RESULT REVIEW

SELL
TP: Rs 260 | ∀ 15%

PETRONET LNG | Oil & Gas | 25 May 2024

Volume growth visibility still low, downgrade to SELL

- **Q4 EBITDA missed consensus on provisions for delayed TOP recovery and inventory loss; provisions to muddle EBITDA reporting till FY26**
- **Dahej may not benefit from volume ramp-up in FY25 given granting of flexibility for make-up cargoes and increased competitive intensity**
- **Raise TP to Rs 260 (from Rs 220) rolling forward valuations to FY26; downgrade to SELL from HOLD given 15% downside**

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Q4 below consensus: Q4 EBITDA at Rs 11.0bn was 10% below consensus despite in-line volumes. The miss was due to the factoring in of Rs 0.4bn of provisions for delayed recovery of take-or-pay (TOP) charged in FY22/FY23, which was not well understood by us earlier, and Rs 0.1bn of inventory loss.

Dahej may not benefit from volume ramp-up in FY25: While PLNG can operate the Dahej terminal at 110% capacity and potentially do so during the monsoon months on the back of diverted Dabhol cargoes, we do not yet factor in the same for the rest of FY25. Further granting of free make-up cargoes of 1.4mt/ 3.0mt for shortfall in CY21 and CY22 at our estimates (refer Fig 7) could constrain availability of capacity for FY25 and FY26. These make-up cargoes will earn only differential regas tariff and not full regas tariff.

Provisions to muddle EBITDA reporting: PLNG has decided to gradually provide for delay in recovery of TOP income over 3 years but will reverse provisions upon recovery. We believe the net effect will lower FY25 EBITDA by Rs 0.6bn but increase FY26E EBITDA by Rs 4.2bn (Fig 8). As this is not recurring EBITDA and should be separated from underlying EBITDA, we do not include the same.

Raise forecasts: Factoring in higher underlying EBITDA margin than our estimates, we raise our FY25E/FY26E EBITDA by 4.6%/5.5%, respectively. We remain conservative on FY26 volume growth in absence of visibility on tie-up of additional contracts, completion of Kochi-Bangalore pipeline and potential make-up cargoes.

Downgrade to SELL with revised TP of Rs 260: We raise our TP for PLNG to Rs 260 (from Rs 220) factoring in our revised estimates and rolling forward valuation base to FY26, while maintaining the one-year forward target P/E at 11.7x. We strip away the Rs 58/sh at risk from the PDHPP project (Refer note). Given 15% downside to our TP, we downgrade the rating on the stock to SELL from HOLD. We remain conservative on our estimates of growth in volumes given increased competitive intensity in the country. We remain concerned about capital allocation to areas such as PDHPP increasing execution risk for the company.

Key changes

Target	Rating
▲	▼

Ticker/Price	PLNG IN/Rs 305
Market cap	US$ 5.6bn
Free float	50%
3M ADV	US$ 24.0mn
52wk high/low	Rs 323/Rs 192
Promoter/FPI/DII	50%/26%/11%

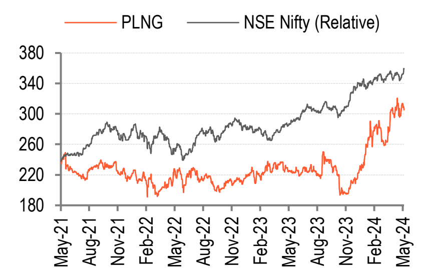
Source: NSE | Price as of 24 May 2024

Key financials

Y/E 31 Mar	FY24P	FY25E	FY26E
Total revenue (Rs mn)	5,27,284	5,76,850	5,95,916
EBITDA (Rs mn)	52,065	53,734	59,142
Adj. net profit (Rs mn)	35,362	36,610	40,220
Adj. EPS (Rs)	23.6	24.4	26.8
Consensus EPS (Rs)	23.6	24.9	26.0
Adj. ROAE (%)	22.2	20.3	19.9
Adj. P/E (x)	13.0	12.5	11.4
EV/EBITDA (x)	8.0	7.4	6.6
Adj. EPS growth (%)	9.1	3.5	9.9

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

Stock performance



Source: NSE

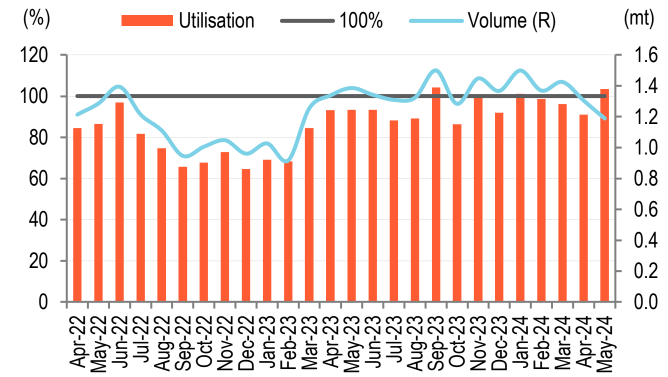
Dahej may not benefit from volume ramp-up in CY25

Petronet LNG is hoping to deliver volume growth in FY25 with the possibility of operating Dahej terminal at 110% name plate capacity, leading to additional 1.5mt of volume.

While we see good possibility of the terminal crossing 100% utilisation during 3-4 months of monsoon when it receives additional cargoes diverted from Dabhol, when the latter shuts in the monsoon, we do not yet factor the same for the whole year until Dahej demonstrates regaining of volume.

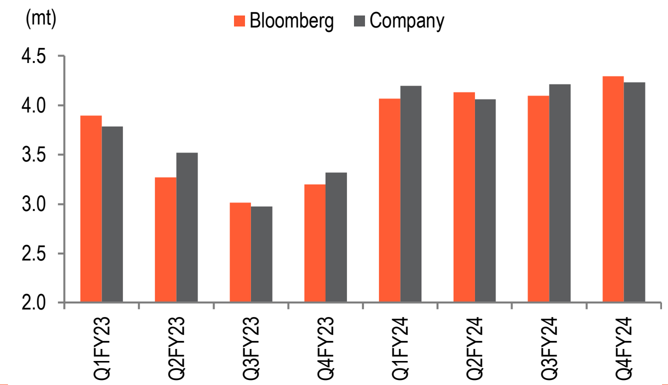
While the Dahej terminal has operated above 95% utilisation on a monthly basis through FY24, it has crossed 100% utilisation only for two months in the recent past. Some LNG demand increase has been on the east coast with volume captured by the start-up of Dhamra and Ennore terminals. Even on the west coast, Hazira, Mundra and Dabhol seem to be gaining on volume on a collective basis, although individually their monthly performance remains volatile.

Fig 1 – Dahej terminal has not regained volumes to cross 100% utilisation in recent past



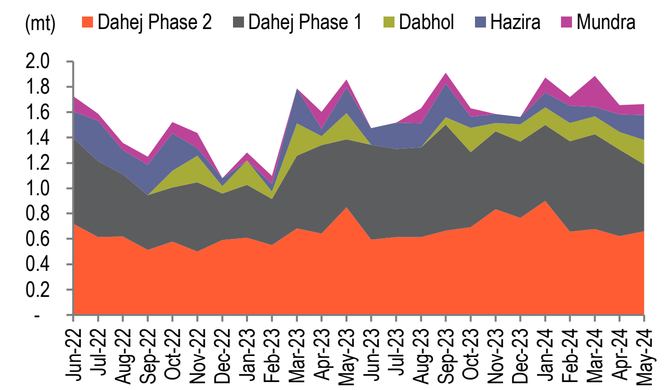
Source: Company, Bloomberg, BOBCAPS Research

Fig 2 – Bloomberg data used for this analysis shows fairly consistent trend with company-reported data



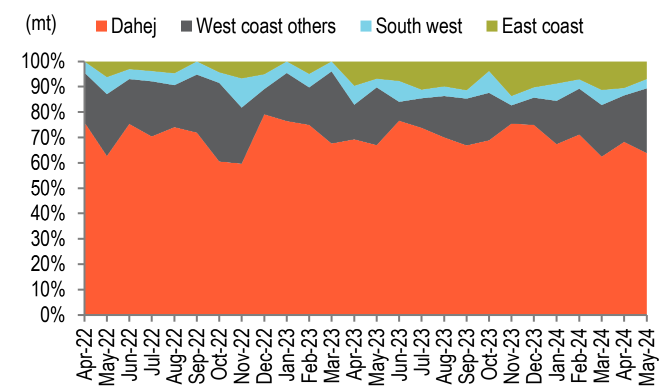
Source: Company, Bloomberg, BOBCAPS Research

Fig 3 – Dahej volumes remained steady over FY24



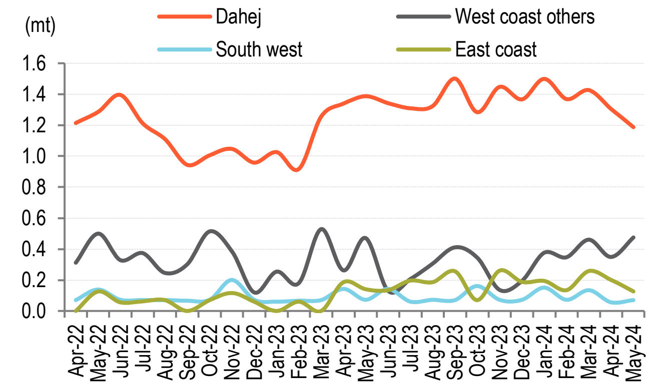
Source: Bloomberg, BOBCAPS Research, Note: May'24 volumes are up to 24 May.

Fig 4 – Dahej share seems to be constrained by capacity



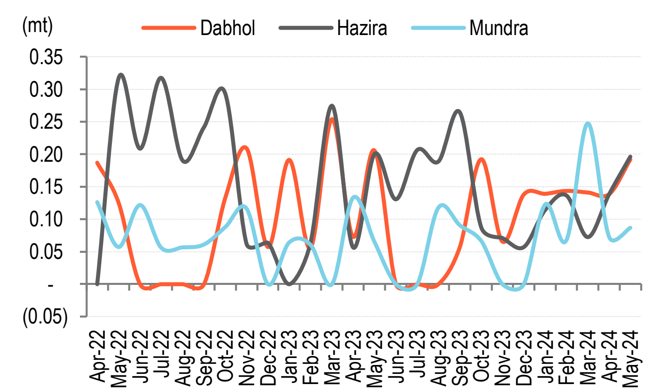
Source: Bloomberg, BOBCAPS Research

Fig 5 – Other terminals on west coast show a ramp-up on collective basis since Dec'23 …



Source: Bloomberg, BOBCAPS Research

Fig 6 – … however, individually their utilisation does not show any consistency



Source: Bloomberg, BOBCAPS Research

TOP settlement could constrain PLNG's revenue from higher utilisation

Further, PLNG's settlement with its buyers for CY21 and CY22 take-or-pay (TOP) charges, allowing them a three-year grace period to bring in extra volume could constrain availability of spare capacity for booking additional revenue.

We calculate buyers' entitlement for bringing in extra volumes at 1.4mtpa and 3mtpa corresponding to CY21 (or FY22) and CY22 TOP charges. As buyers are required to pay only a differential in regas tariff, PLNG will not be booking revenue for the same this year or the next year. The grace period for CY21 TOP charges expires by Dec'24 and for the CY22 TOP charges by Dec'25.

Fig 7 – Estimation of potential volumes against take-or-pay settlement

Parameters	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
Take 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

Provisions to muddle EBITDA reporting over next two years

PLNG has obtained bank guarantees (BGs) against CY21 and CY22 TOP charges while giving buyers a 3-year grace period to bring in volumes, and will be exercising the same in case buyers do not bring in extra volumes or in lieu of making a payment.

Despite this security, PLNG has still decided to provide for 20%/50% and 100% of outstanding payment on a cumulative basis, if it remains unpaid for 1/2/3 years, respectively. These provisions would be reversed as and when PLNG realises the payment either from customers or by exercising BGs.

If PLNG demonstrates an ability to secure payment against TOP charges, then it should be treated as income for the same year in which it is charged. At this point, we will be watching PLNG's ability to secure payment against FY24 TOP charges, which has not yet been recognised by their customers.

In the meanwhile, adopted accounting methodology for provisions for TOP charge is likely to muddle reported EBITDA. We believe the net effect of these provisions will lower FY25 EBITDA by Rs 0.6bn but will increase FY26E EBITDA by Rs 4.2bn. As this is not recurring EBITDA, it should be separated from underlying EBITDA.

Fig 8 – Potential impact on FY25 and FY26 from provisions against TOP charges

(Rs mn)	FY22	FY23	FY24	FY25	FY26
TOP charges booked as income	**-**	**-**	**-**	**-**	**-**
Outstanding but mechanism settled	3,786	8,437	-	-	-
Outstanding but not recognised by customers	-	-	6,100	-	-
Provisions for delayed recovery	**-**	**-**	**-**	**-**	**-**
CY21 TOP	-	(898)	(995)	(946)	
CY22 TOP	-	-	(1,687)	(2,531)	(2,109)
Reversal of provisions upon settlement	**-**	**-**	**-**	**-**	**-**
CY21 TOP	-	-	-	2,839	-
CY22 TOP	-	-	-	-	6,328
Net impact on EBITDA	**3,786**	**7,540**	**3,417**	**(638)**	**4,219**

Source: Company, BOBCAPS Research

Q4 result below consensus

Q4 revenue/EBITDA/income of Rs 131.8bn/Rs 11.0bn/Rs 7.4bn were -5%/-10%/-10% below Bloomberg consensus. While volumes were broadly in line with our expectation, unit blended EBITDA margin was below our expectation driven by additional provisions of Rs 0.4bn for delayed recovery of take-or-pay charges levied in CY21 and CY22 and inventory loss of Rs 1bn in Q4.

Adjusting for TOP charges and related provisions as well as inventory gain/loss, Q4 adj. EBITDA works out at Rs 1.3bn for Q4 translating to a sequential increase of 6%.

Fig 9 – Quarterly performance: Q4 EBITDA below consensus on provisions and inventory loss

(Rs mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY24	FY23	YoY (%)
Net sales	1,37,932	1,38,739	(0.6)	1,47,472	(6.5)	5,27,293	5,98,994	(12.0)
EBITDA	**11,040**	**9,431**	**17.1**	**17,060**	**(35.3)**	**52,074**	**48,558**	**7.2**
EBITDA/mmbtu (Rs)	***47.2***	***51.1***	***(7.6)***	***73.5***	***(35.8)***	***56.7***	***64.6***	***(12.3)***
Adj EBITDA	**12,503**	**10,108**	**23.7**	**11,770**	**6.2**	**46,848**	**37,516**	**24.9**
Adj EBITDA/mmbtu (Rs)	***53.4***	***54.8***	***(2.4)***	***50.7***	***5.3***	***51.0***	***49.9***	***2.1***
Depreciation	1,944	1,886	3.1	1,955	(0.5)	7,766	7,643	1.6
Interest	708	902	(21.6)	697	1.6	2,897	3,305	(12.4)
Other income	1,568	1,538	2.0	1,565	0.2	6,167	5,736	7.5
PBT	**9,957**	**8,180**	**21.7**	**15,973**	**(37.7)**	**47,579**	**43,345**	**9.8**
Provision for tax	2,581	2,038	26.6	4,066	(36.5)	12,208	10,946	11.5
Effective tax rate	25.9	24.9	-	25.5	-	25.7	25.3	-
Standalone PAT Adj	**7,376**	**6,142**	**20.1**	**11,907**	**(38.1)**	**35,371**	**32,399**	**9.2**
EPS (adj)	4.9	4.1	20.1	7.9	(38.1)	23.6	21.6	9.2
JV/Associate profit	304	276	10.2	227	33.9	1,254	1,380	(9.1)

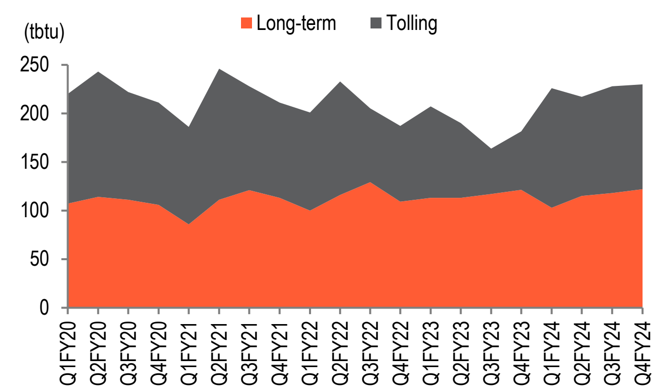
Source: Company, BOBCAPS Research

Fig 10 – Volumes largely flat sequentially with Dahej continuing at high utilisation

Volumes (tbtu)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY24	FY23	YoY (%)
Long term contracts	**122**	**121**	**0.6**	**118**	**3.4**	**458**	**464**	**(1.4)**
Dahej	107	108	(1.2)	104	2.9	403	416	(3.1)
Kochi	15	13	15.4	14	7.1	55	48	14.1
Spot	**4**	**3**	**33.3**	**4**	**-**	**18**	**9**	**100.0**
Dahej	4	3	33.3	4	-	18	9	100.0
Kochi	-	-	-	-	-	-	-	-
Regasification services	**108**	**60**	**79.1**	**110**	**(1.8)**	**443**	**278**	**59.2**
Dahej	108	60	79.1	110	(1.8)	443	278	59.2
Kochi	-	-		-		-	-	-
Total Volumes	**234**	**185**	**26.8**	**232**	**0.9**	**919**	**752**	**22.3**
Dahej	**219**	**172**	**27.6**	**218**	**0.5**	**864**	**703**	**22.8**
Kochi	**15**	**13**	**15.4**	**14**	**7.1**	**55**	**48**	**14.1**

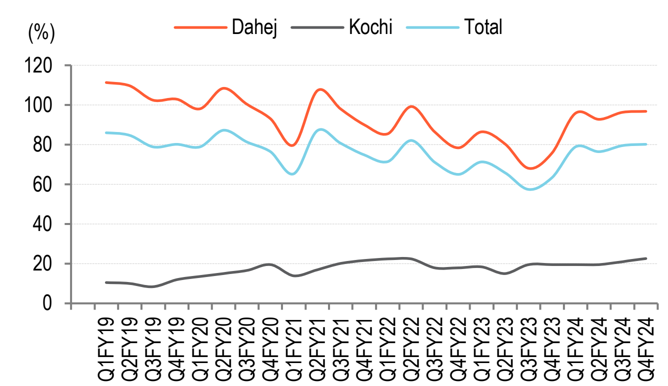
Source: Company, BOBCAPS Research

Fig 11 – Dahej volume largely steady in Q4



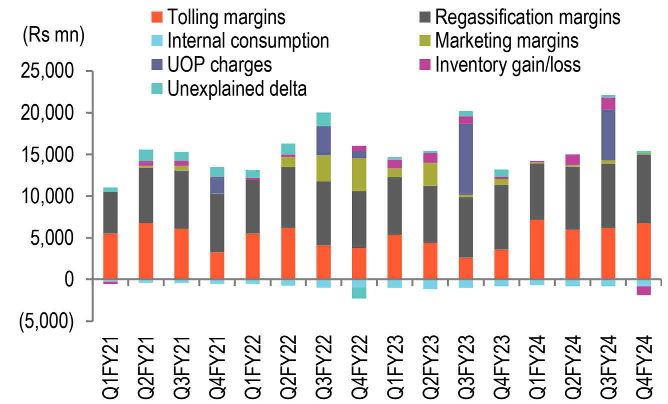
Source: Company, BOBCAPS Research

Fig 12 – Marginal improvement in utilisation in Q4



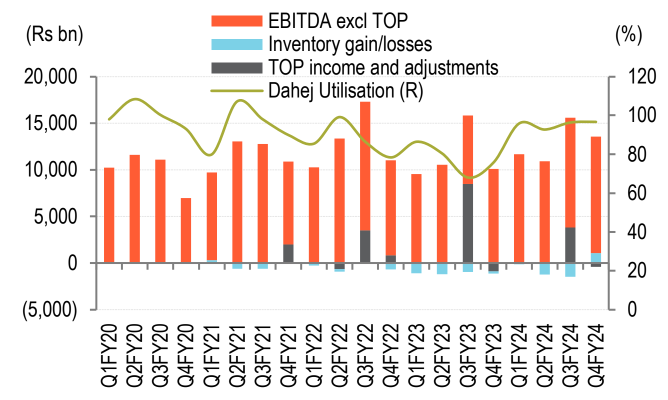
Source: Bloomberg, BOBCAPS Research | Dahej 1: Dahej Phase 1; Dahej 2: Dahej Phase 2

Fig 13 – Components of gross margin



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

Fig 14 – EBITDA breakdown



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

Valuation methodology

We raise our FY25/FY26 EBITDA forecasts factoring in higher blended EBITDA margin in FY24 than our earlier annual forecasts. Our forecasts are broadly in line with Bloomberg consensus over FY25-FY26. We forecast a 6.6% CAGR in PLNG's EBITDA over FY24-FY26 on the back of higher utilisation of the Dahej terminal from 16.6mmtpa in FY24 to an estimated 18.3mmtpa in FY26.

- We assume only a modest 0.7mmtpa increase in FY26 from the upcoming 2.5mmtpa capacity. Our conservative stance on volume assumptions reflects the availability of higher domestic supply, increased competitive intensity along the west coast, potential impact of additional non-billable volumes under settlement of CY21 and CY22 TOP charges.
- We are not yet factoring in potential pick up in utilisation at Kochi terminal after completion of Kochi to Bangalore pipeline. While GAIL is targeting completion of pipeline by end of FY25, we remain conservative at this stage given a series of delays witnessed by this pipeline project.
- We expect blended EBITDA to normalise in FY25 as actual LNG volumes replace revenue from UOP charges.
- While there is a possibility that reversal of provisions on TOP 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.
- We are now factoring in realisation of TOP charges billed over FY22-FY23 at the end of a grace period of three years in FY25 and FY26. However, we are not yet recognising recovery of TOP charges of Rs 6.1bn billed in FY24 in the absence of recognition from customers.

Fig 15 – Forecast changes

(Rs bn)	Actual	New		Old		Change (%)	
	FY24P	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	5,27,284	5,76,850	5,95,916	5,76,360	5,95,717	0.1	0.0
EBITDA	52,065	53,734	59,142	51,364	56,068	4.6	5.5
EBITDA growth YoY	7.2	3.2	10.1	5.9	9.2	-	-
Net income incl affiliate	35,362	36,610	40,220	33,855	37,051	8.1	8.6

Source: Company, BOBCAPS Research

Fig 16 – Key assumptions

		FY24P	FY25E	FY26E
Dahej terminal				
Volume	Mmtpa	16.6	17.4	18.3
Regas tariffs	Rs/MMBtu	60.6	63.7	66.9
Kochi terminal				
Volume	Mmtpa	1.1	1.1	1.2
Regas tariffs	Rs/MMBtu	85.1	89.3	93.8
Company aggregate				
Volume	Mmtpa	17.6	18.5	19.4
Volumes	Tbtu	917	959	1009
Blended EBITDA	Rs/MMBtu	56.8	56.0	58.6
Blended Regas tariffs	Rs/MMBtu	68.2	67.8	70.9

Source: Company, BOBCAPS Research

Fig 17 – Forecasts vs consensus

(Rs bn)	Forecasts		Consensus		Delta to consensus	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	5,76,850	5,95,916	5,49,166	5,78,804	5.0	3.0
EBITDA	53,734	59,142	54,193	58,347	(0.8)	1.4
EBITDA growth YoY (%)	3.2	10.1	4.1	7.7	-	-
Net income	36,610	40,220	36,712	38,636	(0.3)	4.1

Source: Bloomberg, BOBCAPS Research

Downgrade to SELL from HOLD, TP increased to Rs 260

We raise our TP for PLNG to Rs 260 (from Rs 220) as we factor in our revised estimates while maintaining our 1-year fwd target P/E at 11.7x, and rolling forward our valuation base to FY26 and valuation point to May'25 from Oct'25. We adjust TP for Rs58/share as a value at risk from the PDHPP plant at Dahej to reflect our concerns on the viability of the PDHPP plant. Given 15% downside, we downgrade the rating on the stock to SELL from HOLD.

- **Core business:** We continue to value the core-business based on an unchanged one-year forward P/E of 11.7x (between the five-year mean of 11.9x and median of 11.4x) but have rolled forward valuations to May'25 (from Oct'24). The stock has derated over the past five years, evidenced by a decline in median P/E from 13.5x over seven years to 11.9x over five years and 10.9x over three years.

  Given the recovery in volumes, we believe valuations at the five-year median, are more representative of steady-state volumes. To price in growth from the capacity expansion planned over the next two years, we need more visibility on LNG offtake within the country amid higher domestic availability of natural gas and increased competition.

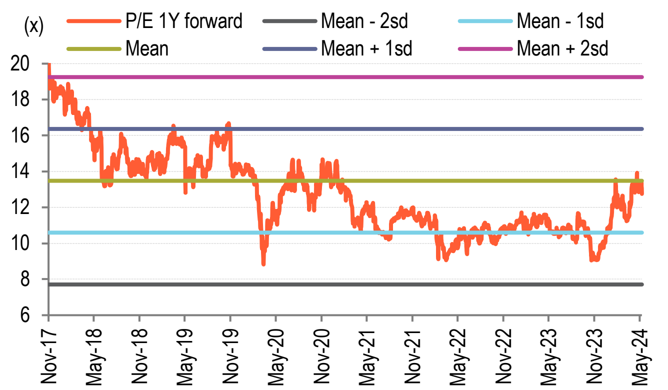
- **PDHPP Plant:** We have concerns on economic viability of the PDHPP plant with higher capital cost intensity range of US$3,000-3,700/t. Allowing for disadvantage of propane prices vs competitors in Middle East and more efficient capital costs in Chinese producers, we consider value above US$ 2,250/t of capital cost at risk, which translates to a value of Rs 58/share. 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 further details.

Fig 18 – Valuation summary

(Rs)	Value
FY26E EPS (Rs)	26.8
Target P/E (x)	11.7
Fair value (Mar'25)	314
Fair value of core business (May'25)	**319**
Value at risk for the PDHPP Plant	**58**
Fair value (May'25)	**261**
Target price rounded to nearest Rs 5 (May'25)	**260**

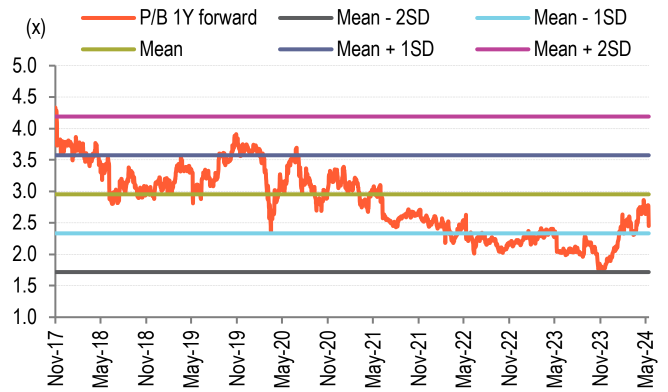
Source: BOBCAPS Research

Fig 19 – P/E 1Y forward



Source: Refinitiv, BOBCAPS Research

Fig 20 – P/B 1Y forward



Source: Refinitiv, BOBCAPS Research

Key risks

Key risks to our SELL rating are:

- **RLNG plant utilisation:** Higher LNG utilisation than current assumptions should usage within India improve, possibly led by a sharp reduction in global LNG prices.
- **Project execution:** Faster execution of projects than assumed as well as faster approval of long-term options are upside risks.
- **PDHPP project viability:** We currently consider Rs 58/share as a value at risk from planned implementation of PDHPP project to reflect our concerns on its viability. Better viability than our assumptions represent an upside risk for the stock.

Sector recommendation snapshot

Company	Ticker	Market Cap (US$ bn)	Price (Rs)	Target (Rs)	Rating
Gujarat State Petronet	GUJS IN	2.0	296	335	HOLD
Indraprastha Gas	IGL IN	3.9	461	525	BUY
Mahanagar Gas	MAHGL IN	1.6	1,291	1,545	BUY
Petronet LNG	PLNG IN	5.6	305	260	SELL
Reliance Industries	RIL IN	243.8	2,961	3,380	BUY

Source: BOBCAPS Research, NSE | Price as of 24 May 2024

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24P	FY25E	FY26E
Total revenue	**4,31,686**	**5,98,994**	**5,27,284**	**5,76,850**	**5,95,916**
EBITDA	52,523	48,558	52,065	53,734	59,142
Depreciation	(7,685)	(7,643)	(7,766)	(8,361)	(9,639)
EBIT	44,839	40,914	44,300	45,373	49,502
Net interest inc./(exp.)	(3,173)	(3,305)	(2,897)	(2,661)	(2,321)
Other inc./(exp.)	3,073	5,736	6,167	6,232	6,589
Exceptional items	0	0	0	0	0
EBT	44,738	43,345	47,570	48,944	53,770
Income taxes	(11,215)	(10,946)	(12,208)	(12,334)	(13,550)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**33,524**	**32,399**	**35,362**	**36,610**	**40,220**
Adjustments	0	0	0	0	0
Adjusted net profit	**33,524**	**32,399**	**35,362**	**36,610**	**40,220**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24P	FY25E	FY26E
Accounts payables	15,265	16,440	28,646	16,819	17,235
Other current liabilities	8,423	8,609	7,348	8,305	8,523
Provisions	1,203	1,926	2,437	2,437	2,437
Debt funds	9,566	7,423	6,448	5,648	4,848
Other liabilities	42,479	40,481	36,253	31,664	27,076
Equity capital	15,000	15,000	15,000	15,000	15,000
Reserves & surplus	1,19,255	1,34,347	1,54,628	1,75,862	1,99,190
Shareholders' fund	1,34,255	1,49,347	1,69,628	1,90,862	2,14,190
Total liab. and equities	**2,11,191**	**2,24,226**	**2,50,759**	**2,55,735**	**2,74,309**
Cash and cash eq.	43,196	56,800	74,097	71,561	90,138
Accounts receivables	26,844	38,397	36,261	33,194	24,589
Inventories	5,767	11,531	14,654	16,819	17,235
Other current assets	5,158	4,826	8,590	8,899	9,027
Investments	30,772	11,394	18,713	17,179	12,877
Net fixed assets	95,572	87,903	81,470	94,633	1,07,944
CWIP	1,926	11,259	15,524	12,000	11,050
Intangible assets	0	0	0	0	0
Deferred tax assets, net	1,956	2,116	1,450	1,450	1,450
Other assets	0	0	0	0	0
Total assets	**2,11,191**	**2,24,226**	**2,50,759**	**2,55,735**	**2,74,309**

Cash Flows

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24P	FY25E	FY26E
Cash flow from operations	**31,408**	**18,392**	**43,472**	**27,463**	**50,967**
Capital expenditures	(16,611)	10,119	(12,916)	(16,467)	(17,697)
Change in investments	0	0	0	0	0
Other investing cash flows	3,073	5,736	6,167	6,232	6,589
Cash flow from investing	**(13,539)**	**15,855**	**(6,749)**	**(10,235)**	**(11,108)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(2,334)	(2,848)	(4,345)	(4,389)	(4,389)
Interest expenses	0	0	0	0	0
Dividends paid	(15,750)	(17,250)	(15,000)	(15,376)	(16,893)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(18,084)**	**(20,098)**	**(19,345)**	**(19,765)**	**(21,281)**
Chg in cash & cash eq.	**(214)**	**14,149**	**17,378**	**(2,537)**	**18,577**
Closing cash & cash eq.	**43,209**	**57,344**	**74,179**	**71,561**	**90,138**

Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24P	FY25E	FY26E
Reported EPS	22.3	21.6	23.6	24.4	26.8
Adjusted EPS	22.3	21.6	23.6	24.4	26.8
Dividend per share	10.5	11.5	10.0	10.3	11.3
Book value per share	89.5	99.6	113.1	127.2	142.8

Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24P	FY25E	FY26E
EV/Sales	1.0	0.7	0.8	0.7	0.7
EV/EBITDA	8.1	8.7	8.0	7.4	6.6
Adjusted P/E	13.7	14.1	13.0	12.5	11.4
P/BV	3.4	3.1	2.7	2.4	2.1

DuPont Analysis

Y/E 31 Mar (%)	FY22A	FY23A	FY24P	FY25E	FY26E
Tax burden (Net profit/PBT)	74.9	74.7	74.3	74.8	74.8
Interest burden (PBT/EBIT)	99.8	105.9	107.4	107.9	108.6
EBIT margin (EBIT/Revenue)	10.4	6.8	8.4	7.9	8.3
Asset turnover (Rev./Avg TA)	215.6	275.1	222.0	227.8	224.9
Leverage (Avg TA/Avg Equity)	1.6	1.5	1.5	1.4	1.3
Adjusted ROAE	26.7	22.8	22.2	20.3	19.9

Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24P	FY25E	FY26E
YoY growth (%)					
Revenue	65.9	38.8	(12.0)	9.4	3.3
EBITDA	11.8	(7.6)	7.2	3.2	10.1
Adjusted EPS	13.7	(3.4)	9.1	3.5	9.9
Profitability & Return ratios (%)					
EBITDA margin	12.2	8.1	9.9	9.3	9.9
EBIT margin	10.4	6.8	8.4	7.9	8.3
Adjusted profit margin	7.8	5.4	6.7	6.3	6.7
Adjusted ROAE	26.7	22.8	22.2	20.3	19.9
ROCE	24.8	20.3	19.8	18.2	17.8
Working capital days (days)					
Receivables	19	20	26	22	18
Inventory	4	6	10	11	12
Payables	12	11	17	16	12
Ratios (x)					
Gross asset turnover	3.2	4.5	3.9	4.0	3.6
Current ratio	3.3	4.1	3.5	4.7	5.0
Net interest coverage ratio	14.1	0.0	0.0	0.0	0.0
Adjusted debt/equity	(0.3)	(0.3)	(0.4)	(0.3)	(0.4)

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

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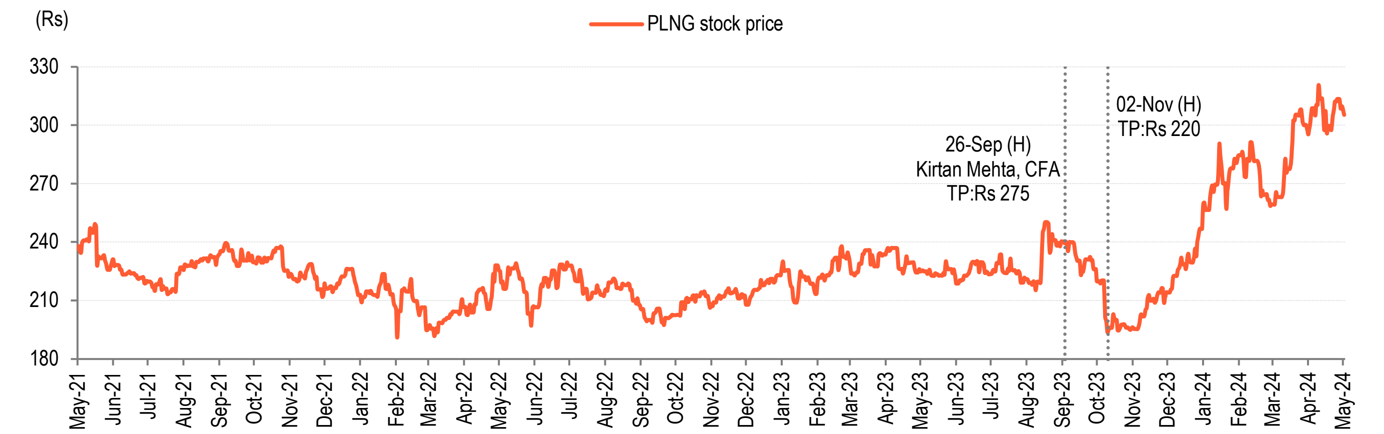

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