



# TCPL Packaging Ltd

Environment Friendly Growth



**Kyon ki bhaiya, sabse bada rupaiya.**

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**BUY @ CMP INR 530**
**Target: INR 961 in 18-24 months**
**Upside Potential: 81%**

## Environment Friendly Growth

TCPL Packaging Ltd (TCPL) prides itself on its track record of consistent growth (17.7%) over the last 15 years. It is also one among the 105 listed companies out of over 6000 that have shown growth every year for the last 10 years. Today TCPL is one of India's largest manufacturers of folding cartons and standalone converter of paperboards. It is also a preferred sustainable packaging solutions provider having marquee clients across industries.

Amidst the global thrust on sustainability, there is a shift towards paperboard based packaging and sustainable laminates. The global sustainable packaging market is forecasted to grow at a CAGR of 6.7% from USD 281 bn to USD 469 bn. This is expected to trigger another leg of high growth for the industry. Consolidation of capacities in favour of environmentally friendly technologies is expected to lower competition. Being one of the larger players with better technology and know-how, the company is well poised to take advantage of this technology transition waiting to happen in the next 10-15 years.

Commissioning of the second manufacturing line in FY22 is expected to double the Flexible Packaging capacity. This segment is expected to be the growth driver over the period FY21-24. Revenue from this vertical is expected to grow by 34.5% CAGR to INR 324 cr in FY24 improving the revenue contribution by 800 bps to 23%.

Shift from non-recyclable multi-polymer solutions to using recyclable mono-polymers is a mega trend in the offing. In its subsidiary TCPL Innofilms, the setting up of a polyethylene blown film line are baby steps in this direction. The output finds application not only in-house but also has huge commercial potential.

We value TCPL at INR 961 (14X FY24 earnings) and initiate coverage with a BUY. At the CMP of Rs 530.3 the price objective represents a potential upside of 81.2% over the next 18-24 months.

Industry	Packaging
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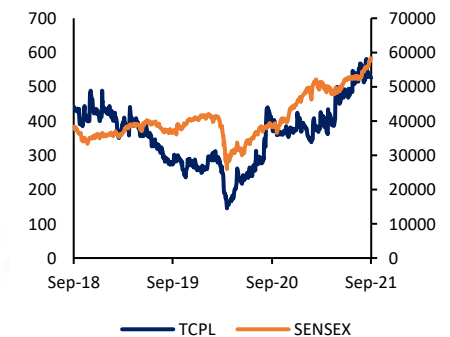
Scrip Details	
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Face Value (INR)	10.0
Market Cap (INR Cr)	483
Price (INR)	546
No of Shares O/S (Cr)	0.91
3M Avg Vol (000)	26
52W High/Low (INR)	603/312
Dividend Yield (%)	1.44

Shareholding (%)	Jun 2021
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Promoter	55.7
Institution	8.0
Public	36.2
<b>TOTAL</b>	<b>100.0</b>

Price Chart	
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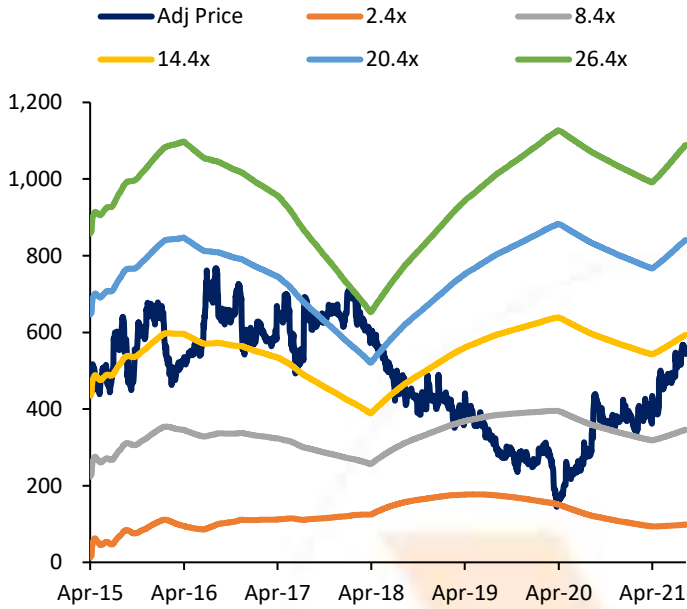


### Key Financial Data (INR Cr, unless specified)

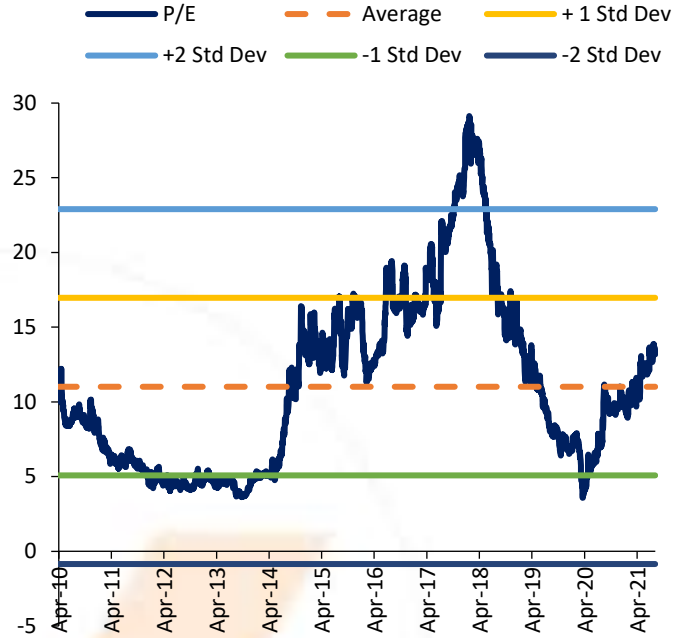
	Sales	EBITDA	Net Profit	EBITDA (%)	Net Profit (%)	EPS (₹)	BV (₹)	RoE (%)	RoCE (%)	P/E (X)	P/BV (X)	EV/EBITDA (X)
FY20	890	126.0	36.5	14.2	4.1	40.1	295.9	13.6	10.7	13.2	1.8	6.5
FY21	904	133.5	33.5	14.8	3.7	36.8	330.5	11.1	9.2	14.4	1.6	6.0
FY22E	1,028	145.8	38.0	14.2	3.7	39.5	363.8	11.5	8.6	13.4	1.5	5.7
FY23E	1,203	168.9	50.5	14.0	4.2	52.2	408.3	13.6	9.7	10.2	1.3	4.9
FY24E	1,407	199.2	64.7	14.2	4.6	67.8	465.1	15.3	10.9	7.8	1.1	4.2

**Cheap valuations and strong business potential deserves re-rating**

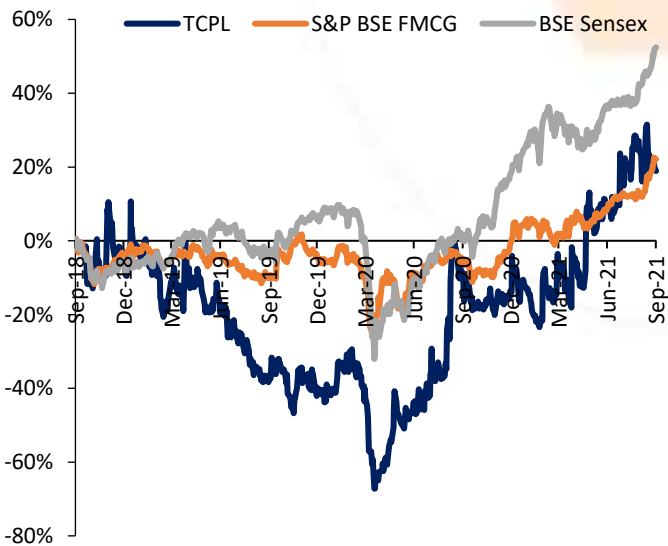
**TCPL 1 year forward P/E**



**TCPL P/E Trend**



**Price Performance of TCPL, BSE FMCG & Sensex**



**P/E: Valuation of TCPL to S&P BSE FMCG**

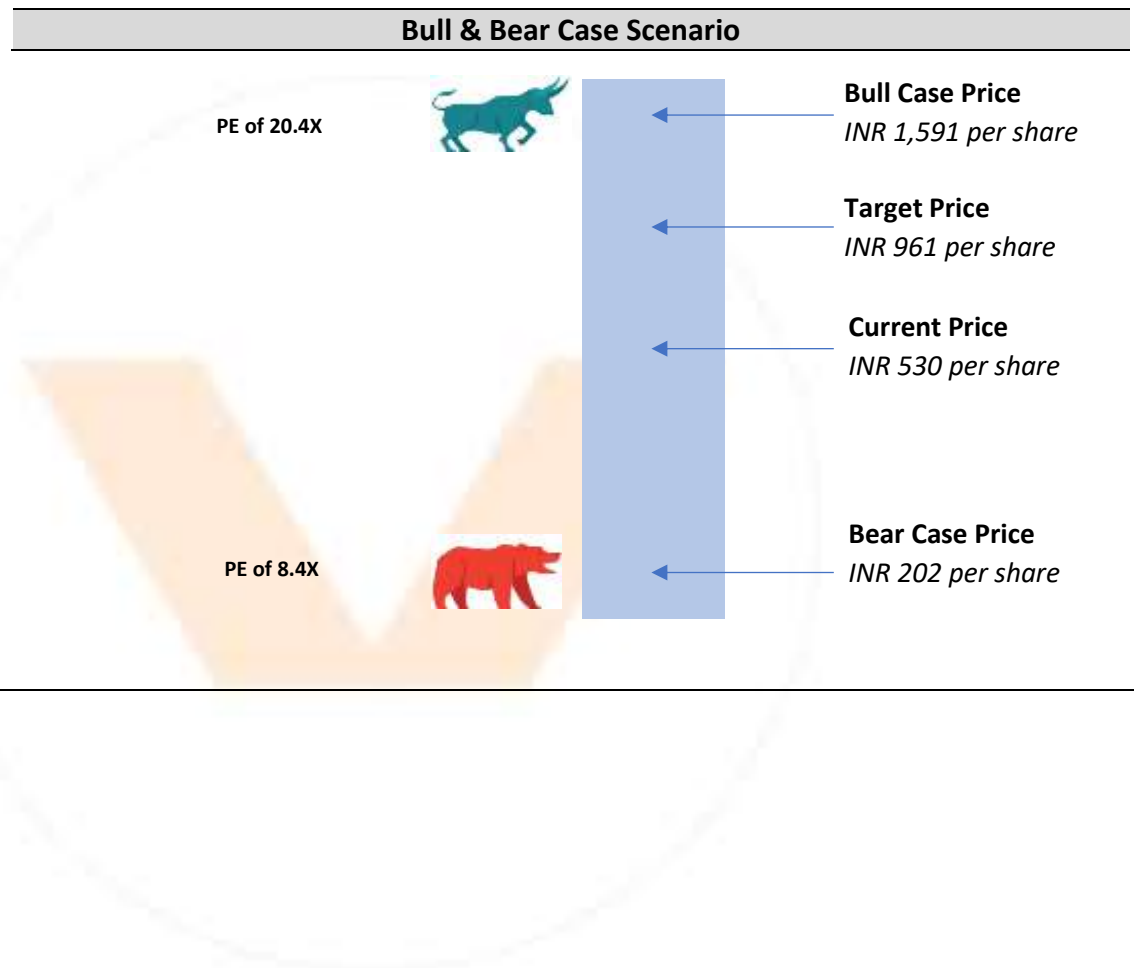


Source: Ventura Research

## Our Bull and Bear Case Scenarios

We have prepared a Bull and Bear case scenario based on FY24 P/E ratios

- **Bull Case:** We have assumed 18% CAGR in revenue with margins stable at the historical average of 14.9%. Assigning a P/E of 20.4X in FY24 will result in a Bull Case price target of INR 1,591 per share (upside of 200% from CMP)
- **Bear Case:** We have assumed 10% CAGR in revenue and margins falling to 12%. Assigning a P/E of 8.4X in FY24 will result in a Bear Case price target of INR 202 per share (downside of 62% from CMP)



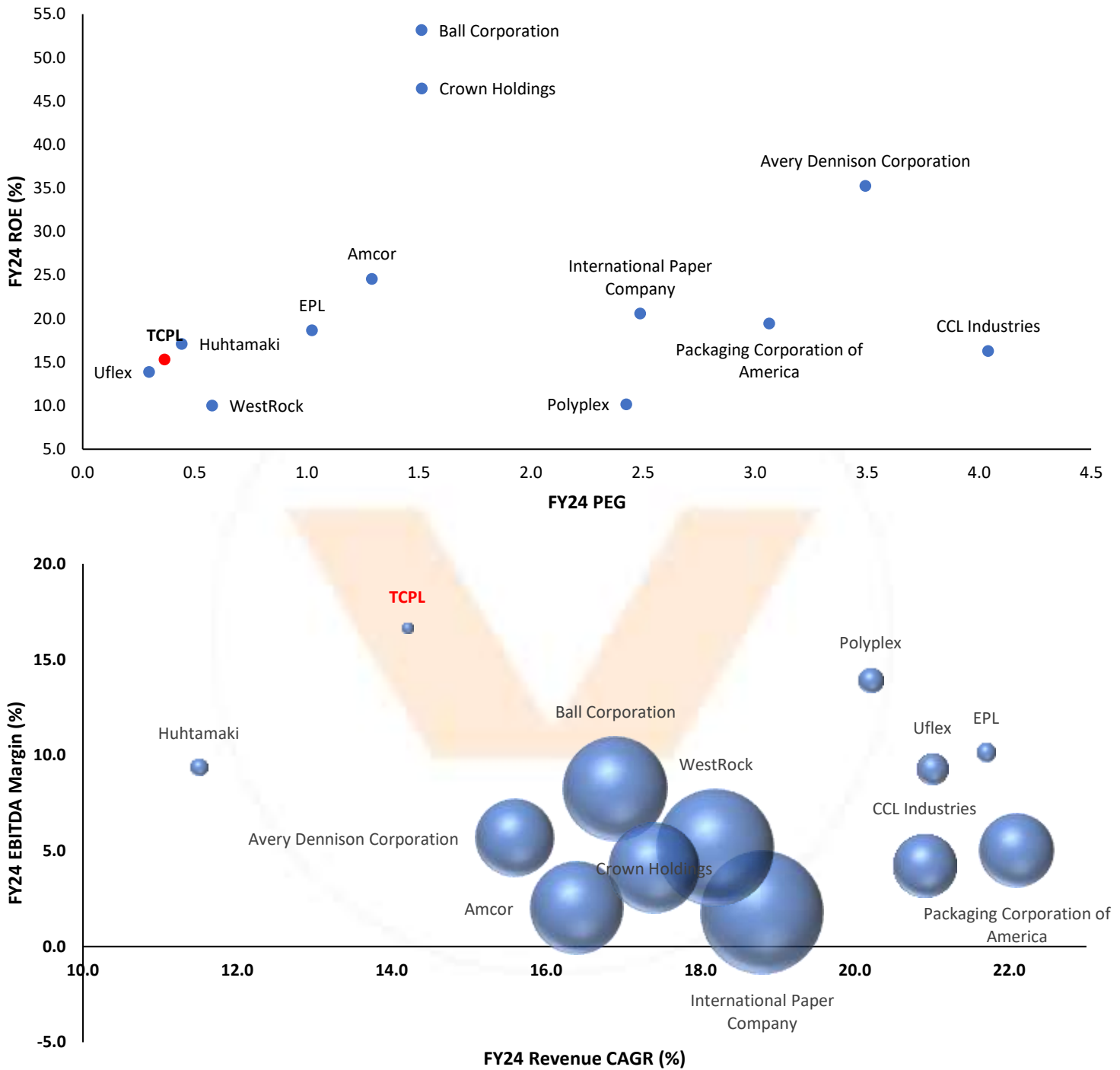
Source: Ventura Research

## Valuation and Comparable Metric of Domestic and Global packaging Companies

<i>Figures as mentioned</i>				P/E (X)				EV/EBITDA (X)				P/BV (X)				RoE (%)				RoIC (%)				Sales				EBITDA Margin (%)				Net Margin (%)			
Company Name	Mkt Cap	Price	PEG 2021-24	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
<b>Domestic Peers (Fig in INR Cr)</b>																																			
TCPL	483	530.3	0.4	14.4	13.4	10.2	7.8	6.0	5.7	4.9	4.2	1.6	1.5	1.3	1.1	11.1	11.5	13.6	15.3	9.3	8.9	9.8	11.0	904	1,028	1,203	1,407	14.8	14.2	14.0	14.2	3.7	3.7	4.2	4.6
EPL	7,637	241.8	1.0	31.6	25.1	20.2	18.9	12.8	11.5	10.0	9.2	4.4	4.1	3.7	3.6	14.8	16.8	18.9	20.9	17.9	21.7	26.1	30.2	3,061	3,473	3,822	4,094	20.5	20.3	21.2	21.7	8.2	8.8	9.9	10.1
Polyplex Corporation	2,668	1,857.8	2.4	5.3	10.3	10.4	8.1	3.4	5.6	5.4	4.3	0.9	0.7	0.6	0.6	11.8	10.0	9.1	10.2	16.8	13.9	12.6	12.7	4,913	5,485	6,240	7,266	26.1	22.2	19.7	20.2	11.5	9.7	8.5	9.1
Huhtamaki India	645	266.8	0.4	18.7	12.9	10.7	10.2	10.1	6.8	5.9	5.7	3.1	2.1	1.9	1.7	12.8	17.4	18.9	19.2	11.4	14.9	16.9	17.1	2,679	2,975	3,277	3,507	9.4	11.1	11.5	11.5	4.0	5.5	6.1	6.1
Uflex	1,561	527.3	0.3	3.2	4.0	3.5	3.2	3.2	3.3	3.0	2.9	0.5	0.6	0.5	0.5	15.2	15.4	15.1	13.9	16.1	17.8	17.4	16.4	8,891	9,958	10,953	11,611	20.6	20.9	21.0	21.2	9.5	9.7	10.1	10.7
Mold-tekk Packaging	1,642	571.9	0.9	23.4	25.8	20.4	17.3	12.5	14.3	11.8	11.3	4.3	5.3	4.4	4.1	21.2	22.3	23.4	23.6	15.1	18.4	21.3	22.8	479	596	706	797	19.7	20.1	20.7	21.3	10.0	10.9	12.0	12.5
<b>Global Peers (Fig in USD mn)</b>																																			
Ball Corporation	31,577	96.7	2.1	26.9	23.7	21.4	20.3	17.8	16.1	14.7	13.5	9.1	10.3	9.0	6.2	33.7	43.5	42.0	30.4	15.4	16.9	17.9	18.4	13,613	14,757	15,789	17,259	16.1	16.7	17.3	16.9	8.6	9.0	9.4	9.0
International Paper Company	22,852	58.5	2.5	12.2	10.5	10.8	10.8	7.6	6.4	6.4	6.3	2.6	2.3	2.1	1.7	21.2	22.2	19.5	20.6	16.7	20.2	18.7	19.3	22,718	23,436	23,263	23,935	16.3	18.1	17.6	18.0	8.2	9.2	9.1	9.3
Arcor	19,048	12.4	1.4	20.3	15.5	15.1	14.8	13.2	11.3	11.0	10.8	4.1	3.9	3.7	3.5	20.1	25.3	24.7	23.6	12.4	16.5	16.8	17.1	12,861	13,245	13,399	13,642	14.7	16.3	16.4	16.4	7.3	9.3	9.4	9.4
Avery Dennison Corporation	18,642	224.9	4.3	25.2	23.7	21.8	21.8	16.1	15.2	14.0	13.9	10.1	8.5	7.3	5.4	40.1	36.0	33.4	24.7	27.0	26.5	27.3	27.8	8,174	8,556	9,086	9,641	15.7	16.0	16.2	15.6	9.0	9.2	9.4	8.9
WestRock	13,732	51.4	0.6	15.1	9.8	9.6	9.4	7.1	5.5	5.2	5.1	1.2	1.1	1.0	0.9	7.8	11.1	10.5	10.0	8.0	11.4	12.0	12.9	18,692	20,215	19,757	21,732	16.3	18.0	18.2	18.4	4.9	6.9	7.2	7.5
Packaging Corporation of America	14,408	151.7	3.1	17.9	15.9	15.4	15.8	10.1	9.1	8.7	8.6	4.0	3.5	3.1	2.6	22.4	21.9	20.2	19.5	23.3	24.2	22.3	23.0	7,543	7,855	7,939	8,336	20.7	21.7	22.1	22.5	10.7	11.5	11.8	12.1
Crown Holdings	14,410	109.7	2.2	15.1	14.8	13.3	12.7	10.6	10.2	9.8	8.8	6.9	6.6	5.1	3.7	45.5	44.7	38.7	46.5	20.2	21.3	20.1	20.5	11,484	11,710	12,267	12,952	16.4	16.8	17.0	17.4	8.3	8.3	8.8	8.7
CCL Industries	10,342	57.5	5.9	21.2	20.2	20.3	19.3	12.0	11.5	11.3	11.1	3.9	3.6	3.4	3.1	17.2	16.3	16.3	16.3	19.6	20.9	20.9	21.7	4,458	4,640	4,887	5,033	21.3	21.3	20.8	20.9	10.9	11.0	10.4	10.7

Source: Company Reports & Ventura Research

**One of the lowest PEG ratios and highest EBITDA margins in the industry**



Source: Ventura Research, ACE Equity & Bloomberg



## Financial Analysis and Projections

Global trends in favour of sustainable printing and packaging solutions is expected to trigger the next leg of growth. We expect TCPL's revenue/EBITDA/PAT to grow at a CAGR of 16.7%/14.3%/24.6% to INR 1,407 cr/ INR 654 cr / INR 287 cr respectively over FY21-24E.

Commissioning of the second line is expected to lead to a faster 34.5% CAGR in revenue to INR 324 cr from the Flexible Packaging division compared to the 12.9% CAGR in revenue to INR 1,084 cr in the Folding cartons division. Increased contribution from the Flexible Packaging division to 23% is expected to lower EBITDA margin by 90bps to 14.2%. However, lower interest cost and adoption of new tax regime is expected to improve PAT margin by 80bps to 4.6%, over the same period.

Subsequently, RoE and RoIC are expected to improve to 15.3% (+420bps) and 11.0% (+170bps), respectively, by FY24. Enhanced visibility of profitability and cash generation should enable TCPL to maintain dividend payouts at +20% in line with historical trends.

### Financial Summary

Fig in INR Cr (unless specified)	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E
<b>Revenue</b>	612.9	698.1	815.8	889.8	903.8	1,028.2	1,203.0	1,407.5	1,618.6	1,861.4	2,140.6	2,461.7	2,830.9	3,255.6	3,743.9
<i>YoY Growth (%)</i>	3.4	13.9	16.9	9.1	1.6	13.8	17.0	17.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Raw Material Cost	320.7	406.9	491.1	520.5	523.1	606.6	721.8	851.5	979.2	1,126.1	1,295.1	1,489.3	1,712.7	1,969.6	2,265.1
Employee Cost	55.3	66.9	74.4	87.1	90.3	98.9	107.8	117.5	125.7	134.5	143.9	154.0	164.7	176.3	188.6
Other Expenses	140.3	139.2	145.8	156.3	157.0	176.8	204.5	239.3	275.2	316.4	363.9	418.5	481.3	553.4	636.5
<b>EBITDA</b>	96.6	85.1	104.4	126.0	133.5	145.8	168.9	199.2	238.5	284.3	337.7	399.9	472.2	556.2	653.8
<i>YoY Growth (%)</i>	-3.8	-11.9	22.7	20.7	5.9	9.3	15.8	17.9	19.7	19.2	18.8	18.4	18.1	17.8	17.5
<i>Margin (%)</i>	15.8	12.2	12.8	14.2	14.8	14.2	14.0	14.2	14.7	15.3	15.8	16.2	16.7	17.1	17.5
<b>Net Profit</b>	32.5	20.2	29.0	36.5	33.5	36.0	47.5	61.7	81.8	106.0	133.5	163.2	196.6	236.4	283.7
<i>YoY Growth (%)</i>	-15.2	-37.7	43.2	26.1	-8.3	13.4	33.1	28.1	31.0	28.5	25.3	21.7	20.1	19.9	19.8
<i>Margin (%)</i>	5.3	2.9	3.5	4.1	3.7	3.7	4.2	4.6	5.2	5.9	6.4	6.8	7.1	7.4	7.7
<b>Shareholder's Fund</b>	178.4	215.8	240.7	269.3	300.7	331.1	371.5	423.3	491.1	578.3	687.5	820.5	980.2	1,171.7	1,401.0
<i>Return on Equity (%)</i>	18.2	9.4	12.0	13.6	11.1	11.5	13.6	15.3	17.3	18.8	19.9	20.3	20.4	20.4	20.5
<b>Capital Employed</b>	481.7	513.6	560.9	625.6	630.8	699.5	736.2	791.0	858.1	955.5	1,077.1	1,224.9	1,402.0	1,613.9	1,866.7
<i>Return on Capital Employed (%)</i>	9.8	7.3	8.5	10.7	9.2	8.6	9.7	10.9	12.4	13.7	14.7	15.4	15.9	16.4	16.7
<b>Invested Capital</b>	471.2	498.8	554.8	609.7	624.7	676.9	721.7	784.0	842.3	920.8	1032.9	1184.7	1358.0	1553.9	1775.9
<i>Return on Invested Capital</i>	10.1	7.5	8.6	11.0	9.3	8.9	9.8	11.0	12.7	14.2	15.3	15.9	16.4	17.0	17.6
Cash Flow from Operations	80.5	47.7	81	86	111	118	132	154	183	217	258	305	358	421	495
Cash Flow from Investing	-112.2	-32.5	-87	-72	-41	-106	-101	-118	-135	-155	-200	-256	-296	-340	-390
Cash Flow from Financing	32.0	-15.4	-14	-16	-67	4	-39	-44	-40	-44	-48	-53	-59	-66	-74
<b>Net Cash Flow</b>	0.3	-0.2	-19.8	-1.5	2.9	16.3	-8.1	-7.5	8.8	19.0	9.6	-4.1	3.9	15.9	30.9
NOPLAT	47.4	37.2	47.7	67.0	58.0	62.3	74.1	89.1	109.8	134.1	161.2	191.2	226.2	267.2	315.0
<b>Free Cash Flow</b>	-50.5	-2.6	-24.9	32.0	53.7	93.4	104.3	122.6	153.4	183.7	219.5	261.8	311.2	368.5	435.1

Source: Company Reports & Ventura Research

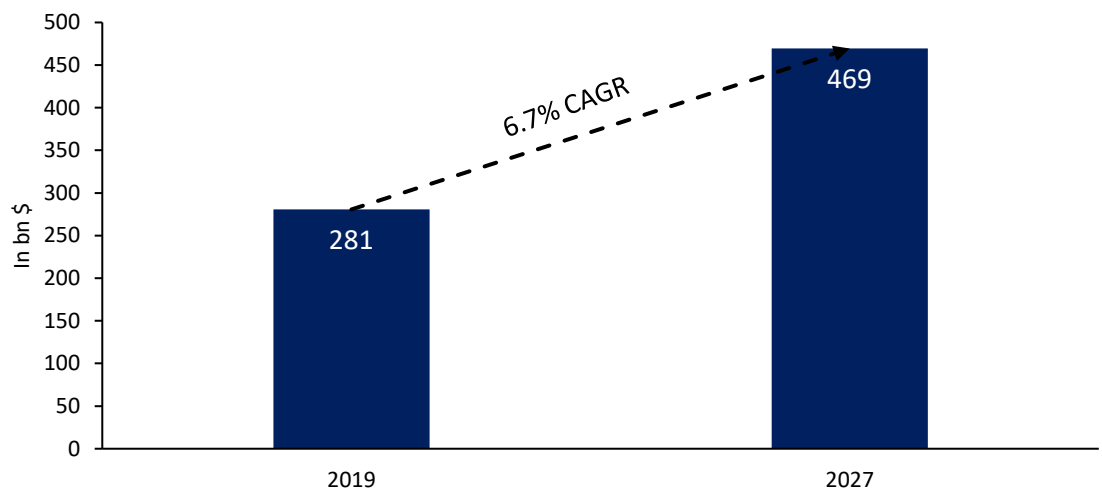


## Key Growth Drivers

**Global environmental concerns and strict government regulations are tail winds for the sustainable packaging industry**

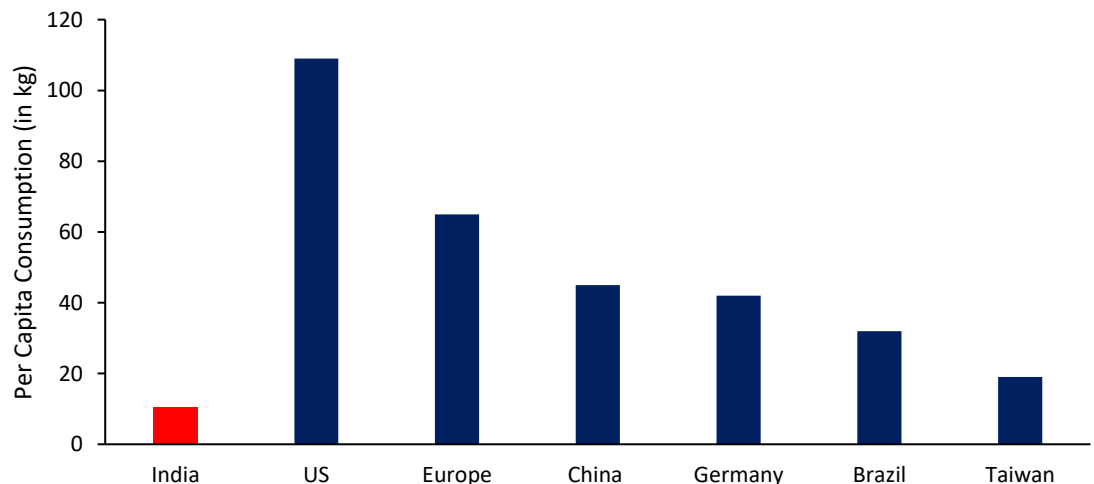
Global environmental concerns and strict government regulations regarding toxic packaging materials has improved the growth visibility for sustainable packaging solutions. We expect the industry to grow at a CAGR of 6.7% from FY19-27. In order to reduce the contamination of the environment, manufacturers are moving to eco-friendly packaging solutions and hence paper and paperboards are leading the growth for this industry. TCPL is well placed as it derives 85% of its revenues from paper and paperboard packaging.

### Global Sustainable Packaging Industry



Source: Emergen Research

### Lowest per capita consumption of packaging indicates untapped potential

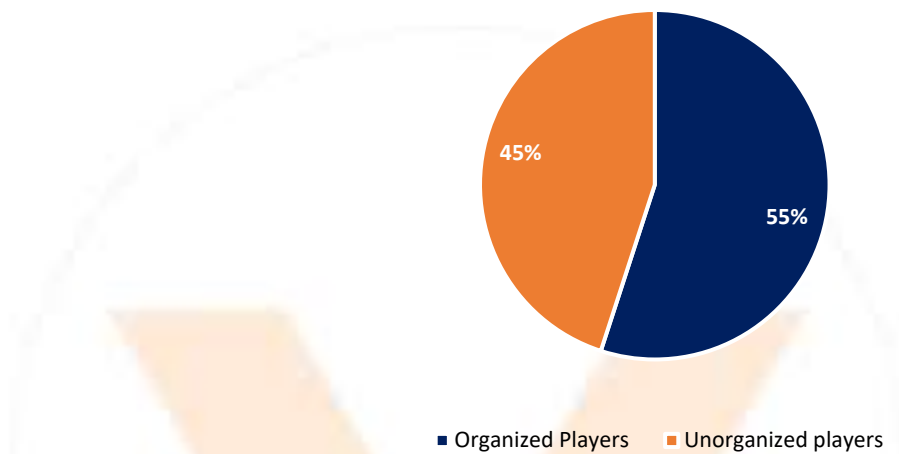


Source: Indian Institute of Packaging

**Pace of consolidation is accelerating - Advantage organized players**

The unorganized sector has been weakened majorly by 4 events i.e., implementation of GST, Demonetization, the financial crisis of 2018-19 and the Covid impact. A battered unorganized sector along with the need for investing in new technologies and sustainable packaging solutions has led to the organized sector growing their market share faster than anticipated. TCPL is one of the biggest beneficiaries of this disruption.

**Lowest per capita consumption of packaging indicates untapped potential**



**Proximity to manufacturing clusters aids in reduced costs through freight saving**

TCPL has 7 manufacturing facilities which are strategically located pan India. This enables the company to be present near the manufacturing clusters and save on freight cost.



**Diversified client base across all industry verticals**

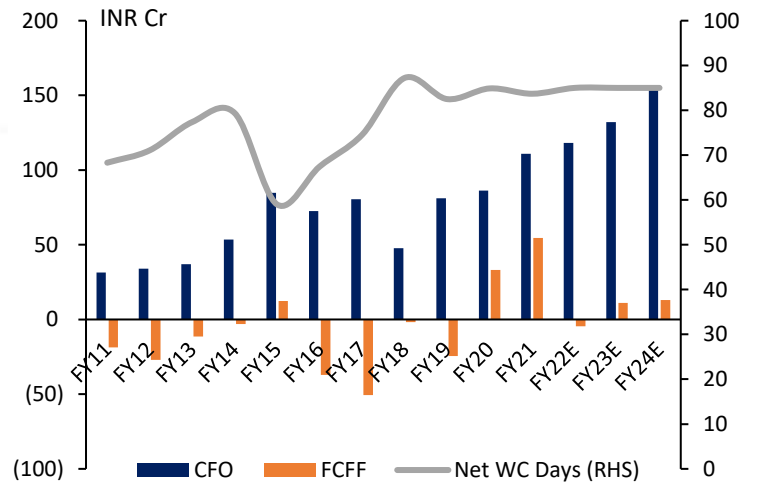
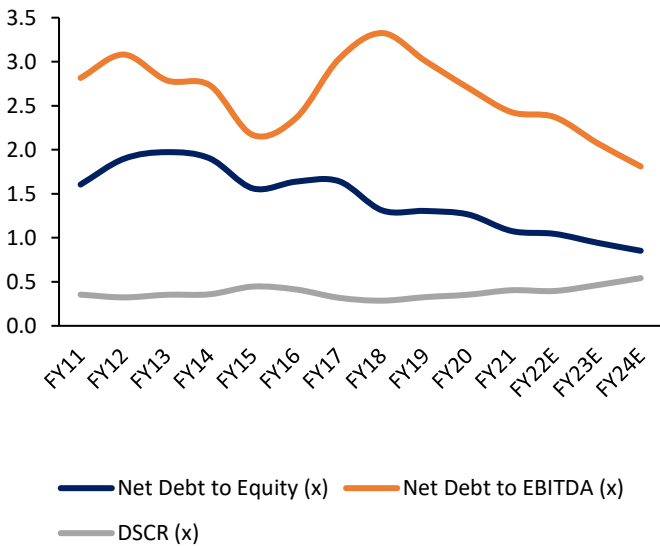
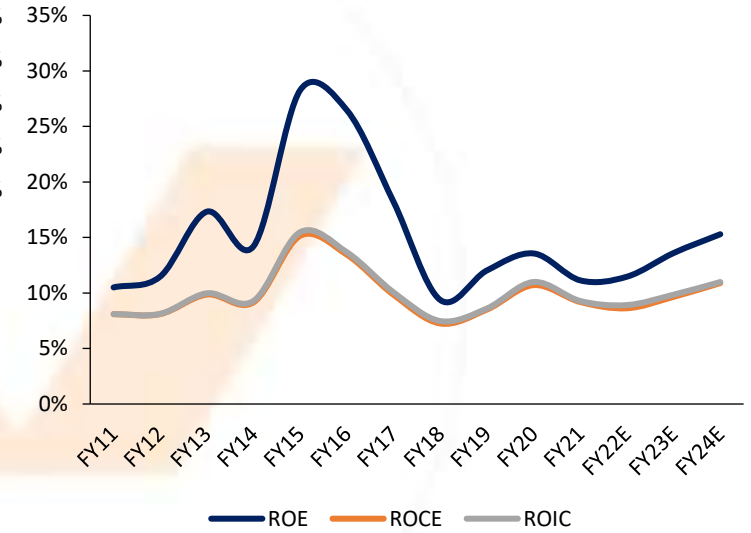
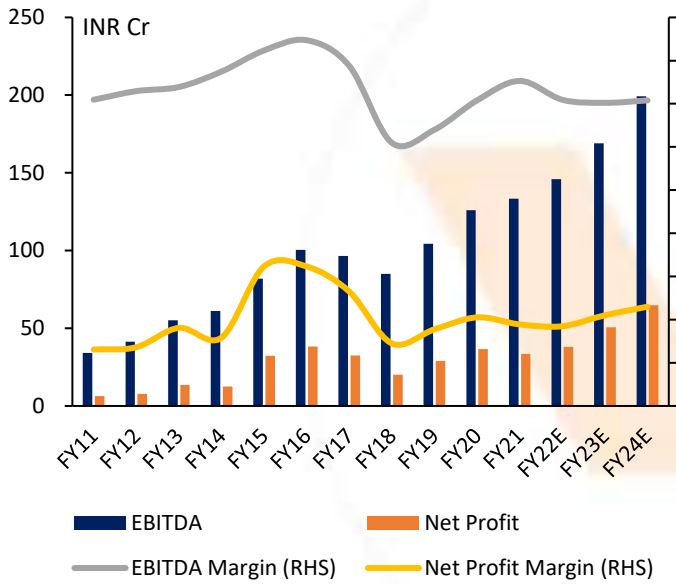
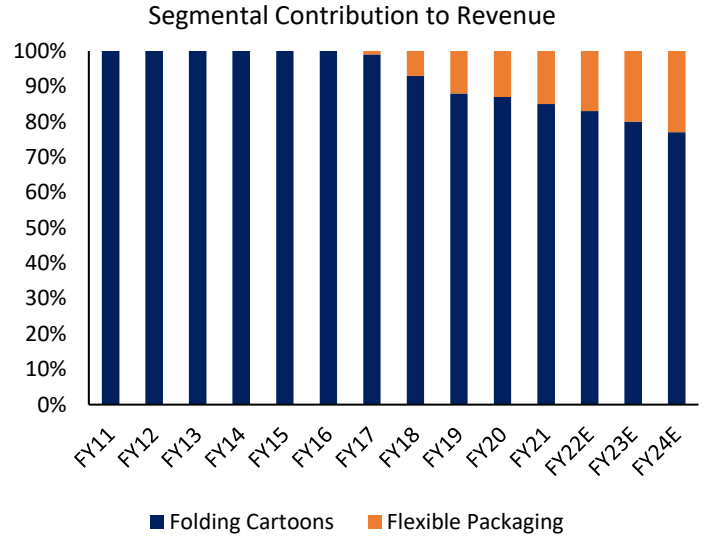
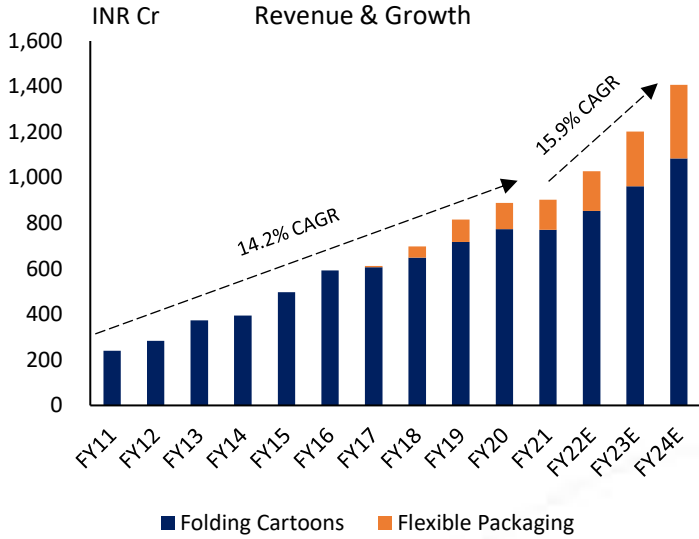
They have been leveraging their long-standing relationships (spanning over 31 years) with marquee clients across industries to gain higher wallet share in the market.

**Marquee Clients across Industries**



**TCPL has been at the forefront of technology adoption**

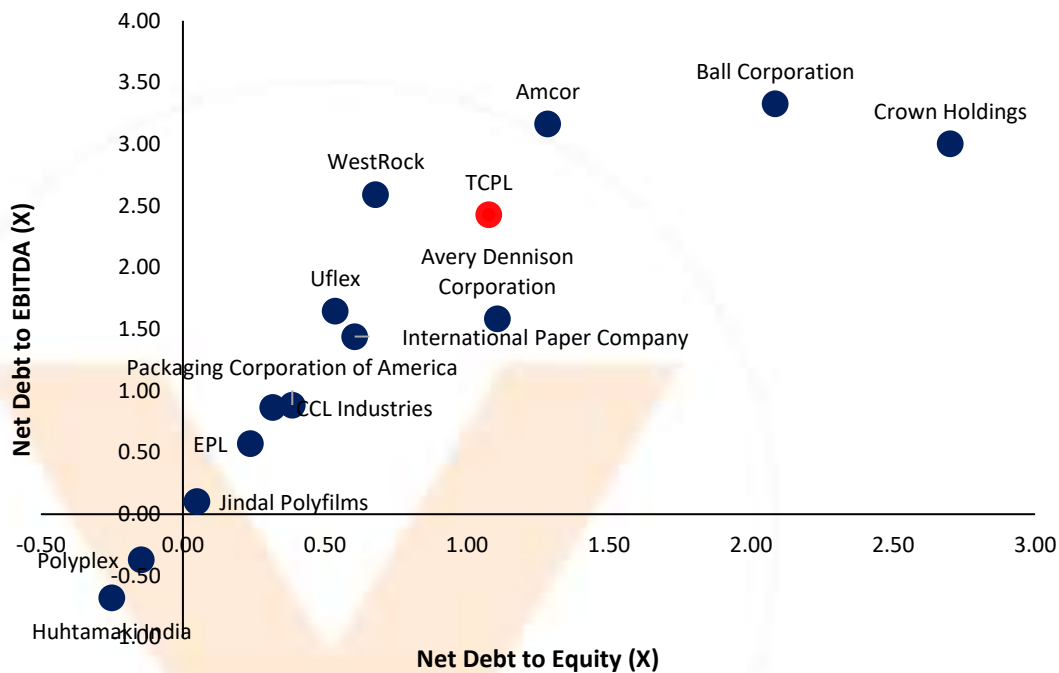
TCPL is one of the few companies that has ventured into the recyclable mono polymer packaging industry with the setting up of a polyethylene blown film line at its Silvassa plant. The recyclable polyethylene film serves a dual purpose of in-house consumption as well as sale to the market. Depending upon the traction in demand for this product, the TCPL management contemplates further investments to manufacture this innovative product.



### Balance sheet strength

TCPL compared to domestic peers has significantly higher leverage. This is likely to sustain going forth as the company aspires to invest ~10% of sales in beefing up capacities. We are not unduly worried given that the company has consistent cash flow from operations and a good repayment track record. However, valuations are expected to lag peers given the higher leverage.

#### Healthy balance sheet compared to any other player across the globe



Source: Company Reports & Bloomberg

## Key Management Personnel

Key Persons	Designation	Description
K. K. Kanoria	Executive Chairman	Graduate from Kolkata University with Hons. in Economics and Political Science, supervises the day-to-day activities of the Company mainly related to policy decisions and financial matters. He is also an Honorary Consul of The Kingdom of Morocco since August 2005.
Saket Kanoria	Managing Director	MBA-Finance from George Washington University, USA, supervises and controls the day-to-day activities of the Company.
Rishav Kanoria	Director	Graduate from University of Pennsylvania, USA and Post Graduate from Cornell University, NY, USA.
S.G. Nanavati	Executive Director	Chartered Accountant & Company Secretary, looks after Finance, Legal and General Administration matters.
Akshay Kanoria	Executive Director	Graduate from University of Pennsylvania, USA, supervises the day-to-day activities of the Company & Plants and assists the Managing Director on various policy / initiative and strategy of the Company.
Sunil Talati	Independent Director	M.Com, LL.B. and FCA, is a Senior Partner of M/s.Talati & Talati LLP, Chartered Accountants, specialised in Taxation, Auditing and other professional services. He is also past President of I.C.A.I.
Sudhir Merchant	Independent Director	Master of Management Studies (MMS), is an Industrialist having more than 40 years of experience. He is Chairman of Encore Natural Polymers Pvt. Ltd.
Atul Sud	Independent Director	MBA, IIM Ahmedabad, MA Econ, is a senior financial services specialist and businessman entrepreneur.
Rabindra Jhunjunwala	Independent Director	B.A., LL.B. (Hons.), Partner at Khaitan & Co, a leading law firm.

Source: Company reports

**Quarterly and Annual Performance**

Figures are in INR Cr	FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22	FY22E	FY23E	FY24E
Net Sales	816	206	222	233	209	890	170	245	243	246	904	226	1,028	1,203	1,407
YoY Growth (%)	13.9	0.0	0.0	0.0	0.0	16.9	15.7	6.3	11.8	4.2	9.1	-17.9	10.3	4.4	17.9
Raw Material Cost	491	126	132	137	125	520	94	139	137	153	523	136	607	722	852
YoY Growth (%)	20.7	14.2	3.6	3.3	3.9	6.0	-25.1	4.9	-0.3	22.5	0.5	44.0	16.0	19.0	18.0
Employee Cost	74	21	22	21	23	87	22	22	24	23	90	24	99	108	117
YoY Growth (%)	11.2	23.9	15.8	12.2	16.5	17.0	5.0	-0.5	10.4	0.2	3.7	6.6	9.5	9.0	9.0
Other Expenses	146	32	34	37	34	156	29	47	45	35	157	36	177	205	239
YoY Growth (%)	4.8	16.3	6.7	28.6	-11.6	7.2	-8.4	38.2	21.3	4.7	0.5	23.2	12.7	15.6	17.0
EBITDA	104	27	34	37	28	126	24	37	38	35	133	30	146	169	199
EBITDA Margin (%)	12.8	13.2	15.2	16.1	13.2	14.2	13.9	15.2	15.6	14.3	14.8	13.4	14.2	14.0	14.2
YoY Growth (%)	22.7	16.2	11.1	34.9	21.6	20.7	-13.5	10.1	1.0	27.7	5.9	28.8	9.3	15.8	17.9
Depreciation	36	11	12	13	12	48	13	13	13	13	51	13	65	74	84
EBIT	69	16	22	25	15	78	11	24	25	22	82	17	81	95	115
EBIT Margin (%)	8.4	7.7	9.8	10.6	7.3	8.7	6.3	9.9	10.2	9.1	9.1	7.5	7.8	7.9	8.2
YoY Growth (%)	37.5	5.3	1.2	32.5	14.9	12.9	-32.1	11.4	0.4	47.1	5.7	58.1	-1.7	17.8	21.2
Interest	28	9	9	10	10	37	10	9	10	8	37	8	34	34	34
Other Income	1	0	1	0	1	2	0	1	1	1	3	0	1	2	1
Exceptional Income / Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit Before Tax	42	7	14	15	6	42	1	16	16	15	47	9	48	64	82
PBT Margin (%)	5.1	3.6	6.3	6.3	3.0	4.8	0.6	6.4	6.6	6.0	5.2	4.2	4.7	5.3	5.9
YoY Growth (%)	53.7	-5.0	-3.0	15.0	-7.1	1.4	-85.8	12.4	8.4	141.2	12.0	796.1	1.5	32.2	29.9
Tax Rate (%)	30.5	27.3	38.7	27.8	-93.4	13.6	33.3	33.2	37.7	15.4	29.3	36.8	21.0	20.4	21.5
Profit After Tax	29	5	9	11	12	37	1	11	10	13	33	6	38	51	65
PAT Margin (%)	3.5	2.6	3.9	4.6	5.7	4.1	0.4	4.3	4.1	5.1	3.7	2.6	3.7	4.2	4.6
YoY Growth (%)	43.2	8.0	-22.1	45.0	112.7	26.1	-87.0	22.4	-6.4	5.6	-8.3	750.1	7.4	32.2	29.9
Adjusted EPS	31.8	5.9	9.4	11.7	13.1	40.1	0.8	11.5	10.9	13.8	36.8	6.5	41.7	55.5	71.1
Shareholder's Funds	241		248			269		279			301		331	372	423
BV per share	264.5		273.0			295.9		306.7			330.5		363.8	408.3	465.1
Net Debt	314		310			340		296			324		346	350	361
Net Debt to Equity	1.3		1.2			1.3		1.1			1.1		1.0	0.9	0.9
Net Debt to EBITDA	3.0		2.8			2.7		2.4			2.4		2.4	2.1	1.8
Capex	90.0		83.2			61.2		66.2			54.5		100.0	96.2	112.6
RoE(%)	12.0		10.8			13.6		12.1			11.1		11.5	13.6	15.3
ROIC	8.6		8.6			11.0		13.0			9.3		8.9	9.8	11.0
P/E	16.7	16.5	17.9	16.0	13.2	13.2	15.2	14.3	14.6	14.4	14.4	12.4	12.7	9.6	7.5
P/B	2.0		1.9			1.8		1.7			1.6		0.7	0.8	0.9
EV/EBITDA	7.6		7.1			6.5		6.2			6.0		5.7	4.9	4.2

Source: Company Reports &amp; Ventura Research



## Financial Analysis & Projections

Figures in Rs Cr	FY20	FY21	FY22E	FY23E	FY24E	Figures in Rs Cr	FY20	FY21	FY22E	FY23E	FY24E
<b>Income Statement</b>						<b>Per Share Data &amp; Yields</b>					
Net Revenue	889.8	903.8	1,028.2	1,203.0	1,407.5	Adjusted EPS	40.1	36.8	39.5	52.2	67.8
YoY Growth (%)	9.1	1.6	13.8	17.0	17.0	Adjusted CEPS	93.3	93.4	111.2	133.5	160.3
Raw Material Cost	520.5	523.1	606.6	721.8	851.5	Adjusted BVPS	295.9	330.5	363.8	408.3	465.1
YoY Growth (%)	6.0	0.5	16.0	19.0	18.0	CFO per share	94.7	122.0	129.9	145.2	169.3
Gross Profit	369.3	380.7	421.6	481.2	556.0	CFO Yield	19.6	25.3	26.9	30.1	35.1
YoY Growth (%)	13.7	3.1	10.7	14.1	15.5	FCF per share	36.4	60.0	-7.3	8.9	11.0
Margin (%)	41.5	42.1	41.0	40.0	39.5	FCF Yield	7.5	12.4	-1.5	1.8	2.3
Operating Cost	243.3	247.3	275.7	312.3	356.7	<b>Solvency Ratio (X)</b>					
YoY Growth (%)	10.5	1.6	11.5	13.3	14.2	Total Debt to Equity	1.3	1.1	1.1	1.0	0.9
<b>EBITDA</b>	<b>126.0</b>	<b>133.5</b>	<b>145.8</b>	<b>168.9</b>	<b>199.2</b>	Net Debt to Equity	1.3	1.1	1.0	0.9	0.9
YoY Growth (%)	20.7	5.9	9.3	15.8	17.9	Net Debt to EBITDA	2.7	2.4	2.4	2.1	1.8
Margin (%)	14.2	14.8	14.2	14.0	14.2	Interest Coverage Ratio	2.1	2.2	2.4	2.8	3.4
Depreciation & Amortization	48.4	51.5	65.2	74.0	84.1	Debt Service Coverage Ratio	0.4	0.4	0.4	0.5	0.5
EBIT	77.6	82.0	80.6	95.0	115.1	<b>Working Capital Ratios</b>					
YoY Growth (%)	12.9	5.7	-1.7	17.8	21.2	Payable Days	36	46	42	40	40
Margin (%)	8.7	9.1	7.8	7.9	8.2	Receivable Days	66	72	72	70	70
Other Income	2.1	2.5	1.4	2.3	1.4	Inventory Days	55	58	55	55	55
Finance Cost	37.4	37.2	34.0	33.7	34.1	Net Working Capital Days	85	84	85	85	85
PBT	42.3	47.4	48.1	63.5	82.5	<b>Return Ratios (%)</b>					
YoY Growth (%)	1.4	12.0	1.5	32.2	29.9	Return on Equity	13.6	11.1	11.5	13.6	15.3
Margin (%)	4.8	5.2	4.7	5.3	5.9	Return on Capital Employed	10.7	9.2	8.6	9.7	10.9
Tax	5.8	13.9	12.1	16.0	20.8	Return on Invested Capital	11.0	9.3	8.9	9.8	11.0
Tax Rate (%)	13.6	29.3	25.2	25.2	25.2	<b>Valuation (X)</b>					
<b>PAT</b>	<b>36.5</b>	<b>33.5</b>	<b>36.0</b>	<b>47.5</b>	<b>61.7</b>	P/E	13.2	14.4	13.4	10.2	7.8
YoY Growth (%)	26.1	-8.3	7.4	32.2	29.9	P/BV	1.8	1.6	1.5	1.3	1.1
Margin (%)	4.1	3.7	3.5	4.0	4.4	EV/EBITDA	6.5	6.0	5.7	4.9	4.2
Minority Interest	0.0	0.0	2.0	3.0	3.0	EV/Sales	0.9	0.9	0.8	0.7	0.6
<b>Net Profit</b>	<b>36.5</b>	<b>33.5</b>	<b>38.0</b>	<b>50.5</b>	<b>64.7</b>	<b>Cash Flow Statement</b>					
YoY Growth (%)	26.1	-8.3	13.4	33.1	28.1	Profit Before Tax	42.3	47.4	48.1	63.5	82.5
Margin (%)	4.1	3.7	3.7	4.2	4.6	Add: Depreciation	48.4	51.5	65.2	74.0	84.1
<b>Balance Sheet</b>						Add: Finance Cost	37.4	37.2	34.0	33.7	34.1
Share Capital	9.1	9.1	9.1	9.1	9.1	Change in other assets & liabilities	-12.0	-11.4	15.2	17.6	21.7
Total Reserves	260.2	291.6	322.0	362.4	414.2	Change in working capital	-21.1	-0.3	-32.2	-40.7	-47.6
<b>Shareholders' Fund</b>	<b>269.3</b>	<b>300.7</b>	<b>331.1</b>	<b>371.5</b>	<b>423.3</b>	Less: Tax Paid	-8.8	-13.3	-12.1	-16.0	-20.8
Long Term Borrowings	151.4	131.6	165.0	155.0	140.0	<b>Cash Flow from Operations</b>	<b>86.2</b>	<b>111.0</b>	<b>118.2</b>	<b>132.1</b>	<b>154.0</b>
Other Long Term Financial Liabilities	16.2	14.2	12.0	10.0	10.0	Net Capital Expenditure	-61.2	-54.5	-100.0	-96.2	-112.6
Other Non Current Liabilities	11.6	10.0	10.0	10.0	11.7	Change in other investments	-10.5	13.1	-6.3	-4.4	-4.9
Deferred tax liabilities	24.8	27.1	28.8	33.7	39.4	<b>Cash Flow from Investing</b>	<b>-71.7</b>	<b>-41.4</b>	<b>-106.3</b>	<b>-100.7</b>	<b>-117.5</b>
Long Term Provisions	5.9	6.5	7.1	7.7	8.4	Change in Short Term Borrowings	17.0	-12.2	14.9	16.3	18.0
<b>Total Liabilities</b>	<b>479.2</b>	<b>490.1</b>	<b>554.0</b>	<b>587.9</b>	<b>632.8</b>	Change in Long Term Borrowings	15.3	-10.1	33.4	-10.0	-15.0
Gross Block	545.7	592.0	692.0	788.3	900.9	Change in Lease Liability	-5.1	-6.0	-2.2	-2.0	0.0
Less: Accumulated Depreciation	132.0	178.8	239.0	307.6	385.9	Dividend Paid	-5.8	-3.8	-7.6	-10.1	-12.9
<b>Net Block</b>	<b>413.6</b>	<b>413.2</b>	<b>453.0</b>	<b>480.7</b>	<b>514.9</b>	Less: Finance Cost	-37.4	-34.6	-34.0	-33.7	-34.1
Capital WIP	1.3	10.9	13.6	14.4	15.4	<b>Cash Flow from Financing</b>	<b>-16.0</b>	<b>-66.7</b>	<b>4.5</b>	<b>-39.5</b>	<b>-44.1</b>
Right Of Use Assets	36.7	33.7	32.4	30.9	29.0	Net Cash Flow	-1.5	2.9	16.3	-8.1	-7.5
Intangible Assets	1.7	1.3	1.1	0.9	0.9	Opening Balance of Cash	1.8	0.2	3.1	19.4	11.3
Investment in Subsidiaries	0.0	4.4	0.0	0.0	0.0	<b>Closing Balance of Cash</b>	<b>0.2</b>	<b>3.1</b>	<b>19.4</b>	<b>11.3</b>	<b>3.8</b>
Other Financial Assets	4.8	5.0	5.0	5.0	5.0						
Other Non Current Assets	11.0	8.8	10.0	11.7	13.6						
Net Current Assets	10.1	12.8	38.8	44.4	53.9						
<b>Total Assets</b>	<b>479.2</b>	<b>490.1</b>	<b>554.0</b>	<b>587.9</b>	<b>632.8</b>						

Source: Company Reports &amp; Ventura Research

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