



Q4FY22 Update | Consumer Electronics | 2 June 2022

Dixon Technologies (India) Ltd.

Healthy top-line growth; margins improved YoY & QoQ basis; order book healthy; outlook remains positive

Dixon reported a healthy revenue growth of ~40% YoY in Q4FY22, mainly driven by an over three-fold jump in the Mobile & EMS revenues. Q4FY22 EBITDA margins improved ~22bps YoY & ~65bps QoQ at ~4%, on account of operating leverage, improvement in the cost structure in all the segments and continued implementation of strategic price increases in the ODM business of Lighting and Washing machine. The margins are expected to improve further as more price hikes are underway. It has 5 PLIs under its umbrella now and doing significant investments over the same. The businesses for key segments like Mobile, Home Appliances are ramping up and expected to gather pace over FY23-24e. Over next 2-3 years, the normalized level of margins seen in the range of ~4-4.2%. The ROCE and ROE are expected to go back to normal level in next 9-15 months. We remain positive on the company's mid-to-long term potential and recommend the stock with "Buy" rating.

Q4FY22 earnings key highlights

- Dixon's Q4FY22 net revenues grew ~40.0% YoY at Rs 29,528 mn, led by Mobile & EMS segment (+346.4% YoY) and Home Appliances (+59.8% YoY) and. Mobile & EMS has become the largest segment with revenue contribution of ~43.8%, surpassing Consumer Electronics at ~34.2%.
- EBITDA Margins improved ~22bps YoY and ~65bps QoQ at ~4.0%, as key segments like Mobile & EMS, Home Application and Consumer Electronics business saw improvement in margins.
- Q4FY22 Net Profit stood up by ~42.6% YoY at Rs 631 mn; PAT margins remained flat YoY at ~2.1%.

Segment performance

- LED TV:** Revenue declined ~14.6% YoY at Rs 10,104 mn on decline in volume and realizations. Revenue share declined to ~34% (~56% YoY), ODM mix decreased to ~5% (~6% YoY). Margins improved ~43bps YoY at ~2.8%. Received a huge LED TV order in the ODM segment from a large global brand; commercial production already started. Expect significant volume from the brand in current FY23. LED TV's FY23 volume seen up ~40% YoY at ~4.2 mn units.
- Lighting Products:** Revenues fell ~20.2% YoY at 3,046 million; Margins down ~93bps YoY at ~7.1%. ODM revenue share flat at ~90%. In final stage of technical approval from a large global brand; exports are expected to commence from FY23. Already a beneficiary of PLI scheme in LED lights.
- Mobile & EMS:** Revenues jumped ~346.4% YoY at Rs 12,941 million. Margins improved ~57bps YoY at ~3.4%. Revenue share increased to ~43.8% (~13.7% YoY). Motorola business ramped up; order book of ~1.5 mn units for Q2FY23. Segment revenue seen at Rs 70k-75k mn in FY23.
- Home Appliances:** Revenue increased ~59.8% YoY at Rs 2,341 mn. Margins up by ~92bps YoY at ~7.9%. Delivery of FATL WM has started for Bosch. Has tied up with additional customers; delivery to start from Feb-22. FY23 volume seen up by ~30% YoY at ~1.6 mn units.

Update on new product offerings

- LED monitor production started from Apr-22; expect a volume of ~0.5 mn units in the 1st year.
- To incur a capex of Rs 200 mn in FY23 in LED lighting PLI scheme; Rs 1,000 mn over 5 years.
- Setting up ~2 lac sq ft mobile factory in Noida to cater Nokia, i-tel; production to start from Q1FY23.
- Laptop production started for Acer in one month; also to start manufacturing tablets.
- Setting up 1.2 mn annual capacity for Refrigerator; set a mass production target by Q2FY24.

Outlook remains positive

We believe that Dixon's strong performance to continue over FY22-FY24E on the back of robust order pipeline, new client additions, new product launches, capacity expansion and substantial increase in mobile revenue. Post Q4FY22earnings, we have revised our price target at Rs 4,483, valuing the stock at 50x FY24e EPS. We have a "Buy" rating on the stock.

Y/E Mar (Rs mn)	Q4 FY22	Q4 FY21	YoY (%)	Q3 FY22	QoQ (%)
Total Income	29,528	21,097	40.0	30,733	-3.9
COGS	26,823	18,960	41.5	28,147	-4.7
SG&A Expenses	1,523	1,339	13.7	1,556	-2.1
EBITDA	1,182	798	48.1	1,030	14.8
EBITDA margin (%)	4.0	3.8	22 bps	3.4	65 bps
Depreciation	191	123	55.7	282	-32.1
Interest	139	71	95.5	120	16.3
Other Income	18	10	85.7	7	171.6
PBT	869	614	41.6	635	36.9
Tax Expenses	238	171	38.9	171	38.9
-effective tax rate	27.3	27.9	-54 bps	26.9	40 bps
Reported PAT	631	443	42.6	464	36.1
PAT margin (%)	2.1	2.1	4 bps	1.5	63 bps

Source: Company, SMIFS Research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	PAT	YoY (%)	EPS (Rs)	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY20	44,001	47.4	2,231	5.1	1,205	90.2	20.3	26.2	32.5	190.0	102.6
FY21	64,482	46.5	2,866	4.4	1,598	32.6	26.9	25.0	31.9	143.3	80.2
FY22	1,06,971	65.9	3,791	3.5	1,903	19.1	32.1	22.0	25.1	120.3	61.1
FY23e	1,69,431	58.4	6,490	3.8	3,525	85.2	59.4	30.5	31.5	65.0	35.7
FY24e	2,16,913	28.0	9,393	4.3	5,321	50.9	89.7	34.1	34.7	43.0	24.2

Source: Company, SMIFS research estimates

Rating: Buy Upside: 16.2%
 Current Price: 3,859 Target Price: 4,483

Earlier recommendation

Previous Rating: Buy
 Previous Target Price: 5,171

Market data

Bloomberg:	DIXON IN
52-week H/L (Rs):	6,244/3,181
Mcap (Rs bn/USD bn):	229/2.9
Shares outstanding (mn):	59.34
Free float:	65.70%
Avg. daily vol. (3M in'000):	407
Face Value (Rs):	2.0
Group:	Nifty 500

Source: Bloomberg, SMIFSresearch

Shareholding pattern (%)

	Mar-21	Dec-21	Sep-21	Jun-21
Promoter	34.30%	34.52%	34.93%	35.03%
FIIIs	16.39%	18.51%	18.41%	19.85%
DIIIs	7.98%	7.60%	8.74%	9.48%
Public/ot	41.33%	39.37%	37.92%	35.64%

Source: BSE

Price performance (%)*

	1M	3M	12M	36M
Nifty500	-4.7%	-1.6%	6.6%	43.6%
Dixon	-11.5%	-9.9%	-5.2%	694.9%

*as on 01 Jun-22; Source: AceEquity, SMIFSresearch

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Q4FY22 – Key takeaways from the management call

Demand environment good; margins improved YoY and QoQ

- ✓ **Q4FY22 EBITDA margins improved ~22bps YoY & ~65bps QoQ at ~4%**, on account of operating leverage, improvement in the cost structure in all the segments and continued implementation of strategic price increases in the ODM business of Lighting and Washing machine. **Further price increase are underway, however, gaps still exists.**

LED TV

- ✓ **LED TV capacity is at ~5.5 mn units** including the LCM and SMT, which is ~35% of the domestic demand. **Facility at Tirupati campus is fully backward integrated.** Total area for the facility is at ~4.5 lac sq ft.
- ✓ Doing further investment in additional SMT lines of LED TVs and injection moulding unit.
- ✓ Has **received a huge LED TV order in the ODM segment from a large global brand**; commercial production has started from the month of May-22. Expect **significant volume from the brand in current FY23.**
- ✓ **FY23 LED TV volume is expected to grow by ~40%** over ~3 mn units done in FY22. The **margins are expected to be in the same line** on back of operating leverage and backward integration.
- ✓ Got **order for LED monitors from a large global brand**; production has already started for one of the brand in Apr-22. Expect a volume of ~0.5 mn units in the 1st year and a **significant growth in order book from 2nd year**; margins are expected to be in the same range as LED TV.
- ✓ As the prices for open cells have come down, the LED TV realizations to come down to ~Rs 11k-11.5k from Rs 12k-14k seen in FY22. **Expect LED TV segment to contribute Rs 5.5k revenue in FY23.**

Lighting

- ✓ **Segment margins down ~93bps YoY at ~7.1%** in Q4FY22; **Expects to return to normalized level of margins** of ~8%-9% from Q2FY23 onwards.
- ✓ LED Bulb capacity is largest in India at ~300 mn units across different SKUs, which is ~50% of the domestic demand. Battens capacity is at ~5 mn/ month (vs domestic market of ~9 mn/ month), Down-lighters at ~1.5 mn/ month (vs domestic market of ~3 mn/ month). **Segment order book is healthy.**
- ✓ **Closely working with a large global brand** for technical and commercial approval; exports are expected to commence in FY23.
- ✓ Already a beneficiary of PLI scheme in LED lights; To incur a capex of Rs 200 mn in FY23; Committed to do investment of Rs 1,000 mn over 5 years.

Home Appliances (WM)

- ✓ Company has now **largest capacity for semi automatic WM at ~2.4 mn units**; ~160 models in the category with largest portfolio ranging from 6-14 kgs.
- ✓ Has set up an industrial foot-print in Dehradun, which will be ready in next couple of months and will be sufficient to meet additional demand ahead of festive season.
- ✓ Expect a **volume in the semi-automatic WM category to grow ~30% YoY from ~1.1 mn units in FY22 to ~1.6 mn in FY23.** Current monthly run-rate is 12-15k units.
- ✓ Company has now capacity of ~0.6 mn units for fully automatic WM with 96 variants ranging from 6.5-11 kgs. Demand run-rate is good at ~115-125k per month.
- ✓ Delivery for FTL WM has already started for anchor customer Bosch. Recently, the company has **tied up with additional customers like Lloyd, Thomson.** Also made agreement with a big customer, whose delivery to start from Q2FY23.
- ✓ Focusing more on making the segment more R&D driven, to serve the industry with the latest and innovative technology.
- ✓ Company did volume of ~1.1 mn in Semi-automatic WM during FY22; **Expects to do a volume of ~1.6 mn in FY23.** Also it sees volume of ~289k in FTL WM in FY23, taking total volume to ~1.9 mn units. Sees some improvement in the operating margins.

Mobile

- ✓ The **mobile business for Motorola, which is the anchor customer, has been ramped up** completely and stabilized and volume run-rate is ~400k units per months. Have strong order book of ~1.5 mn for Q2FY23, for domestic and export markets. Expect monthly run-rate to increase to ~500k units per month. **For FY23, the company expect revenue from Mobile & EMS segment to reach Rs 70,000-75,000 mn**, of which significant portion to come from Motorola. Around 60% of Motorola production to go for exports in North America.
- ✓ Have **also started manufacturing feature phones for Nokia**, in addition to the smart phone company is already manufacturing. The monthly volume, after it is stabilized, is expected at ~0.5 mn/ month. Has added one more customer iTel for feature phone business, for which the **production to start from June-2022**; expected annual volume is ~1 mn.
- ✓ To meet additional demand from new customer and increased demand from Motorola; company has taken ~2 lac sq feet facility in Noida.
- ✓ In addition to 2G phone that the company is doing for Samsung, the orders for 4G and 5G phone have already increased significantly from ~1 mn/ month to ~1.5 mn/ month and expected to increase to ~1.7 mn/ month in coming months. Samsung is reducing feature phone volume and shifting to 4G, 5G phones.
- ✓ Has become **first company to achieve the ceiling revenue and threshold investment for FY22 in the PLI scheme** for mobile. Has already claimed for PLI incentives and expected to receive the same in the coming months.
- ✓ **Volume of Set-top Boxes stood at ~6.6 lac** for customers like Jio, Dish TV, Siti Cable and Sun TV in Q4; STB revenue recorded at Rs 770 mn with margin of ~2.7%. Order book position looks stable.

Security devices (50% JV)

- ✓ Order book position is healthy for the segment; **doing capex to increase capacities from ~10 mn/ annum to ~14 mn/ annum by Q2FY23**.
- ✓ Relocating manufacturing unit from Tirupati to Kopparthi electronics manufacturing cluster, where company has take ~2 lc q ft facility.

Refrigerator

- ✓ **To create ~1.2 mn unit capacity for Direct Cool refrigerator, which will be further expanded to Frost Free category**. Company to manufacture Direct Cool refrigerator in the capacities ranging from 190-235 L with multiple features and star ratings. The **domestic market size is expected at ~10-12 mn units for DC category**; ~4mn units for Frost Free and other category.
- ✓ Have made product design, concluded technology partner agreement. Company has **acquired ~20 acre land in Greater Noida** and construction to launch soon; orders for the machinery will be placed in coming weeks. Started engaging with various customers and has **set a mass production target by Q2FY24**.

Laptop, IT hardware

- ✓ Started laptop manufacturing for Acer in Dec-21; initial volume is small but it is expected to increase this fiscal. Also in **advance discussion to close an agreement for the manufacturing of tablets** for one of the largest brand; production is expected to commence from Q2FY23.
- ✓ Company is already a beneficiary of PLI scheme in IT, hardware products. It has **achieved the threshold revenue in FY22**; also done investments in Q4FY22. The company is qualified for incentives under the scheme for Q4FY22.

Telecom and networking products

- ✓ Company has 51:49 JV with Beitel for manufacturing telecom and networking products. It is already a beneficiary under PLI scheme. **Production for Airtel has already started** from one of the existing plant in Noida; strong order book from Airtel in this category.

PLI for white goods (PCBA for ACs and LED Lights)

- ✓ **Formed a 40:60 JV with Rexxam**, who is a partner with the company for last 5 years; design and technology partner with Daikin. Rexxam want to make India as a manufacturing and designing hub for both domestic and export market.
- ✓ JV is a beneficiary under PLI; production to start from Q2FY23. Out of Rs 510 mn investment, Dixon has committed Rs 204 mn over 5 years.
- ✓ **Finalized the manufacturing location at Noida; production expected in Q2FY23.** Revenue potential is good with healthy EBITDA margins and strong return ratios.

Wearables

- ✓ India is currently the 3rd largest and fastest growing market for wearables.
- ✓ Recently entered into a **50:50 JV with 'Imagine Marketing' for its flagship brand boAt** for manufacturing and design for wearables and hearables.
- ✓ **Manufacturing largest selling SKU, i.e. TWS; estimated annual volume of order is ~7 mn.**
- ✓ **To also start manufacturing Net Band, another high selling SKU** with an estimated annual order volume of 4.24 mn units. As partnership extend more categories to be added like Bluetooth devices and smart watches; sees smart watches as another high growth market.
- ✓ Also waiting for PLI scheme rollout in the wearables category.

Capex

- ✓ Done Rs 4,000 mn capex in FY22; **FY23 capex seen at ~Rs 3,400 mn**, mainly towards PLI scheme, expansion, construction and advances for refrigerator project.
- ✓ As cash flows improve, debt levels to go down; D/E ratio is expected remain in the same range.

Price hike

- ✓ **Company did a price hike of ~1.5-2% in WM, ~1-1.5% lighting;** need to do more such price hikes.

Guidance

- ✓ **Looking for a top-line growth of ~55-60% at Rs 170k-175k mn**, led by mobile segment; targeting margins in the range of 4-4.5% for FY23.
- ✓ **Sees normalized level of overall margins in the range of ~4-4.2% over 2-3 years.**
- ✓ The historical levels for ROCE and ROE have remained at ~30% and ~24%, respectively. Company targets to go back that level in the next ~9-15 months.

Outlook and Valuations

Going forward, margins are expected to remain in the range of ~4-4.2% over FY23-24e (vs ~3.5% in FY22 & ~4.4% in FY21). The order book continues to remain healthy across the business verticals. Dixon has 5 PLIs under its umbrella now and currently doing significant investments over the same. The businesses for key segments like Mobile, Home Appliances are ramping up and expected to gather pace over FY23-24e.

We believe that Dixon's strong top-line performance to continue over FY23-FY24e on the back of *a) robust order book across segments, b) new client additions in LED TV, Lighting, Mobile & EMS and Home Appliances c) new product launches like LED monitors, Fully Automatic Top Load Washing Machine, Commercial lights, Direct-cool refrigerator, IT Hardware, Telecommunication and Networking equipments, d) capacity expansion across key segments, e) backward integration into LED TV and f) substantial increase in mobile revenue due to PLI scheme.*

Post Q4FY22 results, we have revised our **price target at Rs 4,483** valuing the stock at **PE of 50x FY24e EPS of Rs 89.7**, which offers an **upside of ~16.2%**. We recommend the stock with a **"Buy"** rating.

Key Risks

- Company's dependence on certain key customers,
- No firm and long term bulk purchase commitments with clients.
- Shortages of raw materials or rise in its prices may adversely affect the business.

Quarterly financials, operating metrics & key performance indicators

Fig 1: Quarterly Financials

Y/E March (Rs mn)	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
Net Revenue	5,169	16,387	21,828	21,097	18,673	28,038	30,733	29,528
Cost of Goods Sold	4,550	14,447	19,740	18,960	17,291	25,532	28,147	26,823
Employee Costs	198	359	377	437	361	546	533	537
Other Expenditure	253	688	706	902	541	860	1,023	986
EBITDA	169	894	1,005	798	479	1,100	1,030	1,182
Depreciation	93	109	113	123	150	216	282	191
Interest	57	69	77	71	91	91	120	139
Other Income	2	3	1	10	4	10	7	18
PBT	22	718	817	614	241	802	635	869
Tax	6	195	201	171	59	176	171	238
Tax rate (%)	25.9	27.1	24.6	27.9	24.6	21.9	26.9	27.3
Reported PAT	16	524	616	443	182	626	464	631
EPS (In Rs)	0.3	8.8	10.4	7.5	3.1	10.6	7.8	10.6
YoY Growth (%)								
Net Revenue	-54.9	16.9	119.6	146.1	261.2	71.1	40.8	40.0
EBITDA	-67.9	41.8	95.0	42.8	183.5	23.1	2.5	48.1
Reported PAT	-93.2	21.7	134.2	60.5	1035.0	19.6	-24.7	42.6
QoQ Growth (%)								
Net Revenue	-39.7	217.0	33.2	-3.3	-11.5	50.2	9.6	-3.9
EBITDA	-69.8	429.2	12.4	-20.6	-40.0	129.7	-6.4	14.8
Reported PAT	-94.2	3172.5	17.6	-28.1	-59.0	244.9	-26.0	36.1
Margin (%)								
Gross	12.0	11.8	9.6	10.1	7.4	8.9	8.4	9.2
EBITDA	3.3	5.5	4.6	3.8	2.6	3.9	3.4	4.0
PAT	0.3	3.2	2.8	2.1	1.0	2.2	1.5	2.1

Segment Results

Revenue

Consumer Electronics	3,487	9,605	13,598	11,824	12,623	14,865	14,104	10,104
Lighting Solutions	777	2,957	3,486	3,817	1,535	3,957	4,304	3,046
Home Appliances	241	1,454	1,152	1,465	706	2,240	1,801	2,341
Mobile & EMS	531	1,974	2,992	2,899	3,059	5,986	9,397	12,941
Security Devices (50%)	134	397	555	1,092	751	990	1,127	1,096
	5,169	16,387	21,828	21,097	18,673	28,038	30,733	29,528

Revenue Mix (%)

Consumer Electronics	67.5	58.6	62.3	56.0	67.6	53.0	45.9	34.2
Lighting Solutions	15.0	18.0	16.0	18.1	8.2	14.1	14.0	10.3
Home Appliances	4.7	8.9	5.3	6.9	3.8	8.0	5.9	7.9
Mobile & EMS	10.3	12.0	13.7	13.7	16.4	21.4	30.6	43.8
Security Devices (50%)	2.6	2.4	2.5	5.2	4.0	3.5	3.7	3.7

EBITDA

Consumer Electronics	87	269	399	282	298	361	303	284
Lighting Solutions	58	277	332	307	69	316	280	217
Home Appliances	4	173	118	103	44	190	121	186
Mobile & EMS	20	163	138	74	42	193	279	457
Security Devices (50%)	0	12	20	31	26	41	47	38
	169	894	1,005	798	479	1,100	1,030	1,182

EBITDA margin

Consumer Electronics	2.5	2.8	2.9	2.4	2.4	2.4	2.2	2.8
Lighting Solutions	7.4	9.4	9.5	8.1	4.5	8.0	6.5	7.1
Home Appliances	1.7	11.9	10.2	7.0	6.3	8.5	6.7	7.9
Mobile & EMS	3.8	8.2	4.6	2.5	1.4	3.2	3.0	3.5
Security Devices (50%)	0.1	2.9	3.5	2.9	3.5	4.1	4.2	3.4
	3.3	5.5	4.6	3.8	2.6	3.9	3.4	4.0

ODM Revenue

Consumer Electronics	3.0	3.0	6.0	6.0	6.0	4.0	3.0	5.0
Lighting Solutions	90.0	90.0	91.0	90.0	84.0	93.0	93.0	90.0
Home Appliances	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, SMIFSresearch

Financial Statements

Income Statement					
Y/E March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
Net Revenue	44,001	64,482	1,06,971	1,69,431	2,16,913
% Growth	47.4	46.5	65.9	58.4	28.0
Material Cost	38,602	57,697	97,792	1,54,216	1,96,566
% of revenues	87.7	89.5	91.4	91.0	90.6
Gross Profit	5,399	6,784	9,178	15,215	20,347
Gross margin (%)	12.3	10.5	8.6	9.0	9.4
Employee Cost	1,180	1,371	1,978	3,134	4,013
% of revenues	2.7	2.1	1.8	1.9	1.9
Other Expenses	1,989	2,548	3,409	5,591	6,941
% of revenues	4.5	4.0	3.2	3.3	3.2
EBITDA	2,231	2,866	3,791	6,490	9,393
EBITDA margin (%)	5.1	4.4	3.5	3.8	4.3
Depreciation & Amortisation	365	437	840	1,089	1,339
EBIT	1,865	2,429	2,952	5,400	8,054
Interest Cost	350	274	442	803	1,091
PBT from operations	1,516	2,154	2,510	4,597	6,963
Other Income	52	16	38	120	157
Share of P/L of JV	-	-	-1	-	-
PBT	1,568	2,170	2,547	4,717	7,120
Tax Expenses	363	572	644	1,192	1,799
Effective tax rate (%)	23.9	26.6	25.7	25.9	25.8
Reported PAT	1,205	1,598	1,903	3,525	5,321
No. of shares (mn)	11.6	58.7	59.3	59.3	59.3

Source: Company, SMIFS research estimates

Key Ratios					
Y/E March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
Growth (%)					
Net Revenue	47.4	46.5	65.9	58.4	28.0
EBITDA	65.4	28.5	32.3	71.2	44.7
Reported PAT	90.2	32.6	19.1	85.2	50.9
Margins (%)					
Gross margin	12.3	10.5	8.6	9.0	9.4
EBITDA margin	5.1	4.4	3.5	3.8	4.3
EBIT margin	4.2	3.8	2.8	3.2	3.7
PBT Margin	3.4	3.3	2.3	2.7	3.2
PAT Margin	2.7	2.5	1.8	2.1	2.5
Return Ratios (%)					
RoE	26.2	25.0	22.0	30.5	34.1
RoCE	32.5	31.9	25.1	31.5	34.7
RoA	7.6	7.0	5.3	7.2	8.1
Working capital days					
Inventory Days	43	39	35	41	41
Debtors days	43	45	42	43	43
Creditors Days	79	84	75	87	91
Cash Conversion period	6	1	2	-2	-7
Turnover Ratio (x)					
Asset Turnover	2.8	2.8	3.0	3.5	3.3
Fixed Asset Turnover	16.1	18.0	18.4	20.1	21.6
Working Capital Turnover	17.9	17.7	23.8	24.5	19.3
Solvency Ratio (x)					
Debt/Equity	0.2	0.2	0.5	0.5	0.5
Net Debt/Equity	-0.0	-0.0	0.1	0.1	-0.2
Net Debt/EBITDA	-0.1	-0.0	0.4	0.2	-0.3
Dividend					
DPS (Rs)	4.0	-	2.0	4.3	7.4
Dividend yield (%)	0.1	-	0.1	0.1	0.2
Dividend payout (%)	3.9	-	6.2	7.2	8.2
Per Share Data (In Rs)					
Reported EPS	20.3	26.9	32.1	59.4	89.7
BVPS	467.9	125.7	168.0	222.2	303.8
CFS	205.1	29.0	46.0	80.6	154.3
Valuation Ratios (x)					
P/E	190.0	143.3	120.3	65.0	43.0
P/BV	8.2	30.7	23.0	17.4	12.7
EV/ EBITDA	102.6	80.2	61.1	35.7	24.2
EV/ Sales	5.2	3.6	2.2	1.4	1.0

Source: Company, SMIFS research estimates

Balance Sheet					
Y/E March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
Source of funds					
Share Capital	116	117	119	119	119
Reserves & Surplus	5,298	7,256	9,849	13,067	17,907
Shareholder's fund	5,413	7,373	9,968	13,186	18,025
Minority Interest	-	-	6	6	6
Total Borrowings	867	1,561	4,580	6,580	8,580
Net deferred tax liability	148	184	201	201	201
Other non-current liabilities	959	1,393	2,265	2,339	2,503
Total Equity & Liabilities	7,386	10,511	17,020	22,311	29,315
Application of funds					
Gross Block	4,966	6,672	11,883	15,181	18,454
Less: Accumulated Dep.	825	1,170	1,847	2,724	3,806
Net Block	4,141	5,502	10,037	12,456	14,648
Capital WIP	96	724	220	220	220
Net Assets	4,236	6,226	10,257	12,677	14,868
Other non-current assets	271	320	1,045	1,239	1,664
Inventories	4,978	7,432	11,557	14,319	19,707
Trade Receivables	5,151	10,891	13,564	16,259	22,726
Cash and Cash Equivalents	1,002	689	1,823	4,060	10,231
Loans & advances	-	25	4	4	4
Investments	-	953	1,350	1,350	1,350
Other Current assets	1,331	1,921	3,172	5,033	6,422
Total Current Assets	12,462	21,911	31,470	41,026	60,440
Trade payables	9,391	17,097	23,137	30,001	43,848
Other Current Liabilities	193	850	2,615	2,629	3,810
Total Current Liabilities	9,583	17,946	25,752	32,630	47,658
Net Current Assets	2,878	3,965	5,718	8,396	12,783
Total Assets	7,386	10,511	17,020	22,311	29,315

Source: Company, SMIFS research estimates

Cash Flow Statement					
Y/E March (Rs mn)	FY20	FY21	FY22	FY23e	FY24e
PBT	1,568	2,170	2,547	4,717	7,120
Depreciation & Amortisation	365	437	840	1,089	1,339
Interest & dividend Income	-27	-5	-7	-74	-119
Interest expense	350	274	442	803	1,091
Op. profit before w.c. changes	2,380	2,993	3,909	6,536	9,433
Changes in working capital	423	-743	-641	-561	1,523
Taxes Paid	-429	-549	-540	-1,192	-1,799
Cash Flow from Op. Activities (a)	2,373	1,701	2,728	4,783	9,156
Capital Expenditure	-1,081	-1,680	-4,174	-3,509	-3,530
Net Investments	152	-953	-452	-	-
Cash Flow from Investing Activities (b)	-993	-2,654	-4,645	-3,435	-3,411
Net issuance of equity	457	269	642	-	-
Net borrowings	-570	688	3,026	2,000	2,000
Dividend paid (including tax)	-83	-	-59	-308	-483
Interest expense	-377	-322	-567	-803	-1,091
Cash Flow from Financing Activities (c)	-574	635	3,043	889	426
Net change in cash (a+b+c)	807	-318	1,126	2,237	6,171

Source: Company, SMIFS research estimates

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