

**HOLD**  
TP: Rs 1,410 | ▼ 5%

**VOLTAS**

| Consumer Durables

| 21 June 2024

### Annual report analysis: Beko to fuel growth

- Despite denting market share, VOLT notched sales of more than 2mn AC units
- The medium-term outlook remains optimistic considering AC underpenetration in India
- We maintain our EPS estimates and value the stock at 49x FY26E P/E (previously 44x) and raise TP to Rs 1,410; maintain HOLD

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**Healthy topline; market share losses persist:** VOLT's market share dropped to 18.7% in FY24 from 26.1% in FY23. Despite this, VOLT's AC volume growth jumped 35%, crossing 2mn AC unit sales in FY24. Also, the company's topline grew 31.4%, but its gross margin contracted 95bps and EBITDA margin 220bps YoY, mainly due to provisions for the electro-mechanical projects (EMP) business and cost escalations. APAT for FY24 was Rs 2.5bn.

**Voltbek to fuel growth:** VOLT's medium-term outlook remains positive, in our view, as its reach expands beyond room air conditioners. In just five years, Voltbek has become the fastest-growing Indian consumer durables brand, selling 5mn units of home appliances, and aims to expand its current 11,400 touchpoints. Also, VOLT achieved 12% of sales from e-commerce channels and consistently introduced new products across categories to meet diverse consumer needs in FY24.

**Domestic EMP robust:** VOLT is concentrating on large-scale solar, subterranean cabling, and rural electrification projects in its home market. Through the PM Surya Ghar plan, it has dabbled in rooftop solar, which offers significant prospects for the business. VOLT dominates the spinning machinery market with a 65% share. Additionally, the business has obtained a sizable Powerscreen order in the mining and construction sectors offering revenue visibility for the next five years.

**Balance sheet remains robust:** Despite a dismal FY24, VOLT maintains a healthy balance sheet with cash and equivalents of Rs 26bn. It has planned capex of Rs 4.5bn-5bn in FY25, of which ~Rs 2.7bn will be used to commission the Chennai factory and ~Rs 2bn will fund other factory capacity enhancements.

**Maintain HOLD:** We believe that moving forward EMP's profits will increase as most of the provisioning has been completed. Profit visibility is enhanced by the unitary cooling product segment's margin expansion, Voltbek's continuous development, and capacity expansion in the next two years. We value VOLT at 49x FY26E P/E in line with 3Y avg (from 44x in line with the 2Y avg), and increase TP to Rs 1,410 from Rs 1,260. Maintain HOLD.

### Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	VOLT IN/Rs 1,484
Market cap	US\$ 6.0bn
Free float	70%
3M ADV	US\$ 34.8mn
52wk high/low	Rs 1,560/Rs 745
Promoter/FPI/DII	30%/21%/33%

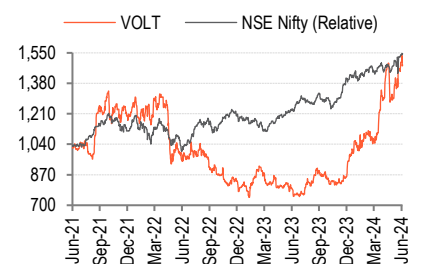
Source: NSE | Price as of 20 Jun 2024

### Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	124,812	144,906	165,272
EBITDA (Rs mn)	4,746	11,264	13,513
Adj. net profit (Rs mn)	2,520	8,001	9,507
Adj. EPS (Rs)	7.6	24.2	28.7
Consensus EPS (Rs)	7.6	24.0	31.0
Adj. ROAE (%)	4.5	13.1	14.0
Adj. P/E (x)	194.9	61.4	51.7
EV/EBITDA (x)	103.5	43.6	36.3
Adj. EPS growth (%)	(33.5)	217.5	18.8

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance

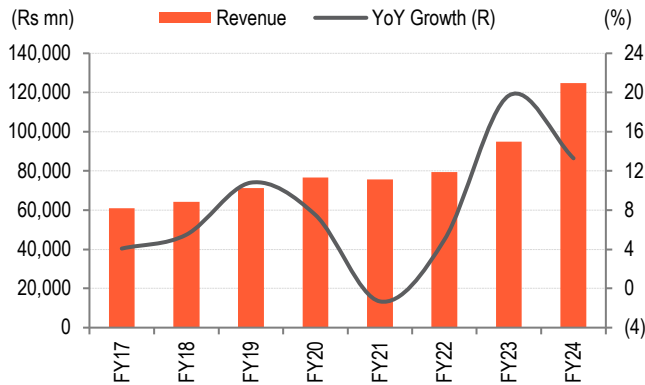


Source: NSE



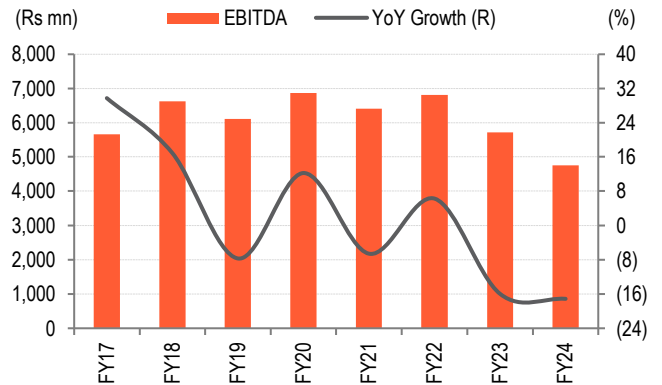
## Growth trends

**Fig 1 – Revenue growth trend**



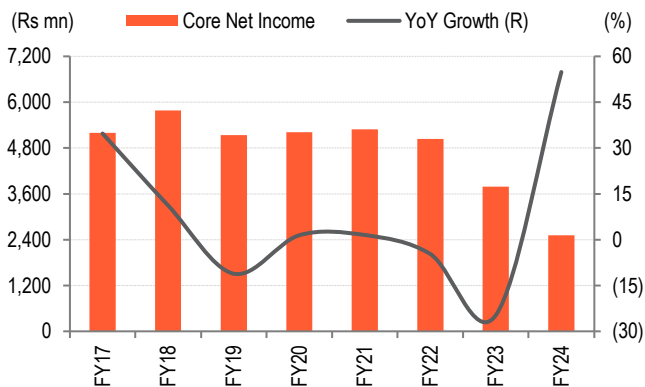
Source: Company, BOBCAPS Research

**Fig 2 – EBITDA growth trend**



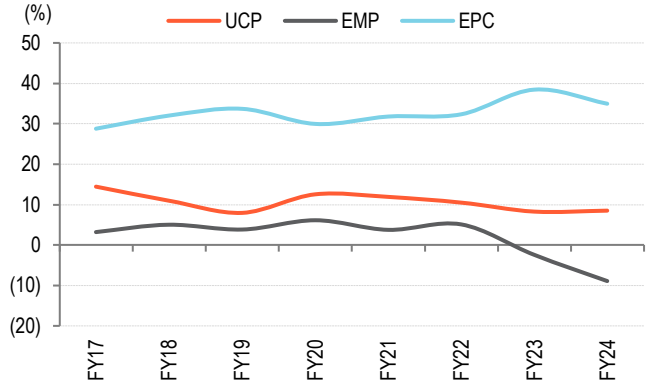
Source: Company, BOBCAPS Research

**Fig 3 – PAT growth trend**



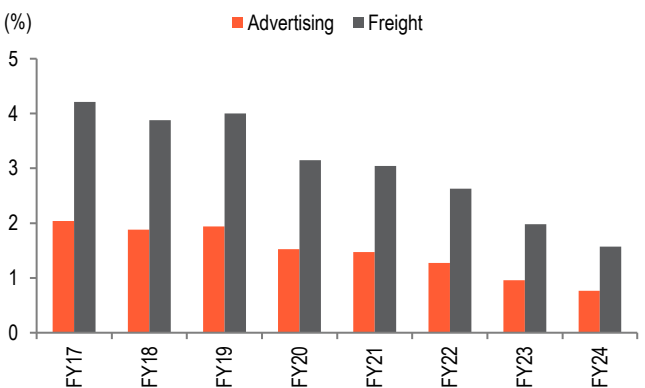
Source: Company, BOBCAPS Research

**Fig 4 – Segmental EBIT margins**



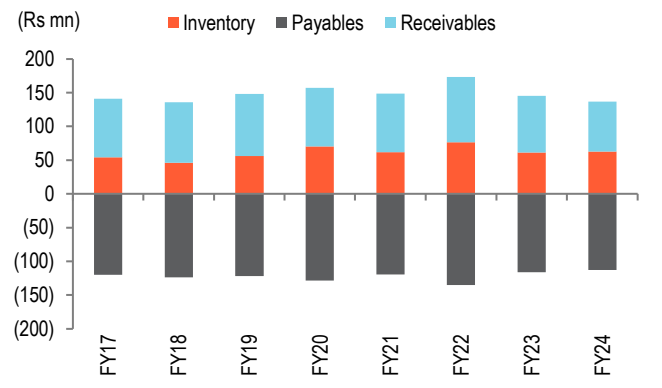
Source: Company, BOBCAPS Research

**Fig 5 – Key expense items as a percentage of sales**



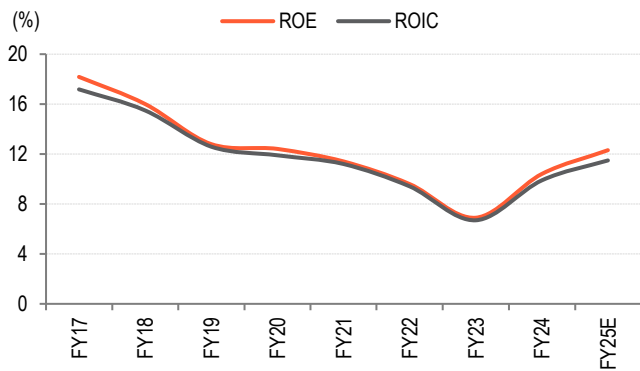
Source: Company, BOBCAPS Research

**Fig 6 – Working capital cycle**



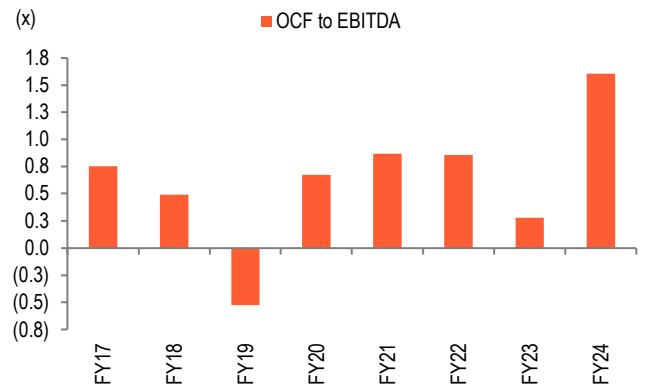
Source: Company, BOBCAPS Research

**Fig 7 – Return ratios**



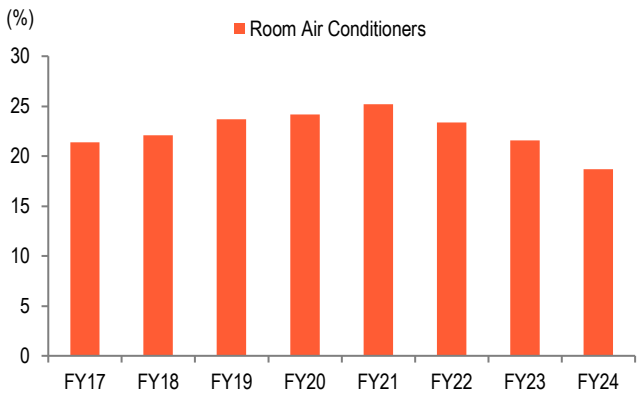
Source: Company, BOBCAPS Research

**Fig 8 – EBITDA to OCF conversion**



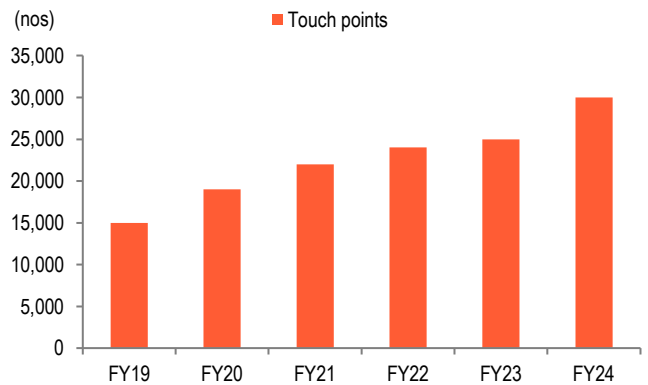
Source: Company, BOBCAPS Research | OCF: Operating Cash Flow

**Fig 9 – RAC market share continues to fall**



Source: Company, BOBCAPS Research

**Fig 10 – Steady expansion of distribution footprint**



Source: Company, BOBCAPS Research

## Annual report takeaways

Throughout FY24, VOLT encountered difficulties such as subdued margins, and in the previous two years its market share for cooling products decreased steadily. Recently the business changed its emphasis to broaden its reach beyond room air conditioners (RAC) by developing Voltbek, its home appliances division, where it has sold 5mn units in the last five years.

**Fig 11 – Segmental financials**

Particulars (Rs mn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>Revenue</b>									
Electro-Mechanical Projects and Services	28,288	26,550	21,801	31,396	27,912	28,786	24,705	24,029	36,830
Unitary Cooling Products	25,209	30,469	33,071	32,087	40,737	42,185	48,819	64,745	81,605
Engineering Products and Services	3,706	3,318	3,099	3,117	3,317	3,595	4,887	5,220	5,879
<b>EBIT margin (%)</b>									
Electro-Mechanical Projects and Services	1.9	3.2	5.0	3.8	6.1	3.8	5.1	(2.4)	(8.9)
Unitary Cooling Products	13.4	14.5	11.0	8.0	12.6	11.9	10.5	8.3	8.5
Engineering Products and Services	30.4	28.8	32.0	33.7	29.9	31.8	32.3	38.5	35.0

Source: Company, BOBCAPS Research

## Key highlights in FY24

- VOLT became the first Indian brand to surpass 2mn AC unit sales in FY23-24, with annual volume growth of 35%.
- The brand maintained a YTD market share of 18.7% in the RAC market, focusing on energy efficiency, environmental friendliness, and durability.
- The company's split inverter air conditioners led the market, with the launch of the SmartAir AC series.
- Its expanded product portfolio led to an increased share of the inverter AC category to over 80%.
- The Commercial Air Conditioning vertical saw notable growth across sectors, despite margin pressures from input price escalations and intense competition.
- VOLT's new facility in Chennai, Tamil Nadu, aims to enhance capacity and expand its footprint, particularly in South India.
- The company is enhancing manufacturing capabilities for the fast-growing Fresh-Free refrigerators at its state-of-the-art Sanand factory.
- Voltas Beko emerged as the fastest-growing Indian consumer durables brand, according to management, in just five years, selling over 5mn products.

### Electrical and solar sector achievements

- Successful completion of a number of projects and substantial orders.
- Established an electrical network in challenging terrains, ensuring reliable power supply to remote regions.

- Installed large-scale solar projects, contributing to sustainable energy solutions.
- Entry into rooftop solar segment through PM Surya Ghar scheme.

#### **Textile industry decline and market performance**

- The textile industry saw a decline in capex, reducing spinner utilisation.
- Despite sluggish market demand, UMPEL's Textile Machinery Division (TMD) achieved high revenue levels. UMPEL is a fully-owned subsidiary of VOLT.
- Market share in spinning machinery rose to 65%.
- Achieved targeted outcomes for a major client in Mozambique.
- Secured a major order of Powerscreen in India and entered into a five-year contract.
- VOLT's focus is on securing new orders, leveraging financial strength, strong brand equity, and compelling consumer offers.

### **Manufacturing facilities**

- In the last five years, VOLT added two more facilities, raising the number of production divisions to six. Its total capacity for producing consumer durables is around 3.6mn units, and its total capacity for producing CAC is 0.5mn tonnes.
- **Pantnagar plant:** At its Pantnagar plant, VOLT has two manufacturing units: one for RACs with 1.5mn unit capacity, and the other for commercial use with over 0.5mn units for refrigerator.
- **Waghodia plant:** The Waghodia plant functions as an adaptable hub for manufacturing, generating extensive cooling solutions for commercial and industrial use.
- **Chennai plant:** The RAC manufacturing facility in Chennai illustrates VOLT's dedication to satisfying a wide range of customer needs. This is evidenced by its manufacture of a full range of SKUs, including different tonnages (0.75t to 2.0t) and star ratings (1 to 5). With plans to invest around Rs 4.5bn-5bn in the new manufacturing facility in Chennai, VOLT aims to enhance its presence in the South and West India markets. The new air conditioner factory, spread over 150 acres at Soorapoondi Sipcot near Chennai, signifies the company's significant expansion efforts, with a substantial investment to bolster its manufacturing capabilities.
- **Sanand plant:** Voltbek's Sanand plant in Gujarat showcases its manufacturing ability, with an annual capacity of 2.5mn appliances, focusing on refrigerators and washing machines. The plant's refrigerator line, with an annual capacity of 1.6mn units, features advanced technologies like Harvest Fresh, Blu Light, and Cool on Demand, while the washing machine production includes the production of semi-automatic and fully automatic machines.

## Segmental performance

### Unitary Cooling Products

- In the last financial year, VOLT achieved record-breaking topline growth with the sale of over 2mn air conditioners in FY23-24, marking a substantial expansion in its AC sales, which was the highest number of ACs ever sold by any brand in a single year.
- VOLT ended FY24 with 18.7% market share in RACs (21.6% last year) and 34% in window ACs (36.4% last year).
- VOLT expanded its market penetration in the air cooler segment and capitalised on rising demand, particularly in regions with limited power supply. It witnessed growth in the commercial refrigeration segment through the introduction of new SKUs and capacity expansion at the Waghodia Plant, aligning with the increasing demand for frozen foods.

### Textiles

- Its subsidiary's Textile Machinery Division achieved record-high revenue levels attributed to robust order booking and a sustained emphasis on the after-sales business. It maximised revenue in each product line and witnessed growth, particularly in spinning machinery where its market share rose to 65%.

### Mining and construction equipment

- **Mozambique business:** VOLT achieved targeted outcomes for a marquee client, overcoming cost reduction pressures and management changes in the client company. VOLT improved its performance in the CAT 793 category in Q4FY24, strengthening its competitive positioning.
- **India business:** Securing a major order for Powerscreen machines, VOLT enhanced its market share in Powerscreen to 54%, up from 50% in the previous year. The company signed a tripartite contract with two prominent global players to supply parts over eight years and entered into a five-year contract with leading players in underground equipment.

### Electro-mechanical projects

- VOLT has once again been recognised as a top Mechanical, Electrical and Plumbing (MEP) contractor in the Middle East. Specialising in MEP and electro-mechanical works, including high-voltage ACs (HVAC), electrical systems, plumbing, firefighting, and more, VOLT has expanded its offerings to include pre-fabrication solutions through its Modular Solutions Factory in Jebel Ali, Dubai.
- In the Gulf Cooperation Council region, VOLT continues to encounter risks from solvency issues of main contractors, which could potentially disrupt project execution and expose the company to credit risks. Challenges related to the availability of skilled labour and disruptions in the global supply chain could impact productivity and profitability. Government policies aimed at promoting local manufacturing have potentially affected VOLT's business operations.

## Voltas Beko (Voltbek)

- Voltbek established itself as the fastest-growing Indian consumer durables brand, having sold over 5mn home appliances within five years of inception, showcasing substantial growth and customer acceptance in the market, in our view.
- Voltbek has solidified its position among the top three brands in semi-automatic washing machines.
- Voltbek achieved ~46% increase in revenue and a 53% increase in volume over the previous year through new product development and expanded reach. It recorded 12% of sales from e-commerce channels through a robust digital presence and adaptability to changing consumer preferences. The company consistently introduced new products across categories in line with market requirements, aiming for a diverse and competitive product lineup.
- Voltbek currently has a network of 11,400 touchpoints (7,000 in FY23).

**Fig 12 – Voltbek financials**

Particulars (Rs mn)	FY19	FY20	FY21	FY22	FY23	FY24
Revenues	994	2,902	6,369	9,445	11,018	16,029
YoY growth (%)		192.0	119.5	48.3	16.7	45.5
Profit/ (loss)	(1,023)	(1,445)	(1,311)	(2,223)	(2,507)	(2,673)
Current assets	2,455	2,586	6,884	8,660	8,800	9,057
Current liabilities	1,349	2,553	6,925	8,903	8,903	8,908
Net current assets	1,106	33	(41)	(243)	(103)	149
Non-current assets	1,841	4,490	5,219	5,845	5,343	4,863
Non-current liabilities	16	237	674	1,422	1,968	1,290
Net non-current assets	1,825	4,253	4,545	4,423	3,375	3,573
Net asset	2,931	4,286	4,504	4,181	3,272	3,722
Investment made	1,180	1,383	2,207	2,049	2,045	1,824

Source: Company, BOBCAPS Research

**Fig 13 – Universal Voltas**

Particulars (Rs mn)	FY19	FY20	FY21	FY22	FY23	FY24
Revenues	3,176	2,587	3,525	2,812	3,018	2174
YoY growth (%)		(18.5)	36.2	(20.2)	7.3	(28)
Profit/ (loss)	136	181	61	(54)	6	(203)
Current assets	2,713	2,515	2,318	2,186	2,279	2093
Current liabilities	1,590	1,256	1,139	990	973	985
Net current assets	1,122	1,259	1,179	1,196	1,306	1,107
Non-current assets	14	33	7	6	9	7.8
Non-current liabilities	87	105	104	141	159	150
Net non-current assets	(73)	(72)	(97)	(135)	(150)	(142)
Net asset	1,049	1,187	1,082	1,061	1,156	965
Investment made	514	582	530	518	566	473

Source: Company, BOBCAPS Research

## Key financial metrics

**Fig 14 – Contingent liabilities**

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Sales tax / VAT matters	1,216	1,036	1,573	2,238	1,645	1,256	1,128	1,166
Service tax matters	370	220	180	157	184	184	184	166
Excise matters	171	195	188	188	199	199	197	196
Contractual matters	281	290	359	361	677	654	1,127	1,198
Customs duty matters					11	11	11	11
Guarantees for terminated contract	3,011	3,015	3,171	3,458	3,368	3,456	3,750	3,810
Income tax matters	142	89	100	100	148	148	154	287
<b>Total</b>	<b>5,192</b>	<b>4,845</b>	<b>5,570</b>	<b>6,501</b>	<b>6,231</b>	<b>5,909</b>	<b>6,551</b>	<b>6,835</b>
<b>Net worth</b>	<b>33,066</b>	<b>39,052</b>	<b>41,100</b>	<b>42,802</b>	<b>49,934</b>	<b>54,996</b>	<b>54,521</b>	<b>58,205</b>
CL (ex-guarantees) as a % of net worth	6.6	4.7	5.8	7.1	5.7	4.5	5.1	5.2

Source: Company, BOBCAPS Research

**Fig 15 – Working capital management**

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Sales tax / VAT matters	1,216	1,036	1,573	2,238	1,645	1,256	1,128	1,166
Service tax matters	370	220	180	157	184	184	184	166
Excise matters	171	195	188	188	199	199	197	196
Contractual matters	281	290	359	361	677	654	1,127	1,198
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<b>Total</b>	<b>5,192</b>	<b>4,845</b>	<b>5,570</b>	<b>6,501</b>	<b>6,231</b>	<b>5,909</b>	<b>6,551</b>	<b>6,835</b>
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CL (ex-guarantees) as a % of Net worth	6.6	4.7	5.8	7.1	5.7	4.5	5.1	5.2

Source: Company, BOBCAPS Research

**Fig 16 – Auditors' remuneration**

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Auditor's remuneration	39	28.3	23.4	26.7	27	30	46.1	41.6
as a % of EBITDA	0.8	0.5	0.4	0.4	0.5	0.4	0.8	0.9

Source: Company, BOBCAPS Research



**Fig 17 – Remuneration of key managerial persons**

Particulars (Rs mn)		Salary	Allowances including retiral benefits	Commission	Total
FY24	Mr. Pradeep Bakshi (MD)	12.5	29	30.6	72
	as a % of wages				1.2
FY24	Mr. Mukundan C.P. Menon	7.3	12.4	12.3	32
	as a % of wages				0.5
FY23	Mr. Pradeep Bakshi (MD)	12	26	40	78
	as a % of wages				1.3
FY22	Mr. Pradeep Bakshi (MD)	11	24	31	66
	as a % of wages				1.1
FY21	Mr. Pradeep Bakshi (MD)	8	15	21	44
	Mr. Anil George (DMD)	3	4	7	15
	as a % of wages				1.0
FY20	Mr. Pradeep Bakshi (MD)	25	1	26	52
	Mr. Anil George (DMD)	19	2	25	46
	as a % of wages				1.5
FY19	Mr. Pradeep Bakshi (MD)	32	1	12	45
	Mr. Anil George (DMD)	27	1	12	40
	as a % of wages				1.3
FY18	Mr. Sanjay Johri	53	1	26	80
	Mr. Pradeep Bakshi (MD)	9	0	-	10
	Mr. Anil George (DMD)	9	1	-	10
	as a % of wages				1.7

Source: Company, BOBCAPS Research

## Valuation methodology

VOLT faced challenges in FY24 but reported topline growth in all segments, with margins set to improve as well. The overhang of EMP losses is diminishing, and we believe that the current capex cycle presents a positive outlook for the domestic business.

Most of the provisioning for its business in Qatar has been completed, leading us to expect incremental profits from the EMP segment going forward. The UCP segment is poised for margin expansion, while Voltas Beko's continued growth and upcoming capacity expansion in the next two years provide clear profit visibility.

We value the stock at 49x FY26E P/E (from 44x), in line with the stock's 3Y average. We move our valuation methodology from a 2Y average to a 3Y average to reflect the optimism as reflected by the Nifty 50 benchmark index. Also, we build in volume growth in UCP and Beko yielding profits. We arrive at a higher TP of Rs 1,410 (previously Rs 1,260). Maintain HOLD

**Fig 18 – Key assumptions**

(Rs mn)	FY23	FY24	FY25E	FY26E
Revenue	94,988	124,812	144,906	165,272
EBITDA	5,724	4,746	11,264	13,513
EBITDA Margin (%)	6.0	3.8	7.8	8.2
EPS (Rs)	11.4	7.6	24.2	28.7

Source: Company, BOBCAPS Research

## Key risks

Key upside risks to our estimates are:

- stability and provision write-back in the EMP business, and
- incremental market share despite a competitive environment.

Key downside risks to our estimates are:

- continued provisioning in the EMP business, and
- unforeseen foreign currency movement (VOLT maintains a 25% hedge on its foreign exposure).

## Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Amber Enterprises	AMBER IN	1.6	3,997	3,500	SELL
Havells India	HAVL IN	13.9	1,818	1,780	HOLD
Orient Electric	ORIENTEL IN	0.6	250	230	HOLD
Syrma SGS	SYRMA IN	1.0	480	420	HOLD
V-Guard Industries	VGRD IN	2.2	412	390	HOLD
Voltas	VOLT IN	6.0	1,484	1,410	HOLD

Source: BOBCAPS Research, NSE | Price as of 20 Jun 2024

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
<b>Total revenue</b>	<b>79,345</b>	<b>94,988</b>	<b>124,812</b>	<b>144,906</b>	<b>165,272</b>
EBITDA	6,816	5,724	4,746	11,264	13,513
Depreciation	373	396	476	514	646
EBIT	6,443	5,327	4,270	10,750	12,867
Net interest inc./(exp.)	(259)	(296)	(559)	(562)	(616)
Other inc./(exp.)	1,892	1,685	2,533	2,279	2,279
Exceptional items	0	0	0	0	0
EBT	8,076	6,716	6,244	12,467	14,530
Income taxes	1,913	1,709	2,377	3,366	3,923
Extraordinary items	0	2,438	0	0	0
Min. int./Inc. from assoc.	(1,103)	(1,207)	(1,386)	(1,100)	(1,100)
<b>Reported net profit</b>	<b>5,041</b>	<b>1,350</b>	<b>2,520</b>	<b>8,001</b>	<b>9,507</b>
Adjustments	0	2,438	0	0	0
<b>Adjusted net profit</b>	<b>5,041</b>	<b>3,788</b>	<b>2,520</b>	<b>8,001</b>	<b>9,507</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Accounts payables	29,421	30,126	38,557	41,685	48,450
Other current liabilities	7,707	10,029	14,060	13,895	15,848
Provisions	0	0	0	0	0
Debt funds	3,432	6,506	7,436	6,043	6,850
Other liabilities	1,909	1,609	2,099	2,382	2,669
Equity capital	331	331	331	331	331
Reserves & surplus	54,665	54,190	57,874	63,725	71,081
Shareholders' fund	54,996	54,521	58,205	64,055	71,411
<b>Total liab. and equities</b>	<b>97,463</b>	<b>102,790</b>	<b>120,357</b>	<b>128,061</b>	<b>145,228</b>
Cash and cash eq.	5,717	7,084	8,523	118	972
Accounts receivables	21,097	21,919	25,328	28,584	32,149
Inventories	16,614	15,920	21,354	25,805	28,526
Other current assets	15,365	19,543	22,042	22,644	24,921
Investments	0	0	0	0	0
Net fixed assets	2,305	3,611	3,902	5,387	6,741
CWIP	593	983	3,675	4,267	4,866
Intangible assets	999	1,142	1,127	1,308	1,492
Deferred tax assets, net	0	0	0	0	0
Other assets	34,775	32,590	34,408	39,947	45,561
<b>Total assets</b>	<b>97,463</b>	<b>102,790</b>	<b>120,357</b>	<b>128,061</b>	<b>145,228</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY22A	FY23A	FY24A	FY25E	FY26E
<b>Cash flow from operations</b>	<b>5,842</b>	<b>1,594</b>	<b>7,615</b>	<b>3,168</b>	<b>10,308</b>
Capital expenditures	0	(1,774)	(2,883)	(2,000)	(2,000)
Change in investments	(3,910)	253	(3,938)	0	0
Other investing cash flows	264	706	1,597	(6,029)	(6,111)
<b>Cash flow from investing</b>	<b>(3,646)</b>	<b>(816)</b>	<b>(5,224)</b>	<b>(8,029)</b>	<b>(8,111)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(166)	2,728	453	(1,394)	807
Interest expenses	0	0	0	0	0
Dividends paid	(905)	(2,177)	(1,616)	(2,151)	(2,151)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(1,070)</b>	<b>550</b>	<b>(1,163)</b>	<b>(3,544)</b>	<b>(1,344)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>1,126</b>	<b>1,328</b>	<b>1,228</b>	<b>(8,405)</b>	<b>853</b>
<b>Closing cash &amp; cash eq.</b>	<b>5,717</b>	<b>7,084</b>	<b>8,523</b>	<b>118</b>	<b>972</b>

### Per Share

Y/E 31 Mar (Rs)	FY22A	FY23A	FY24A	FY25E	FY26E
Reported EPS	15.2	4.1	7.6	24.2	28.7
Adjusted EPS	15.2	11.4	7.6	24.2	28.7
Dividend per share	5.5	4.3	5.5	6.5	6.5
Book value per share	166.2	164.8	175.9	193.6	215.8

### Valuations Ratios

Y/E 31 Mar (x)	FY22A	FY23A	FY24A	FY25E	FY26E
EV/Sales	6.2	5.2	3.9	3.4	3.0
EV/EBITDA	72.0	85.8	103.5	43.6	36.3
Adjusted P/E	97.4	129.6	194.9	61.4	51.7
P/BV	8.9	9.0	8.4	7.7	6.9

### DuPont Analysis

Y/E 31 Mar (%)	FY22A	FY23A	FY24A	FY25E	FY26E
Tax burden (Net profit/PBT)	62.4	56.4	40.4	64.2	65.4
Interest burden (PBT/EBIT)	125.3	126.1	146.2	116.0	112.9
EBIT margin (EBIT/Revenue)	8.1	5.6	3.4	7.4	7.8
Asset turnover (Rev./Avg TA)	34.4	26.3	32.0	26.9	24.5
Leverage (Avg TA/Avg Equity)	0.0	0.1	0.1	0.1	0.1
Adjusted ROAE	9.6	6.9	4.5	13.1	14.0

### Ratio Analysis

Y/E 31 Mar	FY22A	FY23A	FY24A	FY25E	FY26E
<b>YoY growth (%)</b>					
Revenue	5.0	19.7	31.4	16.1	14.1
EBITDA	6.3	(16.0)	(17.1)	137.3	20.0
Adjusted EPS	(4.7)	(24.8)	(33.5)	217.5	18.8
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	8.6	6.0	3.8	7.8	8.2
EBIT margin	8.1	5.6	3.4	7.4	7.8
Adjusted profit margin	6.4	4.0	2.0	5.5	5.8
Adjusted ROAE	9.6	6.9	4.5	13.1	14.0
ROCE	9.4	6.7	4.5	12.3	13.4
<b>Working capital days (days)</b>					
Receivables	97	84	74	72	71
Inventory	76	61	62	65	63
Payables	135	116	113	105	107
<b>Ratios (x)</b>					
Gross asset turnover	16.2	16.6	17.9	17.4	16.0
Current ratio	1.4	1.4	1.3	1.3	1.2
Net interest coverage ratio	24.9	18.0	7.6	19.1	20.9
Adjusted debt/equity	0.1	0.1	0.1	0.1	0.1

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

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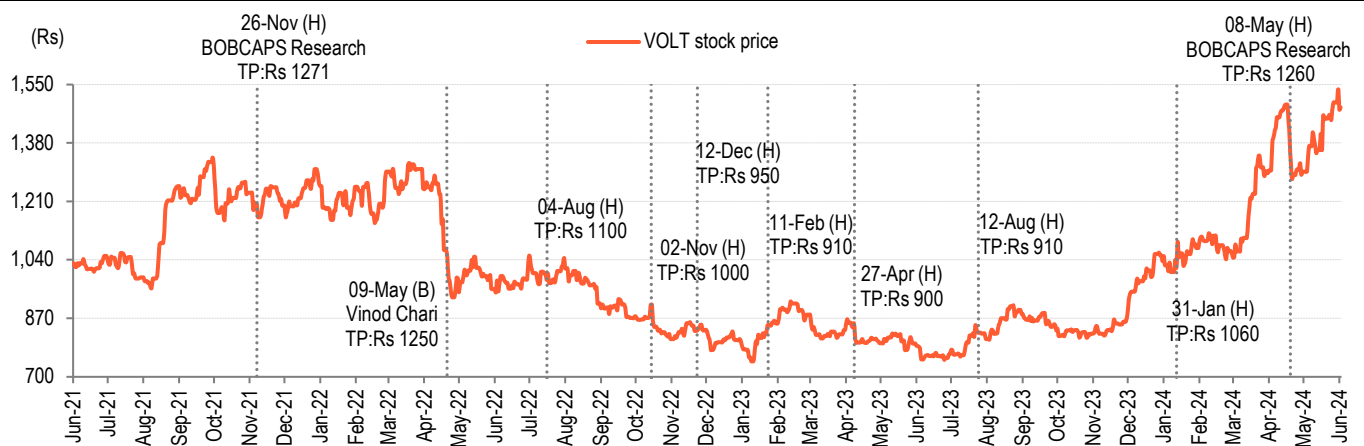
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