

TCI Express Ltd.

Highest quarterly sales, strong momentum to continue

TCI Express reported highest quarterly sales in Q2FY23 with revenue growth of ~13.3% YoY. Sales growth was driven by higher volumes from both Corporate and SME customers. Automation of sorting centers helped in increasing the daily capacity by reducing parcel handling time, vehicle handling time and labour involvement which resulted in enhancement of operational efficiency and helped in reporting overall margin improvement in Q2FY23. Capacity utilization for the quarter stood at ~85% improved by ~50 bps QoQ. Volumes registered a growth of ~12.3% YoY at ~2,47,000 MT. In H1FY23 company reported volume growth of ~21% YoY at 4,77,000 MT. Company added 12 new branches in Q2FY23 & 22 in H1FY23 mainly in North & West region and expects to add ~50 new branches in H2FY23. Further it plans to add ~100 new branches in FY24. Company incurred a capex of ~Rs 500 mn in H1FY23 primarily towards the purchase of land in Kolkata for setting up automated sorting center and rest towards network expansion to serve rapidly growing market. During Q4FY22, company successfully commissioned India's first and largest automated B2B sorting center in Gurgaon, which will help in reduction in turnaround time and enhance operational efficiencies in the long run resulting into reduction of direct cost. Going forward management is confident of delivering good growth in H2FY23 with an improvement in margins and is on track to achieve annual revenue growth of ~18-20% YoY in FY23. Margins are expected to improve by ~50-100 bps over next 2-3 years, due to improvement in operational efficiencies following automation of sorting centers and company's ability to take price increase. We remain positive on the company's mid-to-long term potential and maintain an 'Accumulate' rating on the stock.

H1FY23 earnings key highlights

- In H1FY23 Net revenues grew ~20.9% YoY at Rs 6,003 mn. Growth in revenue was led higher volumes from both corporate as well as SME customers. Business mix for H1FY23 from corporate customer was ~49% and rest was from SME customers.
- Gross profit was up ~19.5% YoY at Rs 1,887 mn. EBITDA grew by ~21.9% YoY at Rs 943 mn, margins improved by ~12 bps YoY at ~15.7%. Management expects margins to improve in the coming quarters with pick up in utilisation levels.
- PAT increased by ~19% YoY at Rs 688 mn. Company generated cash flow from operation of ~Rs 460 mn in H1FY23 and continued to maintain a strong CFO to EBITDA ratio of ~47%.

Long-term capex plan of Rs 5 bn over 5 years

- Company plans to spend a capex ~Rs 5 bn over next 5 years (FY23-FY28) which will be spent mainly towards new sorting centers, automation and enhancing technological capabilities.

Mid to long-term outlook remains positive

TCI Express is well positioned to capitalize on the growing opportunities in the domestic logistics space. The company to further strengthen its efficiencies and capabilities through automation, setting up new sorting centers, adding new branches and launch of new service. **We have valued the stock at 40x Sep'24 EPS of Rs 54.2 (rollover from Mar '24) to arrive at a target price of Rs 2,168, offering return potential of ~14.5% and maintain an "Accumulate" rating on the stock.**

| Y/E Mar (Rs mn) | Q2FY23 | Q2FY22 | YoY (%) | Q1FY23 | QoQ (%) | Q2FY23e | Var. (%) |
|-------------------------------|--------------|--------------|--------------|--------------|----------------|--------------|----------------|
| Volume (In '000 tonne) | 247 | 220 | 12.3 | 230 | 7.4 | 258 | -4.3 |
| Utilizations Rate (%) | 85.0 | 85.5 | -50 bps | 84.5 | 50 bps | - | - |
| Realizations (Rs/ kg) | 12.5 | 12.4 | 0.9 | 12.6 | -0.6 | - | - |
| Operating cost (Rs/ kg) | 8.53 | 8.46 | 0.8 | 8.74 | -2.4 | - | - |
| Total Income | 3,099 | 2,734 | 13.3 | 2,904 | 6.7 | 3,254 | -4.8 |
| Operating Expenses | 2,107 | 1,861 | 13.2 | 2,010 | 4.8 | - | - |
| SG&A Expenses | 478 | 421 | 13.6 | 467 | 2.4 | - | - |
| EBITDA | 515 | 453 | 13.7 | 428 | 20.3 | 553 | -6.9 |
| EBITDA margin (%) | 16.6 | 16.6 | 6 bps | 14.7 | 188 bps | 17.0 | -38 bps |
| Depreciation | 35 | 24 | 47.9 | 33 | 4.8 | - | - |
| Interest | - | - | 16.7 | 3 | 20.7 | - | - |
| Other Income | - | - | -3.8 | 19 | 17.6 | - | - |
| PBT | 499 | 450 | 11.0 | 411 | 21.4 | - | - |
| Tax Expenses | 121 | 109 | 11.0 | 101 | 20.1 | - | - |
| -effective tax rate | 24.3 | 24.3 | 0 bps | 24.5 | -27 bps | - | - |
| Reported PAT | 378 | 340 | 11.0 | 310 | 21.9 | 402 | -6.0 |
| PAT margin (%) | 12.2 | 12.4 | -25 bps | 10.7 | 152 bps | 12.4 | -16 bps |

Source: Company, SMIFS Institutional Research Estimates

| Y/E Mar (Rs mn) | Revenue | YoY (%) | EBITDA | EBITDA (%) | PAT | YoY (%) | EPS | RoE (%) | RoCE (%) | P/E (x) | EV/EBITDA (x) |
|-----------------|---------|---------|--------|------------|-------|---------|------|---------|----------|---------|---------------|
| FY21 | 8,440 | -18.2% | 1,343 | 15.9% | 1,006 | 12.9% | 26.2 | 26.1% | 26.1% | 30.1 | 22.3 |
| FY22 | 10,815 | 28.1% | 1,747 | 16.2% | 1,290 | 28.3% | 33.5 | 26.6% | 26.7% | 48.6 | 35.8 |
| FY23e | 12,754 | 17.9% | 2,098 | 16.5% | 1,517 | 17.5% | 39.8 | 27.1% | 27.2% | 47.6 | 34.6 |
| FY24e | 15,107 | 18.5% | 2,575 | 17.0% | 1,867 | 23.1% | 49.0 | 28.4% | 28.5% | 38.7 | 28.0 |
| FY25e | 17,739 | 17.4% | 3,110 | 17.5% | 2,267 | 21.5% | 59.5 | 27.5% | 27.6% | 31.8 | 23.0 |

Source: Company, SMIFS Institutional Research Estimates



Rating: **Accumulate** Upside: **14.5%**

Current Price: **1,893** Target Price: **2,168**

Earlier recommendation

Previous Rating: Accumulate

Previous Target Price: 2,000

Market data

| | |
|-------------------------------|--------------|
| Bloomberg: | TCIEXP IN |
| 52-week H/L (Rs): | 2,570/ 1,444 |
| Mcap (Rs mn/USD mn): | 72,880/ 899 |
| Shares outstanding (mn): | 38.5 |
| Free float: | 33.34% |
| Daily vol. (3M Avg. In `000): | 44.02 |
| Face Value (Rs): | 2.00 |
| Group: | Nifty 500 |

Source: Bloomberg, ACE Equity, SMIFS Institutional Research

Shareholding pattern (%)

| | Sep-22 | Jun-22 | Mar-22 | Dec-21 |
|---------------|--------|--------|--------|--------|
| Promoter | 66.66 | 66.69 | 66.69 | 66.70 |
| FIs | 1.84 | 1.89 | 2.00 | 2.12 |
| DIs | 8.49 | 8.70 | 8.12 | 9.53 |
| Public/others | 23.01 | 22.72 | 23.19 | 21.64 |

Promoters Pledging (%)

| | | | | |
|-----------------|-----|-----|-----|-----|
| % of o/s shares | 0.0 | 0.0 | 0.0 | 0.0 |
|-----------------|-----|-----|-----|-----|

Source: BSE

Price performance (%)*

| | 1M | 3M | 12M | 36M |
|-------------|-----|-----|-----|-------|
| Nifty 500 | 4.0 | 5.2 | 2.2 | 59.2 |
| TCI Express | 2.5 | 6.9 | 3.4 | 143.8 |

*as on 31st Oct-2022; Source: AceEquity, SMIFS Institutional Research

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Q2FY23 – Key takeaways from the management call

Performance Highlights for Q2FY23

- ✓ Company reported highest quarterly revenue in Q2FY23 led by volume growth ~12.3% YoY. Growth was led by improved demand from both corporate as well as SME customers. Business mix from SME customers was ~52% and rest was from corporate customers.
- ✓ **Capacity utilization for Q2FY23 stood at ~85%**, (vs ~85.5% YoY, ~84.5% QoQ) Volumes for Q2FY23 stood at ~2,47,000 MT & for H1FY23 at ~4,77,000 MT. **We expect volume growth of ~14.5% YoY in FY23e & ~15% YoY in FY24e.**

Price hike

- ✓ Company has taken a price increase of ~1.5% in H1FY23 and plans to further **price increase in H2FY23.**

Operationalized two automated sorting centers

- ✓ During Q4FY22, the company has **successfully commissioned India's first and largest automated B2B sorting center in Gurgaon**, named 'GIGA Sorting Center', spread over a 2 lakh-square-foot area. **The system will help in reducing truck halting time by ~40%.**
- ✓ The Pune sorting center is operational since June-2021. With this two sorting centers, the Company has **added over 3.5 lakh-square-foot areas in its sorting center capacity.**
- ✓ **Going forward company plans to open sorting center at Pune, Kolkata, Mumbai, Ahmedabad, Nagpur etc**

Addition of new branches

- ✓ The company has **opened 12 new branches during Q2FY23 & total of 22 branches in H1FY23 mainly in North & West region to deepen company's presence in key business geographies. Management expects to add ~50 more branches in H2FY23 and ~100 new branches in FY24.**

New services

- ✓ **The three new services - Pharma Cold Chain Express, C2C Express and Rail Express, launched during FY22, have received positive response from the customers.** These services are aligned to company's growth as multi-model express delivery company in India. With Rail Express services, the Company is targeting to garner share of domestic Air Express business. **In Rail express service offering company has expanded its customer base from 250 to 1500 and presence from 10 routes to 100 routes since inception.**
- ✓ In H1FY23, value added services contributed ~16% to the total revenues, which company **targets to increase the revenue share to ~25% by FY25.** These services have higher EBIDTA margins and with increased share will help to improve the overall margins of the company.

Capex

- ✓ In Q2FY23 company spent a **capex of Rs 170 mn and for H1FY23 capex of ~500 mn**, primarily towards the land purchase in Kolkata for setting up automated sorting center and network expansion.
- ✓ The **long term planned capex over 5 years (FY23-FY28) is ~Rs 5 bn**, which will be spent towards sorting center, automation and enhancing technological capabilities.

Others

- ✓ During H1FY23, the Company generated '**cash flow from operations**' of **~Rs 460 mn.** Company continue to maintain strong CFO to EBIDTA ratio of ~46.9%.

- ✓ The Board of Directors has approved payment of Interim dividend of Rs 3 per equity share.

Guidance

- ✓ Management maintained its guidance to achieve **revenue growth of ~18-20% YoY in FY23**. **EBITDA margins expected to improve by ~50-100 bps YoY**. Company targets to **increase capacity utilizations every year**. **Management sounded confident to reach sales of ~Rs 20 bn with EBITDA margins of ~20% by FY25 end**.

Buy-back offer

- ✓ Board of Directors at its meeting held on May 27, 2022 have **approved a buy-back of up-to 3,65,853 (tentative) equity shares of the company being ~2.85% of the public holding, as the promoter & promoter group decided not to participate in the buy-back for an aggregate amount not exceeding Rs 750 mn, with a price not exceeding Rs 2,050 per share**.
- ✓ Company has bought back 65,250 equity shares till September 30,2022.

Outlook and Valuation

We expect company to report strong sales growth for FY23-FY25 & margins of the company to improve driven by improvement in operational efficiencies, following automation of sorting centers, increase in capacity utilisation, increased share of business from new valued services which has higher margins and company’s ability to take price increases. **We remain positive on the company’s mid-to-long term potential.**

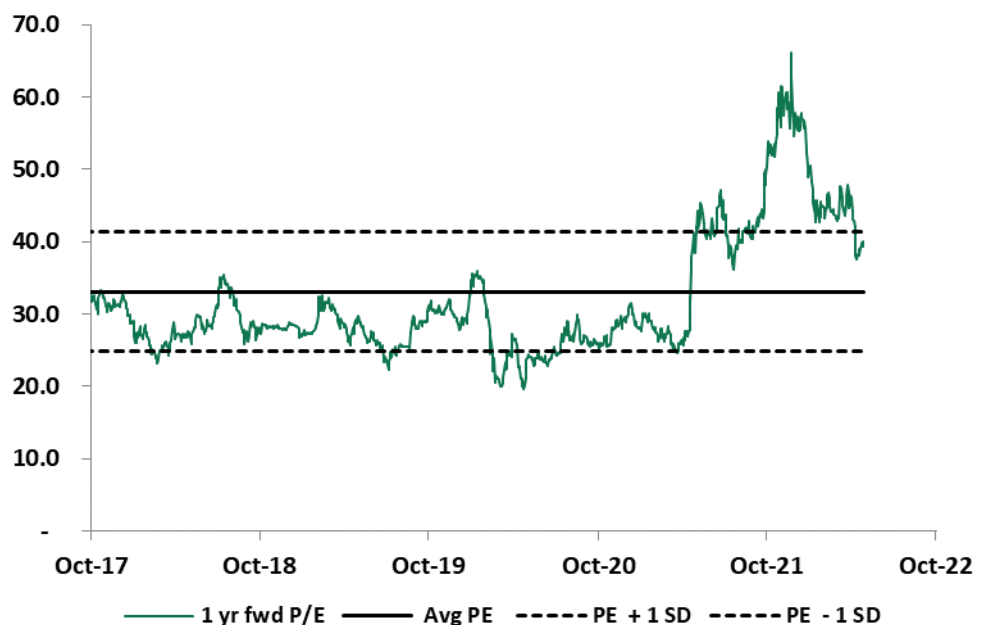
TCI Express is well positioned to capitalize on the growing opportunities with its asset light business model, value added service offerings and strong network. The company to further strengthen its efficiencies and capabilities by setting up new sorting centers, adding new branches and launch of new services.

We have valued the stock at **40x Sep’24 EPS of Rs 54.2 (rollover from Mar ’24)** to arrive at a **target price of Rs 2,168**, offering upside of **~14.5%**, we thus maintain an **“Accumulate”** rating on the stock.

Key risks

- General slowdown in the economy.
- Slowdown in key industries verticals/ customer’s business.
- Slowdown in SME sector.
- Unability to pass on any sharp fuel price increase.
- Increase in competition from organized/ un-organized players and railways.

Fig 1: TCI Express Ltd - PE Chart



Source: Company, SMIFS Institutional Research Estimates

Quarterly financials, operating metrics and key performance indicators

Fig 2: Quarterly Financials

| Y/E March (Rs mn) | Q3FY21 | Q4FY21 | Q1FY22 | Q2FY22 | Q3FY22 | Q4FY22 | Q1FY23 | Q2FY23 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Revenue | 2,625 | 2,798 | 2,229 | 2,734 | 2,869 | 2,982 | 2,904 | 3,099 |
| Operating Expenses | 1,776 | 1,869 | 1,523 | 1,861 | 1,951 | 1,994 | 2,010 | 2,107 |
| Gross Profit | 849 | 929 | 706 | 873 | 918 | 988 | 895 | 993 |
| Employees Cost | 233 | 233 | 256 | 274 | 277 | 293 | 309 | 309 |
| Other Expenses | 163 | 153 | 130 | 147 | 169 | 193 | 158 | 169 |
| EBITDA | 453 | 544 | 321 | 453 | 472 | 502 | 428 | 515 |
| Depreciation | 22 | 25 | 22 | 24 | 22 | 32 | 33 | 35 |
| Interest | 2 | 2 | 1 | 3 | 2 | 3 | 3 | 4 |
| PBT from operations | 430 | 517 | 297 | 426 | 448 | 468 | 392 | 476 |
| Other Income | 17 | 31 | 16 | 24 | 21 | 21 | 19 | 23 |
| PBT | 447 | 547 | 314 | 450 | 468 | 489 | 411 | 499 |
| Tax | 111 | 122 | 76 | 109 | 117 | 129 | 101 | 121 |
| Current Tax | 107 | 128 | 75 | 108 | 113 | 107 | 93 | 114 |
| Deferred Tax charge/ (credit) | 4 | 6 | 1 | 2 | 4 | 22 | 8 | 7 |
| Income related to earlier years | - | -12 | - | - | - | - | - | - |
| Tax rate (%) | 24.8 | 22.2 | 24.3 | 24.3 | 25.0 | 26.4 | 24.5 | 24.3 |
| Net Profit | 336 | 426 | 238 | 340 | 351 | 359 | 310 | 378 |
| Exceptional Items | - | - | - | - | - | - | - | - |
| Minority Interest | - | - | - | - | - | - | - | - |
| Adjusted PAT | 336 | 426 | 238 | 340 | 351 | 359 | 310 | 378 |
| EPS (In Rs) | 8.7 | 11.1 | 6.2 | 8.8 | 9.1 | 9.3 | 8.1 | 9.8 |
| YoY Growth (%) | | | | | | | | |
| Revenue | -2.2 | 17.6 | 151.2 | 28.4 | 9.3 | 6.6 | 30.3 | 13.3 |
| EBITDA | 32.2 | 103.9 | 1480.3 | 39.0 | 4.1 | -7.7 | 33.4 | 13.7 |
| Reported PAT | 31.6 | 124.0 | 2482.6 | 44.9 | 4.5 | -15.6 | 30.5 | 11.0 |
| QoQ Growth (%) | | | | | | | | |
| Revenue | 23.3 | 6.6 | -20.3 | 22.7 | 4.9 | 3.9 | -2.6 | 6.7 |
| EBITDA | 39.3 | 19.9 | -41.0 | 41.1 | 4.2 | 6.4 | -14.8 | 20.3 |
| Reported PAT | 43.0 | 26.7 | -44.2 | 43.3 | 3.2 | 2.3 | -13.7 | 21.9 |
| Margin (%) | | | | | | | | |
| Gross | 32.3 | 33.2 | 31.7 | 31.9 | 32.0 | 33.1 | 30.8 | 32.0 |
| EBITDA | 17.3 | 19.4 | 14.4 | 16.6 | 16.4 | 16.8 | 14.7 | 16.6 |
| PAT | 12.8 | 15.2 | 10.7 | 12.4 | 12.2 | 12.0 | 10.7 | 12.2 |
| Operational KPIs | | | | | | | | |
| Volume ('000 tonne) | 215 | 225 | 175 | 220 | 230 | 235 | 230 | 247 |
| Utilization (%) | 83.0% | 86.5% | 83.5% | 85.5% | 85.0% | 85.0% | 84.5% | 85.0% |
| Realizations (Rs/Kg) | 12.21 | 12.44 | 12.74 | 12.43 | 12.47 | 12.69 | 12.63 | 12.55 |
| Operating Exp (Rs/ Kg) | 8.26 | 8.30 | 8.70 | 8.46 | 8.48 | 8.49 | 8.74 | 8.53 |
| EBIDTA (Rs/ Kg) | 2.1 | 2.4 | 1.8 | 2.1 | 2.1 | 2.1 | 1.9 | 2.1 |

Source: Company, SMIFS Institutional Research Estimates

Financial Statements

| Income Statement | | | | | |
|-----------------------------|--------------|---------------|---------------|---------------|---------------|
| YE March (Rs mn) | FY21 | FY22 | FY23E | FY24E | FY25E |
| Net Revenue | 8,440 | 10,815 | 12,754 | 15,107 | 17,739 |
| Operating Cost | 5,667 | 7,330 | 8,661 | 10,249 | 12,011 |
| % of revenues | 67.1 | 67.8 | 67.9 | 67.8 | 67.7 |
| Employee Cost | 873 | 1,099 | 1,242 | 1,391 | 1,564 |
| % of revenues | 10.3 | 10.2 | 9.7 | 9.2 | 8.8 |
| Other Expenses | 556 | 638 | 753 | 892 | 1,054 |
| % of revenues | 6.6 | 5.9 | 5.9 | 5.9 | 5.9 |
| EBITDA | 1,343 | 1,747 | 2,098 | 2,575 | 3,110 |
| Depreciation & Amortisation | 90 | 100 | 139 | 158 | 186 |
| EBIT | 1,254 | 1,648 | 1,959 | 2,417 | 2,924 |
| Interest Cost | 8 | 7 | 10 | 11 | 12 |
| Core PBT | 1,246 | 1,640 | 1,949 | 2,406 | 2,912 |
| Other Income | 77 | 82 | 75 | 85 | 114 |
| Exceptional items | - | - | - | - | - |
| PBT | 1,322 | 1,722 | 2,024 | 2,491 | 3,026 |
| Tax Expenses | 316 | 432 | 507 | 624 | 758 |
| Effective tax rate (%) | 23.9 | 25.1 | 25.1 | 25.1 | 25.1 |
| Reported PAT | 1,006 | 1,290 | 1,517 | 1,867 | 2,267 |
| Exceptional items | - | - | - | - | - |
| Adjusted PAT | 1,006 | 1,290 | 1,517 | 1,867 | 2,267 |

Source: Company, SMIFS Institutional Research Estimates

| Key Ratios | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|
| YE March | FY21 | FY22 | FY23E | FY24E | FY25E |
| Growth (%) | | | | | |
| Net Revenue | -18.2 | 28.1 | 17.9 | 18.5 | 17.4 |
| EBITDA | 10.7 | 30.1 | 20.1 | 22.7 | 20.8 |
| PAT | 12.9 | 28.3 | 17.5 | 23.1 | 21.5 |
| Margins (%) | | | | | |
| Gross Margin | 32.9 | 32.2 | 32.1 | 32.2 | 32.3 |
| EBITDA Margin | 15.9 | 16.2 | 16.5 | 17.0 | 17.5 |
| EBIT margin | 15.8 | 16.0 | 15.9 | 16.6 | 17.1 |
| Core PBT Margin | 14.8 | 15.2 | 15.3 | 15.9 | 16.4 |
| Adjusted PAT Margin | 11.9 | 11.9 | 11.9 | 12.4 | 12.8 |
| Return Ratios (%) | | | | | |
| RoE | 26.1 | 26.6 | 27.1 | 28.4 | 27.5 |
| RoCE | 26.1 | 26.7 | 27.2 | 28.5 | 27.6 |
| Turnover Ratios (days) | | | | | |
| Gross Block Turnover (x) | 3.6 | 3.6 | 3.3 | 3.1 | 3.1 |
| Adjusted OCF/ PAT (in %) | 120 | 85 | 142 | 103 | 103 |
| Debtors days | 72 | 61 | 57 | 56 | 55 |
| Creditors days | 44 | 37 | 34 | 34 | 34 |
| Cash conversion cycle | 28 | 24 | 24 | 23 | 22 |
| Solvency Ratios (x) | | | | | |
| Debt/ Equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Debt/ Equity | -0.1 | 0.0 | 0.0 | -0.1 | -0.2 |
| Gross Debt/EBITDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current Ratio | 2.6 | 2.9 | 2.1 | 2.3 | 2.5 |
| Interest Coverage | 170.5 | 237.7 | 202.8 | 226.7 | 250.2 |
| Dividend | | | | | |
| DPS (Rs) | 4.0 | 8.0 | 4.0 | 9.8 | 11.9 |
| Dividend Yield (%) | 0.2 | 0.4 | 0.2 | 0.5 | 0.6 |
| Dividend Payout (%) | 15.3 | 23.9 | 10.0 | 20.0 | 20.0 |
| Per Share Data (In Rs) | | | | | |
| EPS | 26.2 | 33.5 | 39.8 | 49.0 | 59.5 |
| Adjusted EPS | 26.1 | 33.8 | 39.8 | 49.0 | 59.5 |
| CEPS | 28.5 | 36.1 | 43.4 | 53.1 | 64.3 |
| BVPS | 112.9 | 139.3 | 152.7 | 192.4 | 240.5 |
| Valuation Ratios (x) | | | | | |
| P/E | 30.1 | 48.6 | 47.6 | 38.7 | 31.8 |
| P/BV | 7.0 | 11.7 | 12.4 | 9.8 | 7.9 |
| EV/ EBITDA | 22.3 | 35.8 | 34.6 | 28.0 | 23.0 |
| EV/ Sales | 3.6 | 5.8 | 5.7 | 4.8 | 4.0 |
| EV/ Core PBT | 24.1 | 38.1 | 37.3 | 30.0 | 24.5 |

Source: Company, SMIFS Institutional Research Estimates

| Balance Sheet | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| YE March (Rs mn) | FY21 | FY22 | FY23E | FY24E | FY25E |
| Share Capital | 77 | 77 | 76 | 76 | 76 |
| Reserves & Surplus | 4,262 | 5,285 | 5,746 | 7,259 | 9,093 |
| Networth | 4,339 | 5,362 | 5,822 | 7,336 | 9,169 |
| Total Borrowings | 10 | 10 | 10 | 10 | 10 |
| Net deferred tax liability | 54 | 79 | 79 | 79 | 79 |
| Other non-current liabilities | 1 | 1 | 1 | 1 | 1 |
| Total Liabilities | 4,404 | 5,452 | 5,912 | 7,425 | 9,259 |
| Application of Funds | | | | | |
| Gross Block | 2,590 | 3,370 | 4,344 | 5,320 | 6,296 |
| Net Block+CWIP | 2,544 | 3,229 | 4,156 | 5,086 | 6,018 |
| Intangible assets | 18 | 30 | 34 | 36 | 40 |
| Other non-current assets | 147 | 11 | 11 | 11 | 11 |
| Trade Receivables | 1,695 | 1,895 | 1,856 | 2,143 | 2,488 |
| Cash and Cash Equivalents | 272 | 180 | 211 | 696 | 1,495 |
| Other Current assets | 762 | 1,226 | 1,159 | 1,248 | 1,330 |
| Total Current Assets | 2,893 | 3,342 | 3,270 | 4,133 | 5,364 |
| Trade payables | 752 | 737 | 1,086 | 1,284 | 1,514 |
| Other Current Liabilities | 281 | 381 | 428 | 509 | 609 |
| Total Current Liabilities | 1,033 | 1,119 | 1,514 | 1,793 | 2,123 |
| Net Current Assets | 1,860 | 2,223 | 1,756 | 2,340 | 3,241 |
| Total Assets | 4,404 | 5,452 | 5,912 | 7,425 | 9,259 |

Source: Company, SMIFS Institutional Research Estimates

| Cash Flow | | | | | |
|--|--------------|--------------|---------------|---------------|---------------|
| YE March (Rs mn) | FY21 | FY22 | FY23E | FY24E | FY25E |
| Op. profit before WC changes | 1,409 | 1,793 | 2,165 | 2,654 | 3,203 |
| Changes in working capital | 90 | -264 | 501 | -97 | -98 |
| Taxes Paid | -284 | -421 | -507 | -624 | -758 |
| Cash Flow from Operating Activities (a) | 1,215 | 1,108 | 2,159 | 1,933 | 2,347 |
| Adjusted OCF | 1,207 | 1,099 | 2,149 | 1,922 | 2,335 |
| Capital Expenditure | -554 | -800 | -1,069 | -1,090 | -1,123 |
| Adjusted FCF | 653 | 299 | 1,079 | 832 | 1,212 |
| Cash Flow from Investing Activities (b) | -986 | -893 | -1,061 | -1,084 | -1,102 |
| Net issuance of equity | 22 | 20 | 20 | 20 | 20 |
| Payment towards Buy-Back | - | - | -925 | - | - |
| Borrowings | -19 | -10 | - | - | - |
| Dividend paid | -77 | -308 | -152 | -373 | -453 |
| Interest expense | -8 | -9 | -10 | -11 | -12 |
| Cash Flow from Financing Activities (c) | -82 | -307 | -1,066 | -364 | -446 |
| Net change in cash (a+b+c) | 146 | -92 | 31 | 485 | 799 |

Source: Company, SMIFS Institutional Research Estimates

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