

Balrampur Chini | BUY

Worst is behind

The 1HFY23 performance of Balrampur Chini (BRCM) was impacted by lower spread on sugar (sugar realisation - opening inventory valuation) and seasonality (as seen in Exhibit 1). In contrast, 2HFY23 (especially 4QFY23) will look very strong on account of seasonality. Moreover, FY24 will be a blockbuster year on the back of a) improved sugarcane crushing volume (yield normalisation and increase in area under sugarcane), and b) full ramp-up of distilleries (Maizapur and Balrampur). Our estimates/TP remains unchanged. We maintain BUY on BRCM with a Sep'23TP of INR 465 basis 15x Sep'24 EPS. We remain positive on the Indian Sugar sector given favourable regulation (intended towards the survival of the weakest mill), which augurs well for efficient companies like BRCM. Key risks: Lower-than-expected cane crushing volume and any unfavourable change in government regulations.

- Why seasonality in sugar segment (production and profitability)?:** a) Sugarcane crushing for BRCM, just like other mills, starts in Nov/Dec and ends in Apr/May depending on cane availability (production occurs in 5 months and sales over the next 7 months), b) On the other hand, overhead costs (factory costs; c.INR0.8bn JMFe) are incurred every quarter and charged to P&L, c) Inventory valuation is done on cumulative basis (e.g., 3QFY23 will consider 9MFY23 costs and sugar production and, hence, cost per unit will be higher than realisable value), d) Inventory valuation is done following principle of CoP (cost of Production) or NR (Net Realisable Value) and there is inventory loss in the first 3 quarters. This gets reversed in 4Q and, hence, appears as the best quarter (cumulative costs and cumulative sugar production).
- Why was 1HFY23 impacted?:** BRCM had an underwhelming 1HFY23 with a reported loss of INR 197mn (vs. INR 1.5bn profit YoY) on account of a) erratic weather conditions in its catchment areas and cane disease (red rot) impacting yields (and, hence, crushing volume), b) lower gross/net recovery rate (c.-30bps YoY), and c) higher diversions of sugar for ethanol (resulting into lower sugar production). As a result, cost of inventory as of Mar'22 stood at INR 34.2/kg as compared to INR 31/kg in Mar'21. This inventory has got liquidated in Apr-Nov at a gross spread of INR 1.5/kg (as compared to INR4/kg in the previous year). This, coupled with inventory loss (as explained above), resulted in a significantly weak 1HFY23, particularly in the sugar segment.
- Distillery ramp-up to boost FY24 performance:** BRCM is expanding its distillery capacity from 520KLPD to 1,050KLPD in FY23 (of this, the 320KLPD Maizapur distillery commissioned in Nov'22), leading to distillery volume jumping to 350mn litres in FY24 (31% 3-year CAGR). This, thereby, enhances the proportion of revenue generated from ethanol from 19% in FY22 to c.35% in FY24.
- Remain constructive on the sector; reiterate BUY on BRCM:** We remain positive on the sugar sector (especially efficient companies) as government policies (sugarcane price/MSP/ethanol prices) will ensure survival of the weakest. While the regulation of sugar exports appears optically negative, we are convinced that it is aimed at a) ensuring adequate stock for local consumption, thus avoiding any undesired rally in domestic



Achal Lohade

achal.lohade@jmfl.com | Tel: (91 22) 66303081

Paarth Gala

paarth.gala@jmfl.com | Tel: (91 22) 66303074

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	465
Upside/(Downside)	21.6%
Previous Price Target	465
Change	0.0%

Key Data – BRCM IN

Current Market Price	INR382
Market cap (bn)	INR78.0/US\$0.9
Free Float	56%
Shares in issue (mn)	204.0
Diluted share (mn)	204.0
3-mon avg daily val (mn)	INR717.6/US\$8.7
52-week range	526/299
Sensex/Nifty	62,678/18,660
INR/US\$	82.5

Price Performance

%	1M	6M	12M
Absolute	12.0	-3.4	14.7
Relative*	10.1	-18.8	6.4

* To the BSE Sensex

Financial Summary

Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E
Net Sales	48,117	48,460	52,646	62,205	63,389
Sales Growth (%)	1.5	0.7	8.6	18.2	1.9
EBITDA	7,547	7,500	5,896	9,884	10,632
EBITDA Margin (%)	15.7	15.5	11.2	15.9	16.8
Adjusted Net Profit	4,935	4,882	3,365	5,969	6,673
Diluted EPS (INR)	23.5	23.9	16.5	29.3	32.7
Diluted EPS Growth (%)	12.9	1.8	-31.1	77.4	11.8
ROIC (%)	14.1	13.4	8.8	17.2	21.2
ROE (%)	20.0	18.3	12.1	20.7	21.6
P/E (x)	16.3	16.0	23.2	13.1	11.7
P/B (x)	3.1	2.8	2.8	2.6	2.4
EV/EBITDA (x)	12.0	12.0	15.2	8.3	7.3
Dividend Yield (%)	0.7	0.7	3.9	5.2	5.8

Source: Company data, JM Financial. Note: Valuations as of 14/Dec/2022

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

prices, and b) continuity in the ethanol programme (ethanol momentum could get upset in case of a significant rally in sugar prices). BRCM continues to be the best among the sugar pack, in our view. We maintain **BUY** rating on Balrampur Chini (CMP-INR 374; Sep'23TP- INR 465).

- **Industry updates (sugar production and prices):** As on 30th Nov'22, India's sugar production was 4.79mt (+1% YoY). While Maharashtra produced 2mt (-1% YoY), UP produced 1.1mt, +8% YoY. ISMA, in its 1st advance estimates for SS23, has pegged sugar production at 36.5mt, assuming diversion of 4.5mt for ethanol. The government has announced 6mt exports quota and mills are estimated to have contracted for over 3.5mt already given robust global sugar prices. Domestic sugar prices have been stable in the past 3-4 months.

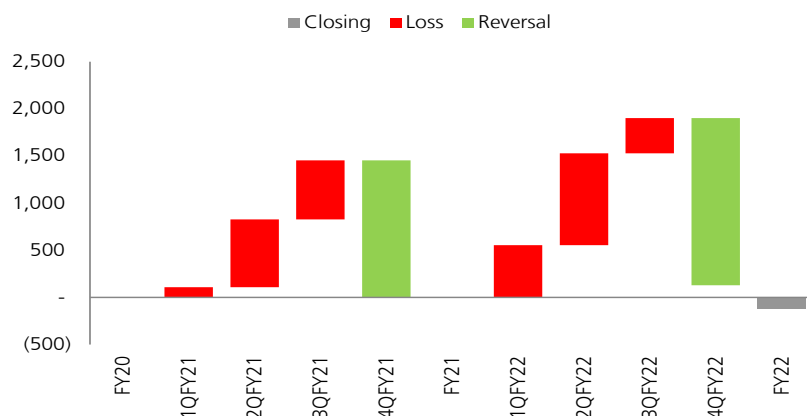
Inventory loss gets reversed in 4Q of the FY

Exhibit 1. Balrampur Chini – Quarterly movement of spreads

	UoM	1Q21A	2Q21A	3Q21A	4Q21A	1Q22A	2Q22A	3Q22A	4Q22A	1Q23A	2Q23A
Cane crushed	mn tonnes	2.0	-	2.6	5.7	0.4	-	2.6	5.8	0.5	-
Sugar Production	mn tonnes	0.2	-	0.3	0.6	0.0	-	0.2	0.6	0.0	-
Recovery rate		11.07%		9.77%	10.88%	11.27%		9.61%	10.49%	9.72%	
Cumulative Cane crushed	mn tonnes	2.0	2.0	4.6	10.3	0.4	0.4	3.0	8.9	0.5	0.5
Cumulative sugar production	mn tonnes	0.2	0.2	0.5	1.1	0.0	0.0	0.3	0.9	0.0	0.0
Recovery rate		11.07%	11.07%	10.33%	10.63%	11.27%	11.27%	9.85%	10.27%	9.72%	9.72%
Cost of production (reported)	INR/kg	30.4	34.9	34.5	31.3	42.7	64.3	40.9	34.4	51.2	76.4
Inventory valuation (reported)	INR/kg	29.9	31.2	31.5	31.3	31.4	33.0	34.5	34.2	34.1	34.8
Implied inventory loss	INR/kg	-0.5	-3.7	-3.0	0.0	-11.3	-31.3	-6.4	-0.1	-17.1	-41.5
Cumulative inventory loss	INR mn	109	827	1,453	-	553	1,527	1,903	127	766	1,865
Inventory loss/(reversal) for the quarter	INR mn	109	718	626	(1,453)	553	975	375	(1,775)	639	1,099
EBIT											
Sugar (incl cogen)	INR mn	1,066	136	-185	2,304	68	143	459	2,293	-557	-902
Distillery	INR mn	959	1,010	489	958	1,176	1,089	510	1,049	984	730
Total EBIT	INR mn	2,024	1,146	304	3,262	1,244	1,232	969	3,341	427	-172
Inventory loss/(reversal) for the quarter	INR mn	109	718	626	-1,453	553	975	375	-1,775	639	1,099
Adjusted EBIT for sugar segment	INR mn	1,174	853	441	851	621	1,118	834	517	82	197
Sugar realisation for the quarter	INR/kg	34.0	33.0	32.5	32.0	35.3	35.5	36.3	34.5	35.6	35.7
Spread on opening sugar inventory	INR/kg	4.5	3.0	1.3	0.5	4.0	4.1	3.3	-0.0	1.4	1.5
RM cost	INR mn	10,754	10,287	8,903	4,615	8,520	9,319	9,437	7,285	8,904	9,664
Employee cost+Other Exp	INR mn	1,375	1,333	1,454	2,256	1,544	1,471	1,686	2,201	1,453	1,626
Total cost	INR mn	12,129	11,621	10,358	6,871	10,064	10,790	11,124	9,486	10,357	11,290
Cumulative cost	INR mn	12,129	23,749	34,107	40,978	10,064	20,854	31,978	41,463	10,357	21,647
per unit cost	INR/kg	54.6	106.9	71.1	37.3	206.2	427.3	107.2	45.6	230.7	482.1
Reported EBITDA	INR mn	2,175	1,277	364	3,322	1,340	1,348	998	3,310	444	-159
Adjusted EBITDA (Adj for inventory loss)	INR mn	2,283	1,995	990	1,870	1,893	2,323	1,373	1,535	1,083	939

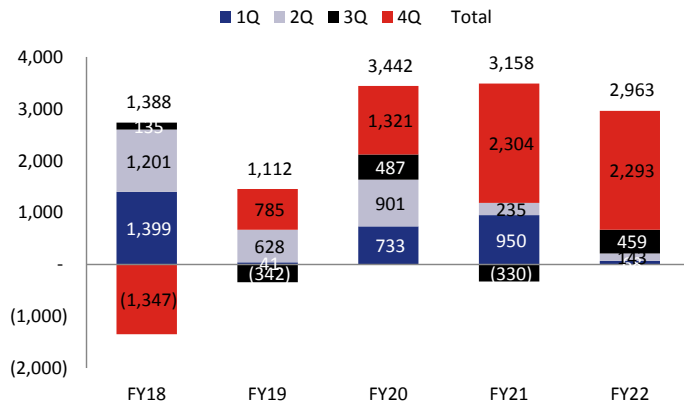
Source: Company, JM Financial

Exhibit 2. Movement of Inventory Loss/Reversal over quarters



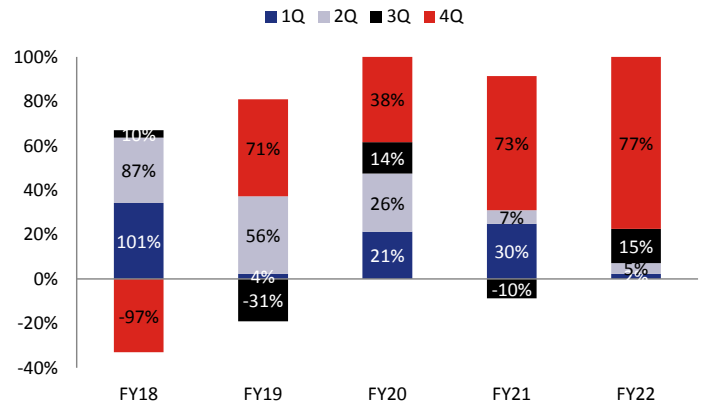
Source: Company, JM Financial

Exhibit 3. – Quarterly Sugar EBIT mix (INR mn)



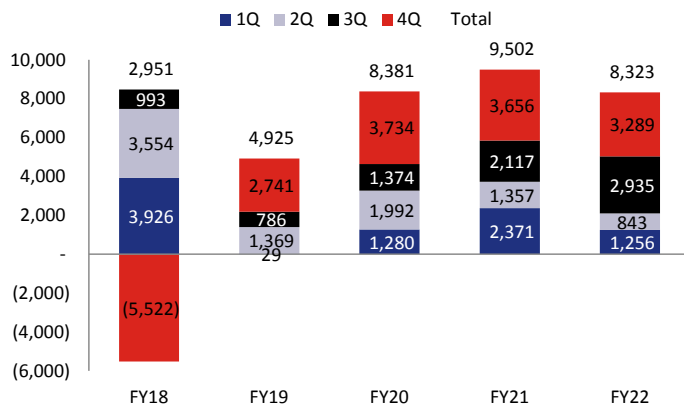
Source: Company, JM Financial

Exhibit 4. Balrampur – Quarterly Sugar EBIT Mix %



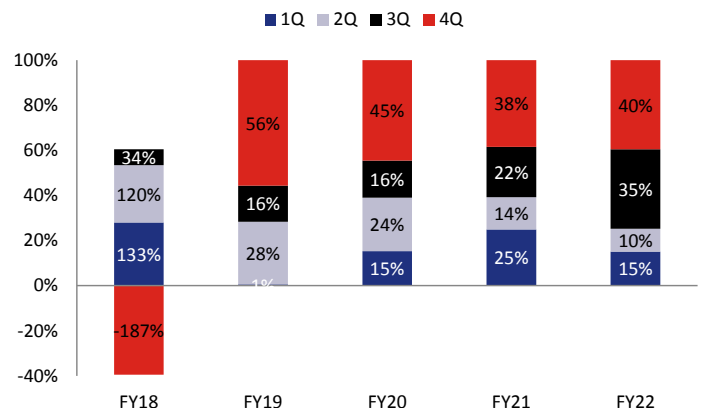
Source: Company, JM Financial

Exhibit 5. Industry* – Quarterly Sugar EBIT mix (INR mn)



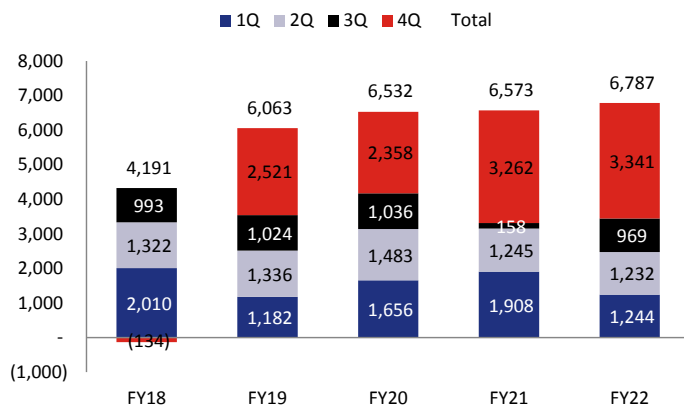
Source: Company, JM Financial *Industry includes Dhampur, Dwarikesh, DCM Shriram, Triveni

Exhibit 6. Industry* – Quarterly Sugar EBIT Mix %



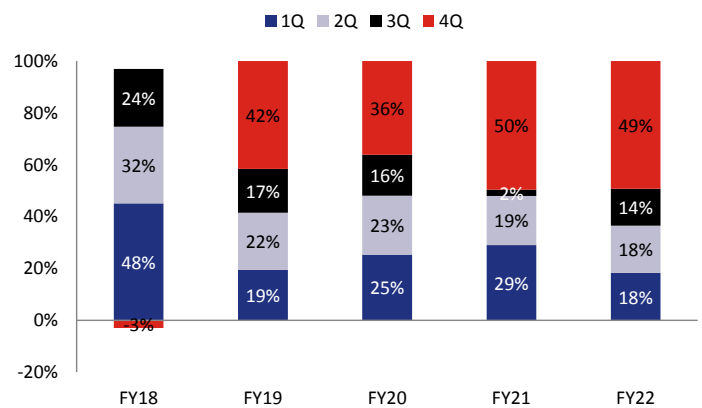
Source: Company, JM Financial *Industry includes Dhampur, Dwarikesh, DCM Shriram, Triveni

Exhibit 7. Balrampur – Quarterly Sugar+Allied EBIT mix (INR mn)



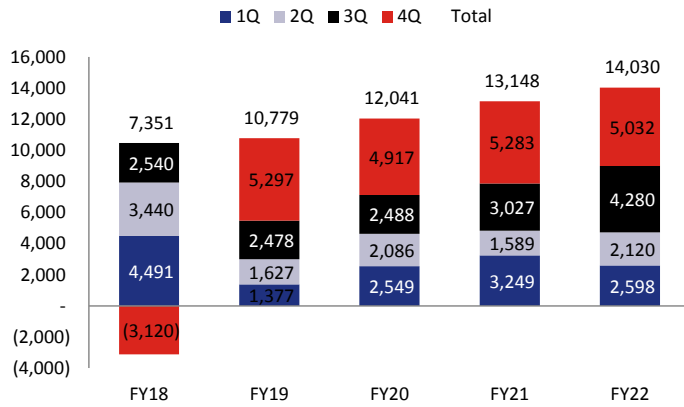
Source: Company, JM Financial

Exhibit 8. Balrampur – Quarterly Sugar+Allied EBIT Mix %



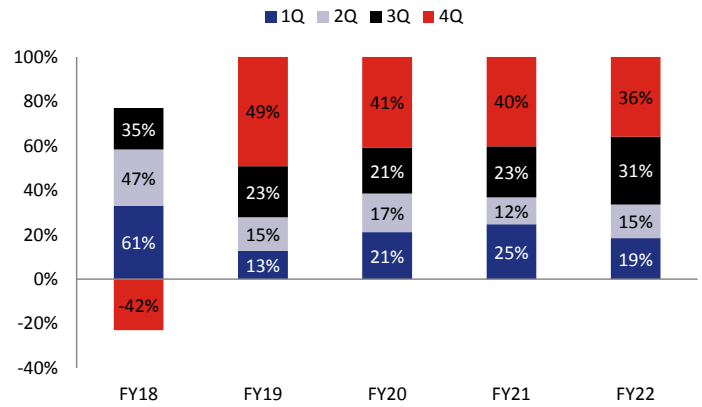
Source: Company, JM Financial

Exhibit 9. Industry* – Quarterly Sugar+Allied EBIT mix (INR mn)



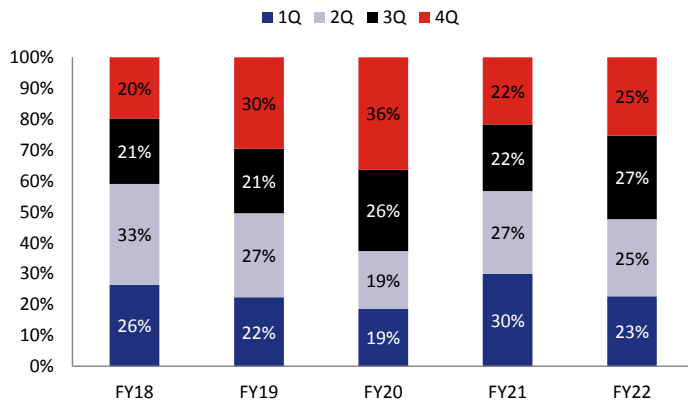
Source: Company, JM Financial *Industry includes Dhampur, Dwarikesh, DCM Shriram, Triveni

Exhibit 10. Industry* – Quarterly Sugar+Allied EBIT Mix %



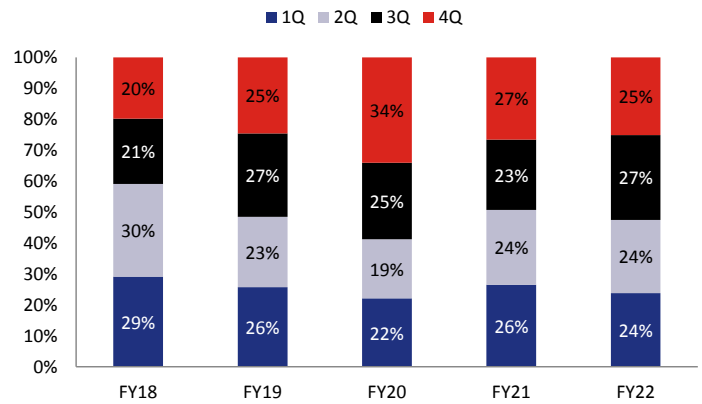
Source: Company, JM Financial *Industry includes Dhampur, Dwarikesh, DCM Shriram, Triveni

Exhibit 11. BRCM – Sugar Revenue Mix %



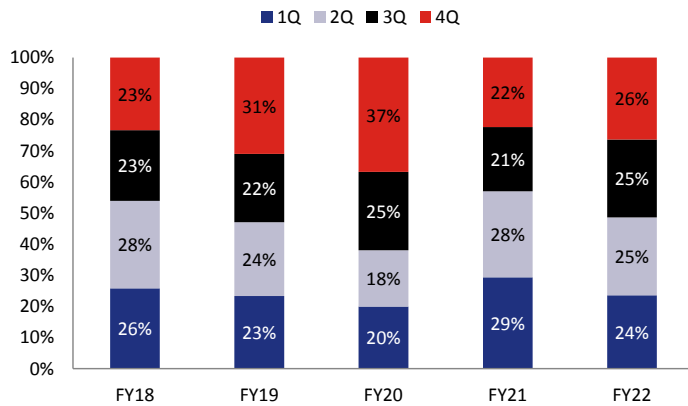
Source: Company, JM Financial

Exhibit 12. Industry* – Sugar Revenue Mix %



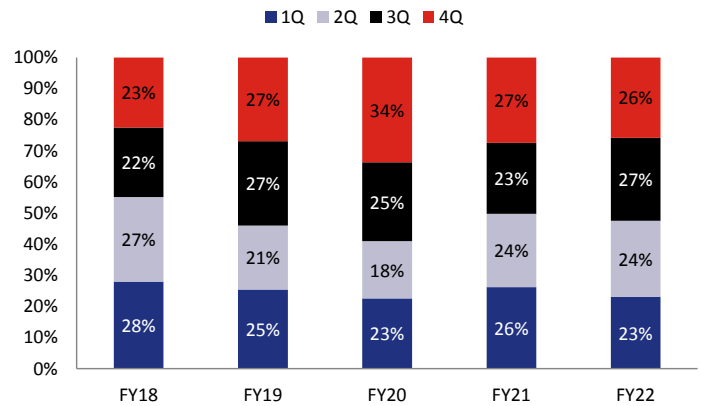
Source: Company, JM Financial *Industry includes Dhampur, Dwarikesh, DCM Shriram, Triveni

Exhibit 13. BRCM – Sugar+Allied Revenue Mix %



Source: Company, JM Financial

Exhibit 14. Industry* – Sugar+Allied Revenue Mix %



Source: Company, JM Financial *Industry includes Dhampur, Dwarikesh, DCM Shriram, Triveni

Exhibit 15. Sugar production as on 30th Nov'22

State	1st advance estimates								
	Sugar Production (w/o Diversion)			Sugarcane Acreage (Lakh Hectares)			Sugar Production (w/o Diversion)		
	As on Nov'22	As on Nov'21	YoY	SS 22-23	SS 21-22	YoY	SS 22-23	SS 21-22	YoY
Maharashtra	20.0	20.3	-1%	14.5	13.5	7%	150.0	149.0	1%
Uttar Pradesh	11.2	10.4	8%	23.8	23.1	3%	123.0	114.0	8%
Karnataka	12.1	12.8	-5%	6.5	5.9	11%	70.0	68.0	3%
Gujarat	1.5	1.6	-6%	2.2	2.1	6%	13.0	12.0	8%
Tamil Nadu	1.1	0.5	120%	2.9	2.6	11%	14.0	13.0	8%
Others	2.0	1.6	25%	9.1	8.7	5%	40.0	36.0	11%
Total Production	47.9	47.2	1%	59.0	55.9	6%	410.0	392.0	5%
Ethanol Diversion							45.0	34.0	32%
Total Production (post diversion)							365.0	358.0	2%

Source: ISMA, JM Financial

Exhibit 16. Balrampur Chini – 2HFY23 performance to recover

INR mn	FY21	FY22	1HFY22	1HFY23	YoY	FY23	YoY	FY24	YoY	2HFY22	2HFY23	YoY	Over 1H23
Revenue	48,117	48,460	23,543	21,932	-7%	52,646	9%	62,205	18%	24,918	30,714	23%	40%
EBITDA	7,138	6,997	2,689	285	-89%	5,896	-16%	9,884	68%	4,308	5,611	30%	1870%
margin %	14.8%	14.4%	11.4%	1.3%	-1012bps	11.2%	-324bps	15.9%	469bps	17.3%	18.3%	98bps	
PBT	5,961	6,029	2,017	-235	NA	4,639	-23%	8,062	74%	4,012	4,874	21%	NA
margin %	12.4%	12.4%	8.6%	-1.1%	NA	8.8%	-363bps	13.0%	415bps	16.1%	15.9%	-23bps	
Adj.PAT	4,935	4,882	1,546	-197	NA	3,365	-31%	5,969	77%	3,336	3,562	7%	NA
margin %	10.3%	10.1%	6.6%	-0.9%	NA	6.4%	-368bps	9.6%	320bps	13.4%	11.6%	-179bps	
Segmental Revenue													
Sugar	43,517	42,630	19,662	18,506	-6%	45,995	8%	50,228	9%	22,968	27,489	20%	49%
Distillery	8,415	10,014	5,265	5,280	0%	12,675	27%	20,003	58%	4,749	7,395	56%	40%
Total	52,155	52,840	25,000	23,914	-4%	58,670	11%	70,231	20%	27,840	34,757	25%	45%
Less: Inter Segment Revenue	4,039	4,380	1,457	1,982	36%	6,024	38%	8,026	33%	2,922	4,042	38%	104%
Net Revenue	48,117	48,460	23,543	21,932	-7%	52,646	9%	62,205	18%	24,918	30,714	23%	40%
Segmental EBIT													
Sugar	3,295	2,963	211	(1,459)	NA	1,057	-64%	1,697	60%	2,752	2,516	-9%	NA
Distillery	3,441	3,824	2,265	1,714	-24%	4,561	19%	7,518	65%	1,559	2,847	83%	66%
Unallocable	104	96	30	62	111%	96	0%	96	0%	66	34	-49%	-46%
Total	6,840	6,883	2,506	318	-87%	5,715	-17%	9,311	63%	4,377	5,397	23%	1600%
Segmental EBIT %													
Sugar	7.6%	7.0%	1.1%	-7.9%	NA	2.3%	-465bps	3.4%	108bps	12.0%	9.2%	-283bps	NA
Distillery	40.9%	38.2%	43.0%	32.5%	-1055bps	36.0%	-219bps	37.6%	160bps	32.8%	38.5%	568bps	604bps

Source: Company, JM Financial

Exhibit 17. Key assumptions

Y/E March	FY18A	FY21A	FY22A	FY23E	FY24E	FY25E
Cane crushed	9.28	10.33	8.85	9.56	10.33	11.15
YoY	17%	1%	-14%	8%	8%	8%
Sugar Production	1,006	1,098	910	911	983	1,082
Recovery Rate						
Gross	10.84%	11.77%	11.55%	11.80%	11.90%	12.00%
Net	10.84%	10.63%	10.27%	9.53%	9.52%	9.70%
Cane cost						
On Gross Recovery basis	30.38	28.89	31.81	31.19	31.34	31.50
On Net Recovery basis	30.38	31.98	35.76	38.62	39.18	38.98
Landed Cane cost	3,293	3,400	3,674	3,680	3,730	3,780
Gross Spread						
On Gross Recovery basis	5.18	4.34	3.61	4.02	4.74	4.80
On Net Recovery basis	5.18	1.24	-0.34	-3.41	-3.10	-2.68
Sales Volume						
Sugar (incl exports)	1,030	1,133	1,026	1,050	1,067	1,068
YoY	29%	-6%	-9%	2%	2%	0%
Distillery (incl ethanol)	81	165	177	222	341	348
YoY	17%	38%	7%	26%	54%	2%
Realisation (Ex-mill)						
Sugar (incl export incentives)	35,560	33,222	35,421	35,203	36,082	36,300
YoY	-1%	2%	7%	-1%	2%	1%
Distillery	39.15	48.35	53.38	57.11	58.62	59.54
YoY	-8%	8%	10%	7%	3%	2%
Revenue (INR mn)	43,425	48,117	48,460	52,646	62,205	63,389
Sugar (incl cogeneration)	40,268	40,129	39,039	39,971	42,202	42,643
Distillery (estimated)	3,158	7,987	9,422	12,675	20,003	20,747
EBIT	3,564	6,020	5,858	4,639	8,182	8,912
Sugar (incl cogeneration)	2,482	2,579	2,035	78	664	960
Distillery (estimated)	1,082	3,441	3,824	4,561	7,518	7,952
EBITDA	4,517	7,138	6,997	5,896	9,884	10,632
Sugar (incl cogeneration)	3,331	3,510	2,971	1,080	1,899	2,213
Distillery (estimated)	1,186	3,628	4,026	4,816	7,985	8,419
PBT	3,322	5,961	6,029	4,639	8,062	8,953
YoY	-57%	7%	1%	-23%	74%	11%
PAT	2,211	4,935	4,882	3,365	5,969	6,673
YoY	-65%	8%	-1%	-31%	77%	12%
Revenue mix	100%	100%	100%	100%	100%	100%
Sugar (incl cogeneration)	93%	83%	81%	76%	68%	67%
Distillery (estimated)	7%	17%	19%	24%	32%	33%
EBITDA Mix	100%	100%	100%	100%	100%	100%
Sugar (incl cogeneration)	74%	49%	42%	18%	19%	21%
Distillery (estimated)	26%	51%	58%	82%	81%	79%

Source: Company, JM Financial

Financial Tables (Standalone)

Income Statement		(INR mn)			
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E
Net Sales	48,117	48,460	52,646	62,205	63,389
Sales Growth	1.5%	0.7%	8.6%	18.2%	1.9%
Other Operating Income	0	0	0	0	0
Total Revenue	48,117	48,460	52,646	62,205	63,389
Cost of Goods Sold/Op. Exp	34,560	34,561	39,844	44,461	44,590
Personnel Cost	2,816	3,078	3,447	3,792	4,096
Other Expenses	3,193	3,320	3,459	4,067	4,072
EBITDA	7,547	7,500	5,896	9,884	10,632
EBITDA Margin	15.7%	15.5%	11.2%	15.9%	16.8%
EBITDA Growth	10.7%	-0.6%	-21.4%	67.7%	7.6%
Depn. & Amort.	1,119	1,139	1,256	1,703	1,720
EBIT	6,429	6,362	4,639	8,182	8,912
Other Income	334	479	350	430	441
Finance Cost	393	309	350	550	400
PBT before Excep. & Forex	6,370	6,532	4,639	8,062	8,953
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	6,370	6,532	4,639	8,062	8,953
Taxes	1,263	1,410	1,274	2,093	2,280
Extraordinary Inc./Loss(-)	0	527	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	5,107	5,650	3,365	5,969	6,673
Adjusted Net Profit	4,935	4,882	3,365	5,969	6,673
Net Margin	10.3%	10.1%	6.4%	9.6%	10.5%
Diluted Share Cap. (mn)	210.0	204.0	204.0	204.0	204.0
Diluted EPS (INR)	23.5	23.9	16.5	29.3	32.7
Diluted EPS Growth	12.9%	1.8%	-31.1%	77.4%	11.8%
Total Dividend + Tax	525	510	3,061	4,081	4,489
Dividend Per Share (INR)	2.5	2.5	15.0	20.0	22.0

Source: Company, JM Financial

Cash Flow Statement		(INR mn)			
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E
Profit before Tax	5,961	6,029	4,639	8,062	8,953
Depn. & Amort.	1,119	1,139	1,256	1,703	1,720
Net Interest Exp. / Inc. (-)	390	305	0	120	-41
Inc (-) / Dec in WCap.	-340	762	5,480	4,317	164
Others	-114	-100	300	400	400
Taxes Paid	-526	-1,187	-1,274	-2,093	-2,280
Operating Cash Flow	6,490	6,947	10,402	12,509	8,916
Capex	-978	-3,965	-7,000	-600	-600
Free Cash Flow	5,512	2,982	3,402	11,909	8,316
Inc (-) / Dec in Investments	60	718	0	0	0
Others	106	153	350	430	441
Investing Cash Flow	-811	-3,094	-6,650	-170	-160
Inc / Dec (-) in Capital	-2,232	-2,669	0	0	0
Dividend + Tax thereon	-525	-510	-3,061	-4,081	-4,489
Inc / Dec (-) in Loans	-2,507	-371	2,000	-1,800	0
Others	-425	-304	-350	-550	-400
Financing Cash Flow	-5,689	-3,854	-1,411	-6,431	-4,889
Inc / Dec (-) in Cash	-10	-1	2,341	5,908	3,868
Opening Cash Balance	47	28	33	2,374	8,282
Closing Cash Balance	36	27	2,374	8,282	12,150

Source: Company, JM Financial

Balance Sheet		(INR mn)			
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E
Shareholders' Fund	25,638	27,582	27,886	29,774	31,957
Share Capital	210	204	204	204	204
Reserves & Surplus	25,428	27,378	27,682	29,570	31,753
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	12,402	12,096	14,096	12,296	12,296
Def. Tax Liab. / Assets (-)	473	720	1,020	1,420	1,820
Total - Equity & Liab.	38,513	40,398	43,002	43,490	46,074
Net Fixed Assets	16,131	18,379	24,123	23,020	21,900
Gross Fixed Assets	21,997	23,363	31,906	32,506	33,106
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	6,011	7,026	8,283	9,986	11,706
Capital WIP	145	2,043	500	500	500
Investments	1,771	1,575	1,575	1,575	1,575
Current Assets	27,717	24,814	24,228	27,075	30,934
Inventories	23,785	22,005	17,701	14,117	14,043
Sundry Debtors	2,455	1,367	2,885	3,408	3,473
Cash & Bank Balances	28	33	2,374	8,282	12,150
Loans & Advances	1,449	1,409	1,268	1,268	1,268
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	7,106	4,371	6,923	8,180	8,336
Current Liabilities	5,964	3,083	5,769	6,817	6,947
Provisions & Others	1,141	1,288	1,154	1,363	1,389
Net Current Assets	20,611	20,443	17,304	18,895	22,598
Total - Assets	38,513	40,398	43,002	43,490	46,074

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E
Net Margin	10.3%	10.1%	6.4%	9.6%	10.5%
Asset Turnover (x)	1.2	1.2	1.3	1.4	1.4
Leverage Factor (x)	1.6	1.5	1.5	1.5	1.5
RoE	20.0%	18.3%	12.1%	20.7%	21.6%

Key Ratios					
Y/E March	FY21A	FY22A	FY23E	FY24E	FY25E
BV/Share (INR)	122.1	135.2	136.7	145.9	156.6
ROIC	14.1%	13.4%	8.8%	17.2%	21.2%
ROE	20.0%	18.3%	12.1%	20.7%	21.6%
Net Debt/Equity (x)	0.5	0.4	0.4	0.1	0.0
P/E (x)	16.3	16.0	23.2	13.1	11.7
P/B (x)	3.1	2.8	2.8	2.6	2.4
EV/EBITDA (x)	12.0	12.0	15.2	8.3	7.3
EV/Sales (x)	1.9	1.9	1.7	1.3	1.2
Debtor days	19	10	20	20	20
Inventory days	180	166	123	83	81
Creditor days	54	27	45	48	48

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
25-Jun-20	Hold	160	
7-Nov-20	Hold	180	12.5
20-Apr-21	Buy	300	66.7
2-Jun-21	Buy	350	16.7
10-Aug-21	Buy	410	17.1
9-Nov-21	Buy	410	0.0
24-Mar-22	Buy	530	29.3
25-May-22	Buy	510	-3.8
12-Nov-22	Buy	465	-8.8

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081
 Member of BSE Ltd., National Stock Exchange of India Ltd. and Metropolitan Stock Exchange of India Ltd.
 SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst – INH000000610
 Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
 Board: +9122 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
 Compliance Officer: Mr. Sunny Shah | Tel: +91 22 6630 3383 | Email: sunny.shah@jmfl.com

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Rating	Meaning
Buy	Total expected returns of more than 10% for large-cap stocks* and REITs and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for large-cap* stocks and REITs and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

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