

**BUY**

TP: Rs 5,150 | ▲ 28%

**SUPREME INDUSTRIES**

Building Materials

20 January 2025

### Weak Q3; aggressive capex to boost SI's market share in future

- Sharp miss on weak pipe volume (+3.7% YoY vs +20% guidance) as well as inferior pipe margin (12.2% vs 14-16% guidance)
- Guidance revised down for volume to +12% (vs +14-15%) and margin to 13.5-14.0% (vs 14.5-15.25%) for FY25 based on weak Q3 result
- SI to gain market share in plastic pipe sector on aggressive capex plan; maintain BUY with revised TP of Rs 5,150 per share

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**Weak Q3:** SI missed our estimates (Revenue/EBITDA/APAT: -7%/-24%/-30%) on account of weak sales volume (+3.0% YoY vs +8.0% estimate) as well as lower EBITDA margin (-316bps YoY to 12.3% vs 15.0% estimate). Overall, SI's revenue grew by 2.5% YoY, but EBITDA/APAT de-grew by 18.5%/27.0% YoY in Q3FY25.

**Key highlights:** Pipe volume was up 3.7% YoY in Q3FY25 (vs +20% earlier guidance for H2FY25) due to destocking of inventories in the channel on account of low resin prices, weak infra demand and extended monsoon in South India and some Eastern states. Pipe margin was sharply down 388bps YoY/ 272bps QoQ to 12.2% in Q3FY25 (vs earlier guidance of 14-16%) due to procurement of PVC resin at a higher price in the domestic market. Non-pipe volume was relatively flat (+0.5% YoY) as increased packaging volume (+8.6%) more than offset the impact of weak sales volume of industrial (-4.7%) and consumer (-6.8%). Non-pipe EBITDA margin contracted by 160bps YoY to 13.5% in Q3FY25.

**Concall KTAs:** The company revised down its consolidated/pipe volume growth guidance to +12% YoY (+14-15% earlier)/ +15-16% YoY (+16-18% earlier) for FY25. EBITDA margin guidance has also been revised down from the earlier 14.5-15.25% to 13.5-14.0% for FY25. SI booked MTM inventory loss of Rs 1bn in 9MFY25, but management expects to see inventory gain in Q4FY25 due to higher crude oil prices and impact of weak rupee. SI plans to spend Rs 10bn for FY25 (spent Rs 7.2bn in 9MFY25) mainly to increase its pipe capacity (from 740 ktpa in Mar'24 to 900 ktpa by Mar'25). The company plans to put up three greenfield plastic pipe complexes in Jammu, Bihar and Madhya Pradesh in FY26.

**Maintain BUY, cut TP to Rs 5,150:** We maintain our BUY rating on the stock as we see its EPS growing at a healthy 13.5% CAGR with an average ROIC profile of 35.8% over FY24-FY27E. We have cut our TP to Rs 5,150 due to earnings downgrade (-16.9%/-14.3%/-9.9% for FY25E/FY26E/FY27E) based on a weak Q3FY25. At CMP, the stock trades at 41.0x on 1Y forward P/E vs. 5Y average of 34.7x. We value the stock at 45x on Dec'26 EPS estimate (Sep'26 earlier).

### Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	SI IN/Rs 4,022
Market cap	US\$ 5.9bn
Free float	51%
3M ADV	US\$ 12.3mn
52wk high/low	Rs 6,460/Rs 3,601
Promoter/FPI/DII	49%/25%/12%

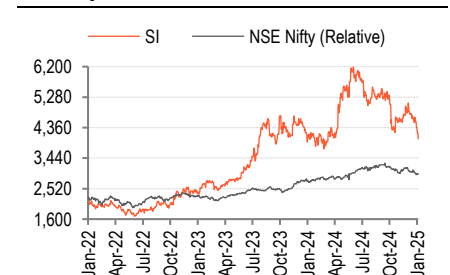
Source: NSE | Price as of 20 Jan 2025

### Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	101,343	110,566	128,330
EBITDA (Rs mn)	15,473	15,649	19,472
Adj. net profit (Rs mn)	10,697	10,411	12,869
Adj. EPS (Rs)	84.2	81.9	101.3
Consensus EPS (Rs)	84.2	93.5	112.1
Adj. ROAE (%)	22.5	19.2	21.0
Adj. P/E (x)	47.8	49.1	39.7
EV/EBITDA (x)	33.4	33.3	26.8
Adj. EPS growth (%)	23.6	(2.7)	23.6

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance



Source: NSE



**Fig 1 – Quarterly performance – Consolidated**

(Rs mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)	BOBCAPS Q3FY25E	Variance (%)
Revenue	25,099	24,491	2.5	22,730	10.4	74,192	71,264	4.1	27105	(7.4)
Raw-Material expense	17,289	16,405	5.4	14,886	16.1	50,133	48,322	3.7		
Gross Profit	7,810	8,086	(3.4)	7,844	(0.4)	24,059	22,942	4.9		
Employee expense	1,152	1,098	5.0	1,198	(3.8)	3,563	3,189	11.7		
Energy cost	895	851	5.2	821	9.1	2,582	2,425	6.5		
Other expense	2,674	2,349	13.8	2,632	1.6	7,760	6,761	14.8		
<b>EBITDA</b>	<b>3,088</b>	<b>3,788</b>	<b>(18.5)</b>	<b>3,192</b>	<b>(3.3)</b>	<b>10,154</b>	<b>10,567</b>	<b>(3.9)</b>	<b>4058</b>	<b>(23.9)</b>
D&A	913	772	18.2	899	1.5	2,673	2,212	20.8		
EBIT	2,175	3,016	(27.9)	2,293	(5.1)	7,481	8,355	(10.5)		
Interest cost	30	52	(42.2)	26	13.7	89	84	6.3		
Non-operating income/(expense)	89	207	(57.0)	151	(40.9)	454	476	(4.6)		
Share of profit/(loss) from associate	220	208	5.5	278	(21.0)	873	662	31.9		
<b>PBT</b>	<b>2,454</b>	<b>3,380</b>	<b>(27.4)</b>	<b>2,695</b>	<b>(8.9)</b>	<b>8,719</b>	<b>9,408</b>	<b>(7.3)</b>		
Tax	584	818	(28.6)	629	(7.1)	2,049	2,259	(9.3)		
<b>Reported PAT</b>	<b>1,870</b>	<b>2,562</b>	<b>(27.0)</b>	<b>2,066</b>	<b>(9.5)</b>	<b>6,669</b>	<b>7,149</b>	<b>(6.7)</b>	<b>2687</b>	<b>(30.4)</b>
<b>Adjusted PAT</b>	<b>1,870</b>	<b>2,562</b>	<b>(27.0)</b>	<b>2,066</b>	<b>(9.5)</b>	<b>6,669</b>	<b>7,149</b>	<b>(6.7)</b>		
<b>As % of net revenues</b>			<b>(bps)</b>		<b>(bps)</b>			<b>(bps)</b>		
Gross margin	31.1	33.0	(190)	34.5	(339)	32.4	32.2	24		
Employee cost	4.6	4.5	11	5.3	(68)	4.8	4.5	33		
Energy cost	3.6	3.5	9	3.6	(4)	3.5	3.4	8		
Other cost	10.7	9.6	106	11.6	(93)	10.5	9.5	97		
EBITDA margin	12.3	15.5	(316)	14.0	(174)	13.7	14.8	(114)		
Tax rate	23.8	24.2	(39)	23.3	47	23.5	24.0	(51)		
APAT margin	7.4	10.5	(301)	9.1	(164)	9.0	10.0	(104)		

Source: Company, BOBCAPS Research

**Fig 2 – Segment Financials**

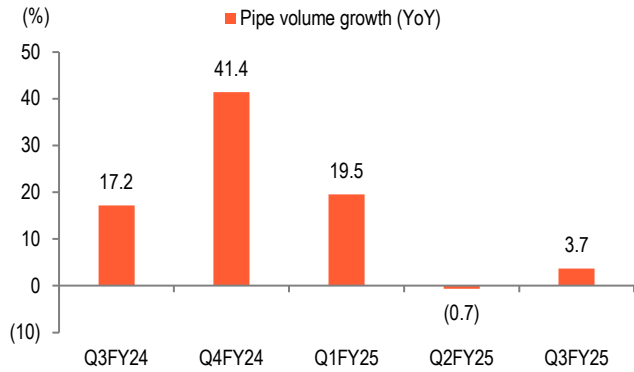
Particulars	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
<b>Revenue (Rs mn)</b>								
Pipe	16,649	16,437	1.3	14,379	15.8	49,612	47,790	3.8
Industrial	3,324	3,320	0.1	3,276	1.5	9,663	9,563	1.0
Packaging	3,982	3,540	12.5	3,999	(0.4)	11,662	10,293	13.3
Consumer	1,064	1,123	(5.3)	1,039	2.4	3,075	3,227	(4.7)
Others	79	72	9.8	37	113.7	180	391	(54.1)
<b>Total</b>	<b>25,099</b>	<b>24,491</b>	<b>2.5</b>	<b>22,730</b>	<b>10.4</b>	<b>74,192</b>	<b>71,264</b>	<b>4.1</b>
<b>Sales Volume (KTPA)</b>								
Pipe	126.5	122.0	3.7	102.2	23.7	368.9	342.2	7.8
Industrial	15.5	16.2	(4.7)	15.1	2.4	45.5	45.1	1.1
Packaging	16.3	15.0	8.6	16.6	(1.9)	47.6	43.5	9.5
Consumer	4.5	4.8	(6.8)	4.1	8.0	12.6	13.6	(7.4)
<b>Total</b>	<b>162.7</b>	<b>158.0</b>	<b>3.0</b>	<b>138.1</b>	<b>17.9</b>	<b>474.6</b>	<b>444.3</b>	<b>6.8</b>
<b>Realization (Rs/kg)</b>								
Pipe	131.6	134.7	(2.3)	140.6	(6.4)	134	140	(3.7)
Industrial	215	205	5.0	217	(0.9)	212	212	(0.0)
Packaging	245	236	3.6	241	1.5	245	237	3.5
Consumer	238	234	1.7	251	(5.1)	244	237	2.9
<b>Total</b>	<b>153.7</b>	<b>154.5</b>	<b>(0.5)</b>	<b>164.3</b>	<b>(6.4)</b>	<b>156</b>	<b>160</b>	<b>(2.2)</b>
<b>EBITDA (Rs mn)</b>								
Pipe	2029	2641	(23.2)	2143	(5.3)	7085	7506	(5.6)
Industrial	362	386	(6.4)	371	(2.5)	1018	1007	1.1
Packaging	560	584	(4.1)	531	5.3	1630	1553	4.9
Consumer	211	237	(11.1)	209	1.1	622	673	(7.6)
Others	(73)	(60)	22.3	(62)	18.2	(201)	(173)	16.2
<b>Total</b>	<b>3088</b>	<b>3788</b>	<b>(18.5)</b>	<b>3192</b>	<b>(3.3)</b>	<b>10154</b>	<b>10567</b>	<b>(3.9)</b>
<b>EBITDA margin (%)</b>								
Pipe	12.2	16.1	(388)	14.9	(272)	14.3	15.7	(143)
Industrial	10.9	11.6	(76)	11.3	(45)	10.5	10.5	0
Packaging	14.1	16.5	(244)	13.3	77	14.0	15.1	(111)
Consumer	19.8	21.1	(131)	20.1	(27)	20.2	20.9	(63)
<b>Total</b>	<b>12.3</b>	<b>15.5</b>	<b>(316)</b>	<b>14.0</b>	<b>(174)</b>	<b>13.7</b>	<b>14.8</b>	<b>(114)</b>
<b>EBITDA (Rs/kg)</b>								
Pipe	16.0	21.6	(25.9)	21.0	(23.5)	19.2	21.9	(12.4)
Industrial	23.4	23.8	(1.8)	24.6	(4.8)	22.4	22.3	0.0
Packaging	34.4	38.9	(11.7)	32.0	7.4	34.3	35.7	(4.2)
Consumer	47.2	49.5	(4.6)	50.4	(6.4)	49.4	49.5	(0.2)
<b>Total</b>	<b>19.0</b>	<b>24.0</b>	<b>(20.8)</b>	<b>23.1</b>	<b>(17.9)</b>	<b>21.4</b>	<b>23.8</b>	<b>(10.0)</b>

Source: Company, BOBCAPS Research

## Earnings call highlights

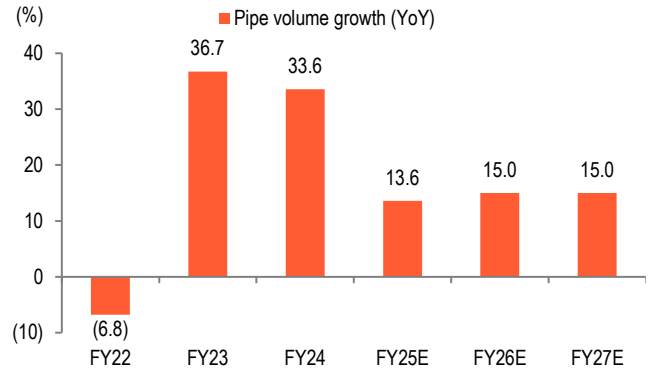
- **Plastic pipes:** Sales volume grew by 3.7% YoY (5Y CAGR: +12.4%) in Q3FY25 due to destocking of inventories in the channel on account of low resin prices, weak demand from infrastructure sector and extended monsoon in South India and some Eastern states. Pipe segment margin was down 388bps YoY/ 272bps QoQ to 12.2% in Q3FY25 due to procurement of PVC resin at a higher rate from the local manufacturer compared to imported PVC resin prices. CPVC pipe volume grew by 20% YoY in 9MFY25 (H1FY25: +33%).
- **Industrial:** Segment volume de-grew by 4.7% YoY (5Y CAGR: +11.9%) in Q3FY25 due to weak demand from home appliances & white goods sector and higher sale of e-voting machines for the general elections in the base quarter. Segment EBITDA margin also fell by 76bps YoY to 10.9% in Q3FY25.
- **Packaging:** Segment volume grew by 8.6% YoY (5Y CAGR: -0.1%) in Q3FY25 due to increased demand for cross laminated films and protective packaging. However, the segment's EBITDA margin was down by 244bps YoY to 14.1% in Q3FY25 due to lower polymer prices and intense competition.
- **Consumer:** Segment volume fell by 6.8% YoY (5Y CAGR: -5.0%) in Q3FY25. EBITDA margin also declined by 131bps to 19.8% YoY in Q3FY25.
- **Pipe demand scenario:** Management believes the demand from agricultural and housing segments will improve, but demand from the infrastructure sector continues to remain weak in Q4FY25 (YTD).
- **Guidance:** The company revised down its consolidated/pipe volume growth guidance to +12% YoY (+14-15% earlier)/ +15-16% YoY (+16-18% earlier) for FY25 based on the weak 9MFY25 performance. EBITDA margin guidance has also been revised down from the earlier 14.5-15.25% to 13.5-14.0% for FY25. Going ahead, the company expects to operate at an EBITDA margin of 14.0-15.0% on a sustained basis.
- **Capex:** SI plans to spend Rs 10bn for FY25 (spent Rs 7.2bn in 9MFY25). Pipe capacity has gone up from 740 ktpa in Mar'24 to 820 ktpa in Dec'24 and SI plans to increase it further to 900 ktpa by Mar'25. Furthermore, the company plans to put up three greenfield plastic pipe complexes in Jammu, Bihar and Madhya Pradesh in FY26 (for which land acquisition has been completed).
- **Net cash:** Net cash position has gone down from Rs 6.7bn in Sep'24 to Rs 2.9bn in Dec'24 due to inventory build-up (which is expected to be normalised by Mar'25) and higher capex.
- **MTM inventory loss:** The company booked MTM inventory loss of Rs 1bn in 9MFY25, but management expects to see inventory gain in Q4FY25 due to higher crude oil prices and impact of weak rupee.
- **Value-added products (VAP):** VAP share as a % of revenue has gone up by 348bps YoY to 38.4% in Q3FY25.
- **Share of profit from associate (Supreme Petrochem):** The share of profit from associates rose 5.5% YoY in Q3FY25.

**Fig 3 – SI’s pipe volumes grew by 3.7% YoY (5Y CAGR: +12.4%) in Q3FY25**



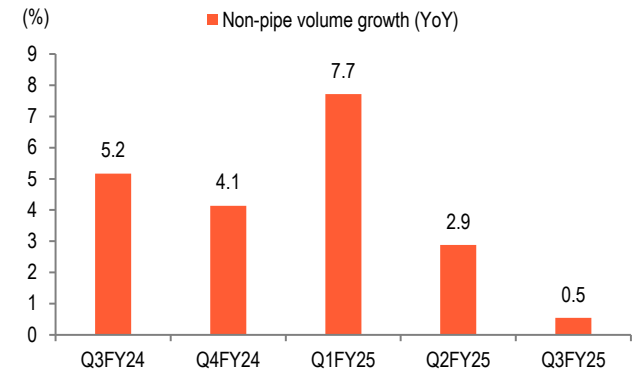
Source: Company, BOBCAPS Research

**Fig 4 – SI’s pipe volume to grow at 14.5% CAGR over FY24-FY27E due to benefit of aggressive capex**



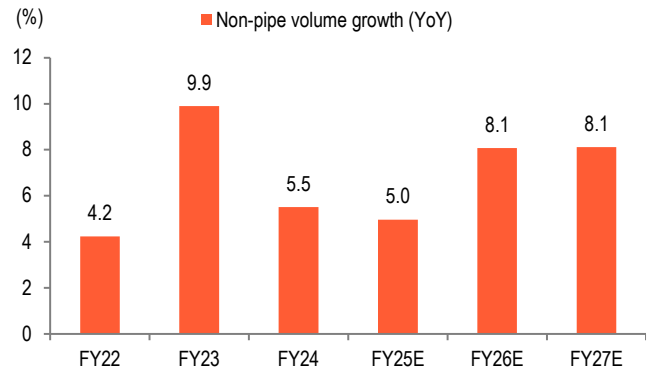
Source: Company, BOBCAPS Research

**Fig 5 – Non-pipe volumes grew by 0.5% YoY (5Y CAGR: +3.2%) in Q3FY25 driven by packaging segment**



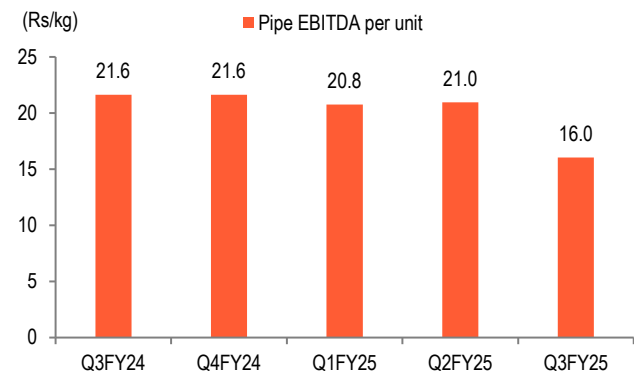
Source: Company, BOBCAPS Research

**Fig 6 – SI’s non-pipe volume to grow at 7.0% CAGR over FY24-FY27E over a weak base**



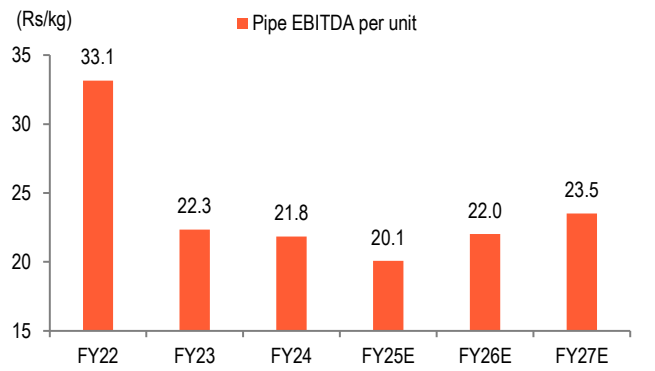
Source: Company, BOBCAPS Research

**Fig 7 – SI’s pipe EBITDA per unit fell sharply by 23.5% QoQ to Rs 16.0/kg in Q3FY25 on higher RM cost**



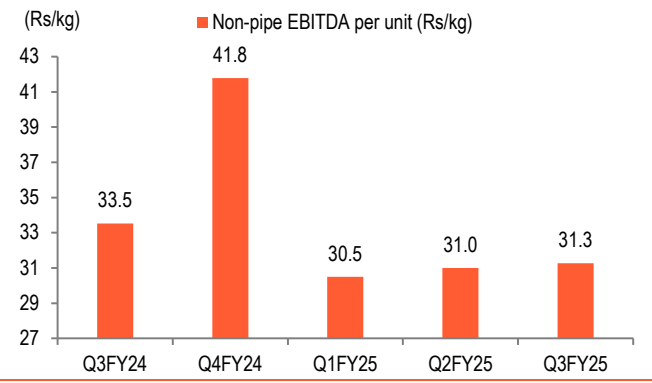
Source: Company, BOBCAPS Research

**Fig 8 – We expect SI pipe EBITDA per unit to improve at a slow pace of 2.5% CAGR over FY24-FY27E**



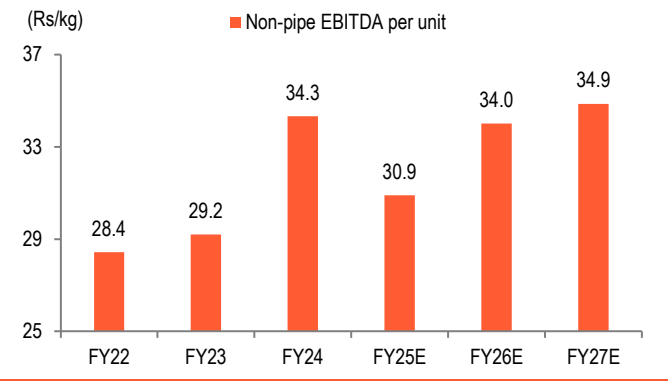
Source: Company, BOBCAPS Research

**Fig 9 – Non-pipe EBITDA per unit was relatively flat QoQ in Q3FY25, despite unfavourable polymer prices**



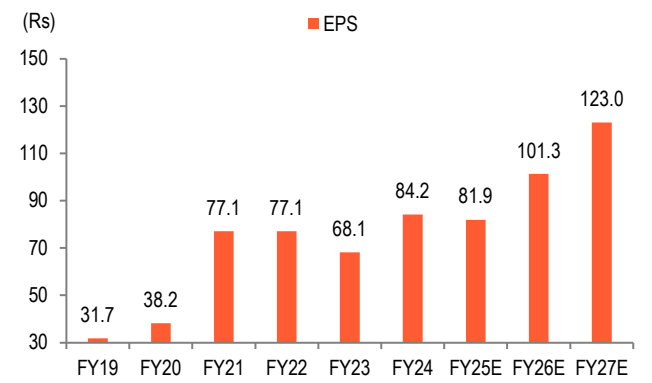
Source: Company, BOBCAPS Research

**Fig 10 – SI non-pipe EBITDA per unit to grow marginally at 0.5% CAGR over FY24-FY27E**



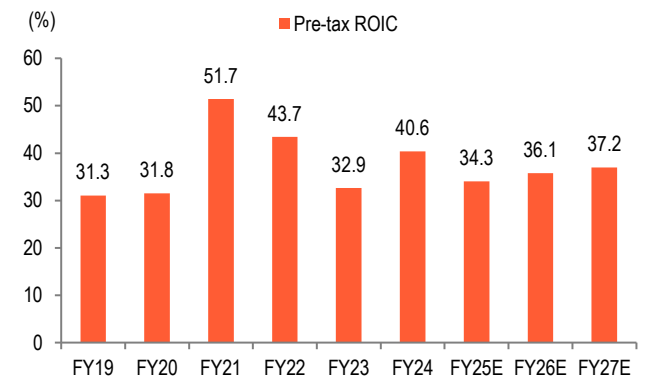
Source: Company, BOBCAPS Research

**Fig 11 – SI's EPS is projected to grow at a healthy 13.5% CAGR over FY24-FY27E**



Source: Company, BOBCAPS Research

**Fig 12 – SI's pre-tax ROIC to remain healthy at >30% over FY25E-FY27E**



Source: Company, BOBCAPS Research

### Valuation methodology

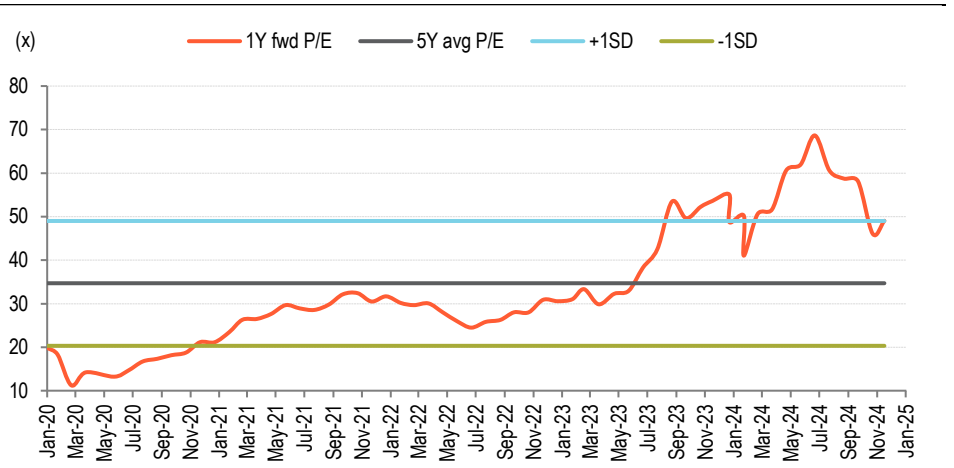
We maintain our BUY rating on the stock as we see its EPS growing at a healthy 13.5% CAGR with an average ROIC profile of 35.8% over FY24-FY27E. We have cut our TP to Rs 5,150 due to earnings downgrade (-16.9%/-14.3%/-9.9% for FY25E/FY26E/FY27E) based on a weak Q3FY25. At CMP, the stock trades at 41.0x on 1Y forward P/E vs. 5Y average of 34.7x. We value the stock at 45x on Dec'26 EPS estimate (Sep'26 earlier).

**Fig 13 – Revised estimates**

Consolidated (Rs bn)	New			Old			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	110.6	128.3	149.3	115.7	137.2	159.9	(4.4)	(6.5)	(6.6)
EBITDA	15.6	19.5	23.3	18.1	22.0	25.6	(13.7)	(11.3)	(9.0)
EBITDA margin	14.2	15.2	15.6	15.7	16.0	16.0	(153bps)	(83bps)	(41bps)
Adjusted PAT	10.4	12.9	15.6	12.5	15.0	17.3	(16.9)	(14.3)	(9.9)
Adjusted EPS (Rs)	81.9	101.3	123.0	98.6	118.2	136.5	(16.9)	(14.3)	(9.9)

Source: BOBCAPS Research

**Fig 14 – SI stock trades at 41.0x on 1Y forward P/E vs 5Y average of 34.7x**



Source: Bloomberg, BOBCAPS Research

**Fig 15 – Key assumptions**

	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Revenue mix (%)</b>					
Pipe	65.6	68.4	69.4	70.7	72.0
Packaging	14.3	13.9	14.2	13.4	12.7
Industrial	14.6	12.9	12.3	12.2	11.8
Consumer	4.8	4.4	3.8	3.5	3.3
<b>Sales volume growth (%)</b>					
Pipe	36.7	33.6	13.6	15.0	15.0
Packaging	0.1	7.9	9.4	7.0	7.0
Industrial	22.8	5.0	3.5	10.0	10.0
Consumer	4.8	0.0	(4.2)	5.0	5.0
<b>Total</b>	<b>28.6</b>	<b>26.3</b>	<b>11.7</b>	<b>13.6</b>	<b>13.7</b>
<b>Average realisation growth</b>	<b>(7.5)</b>	<b>(12.6)</b>	<b>(2.1)</b>	<b>2.2</b>	<b>2.4</b>
<b>EBITDA margin (%)</b>					
Pipe	13.9	15.8	14.9	15.9	16.5
Packaging	10.5	16.7	14.0	16.0	16.0
Industrial	11.9	11.4	10.6	10.9	10.9
Consumer	19.0	20.9	20.1	19.8	19.8
<b>Total</b>	<b>13.0</b>	<b>15.3</b>	<b>14.2</b>	<b>15.2</b>	<b>15.6</b>

Source: BOBCAPS Research

## Key risks

Key risks to our estimates are:

- slow recovery in the real estate sector, and
- market share loss in plastic pipes.



## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Total revenue</b>	<b>92,016</b>	<b>101,343</b>	<b>110,566</b>	<b>128,330</b>	<b>149,268</b>
EBITDA	11,997	15,473	15,649	19,472	23,332
Depreciation	2,634	2,984	3,585	4,042	4,514
EBIT	9,363	12,490	12,064	15,429	18,818
Net interest inc./(exp.)	(80)	(161)	(122)	(131)	(131)
Other inc./(exp.)	298	657	604	600	600
Exceptional items	0	0	0	0	0
EBT	9,580	12,985	12,546	15,898	19,287
Income taxes	2,460	3,357	3,308	4,329	5,257
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	1,533	1,069	1,173	1,300	1,600
<b>Reported net profit</b>	<b>8,653</b>	<b>10,697</b>	<b>10,411</b>	<b>12,869</b>	<b>15,630</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>8,653</b>	<b>10,697</b>	<b>10,411</b>	<b>12,869</b>	<b>15,630</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Accounts payables	9,038	10,156	11,149	12,941	15,052
Other current liabilities	2,237	2,410	2,410	2,410	2,410
Provisions	85	162	178	207	240
Debt funds	0	0	0	0	0
Other liabilities	1,562	1,741	1,741	1,741	1,741
Equity capital	254	254	254	254	254
Reserves & surplus	43,767	50,834	56,925	64,967	75,260
Shareholders' fund	44,021	51,088	57,179	65,221	75,514
<b>Total liab. and equities</b>	<b>56,942</b>	<b>65,557</b>	<b>72,658</b>	<b>82,519</b>	<b>94,958</b>
Cash and cash eq.	7,461	11,873	10,602	10,817	13,422
Accounts receivables	4,924	5,114	5,580	6,476	7,533
Inventories	13,856	13,586	14,822	17,204	20,011
Other current assets	2,546	2,301	2,555	2,966	3,450
Investments	5,713	6,254	6,254	6,254	6,254
Net fixed assets	19,764	21,801	28,216	34,174	39,660
CWIP	1,129	2,363	2,363	2,363	2,363
Intangible assets	878	1,472	1,472	1,472	1,472
Deferred tax assets, net	0	0	0	0	0
Other assets	672	793	793	793	793
<b>Total assets</b>	<b>56,942</b>	<b>65,557</b>	<b>72,658</b>	<b>82,519</b>	<b>94,958</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Cash flow from operations</b>	<b>10,762</b>	<b>14,937</b>	<b>12,567</b>	<b>14,574</b>	<b>17,472</b>
Capital expenditures	(4,753)	(6,849)	(10,000)	(10,000)	(10,000)
Change in investments	(954)	(542)	0	0	0
Other investing cash flows	298	657	604	600	600
<b>Cash flow from investing</b>	<b>(5,409)</b>	<b>(6,734)</b>	<b>(9,396)</b>	<b>(9,400)</b>	<b>(9,400)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	(80)	(161)	(122)	(131)	(131)
Dividends paid	(3,303)	(3,812)	(4,320)	(4,828)	(5,336)
Other financing cash flows	228	181	0	0	0
<b>Cash flow from financing</b>	<b>(3,156)</b>	<b>(3,791)</b>	<b>(4,442)</b>	<b>(4,959)</b>	<b>(5,467)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>2,197</b>	<b>4,412</b>	<b>(1,271)</b>	<b>215</b>	<b>2,605</b>
<b>Closing cash &amp; cash eq.</b>	<b>7,461</b>	<b>11,873</b>	<b>10,602</b>	<b>10,817</b>	<b>13,422</b>

### Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
Reported EPS	68.1	84.2	81.9	101.3	123.0
Adjusted EPS	68.1	84.2	81.9	101.3	123.0
Dividend per share	26.0	30.0	34.0	38.0	42.0
Book value per share	346.5	402.1	450.1	513.3	594.4

### Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
EV/Sales	5.6	5.1	4.7	4.1	3.5
EV/EBITDA	43.1	33.4	33.3	26.8	22.4
Adjusted P/E	59.1	47.8	49.1	39.7	32.7
P/BV	11.6	10.0	8.9	7.8	6.8

### DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Tax burden (Net profit/PBT)	90.3	82.4	83.0	80.9	81.0
Interest burden (PBT/EBIT)	102.3	104.0	104.0	103.0	102.5
EBIT margin (EBIT/Revenue)	10.2	12.3	10.9	12.0	12.6
Asset turnover (Rev./Avg TA)	161.6	154.6	152.2	155.5	157.2
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.3	1.3	1.3
<b>Adjusted ROAE</b>	<b>21.0</b>	<b>22.5</b>	<b>19.2</b>	<b>21.0</b>	<b>22.2</b>

### Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
<b>YoY growth (%)</b>					
Revenue	18.4	10.1	9.1	16.1	16.3
EBITDA	(4.5)	29.0	1.1	24.4	19.8
Adjusted EPS	(11.7)	23.6	(2.7)	23.6	21.4
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	13.0	15.3	14.2	15.2	15.6
EBIT margin	10.2	12.3	10.9	12.0	12.6
Adjusted profit margin	9.4	10.6	9.4	10.0	10.5
Adjusted ROAE	21.0	22.5	19.2	21.0	22.2
ROCE	21.9	25.7	22.2	24.6	25.7
<b>Working capital days (days)</b>					
Receivables	20	18	18	18	18
Inventory	55	49	49	49	49
Payables	36	37	37	37	37
<b>Ratios (x)</b>					
Gross asset turnover	2.5	2.4	2.2	2.2	2.1
Current ratio	2.5	2.6	2.4	2.4	2.5
Net interest coverage ratio	116.7	77.5	98.8	117.6	143.4
<b>Adjusted debt/equity</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>

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

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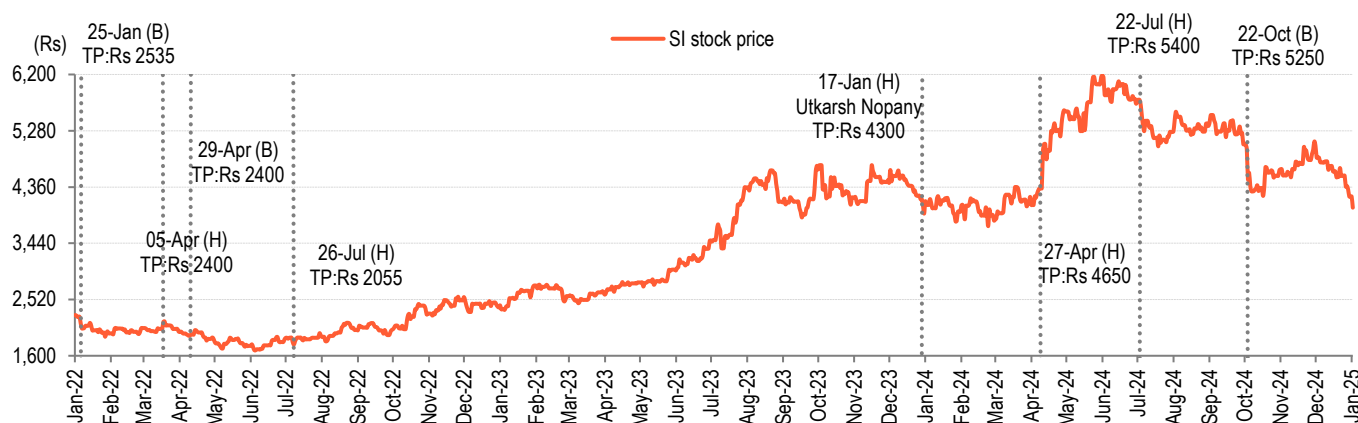
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