

Varun Beverages

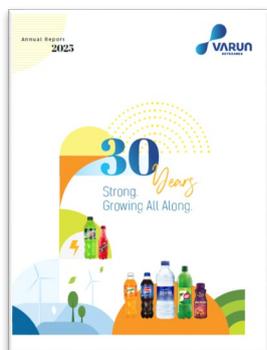
BSE SENSEX
76,071

S&P CNX
23,581

CMP: INR406

TP: INR550 (+35%)

Buy



Stock Info

Bloomberg	VBL IN
Equity Shares (m)	3382
M.Cap.(INRb)/(USDb)	1374.3 / 14.9
52-Week Range (INR)	569 / 400
1, 6, 12 Rel. Per (%)	-3/-7/-25
12M Avg Val (INR M)	3366
Free float (%)	40.6

Financials Snapshot (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	216.9	245.6	275.6
EBITDA	50.6	57.0	64.4
Adj. PAT	30.5	35.1	41.0
EBITDA Margin (%)	23.3	23.2	23.4
Cons. Adj. EPS (INR)	9.0	10.4	12.1
EPS Gr. (%)	17.4	15.3	16.8
BV/Sh. (INR)	57.9	65.8	75.4
Ratios			
Net D:E	0.0	-0.1	-0.2
RoE (%)	16.8	16.8	17.2
RoCE (%)	15.8	15.9	16.8
Payout (%)	27.9	24.1	20.6
Valuations			
P/E (x)	45.1	39.1	33.5
EV/EBITDA (x)	27.2	23.7	20.5
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	0.6	2.6	2.9

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	59.4	59.4	60.2
DII	13.6	11.8	7.0
FII	20.3	21.9	25.3
Others	6.7	6.8	7.5

FII includes depository receipts

Multi-platform strategy to support growth

CY25 was a subdued year for Varun Beverages Limited (VBL), as unusually heavy rainfall led to weak beverage consumption, resulting in modest volume growth of 8% in the consolidated business and 2% in India, with realizations remaining largely flat. However, the long-term growth story remains intact, supported by structural drivers such as retail expansion, improved electrification, portfolio diversification, expansion into adjacent consumer products, and stronger cold-chain infrastructure.

- VBL is shifting from a pure-play beverage bottler to a broader consumer distribution platform, leveraging its network to scale across multiple product categories. The Carlsberg partnership signals a potential entry into beer in select African markets. Additionally, by manufacturing visi-coolers, VBL is vertically integrating its cold-chain capabilities to support long-term growth.
- VBL is expanding its portfolio through new launches and health-focused offerings, while also adding significant manufacturing capacity with the commissioning of four new plants. Rising El Niño probabilities could lead to hotter conditions, supporting beverage consumption. Alongside this, distribution expansion and backward integration position the company well to capture future demand.
- VBL expanded its international footprint in CY25 through acquisitions, partnerships, and capacity additions. International business is now growing faster than India, with volume contribution rising to ~31% in CY25 from 21% in CY20. Consequently, the revenue share from subsidiaries increased to 38%, with revenue expanding at a 35% CAGR over CY20–25.
- CY25 was a relatively muted year for VBL, resulting in modest volume growth of 8% globally and 2% in India. Despite this, the company maintained stable margins and strong cash generation, with CFO rising to INR39.4b (from INR34.4b in CY24). Return ratios moderated, and working capital increased during the year. Nevertheless, structural demand drivers, strong execution, portfolio diversification, and capacity expansion support the company's long-term growth outlook.
- VBL continued to strengthen its sustainability efforts in CY25 by improving its water usage ratio to ~1.50x (from 1.56x in CY24) through process improvements, advanced technologies, and water reuse initiatives. The company also collected ~100% of the PET it consumed. Additionally, it remains committed to achieving net-zero emissions by CY50 and increasing renewable energy usage to 30% by CY30.
- We expect 13%/13%/16% growth in revenue/EBITDA/PAT CAGR over CY25-27. We reiterate our BUY rating for the stock with a TP of INR550 (45x CY27E EPS).

Strategic shift toward a multi-category consumer platform

- Compared to its historical identity as a pure-play beverage bottler, VBL is now pursuing three distinct strategic initiatives: **1) developing a multi-category distribution platform, 2) exploring beer in African markets, and 3) backward integration in visi-coolers.**

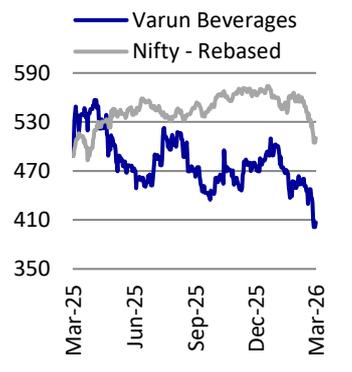
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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Stock performance (one-year)



- **1)** Management is starting to leverage VBL's distribution network and manufacturing base as a platform capable of carrying multiple product categories, including snacks, energy drinks, dairy, and beer, rather than being constrained to carbonated soft drinks alone. This marks a significant strategic shift with the potential to materially expand the company's business opportunities.
- **2)** The Carlsberg agreement is a notable development. Historically a non-alcoholic beverages company, VBL is now entering a distribution agreement for beer, even in test-market mode, indicating that management is seriously evaluating the long-term opportunity in select African markets. Africa's favorable demographics and lower penetration of organized beverage categories make it a logical testing ground.
- **3)** Additionally, VBL acquired a 50% stake in Everest Industrial Lanka (EIL) and formed a joint venture, White Peak Refrigeration, to manufacture visi-coolers and refrigeration equipment in India.
- Traditionally, visi-coolers were a distribution tool deployed by VBL to ensure chilled products reached consumers. With the acquisition of Everest Industrial Lanka and the formation of White Peak Refrigeration to manufacture visi-coolers, VBL is now internalizing this part of the supply chain. This underscores the scale of its cold-chain ambitions, large enough to justify vertical integration even in refrigeration equipment.
- **VBL's management strategy focuses on expanding its proven franchisee model—deepening its presence in India and extending its reach in Africa—while transforming the company from a single-category beverage bottler into a multi-category consumer goods distribution platform.**

Product innovation coupled with capacity expansion to fuel domestic growth

- In CY25, the Indian soft drinks industry faced weak consumption due to unusually heavy rainfall, which impacted beverage demand. **However, management remains confident of achieving double-digit growth in the Indian business, led by favorable weather conditions.**
- Additionally, innovation acts as a key competitive moat for the company. Expansion in the energy drink segment (Ad Rush with ATL support), the launch of Nimbooz Jeera (Mar'26), and a growing health-focused portfolio (59% low/no-sugar mix) are driving premiumization-led growth rather than price-led competition, supporting both margins and volumes.
- To support its expanding portfolio, VBL has added ~40-50% capacity over the last two years and, as of Dec'25, possesses sufficient manufacturing capacity to support its projected growth.
- Moreover, the company commissioned four new greenfield production facilities in India at Prayagraj, Damtal, Buxar, and Mendipathar. Management considers backward integration critical for insulating operations from supply chain volatility and improving cost competitiveness (**total capex of INR17b**).
- **Overall, sustained product innovation, significant capacity expansion, and continued backward integration position VBL well to capture rising beverage demand while maintaining margin resilience.**

- The El Niño-Southern Oscillation (ENSO) setup heading into the FY27 kharif season indicates rising El Niño probabilities, reaching ~58-61% during May-July. El Niño conditions in CY23 led to weaker monsoon activity and prolonged dry spells across several Indian states, resulting in heatwave conditions.
- **Potential El Niño-led heatwaves and weaker monsoons could drive demand for refreshing beverages, creating a favorable consumption environment for VBL.**
- Further, the company is strengthening market reach through expanded distribution, strategic depot placement, visi-cooler deployment (expected to increase 10% in CY25) in under-penetrated markets, and localized in-store promotions.
- **Overall, while weather conditions are expected to normalize, the potential emergence of El Niño-driven heatwaves could create a favorable demand environment for the company, supported by new production capacities, backward integration initiatives, and ongoing distribution expansion.**

Accelerating international growth through strategic expansion

- VBL strengthened its international footprint in CY25 through expansion across Africa, including the planned acquisition of Twizza, the incorporation of VBL Industries (Kenya), and a partnership with Carlsberg Breweries A/S to test the Carlsberg brand in select African markets.
- The company also expanded its partnership with PepsiCo by entering the snacks segment, with Varun Beverages Zimbabwe and Varun Beverages Zambia commencing snack distribution, and Varun Beverages Morocco and Varun Beverages Zimbabwe commencing Cheetos production in Morocco and Zimbabwe.
- **As a result, the international business is growing faster than the Indian business and is increasingly driving incremental volumes (23% growth in international volumes vs 2% growth in domestic volumes). Its volume contribution rose to ~31% in CY25 from 21% in CY20, supported by average growth of 35% over the period.**
- Moreover, revenue contribution from international subsidiaries increased from 29% in CY20 to 38% in CY25. Consequently, subsidiary revenue expanded at a CAGR of 35%, reaching INR83b over CY20-CY25. During the same period, PAT increased at a CAGR of 20% to INR4.6b.
- Growth in the international business mix was largely led by the acquisition of South Africa-based Beverage Company (BevCo) in CY24, which accounted for ~12% of the total business in CY25. BevCo grew 64% YoY to INR25.8b in FY25. Further, PAT/PBT grew to INR201m/INR313m in CY25, against a loss of INR283m/INR239m in CY24.
- Further, other subsidiaries, including Varun Beverages (Zimbabwe)/Varun Beverages Morocco/Varun Beverages (Nepal), expanded at a CAGR of 17%/34%/13% to INR16.1b/INR14.3b/INR7.3b over CY20-25.
- PBT/PAT of Varun Beverages (Nepal) expanded at a CAGR of 21%/31% to INR1.3b/INR1.2b over CY20-25, while PBT/PAT of Varun Beverages (Zimbabwe) declined at a 7%/11% CAGR to INR1.2b /INR984m.
- Additionally, the company incurred ~INR13b of capex in international markets during the year, covering backward integration and a CSD PET line in the

Domestic Republic of Congo, snacks manufacturing in Morocco and Zimbabwe, and a CAN line in South Africa.

- **Overall, VBL is steadily scaling its international business through acquisitions, partnerships, and targeted capex, with overseas markets increasingly driving incremental volumes and contributing meaningfully to overall growth.**

Structural drivers and strong execution to drive growth

- VBL reported modest volume growth of 8% in the consolidated business and 2% in India, with largely flat realizations.
- Despite these temporary challenges, structural drivers such as retail expansion, better electrification, and stronger cold-chain infrastructure continue to support market growth. Over CY20–25, VBL delivered strong momentum with revenue/volume CAGRs of ~27%/23%, led by ~34% volume CAGR in the international business.
- This growth has been primarily driven by the Carbonated Soft Drinks (CSD) segment, which recorded a revenue CAGR of 25% and a volume CAGR of 19%. VBL has maintained stable margins in the range of 18.6%-23.3% over CY20-25. In CY25, EBITDA margin for the Indian business stood at ~25.9%, while the African business reported an EBITDA margin of ~19.7%.
- Further, the company's steadfast focus on operational efficiency, disciplined capital allocation, and prudent expansion will continue to serve as strategic levers for sustained growth and long-term value creation.
- VBL generated a CFO of INR39.4b in CY25 vs INR34.4b in CY24. It has been generating positive CFO for over a decade, with an average run rate of INR17.5b/INR25.8b in the last 10/five years. CFO/EBITDA stood at 69% in CY25 (vs 72% in CY24). The five-year average CFO/EBITDA stood at 69%.
- RoE and RoCE declined to 16.8%/15.8% in CY25 from 22.0%/19.2% in CY24. They were below the five-year average of 24.8% and 18.1%, respectively.
- Working capital days increased to 47 days in CY25, compared to 38 days in CY24, primarily due to an increase in receivable days (up by six days YoY) and decrease in payable days (down by four days YoY). This was partially offset by a slight improvement in inventory days (down by one day YoY).
- Other income grew ~3x to INR3.5b, led by net gains on foreign currency transactions and translations.
- The company entered into an agreement to sell land and building at Roha, Maharashtra, acquired as part of the Maharashtra territory acquisition. The asset has been classified as held for sale for an amount of INR66.4m. The sale is expected to be completed before Dec'26. An advance of INR10m has been received as earnest money and is recorded under 'other current liabilities'.
- **Despite a moderation in return ratios and higher working capital, its strong execution, expanding capacity, and diversified portfolio position it well for sustained growth and long-term value creation.**

Strengthening sustainability and resource efficiency

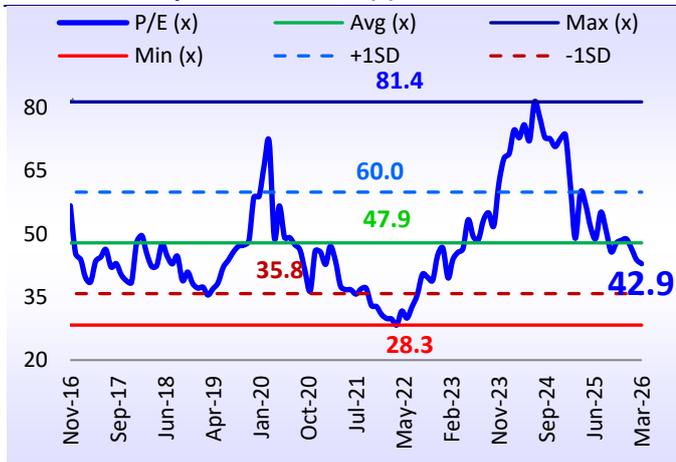
- In line with its commitment to sustainable growth, VBL improved its water usage ratio to ~1.50x in CY25 from 1.56x in CY24, supported by continuous process improvements, deployment of advanced technologies, increased water reuse, and rainwater harvesting initiatives.

- Considering environmental sustainability, VBL collected ~**100%** of the PET it consumed in CY25 vs. **88%** in CY24.
- Additionally, the company is focused on reducing its carbon footprint and is committed to achieving net-zero greenhouse gas emissions across its value chain by CY50. It also aims to increase the use of renewable energy to 30% by CY30, compared to 21% in CY25.

Valuation and view

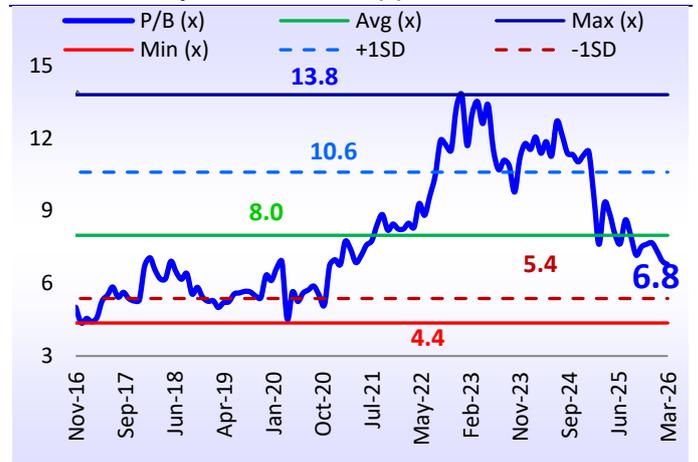
- VBL is evolving from a pure-play beverage bottler to a broader consumer distribution platform, leveraging its network to distribute multiple product categories. The partnership with Carlsberg Group signals a potential entry into the beer segment in select African markets, while the establishment of visi-cooler manufacturing reflects deeper vertical integration of its cold chain infrastructure. The company is also expanding its portfolio through new launches and adding capacity through four new plants in India.
- International markets are emerging as a key growth driver, with volume contribution rising to ~31% in CY25 from 21% in CY20. While CY25 saw relatively muted growth, VBL maintained stable margins and strong cash generation. Supported by capacity expansion, portfolio innovation, and distribution growth, the company remains well-positioned for long-term expansion.
- We build in 13%/13%/16% revenue/EBITDA/PAT CAGR over CY25-27 and reiterate our BUY rating for the stock. We value the stock at 45x CY27E EPS to arrive at a TP of INR550.

Exhibit 1: One-year forward P/E (x)



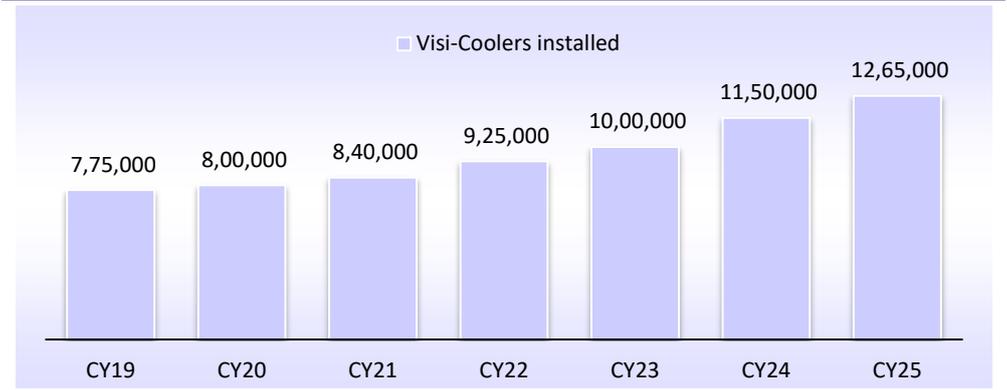
Source: Company, MOFSL

Exhibit 2: One-year forward P/B (x)



Source: Company, MOFSL

Exhibit 3: Consistent growth in visi-cooler installations



Source: Company, MOFSL

Exhibit 4: VBL's state-of-the-art manufacturing facilities

India			International
▪ Pathankot	▪ Mandideep	▪ Mamandur	▪ Nepal I
▪ Nuh	▪ Jamshedpur	▪ Sangareddy	▪ Nepal II
▪ Panipat	▪ Cuttack	▪ Sri City	▪ Sri Lanka
▪ Greater Noida I	▪ Kolkata	▪ Bundi	▪ Morocco
▪ Greater Noida II	▪ Guwahati Unit I & II	▪ Jabalpur	▪ Zambia
▪ Jainpur	▪ Goa	▪ Supa	▪ Zimbabwe
▪ Bazpur	▪ Tirunelveli	▪ Gorakhpur	▪ South Africa - Johannesburg
▪ Sathariya	▪ Dharwad	▪ Khordha	▪ South Africa - Johannesburg 2
▪ Sathariya II	▪ Bharuch	▪ Prayagraj	▪ South Africa - Durban
▪ Kosi	▪ Begusarai	▪ Buxar	▪ South Africa - East London
▪ Sandila	▪ Aurangabad	▪ Damtal	▪ South Africa - Cape Town
▪ Jodhpur	▪ Mahul [#]	▪ Mendipathar	▪ Democratic Republic of Congo (DRC)
▪ Bhiwadi	▪ Nelamangala		

Source: Company, MOFSL

Exhibit 5: VBL's diversified product portfolio



Source: Company, MOFSL

Exhibit 6: Revenue performance of subsidiaries

Revenue	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25
Zimbabwe	-	486	837	4,687	5,669	7,235	10,534	10,029	14,379	16,278	16,083
Nepal	2,281	2,984	4,016	4,384	4,755	3,913	4,915	6,599	6,632	6,808	7,346
Sri Lanka	1,425	1,898	2,159	1,502	1,681	1,680	1,959	2,326	2,848	3,985	4,185
Morocco	1,950	2,002	2,327	2,504	3,507	3,281	4,440	6,539	10,164	12,364	14,259
Zambia	-	2,007	2,097	2,789	1,723	1,533	2,900	3,944	3,416	3,431	5,141
Lunarmech Technologies	-	-	-	-	-	971	1,550	2,281	2,001	1,667	2,091
DMCC	-	-	-	-	-	-	-	793	3,395	7,958	7,214
VBL Mozambique, SA	-	-	-	-	-	-	-	-	-	48	7
The Beverage Company Proprietary Limited	-	-	-	-	-	-	-	-	-	15,763	25,836
Varun Beverage RDC	-	-	-	-	-	-	-	-	-	2,945	378

Source: Company, MOFSL

Exhibit 7: PAT trend of subsidiaries

PAT	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25
Nepal	-	3	-33	804	-179	1,721	2,273	2,054	2,112	2,086	984
Nepal	133	327	438	388	558	296	-268	295	702	1,345	1,155
Sri Lanka	-198	-77	-123	-289	-45	-27	117	190	359	627	809
Morocco	-400	-429	-402	-696	-195	-170	19	96	372	331	577
Zambia	-	285	151	234	-131	-414	485	115	-406	-168	574
Lunarmech Technologies	-	-	-	-	-	479	479	479	407	268	319
DMCC	-	-	-	-	-	-	-	279	298	266	-355
VBL Mozambique, SA	-	-	-	-	-	-	-	-	-	-16	-11
The Beverage Company Proprietary Limited	-	-	-	-	-	-	-	-	-	-283	201
Varun Beverage RDC	-	-	-	-	-	-	-	-	-	54	378

Source: Company, MOFSL

Exhibit 8: PBT trend of subsidiaries

PBT	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25
Zimbabwe	-	4	-33	976	-179	1,721	2,273	2,054	2,112	2,117	1,178
Nepal	229	380	509	482	650	511	244	641	890	1,522	1,316
Sri Lanka	-187	-80	-121	-349	-23	-8	183	234	445	747	995
Morocco	-391	-418	-390	-683	-172	-152	43	125	411	362	612
Zambia	-	285	151	234	-131	-414	485	115	-406	-168	574
Lunarmech Technologies	-	-	-	-	-	214	360	652	540	357	426
DMCC	-	-	-	-	-	-	-	279	298	297	-292
VBL Mozambique, SA	-	-	-	-	-	-	-	-	-	-16	-11
The Beverage Company Proprietary Limited	-	-	-	-	-	-	-	-	-	-239	313
Varun Beverage RDC	-	-	-	-	-	-	-	-	-	54	378

Source: Company, MOFSL

Story in charts

Exhibit 9: Healthy revenue trajectory

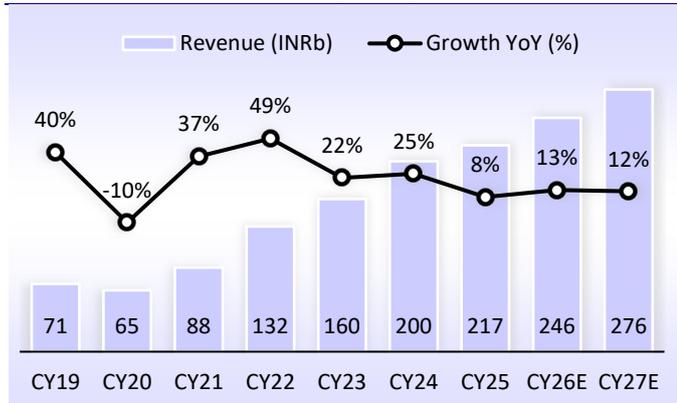


Exhibit 10: EBITDA margin trend

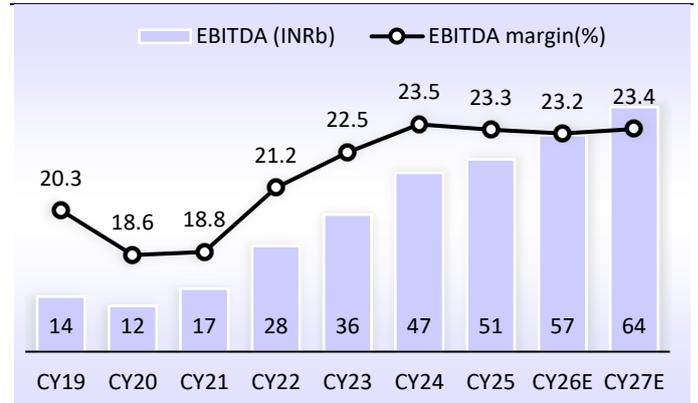


Exhibit 11: Robust earnings trajectory

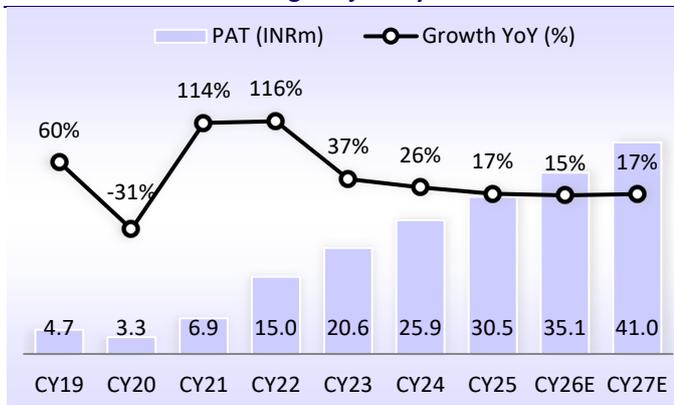


Exhibit 12: Return ratios...

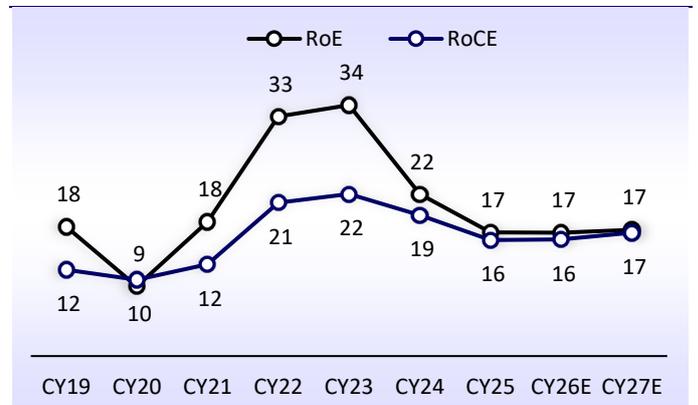


Exhibit 13: ...aided in robust cash flow generation...

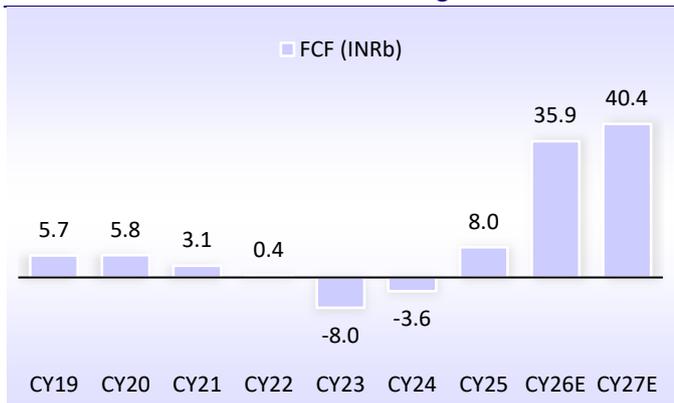


Exhibit 14: ...and net cash positive

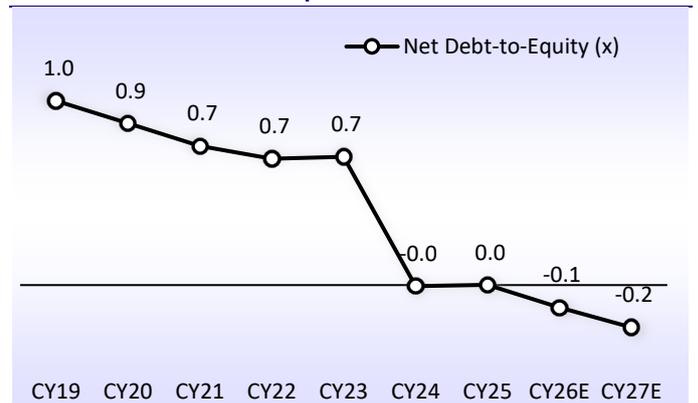
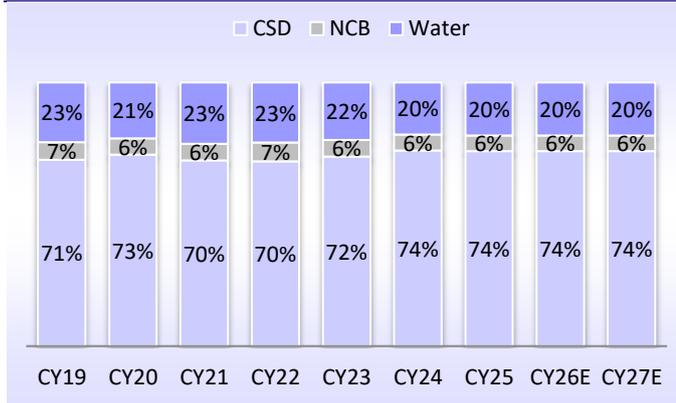
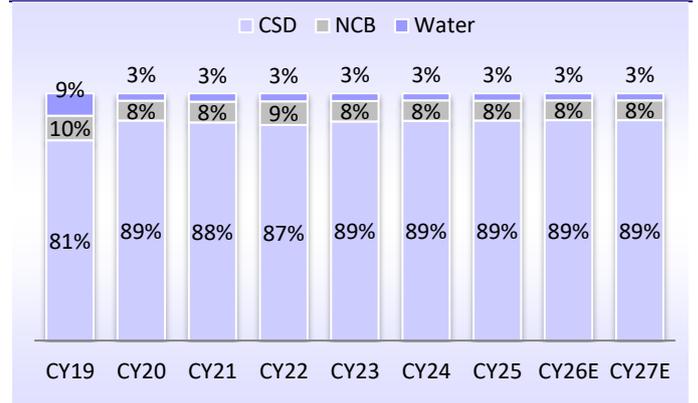


Exhibit 15: Volume mix trend



Note: CSD includes BevCo and DRC
Source: Company, MOFSL

Exhibit 16: Revenue mix trend



Note: CSD includes BevCo and DRC
Source: Company, MOFSL

Exhibit 17: Geography-wise revenue mix

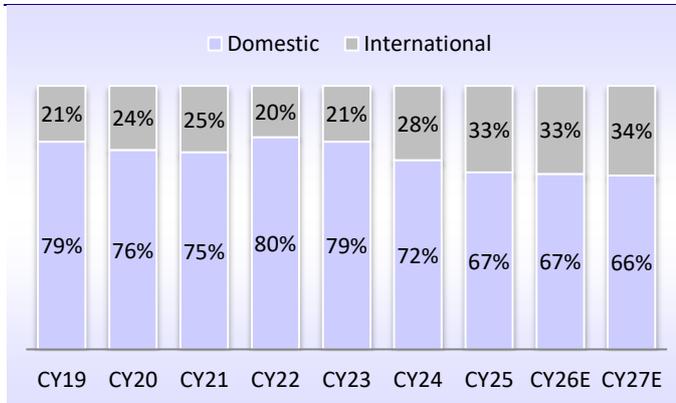
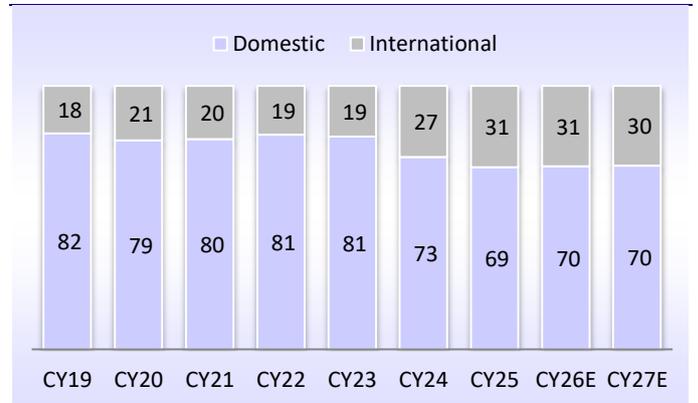


Exhibit 18: Geography-wise volume mix (%)



Financials and valuations

Consolidated - Income Statement								(INRm)
Y/E December	CY20	CY21	CY22	CY23	CY24	CY25	CY26E	CY27E
Total Income from Operations	64,501	88,232	1,31,731	1,60,426	2,00,077	2,16,854	2,45,562	2,75,637
Change (%)	-9.5	36.8	49.3	21.8	24.7	8.4	13.2	12.2
RM Cost	27,639	40,347	62,612	74,049	89,047	97,154	1,10,012	1,23,210
Employees Cost	8,897	10,077	12,166	14,466	18,850	21,867	24,311	26,186
Other Expenses	15,946	21,262	29,072	35,816	45,068	47,198	54,274	61,811
Total Expenditure	52,483	71,686	1,03,850	1,24,331	1,52,966	1,66,220	1,88,597	2,11,206
% of Sales	81.4	81.2	78.8	77.5	76.5	76.7	76.8	76.6
EBITDA	12,019	16,546	27,881	36,095	47,111	50,634	56,965	64,431
Margin (%)	18.6	18.8	21.2	22.5	23.5	23.3	23.2	23.4
Depreciation	5,287	5,313	6,172	6,809	9,474	12,165	13,653	14,234
EBIT	6,732	11,234	21,709	29,286	37,637	38,469	43,312	50,197
Int. and Finance Charges	2,811	1,847	1,861	2,681	4,504	1,696	500	500
Other Income	370	679	388	794	1,213	3,507	2,578	3,308
PBT bef. EO Exp.	4,290	10,066	20,236	27,398	34,346	40,281	45,391	53,005
EO Items	-665	0	0	0	0	140	0	0
PBT after EO Exp.	3,625	10,066	20,236	27,398	34,346	40,141	45,391	53,005
Total Tax	52	2,606	4,735	6,375	7,988	9,476	9,986	11,661
Tax Rate (%)	1.4	25.9	23.4	23.3	23.3	23.6	22.0	22.0
Share of profit from associates	0	0	0	-5	-15	-60	0	0
Minority Interest	283	520	527	459	397	256	281	309
Reported PAT	3,290	6,941	14,974	20,559	25,946	30,349	35,124	41,035
Adjusted PAT	3,251	6,941	14,974	20,559	25,946	30,454	35,124	41,035
Change (%)	-30.7	113.5	115.8	37.3	26.2	17.4	15.3	16.8
Margin (%)	5.0	7.9	11.4	12.8	13.0	14.0	14.3	14.9

Consolidated - Balance Sheet								(INRm)
Y/E December	CY20	CY21	CY22	CY23	CY24	CY25	CY26E	CY27E
Equity Share Capital	2,887	4,330	6,496	6,496	6,763	6,763	6,763	6,763
Total Reserves	32,353	36,469	44,528	62,869	1,59,335	1,89,023	2,15,693	2,48,274
Net Worth	35,240	40,799	51,024	69,365	1,66,098	1,95,786	2,22,456	2,55,037
Minority Interest	648	1,168	1,131	1,482	1,298	1,623	1,904	2,213
Total Loans	32,059	33,418	36,948	51,944	23,643	20,241	12,241	7,241
Deferred Tax Liabilities	2,149	3,087	3,368	3,430	4,879	6,192	6,192	6,192
Capital Employed	70,096	78,473	92,471	1,26,221	1,95,918	2,23,842	2,42,793	2,70,683
Gross Block	90,086	94,420	1,06,807	1,28,385	1,85,018	2,30,221	2,40,575	2,50,252
Less: Accum. Deprn.	26,242	31,555	37,727	44,536	54,010	66,174	79,827	94,061
Net Fixed Assets	63,844	62,865	69,080	83,849	1,31,008	1,64,047	1,60,748	1,56,191
Goodwill on Consolidation	242	242	242	242	3,009	3,542	3,542	3,542
Capital WIP	668	4,966	6,066	19,222	11,667	2,708	1,354	677
Total Investments	0	0	0	211	595	1,743	4,743	8,743
Current Investments	0	0	0	211	0	0	0	0
Curr. Assets, Loans&Adv.	19,719	27,721	40,794	48,347	85,160	83,612	1,08,752	1,40,194
Inventory	9,288	14,481	19,939	21,505	27,912	29,518	32,715	36,725
Account Receivables	2,418	2,212	2,993	3,594	8,458	12,490	13,455	14,348
Cash and Bank Balance	1,901	3,366	2,853	4,599	24,501	19,985	38,516	64,314
Loans and Advances	6,113	7,661	15,009	18,649	24,288	21,619	24,065	24,807
Curr. Liability & Prov.	14,378	17,322	23,711	25,651	35,521	31,810	36,347	38,665
Account Payables	5,114	7,118	8,243	7,582	15,604	14,013	15,474	16,614
Other Current Liabilities	6,893	7,622	13,135	15,117	17,283	15,387	18,417	19,295
Provisions	2,371	2,583	2,333	2,952	2,633	2,410	2,456	2,756
Net Current Assets	5,342	10,399	17,083	22,696	49,639	51,802	72,406	1,01,530
Appl. of Funds	70,096	78,473	92,471	1,26,221	1,95,918	2,23,842	2,42,793	2,70,683

Financials and valuations

Ratios

Y/E December	CY20	CY21	CY22	CY23	CY24	CY25	CY26E	CY27E
Basic (INR)								
EPS	1.0	2.1	4.4	6.1	7.7	9.0	10.4	12.1
Cash EPS	2.5	3.6	6.3	8.1	10.5	12.6	14.4	16.3
BV/Share	10.4	12.1	15.1	20.5	49.1	57.9	65.8	75.4
DPS	0.2	0.3	0.7	1.0	2.5	2.5	2.5	2.5
Payout (%)	21.9	15.6	15.2	16.4	32.6	27.9	24.1	20.6
Valuation (x)								
P/E	422.7	198.0	91.8	66.8	53.0	45.1	39.1	33.5
Cash P/E	160.9	112.1	65.0	50.2	38.8	32.2	28.2	24.9
P/BV	39.0	33.7	26.9	19.8	8.3	7.0	6.2	5.4
EV/Sales	21.8	15.9	10.7	8.9	6.9	6.3	5.5	4.8
EV/EBITDA	116.9	84.9	50.5	39.4	29.2	27.2	23.7	20.5
Dividend Yield (%)	0.1	0.1	0.2	0.2	0.6	0.6	0.6	0.6
FCF per share	1.7	0.9	0.1	-2.4	-1.1	2.4	10.6	12.0
Return Ratios (%)								
RoE	9.5	18.3	32.6	34.2	22.0	16.8	16.8	17.2
RoCE	10.4	12.5	20.9	22.1	19.2	15.8	15.9	16.8
RoIC	9.8	12.1	21.6	24.2	22.1	16.4	17.0	19.8
Working Capital Ratios								
Fixed Asset Turnover (x)	0.7	0.9	1.2	1.2	1.1	0.9	1.0	1.1
Asset Turnover (x)	0.9	1.1	1.4	1.3	1.0	1.0	1.0	1.0
Inventory (Days)	53	60	55	49	51	50	49	49
Debtor (Days)	14	9	8	8	15	21	20	19
Creditor (Days)	29	29	23	17	28	24	23	22
Leverage Ratio (x)								
Current Ratio	1.4	1.6	1.7	1.9	2.4	2.6	3.0	3.6
Interest Cover Ratio	2.4	6.1	11.7	10.9	8.4	22.7	87	100.4
Net Debt/Equity	0.9	0.7	0.7	0.7	0.0	0.0	-0.1	-0.2

Consolidated - Cash Flow Statement

(INRm)

Y/E December	CY20	CY21	CY22	CY23	CY24	CY25	CY26E	CY27E
OP/(Loss) before Tax	3,625	10,066	20,236	27,398	34,346	40,157	45,391	53,005
Depreciation	5,287	5,313	6,172	6,809	9,474	12,165	13,653	14,234
Interest & Finance Charges	2,730	1,850	1,854	2,681	4,504	1,696	-2,078	-2,808
Direct Taxes Paid	-775	-1,242	-3,733	-6,679	-7,276	-8,882	-9,986	-11,661
(Inc)/Dec in WC	-1,109	-2,688	-5,851	-6,735	-6,694	-5,711	-2,073	-3,326
CF from Operations	9,758	13,299	18,678	23,474	34,354	39,425	44,907	49,444
Others	362	-985	-778	434	-543	-4,332	0	0
CF from Operating incl EO	10,120	12,314	17,900	23,908	33,811	35,093	44,907	49,444
(Inc)/Dec in FA	-4,282	-9,229	-17,499	-31,939	-37,404	-27,124	-9,000	-9,000
Free Cash Flow	5,838	3,085	401	-8,031	-3,593	7,969	35,907	40,444
(Pur)/Sale of Investments	0	0	0	-216	-6,418	-401	-3,000	-4,000
Others	-429	-877	453	-743	654	176	2,578	3,308
CF from Investments	-4,711	-10,106	-17,046	-32,898	-43,168	-27,349	-9,422	-9,692
Issue of Shares	0	0	0	44	75,119	85	0	0
Inc/(Dec) in Debt	-2,130	1,286	3,396	15,064	-35,516	-5,007	-8,000	-5,000
Interest Paid	-2,774	-1,791	-1,717	-2,694	-4,650	-1,587	-500	-500
Dividend Paid	-722	-1,083	-1,624	-2,273	-3,248	-5,073	-8,454	-8,454
Others	407	845	-1,423	596	-2,447	-678	0	0
CF from Fin. Activity	-5,219	-743	-1,368	10,737	29,259	-12,259	-16,954	-13,954
Inc/Dec of Cash	190	1,465	-513	1,747	19,902	-4,516	18,532	25,798
Opening Balance	1,711	1,901	3,366	2,852	4,599	24,501	19,985	38,516
Closing Balance	1,901	3,366	2,852	4,599	24,501	19,985	38,516	64,314

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NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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