accelerates penetration in legacy and newer GAs with higher capex.
- At the priority sector gas purchase price of US$ 7.4-7.7/MMBtu over our forecast period, we believe CNG remains competitive in the private car space and will continue to grow alongside EV.

Maintain margin forecasts: We broadly maintain our EBITDA margin forecast at Rs 7.7/scm for FY25 and Rs 7.9/scm for FY26. Our margin forecast is a shade higher than Rs 7.7/scm last year and average of Rs 7.4/scm over the past four years as it factors in the benefit of more reasonable APM gas prices and the pullback in LNG prices. Our EBITDA margin is still within the guided range of Rs 7.0-8.5/scm.

Fig 11 – Revised estimates

(Rs bn)	New			Old		Change (%)	
	FY24P	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	1,40,000	1,47,165	1,60,220	1,45,388	1,66,627	1.2	(3.8)
EBITDA	23,637	25,565	27,828	25,482	28,051	0.3	(0.8)
EBITDA growth YoY	16.7	8.2	8.9	2.2	10.1	-	-
Net income incl affiliate	19,834	20,737	22,122	19,920	21,859	4.1	1.2

Source: Company, BOBCAPS Research

Fig 12 – Estimates vs Consensus

(Rs bn)	Forecasts		Consensus		Delta to consensus	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	1,47,165	1,60,220	1,44,640	1,55,700	1.8	2.9
EBITDA	25,565	27,828	25,370	27,582	0.7	0.9
EBITDA growth (%)	8.2	8.9	7.3	7.9	-	-
Net income excl affiliates	16,888	17,896	-	-	-	-
Net income incl affiliates (consolidated)	20,737	22,122	-	-	-	-
Net income incl dividend from affiliates (standalone)	-	-	18,319	19,649	-	-

Source: Bloomberg, BOBCAPS Research

Fig 13 – Key business drivers and assumptions

Particulars	FY23	FY24P	FY25E	FY26E	FY24-26E CAGR (%)
Volumes (mmscmd)					
CNG	6.1	6.3	6.6	7.0	-
D-PNG	0.5	0.6	0.7	0.8	-
I+C	1.0	1.0	1.2	1.3	-
Natural gas	0.5	0.5	0.5	0.5	-
Total	**8.1**	**8.4**	**9.0**	**9.7**	**-**
Volume growth (%)					
CNG	19.6	3.8	5.8	5.9	5.9
D-PNG	8.2	15.2	14.7	15.0	14.8
I+C	3.6	3.0	15.6	11.7	13.6
Natural gas	7.1	-0.1	0.3	0.0	0.1
Total	**15.7**	**4.2**	**7.3**	**7.1**	**7.2**
Volume mix (%)					
CNG	74.8	74.5	73.5	72.7	-
D-PNG	6.7	7.4	7.9	8.5	-
I+C	12.3	12.2	13.1	13.7	-
Natural gas	6.2	5.9	5.5	5.2	-
Total	**100.0**	**100.0**	**100.0**	**100.0**	**-**
Profitability indicator (Rs/scm)					
Revenue	47.9	45.4	44.6	45.3	-
Gross spread	12.5	13.6	13.8	14.0	-
EBITDA	6.9	7.7	7.7	7.9	-
PAT	4.9	5.7	5.2	5.2	-
ROE	20.6	22.4	19.0	17.9	-
Key assumptions					
USDINR exchange rate	80.4	82.8	83.5	83.5	-
APM gas price (US$/MMBtu)	7.3	6.5	6.5	6.8	-
Gas price ceiling (US$/MMBtu)	11.2	11.0	10.2	10.2	-
LNG contract price (US$/MMBtu)	18.0	15.6	13.1	12.1	-
LNG spot price (US$/MMBtu)	30.9	16.7	12.5	12.5	-
Priority sector gas bucket (US$/MMBtu)	8.7	7.2	7.4	7.7	-
Industrials and commercials gas bucket (US$/MMBtu)	19.6	15.2	12.4	11.8	-

Source: Company, BOBCAPS Research

DCF-based TP revised to Rs 525, maintain BUY

We increase our DCF-based TP to Rs 525 (from Rs 510) as we roll forward our valuation to May'25 from Jan'25 and factor in our revised estimates. Though volume growth in Delhi is likely to slow due to an accelerated shift to electric vehicles, we believe that legacy GAs in UP and newer GAs will help IGL continue to deliver healthy growth over the next decade. In our view, CNG vehicles and EVs will co-exist in India over the medium term until battery technology and grid infrastructure mature.

Key assumptions for our DCF-based fair value are cost of equity of 11%, terminal growth of 4%, volume CAGR of ~6.8% and average EBITDA margin of Rs 7.8/scm over our explicit and semi-explicit forecast period of FY25-FY33. Our DCF-based TP implies an FY25E P/E of 17.7x, which is lower than the stock's five-year mean P/E of 18.5x on Bloomberg consensus earnings. As our TP implies ~18% upside, we reiterate our BUY rating on IGL.

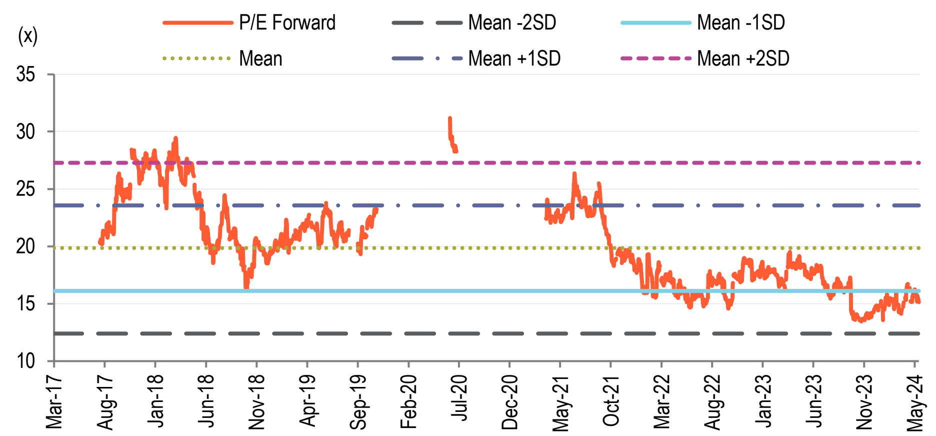
Fig 14 – DCF-based fair value

Valuation parameters	Value (Rs mn)
PV of FCF FY25E-FY33E	82,068
PV of terminal value	1,70,617
Enterprise Value	2,52,685
Less: Net Debt FY24E	(33,069)
Equity value	**2,85,754**
NPV – IGL share (Rs)	408
NPV – MNGL (Rs)	47
NPV – CUPGL (Rs)	13
Consolidated NPV Mar'24 (Rs)	**468**
Consolidated NPV Jul'25 (Rs)	**527**
Target price in rupees as on Jul'25 (rounded off to nearest Rs 5)	**525**

Source: BOBCAPS Research

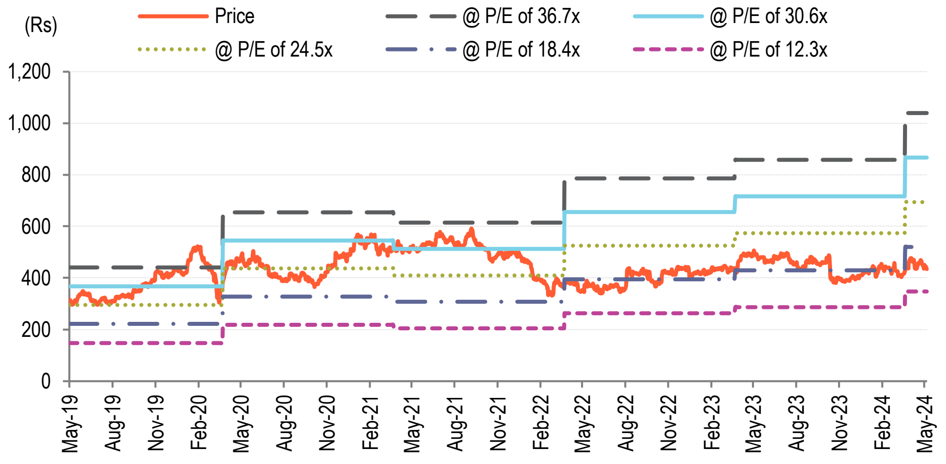
Over the past five years, IGL has traded at an average one-year forward P/E of 18.5x with a one standard deviation range of 15.2x-21.7x on Bloomberg consensus. Similarly, it has traded at an average TTM P/E of 24.5x with a one standard deviation range of 18.4-30.6x based on actual earnings.

Fig 15 – IGL has traded at an average 1Y fwd PE of 18.5x/19.8x over past 5/10Y



Source: Bloomberg, BOBCAPS Research

Fig 16 – Trailing P/E of 24.5x over past 5Y



Source: Bloomberg, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- Lower-than-expected margins arising from an inability to pass on higher gas purchase cost to consumers, or increased competitive intensity with alternate fuels.
- Slower volume growth than our assumptions owing to faster-than-expected penetration of EVs.
- Adverse PNGRB (Petroleum and Natural Gas Regulatory Board) or government regulations that could impact our margin or volume outlook.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24P	FY25E	FY26E
Total revenue	**77,100**	**1,41,326**	**1,40,000**	**1,47,165**	**1,60,220**
EBITDA	18,811	20,255	23,637	25,565	27,828
Depreciation	(3,171)	(3,634)	(4,140)	(4,838)	(5,731)
EBIT	15,641	16,621	19,497	20,728	22,098
Net interest inc./(exp.)	(132)	(106)	(92)	0	0
Other inc./(exp.)	1,766	2,172	2,610	2,355	2,332
Exceptional items	0	0	0	0	0
EBT	17,275	18,687	22,015	23,082	24,430
Income taxes	(4,509)	(4,827)	(5,591)	(5,817)	(6,156)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	2,257	2,536	3,410	3,471	3,849
Reported net profit	**15,023**	**16,397**	**19,834**	**20,737**	**22,122**
Adjustments	0	0	0	0	0
Adjusted net profit	**15,023**	**16,397**	**19,834**	**20,737**	**22,122**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24P	FY25E	FY26E
Accounts payables	7,861	9,013	9,843	8,607	9,365
Other current liabilities	9,986	17,000	11,388	11,376	11,376
Provisions	4,295	5,438	6,324	6,324	6,324
Debt funds	0	0	0	0	0
Other liabilities	13,019	15,469	18,146	20,854	23,592
Equity capital	1,400	1,400	1,400	1,400	1,400
Reserves & surplus	74,460	77,912	95,098	1,09,361	1,25,087
Shareholders' fund	75,860	79,312	96,498	1,10,761	1,26,487
Total liab. and equities	**1,11,022**	**1,26,233**	**1,42,200**	**1,57,921**	**1,77,144**
Cash and cash eq.	13,616	21,322	21,555	27,309	36,764
Accounts receivables	5,206	9,034	10,186	10,706	11,656
Inventories	455	492	522	549	598
Other current assets	1,685	8,494	7,718	7,476	7,476
Investments	26,257	15,219	22,221	22,221	22,221
Net fixed assets	49,896	57,205	65,903	82,279	91,049
CWIP	13,786	14,337	13,964	7,250	7,250
Intangible assets	121	130	130	130	130
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**1,11,022**	**1,26,233**	**1,42,199**	**1,57,921**	**1,77,143**

Cash Flows

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24P	FY25E	FY26E
Cash flow from operations	**21,080**	**18,420**	**19,746**	**24,374**	**28,018**
Capital expenditures	(14,727)	(10,973)	(12,462)	(14,500)	(14,500)
Change in investments	(3,373)	11,038	(7,002)	0	0
Other investing cash flows	1,766	2,172	2,610	2,355	2,332
Cash flow from investing	**(16,334)**	**2,237**	**(16,854)**	**(12,145)**	**(12,168)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(3,850)	(9,100)	(6,300)	(6,475)	(6,396)
Other financing cash flows	1,397	(3,852)	3,642	0	0
Cash flow from financing	**(2,453)**	**(12,952)**	**(2,658)**	**(6,475)**	**(6,396)**
Chg in cash & cash eq.	**2,294**	**7,705**	**234**	**5,754**	**9,454**
Closing cash & cash eq.	**13,616**	**21,322**	**21,555**	**27,309**	**36,764**

Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24P	FY25E	FY26E
Reported EPS	21.5	23.4	28.3	29.6	31.6
Adjusted EPS	21.5	23.4	28.3	29.6	31.6
Dividend per share	5.5	13.0	9.0	9.2	9.1
Book value per share	108.4	113.3	137.9	158.2	180.7

Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24P	FY25E	FY26E
EV/Sales	3.8	2.1	2.1	2.0	1.8
EV/EBITDA	15.7	14.7	12.4	11.3	10.3
Adjusted P/E	20.7	19.0	15.7	15.0	14.1
P/BV	4.1	3.9	3.2	2.8	2.5

DuPont Analysis

Y/E 31 Mar (%)	FY22A	FY23A	FY24P	FY25E	FY26E
Tax burden (Net profit/PBT)	87.0	87.7	90.1	89.8	90.6
Interest burden (PBT/EBIT)	110.4	112.4	112.9	111.4	110.6
EBIT margin (EBIT/Revenue)	20.3	11.8	13.9	14.1	13.8
Asset turnover (Rev./Avg TA)	76.5	119.1	104.3	98.1	95.6
Leverage (Avg TA/Avg Equity)	1.4	1.5	1.5	1.4	1.4
Adjusted ROAE	21.6	21.1	22.6	20.0	18.6

Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24P	FY25E	FY26E
YoY growth (%)					
Revenue	56.0	83.3	(0.9)	5.1	8.9
EBITDA	26.8	7.7	16.7	8.2	8.9
Adjusted EPS	28.1	9.1	21.0	4.6	6.7
Profitability & Return ratios (%)					
EBITDA margin	24.4	14.3	16.9	17.4	17.4
EBIT margin	20.3	11.8	13.9	14.1	13.8
Adjusted profit margin	19.5	11.6	14.2	14.1	13.8
Adjusted ROAE	21.6	21.1	22.6	20.0	18.6
ROCE	16.6	15.9	16.5	15.0	13.9
Working capital days (days)					
Receivables	18	18	25	26	25
Inventory	4	2	2	2	2
Payables	38	25	30	28	25
Ratios (x)					
Gross asset turnover	1.3	2.1	1.8	1.5	1.4
Current ratio	0.9	1.3	1.5	1.8	2.1
Net interest coverage ratio	118.4	156.9	212.6	0.0	0.0
Adjusted debt/equity	(0.2)	(0.3)	(0.2)	(0.2)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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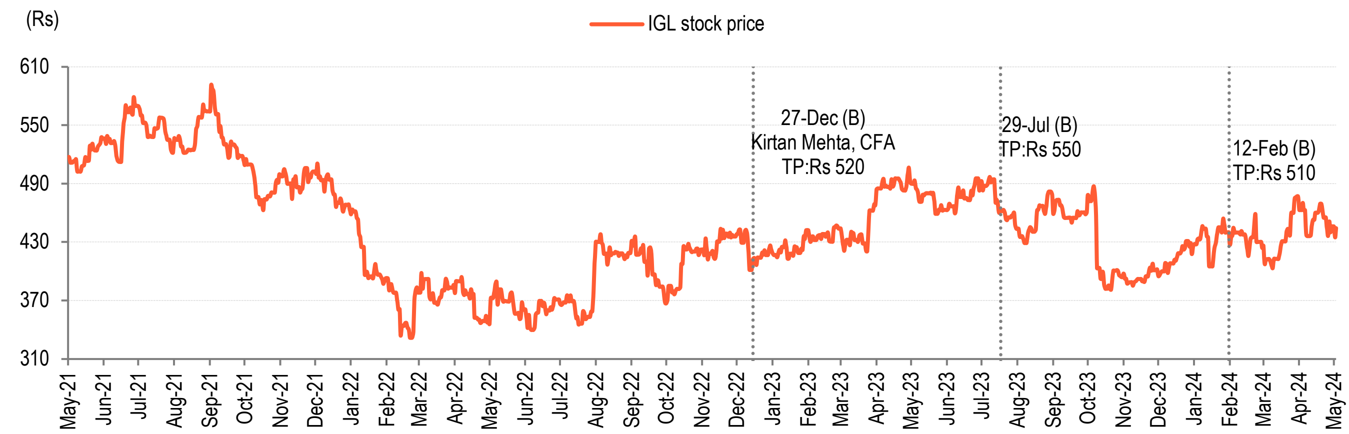

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