

Powerful execution driving volume and profits

APNT's Q1FY23 print was in-line with our estimates. Consolidated revenue/EBITDA/PAT grew 54.1%/70.3%/85.9% driven by robust volume growth of 37% in domestic decorative segment (4-year CAGR value and volume 20% each). The management alluded the growth was fueled by (1) faster growth in T1/T2 markets, (2) project/institutional business, (3) premium luxury emulsions, and (4) increase in distribution foot print. International business grew 15.7%, while industrial business PPG-AP/ AP-PPG grew 63.1%/56.1% each. Gross margin slipped to 37.7% (-100bp QoQ). The management said it witnessed sequential inflation of 6% and effected 2.5% price increases till date. EBITDA margin at 18.1% (+172bp YoY). The management maintained positive outlook, expecting double digit volume growth driven by pent-up demand, yet confirmed that commodity inflation to remain elevated, though expect gross margins to remain in 38-40% band. With improved margin trajectory we have increased earnings by ~5-8% and retained BUY, with a revised DCF-based TP of Rs3,707 (implied 69.7x FY24E EPS).

Healthy growth - T1/T2 towns led by PreLux segment while T3/T4 by economy range

Consolidated revenue grew 54.1% to Rs86.0bn, driven by domestic decorative segment volume growth of 37% despite high base (+106%). Management alluded the growth was fueled by (1) faster growth in T1/T2 markets than T3/T4, (2) project/ institutional business (now 20%), (3) consumer upgrade to premium and luxury emulsions (improved mix), (4) network expansion (150k dealers), (5) market share gains, and (6) exponential growth in waterproofing/ wood finishes segment. Home improvement business grew 92% led by projects, while Home Décor Play (31 stores) now offer complete range of home solution products. Industrial business PPG-AP grew 63.1% and AP-PPG 56.1%, led by powder and protective coatings. The international business at Rs7.1bn grew 15.7%, despite challenging environment faced in Sri Lanka, Ethiopia and Egypt (5% of revenues). With acquisition of 'White Teak' and 'Weatherseal', APNT embark on the journey of building new business around 'making homes beautiful', and moving from *share of surface* to *share of space*, aspiring revenue contributing of 8-10% in next three years.

Management remains confident to deliver gross margin in 38-40% band

Despite sharp price increases (~27% YTD Q4), APNT saw lower gross margin at 37.7% (-100bp QoQ). Management stated it witnessed sequential inflation of 6% and executed ~2.5% price increases till date. EBITDA grew 70.0% to Rs15.6bn; EBITDA margin risen to 18.1% (+172bp) YoY. Management alluded, it is conscious about not to pass on full inflationary costs but remained confident of taking calibrated price increases. APNT expects to maintain its gross margin in 38-40% band. Management said, scale up in Home improvement to cut losses while favourable product mix and cost efficiencies to drive profitability for international business.

Investment thesis, valuation and risks

We expect APNT to emerge as a strong player, moving from *share of surface* to *share of space inside home* in line with its core strategy: (1) upgrade volumes through innovations in economy/luxury emulsions, (2) develop project business, (3) expand waterproofing business, (4) grow rural reach, and (5) gain volume market share, yet maintain margins. We believe it is a structural growth story, capturing demand across segments and town class. Considering improved margin trajectory, we have increased earnings for FY23E/FY24E by 7.5%/4.6% and retain our BUY rating, with a revised DCF-based TP of Rs3,707 (implied 69.7x FY24E EPS). Key risks to our call include weak demand conditions, rise in crude oil prices, and currency depreciation.

Financial and valuation summary

YE Mar (Rs mn)	1QFY23A	1QFY22A	YoY (%)	4QFY22A	QoQ (%)	FY22A	FY23E	FY24E
Revenues	86,069	55,854	54.1	78,927	9.0	291,013	340,370	401,927
EBITDA	15,560	9,136	70.3	14,433	7.8	48,036	63,275	78,358
EBITDA margin (%)	18.1	16.4	172bps	18.3	(21bps)	16.5	18.6	19.5
Adj. Net profit	10,602	5,743	84.6	9,898	7.1	32,005	41,555	50,983
Adj. EPS (Rs)	11.1	6.0	84.6	10.3	7.1	33.4	43.3	53.2
EPS growth (%)						(0.1)	29.8	22.7
PE (x)						93.1	71.7	58.4
EV/EBITDA (x)						61.7	47.1	37.9
PBV (x)						21.6	19.2	17.1
RoE (%)						24.0	28.4	31.0
RoCE (%)						21.5	25.8	28.5

Source: Company, Centrum Broking

Result Update

India | Consumer

26 July, 2022

BUY

Price: Rs3,105

Target Price: Rs3,707

Forecast return: 19%

Institutional Research

Market Data

Bloomberg:	APNT IN
52 week H/L:	3,590/2,560
Market cap:	Rs2981.7bn
Shares Outstanding:	959.2mn
Free float:	47.4%
Avg. daily vol. 3mth:	1,508,995

Source: Bloomberg

Changes in the report

Rating:	BUY, Unchanged
Target price:	Rs3,707 from Rs3,601
EPS:	FY23E: Rs43.3; up 7.5% FY24E: Rs53.2; up 4.6%

Source: Centrum Broking

Shareholding pattern

	Jun-22	Mar-22	Dec-21	Sep-21
Promoter	52.6	52.6	52.6	52.8
FIIs	18.5	19.5	20.5	21.0
DIIIs	7.7	6.6	6.2	5.9
Public/other	21.2	21.3	20.7	20.3

Source: BSE

Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q1FY23	Actual Q1FY22	Variance (%)
Revenue	83,501	86,069	3.1
EBITDA	14,112	15,560	10.3
EBITDA margin %	16.9	18.1	118bps
Other Income	985	990	0.5
Interest	(226)	(288)	27.5
Depreciation	(2,207)	(2,081)	(5.7)
PBT	12,665	14,181	12.0
Tax	(3,166)	(3,706)	17.0
Rep. PAT	9,499	10,475	10.3
Adj. PAT	9,499	10,602	11.6

Source: Bloomberg, Centrum Broking



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Thesis Snapshot

Estimate revision

YE Mar (Rs mn)	FY23E New	FY23E Old	% chg	FY24E New	FY24E Old	% chg
Revenue	340,370	340,391	0.0	401,927	402,003	0.0
EBITDA	63,275	63,026	0.4	78,358	78,332	0.0
EBITDA margin	18.6	18.5	7bps	19.5	19.5	1bps
Adj. PAT	41,555	38,638	7.5	50,983	48,710	4.7
Diluted EPS (Rs)	43.3	40.3	7.5	53.2	50.8	4.6

Source: Centrum Broking

Asian Paints versus NIFTY 50

	1m	6m	1 year
APNT IN	12.6	(1.2)	1.5
NIFTY 50	5.0	(4.6)	4.2

Source: Bloomberg, NSE

Key assumptions

Y/E Mar	FY23E	FY24E
Volume growth	11.0	12.0
Price/ Mix Growth	6.0	6.1
Gross Margin	41.8	42.6
Employee costs as % of Sales	7.1	7.1
Other expenses as % of Sales	16.1	15.1
Tax rate	27.5	27.5

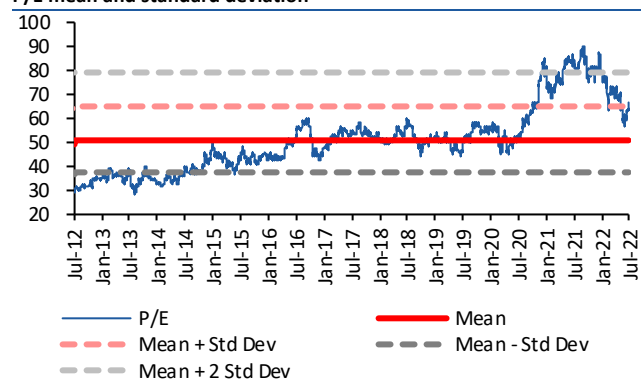
Source: Centrum Broking

Valuations

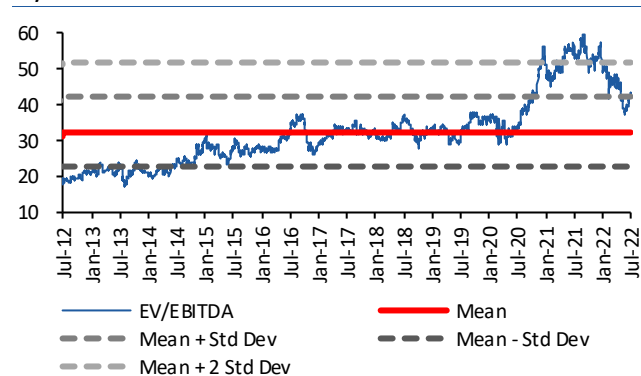
We expect APNT to emerge as a strong player, moving from share of surface to share of space inside home in line with its core strategy: (1) upgrade volumes through innovations in economy/luxury emulsions, (2) develop project business, (3) expand waterproofing business, (4) grow rural reach, and (5) gain volume market share, yet maintain margins. We believe it is a structural growth story, capturing demand across segments and town class. Considering improved margin trajectory, we have increased earnings for FY23E/FY24E by 7.5%/4.6% and retain our BUY rating, with a revised DCF-based TP of Rs3,707 (implied 69.7x FY24E EPS). Key risks to our call include weak demand conditions, rise in crude oil prices, and currency depreciation.

Valuations	Rs/share
DCF-based target price (Rs)	3707
WACC (%)	11.0
Terminal growth (%)	6.0

P/E mean and standard deviation



EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

Peer comparison

Company	Mkt Cap	CAGR (FY22-24E)				P/E (x)			EV/EBITDA (x)			RoE		
	(Rs bn)	Sales	EBITDA	EPS	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	
Asian Paints	2,980.2	17.5	27.7	26.2	96.5	71.7	58.4	61.7	47.1	37.9	24.0	28.4	31.0	
Berger Paints India	569.2	14.1	21.1	23.5	49.5	54.2	44.1	31.0	34.7	29.5	22.8	24.9	25.9	
Kansai Nerolac Paints	215.4	14.7	32.3	39.8	68.5	35.0	27.6	39.4	24.7	19.0	9.1	13.4	15.6	
Akzo Nobel India	88.4	12.7	16.6	15.1	29.9	26.9	23.0	19.2	16.7	14.4	22.8	24.2	26.6	

Source: Company, Centrum Broking

Exhibit 1: Key concall takeaways and metrics

Centrum Quarterly Monitor	Q4FY22	Q1FY23	Our Comments
Demand Environment	January demand conditions slow given many state level restrictions; However, demand conditions was strong in Feb, March and April. Metro, Tier I/II towns grew in double digits, led by luxury and premium range while T3-4 towns registered double digit growth in the economy. In terms of regions, west and east delivered strong growth.	Demand conditions stable so far across rural & urban markets; Management continues to focus on strong growth for the coming quarter.	We believe organized paint industry benefited from distribution in rural markets. Further, product innovation to fuel growth in Tier 2/3/4 markets in rural and semi-urban areas. In addition, coating business growing at 15-20% is driven by poor construction quality, resulting in high demand for waterproofing products.
Decorative Business	Growth was impacted in Jan'22 but the company registered strong double digit growth from Feb-Mar'22, which led to a 8% volume growth during the quarter (31% in FY22). The segment saw also saw some down-trading from premium to economy ranges.	Growth was impacted due to higher inflation however company registered strong double digit growth of 20.3% on 4-year CAGR basis.	The quarter saw growth across economy and premium portfolio, led by pick-up in demand and new business demand. We believe the company's focus to address the bottom-of-pyramid is likely to continue driving growth in decorative paints, going forward. However, If inflation continues to inch up, calibrated price hikes will be taken, which may impact demand.
Industrial Business	PPG-AP has been a good year, up 32% in FY22 and 19% yoy in Q4. Thrust remains on negotiating price hikes with customers.	PPG-AP (Auto refinishes and marine paints) increased by 63.0% to Rs4.2bn driven by Auto, GI & Refinish have recovered from pre-Covid levels. AP-PPG (General Industrial) grew 56.0% to Rs2.4bn led by powder & protective coatings.	Strong recovery in the economy is likely to boost capex in infra and industry. We expect uptake in economic activities and sustained demand for automobiles to aid industrial business for APNT.
International Business	Been a tough year overall. In 4Q sales were good but the highest growth came from Asia (Nepal and Bangladesh) while Africa didn't perform well, with Ethiopia being impacted by forex devaluation. Overall International Business revenue grew +12 % & FY22 +16 %.	International business has witnessed double digit top line growth led by Asia excluding India (+24.0%), Egypt (+10.0%) and Africa (+8.0%). Sri Lanka has impacted due to difficult operating environment whereas Egypt has seen forex tightness along with higher competitive pressures.	We believe sequential recovery will be underway as economic operations inch back to normalcy. However, Sri Lanka is expected to remain challenging while Ethiopia and Egypt are expected to return to growth in the medium term. These markets contribute 45% of the international business.
Key Interventions	Distribution thrust continued with new retailers in big cities and T3-4 towns, taking the total retail touch points to 1.45 lakh outlets. Further new products contributed to 14% of sales and waterproofing and wood finishes have registered strong growth.	Launched 10 new products in Q1FY23 and offers 40+ unique products in the industry. Adding more than 50,000 retail points taking AP presence across 1,50,000 retail points.	The company is talking about more engines to propel growth. Getting patents and innovation are the key growth drivers. This intention coupled with superior execution capability can make its vision of 'home solutions company' a reality.
On Margins and Exceptional Items	The company took two price hikes at the start of May and June to the tune of 1.8% during 4Q which impacted demand at the economy range in T3-4 towns (some of the demand deferred) and also saw some down-trading from premium to economy ranges. If inflation continues to inch up, calibrated price hikes will be taken, which may impact demand.	Commodity inflation was up by 25.0% on YoY whereas management has taken price hike of 22.0% on the same period. Management would take further price hikes on a calibrated manner in the upcoming quarters to mitigate the inflation pressure.	Material inflation unabated and looking to pick up with the prolonged geopolitical tensions. Calibrated price increases are imminent with continued uptrend in material prices.

Source: Company Data, Centrum Broking

Conference call highlights

Overall

- During the quarter, volume/value grew by 37.0/59.0% respectively to take both on 20% CAGR on 4-year basis
- On Decorative business, consistent volume growth (+20.3% on 4-year CAGR) has been observed driven by luxury & premium products and better mix
- T1 & T2 are the front runner compare to T3 & T4 and in terms of regions, west and south delivered strong growth
- Commodity inflation was up by 25.0% on YoY whereas management has taken price hike of 22.0% on the same period
- T3 & T4 markets have seen pricing pressure after multiple price hiking during this quarter however management believe demand would be better led by better monsoon along with Govt. led Infra projects
- Asian Paints would take further price hikes on a calibrated manner in the upcoming quarters to mitigate the inflation pressure
- Gross margin dipped on a sequential basis of 100bps due to higher inflation
- During this quarter, 5,000 dealers have been added taking the total retail touch points to 1,50,000+ outlets and distribution thrust continued with new retailers in big cities as well as T3-4 towns
- During the year, capex would be spent ~Rs8bn on brownfield expansion
- Management indicated that it could see strong volume growth for the full year however inflationary scenario would continue for short term

Business-wise commentary

- **Projects Business:** In Q1, the projects business saw good growth (20% contributes on top line) led by strong demand from government factories, which led to good performance in ad mixtures, membranes and waterproofing segments. Big surge in business across T1/T2/T3 markets from the Builder segment coupled with strong growth from Government and Factories segments
- **Home Décor:** Home décor is expected to reach ~8-10% over the next three years. Beautiful homes now at 31 stores across India, offering kitchen, bath and now lighting (White Teak acquisition). Looking at making our own products and growing strongly through digital channels “BeautifulHomes.com” to serve millennial customers. In the category management is confident that Bath and Sleek will keep growing, and deliver positive profitability
- Kitchen and bath business both did well with registering 3rd/4th consecutive quarter of Rs1000mn+ respectively in revenue
- Kitchen business sales has improved by 68.3% to Rs1.0bn whereas on EBITDA front loss has reduced to Rs0.4bn. Network expansion continued in full kitchen dealer network with strong focus on RFT/customer delight however material inflation hurting margins during the quarter
- Bath fittings business increased by 120.1% to Rs11.8bn whereas EBITDA stood at Rs.04bn as against a loss of Rs0.1bn on YoY basis led by benefit of scale despite higher inflation
- PPG-AP (Auto refinishes and marine paints) increased by 63.0% to Rs4.2bn driven by Auto, GI & Refinish have recovered from pre-Covid levels.
- While Auto Industry continued to face challenges however sequential improvement has been observed.
- AP-PPG (General Industrial) grew 56.0% to Rs2.4bn led by powder & protective coatings.

- PBT of AP-PPG has stood at Rs0.1bn whereas PPG-AP also came into PBT positive levels with of Rs0.3bn during the quarter
- **International Business:** International business has witnessed double digit top line growth led by Asia excluding India (+24.0%), Egypt (+10.0%) and Africa (+8.0%). Sri Lanka has impacted due to difficult operating environment whereas Egypt has seen forex tightness along with higher competitive pressures
- Overall International business revenue was up by 15.7% on YoY to Rs7.0bn however volume was down by 6.0%. Significantly better operating margins has been observed led by steep price increases, better product mix and cost efficiencies during this quarter. PBT stood at Rs0.4bn as against a loss of Rs0.1bn last year
- Sri Lanka is expected to remain challenging while Ethiopia and Egypt are expected to return to growth in the medium term. These markets contribute 45.0% of the international business
- During the quarter, Company has charged Rs0.2bn towards devaluation of foreign currency translation loss due to economic crisis in Srilanka
- **M&A Updates:** Recent acquisitions in the Décor space, 'White Teak' (In Decorative and Designer Lighting) has generated of Rs0.2bn as against Rs0.6bn on FY22 whereas 'Weather seal' transaction has closed in June with subscription to 51.0% equity

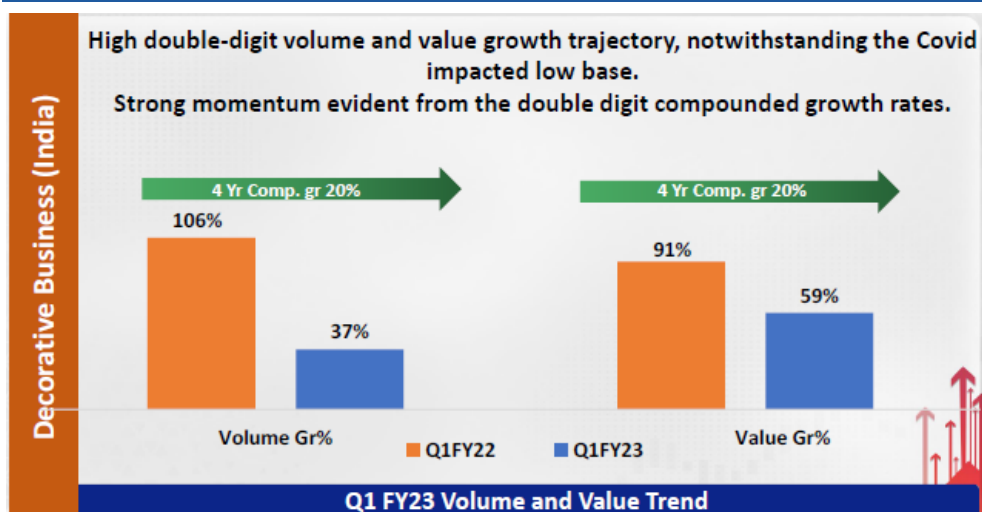
Key interventions

- Launched 10 new products in Q1FY23 and offers 40+ unique products in the industry
- Adding more than 50,000 retail points taking AP presence across 1,50,000 retail points.

Revenue growth and margin outlook

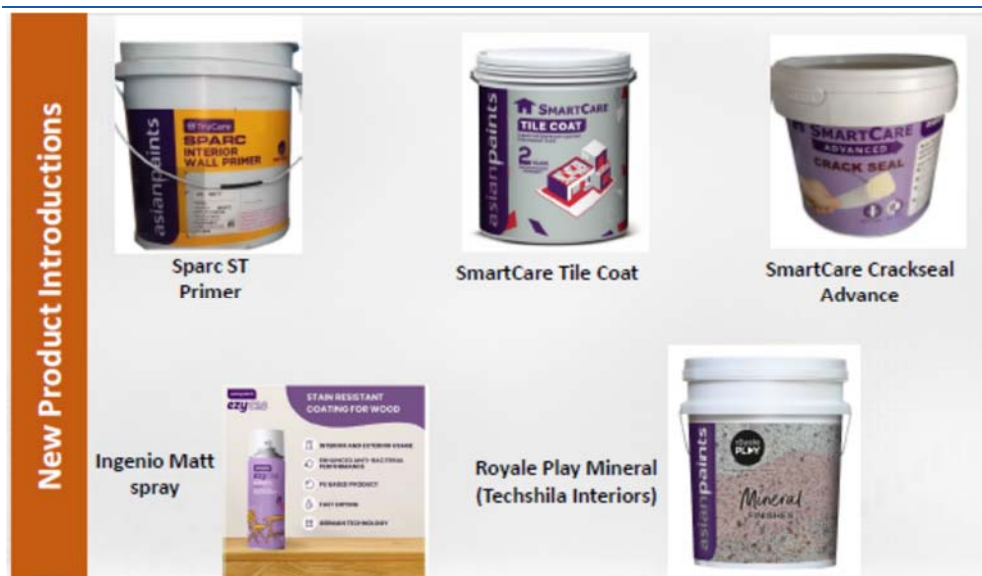
- Demand conditions stable so far across rural & urban markets; Management continues to focus on strong growth for the coming quarter
- Overall prediction is close to normal monsoon which will support good sentiment in T3/T4 cities monsoon overall barring few states (North, East) still showing deficit
- Rupee depreciation, on the back of global policy tightening and aggravating inflationary pressures could dampen consumer sentiments
- Overall, material inflation expected to ease gradually from second half of current financial year and Q2 inflation estimated to be in low single digits

Exhibit 2: Continued Volume and value growth trajectory



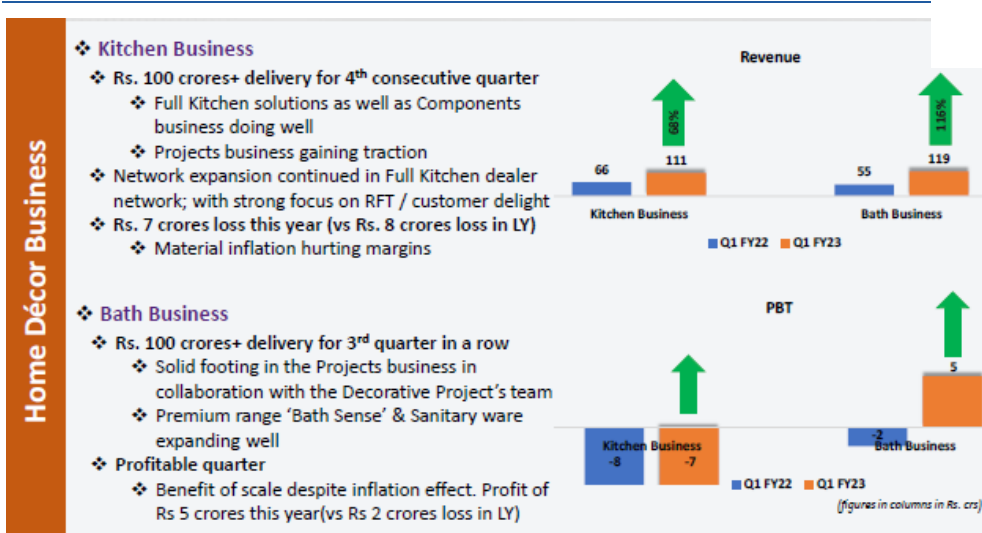
Source: Company Data, Centrum Broking

Exhibit 3: New Product Introductions



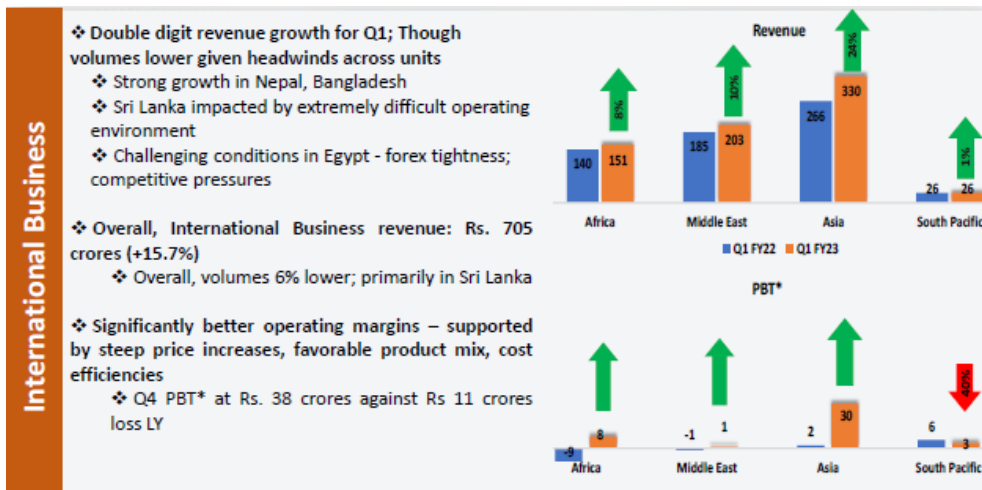
Source: Company Data, Centrum Broking

Exhibit 4: Home décor play delivering consistent growth



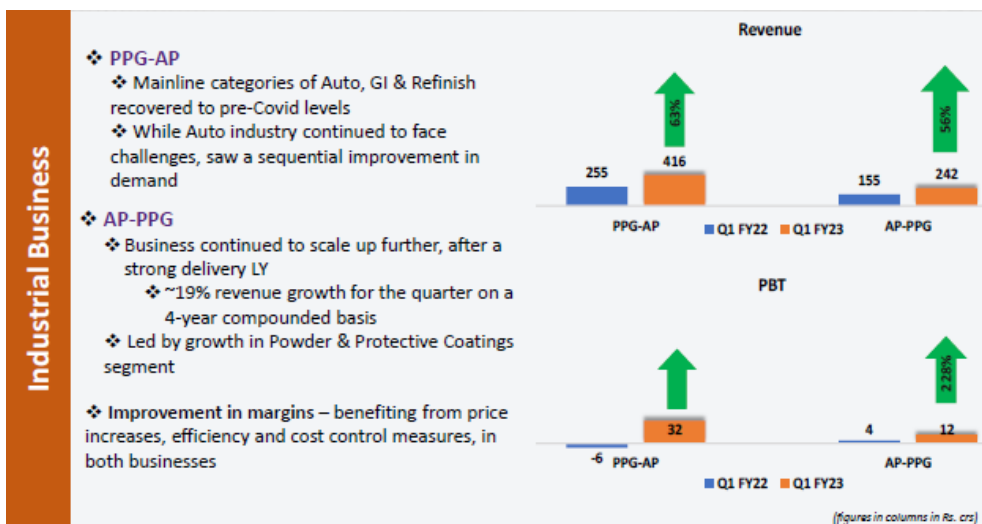
Source: Company Data, Centrum Broking

Exhibit 5: Despite currency headwinds, International business grew strong



Source: Company Data, Centrum Broking

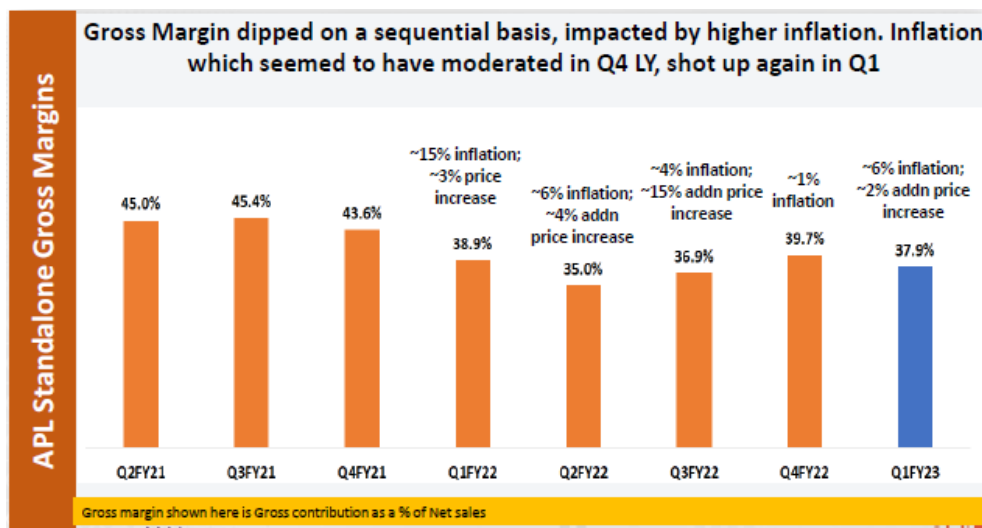
Exhibit 6: Industrial business continued to face challenges; improves demand sequentially



(figures in columns in Rs. crs)

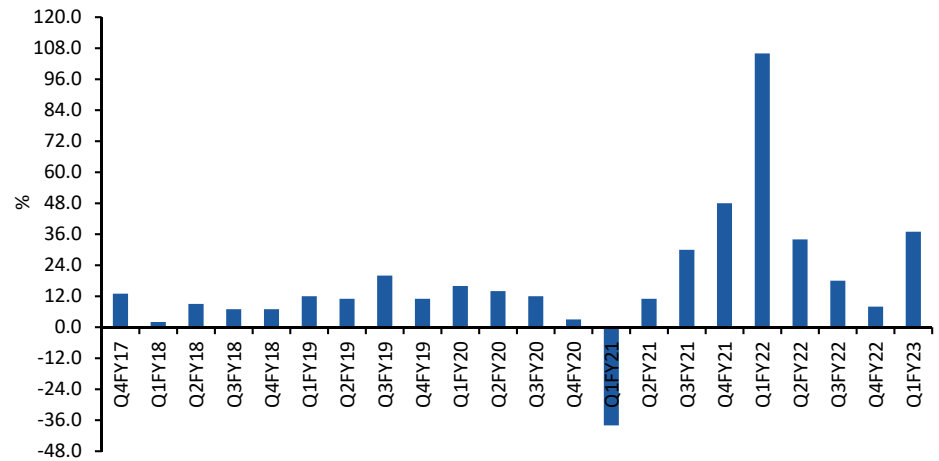
Source: Company Data, Centrum Broking

Exhibit 7: Gross Margin dipped on a sequential basis due to higher inflation



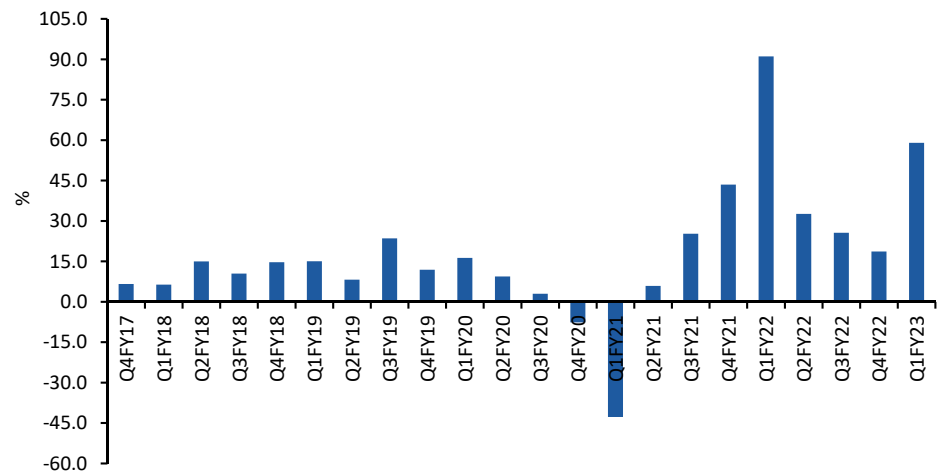
Source: Company Data, Centrum Broking

Exhibit 8: Quarterly volume growth trend



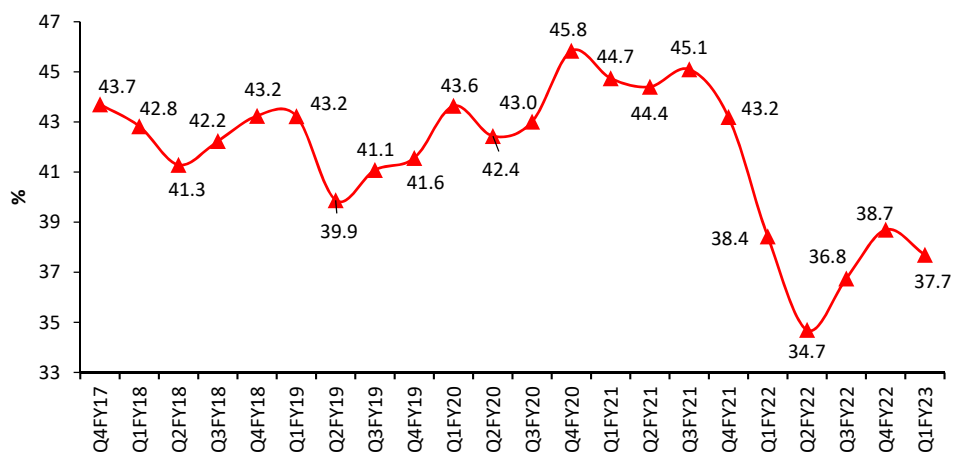
Source: Company Data, Centrum Broking

Exhibit 9: Quarterly revenue growth trend (consolidated)



Source: Company Data, Centrum Broking

Exhibit 10: Quarterly gross margin trend



Source: Company Data, Centrum Broking

Exhibit 11: Quarterly Financials - Consolidated

Particulars (Rs mn)	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23
Net Sales	53,502	67,885	66,514	55,854	70,960	85,272	78,927	86,069
Other Operating Income								
Total Income	53,502	67,885	66,514	55,854	70,960	85,272	78,927	86,069
Accretion to Stocks in trade & work in progress	(889)	2,446	(3,277)	(6,529)	(7,262)	3,816	(3,275)	(3,116)
Raw Material Consumed	26,465	28,891	34,356	34,261	45,705	40,845	41,735	46,103
Purchase of Stock-in-Trade	4,169	5,948	6,715	6,657	7,861	9,273	9,921	10,632
Employee Expenses	3,789	3,883	4,121	4,321	4,415	4,557	4,574	4,896
Other Exp	7,317	8,839	11,417	8,008	11,196	11,359	11,540	11,995
Operating Profit (Core EBITDA)	12,652	17,879	13,183	9,136	9,045	15,423	14,433	15,560
Depreciation	(1,936)	(1,932)	(2,134)	(2,006)	(2,028)	(2,079)	(2,051)	(2,081)
EBIT	10,716	15,947	11,049	7,130	7,017	13,344	12,382	13,479
Interest	(205)	(211)	(299)	(215)	(239)	(275)	(226)	(288)
Other Income	826	979	754	896	1,382	718	804	990
Other Excep. Items (restructuring, asset sales etc)	381	607	-552	-	-141	-598	-1,157	-242
Profit Before Tax	11,719	17,322	10,953	7,811	8,019	13,189	11,803	13,939
Tax	(2,936)	(4,314)	(2,864)	(2,043)	(2,211)	(3,624)	(3,151)	(3,706)
Tax rate (%)	25.1	24.9	26.2	26.2	27.6	27.5	26.7	26.6
Profit After Tax	8,782	13,008	8,089	5,768	5,809	9,565	8,651	10,233
Less: Minority interest in income	(215)	(270)	(177)	(58)				
Add/(Less) - Share in the profit/(loss) of associates	118	252	59	(25)				
Profit/(loss) from discontinued ops	-	-	-	-	-	-	-	-
PAT attributable to Consolidated Group	8,900	13,260	8,147	5,743	5,911	9,715	8,741	10,360
Adjusted PAT for the group	8,519	12,654	8,699	5,743	6,052	10,313	9,898	10,602
Growth (%)								
Net Sales	5.9	25.2	43.5	91.1	32.6	25.6	18.7	54.1
EBITDA	32.5	50.3	53.4	88.7	(28.5)	(13.7)	9.5	70.3
Adj. PAT	0.8	62.3	81.1	161.5	(29.0)	(18.5)	13.8	84.6
Margin (%)								
Gross Margin	44.4	45.1	43.2	38.4	34.7	36.8	38.7	37.7
EBITDA	23.6	26.3	19.8	16.4	12.7	18.1	18.3	18.1
EBIT	20.0	23.5	16.6	12.8	9.9	15.6	15.7	15.7
PAT (reported bef minority interest)	16.4	19.2	12.2	10.3	8.2	11.2	11.0	11.9

Source: Company Data, Centrum Broking

P&L					
YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Revenues	202,113	217,108	291,013	340,370	401,927
Operating Expense	113,835	120,972	183,008	198,089	230,717
Employee cost	13,661	15,408	17,867	24,301	28,696
Others	32,999	32,192	42,103	54,705	64,156
EBITDA	41,618	48,536	48,036	63,275	78,358
Depreciation & Amortisation	7,805	7,913	8,164	8,620	10,781
EBIT	33,813	40,623	39,873	54,655	67,578
Interest expenses	1,023	916	954	1,084	1,019
Other income	3,043	3,031	3,800	4,316	4,572
PBT	35,833	42,737	42,719	57,886	71,131
Taxes	8,549	10,976	11,029	15,919	19,561
Effective tax rate (%)	23.9	25.7	25.8	27.5	27.5
PAT	27,284	31,761	31,689	41,967	51,570
Minority/Associates	(262)	286	316	(413)	(587)
Recurring PAT	27,023	32,047	32,005	41,555	50,983
Extraordinary items	534	0	(1,157)	0	0
Reported PAT	27,556	32,047	30,848	41,555	50,983
Ratios					
YE Mar	FY20A	FY21A	FY22A	FY23E	FY24E
Growth (%)					
Revenue	4.5	7.4	34.0	17.0	18.1
EBITDA	18.1	16.6	(1.0)	31.7	23.8
Adj. EPS	25.1	18.6	(0.1)	29.8	22.7
Margins (%)					
Gross	43.7	44.3	37.1	41.8	42.6
EBITDA	20.6	22.4	16.5	18.6	19.5
EBIT	16.7	18.7	13.7	16.1	16.8
Adjusted PAT	13.4	14.8	10.6	12.2	12.7
Returns (%)					
ROE	27.5	27.9	24.0	28.4	31.0
ROCE	25.4	25.0	21.5	25.8	28.5
ROIC	25.1	27.4	24.3	26.5	28.5
Turnover (days)					
Gross block turnover ratio (x)	2.6	2.7	3.5	2.9	3.1
Debtors	33	37	41	45	44
Inventory	105	108	99	120	118
Creditors	73	83	75	84	85
Net working capital	67	111	107	80	83
Solvency (x)					
Net debt-equity	0.0	(0.2)	(0.1)	0.0	0.0
Interest coverage ratio	40.7	53.0	50.3	58.4	76.9
Net debt/EBITDA	0.0	(0.6)	(0.3)	0.0	(0.1)
Per share (Rs)					
Adjusted EPS	28.2	33.4	33.4	43.3	53.2
BVPS	105.6	133.5	144.0	161.5	181.7
CEPS	36.3	41.7	41.9	52.3	64.4
DPS	22.1	5.2	18.4	25.8	33.0
Dividend payout (%)	77.0	15.6	57.1	59.6	62.0
Valuation (x)					
P/E	110.2	92.9	93.1	71.7	58.4
P/BV	29.4	23.3	21.6	19.2	17.1
EV/EBITDA	71.5	60.8	61.7	47.1	37.9
Dividend yield (%)	0.7	0.2	0.6	0.8	1.1

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Equity share capital	959	959	959	959	959
Reserves & surplus	100,342	127,104	137,156	153,943	173,300
Shareholders fund	101,302	128,063	138,116	154,903	174,260
Minority Interest	4,035	4,229	3,875	4,288	4,875
Total debt	11,039	10,848	15,869	14,923	14,423
Non Current Liabilities	1,883	2,231	2,226	2,604	3,075
Def tax liab. (net)	4,270	4,013	3,228	3,228	3,228
Total liabilities	122,529	149,384	163,314	179,946	199,861
Gross block	79,096	80,366	82,953	117,519	129,461
Less: acc. Depreciation	(19,573)	(24,807)	(30,191)	(38,811)	(49,592)
Net block	59,523	55,559	52,762	78,708	79,869
Capital WIP	1,402	1,830	4,264	4,264	4,264
Net fixed assets	64,126	60,415	59,455	85,401	86,562
Non Current Assets	6,389	8,176	7,938	9,284	10,963
Investments	15,064	14,697	10,668	10,668	10,668
Inventories	33,898	37,986	61,530	69,168	80,576
Sundry debtors	17,952	26,022	38,714	45,047	52,919
Cash & Cash Equivalents	12,953	38,779	30,450	13,992	22,034
Loans & advances	8,003	11,972	15,335	17,936	21,180
Other current assets	2,995	5,507	5,494	6,426	7,588
Trade payables	21,366	33,787	41,643	49,172	58,616
Other current liab.	16,860	19,538	23,930	27,989	33,051
Provisions	625	844	697	815	963
Net current assets	36,951	66,096	85,253	74,593	91,667
Total assets	122,529	149,384	163,314	179,946	199,861

Cashflow					
YE Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Profit Before Tax	36,283	43,044	41,877	57,886	71,131
Depreciation & Amortisation	7,819	7,913	8,164	8,620	10,781
Net Interest	96	165	(125)	(48)	(171)
Net Change – WC	(7,371)	(2,065)	(27,952)	(6,767)	(10,241)
Direct taxes	(10,108)	(10,797)	(11,757)	(15,919)	(19,561)
Net cash from operations	26,319	36,834	9,865	43,772	51,939
Capital expenditure	(3,669)	(2,543)	(4,987)	(34,566)	(11,942)
Acquisitions, net	0	0	0	0	0
Investments	(2,368)	(3,679)	973	0	0
Others	823	743	797	1,133	1,189
Net cash from investing	(5,214)	(5,478)	(3,217)	(33,433)	(10,753)
FCF	21,105	31,356	6,648	10,340	41,186
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	(582)	1,412	4,100	(945)	(500)
Dividend paid	(21,207)	(4,994)	(17,628)	(24,768)	(31,626)
Interest paid	(2,800)	(2,923)	(3,150)	(1,084)	(1,019)
Others	(63)	0	(1,399)	5,000	0
Net cash from financing	(24,652)	(6,504)	(18,076)	(21,798)	(33,144)
Net change in Cash	(3,547)	24,852	(11,428)	(11,458)	8,042

Source: Company, Centrum Broking

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Asian Paints



Source: Bloomberg

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