RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 340 | ⮝ 0%

PETRONET LNG | Oil & Gas | 25 October 2024

Visibility on Dahej utilisation is key; upgrade to HOLD

- **Q2 underlying EBITDA broadly in line factoring in UOP adjustments; Dahej utilisation can hold up in Q3 if LNG prices remain range bound**
- **We bake in 11% EBITDA CAGR over FY24-27E assuming Dahej utilisation at 20mmtpa in FY27, still below capacity of 22.5mmtpa**
- **Upgrade to HOLD with a revised TP of Rs 340 (Rs 325); improvement in visibility on utilisation of Dahej expansion is a key catalyst**

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Q2 underlying EBITDA in line: Underlying or Adj. EBITDA at Rs 13.9bn was only 2% below our forecast after excluding UOP (Use-or-Pay) revenue-related adjustments and inventory gains. While volume was up 7% on higher LNG consumption in India, margin was healthy at Rs 57.9/MMBtu.

Volume could hold up in Q3: Even after the restart of Dabhol terminal post monsoon, Dahej utilisation has remained high at 98% in October-till-date – despite spot RLNG prices staying elevated at US$ 13/MMBtu. With most marketers using blended RLNG pricing (blend of spot and long-term prices), average prices remain moderate and could help sustain LNG consumption if winter surge remains modest.

Settlement of CY21 UOP charges could lift headline EBITDA: With Dec'24 as the deadline for resolving UOP outstandings or settling through bank guarantees, there is a possibility that headline EBITDA could see an increase in Q3 should PLNG reverses 75% of provisions booked against Rs 3.8bn UOP charges in CY21.

Make-up cargoes could lower underlying EBITDA margin: If offtakers choose to bring in cargoes against their outstanding make-up cargo entitlement of 1mmtpa in Q3, this would earn Rs 10.7/MMBtu of differential regas charge against current regas charge of Rs 66/MMBtu, thereby lowering underlying EBITDA margin in Q3.

Dahej key driver of growth ahead: We tweak our estimates with Q2 results and continue to build 11% EBITDA CAGR over FY24-27E assuming increase in Dahej utilisation from 16.6mmtpa in FY24 to 20.0mmtpa in FY27E. Improvement of visibility on higher offtake from Dahej expansion is the key upside catalyst.

Upgrade to HOLD with revised TP of Rs 340: We raise TP for PLNG to Rs 340 (from Rs 325) factoring in revised forecasts and roll forward to Sep'25. We maintain one-year forward target P/E at 13.5x based on 7Y average and continue to strip away the Rs 47/sh of value at risk for the PDHPP project above capex of US$ 2,500/t (Refer note). Upgrade to HOLD given 0% downside to our TP. Delay in projects or downward revision of regas tariff beyond contractual terms are key risks.

Key changes

Target	Rating
▲	▲

Ticker/Price	PLNG IN/Rs 339
Market cap	US$ 6.0bn
Free float	50%
3M ADV	US$ 16.1mn
52wk high/low	Rs 384/Rs 192
Promoter/FPI/DII	50%/27%/12%

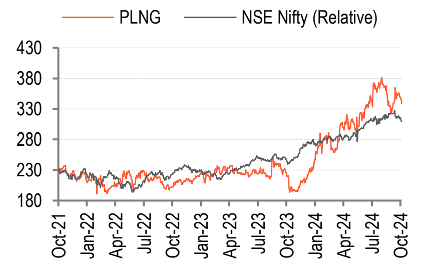
Source: NSE | Price as of 24 Oct 2024

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	5,27,284	5,66,979	5,90,787
EBITDA (Rs mn)	52,065	55,338	61,491
Adj. net profit (Rs mn)	35,362	37,692	41,062
Adj. EPS (Rs)	23.6	25.1	27.4
Consensus EPS (Rs)	23.6	25.2	27.0
Adj. ROAE (%)	22.2	20.9	20.2
Adj. P/E (x)	14.4	13.5	12.4
EV/EBITDA (x)	9.0	8.1	7.2
Adj. EPS growth (%)	9.1	6.6	8.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

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Result review

Q2 results broadly in line after adjustments

Q2 headline EBITDA below consensus but underlying in line with our forecasts: Revenue/Headline EBITDA/Net income of Rs 130.2bn/ Rs 12.0bn/ Rs 8.5bn were 2%/ 8%/ 5% below Bloomberg consensus and 2%/ 7%/ 6% below our Q2 forecasts.

Headline EBITDA was impacted by Rs 1.1bn towards provision for Use or Pay (UOP) recovery and Rs 0.7bn of reversal of previously booked UOP revenue in CY21. As PLNG is accounting actual service revenue at current regasification tariff for excess volume (11-12tbtu) brought by customer to set off UOP liability, PLNG is reversing previously booked revenues. The treatment effectively accounts for revenue from such volumes at a differential regas tariff between CY24 and CY21.

Excluding UOP revenue-related adjustments as well as inventory gain of Rs 0.7bn, underlying or Adj. EBITDA worked out to Rs 13.9bn and was only 2% below of our estimate.

Fig 1 – Q2 adj EBITDA broadly in line with our estimates

(Rs mn)	Q2FY25	Consensus	Delta (%)	BOBCAPS	Delta (%)
Revenue	1,30,243	1,33,045	(2.1)	1,32,465	(1.7)
EBITDA	12,030	13,087	(8.1)	13,003	(7.5)
Adj EBITDA	**13,847**	**-**	**-**	**14,110**	**(1.9)**
PAT	8,501	8,970	(5.2)	9,040	(6.0)
EPS (Rs)	5.7	6.1	(7.0)	6.0	(6.0)

Source: Company, Bloomberg, BOBCAPS Research

Profit up on volume growth. Adj. EBITDA was up 27% YoY on 7% higher volume and 19% higher margin at Rs 57.9/MMBtu. However, Adj. EBITDA was down 7% QoQ on 7% lower volume due to seasonal pullback post summer.

Fig 2 – Quarterly performance

(Rs mn)	Q2FY25	Q2FY24	YoY (%)	Q1FY25	QoQ (%)	H1FY25	H1FY24	YoY (%)
Net sales	1,30,243	1,25,326	3.9	1,34,151	(2.9)	2,64,394	2,41,890	9.3
EBITDA	**12,030**	**12,153**	**(1.0)**	**15,630**	**(23.0)**	**27,660**	**23,974**	**15.4**
EBITDA/MMBtu (Rs)	50.3	54.5	(7.6)	59.7	(15.6)	55.2	52.9	4.3
Adj EBITDA	**13,847**	**10,907**	**27.0**	**14,938**	**(7.3)**	**28,785**	**22,575**	**27.5**
Adj EBITDA/MMBtu (Rs)	**57.9**	**48.9**	**18.5**	**57.0**	**1.6**	**57.5**	**49.8**	**15.3**
Depreciation	1,963	1,948	0.7	1,946	0.9	3,908	3,867	1.1
Interest	654	747	(12.4)	667	(1.9)	1,321	1,493	(11.5)
Other income	2,016	1,567	28.6	2,181	(7.6)	4,197	3,035	38.3
PBT	**11,428**	**11,025**	**3.7**	**15,199**	**(24.8)**	**26,627**	**21,650**	**23.0**
Provision for tax	2,928	2,839	3.1	3,783	(22.6)	6,711	5,561	20.7
Effective tax rate (%)	25.6	25.7	-	24.9	-	25.2	25.7	-
Standalone PAT Adj	**8,501**	**8,187**	**3.8**	**11,416**	**(25.5)**	**19,917**	**16,088**	**23.8**
EPS (adj) (Rs)	5.7	5.5	3.8	7.6	(25.5)	13.3	10.7	23.8
JV/Associate profit	216	408	(47.0)	47	359.0	263	724	(63.6)

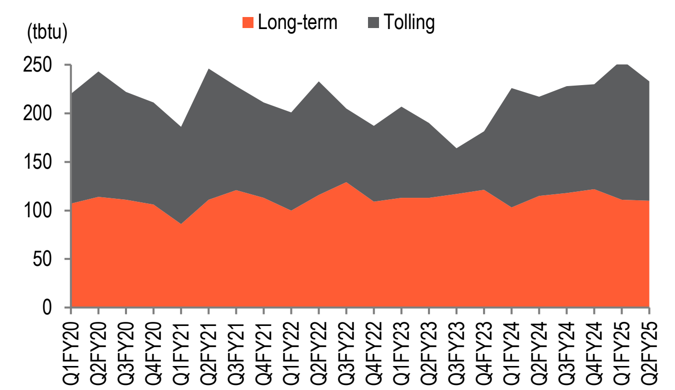
Source: Company, BOBCAPS Research

Fig 3 – Volume growth at Dahej reflects increased LNG demand within country and Dahej's competitive position

Volumes (tbtu)	Q2FY25	Q2FY24	YoY (%)	Q2FY25	QoQ (%)	H1FY25	H1FY24	YoY (%)
Long-term contracts	**110**	**115**	**(4.3)**	**111**	**(0.9)**	**229**	**220**	**4.1**
Dahej	96	102	(5.9)	97	(1.0)	201	194	3.6
Kochi	14	13	7.7	14	-	28	26	7.7
Spot	**6**	**6**	**-**	**7**	**(14.3)**	**18**	**16**	**12.5**
Dahej	6	6	-	7	(14.3)	18	16	12.5
Kochi	-	-	-	-	-	-	-	-
Regasification services	**123**	**102**	**20.6**	**144**	**(14.6)**	**254**	**170**	**49.4**
Dahej	123	102	20.6	144	(14.6)	254	170	49.4
Kochi	-	-		-		-	-	-
Total Volumes	**239**	**223**	**7.2**	**262**	**(8.8)**	**501**	**406**	**23.4**
Dahej	225	210	7.1	248	(9.3)	473	380	24.5
Kochi	14	13	7.7	14	-	28	26	7.7

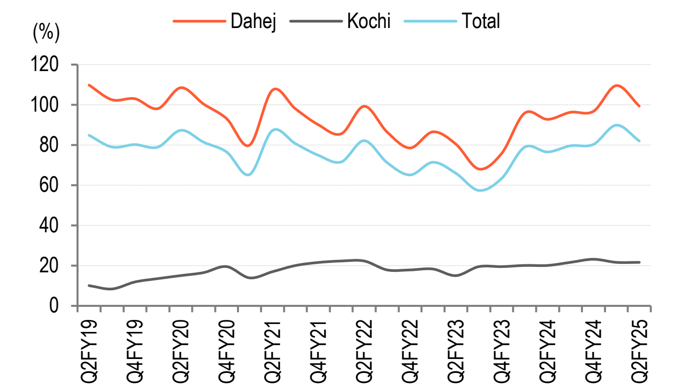
Source: Company, BOBCAPS Research

Fig 4 – Dahej volume up 8% YoY in Q2…



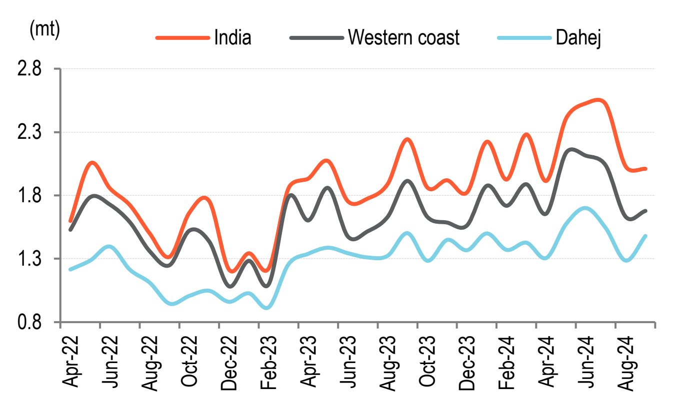
Source: Company, BOBCAPS Research

Fig 5 – … clocking utilisation of 102%



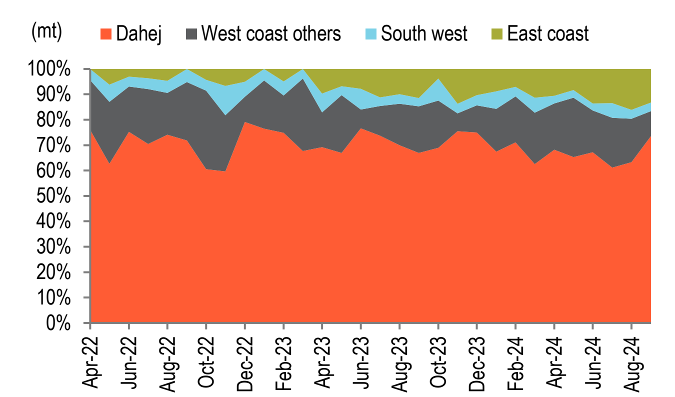
Source: Bloomberg, BOBCAPS Research | Dahej 1: Dahej Phase 1; Dahej 2: Dahej Phase 2

Fig 6 – Dahej volume growth reflects improved LNG consumption in India...



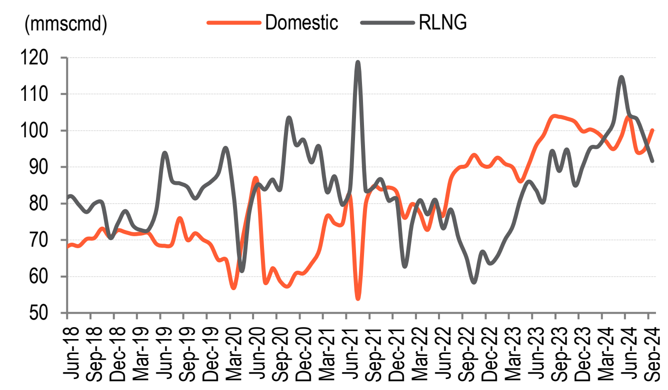
Source: Bloomberg, BOBCAPS Research

Fig 7 – … as well as higher market share during Q2 due to benefit of redirected Dabhol cargoes



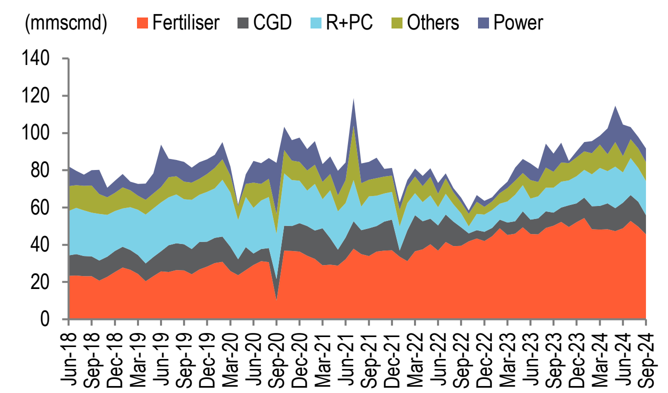
Source: Bloomberg, BOBCAPS Research

Fig 8 – India LNG consumption strong YoY but eases post summer…



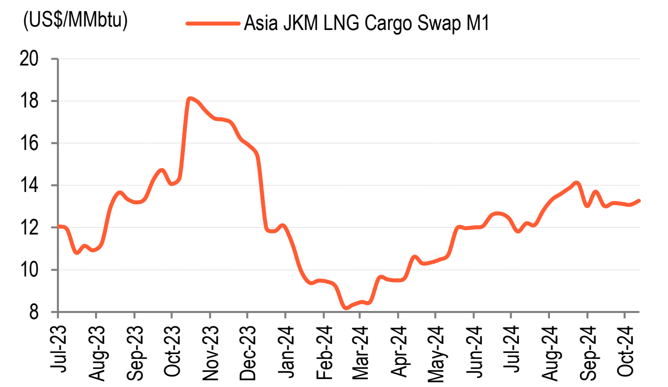
Source: Bloomberg, BOBCAPS Research

Fig 9 – … due to pullback in power consumption



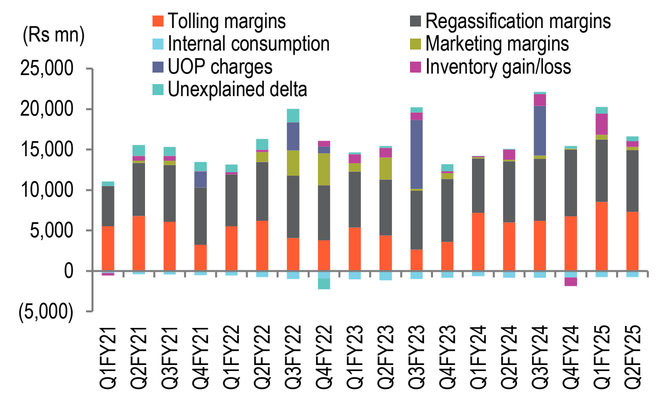
Source: Bloomberg, BOBCAPS Research

Fig 10 – Asia LNG prices stable ahead of European winter



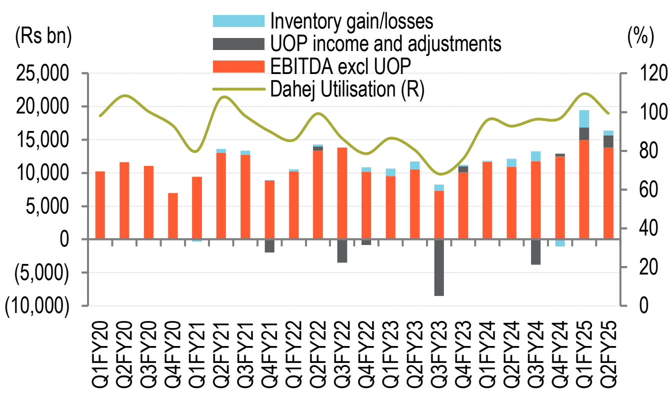
Source: Bloomberg, BOBCAPS Research, RLNG: Regasified LNG

Fig 11 – Components of gross margin show contribution of pick up in volumes in H1



Source: CMIE, BOBCAPS Research | R+PC: Refining and Petrochemicals

Fig 12 – Adj. EBITDA breakdown shows benefit of inventory valuation gain and impact of UOP adjustments



Source: CMIE, BOBCAPS Research | R+PC: Refining and Petrochemicals

Volume could hold up in Q3

October utilisation has remained healthy: Dahej utilisation has remained above 95% utilisation despite the absence of additional diverted cargoes from Dabhol post monsoon. The consumption at this point is not impacted by spot LNG price level of US$ 13/MMBtu. As most marketers blend spot LNG with long-term LNG prices, the weighted average basket price has remained range bound.

Spot LNG prices could remain elevated: Spot LNG prices remained elevated at around US$ 13/MMBtu with strong summer demand from Asia, geopolitical tensions and supply disruptions. RIL recently shared its view that spot LNG prices are likely to remain elevated near term with delay in startup of new LNG terminals, expectation of harsher European winter with higher probability of La Niña this year and uncertainty of Russian pipeline supplies through Ukraine.

However, blended LNG price could help in holding up RLNG consumption: While RLNG usage in refineries and petrochemicals has remained stable at the lower end of consumption band, other industrial consumers continue to use RLNG amid stable RLNG prices. Demand from the power sector may possibly get some support during October heat.

Make-up cargoes in Q3 could lower EBITDA margin

PLNG acknowledged a possibility that buyers could get make-up cargoes during the December quarter on completing their UOP volume commitment for CY24. Q3 is likely to be the quarter this year as well as next year wherein we see the majority of these cargoes coming in as the grace periods for CY21 and CY22 cargoes expire by Dec'24 and Dec'25 respectively.

Management commentary implied that around 1mmtpa of cargoes against CY21 UOP charges remain pending. Such extra volume would earn only a differential regas tariff of Rs 10.7/MMBtu or Rs 8/MMBtu to make up CY21 and CY22 UOP charges respectively. This is substantially lower than the current regas tariff of Rs 66/MMBtu. If buyers exercise their right to make-up cargoes, this could lower EBITDA margin in Q3.

Fig 13 – Estimates of potential volumes against take-or-pay settlement

	Unit	FY22	FY23	FY24
Regas				
Volumes	tbtu	372	278.3	443
Volumes	mmt	7.2	5.4	8.5
Conversion factor	Btu/tonne	51.8	51.7	52.0
Regas service income	Rs mn	19,061	15,180	-
Regas tariff	Rs/MMBtu	51.2	54.5	57.3
Use or Pay charges				
Outstanding amount	Rs mn	3,786	8,437	6,100
Implied volumes	tbtu	73.9	154.7	106.5
Implied volumes	**mmt**	**1.4**	**3.0**	**2.0**

Source: Company, BOBCAPS Research

Settlement of CY21 UOP charges could lift headline EBITDA

Against CY21 UOP revenue booking of Rs 3.8bn, PLNG has written off 75% of booked amount in the absence of its recovery following a conservative practice. PLNG has already secured Bank Guarantees (for outstanding UOP charges) and is entitled to encash them if UOP liability is not settled by Dec'24. Upon recovery, PLNG will be able to reverse provisions against CY21 charges. This should lift apparent EBITDA in Q3 if PLNG completed its recovery by Dec'24 as per the agreed deadline.

Project progress

Dahej expansion

- **Tanks:** Two tanks of 180,000scm were commissioned during Q2, increasing total tanks to eight and will help in faster unloading of LNG cargoes.
- **Terminal expansion:** Management confirmed that the 5mt brownfield terminal expansion is on track for commissioning by Mar'25 and sees a possibility of ramping up expanded terminal up to 20mtpa utilisation level in FY26 itself. PLNG was running existing terminal as well close to 20mtpa levels at certain points during the last quarter. While PLNG will need a third jetty to stabilise operations at 22.5mtpa levels, PLNG could still run the expanded capacity significantly above 20mtpa levels with tight supply chain management and tank usage.
- **Capacity tie-up:** PLNG is still working with offtakers to get a firm commitment for booking of capacity and see agreements closing in Q4FY25 just ahead of the completion of the terminal's expansion.
- **Jetty:** PLNG has awarded a marine contract and planning commissioning of the third jetty within three years of the award of all contracts.

Kochi terminal: Regarding the completion of Kochi-Bangalore pipeline, the company indicated that GAIL has laid out half of the pipeline (120-125km pending) and is still targeting completion by the end of FY25.

PDHPP project update: Together with Engineers India (EIL), PLNG is working to divide the project into separate projects for tendering. The company aims to tie up debt finance for 70% of the project cost (Rs 100bn-110bn) over the next two to three months. The company has already selected two separate licensors for PDH (Propane dehydrogenation) and PP (Poly Propylene) streams as well as Project Management Consultant (PMC).

Valuation methodology

Forecast changes

We tweak our FY25/FY26 EBITDA forecasts by 1.4%/1.3%, factoring in Q2 results. We continue to build in 11% CAGR in PLNG's EBITDA over FY24-FY27 on the back of higher utilisation of the Dahej terminal from 16.6mmtpa in FY24 to an estimated 20.0mmtpa in FY27.

- **Dahej expansion ramp-up:** We assume utilisation of 1.5mmtpa in FY26 and 2.5mmtpa in FY27 from the upcoming 5mmtpa capacity.
- **Kochi ramp-up:** We assume the Kochi LNG terminal will ramp up to 30% in FY27 on a conservative basis allowing for a buffer period for completion beyond GAIL's target of end of FY25 for the Kochi-Bangalore section of pipeline given a series of delays witnessed by this pipeline project.
- **Normalisation of EBITDA:** We expect blended EBITDA to normalise in FY25 as actual LNG volumes replace revenue from UOP charges.
- **Do not factor in UOP charges and provisions in underlying EBITDA:** While there is a possibility that the reversal of provisions on UOP recovery leads to Rs 4.2bn of EBITDA in FY26, we do not account for the same as we do not consider it representative of underlying recurring profit potential.
- **Do not yet factor in cash recovery of UOP charges billed for CY23:** We now factor in the realisation of UOP charges billed over FY22-FY23 at the end of a grace period of three years in FY25 and FY26. However, we do not recognise yet the recovery of UOP charges of Rs 6.1bn billed in FY24 in the absence of recognition from customers.

Fig 14 – Revised estimates

(Rs bn)	Provisional	New			Old			Change (%)		
	FY24	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	5,27,284	5,66,979	5,90,787	6,17,587	5,82,578	6,22,526	6,62,509	(2.7)	(5.1)	(6.8)
EBITDA	**52,065**	**55,338**	**61,491**	**70,719**	**54,550**	**60,708**	**70,733**	**1.4**	**1.3**	**0.0**
EBITDA growth YoY (%)	7.2	6.3	11.1	15.0	4.8	11.3	16.5	-	-	-
Net income incl affiliate	35,362	37,692	41,062	45,877	36,957	40,170	45,539	2.0	2.2	0.7

Source: Company, BOBCAPS Research

Fig 15 – Key assumptions

		FY24	FY25E	FY26E	FY27E
Dahej terminal					
Volume	Mmtpa	16.7	17.5	19.0	20.0
Regas tariffs	Rs/MMBtu	60.6	63.7	66.9	70.2
Kochi terminal					
Volume	Mmtpa	1.0	1.1	1.2	1.5
Regas tariffs	Rs/MMBtu	85.1	89.3	93.8	98.5
Company aggregate					
Volume	Mmtpa	17.7	18.6	20.1	21.4
Volumes	Tbtu	921	965	1045	1115
Blended EBITDA	Rs/MMBtu	56.6	57.4	58.8	63.4
Blended Regas tariffs	Rs/MMBtu	67.9	69.2	70.7	76.0

Source: Company, BOBCAPS Research

Upgrade to HOLD with a revised TP of Rs 340

We raise our TP for PLNG to Rs 340 (from Rs 325) as we factor in our revised estimates and roll forward our valuation point to Sep'25 from Jun'25. We adjust TP for Rs 47/share (unchanged) as a value at risk from the PDHPP plant at Dahej to reflect our concerns on the viability of the PDHPP plant. Given 0% downside, we upgrade our rating on the stock to HOLD from SELL.

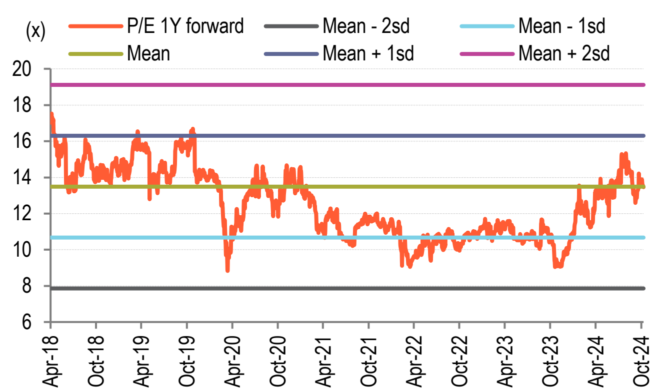
- **Core business:** We value the core business based on one-year forward P/E of 13.5x (unchanged) based on the average of seven years wherein the stock has seen a balanced period of high and moderate demand.
- **PDHPP Plant:** We have concerns on the economic viability of the PDHPP plant with higher capital cost intensity range of US$ 3,000-3,700/t. Allowing for the disadvantage of propane prices vs competitors in the Middle East and more efficient capital costs at Chinese producers, but allowing for the benefit of additional utility revenue stream from structuring of ethane regasification, we consider value above US$ 2,500/t of capital cost at risk, translating to a risk of Rs 47/sh (unchanged). We adjust value at risk from our fair value of core business to arrive at our TP. Refer to our note **PDHPP project unlikely to be value accretive**, 2 Nov 2023, for more details.

Fig 16 – Valuation summary

(Rs)	Value
FY26E EPS (Rs)	27.4
Target P/E (x)	13.5
Fair value (Mar'25)	370
Fair value of core business (Sep'25)	**388**
Value at risk for the PDHPP Plant	47
Fair value (Sep'25)	**340**
Target price rounded to nearest Rs 5 (Sep'25)	**340**

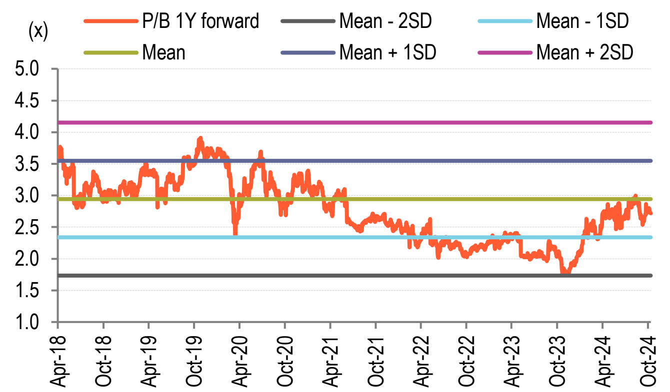
Source: BOBCAPS Research

Fig 17 – P/E 1Y forward



Source: Refinitiv, BOBCAPS Research

Fig 18 – P/B 1Y forward



Source: Refinitiv, BOBCAPS Research

Key risks

Key upside/downside risks to our HOLD rating are:

- **Regasified LNG plant utilisation:** Upside risk from higher LNG utilisation than current assumptions should consumption in India improve, possibly led by a sharp reduction in global LNG prices. Conversely, lower LNG utilisation would translate into a downside risk.
- **Project execution:** Faster/slower execution of projects than assumed as well as faster/slower approval of long-term options are upside/downside risks.
- **PDHPP project viability:** Currently we consider Rs 47/share as a value at risk from the planned implementation of the PDHPP project to reflect our concerns on its viability. Better/worse viability than our assumptions represent an upside/downside risk for the stock.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Total revenue	**5,98,994**	**5,27,284**	**5,66,979**	**5,90,787**	**6,17,587**
EBITDA	48,558	52,065	55,338	61,491	70,719
Depreciation	(7,643)	(7,766)	(8,351)	(9,917)	(12,015)
EBIT	40,914	44,300	46,987	51,574	58,704
Net interest inc./(exp.)	(3,305)	(2,897)	(2,661)	(2,321)	(1,981)
Other inc./(exp.)	5,736	6,167	6,065	5,642	4,609
Exceptional items	0	0	0	0	0
EBT	43,345	47,570	50,391	54,895	61,333
Income taxes	(10,946)	(12,208)	(12,699)	(13,834)	(15,456)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**32,399**	**35,362**	**37,692**	**41,062**	**45,877**
Adjustments	0	0	0	0	0
Adjusted net profit	**32,399**	**35,362**	**37,692**	**41,062**	**45,877**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	16,440	28,646	20,549	21,233	21,889
Other current liabilities	8,609	7,348	8,087	8,366	8,643
Provisions	1,926	2,437	2,437	2,437	2,437
Debt funds	7,423	6,448	5,648	4,848	4,048
Other liabilities	40,481	36,253	31,664	27,076	23,767
Equity capital	15,000	15,000	15,000	15,000	15,000
Reserves & surplus	1,34,347	1,54,628	1,76,490	2,00,305	2,26,914
Shareholders' fund	1,49,347	1,69,628	1,91,490	2,15,305	2,41,914
Total liab. and equities	**2,24,226**	**2,50,759**	**2,59,874**	**2,79,264**	**3,02,699**
Cash and cash eq.	56,800	74,097	67,116	67,964	41,162
Accounts receivables	38,397	36,261	32,546	24,376	25,416
Inventories	11,531	14,654	16,439	16,986	17,511
Other current assets	4,826	8,590	8,825	8,993	9,159
Investments	11,394	18,713	16,855	12,770	13,290
Net fixed assets	87,903	81,470	94,643	1,17,675	1,45,661
CWIP	11,259	15,524	22,000	29,050	49,050
Intangible assets	0	0	0	0	0
Deferred tax assets, net	2,116	1,450	1,450	1,450	1,450
Other assets	0	0	0	0	0
Total assets	**2,24,226**	**2,50,759**	**2,59,874**	**2,79,264**	**3,02,699**

Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash flow from operations	**18,392**	**43,305**	**33,316**	**52,755**	**52,766**
Capital expenditures	10,119	(12,749)	(26,143)	(35,915)	(60,520)
Change in investments	0	0	0	0	0
Other investing cash flows	5,736	6,167	6,065	5,642	4,609
Cash flow from investing	**15,855**	**(6,582)**	**(20,078)**	**(30,273)**	**(55,911)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(2,848)	(4,345)	(4,389)	(4,389)	(4,389)
Interest expenses	0	0	0	0	0
Dividends paid	(17,250)	(15,000)	(15,831)	(17,246)	(19,268)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(20,098)**	**(19,345)**	**(20,219)**	**(21,634)**	**(23,657)**
Chg in cash & cash eq.	**14,149**	**17,378**	**(6,981)**	**848**	**(26,802)**
Closing cash & cash eq.	**57,344**	**74,179**	**67,116**	**67,964**	**41,162**

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	21.6	23.6	25.1	27.4	30.6
Adjusted EPS	21.6	23.6	25.1	27.4	30.6
Dividend per share	11.5	10.0	10.6	11.5	12.8
Book value per share	99.6	113.1	127.7	143.5	161.3

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	0.8	0.9	0.8	0.8	0.7
EV/EBITDA	9.8	9.0	8.1	7.2	6.3
Adjusted P/E	15.7	14.4	13.5	12.4	11.1
P/BV	3.4	3.0	2.7	2.4	2.1

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	74.7	74.3	74.8	74.8	74.8
Interest burden (PBT/EBIT)	105.9	107.4	107.2	106.4	104.5
EBIT margin (EBIT/Revenue)	6.8	8.4	8.3	8.7	9.5
Asset turnover (Rev./Avg TA)	275.1	222.0	222.1	219.2	212.2
Leverage (Avg TA/Avg Equity)	1.5	1.5	1.4	1.3	1.3
Adjusted ROAE	22.8	22.2	20.9	20.2	20.1

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
YoY growth (%)					
Revenue	38.8	(12.0)	7.5	4.2	4.5
EBITDA	(7.6)	7.2	6.3	11.1	15.0
Adjusted EPS	(3.4)	9.1	6.6	8.9	11.7
Profitability & Return ratios (%)					
EBITDA margin	8.1	9.9	9.8	10.4	11.5
EBIT margin	6.8	8.4	8.3	8.7	9.5
Adjusted profit margin	5.4	6.7	6.6	7.0	7.4
Adjusted ROAE	22.8	22.2	20.9	20.2	20.1
ROCE	20.3	19.8	18.8	18.5	18.8
Working capital days (days)					
Receivables	20	26	22	18	15
Inventory	6	10	11	12	12
Payables	11	17	18	14	14
Ratios (x)					
Gross asset turnover	4.5	3.9	3.9	3.4	3.0
Current ratio	4.1	3.5	4.0	3.7	2.8
Net interest coverage ratio	0.0	0.0	0.0	0.0	0.0
Adjusted debt/equity	(0.3)	(0.4)	(0.3)	(0.3)	(0.2)

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

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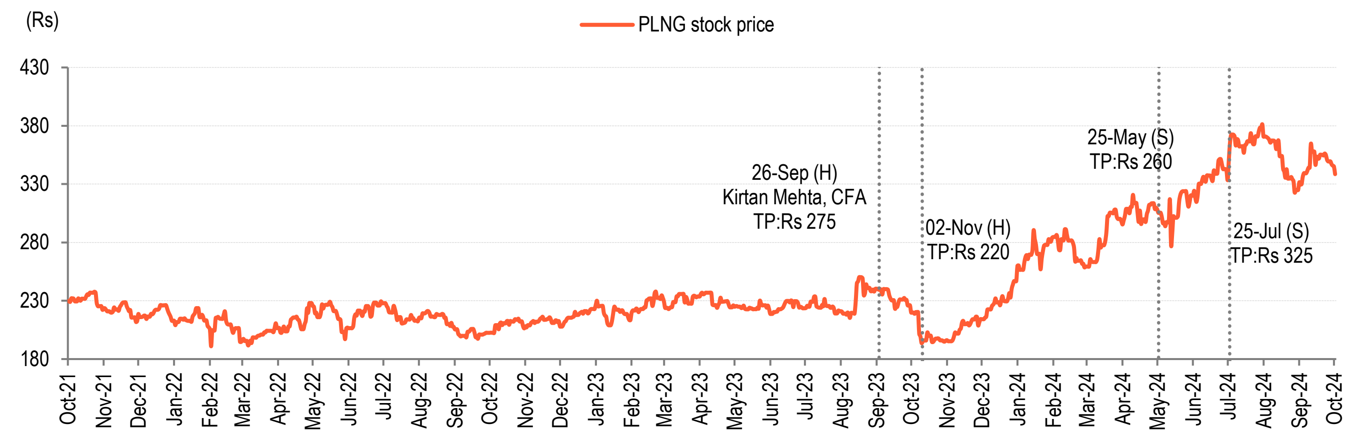

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